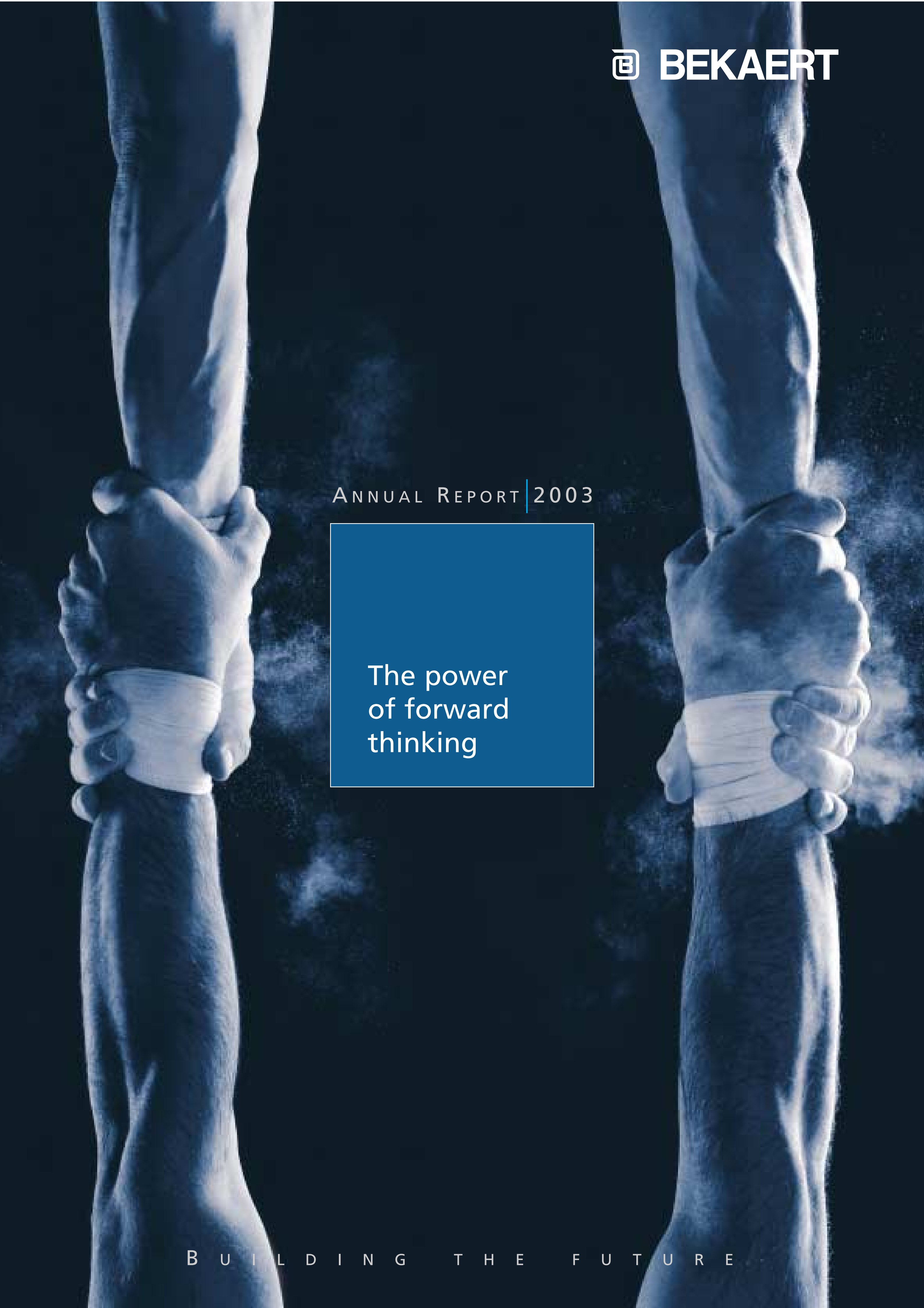


BEKAERT

ANNUAL REPORT | 2003

The power of forward thinking

BUILDING THE FUTURE

Summary of 2003 results

- Overall strong performance
- Result from operations reached €112 million, an increase of 74%
- A net result of €85 million
- EPS before goodwill amounts to €4.32
- A proposed gross dividend of €1.748 per share, an increase of 4%

IFRS

In 2003, Bekaert decided to move to full compliance with IFRS as a 'first-time adopter'; consequently the results are compliant with the application of IFRS 1. Bekaert now reports in four segments (advanced wire products, fencing systems Europe, advanced materials and advanced coatings). This reporting is introduced in accordance with the standard IAS 14 (see page 46).

Sales

At €1.8 billion, consolidated sales were down by 3.6%. At constant currencies, consolidated sales would have been up by 4.1%. This growth was driven by organic growth (2.4%) and by new acquisitions, net of divestments (1.7%). Sales were favourably affected by the increasing activities in Asia and in Central Europe, while sales in North America and Western Europe remained weak.

Sales 2003 by segment	Consolidated		
in millions of euro	€	%	Δ2002
Advanced wire products	1 196	66.6	(0.8%)
Fencing systems Europe	383	21.3	(8.5%)
Advanced materials	103	5.7	5.5%
Advanced coatings	112	6.2	(6.5%)
Others and intersegment sales	3	0.2	-
TOTAL	**1 797**	**100%**	**(3.6%)**

Combined sales[1] amounted to €2.6 billion, a decrease of 6.8%, but, at constant currencies, combined sales would have increased by 3.2%, despite difficult economic circumstances.
Sales of the joint ventures and associates decreased by 13.3% to €0.8 billion but would have increased by 2% at constant currencies. Bekaert performed well in the joint ventures due to the good activity level in Latin America in the whole range of wire products.

Profitability

Bekaert achieved a consolidated result from operations (EBIT) of €112 million, an increase of 74% compared with 2002 that was adversely affected by non-recurring items. This 2003 result represents a margin of 6.2% on sales. At constant currencies, the result from operations would have been €138 million or 7.1% on sales. The capital employed amounted to €1 231 million, while the return on capital employed was 9%.

Result from operations by segment	2003		
in thousands of euros	EBIT	EBIT / sales	EBITDA
Advanced wire products	121 213	10.1%	206 460
Fencing systems Europe	25 445	6.6%	43 701
Advanced materials	7 738	7.5%	13 746
Advanced coatings	(2 104)	(1.9%)	11 827
Others (*)	(40 491)	(2.3%)	(36 626)
TOTAL	**111 801**	**6.2%**	**239 108**

(*) 'Others' comprises mainly R&D and Group Services.

Consolidated net result of the Group

The consolidated net result of the Group amounted to €85 million or €96 million before goodwill amortization. The earnings per share were respectively €3.85 and €4.32. The share in the result of companies accounted for under the equity method increased from €23 million to €35 million, mainly driven by the Latin American companies and the exit from Unisolar.

Balance sheet

The balance sheet remains strong. At the end of 2003, shareholders' equity accounted for 43% of total assets. Net debt remained constant at €364 million and the gearing ratio at 31 December, defined as net debt on equity, was 44%. Working capital remained also stable at €354 million or 19.6% on sales.

Cash flow

The operational cash flow (EBITDA) reached €239 million, an increase of 6% and the consolidated cash flow amounted to €222 million, an increase of 8%, representing a cash flow per share of €10.07.

Dividend

The Board of Directors will propose to the Annual General Meeting of Shareholders, that the gross dividend be increased by 4% up to €1.748 per share.

[1] Combined sales are the sales realised by the consolidated companies, joint ventures and associated companies.

Key figures

Combined[1] figures[2]

in millions of euros

	2003	2002	2001
Sales	2 618	2 810	2 815
Capital expenditures	140	119	222
Personnel (no.)	17 183	16 836	17 461

Consolidated statements[2]

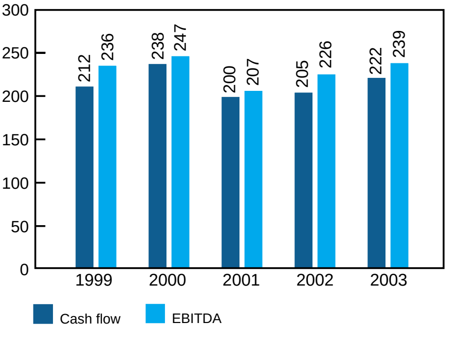
	2003	2002	2001
Income statement key figures			
Sales	1 797	1 863	1 796
Result from operations (EBIT)	112	64	60
Consolidated net result	85	(46)	48
Net result before goodwill	96	(31)	57
Minority interest	8	6	3
Depreciation	127	149	145
of which goodwill	7	11	6
Balance sheet key figures			
Equity (incl. minority interests)	822	802	982
Non-current assets	1 154	1 164	1 416
Capital expenditures (P, P&E)	109	78	122
Balance sheet total	1 926	1 922	2 246
Net debt	364	366	544
Capital employed (CE)	1 231	1 256	1 485
Working capital (WC)	354	351	421
Cash flow	222	205	200
Operational cash flow (EBITDA)	239	226	207
Personnel (no.)	11 204	10 071	10 438
Ratios			
EBITDA / sales	13.3%	12.1%	11.6%
EBIT / sales	6.2%	3.4%	3.3%
EBIT / CE (ROCE)	9.0%	4.7%	4.2%
Net result / equity (ROE)	11.4%	(4.4%)	5.0%
Equity / total assets	42.7%	41.8%	43.7%
Net debt / equity (gearing)	44.2%	45.6%	55.4%
EBIT interest coverage	6.2	2.6	2.2
Net debt / EBITDA	1.5	1.6	2.6

Joint ventures & associated companies[2]

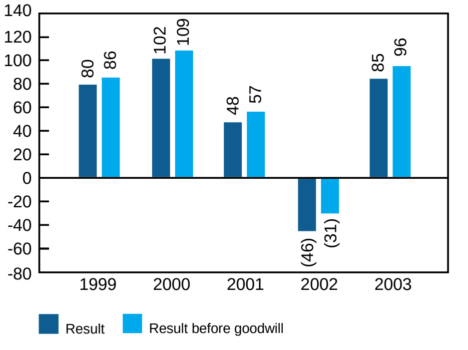
	2003	2002	2001
Sales	821	947	1 019
Result from operations	111	106	96
Net result	78	55	40
Share in result	35	23	17
Capital expenditures	31	41	100
Depreciation	41	49	47
Goodwill	3	4	4
Equity	179	185	276
Personnel (no.)	5 979	6 765	7 023

[1] Combined figures are the figures realised by the consolidated companies, joint ventures and associated companies.
[2] Definitions and historical review: see Information for shareholders (page 49).

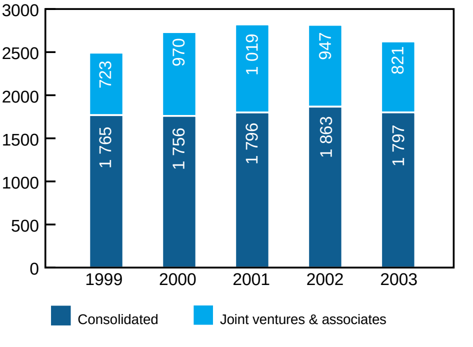
Cash flow (in millions of euros)



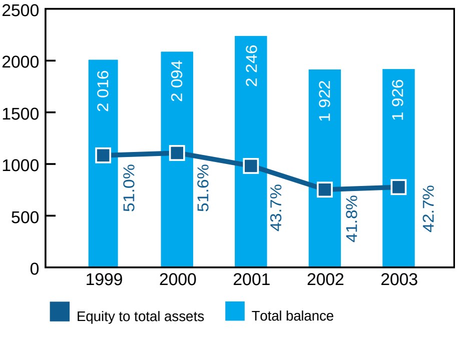
Profit (in millions of euros)



Sales (in millions of euros)



Equity to total assets (in millions of euros)



Key figures per share

N.V. Bekaert S.A.

	2003	2002	2001
Number of shares	22 070 300	22 121 630	22 157 374
Number of VVPR strips	3 551 040	3 551 040	3 551 040
Average daily traded volume	28 950	27 309	18 362
			in millions of euros
Annual turnover	304.3	317.4	188.2
Average daily turnover	1.2	1.2	0.7
Market capitalisation 31/12	1 114.6	954.6	958.8
Free float	59.7%	59.8%	59.9%
Velocity (band adjusted)	44.0%	39.26%	27.38%

Bekaert shares are listed on Euronext® Brussels (BEKB).

A total of 51 330 shares were repurchased under the stock option plan and cancelled to avoid future dilution of voting rights on Bekaert shares. This reduced the number of shares from 22 121 630 to 22 070 300. The total number of VVPR strips remained unchanged.

Per share[1] **in euros**

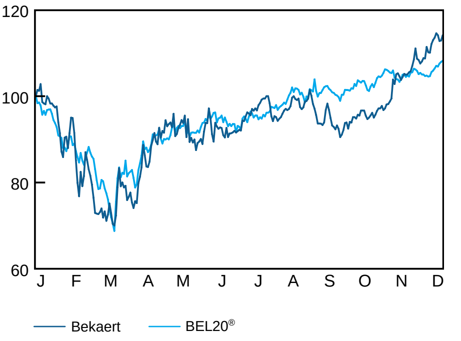
	2003	2002	2001
EBITDA	10.83	10.21	9.36
EBIT	5.07	2.90	2.69
EPS (net result)	3.85	(2.09)	2.15
EPS (before goodwill)	4.32	(1.40)	2.58
Cash flow	10.07	9.29	9.02
Gross dividend	1.7480	1.680	1.680
Net dividend	1.3110	1.260	1.260
Net dividend with VVPR strip	1.4858	1.428	1.428
Book value	37.26	36.29	44.32

Valorisation[1]

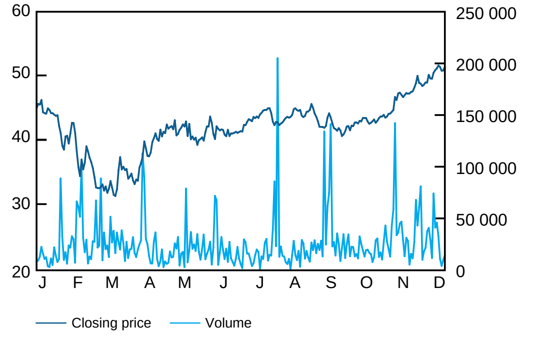
	2003	2002	2001
Price (31 December)	50.50	43.15	43.27
Price (average)	41.22	45.57	40.51
Price / earnings (P/E)	11	NR	19
Price / cash flow (P/CF)	5.0	4.6	4.8
Price / book value (P/BV)	1.36	1.19	0.98
VVPR strip price	0.79	0.55	0.15
Dividend yield	3.5%	3.9%	3.9%
Dividend pay-out	45%	NR	78%

[1] Definitions and historical review: see Information for shareholders (page 49).

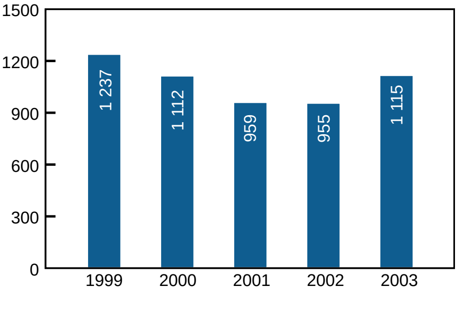
Relative position on Euronext® Brussels BEL20® (2003)



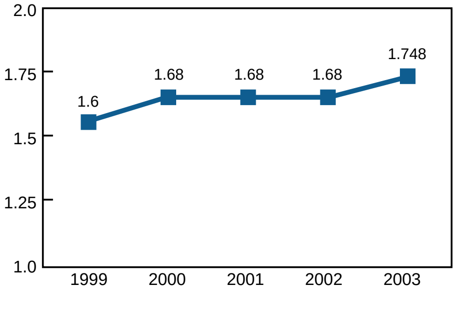
Closing price and volume



Market capitalisation (in millions of euros)

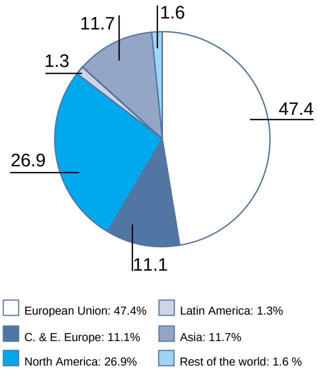


Gross dividend (in euros)

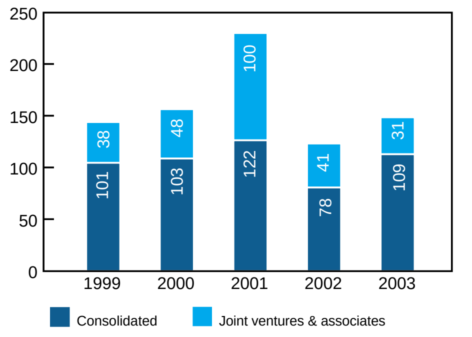


BEKAERT

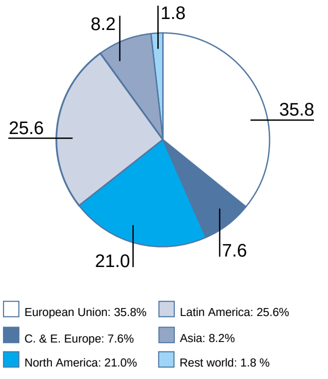
Geographical spread of sales 2003: Consolidated



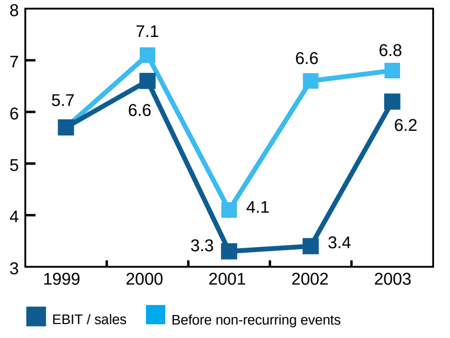
Capital expenditures (in millions of euros)



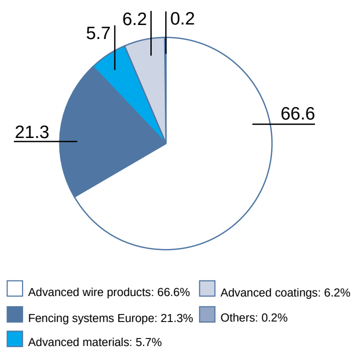
Geographical spread of sales 2003: Combined



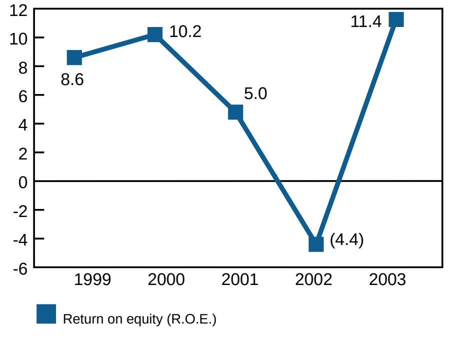
Operating profit as % of sales



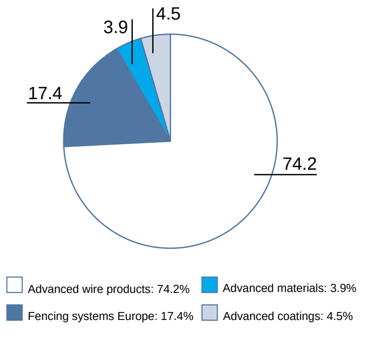
Sales by segment 2003: Consolidated



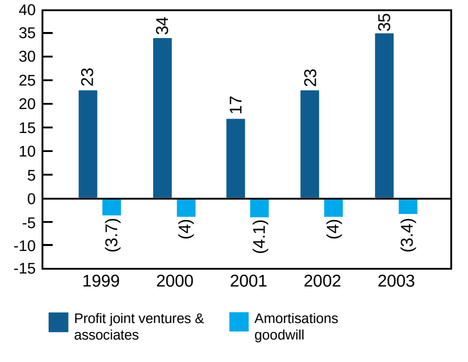
Return on equity (in %)



Sales by segment 2003: Combined



Profit share of joint ventures and associates
(in millions of euros)



ANNUAL REPORT 2003

Company profile

Bekaert (www.bekaert.com) seeks sustainable profitable growth based on its two core competences: advanced metal transformation and advanced materials and coatings.

Bekaert aims to consolidate its position as both market leader and technological leader in selected segments around the world. With its broad range of high technological products, systems and services, Bekaert offers high added value for its worldwide clientele.

In line with the company's strategic vision, Bekaert's activities are viewed in terms of four segments. Bekaert's reporting presents relevant information on business risks and returns.

Based in Europe with its headquarters in Belgium, Bekaert generated sales of €2.6 billion in 2003, employing 17 000 people in over 120 countries.

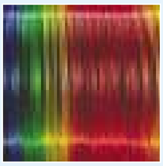
Advanced metal transformation

Advanced metal transformation being one of its two core competences, Bekaert possesses the technological expertise required to convert the raw material, wire rod, into a broad spectrum of specialised wire products. Bekaert's extensive product range covers wires with a wide diversity of applications and attributes, from very high tensile reinforcing wires to ultra-thin metal fibres with a diameter of just one micron.

Advanced wire products

In the advanced wire products segment, Bekaert produces and markets specialised wire products, mainly for the automotive and construction sectors. The company's product range includes industrial spring wire, flexible hose reinforcement wire, plastic-coated specialities, textile machine wire, profiled wire, bookbinding wire, weaving wire, champagne cork wire and various types of lacquered and nylon-coated wire. High-tensile wire is woven into cord reinforcement for tires and other polymer applications. Metal fibres are an intermediate product used in advanced materials.

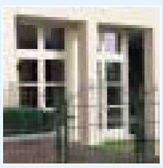
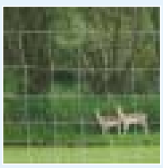
Within the advanced wire products segment, the activity platforms are wire Europe, wire North America, wire Latin America, wire Asia, building products, steel cord China, steel cord others and other advanced wire products (cables, carding products).

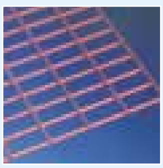



Fencing systems Europe

In the fencing systems Europe segment, Bekaert manufactures and markets fencing and fencing systems for the residential and agricultural markets, security fencing systems and woven and welded mesh products for industrial applications. Bekaert has evolved from a fencing manufacturer into a supplier of fencing systems, with the emphasis on major projects and safety applications.

With its activities in materials handling, Bekaert can also offer solutions for logistics problems based on containers made from welded mesh panels.



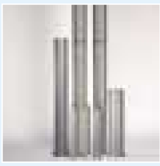
Advanced materials and coatings

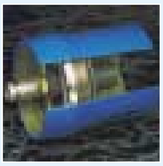
Advanced materials and coatings being its other core competence, Bekaert is able to produce advanced materials based on metal fibres and glass fibres and possesses unique technologies for applying specialised, ultra-thin coatings.

Advanced materials

The advanced materials segment comprises the fibre technologies, combustion technologies and composites activity platforms.

In fibre technologies, Bekaert manufactures fine fibres from various metal alloys, chiefly stainless steel, for use in such applications as filter media and conductive plastics and textiles.
In combustion technologies, Bekaert specialises in environment-friendly gas burners and gas combustion systems based on ultra-thin metal fibres.
In composites, Bekaert manufactures glass-fibre-reinforced pressure vessels, mainly for reverse-osmosis desalination plants.



Advanced coatings

The advanced coatings segment comprises the industrial coatings and specialised films activity platforms.

Bekaert applies industrial coatings to various materials by vacuum technologies and thermal spraying. Bekaert also supplies special equipment, predominantly to customers in the glass industry, for large-area coating in their production process.
In specialised films, Bekaert produces window film for applications in the construction and automotive sectors. Coatings are applied by sputtering or by a wet process which coats plastic film with a liquid chemical.



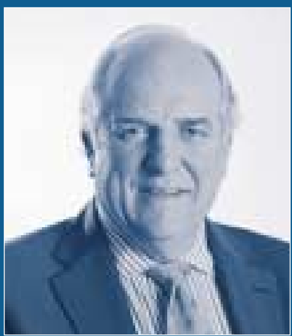

Report of the Board of Directors

2003

Board of Directors

Baron Paul Buysse
Chairman

Julien De Wilde
Chief Executive Officer



Gary J. Allen

Pol Bamelis

Baron Leon Bekaert

Roger Dalle

Count Charles de Liedekerke

François de Visscher

Baron Jan Huyghebaert

Baron Georges Jacobs

Hubert Jacobs van Merlen

Maxime Jadot

Baudouin Velge

Message from the Chairman and the Chief Executive Officer

2003 was a special year. 2004 will be an important year.

Economically and politically, 2003 was a turbulent period for various regions in the world. While the Western European and North American economies were under heavy pressure, different markets in Asia, Latin America and Central and Eastern Europe continued to grow strongly.

Operationally, 2003 was a very positive year for Bekaert. Despite the important depreciation of the US dollar, sales decrease remained limited. At constant currencies, sales would have been 3% up on 2002. Despite the significant impact of currency movements, Bekaert posted a strong net result in 2003 and the first signs of a structural improvement in operating margin became apparent. Bekaert confirms its solid financial structure and good cash flow.

In 2003, the Board of Directors and management confirmed Bekaert's strategy for sustainable profitable growth. Based on its two core competences – advanced metal transformation and advanced materials and coatings – Bekaert offers its customers unique solutions with high added value. Bekaert adopted its new financial reporting for financial year 2003, which is fully IFRS-compliant. Bekaert has divided its activities into four reporting segments: advanced wire products, fencing systems Europe, advanced materials and advanced coatings.

In advanced wire products, Bekaert's sales and result held up well. In Western Europe and North America, Bekaert proved its resilience in the face of difficult economic conditions. The company is updating its production configuration on a continuous basis in response to the constantly changing needs of its various specific markets.

Bekaert also strengthened its position significantly in the growth markets in Asia, Latin America and Central and Eastern Europe. In China, where Bekaert is undertaking increased investments to consolidate its market share, sales of steel cord products for tire reinforcement were up by over 30%. Bekaert advanced its position in various wire products in Central Europe, a.o. through its recent acquisitions in the Slovak Republic. Bekaert performed very well in Latin America, especially in Brazil and Chile.

The extensive restructuring plan which Bekaert implemented in fencing systems Europe strongly improved financial results despite a lower level of sales in 2003. The efforts which the company makes to switch the production lines cost-effectively to a product range with higher added value, are clearly achieving results.

Bekaert continued to build on its position in advanced materials. Through carefully targeted acquisitions, Bekaert plans to introduce its metal-fibre concept more widely in the market and secure positions in new market segments. In combustion technologies, the company has already attained market leadership in special environment-friendly burners for high-efficiency boilers. Bekaert aims to continue growing its advanced materials business by focusing even more closely on selected applications of its core competences and investing even greater effort in its continuous process of innovation.

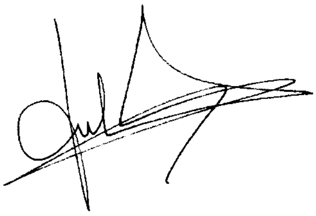
In the advanced coatings segment, Bekaert confirms, in 2003, the growth potential of its industrial coatings activity with several important breakthroughs in sputter technology and diamond-like coatings. The specialised films activity suffered in 2003 from extremely weak demand on the US market and performance fell short of expectations. Bekaert has taken operational measures to turn the situation around and has every confidence in its success.

Bekaert terminated its activities in solar panels, composite profiles and consultancy in 2003 in order to focus more closely on its strategic objectives.

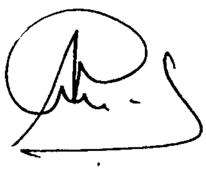
In the light of the company's good results for 2003 and the confidence of the Board of Directors and the management in the potential for further profit generation of the recently approved corporate strategy, the Board of Directors will propose to the General Meeting of Shareholders that the dividend be increased by 4% compared with 2002. If this proposal is accepted, the gross dividend will be €1.748 per share.

2004 will be an important year for Bekaert. It will be a year of opportunities, but also of challenges. Bekaert intends to continue building its market and technological leadership around the world. In the growth markets, Bekaert is implementing its ambitious expansion programme and consolidating its competitive position. In advanced wire products, Bekaert foresees sustained demand for steel cord products worldwide, although the absence of clear signs of improvement in the economic conditions in North America and Western Europe obliges Bekaert to express appropriate caution. Apart from the effect of movements in the dollar/euro exchange rate, the rising price of wire rod, Bekaert's principal raw material, and the specific circumstances affecting the supply position represent significant challenges for the company. Striving to further improve profitability, Bekaert pursues its efforts unabatedly and therefore continuously evaluates and where necessary optimises worldwide its product portfolio.

On behalf of the Board of Directors, we thank our staff for their commitment and dedication. Bekaert is determined to achieve its objective of sustainable profitable growth. In successfully meeting the challenges it faces at various levels in 2004, Bekaert can rely in particular on the efforts of its personnel, who are fully aware of the importance of value creation for the shareholders and the customers and for the environment in which the company operates. It is crucial that we continue to develop innovative products and services which offer our customers new opportunities or lower costs. In order to consolidate its worldwide competitive advantage, Bekaert's customer-driven philosophy, high quality and continuous innovation process are the company's most important trump cards. In common with the Board of Directors, we have every confidence in the future.



Julien De Wilde
Chief Executive Officer



Baron Paul Buysse
Chairman

Bekaert Group Executive

Julien De Wilde
Chief Executive Officer

Marc Vandecasteele
Group Executive Vice President

Bert De Graeve
Group Executive Vice President

Henri Jean Velge
Group Executive Vice President

Georges Brys
Group Executive Vice President

BEKAERT

Strategy

In 2003 the Board of Directors confirmed Bekaert's strategy for **sustainable profitable growth**. The Bekaert Group Executive developed the long-term strategic plan, discussing it with a large group of managers within the company.

Bekaert is built on two core competences: **advanced metal transformation** and **advanced materials and coatings**. It is this combination of competences which makes Bekaert unique. Bekaert's strategy for sustainable profitable growth is based on the extension of its global market and technological leadership in these two core competences.

Bekaert is working to further reinforce its position as **global market leader** and hence extending its international activities. In the mature markets, Bekaert is consolidating the strong position that it has held for many years. The company also aims to strengthen its presence in various growth markets. Important progress towards this goal was achieved in 2003. Bekaert acquired substantial positions in advanced wire products in Central and Eastern Europe. In China, Bekaert is aiming for a total production capacity of 120 000 tonnes of steel cord products for radial tire reinforcement by the end of 2004. New growth opportunities in Russia are also being studied.

Bekaert offers its customers products and services with **high added value**. Bekaert is entering into partnerships with individual customers, so that it can work with them to develop products which meet their highly specific needs and offer them significant advantages. This cooperation frequently results in new products and applications.

Bekaert has greatly enhanced its market expertise in several sectors and is working actively to open up new markets. Bekaert aims to offer its customers **unique and preferred solutions** based on its core competences, by taking advantage of synergy between and combinations of the different technologies in the various sectors.

Bekaert utilises its existing distribution channels more effectively in presenting its product range to a wider clientele. A start was made in 2003 on a systematic exploration of the markets in Latin America and Asia for its advanced materials and advanced

Bekaert increases R&D efforts at the Bekaert Technology Center (Deerlijk, Belgium).

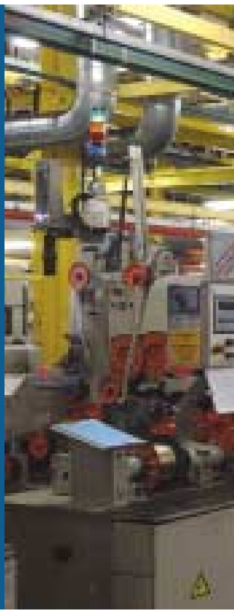

Bekaert supplies its customers around the world with top products which satisfy rigorous quality standards.

coatings. A dedicated sales office was opened in Brazil to support this activity and sales of these products increased strongly in several Asian markets.

Bekaert pursues growth by constantly reinforcing its **technological leadership**, maintaining its technological lead through a process of continuous **innovation**. The Bekaert Technology Centre in Deerlijk (Belgium), which employs over 260 people and is increasingly made up of international experts, has a key role to play in this strategy. The centre cooperates closely across all disciplines with the other group entities and Bekaert Engineering. This cross-functional cooperation between research, engineering and marketing staff has been institutionalised in the form of 'virtual companies' throughout the organisation. On the basis of the Marketing Road Map, these teams oversee the entire process, from the initiation of the idea, through its development and implementation, to the final market launch. Cooperation with lead customers and potential end-users is resulting in new developments which answer the customer's needs more effectively and can be introduced on the market more quickly.

Bekaert spent over €50 million on **research and development** in 2003. Half of this was invested in extending Bekaert's technological lead in products and services for its existing markets and the remainder in introducing products for new markets and deepening its knowledge in certain strategic areas of competence. Given the favourable outlook for advanced materials and advanced coatings, these segments are given extra priority and substantial resources are committed to research and development in these fields. Bekaert seeks to maintain a judicious balance between new and maturing products in its portfolio. Its resolve to focus R&D effort is demonstrated by its concentration on selected key market-driven projects. In 2003, international multidisciplinary teams generated around 30 patents with their new developments. Bekaert works closely with leading international universities and other eminent centres of technology and research around the world and participates in numerous European technology projects.

Bekaert has decided to increase its R&D budget for 2004 and plans to expand the R&D team with the recruitment of a further 20 highly technological employees in the next few years.



Bekaert aims for **operational excellence** in all its activities. Its long experience has given Bekaert extensive operational expertise in both quality and cost-efficiency, enabling it to supply its customers around the world with top products which satisfy rigorous quality standards.

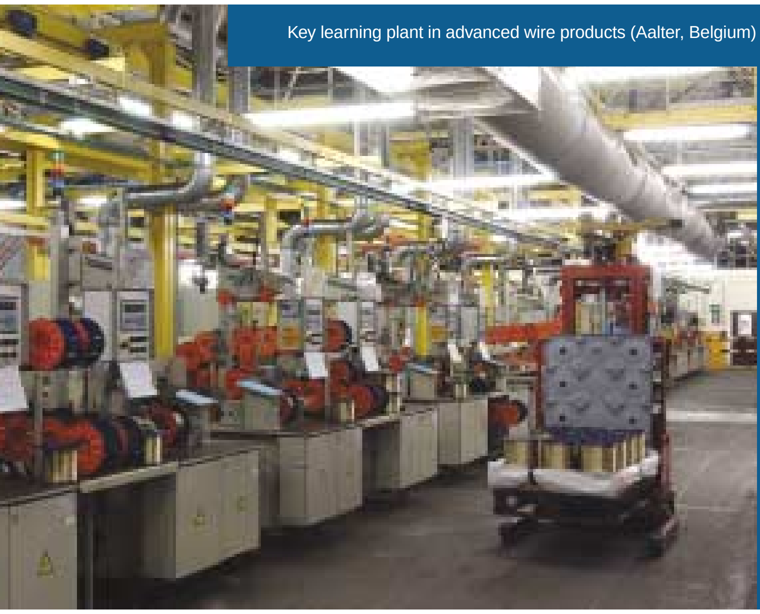
Close cooperation between Bekaert Engineering, Bekaert Technology Centre and the various production units enables Bekaert to operate its production equipment around the world with ever-improving efficiency. Bekaert continues to work on developing its concept of 'key learning plants'. Bekaert Engineering also supports the development of new products and plays a central role in expediting Bekaert's expansion in the various growth markets.

Bekaert combines **organic growth** with **alliances, joint ventures and acquisitions**. Appropriate transactions of this kind also give Bekaert access to complementary technological and commercial competences, which in turn can lead to new activities. Bekaert wishes to enhance its position in the value chain.

It is Bekaert's clear policy to focus on selected applications of its core competences, envisaging global market and technological leadership. It is for this reason that Bekaert has withdrawn from its activities in solar panels, composite profiles and consultancy.

Sustainable growth depends on **rigorous profitability criteria**, and Bekaert sets strict targets for all segments. Bekaert strives to reach an overall return on investment which exceeds the weighted cost of the capital employed. Certain product lines which did not have the potential to meet these profitability requirements have already been discontinued and, for the same reason, others have been transferred to regions where they can be produced at a lower overall operating cost. Periodically, the various product lines are evaluated and, where necessary, optimised. Bekaert continues to give priority to the close monitoring of working capital and careful evaluation of new investments.

Key learning plant in advanced wire products (Aalter, Belgium)



Bekaert aims for operational excellence in all its activities (San Diego, USA).

Locating Bekaert's production platforms close to the specific markets around the world provides an effective natural hedge against operational currency movements. Optimum matching of procurement, production and sales receives constant attention. In addition, net trading transactions in foreign currencies are maximally hedged and debt positions are mainly expressed in US dollars.

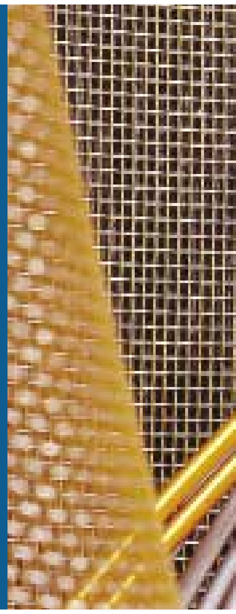
Raising profitability to a higher level, Bekaert's primary goal, ultimately results in **sustainable value creation for shareholders**.

Consistent with its strategy of sustainable profitable growth, Bekaert has introduced a new segment reporting structure for 2003 which is fully IFRS-compliant. Bekaert seeks to meet the need for relevant financial information by providing appropriate insight into its activities, risks and returns. Based on its two core competences – advanced metal transformation and advanced materials and coatings – Bekaert's primary reporting is now in terms of four segments: advanced wire products, fencing systems Europe, advanced materials and advanced coatings. This follows from a thorough analysis of the risk profiles of Bekaert's activities around the world. The primary segmentation is supplemented with geographical information in line with the requirements of a secondary segmentation. Although the financial segment reporting relates only to the consolidated activities, additional information is provided on the activities of the joint ventures and associated companies in the various segments.

Advanced Metal Transformation

Experience gives confidence

Advanced wire products



Despite adverse currency movements, consolidated sales of advanced wire products were stable at €1.2 billion. Lower sales in a number of activities in this segment were compensated by the acquisitions in Central Europe, the purchase of the remaining 50% of Contours Ltd (USA) and higher sales of steel cord products for tire reinforcement. Combined sales were down 5.3% at €1.9 billion, mainly due to the slack demand for ropes in North America and due to currency movements.

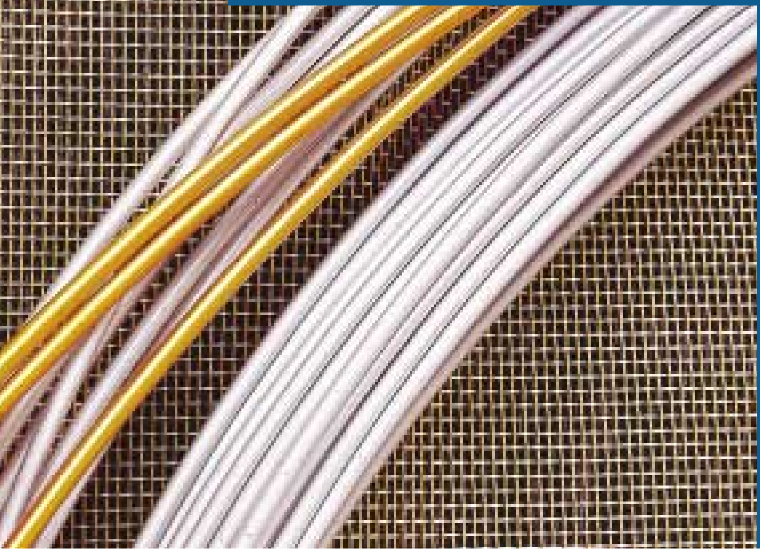
At constant currencies, consolidated sales were 8% higher and combined sales were 7% higher. The result from operations was again strong and the operating margin increased slightly to 10.1% of sales.

Advanced wire products (*) — in millions of euros

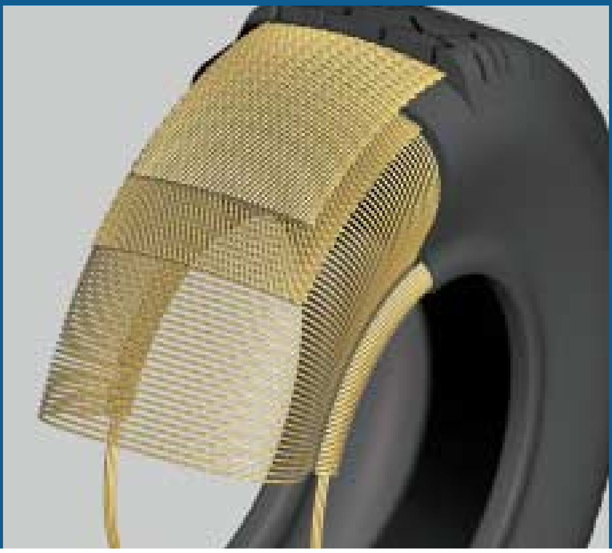
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Consolidated companies										
Sales	1 233	1 251	1 120	1 318	1 208	1 211	1 229	1 220	1 206	1 196
Result from operations (EBIT)									121	121
EBIT / sales (%)									10.0	10.1
Capital expenditures	101	94	114	97	75	68	79	96	54	88
Personnel	9 654	9 000	8 156	7 838	6 794	6 352	6 392	6 467	6 138	7 400
Joint ventures and associates										
Sales	647	692	372	653	725	692	853	890	844	746
Capital expenditures	41	51	49	35	39	38	38	50	23	27
Personnel	5 564	5 856	4 404	5 846	5 728	6 053	6 073	5 941	5 676	5 335
Total										
Combined sales	1 880	1 943	1 492	1 971	1 933	1 903	2 082	2 110	2 050	1 942
Capital expenditures	142	145	163	132	114	106	117	146	77	115
Personnel	15 218	14 856	12 560	13 684	12 522	12 405	12 465	12 408	11 814	12 735

(*) From 2000 onwards, revised accounting principles have been applied: prior-year figures are for information only.

Bekaert manufactures a complete range of steel wires for various industries.



There is a steel cord product for every tire: passenger cars, trucks, buses and heavy equipment.



Wire Europe

2003 was a poor year for wire Europe, with France, Germany and Italy, its largest markets in Western Europe, in recession. Performance in most industrial sectors deteriorated in 2003, which depressed demand for various wire products. Bekaert observed a further weakening of the market in the second half of the year, reflecting the euro's rapid rise against the dollar. Wire rod prices were also higher, exerting increased pressure on margins.

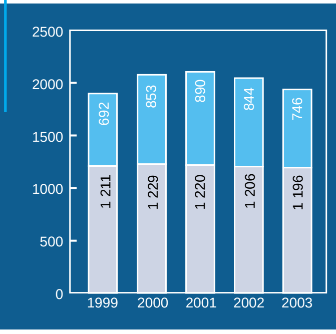
Further cost optimisation within Bekaert's European manufacturing operation was achieved. In this context, a number of production lines at Zwevegem and Hemiksem plants in Belgium were relocated. Bringing production closer to local markets will enable Bekaert to respond even more effectively to the customer's needs.

Central and Eastern Europe are important growth markets in which Bekaert is working to strengthen its competitive position. Bekaert, which already owned the Bohumín plant in the Czech Republic, acquired Drôtovňa Drôty in the Slovak Republic in early 2003.

Despite the market conditions, 2003 was a good year for product innovation. Working closely with lead customers, Bekaert launched a renewed type of wire for the next generation of windscreen wipers and homologated several new products for flexible pipe reinforcement for use in the offshore industry. New coatings were developed for spring wire which facilitate processing by customers. Another new product, Bekipro®, a fine galvanised wire with increased corrosion resistance used as a rust-resistant wrapping on various materials, was well received by customers. Bekaert increased its share of the market significantly with coatings such as Bezinal® and Bekacolor®.

Further improvements were made in both product quality and quality of service relating to the delivery times. Although the difficult economic conditions meant that Bekaert had to fill many relatively small orders, the central distribution centre in Zwevegem (Belgium) was able to maintain the desired service standards. The centre also played an important role in the distribution in Western Europe of Bekaert products manufactured in Central Europe and Asia.

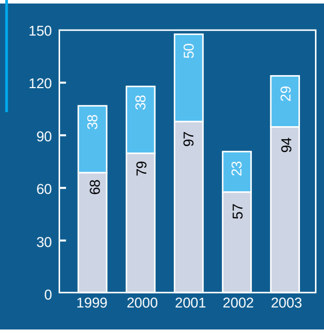
Sales (in millions of euros)



Consolidated

Joint ventures & associates

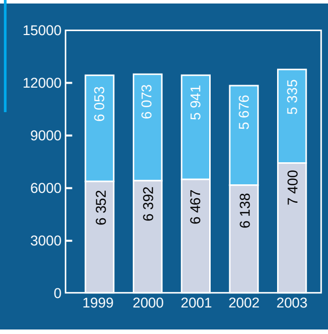
Capital expenditures
(in millions of euros)



Consolidated

Joint ventures & associates

Personnel



Consolidated

Joint ventures & associates

Thanks to these efforts, Bekaert succeeded in advancing its market share appreciably in several specific segments.

Wire North America

2003 was also a difficult year for wire North America. Market demand was weak and in addition wire rod prices rose sharply in the second half-year. Anti-dumping measures and tax disincentives for traditional importers choked off the supply and the prices of wire rod from local producers rose to record levels.

Competition in the wire industry in North America was exceptionally intense in 2003, with several competitors using pricing policy to gain volume. Bekaert expects the reshaping of the competitive environment to continue in 2004.

In the United States, sales of galvanised wire and agricultural fencing suffered as a result of the long, cold winter. The market softened when several important customers shut down their production facilities and the level of activity in the North American automotive sector declined. In August 2003, Bekaert acquired the remaining 50% of the share capital of Contours Ltd (Ohio), which manufactures specialised high-carbon wire, and fully integrated the company.

Titan Steel & Wire Co. Ltd in Canada acquired the strand activities of Wire Rope Industries Ltd (Canada) early in 2003 and invested in faster galvanising technology which yielded a significant improvement in quality, lower production cost and increased production capacity. Several sectors of Canadian industry were under pressure from the weaker US dollar in 2003, which translated into lower galvanised wire sales.

Bekaert made substantial investments in several plants, in order to expand the product range and offer customers more added value.

Wire Latin America

In Latin America, where the main market of interest is industrial wire and agricultural fencing, the positive trend continued in 2003. Only the operations in the Andina region reported slack demand and heavy pressure on prices.

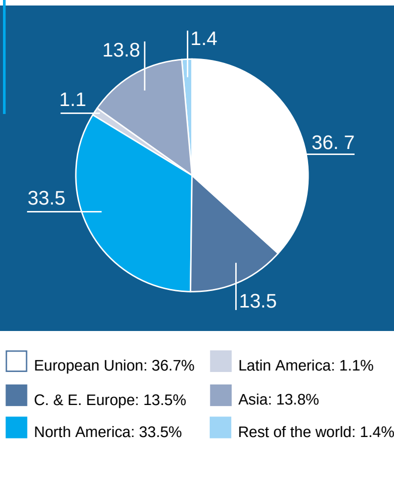
In the Mercosur region, Inchalam (Chile) performed well despite lower export sales, its results in the second half of the year helped by the weakening dollar/peso exchange rate and the favourable economic outlook. In Brazil, Belgo Bekaert Arames S.A. had a good year, with higher exports more than compensating for falling local demand.

In the Andina region, Vicson's operations in Venezuela were affected by the exchange controls which the government introduced in early 2003. Although market demand remained low, consistent with the difficult economic situation, Vicson was able to reap the benefits of the restructuring exercises undertaken in 2002 and reported good results in 2003. In Colombia, the first steps were taken in the process of consolidating the four production units in Bogota. A new galvanising line was installed, which enabled the plant to handle an improved product mix, and the plant layout was optimised. Prices were under heavy pressure in the fourth quarter from strong local competition. Despite the weakness of the local markets in Peru and Ecuador, Bekaert was able to secure a solid position in a number of attractive niche markets.

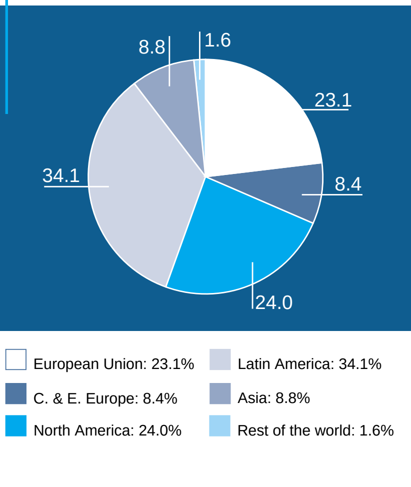
Wire Asia

For wire Asia, 2003 was a year of consolidation and growth. After terminating the joint venture with Hikari in Japan at the end of 2002, Bekaert started up production of nylon-coated wire at Bekaert-Jiangyin Wire Products Co., Ltd (China) for the fast-growing Asian bookbinding wire markets.

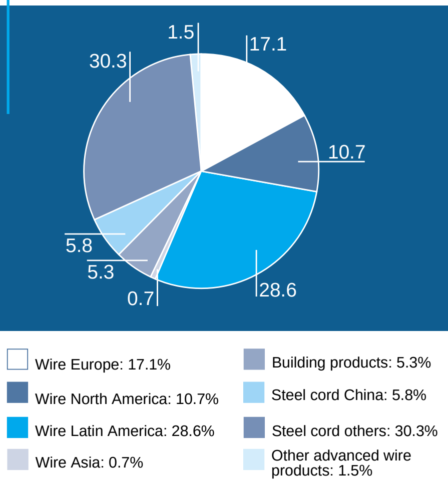
Sales by region: Consolidated



Sales by region: Combined



Sales by activity platform: Combined



Despite difficult market conditions and growing local competition, Jiangyin Fasten-Bekaert Optical Cable Steel Products Co., Ltd contributed to profitable growth. The company produces mainly armouring wire for optical fibre cables and also supplies intermediate products to other plants in China.

Traditional agricultural fencing products, such as Motto® barbed wire and stock fencing, sold well in China and in the other Asian markets, helped by the newly developed metallic coatings.

Building products

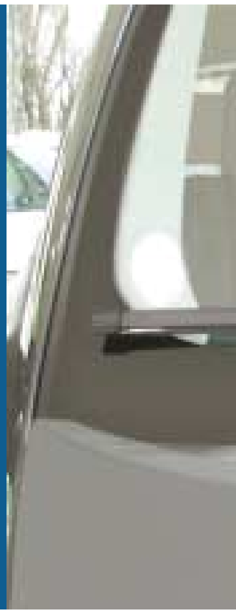
Despite the difficult economic conditions, Bekaert was able to maintain its level of activity in building products. Demand for steel fibres for concrete reinforcement, which represents the bulk of the building products business, came mainly from a number of large-scale projects, mostly tunnels. This compensated for the weak markets in North America and Japan, where public works were subject to strict budget limits in 2003. After a very weak 2002, demand revived a little in Germany and Central Europe but flagged in other European markets.

Innovations in this segment included a Bekaert-developed high-tensile fibre which is eminently suitable for use in tunnel applications. An interactive design programme has been included on Bekaert's website, to give design engineers access to the best possible advice on the use of Dramix®, fibres.

Except for Southern Europe, demand was weak in Europe for the other products in this segment, most of which are used for masonry and plaster reinforcement. In 2003, Bekaert decided to impove the profitability of these products. In this context, production of building products (excluding steel fibres) is being transferred from Zwevegem (Belgium) to Bekaert Hlohovec, a.s. (Slovak Republic).

Steel cord China

The Chinese market for steel cord for tire reinforcement is experiencing explosive growth, with both local and international tire producers responding to the burgeoning car sales. As the Chinese road infrastructure develops, there will also be a progressive switch from cross-ply tires to steel-cord-reinforced radial tires. This evolution, which will be most marked in the truck segment, will have a very important impact on demand for steel cord.



Bekaert is well established as a supplier to tire manufacturers in China. In view of the rapidly growing demand for steel cord, Bekaert decided in May 2003 to expand significantly its production capacity in China. The capacity of the existing China Bekaert Steel Cord Company Limited plant (Jiangyin, Jiangsu province) and the Bekaert Shenyang Steel Cord Co., Ltd plant (Shenyang, Liaoning province) will be more than doubled in 2004. In July 2003, Bekaert chose Weihai (Shandong province) as the site for a new, state-of-the-art facility and, by December, work had started on Bekaert's third plant in China. By the end of 2004, Bekaert expects to have secured total production capacity of 120 000 tonnes per year. Bekaert's aim is to supply its Chinese customers with locally manufactured products of superior quality. Bekaert is increasingly turning to Chinese suppliers for the wire rod used as raw material by its plants in China. In November 2003, Bekaert awarded the prize for excellent quality to Chinese iron and steel conglomerate Shanghai Baosteel.

Steel cord others

The North American market for steel cord for tire reinforcement was signifcantly affected by the disappearance from the market of one of the major producers. Bekaert took this opportunity to advance its market position substantially by making up a large proportion of the lost capacity.

To benefit from the growing Central and Eastern European market and in response to the recent trend for the major tire manufacturers to relocate production there, Bekaert acquired Drôtovña Kordy a.s. (Slovak Republic). The integration of this new plant into the Bekaert organisation and the expansion of the existing steel cord plant at Sladkovicovo (Slovak Republic) proceeded according to plan. The Russian market for radial tires is also developing and Bekaert has devised a specific strategy to enable it to play a more active role.

The market in Latin America continued to grow steadily and Bekaert increased its market share. Work started on expansion programmes at the two plants in Brazil.
The market in India continued to develop satisfactorily. Recent market indicators point to significantly greater penetration by radial tires in the commercial vehicle market in the near future, which will fuel demand for steel cord. The Bekaert Industries Private Limited plant in Pune was officially inaugurated in February 2004. In Indonesia, where PT. Bekaert Indonesia manufactures a variety of steel cord products, Bekaert advanced its share of a growing market.

With its steel cord plant in Izmit (Turkey), Bekaert was able to fulfil its sales targets in the Middle East, despite the turbulent political situation in this region.

In the markets for other steel cord products used as polymer reinforcement, Bekaert managed in general to hold its position. After collapsing at the beginning of 2003, the market for steel cord for high-pressure hose reinforcement recovered remarkably as the year progressed.

2003 was a difficult year for sales of steel cord for conveyor belt reinforcement, with a limited number of projects and keen competition from low-pay countries resulting in very low

In car wiper arm systems, Bekaert wire has a prominent position: wiper arm, blades, springs and hooks are all made out of steel wire.

Bekaert's steel cord products for polymer reinforcement gives numerous applications strength and capacity.

prices. In the light of these market conditions, Bekaert decided to relocate this product line from Zwevegem (Belgium) to Hlohovec (Slovak Republic), in order to strengthen the company's competitive position and enable it to operate effectively in an unpredictable and volatile market.

Sales of woven steel cord for rubber reinforcement and fine cord for transmission belts reinforcement developed well. Bekaert augmented its product range with plastic-coated cables for use in new applications, such as lift cables and plastic pipe reinforcement.

The market for sawing wire – fine steel cord for sawing microcrystalline silicon into thin slices as used in electronics and solar panels – showed strong growth.

Other advanced wire products

Bekaert produces wire ropes for anchoring drilling platforms, for cranes and lifts and for the fishing industry. The plants in Latin America operated in a stable environment, but sales by Wire Ropes Industries Ltd (Canada) were held back by a lengthy strike. Agreement was reached with the trade unions in the last quarter of 2003.

Bekaert supplies special wire for the manufacture of cards used in the textile industry for processing raw natural and synthetic fibres and in other industrial applications. This market is growing particularly strongly in Asia. Significant progress was made in 2003 in improving the production process and optimising all the equipment.

Fencing systems Europe

The 8.5% decline in consolidated and combined sales reflects the shift towards a product mix with higher added value, which necessitated the closure of several production lines.

The implementation of the rationalisation plan was successfully completed, turning the negative result in 2002 into a positive operating margin of 6.6% of sales in 2003.

Fencing systems Europe (*) — in millions of euros

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Consolidated companies										
Sales	160	174	308	318	436	424	378	383	419	383
Result from operations (EBIT)									(9)	25
EBIT / sales (%)									(2.1)	6.6
Capital expenditures		10	13	12	13	15	15	14	10	8
Personnel		1 267	2 154	2 102	2 612	2 460	2 289	2 103	2 069	1 862
Joint ventures and associates										
Sales	0	0	0	0	10	10	94	98	79	72
Capital expenditures								2	3	2
Personnel							625	779	771	617
Total										
Combined sales	160	174	308	318	446	434	472	481	498	455
Capital expenditures		10	13	12	13	15	15	16	13	10
Personnel		1 267	2 154	2 102	2 612	2 460	2 914	2 882	2 840	2 479

(*) From 2000 onwards, revised accounting principles have been applied: prior-year figures are for information only.

Bekaert supplies fencing systems,
with the emphasis on major projects and safety applications.

Bekaert also produces woven and welded mesh products
for industrial applications.

The fencing systems Europe segment encompasses the European activities whose transfer into the separate legal entity Bekaert Fencing NV was completed in 2003. This wholly owned subsidiary of N.V. Bekaert S.A. has manufacturing operations in Belgium, France, Germany, the United Kingdom, Spain, Poland and Italy.

Implementation of the rationalisation plan, designed to improve Bekaert Fencing's profitability, was successfully completed in 2003. The product mix emphasises higher added-value products. The configuration of the production plants and the sales and accounting organisations has been optimised and cost efficiency further improved, enabling Bekaert to withstand the growing competition from cheap Chinese imports of woven agricultural fencing and light welded mesh.

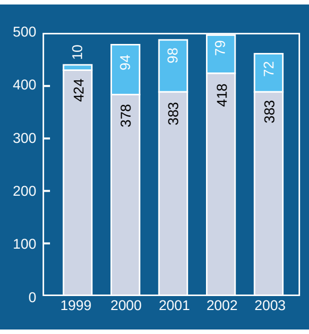
With sales of fencing systems depressed by the weakness of the French, German and Italian economies, Bekaert responded by diversifying its range to include products with particular growth potential. Solutions were devised to reduce the overall project cost to the customer, such as the 3-meter panel recently introduced by Bekaert, which requires fewer fittings and can be erected more quickly.

Security fencing systems performed well, benefiting from the growing demand for protection for strategic installations and buildings. With its updated product range and greater production flexibility, Bekaert is capable of handling large-scale projects and successfully completed numerous commissions in this segment last year. The range of automated sliding gates was expanded and sales continued to grow in 2003.

Sales in Central Europe increased significantly as Bekaert responded effectively to the rising level of investment in this region. A professional network of local partners was set up to install the larger and more complex security systems.

Sales of industrial panels were also higher, thanks to several large projects in the United Kingdom, but the lower level of oil exploration activity translated into reduced sales of Armapipe®, the reinforcement mesh for gas and oil pipelines.

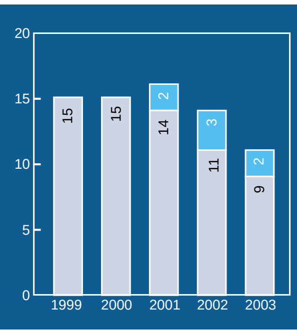
Sales (in millions of euros)



Consolidated

Joint ventures & associates

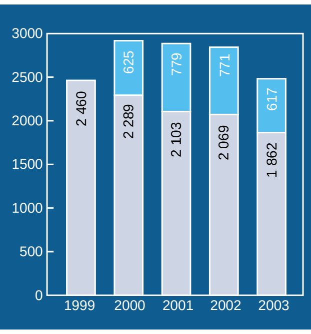
Capital expenditures
(in millions of euros)



Consolidated

Joint ventures & associates

Personnel



Consolidated

Joint ventures & associates

On the basis of an extensive customer survey, which confirmed Bekaert's leadership in quality, product range and efficiency, action was taken to improve still further the standards of service and flexibility.

2003 marked a turning point for Bekaert Handling. Part of the non-core activities of Bekaert Handling A/S (Middelfart, Denmark) were sold and Bekaert Handling Systems Ltd (Droitwich, UK), which leases liquid-transport containers, was completely restructured. Having successfully completed a large order for handling containers from one of the leaders in European wholesale distribution, Bekaert has become the benchmark for quality and flexibility in the handling container market, which was instrumental in its winning a very large order from a wholesale distributor in Australia. Bekaert expects these successes to lead to further orders in this market segment. The improvement drive will continue in 2004, to consolidate Bekaert's leadership in handling containers and to boost profitability.

Advanced Materials and Coatings

Innovating takes courage

Advanced materials

Consolidated sales were 5.5% higher, due entirely to growth of Bekaert's activities in combustion technologies. At constant currencies, consolidated sales were up 8%. By focusing clearly on selected applications and further moving up the value chain, Bekaert strengthened its position and achieved a structural improvement in operating margin to 7.5% of sales.

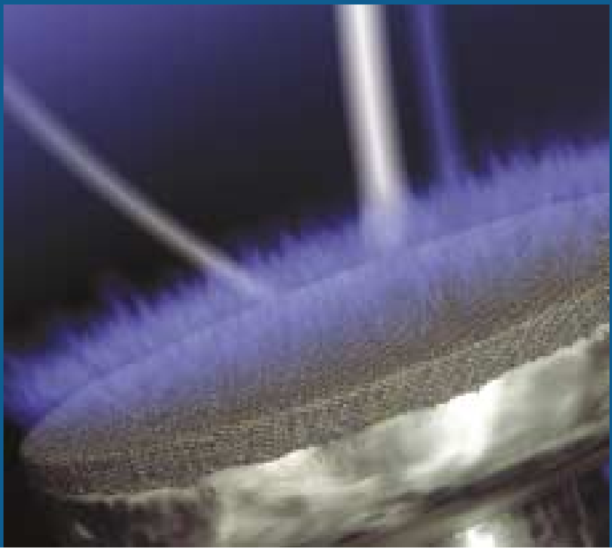
Advanced materials (*) — in millions of euros

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Consolidated companies										
Sales	3	3	5	6	8	20	86	89	97	103
Result from operations (EBIT)									2	8
EBIT / sales (%)									2.2	7.5
Capital expenditures	3	8	6	10	5	6	6	4	4	4
Personnel	81	123	279	320	330	546	540	580	569	592
Joint ventures and associates										
Sales	1	2	3	4	5	5	5	5	0	0
Capital expenditures	0	0	0	0	0	0	0	0	0	0
Personnel	5	6	4	10	16	11	15	17	2	2
Total										
Combined sales	5	5	8	10	13	25	90	94	97	103
Capital expenditures	4	8	6	10	5	6	6	4	4	4
Personnel	86	129	283	330	346	557	555	597	571	594

(*) From 2000 onwards, revised accounting principles have been applied: prior-year figures are for information only.

Ultra-thin metal fibres, in the range of 1 to 80 micron thickness, are up to 60 times thinner than human hair and are used in various applications.

Environment-friendly gas burners and gas combustion systems based on ultra-thin metal fibres.



Fibre technologies

Within the advanced materials segment, Bekaert is developing a significant competence in fibre technologies. The ultra-fine metal fibres produced by Bekaert are used in a range of applications.

In filtration media, Bekaert maintained its share of the mature polymer filtration market, but sales of inkjet filter media were down slightly. Bekaert intends to move further up the value chain by developing filter elements and systems for gas and liquid filtration.

Bekaert's metal fibres are also used in the textile industry. Sales of metal fibres for conductive textiles in various traditional applications for draining electrostatic charges were down a little, but demand for conductive metal-fibre textiles for vehicle seat heating continued to rise. Bekaert has built a strong position in heat-resistant fibre mats which are used in windscreen production. Last year again brought vigorous growth in metal-fibre textiles used as an intermediate product in the manufacture of metal-fibre burners.

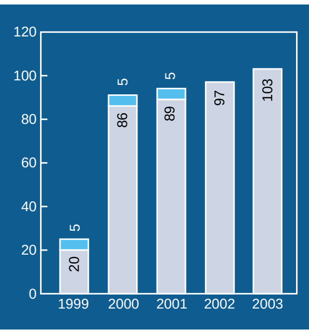
Sales of metal fibres by the Bekaert Toko Metal Fiber Co., Ltd production unit in Japan were particularly strong.

Combustion technologies

Building on its market position and technological strengths, Bekaert further expanded its activities in the combustion technologies sector based on its ultra-fine metal fibres. Bekaert is market leader in environment-friendly burners for high-efficiency boilers for domestic and commercial applications.

Partnerships have been formed with a number of major customers with whom Bekaert has signed long-term agreements. This close cooperation in product development resulted in 2003 in the formation of a partnership with Bosch Junkers, one of the leading central heating boiler manufacturers.

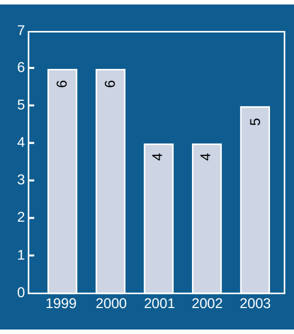
Sales (in millions of euros)



Consolidated

Joint ventures & associates

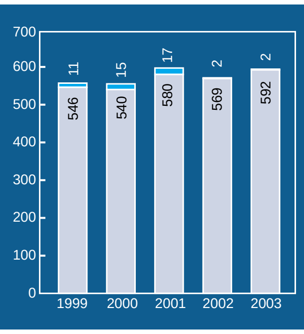
Capital expenditures
(in millions of euros)



Consolidated

Joint ventures & associates

Personnel



Consolidated

Joint ventures & associates

Seeking to extend its metal-fibre concept to industrial applications, Bekaert acquired Solaronics in France, itself a global player in industrial combustion technologies, in early 2004. Solaronics specialises in solutions which use gas and electricity to dry coatings on paper, metal and timber. This acquisition creates further opportunities for Bekaert in new market segments with high added value.

In February 2003, Bekaert increased its 19% stake in CEB (‘Clean Enclosed Burners’) Technologies in the Netherlands to 100%. Bekaert CEB Technologies B.V. is currently engaged in the development, production, sale and leasing of gas flare systems, which are used mainly in oil and gas exploration to burn off excess gas. Flare systems employing metal-fibre burners offer exceptionally clean – and thus environment-friendly – combustion. Because the flares are practically silent and create no light pollution, oil and gas production can take place in areas where it was previously unacceptable. These flares are in service around the world, chiefly in Canada, the United States, Europe and Indonesia.

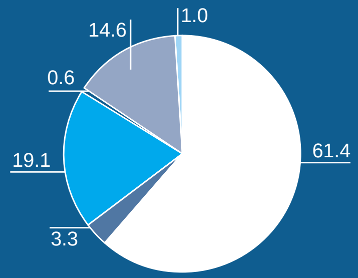
Composites

In 2003, Bekaert’s activities in this field related to the manufacture of composite profiles for various applications and glass-fibre reinforced pressure vessels for seawater desalination. Total sales were down slightly, mainly due to lower demand for composite profiles.

In early 2004, Bekaert sold its composite profiles business to the Finish Exel Oyj, a leading European specialist in composites technology. Achieving Bekaert’s strategic targets for this activity would have made heavy demands on resources which would inevitably have slowed the company’s growth in other fields more closely related to its core competences.

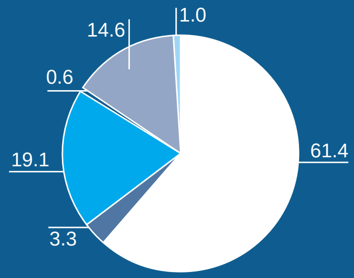
Sales of glass-fibre-reinforced pressure vessels, mainly used in water purification and desalination of sea water, remained more or less stable. Bekaert, which has production units in Munguía (Spain) and Vista (California, USA), is second in the world league in this market. In contrast to 2002, sales by the Vista plant have been included in the consolidation for a full year in 2003. This business is also highly project-centred and therefore depends on government financial support. Several substantial orders were received at the end of 2003 which will be completed in 2004. Bekaert also executed a number of interesting projects in Asia.

Sales by region: Consolidated



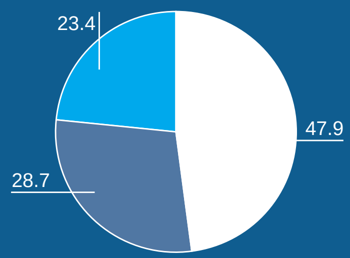
European Union: 61.4%
Latin America: 0.6%
C. & E. Europe: 3.3%
Asia: 14.6%
North America: 19.1%
Rest of the world: 1.0%

Sales by region: Combined



European Union: 61.4%
Latin America: 0.6%
C. & E. Europe: 3.3%
Asia: 14.6%
North America: 19.1%
Rest of the world: 1.0%

Sales by activity platform: Combined



Fibre technologies: 47.9%
Composites: 23.4%
Combustion techologies: 28.7%

Advanced coatings

Consolidated sales were 6.5% lower and combined sales were down 7.3%. Sales of industrial coatings were higher, but specialised films' sales were sharply lower, due entirely to the weakness of the dollar. At constant currencies, consolidated sales were up 7% and combined sales were 6% higher.

The decline in profitability reflected exceptionally weak demand for specialised films on the American market. Action has been taken where necessary to improve quality and efficiency.

Advanced coatings (*) — in millions of euros

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Consolidated companies										
Sales	30	43	48	56	54	67	31	71	119	112
Result from operations (EBIT)									3	(2)
EBIT / sales (%)									2.5	(1.9)
Capital expenditures	3	2	3	4	3	1	3	8	8	6
Personnel	26	38	39	73	82	114	134	511	536	606
Joint ventures and associates										
Sales	7	7	6	9	13	18	18	10	7	6
Capital expenditures	1	3	1	1	2	1	8	47	15	2
Personnel	53	60	46	50	55	59	247	286	316	25
Total										
Combined sales	37	50	54	65	67	85	49	81	126	117
Capital expenditures	4	5	4	5	5	2	11	55	23	8
Personnel	79	98	85	123	137	173	381	797	852	631

(*) From 2000 onwards, revised accounting principles have been applied: prior-year figures are for information only.

Industrial coatings are applied on various materials by vacuum technologies and thermal spraying.

Solar control, safety and security films for automotive, residential and commercial applications.

Industrial coatings

Bekaert is a specialist in sputtering, a high-tech process in which a coating is deposited on a substrate under vacuum. Bekaert applies sputtered coatings to various materials, mainly plastic films.

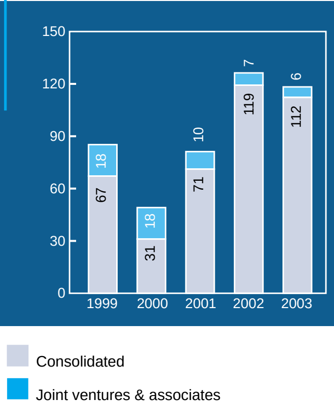
Bekaert also supplies a range of sputtering products, predominantly to customers in the glass industry. These include sputtering targets – cylindrical elements coated with high-grade materials by a thermal spraying process – used in the customer's production process as a material source for large-area application of various coatings. Bekaert manufactures targets in Deinze (Belgium) and Springfield (Wisconsin, USA). The related sputtering equipment is developed and manufactured in Belgium. Bekaert also places its large expertise at its clients' disposal in the form of maintenance services.

Bekaert is world leader in rotating sputtering targets, which achieve higher efficiency than planar targets. Two factors explain the rapid growth which Bekaert experienced in 2003: the burgeoning demand for glass with special coatings and the steady progress made by the glass industry in replacing planar targets with rotating targets. Bekaert realised several important breakthroughs among glass producers in Asia last year, most notably in the fast-growing Chinese market.

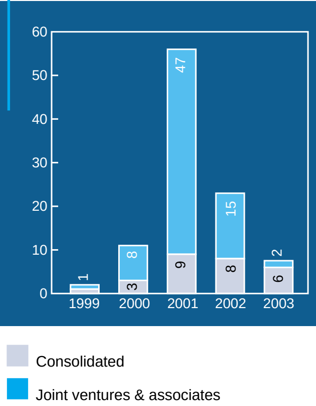
Bekaert specialises in thermal spraying of coatings for industrial and medical applications. Another speciality is applying diamond-like coatings, which combine extreme hardness with very low frictional resistance, making them very hard-wearing. Bekaert made a major advance in this technology in 2003: drawing on its plants' pooled expertise in the different technologies, it achieved a significant improvement in the bond between the coating and the substrate. Bekaert also developed larger vacuum machines with greater capacity.

Bekaert strengthened its position in coatings for racing car components last year. Bekaert also applies diamond-like coatings to moulds used in DVD production, a market which is concentrated largely in Asia. Bekaert has increased its interests in Sorevi

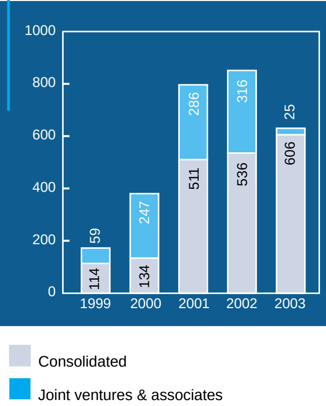
Sales (in millions of euros)



Capital expenditures
(in millions of euros)



Personnel



in France and Precision Surface Technology Pte Ltd in Singapore to 86.7% and 66.67%, respectively, in order to consolidate its leading position in industrial coatings in market segments with high added value.

Specialised films

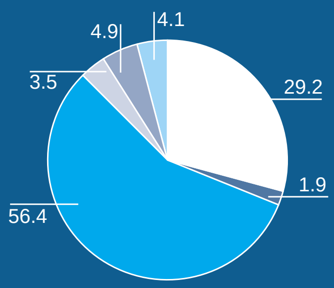
Specialised films, which are used primarily as solar control and safety and security window films, had a difficult year and performance overall fell short of expectations. The American market, which accounts for the bulk of film sales, in both the private and public sectors, faced exceptionally weak demand. This demand was a reflection of the low level of consumer spending in general, which affected sales of window films for applications in vehicles and buildings. At the same time, public-sector budget cuts translated into reduced orders for security and safety window films. The organisation was not adequately equipped to cope with extreme external factors, but Bekaert took the necessary action to turn the situation around and there are now signs that demand is picking up. A number of projects were also launched to raise operational efficiency. The methods and techniques, especially those relating to overall quality assurance and heightened operational efficiency, which have been applied successfully for many years elsewhere within Bekaert are being introduced at a faster rate.

Unisolar

For the activities in solar panels, Bekaert reached in May 2003 agreement with Energy Conversion Devices Inc. (ECD), its partner in the Unisolar joint venture, on the acquisition by ECD of Bekaert's entire interest in Unisolar. ECD acquired a 19% interest in United Solar Systems Corporation and a 60% interest in Bekaert ECD Solar Systems LLC. ECD also assumed Bekaert's existing commitments. Bekaert acquired the technology rights except those relating to photovoltaic cells and rights to build sputtering machines other than those for producing triple-junction photovoltaic cells. Bekaert had decided on strategic grounds that it would commit no further financial resources to solar cell development.

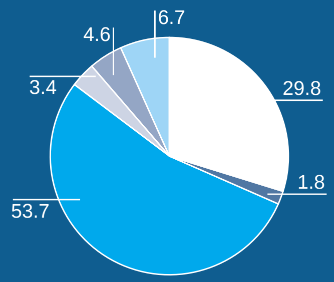
In accordance with the IFRS accounting rules, Bekaert recognised a substantial impairment charge on this activity in 2002. The impairment charge was sufficient to offset the financial impact of termination of this activity in 2003.

Sales by region: Consolidated



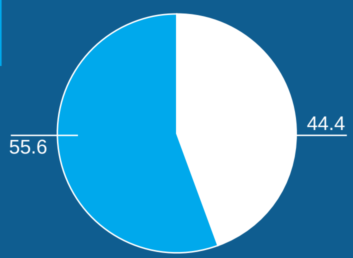
European Union: 29.2%
C. & E. Europe: 1.9%
North America: 56.4%
Latin America: 3.5%
Asia: 4.9%
Rest of the world: 4.1%

Sales by region: Combined



European Union: 29.8%
C. & E. Europe: 1.8%
North America: 53.7%
Latin America: 3.4%
Asia: 4.6%
Rest of the world: 6.7%

Sales by activity platform: Combined



Industrial coatings: 44.4%
Specialised films: 55.6%

Personnel

Personnel policy in 2003 reflected Bekaert's wider corporate strategy for sustainable profitable growth. Bekaert's growth mainly depends on the competences and commitment of its personnel, whose goal is to give customers, internal as well as external, the best possible service throughout the world. Bekaert seeks to create a flexible, global community of employees, working together effectively across functional and departmental boundaries. Bekaert's main efforts are directed towards developing the competences which are critical to the success of a globally active organisation.

A more international organisation

Bekaert's primary focus in 2003 was on international and integrated cooperation.

In Central Europe, the advanced wire products segment successfully integrated the activities of the new Hlohovec plant (Slovak Republic) into the global network. A new and more efficient organisational structure was put in place by a core team consisting of managers from the new plant and other locations, and a detailed plan was drawn up to define the priorities for the early years, so that implementation could start without delay.

Strategic Regional Councils were set up in the various regions by Bekaert's steel cord plants around the world, consisting of key managers at regional level and managers who operate globally. These committees are responsible for the implementation of strategy in the various regions.

Joint international marketing teams were set up by a number of activity platforms in the advanced wire products segment, to carry out preparatory work for the formulation and implementation of a new long-term strategy for the new global markets and to consider successors to existing products.

The advanced materials and advanced coatings segments strengthened the regional organisations in Latin America and Asia to support their international expansion.

Advanced wire products plant in Van Buren (USA).

Advanced wire products plant in Jiangyin (China).

Knowledge management was a priority for Bekaert Engineering, which during 2003 designated experienced individuals as 'anchor points', consulted with expert groups in each discipline and defined specific competence requirements.

Important issues were addressed at an international workshop by the management teams from advanced materials and advanced coatings, Bekaert Technology Centre and Bekaert Engineering, supported by managers from other activities. The emphasis was on improving performance through constructive cooperation and development of team skills, applying concepts such as the 'value curve' and the 'virtual company' to practical situations. The aim was to enable Bekaert to respond more swiftly to market developments.

Fast integration and continuous training

Technology being one of its main drivers, Bekaert recruited 15 highly qualified people of various nationalities in 2003 to join its technology and engineering departments in Belgium. The training curriculum for young technologists was revised, in order to ensure a faster response to individual needs. Two key courses, 'Bekaert Manufacturing' and 'Bekaert Foundation Technologies', were updated and were taken by all new technologists joining the company.

Bekaert organised dedicated induction courses for new recruits and employees at new plants around the world.

Many product, market and sales managers from various units took a new course in selling skills.

Several seminars were held in the United States, China and Belgium at which large groups of managers discussed Bekaert's strategy and organisation and exchanged ideas with the Bekaert Group Executive team.

Louisville (USA)

Jiangyin (China)

Better succession planning and more coherent performance monitoring

On the basis of the regular Bekaert Development Reviews, all key posts around the world were analysed and the present incumbents and their potential successors were identified, in order to achieve better long-term planning of management potential.

The experience gained with the job classification system for managers and for non-managerial staff was exchanged on a formal basis between the various regions and business units, which put it to good use.

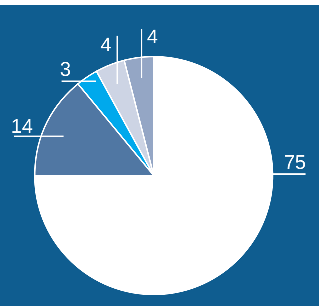
With Bekaert's growing internationalisation, the mobility of managers is a priority and the existing expatriate policy was extended. Compared with 2002, the number of non-European managers working as expatriates at Bekaert locations increased by one-third.

The performance evaluation system in use at Bekaert locations around the world measures the individual's ability to achieve results and maintain focus on the right priorities. The collective labour agreement negotiated with the trade unions in Belgium in 2003 introduces variable performance-related pay for non-management white-collar staff as from 2004. The current performance evaluation system for all managers around the world was considered a good system and forms the basis of Bekaert's performance-related personnel policy.

Review of benefit plan cost structure started

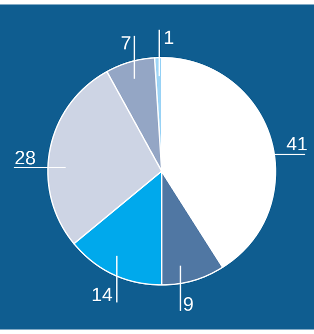
Bekaert launched an international review of pension and health insurance plans in 2003, to assess the long-term feasibility of the various benefit plans against the background of rising costs. The healthcare programme in the United States was modified and the existing pension plan in the United Kingdom was reviewed. Further changes to the UK plan are in preparation.

By segment



Advanced wire products: 75%
Fencing systems Europe: 14%
Advanced materials: 3%
Advanced coatings: 4%
Support: 4%

By region



European Union: 41%
C. & E. Europe: 9%
North America: 14%
Latin America: 28%
Asia: 7%
Rest of the world: 1%

Evolution of personnel

Consolidated
Joint ventures & associates

Evolution of personnel

The total number employed by the Group increased from 16 836 as at year-end 2002 to 17 183 as at year-end 2003. The number employed by the consolidated companies increased from 10 071 to 11 204, largely as a result of the Group's expansion in China and in the Slovak Republic. The number employed by the joint ventures and associated companies decreased from 6 765 to 5 979, mainly due to Bekaert's exit from Unisolar, the sale of part of Bekaert Handling in Denmark and the full consolidation of Contours in the United States.

The work force consists of 72% operators, 21% non-managerial staff and 7% managers.

Health, safety and environment

Consistent with its strategy of sustainable profitable growth, Bekaert strives constantly to improve its health, safety and environmental performance.

Bekaert made strenuous efforts to improve its safety performance still further in 2003. A primary focus was on the exchange of best-practice information. Belgo Mineira Bekaert Artefatos de Arame Ltda. (Brazil) achieved a remarkable safety performance, thanks to clear targets, good communication, close teamwork and the implementation of an integrated safety and environmental management system. The Vespasiano plant ended the year with no accidents involving absence from work and, on 3 December 2003, the Itaúna plant passed the milestone of 1 000 accident-free days. At the plant in Izmit (Turkey), a safety workshop was organised which took account of the specific risks presented by earthquakes. Bekaert appointed a regional safety manager for North America, to support the safety coordinators at the local plants. With the aid of this professional support, Bekaert's proactive prevention policy further improved safety awareness and in consequence the company's safety profile.

Bekaert introduced a number of additional safety procedures worldwide, designed to manage risks to the company, its staff and the environment. Bekaert's plants sustained little harm last year, although the San Diego (USA) plant suffered limited tornado damage. Bekaert continued to work on reducing overall insurance costs in 2003 and was able, as a result of successful negotiations with its insurance brokers and a comprehensive re-evaluation of the property risks, to keep premiums under control. Despite the difficult economic conditions, better terms were negotiated for the overall credit insurance programme.

Bekaert closely monitors developments in international environmental legislation, both so that it can identify potential conflicts with existing processes and products and devise appropriate solutions and so that it can utilise this information as the basis for the development of new products and services.

A major effort was made last year in the context of the commitments which Bekaert has entered into with public authorities to take a proactive approach to dealing with existing soil contamination. Bekaert Fencing S.A. in Bourbourg (France) decontaminated a site used in the past for dumping filter cake (waste water treatment sludge), in agreement with the French Regional Directorate for Industry, Research and the Environment (DRIRE). In Belgium, a review of existing soil contamination at Bekaert's plants was carried out, on the basis of descriptive soil surveys. Bekaert started remedial work in 2003 at a site at Zwevegem (Belgium) where the ground water is contaminated with zinc.

Bekaert VDS invested in new containers at Deinze (Belgium) for temporary storage and additional precautions against leakage were taken in the forklift storage and refuelling areas at Contours Ltd (USA).

In all countries, Bekaert takes care to ensure that all processes comply fully with the operating permits.

Bekaert's main priorities are to reduce the volume of industrial waste water and solid waste and to recover raw materials. Actions in 2003 included:

- the commissioning of new waste-water treatment installations at two plants in Latin America: Proalco S.A. in Caldas (Colombia) and Inchalam S.A. in Talcahuano (Chile);
- the systematic modification of the processing equipment at Bekaert Bohumín s.r.o. (Czech Republic) to incorporate best practice, which has substantially reduced the volume of waste water;
- the installation of an additional sand filtration stage for waste water produced at the Muskegon (USA) plant;
- a 30% reduction in soap waste at the Dramix® plant operated by Shanghai Bekaert Ergang Company Limited (China);
- breakthroughs at the Shelbyville (USA) plant and several plants in Belgium in the recycling of waste materials (mainly filter cake).

On the basis of energy audits performed on the production processes at the Belgian plants, Bekaert signed a covenant with the Flemish government under which it committed itself to raising its energy-efficiency to match the best in the world, in exchange for the government's undertaking not to impose any additional permit conditions or CO_2 taxes. Bekaert companies in other countries also mounted energy-saving projects in 2003, including Belgo Bekaert Arames S.A. at Contagem (Brazil) which is now achieving a high level of heat recovery from its air compressors. Efficient use of water and acid yielded substantial savings at Belgo Bekaert Arames S.A. (Brazil), at the Muskegon and Van Buren plants in the United States and at Bekaert Fencing NV (Belgium).

The new Sensor database, which contains all relevant safety and environmental information and can be accessed by staff via the intranet, was introduced by Bekaert in 2003. This facilitates the benchmarking of the performance of plants engaged in similar activities and the efficient exchange of best-practice information. Effective cross-functional cooperation is enabling Bekaert to introduce more environment-friendly processes at its plants. Process innovations include:

- the replacement of cracked ammonia with a better alternative at Zwevegem (Belgium);
- switching from kerosene as a fuel for steam generation at Belgo Bekaert Arames S.A. (Contagem, Brazil);
- a new disposal procedure for lubricants at Dyersburg (USA);
- a new process for thermal oxidation of volatile organic compounds at Bekaert Specialty Films, LLC (San Diego, USA), resulting in a substantial reduction in emissions.

Bekaert seeks to establish good relationships with the authorities in the countries in which it operates.

Information for shareholders

2003

Information for shareholders

Shares

Shares in issue

The number of shares in issue decreased by 51 330 from 22 121 630 in 2002 to 22 070 300 in 2003, as a result of the repurchase of shares in connection with the stock option plan. The repurchased shares were cancelled to avoid future dilution of the voting rights on Bekaert shares of the existing shareholders upon exercise of the options. The shares were repurchased at an average price of €42.57.

- Number of shares (31 December 2003) 22 070 300
- Number of VVPR strips (31 December 2003) 3 551 040

Registered and bearer shares

The shares are registered or made out to bearer in multiples of 1, 10, 50, 100 and 1 000. Shareholders wishing to convert from registered to bearer shares and viceversa should contact the legal department by telephone (+32 56 230511) or send an e-mail to registered.shares@bekaert.com

Distribution of shareholdings

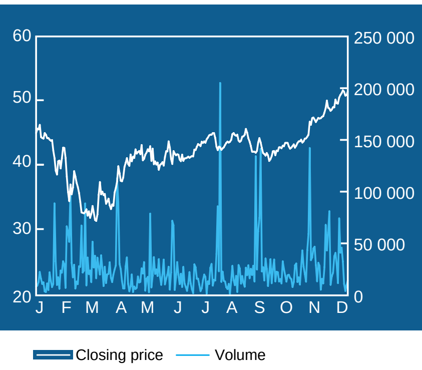
Of the total number of shares, 13 475 were registered as at 31 December 2003. Bekaert has received notification under the Law of 2 March 1989 of holdings representing 40.28% of the share capital. The remainder are spread over institutional and individual investors.

Notifications received from the companies which act in concert (see also note 33 to the Financial statements):

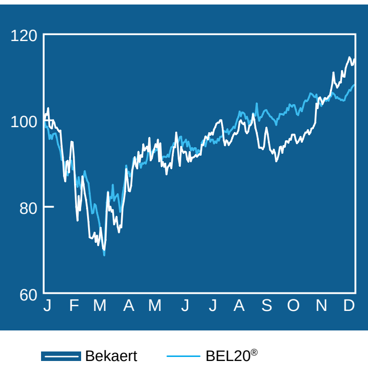
Notifier	Number of shares	%
Stichting Administratiekantoor	4 265 940	19.33
Common attorney, Mr. Oberson	2 223 140	10.07
Beauval Enterprises Corp.	1 100 000	4.98
Tirhold Inc.	1 079 630	4.89
HLF S.p.r.l.	76 820	0.35
N.V. BSI	57 470	0.26
Velge & C° N.V. in liquidation	19 000	0.09
N.V. De Sneppe	17 460	0.08
Millenium 3 S.A.	16 000	0.07
S.A. Berfin	15 000	0.07
S.A. Subeco	12 600	0.06
Brocsa S.A.	6 770	0.03
Total	**8 889 830**	**40.28**

Market				
Bekaert share	**Euronext® Brussels**		**Market**	**Continuous**
	ISIN	BE0003780948	MEP	BRU
	Euronext	BE0003780948	Mnemo	BEKB
	Sedol	5827431		
Bekaert VVPR strip	**Euronext® Brussels**		**Market**	**Fixing**
	ISIN	BE0005569406	MEP	BRU
	Euronext	BE0005569406	Mnemo	BEKS
Sector classification	Engineering – General, sector 267 (FTSE)			
Indices				
	Euronext® Brussels	BEL20®	1.20%	111 shares
		Next150	1.37%	
		Next Prime Index	2.15%	
		General Industrials	37%	
		Belgian All shares	0.82%	
		Continuous	0.85%	
	Bank Corluy	Vlam21	9.10%	122 shares
	FET	IN.flanders©	2.66%	292 shares
	Stoxx	TMI Small	0.31323%	
		Style Index Small Cap Value	0.74338%	
		TMI EURO Small	0.74475%	
		Style Index TMI Value	0.03536%	
		TMI Ex UK	0.02659%	
		Total Market Index	0.01680%	
		TMI Euro	0.03484%	
		Euro Style Index TMI Value	0.07758%	
		TMI Ex UK Small	0.50708%	
		Euro Style Index Small Cap Value	0.07758%	
	MSCI	Belgium	2%	
	Bloomberg	Industrial Index	0.23%	
		Components Equipments Index	25.63%	
	Ethibel	Ethibel Sustainability Indexes		
	Kempen/SNS	Smaller Europe Socially Responsible Investment		
Agencies				
	Reuters	BERTt.BR		
	Bloomberg	BEK.BB	IR Channel BEKB.BE	

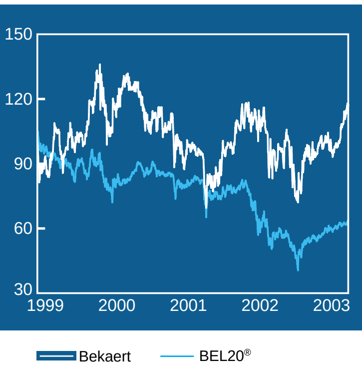
Closing price & volume



Relative position on Euronext® Brussels BEL20® (2003)



Relative position on Euronext® Brussels BEL20® (1999-2003)



Share listing

After an initial rise following the announcement of the acquisition of the Drôtovña plant in the Slovak Republic, the share price fell sharply in the first quarter, reaching a low in March 2003 against the background of growing geopolitical uncertainty and the mood of crisis on the stock markets. The price picked up in the second quarter, with demand for steel cord products remaining strong and the first-quarter report indicating a good performance, and moved back into line with the BEL20® index. The doubling of steel cord production capacity in the growing Chinese market was announced in May.

The interim results, showing margins, operating profit and net result significantly higher than the year before, were well received. The cautious outlook for the second half of the year held the price at around €40 in the third quarter, but it responded positively to the first signs of recovery of advanced wire products in the United States and Europe, rising to its highest level since May 2002 and outperforming the BEL20® index by over 7%.

The highest price of €50.75 was quoted on 23 December 2003 and the lowest of €31.00 on 12 March 2003. The weighted average closing price in 2003 was €41.22.

YEAR	VOLUME (daily average)	PRICE 31/12	PRICE high	PRICE low	PRICE average	STRIPS 31/12	Velocity (Adjusted)	Capitalisation
1994	25 320	56.46	70.59	50.82	-	-	-	1 268
1995	35 750	59.99	61.66	46.11	-	-	-	1 347
1996	54 150	49.95	81.00	44.81	-	-	-	1 122
1997	38 570	54.66	68.67	45.92	-	-	-	1 228
1998	34 730	42.27	77.47	41.89	-	-	-	949
1999	37 939	55.10	57.50	34.80	43.17	0.05	33.6%	1 237
2000	21 450	49.85	58.50	42.50	50.46	0.06	30.5%	1 112
2001	18 362	43.27	51.00	28.00	40.51	0.15	27.4%	959
2002	27 309	43.15	50.95	35.50	45.57	0.55	39.3%	955
2003	28 950	50.50	50.75	31.00	41.22	0.79	44.0%	1 115

Market capitalisation

Capitalisation on 31 December 2003	€1 115 million
Capitalisation - high	€1 123 million
Average capitalisation	€912 million
Capitalisation – low	€686 million

Turnover

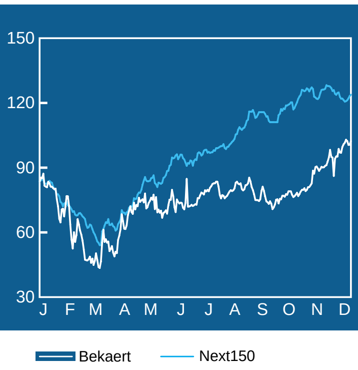
Annual turnover	€304 million
Turnover per day	€1.2 million
Transactions per day	137

Velocity

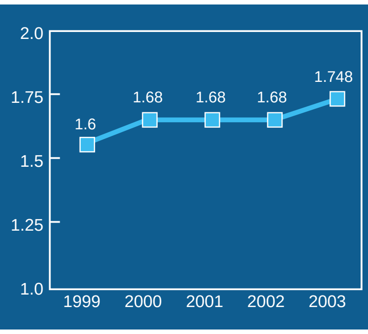
Annual velocity Euronext® Brussels	33.0%
‘Band adjusted velocity’ Euronext® Brussels	44.0%

In 2003, the number of shares traded increased by 6 % and amounted to 29 000 per day.

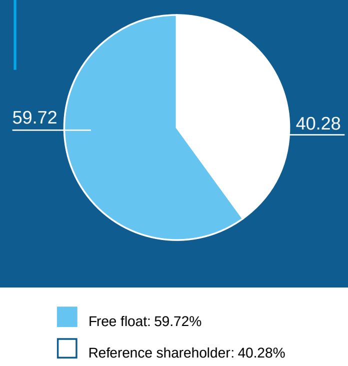
Relative position on Euronext®: Next150



Gross dividend (in euros)



Distribution of shareholdings



Dividend policy

It is the policy of the Board of Directors to propose a profit appropriation to the Annual 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 Bekaert seeks to maintain a pay-out ratio of around 40% of the consolidated net result over the longer term.

Dividend per N.V. Bekaert S.A. share

For 2003, a dividend increase of 4% to 1.748 euro will be proposed.

Dividend = €1.748 gross – €0.437 (25% withholding tax) = €1.311 net.
Dividend with VVPR strip = €1.4858 net.

Subject to approval by the General Assembly of Shareholders, the net dividend will be payable in euros as from 19 May 2004 on presentation of coupon no. 5 at branches of *ING Bank, Fortis Bank, KBC, Bank Degroof* and *Dexia Bank* in Belgium, *Société Générale* in France, *ABN-AMRO Bank* in the Netherlands and *UBS* in Switzerland.

Investor relations

Several group and individual meetings were held with financial analysts and investors. These meetings, held in Belgium, Canada, Denmark, France , Germany, Ireland, Luxembourg, the Netherlands, Norway, Spain, Sweden, United Kingdom and the United States, provided information on financial results and corporate strategy. There was also an analysts' day, with visits to several plants. Another analysts' day is scheduled for 17 December 2004.

The annual report for the 2003 financial year is available on the Internet from 19 April 2004, in Dutch, French and English, at www.bekaert.com and can be downloaded as an Adobe™.pdf file.

BEKAERT

Introduction of segment reporting

Segment reporting is required by the International Financial Reporting Standards (IFRS), on which Bekaert's financial reporting has largely been based since 2000. This has been supplemented for 2003 with financial segment information in accordance with the standard IAS 14.

The objective of the **IAS 14** standard is to establish principles for reporting financial information by segment (i.e. classified by type of product or service and geographical area), to help users of financial statements:

- better understand the enterprise's past financial performance;
- better assess the enterprise's risks and returns profile;
- make more informed judgements about the enterprise as a whole;
- to ensure a reasonable level of comparability and comprehensibility of the information.

Bekaert has opted for a **primary segmentation** by business segments. While the company is fully aware of the significance of its global geographical presence, it considers geographical segmentation as secondary information.

The segmentation is based on detailed analysis of the various parameters which serve to define a particular segment, giving most weight to the strategic importance of the segment and hence its importance to Bekaert's risk profile. Other factors taken into consideration were the nature of the products and services, the nature of the production processes, the possibility of achieving similar long-term financial returns within the various activity platforms, the distribution channels, customers and market sectors, and the currency risks and political and economic risks in each region. Due account was also taken of the system of internal financial reporting to the Bekaert Group Executive, the Chief Executive Officer and the Board of Directors.

Bekaert's risks and returns profile is determined especially by its two core competences – advanced metal transformation and advanced materials and coatings – from which it develops a range of unique combinations of products for applications requiring specific functionalities. Because of Bekaert's unique position, other forms of segmentation based on existing product lines or industry sectors are inappropriate and would not contribute to a better understanding of the enterprise as a whole.

These core competences shape the basis for the primary segmentation of Bekaert's financial reporting, whereby each competence is divided into two reportable business segments. Each business segment can in turn represent several activity platforms.

Core competence: advanced metal transformation

- Business segment: advanced wire products
  - Activity platforms:
    - wire Europe
    - wire North America
    - wire Latin America
    - wire Asia
    - building products
    - steel cord China
    - steel cord others
    - other advanced wire products.
- Business segment: fencing systems Europe

Core competence: advanced materials and coatings

- Business segment: advanced materials
  - Activity platforms:
    - fibre technologies
    - combustion technologies
    - composites
- Business segment: advanced coatings
  - Activity platforms:
    - industrial coatings
    - specialised films

The segments are discussed in greater detail in 'Company profile' on page 1.

Further relevant information is given in the graphs for each industry segment on the combined net sales per activity platform.

Secondary segmentation is by the company's geographical spread of sales and sales by business segment, at both consolidated and combined level. Financial key data, such as total assets and investments, are also given at consolidated level by geographical region.

Bekaert obtained from the CBFA (Belgian Banking, Finance and Insurance Authority) the exemption allowing the application of the not yet by the European Commission approved IFRS 1 Standard in its move to full IFRS/IAS introduction in the 2003 annual accounts. The CBFA has motivated its decision by referring to IFRS 1 being developed to complement the SIC 8 shortcomings; by the imminent approval by the European Commission, and by indicating that Bekaert would have to refer to IFRS 1 for any aspects where SIC 8 would not offer sufficient guidance.

Evolution of share capital

Year	Shares	Capital	Transaction
in BEF			
1880			Formation of family company
1924	300	3 000 000	Formation of public limited company (N.V.)
1929	15 000	15 000 000	Capital increase due to capitalisation of reserves and contribution in cash
1932	15 005	15 005 000	Merger with S.C. Espérance, Fontaine-L'Evêque
1935			Conversion to private limited company (P.V.B.A.)
1941	48 000	48 000 000	Capital increase due to contribution in cash and in kind and capitalisation of reserves
1952	48 000	480 000 000	Capitalisation of reserves and increase in nominal value of shares to BEF 10 000
1965	49 200	1 623 600 000	Capitalisation of reserves and increase in nominal value of shares to BEF 33 000
			Merger with N.V. Bekaert Steelcord
1969	787 200	1 623 600 000	Conversion to public limited company (N.V.) and 16-for-1 share split
1970	807 200	2 800 000 000	Capital increase due to contribution in cash of BEF 70 000 000 under pre-emptive right and capitalisation of reserves of BEF 1 106 400 000 without share issue
1972	1 614 400	2 800 000 000	2-for-1 share split
			Bekaert flotation, first quotation on 11 December 1972
1975	1 614 665	2 800 459 775	Conversion of 265 convertible bonds
1976	1 614 910	2 800 884 850	Conversion of 245 convertible bonds
1978	1 640 705	2 845 639 175	Conversion of 25 795 convertible bonds
1979	1 758 313	3 049 689 055	Conversion of 117 608 convertible bonds
1980	1 760 972	3 054 302 420	Conversion of 2 659 convertible bonds
1982	1 890 628	3 279 255 580	Conversion of 129 656 convertible bonds
1983	2 245 732	4 000 000 000	Issue of 355 104 new shares subject to reduced withholding tax ('AFV shares')
1988	2 245 732	6 750 000 000	Capitalisation of reserves
1994			AFV shares redesignated VVPR shares
in euros			(€1 = BEF 40.3399)
1999	22 457 320	170 000 000	Capitalisation of reserves and conversion into euros
			Conversion of VVPR shares into ordinary shares, issue of VVPR strips
			10-for-1 share split
2000	22 300 888	170 000 000	156 432 shares repurchased and cancelled
2001	22 157 374	170 000 000	143 514 shares repurchased and cancelled
2002	22 121 630	170 000 000	35 744 shares repurchased and cancelled
2003	22 070 300	170 000 000	51 330 shares repurchased and cancelled

Definitions

Added value	Result from operations + remuneration, social insurance and pension charges + depreciation, amortisation and impairments on assets.
Associated companies	Companies in which Bekaert has an interest of 20-50% and which are accounted for under the equity method.
Book value	Equity including minority interests.
Capital employed (CE)	Working capital + net intangible assets + goodwill + net property, plant & equipment. The average CE is used for ratios.
Cash flow	Consolidated net Group result + depreciation and amortisation.
Dividend yield	Gross dividend as a percentage of the share price on 31 December.
EBIT interest coverage	Result from operations divided by net interest charges.
Equity	Equity including minority interests, for calculation of ratios.
Financial autonomy	Equity at year-end/total assets.
Gearing	Ratio of net debt to equity at year-end.
Joint ventures	Companies under joint control which are accounted for under the equity method.
Net capitalisation	Net debt + equity + minority interests.
Operating cash flow (EBITDA)	Result from operations (EBIT) + depreciation and amortisation.
Pay-out	Gross dividend as a percentage of consolidated net Group result.
Price / earnings ratio	Share price divided by consolidated net Group profit per share.
ROCE	Result from operations relative to average capital employed.
ROE	Profit relative to average equity including minority interests.
Sales (combined)	Sales of consolidated companies + 100% of sales of joint ventures and associated companies.
Subsidiaries	Companies in which Bekaert 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, excluding high-low.
Velocity (adjusted)	Velocity adjusted for the free-float band. With a 60% free float, for example, velocity is adjusted to the upper limit of the 50-75% band. Used for BEL20®.
Velocity (trading)	Number of shares traded per month relative to the total shares in issue over the past twelve months.
Working capital	Inventories + trade receivables – trade payables – advances received – remuneration and social insurance charges – withholding taxes on remuneration.

Historical review (*)

(in millions of euros)

Consolidated balance sheet	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Non-current assets	**964**	**1 002**	**1 060**	**1 223**	**1 125**	**1 184**	**1 229**	**1 416**	**1 164**	**1 154**
Intangible assets	6	8	11	27	31	32	27	61	55	48
Goodwill	15	23	16	28	37	51	21	93	72	71
Property, Plant & Equipment	737	758	848	902	850	852	841	910	778	758
Investments under equity method	202	207	116	197	198	239	288	301	205	189
Other investments	4	5	69	70	9	10	52	51	54	88
Current assets	**642**	**645**	**682**	**704**	**730**	**832**	**864**	**821**	**748**	**757**
Inventories	256	296	280	301	300	321	351	343	312	323
Amounts receivable	270	286	282	329	305	366	424	388	353	338
Financial assets	108	54	106	53	108	119	77	74	74	83
Deferred charges & accrued income	8	9	14	22	17	26	12	16	9	13
Deferred tax assets							**1**	**9**	**10**	**15**
TOTAL ASSETS	**1 606**	**1 647**	**1 742**	**1 927**	**1 855**	**2 016**	**2 094**	**2 246**	**1 922**	**1 926**
Equity	**801**	**816**	**857**	**935**	**893**	**1 013**	**1 031**	**939**	**758**	**779**
Minority interest	**69**	**67**	**73**	**36**	**41**	**49**	**49**	**43**	**44**	**43**
Non-current liabilities	**299**	**264**	**406**	**424**	**398**	**412**	**406**	**682**	**597**	**539**
Employee benefit obligations	81	90	94	111	111	113	141	187	176	171
Provisions	13	18	75	43	31	39	40	39	54	44
Financial liabilities	185	138	221	248	238	246	217	450	343	322
Other amounts payable	20	18	16	22	18	14	8	6	24	2
Current liabilities	**360**	**416**	**344**	**466**	**458**	**472**	**498**	**492**	**457**	**500**
Financial liabilities	69	115	70	146	166	119	202	209	152	177
Trade payables	152	155	133	170	147	187	170	156	185	192
Other current liabilities	139	146	141	150	145	166	117	118	112	123
Accrued charges & deferred income							8	10	8	8
Deferred tax liabilities	**77**	**84**	**62**	**66**	**65**	**70**	**110**	**90**	**66**	**65**
TOTAL EQUITY & LIABILITIES	**1 606**	**1 647**	**1 742**	**1 927**	**1 855**	**2 016**	**2 094**	**2 246**	**1 922**	**1 926**

Consolidated income statement	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Sales	**1 471**	**1 504**	**1 532**	**1 739**	**1 767**	**1 765**	**1 756**	**1 796**	**1 863**	**1 797**
Cost of sales	**(1 199)**	**(1 232)**	**(1 279)**	**(1 444)**	**(1 486)**	**(1 436)**	**(1 411)**	**(1 467)**	**(1 490)**	**(1 424)**
Gross profit	**272**	**272**	**253**	**295**	**281**	**329**	**345**	**329**	**373**	**373**
Distribution and selling expenses	(82)	(82)	(87)	(95)	(98)	(96)	(102)	(116)	(110)	(111)
General and administrative expenses	(71)	(70)	(79)	(83)	(75)	(87)	(95)	(114)	(109)	(101)
Research and development expenses	(24)	(26)	(28)	(28)	(29)	(32)	(34)	(33)	(36)	(36)
Other revenue	12	10	13	24	14	20	22	22	20	20
Other expenses	(8)	(8)	(53)	(25)	(23)	(33)	(20)	(28)	(74)	(33)
Result from operations	**100**	**96**	**19**	**88**	**70**	**101**	**116**	**60**	**64**	**112**
Interest income and expenses	(23)	(19)	(19)	(23)	(30)	(24)	(26)	(30)	(29)	(32)
Non-operating income and expenses	97	(3)	43	10	(6)	8	10	5	(101)	(11)
Results from ordinary activities	**174**	**74**	**43**	**75**	**34**	**85**	**100**	**34**	**(66)**	**69**
Income taxes	(24)	(18)	(3)	(16)	(14)	(23)	(23)	5	7	(8)
Result after taxes	**150**	**56**	**40**	**59**	**20**	**62**	**77**	**39**	**(59)**	**61**
Result of companies accounted for under the equity method	14	23	17	14	16	23	29	13	19	32
Minority interests	(3)	(4)	(0)	(4)	(2)	(5)	(5)	(4)	(6)	(8)
Extraordinary income and expenses							1	0	0	0
Consolidated result	**161**	**75**	**57**	**69**	**34**	**80**	**102**	**48**	**(46)**	**85**

(*) From 2000 onwards, revised accounting principles have been applied: prior-year figures are for information only and have not been restated.

(in millions of euros)

Consolidated cash flow statement	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Result from operations	100	96	19	88	70	101	115	60	64	112
Depreciation and amortisation	96	95	107	120	129	135	131	132	167	96
Income taxes	(5)	(10)	(12)	(12)	(15)	(13)	(24)	(11)	(13)	(19)
Gross cash by operating activities	**191**	**181**	**114**	**196**	**184**	**223**	**222**	**181**	**218**	**189**
Changes in working capital	(21)	(24)	(8)	(12)	(19)	0	(70)	56	39	(18)
Others							5	(29)	(8)	(21)
Cash provided by operations	**170**	**157**	**106**	**184**	**165**	**223**	**157**	**208**	**249**	**150**
New portfolio investments	147	(12)	82	(120)	(15)	(21)	(69)	(189)	(5)	(34)
Dividends received	10	8	7	8	4	6	17	15	14	19
Others							(7)	2	2	5
Cash portfolio activities	**157**	**(4)**	**89**	**(112)**	**(11)**	**(15)**	**(59)**	**(172)**	**11**	**(10)**
Investments in intangibles							(10)	(45)	(7)	(9)
Capital expenditures	(95)	(115)	(140)	(126)	(111)	(63)	(103)	(122)	(78)	(109)
Others							6	13	14	(12)
Cash industrial activities	**(95)**	**(115)**	**(140)**	**(126)**	**(111)**	**(63)**	**(107)**	**(154)**	**(71)**	**(106)**
Cash for interests	(13)	(17)	(9)	(15)	(24)	(12)	(31)	(28)	(30)	(22)
Dividends	(35)	(37)	(35)	(35)	(34)	(38)	(40)	(40)	(43)	(45)
Others	(116)	(37)	41	50	70	(84)	69	195	(118)	34
Cash financial activities	**(164)**	**(91)**	**(3)**	**0**	**12**	**(134)**	**(2)**	**127**	**(191)**	**(33)**
Increase / decrease in cash	**68**	**(53)**	**52**	**(54)**	**55**	**11**	**(11)**	**9**	**(2)**	**1**

Additional key figures	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Bekaert (combined)										
Sales	2 148	2 225	1 915	2 406	2 520	2 488	2 726	2 815	2 810	2 618
Capital expenditures	146	172	191	161	147	139	151	222	119	140
Personnel	16 762	16 677	16 161	17 257	16 725	16 452	17 202	17 461	16 836	17 183
Consolidated										
Capital expenditures (P, P&E)	102	119	141	125	106	100	103	122	78	109
Capital expenditures (intangibles)	4	4	4	20	18	11	10	45	7	10
Depreciations and amortisations	95	95	106	118	128	132	131	145	149	127
Depreciations goodwill	4	4	9	4	4	2	3	5	11	7
Operational cash flow (EBITDA)	198	195	135	211	201	233	247	207	226	239
Cash flow	258	173	173	192	168	220	238	200	205	222
Capital Employed (CE)	1 011	1 082	1 189	1 293	1 262	1 295	1 332	1 485	1 256	1 231
Working Capital (WC)	254	292	313	336	345	360	442	421	351	354
Net debt	146	199	185	342	296	246	340	544	366	364
Added value	656	664	653	735	721	740	737	714	774	749
Personnel charges	458	470	517	525	520	503	489	502	549	507
Personnel	11 007	11 612	11 706	11 351	10 926	10 329	10 242	10 438	10 071	11 204
Joint ventures and associates										
Sales	677	721	382	667	753	723	970	1 019	947	821
Results from operations	109	101	39	63	64	82	112	96	106	111
Result of the year	43	62	43	32	36	51	72	40	55	78
Capital expenditures	44	53	49	36	41	38	48	100	41	31
Depreciations	51	47	23	31	37	45	52	47	49	41
Depreciations goodwill							4	4	4	3
Equity Group's share	201	206	116	197	198	239	261	276	185	179
Personnel	5 755	6 065	4 454	5 906	5 799	6 123	6 960	7 023	6 765	5 979

Per share	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EBITDA	8.80	8.67	6.02	9.38	8.96	10.39	11.09	9.36	10.21	10.83
EBIT	4.46	4.29	0.84	3.92	3.12	4.49	5.19	2.69	2.90	5.07
EPS (Earnings per share)	7.15	3.32	2.51	3.07	1.52	3.56	4.56	2.15	(2.09)	3.85
EPS before goodwill	7.31	3.50	2.94	3.23	1.71	3.83	4.86	2.58	(1.40)	4.32
Cash flow	11.50	7.70	7.69	8.53	7.48	9.79	10.67	9.02	9.29	10.07
Sales	65.50	66.97	68.24	77.43	78.66	78.58	78.75	81.05	84.24	81.42
Book value	38.74	39.30	41.42	43.25	41.61	45.76	48.44	44.32	36.29	37.26
Gross dividend	1.49	1.49	1.49	1.49	1.49	1.60	1.68	1.68	1.68	1.7480
Net dividend	1.12	1.12	1.12	1.12	1.12	1.20	1.26	1.26	1.26	1.3110
Net dividend with VVPR strip	1.30	1.26	1.26	1.26	1.26	1.36	1.43	1.43	1.43	1.4858

Performance	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Consolidated										
EBITDA / sales	13.4	12.9	8.8	12.1	11.4	13.2	14.1	11.6	12.1	13.3
EBIT / sales	6.8	6.4	1.2	5.1	4.0	5.7	6.6	3.3	3.4	6.2
Sales / capital employed	1.4	1.4	1.3	1.4	1.4	1.4	1.3	1.3	1.4	1.4
ROCE (EBIT / capital employed)	9.8	9.2	1.7	7.1	5.5	7.9	8.8	4.2	4.7	9.0
Result after taxes / sales	10.9	5.0	3.7	4.0	1.9	4.5	5.8	2.7	(2.5)	4.7
ROE (return on equity)	20.1	9.0	6.24	7.6	3.7	8.6	10.2	5.0	(4.4)	11.4
ROE (before goodwill)	20.5	9.5	7.3	8.0	4.2	9.3	10.8	5.9	(2.7)	12.7
Financial autonomy	54.2	53.6	53.4	50.4	50.4	51.0	51.6	43.7	41.8	42.7
Gearing (net debt / equity)	16.8	22.6	19.9	35.2	31.7	23.9	31.5	55.4	45.6	44.2
Net debt / net capitalisation	14.4	18.4	16.6	26.0	24.1	19.3	24.0	35.6	31.3	30.7
Net debt / EBITDA	0.7	1.0	1.5	1.6	1.5	1	1.4	2.6	1.6	1.5
EBIT interest coverage	8.6	10.2	1.3	4.3	2.52	4.9	4.7	2.2	2.6	6.2
EBITDA interest coverage	16.9	20.7	9.0	10.3	7.3	11.2	10.0	7.6	9.3	13.2
Working capital / sales	16.6	18.1	19.7	18.7	19.3	20.0	22.7	23.9	20.7	19.6
Joint ventures and associates										
EBIT / sales	16.1	14.0	10.2	9.5	8.5	11.3	11.5	9.4	11.2	13.6
ROE	7.0	11.1	15.0	7.2	8.1	9.4	12.9	14.5	10.0	18.7
Average participation	32.6	37.1	39.5	43.8	44.4	45.1	47.2	41.4	41.7	45.2

Valuation	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Price / earnings (31 December)	8	18	20	18	28	15	11	20	NR	13
Price / earnings (average)						12	11	19	NR	11
Price / cash flow	4.9	7.8	6.5	6.4	5.7	5.6	4.7	4.8	4.6	5.0
Price / book value	1.46	1.53	1.21	1.26	1.02	1.20	1.03	0.98	1.19	1.36
Price / sales	0.86	0.90	0.73	0.71	0.54	0.70	0.63	0.53	0.51	0.62
Dividend yield	2.7	2.5	3.0	2.7	3.5	2.9	3.4	3.9	3.9	3.5
Dividend pay-out ratio	21	45	59	48	98	45	37	78	NR	45

Statement on 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. Bekaert accordingly complies with internationally accepted standards and rules and the recommendations of the Banking, Finance and Insurance Commission and Euronext® Brussels in this area. As a member of the Belgian 'Instituut voor Bestuurders' (Institute for Directors), Bekaert is helping to shape a coherent vision of corporate governance based on solid research, cultural norms and practical management needs.

General Meeting of Shareholders

The Articles of Association stipulate that the Annual General Meeting shall be held on the second Wednesday in May. Shareholders wishing to attend the General Meeting must notify the company of their intention at least three full working days before the meeting. Each shareholder may be represented by a proxy who is entitled to vote in his own right. However, legal persons may be represented by a proxy who is not a shareholder. Registered shareholders will receive an invitation in advance, together with the agenda and the annual report. The meeting can only consider and adopt resolutions on the items appearing on the agenda, but ample time is always allowed for questions. All shares carry the same rights and each share entitles the holder to one vote.

A total of 89 shareholders were present in person or by proxy at the Annual General Meeting on 14 May 2003, representing a total of 7 039 507 shares or 31.8% of the total number of issued shares. Three holders of subscription rights also attended the meeting, representing 2 115 subscription rights or 0.6% of the total number of issued subscription rights. The meeting approved the financial statements and profit appropriation for 2002 and discharged the Directors and the statutory auditor of responsibility. Baron Leon Bekaert, Baron Paul Buysse, Count Charles de Liedekerke and Messrs. Julien De Wilde and Maxime Jadot were re-elected as Directors for a term of three years ending at the close of the Annual General Meeting in 2006. The meeting acknowledged Baron Maurice Velge's resignation from the Board due to his reaching the mandatory retirement age, and Mr. Hubert Jacobs van Merlen was appointed as Director for a term of three years ending at the close of the Annual General Meeting in 2006. The annual remuneration of the members of the Board of Directors for 2003 was maintained at €52 058, of which €37 184 was fixed and €14 874 was variable, based on attendance at six meetings. The remuneration of the statutory auditor for 2003 was maintained at €99 261. All resolutions were adopted unanimously, except the resolution to discharge the Directors and the statutory auditor, on which one shareholder, representing 47 961 shares, voted against.

An Extraordinary General Meeting held on 14 May 2003 renewed the Board's authority to repurchase the company's own shares for a period of 18 months. Also, a provision was included in the Articles of Association authorising the Board of Directors to transfer its management powers to an executive committee in accordance with the Belgian Act of 2 August 2002. The Board of Directors has not made use of this possibility to date.

Composition of the Board of Directors

The Board of Directors of N.V. Bekaert S.A. presently consists of thirteen members, seven of whom represent the principal shareholders. Only the Chief Executive Officer, who is responsible for the day-to-day management of the company, has an executive function. All other members are non-executive directors.

The members of the Board of Directors are elected for a three-year term and are eligible for re-election. New candidates must notify the Board of Directors at least two months prior to the Annual General Meeting.

The selection of new candidates for Board membership is formally entrusted to the Nomination, Compensation and Pensions Committee (NCPC). The selection criteria relate to the contribution which the candidate can make to the Board of Directors on the basis of talent, interest, background and willingness and ability to devote adequate time to the office. In the case of a nomination for re-election, the quality of the actual contribution to the Board is considered. Membership of the Board of Directors is subject to a minimum age limit of 35 and a maximum age limit of 67. Only in the case of the Chairman and the Chief Executive Officer is membership of the Board their principal occupation. The candidates proposed by the NCPC are nominated by the Board for appointment by the General Meeting.

Following their re-election as Directors on 14 May 2003, the Board accordingly reappointed Baron Paul Buysse as Chairman and Mr. Julien De Wilde as Chief Executive Officer.

Name	Position	Term expires	Principal employer (*)	Membership of committees
Members representing principal shareholder				
Baron Leon Bekaert	Director	2006	Director of several companies	SC
Roger Dalle	Director	2004		NCPC
Count Charles de Liedekerke	Director	2006	Executive Vice President of Lafarge S.A. (F)	SC
François de Visscher	Director	2004	President of de Visscher & Co. (USA)	A&F
Hubert Jacobs van Merlen	Director	2006	President and Chairman IEE SA, Luxembourg	
Maxime Jadot	Director	2006	Head of Investment Banking at Fortis Bank (B)	SC/NCPC
Baudouin Velge	Director	2004	Chief Economist at VBO/FEB (B)	A&F
Management				
Julien De Wilde	Chief Executive Officer	2006	N.V. Bekaert S.A.	SC/A&F
Other members				
Baron Paul Buysse	Chairman	2006	N.V. Bekaert S.A.	SC/A&F/NCPC
Gary J. Allen	Director	2005	Chairman of IMI plc (UK)	A&F/NCPC
Pol Bamelis	Director	2004	Chairman of Agfa-Gevaert N.V. (B) Director of several companies	SC
Baron Jan Huyghebaert	Director	2005	Chairman of Almanij N.V. (B)	NCPC
Baron Georges Jacobs	Director	2005	President of the Executive Committee of UCB (B)	

Situation as of 31 March 2004

(*) An extensive curriculum vitae of all board members is available on the Bekaert website.

SC: Strategic Committee - A&F: Audit & Finance Committee - NCPC: Nomination, Compensation and Pensions Committee

Functioning of the Board of Directors

The Board met on seven occasions in 2003. Six were regular meetings, at which the average attendance rate was 97.4%, and one was held in the presence of a notary public for the purpose of issuing subscription rights within the limits of the authorised capital. A two-day regular meeting was held on 9 and 10 October 2003 in Istanbul and the Beksa plant at Izmit in Turkey.

All resolutions were adopted by consensus. The Board of Directors did not make use in 2003 of the options provided by the Articles of Association of holding meetings and adopting resolutions via teleconferencing or videoconferencing or by unanimous written consent, nor its freedom to enlist the assistance of independent experts at the company's expense.

In addition to its statutory powers and powers under the Articles of Association, the Board of Directors approved in 2003 the by the management proposed strategy. It approved major investments and acquisitions and the issue of subscription rights in accordance with the company's stock option plan (SOP1), which was introduced in 1999. The Board monitored the implementation of the strategy and performance against three-year plans and one-year budgets and drew up the 2002 annual accounts.

The Chief Executive Officer monitors the activities of the subsidiaries, joint ventures and associated companies. Their boards generally consist of management personnel, but in a few instances they include members of the Board of Directors of the parent company, who in that case represent the Chief Executive Officer.

The Board of Directors is assisted by three committees:

Strategic Committee (SC)

(for membership see table)

The Strategic Committee has six members. It is chaired by Baron Paul Buysse, Chairman of the Board, and further consists of the Chief Executive Officer and four Directors, three of whom represent the principal shareholders. The Group Secretary acts as its secretary. The SC held four meetings in 2003. The SC advises the Board of Directors on Group strategy and on specific strategic proposals from management.

The Chairman formally reports the recommendations of the SC to the Board for approval.

Audit and Finance Committee (A&F)

(for membership see table)

The Audit and Finance Committee has six members. It is chaired by Baron Paul Buysse, Chairman of the Board, and further consists of the Chief Executive officer, three Directors, two of whom represent the principal shareholders, and the Chief Financial & Administration Officer (who also acts as secretary). This composition ensures that the necessary dialogue takes place between the Board of Directors and management. The A&F Committee met on three occasions in 2003.

The Committee advises on the Group's financial position, the full year and half year results, the proposed dividend, the annual report, the Group's indebtedness, the valuation rules, the hedging of foreign currency exposure and forward purchasing of strategic materials, internal financial and operational audits, the selection and remuneration of the statutory auditor and compliance with its recommendations and advice on appropriate financial procedures for the Group.

The full A&F Committee meets twice a year to receive the reports of the internal and external auditors. A number of meetings are also held each year between the Chairman of the A&F Committee, who is also the Chairman of the Board of Directors, and the external auditors.

Particular attention was devoted in 2003 to reporting in accordance with the International Financial Reporting Standards.

The Chairman formally reports the recommendations of the A&F to the Board for approval.

The A&F Committee approves the Board of Directors' operating budget and monitors actual expenditure.

Nomination, Compensation and Pensions Committee (NCPC)

(for membership see table)

The Nomination, Compensation and Pensions Committee has five members. It is chaired by Baron Paul Buysse, Chairman of the Board, and further consists of four Directors, two of whom represent the principal shareholders. The Chief Executive Officer acts as secretary. The Committee met three times in 2003.

The Committee discusses the remuneration of the Chief Executive Officer, senior management remuneration policy and the offer of stock options or subscription rights to the Chairman, the Chief Executive Officer, the senior management of the Group and the other beneficiaries of the company's stock option plans.

The Chairman formally reports the decisions and recommendations of the NCPC to the Board for approval.

Conflicts of interests within the Board of Directors

As prescribed by company law, the members of the Board of Directors are expected to give the Chairman prior notice of any agenda items in respect of which they have a direct or indirect conflict of interests of a financial nature with the company and to refrain from participating in the discussion of and voting on those items. One such conflict of interests arose in 2003.

Extract from the minutes of 25 July 2003

The Chairman informs the members of the Board that he received a letter, dated 24 July 2003, from Mr. Hubert Jacobs van Merlen reporting a conflict of interests in connection with the Board's discussion and decision relative to the indemnification of his civil Director's liability by the Company. The conflict arises from the fact that Mr. Hubert Jacobs van Merlen will be the beneficiary of the indemnification. Mr. Hubert Jacobs van Merlen also informed the Company's independent auditors in writing on 24 July 2003. Mr. Jacobs van Merlen thereupon leaves the Board room.

Resolution

The Board resolves that the company will fully indemnify Mr. Hubert Jacobs van Merlen from and against any and all financial consequences of his civil liability as director of the Company, except if such liability results from his fraudulent intent or wilful misconduct.

Mr. Hubert Jacobs van Merlen thereupon returns to the Board room.

Remuneration of the Board of Directors

The annual remuneration of the members of the Board of Directors consists of a fixed fee and a variable fee, plus reimbursement of expenses incurred in the performance of their duties. The Annual General Meeting on 14 May 2003 determined that the annual remuneration of the members of the Board of Directors would remain unchanged at €52 058, consisting of a fixed fee of €37 184 and a variable fee of €14 874, based on attendance at six meetings. With the exception of the Chairman and the Chief Executive Officer, the members of the Board of Directors receive no stock options nor any other benefit in kind. With the exception of the Chairman and the Chief Executive Officer, the members of the Board of Directors who are members of the committees of the Board (SC, A&F, NCPC) receive a fee of €1 487 for each meeting they attend.

The total remuneration, including pensions, paid in 2003 to the Directors of N.V. Bekaert S.A. in respect of their service on the Board, on committees and on the boards of subsidiaries, amounted to €2.22 million, of which €1.85 million were fixed fees and €0.37 million were variable fees.

Daily management of the company

The daily management of the company is the responsibility of the Chief Executive Officer, who reports to the Board of Directors. He is assisted by the Bekaert Group Executive (BGE), consisting of himself as chairman and four members with responsibility for the various business activities and for finance and administration. The BGE, which meets on average twice per month, is responsible for developing, implementing and monitoring the strategy of each business activity, of the various functional units and of the Group, the strategy in the various functional areas, the short-term and long-term plans, and the results of the various business activities and the Group.

Senior management remuneration policy

The Nomination, Compensation and Pensions Committee decides on the nomination and remuneration of the Group Executive Vice Presidents and Group Vice Presidents on the proposal of the Chief Executive Officer. The committee discusses in depth the remuneration policy, the levels and the individual evaluations of senior management staff.

Senior management remuneration consists of a base salary, a variable bonus, subscription rights or options, a pension plan and life insurance and other customary insurance (such as incapacity). Appointments to the boards of certain subsidiaries are also remunerated. Senior management staff are provided with all equipment needed to perform their duties.

Remuneration is benchmarked at regular intervals through external comparative studies by independent consultants.

The variable remuneration of senior management staff is based on individual performance and the results achieved in the area for which they are accountable.

The number of subscription rights for or options on N.V. Bekaert S.A. shares offered to senior management staff depends on the achievement of pre-defined targets relative to Bekaert's group result.

Post-employment benefits consist of a defined-benefit plan funded through V.Z.W. Bekaert Pensioenfonds and a defined-contribution plan funded through an external insurance company.

The total remuneration paid to all Group Executive Vice Presidents and Group Vice Presidents for 2003 was as follows:

in thousands of euros	Total (*)	Average
Base salary	3 310	172
Variable bonus	952	51
Remuneration as directors of subsidiaries	732	38
End-of-career compensation	715	37
Total gross remuneration	5 710	297
Number of subscription rights/options	9 230	486

Not included: company car, life / incapacity / hospitalisation / repatriation / accident insurance and miscellaneous.
(*) Relates to 18 individuals for the full year and 2 for part of the year.

Policy on profit appropriation

It is the policy of the Board of Directors to propose a profit appropriation to the Annual General Meeting of Shareholders which provides, in so far as the profit permits, a stable and growing dividend while maintaining an adequate level of cash flow for investment and self-financing. In practice, this means that Bekaert seeks to maintain a pay-out ratio of around 40% of the consolidated net result over the longer term.

Relationships with principal shareholders

Stichting Administratiekantoor Bekaert was established in order to rationalise the principal shareholders' interests. The Stichting, which is jointly controlled by a number of physical persons and companies representing the principal shareholders, holds 4 265 940 shares or 19.33% of the issued share capital of N.V. Bekaert S.A. Stichting AK Bekaert and the physical persons and companies referred to on page 42 of this annual report, act in concert, and together own 8 889 830 shares or 40.28% of the issued share capital of N.V. Bekaert S.A.

Stock option plans

1) Subscription rights were again issued in 2003, within the limits of the authorised capital, under the stock option plan introduced in 1999 (SOP 1). The Board of Directors executed a notarial deed on 6 October 2003 to issue 33 580 subscription rights to senior management and executive employees of the company and a number of subsidiaries, excluding the pre-emptive rights of the existing shareholders. Each subscription right is convertible into one N.V. Bekaert S.A. share at an exercise price of €40.89. Up to the end of 2003, a total of 369 270 subscription rights had been issued under SOP 1. An overview is shown on page 89 of this annual report.

2) Under a second stock option plan (SOP 2), which is restricted to a maximum of 50 individuals and was approved by the Board of Directors in 2000, for the Chairman, the Chief Executive Officer and senior managers of the company and its subsidiaries, whether employees or self-employed, a total of 2 780 options were granted in 2003 subject to the same conditions as those applying to employees under SOP 1. If and when these options are exercised, N.V. Bekaert S.A. will purchase own shares on the stock exchange. By the end of 2003, a total of 20 120 options had been granted under SOP 2. An overview is shown on page 90 of this annual report.

Repurchase of own shares

A total of 51 330 N.V. Bekaert S.A. shares were repurchased in 2003 at an average price of €42.57 and subsequently cancelled, in order to avoid a possible future dilution of the voting rights of the existing shares as a result of the conversion of subscription rights into shares. Following the cancellation of the shares, the Articles of Association of N.V. Bekaert S.A. were amended accordingly.

FINANCIAL REVIEW

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Executive summary

IFRS

In 2003 Bekaert decided to move to full compliance with IFRS as a “first-time adopter”. This implied the full application of segment reporting and a restatement of employee benefit obligations. The unrecognised actuarial losses of defined benefit post-employment plans as at end 2001 of €95.0 million were booked against reserves and deferred tax assets and liabilities. The net effect was a drop in equity of €82.0 million at 1 January 2002. There was a favourable effect on the 2002 income statement of €3.2 million.

Income statement

In 2003, the **consolidated sales** decreased by 3.6% to €1 797 million due to the strong depreciation of the US dollar and the Chinese renminbi. At constant currencies, Bekaert would have increased its consolidated sales by 4.1%.
The strong performance of advanced wire products was mainly due to the acquisition of Drôtovña Drôty a.s. and Drôtovña Kordy a.s. in the Slovak Republic (since merged into Bekaert Hlohovec, a.s.) and of the remaining 50% share in Contours Ltd in the US and to the high demand for the steel cord products in China. 2003 was a difficult year for wire products in both Western Europe and North America. Sales of the fencing activities decreased due to a shift of the portfolio to products with a higher added value and the discontinuation of certain product lines. Advanced materials' consolidated sales rose by 8% driven by combustion technologies sales growth. At constant currencies, sales of advanced coatings increased by 7% as weak market demand for film coatings in the United States was more than compensated by increased activity in Europe and Asia.

The total **sales of the joint ventures and associates** decreased by 13%. At constant currencies, sales would have shown a slight increase. Brazil and Chile both showed a good activity level in 2003, but the economic climate in the Andina region was poor.

The **result from operations** reached €111.8 million (2002: €64.2 million), an increase of nearly 75%. At constant currencies, it would have increased to €138.1 million (115%). Non-recurring elements amounted to €9.9 million (2002: €59.6 million). Before non-recurring elements and at constant currencies result from operations would have increased from €123.8 million to €148 million (+19.5%). The main reasons for this increase were the strong growth of sales in China already mentioned, the favourable effect of the restructuring programme of the fencing activities and the strong activity in combustion technologies.
The non-recurring costs of 2003 were related to restructuring programmes in advanced wire products (mainly in Belgium and due to the withdrawal from some unprofitable products and the relocation of others), in fencing systems Europe (the continuation of the programme started in 2002) and in advanced coatings (the restructuring of a small plant in the United States). Some additional provisions were also made for environmental clean-up programmes.

The **EBIT margin** as a percentage of sales rose from 3.4% to 6.2%, while **EBITDA on sales** was 13.3% compared to 12.1% in 2002.

Non-operating income and expenses included an impairment charge of €5.8 million for the joint venture Bekaert Handling Group A/S and a gain on the sale of the renewable energy business of €5.3 million.

The **share in the result of joint ventures and associates** increased from €23.1 million to €35.5 million. At constant currencies, the Bekaert share would have been €41.7 million. The main reasons for the increase were the improved results in the Brazilian and Chilean companies together with the termination of the losses of the Unisolar business (which was sold during 2003).

The **consolidated net result of the Group** for 2003 amounted to €85.2 million (2002: loss of €46.3 million). At constant currencies, the net profit would have been €113.9 million.

Cash flow statement

In 2003, **new investments and capital increases** were made of €33.9 million. The major new acquisitions were in the advanced wire products segment, including a stake of 100% in Drôtovña Drôty a.s. and Drôtovña Kordy a.s. (now called Bekaert Hlohovec, a.s.), Slovak Republic and the remaining 50% of the shares in Contours Ltd, United States. Bekaert increased also its share in Sorevi S.A. (advanced coatings) and acquired two distribution companies for the window film business in the Scandinavian region. **Capital expenditure** on property, plant and equipment was €108.6 million (2002: €77.6 million), including almost €44 million on the expansion programme in China.

The net debt position of the Bekaert Group (€364 million) remained at the level of 2002 (€366 million). The higher investment effort in 2003 was financed by the strong cash flow from operating activities which amounted to €150 million.

Equity

The consolidated equity of the Group at the end of 2002 was restated from €831.9 million to €758.4 million due to the already mentioned application of IFRS 1. In 2003 this equity increased with €20.5 million to €779 million, mainly due to the consolidated net result (€85.2 million), partially compensated by the dividend pay-out (€38.6 million) and negative foreign exchange translation differences (€29.2 million).

Consolidated income statement

YEARS ENDED 31 DECEMBER	Notes	2003	2002 IFRS	Restatement IFRS	2002 reported
Sales	3	1 796 987	1 863 467		1 863 467
Cost of sales	5	(1 424 481)	(1 489 779)		(1 489 779)
GROSS PROFIT	**4**	**372 506**	**373 688**		**373 688**
Distribution & selling expenses	5	(111 496)	(109 958)		(109 958)
General & administrative expenses	5	(100 632)	(108 891)		(108 891)
Research & development expenses	5	(35 928)	(36 068)		(36 068)
Other revenues	4	20 135	19 629		19 629
Other expenses	4 / 5	(32 784)	(74 158)		(74 158)
RESULT FROM OPERATIONS	**4**	**111 801**	**64 242**		**64 242**
Interest income & expenses	6	(32 305)	(29 522)	3 405	(32 927)
Non-operating income & expenses	7	(10 660)	(100 595)		(100 595)
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES		**68 836**	**(65 875)**	**3 405**	**(69 280)**
Income taxes	8	(8 158)	7 246	(160)	7 406
RESULT FROM ORDINARY ACTIVITIES AFTER TAXES		**60 678**	**(58 629)**	**3 245**	**(61 874)**
Share in the result of companies accounted for under the equity method	13	35 450	23 096		23 096
Amortisation goodwill on companies accounted for under the equity method	13	(3 429)	(4 043)		(4 043)
Minority interests		(7 486)	(6 690)		(6 690)
CONSOLIDATED NET RESULT OF THE GROUP		**85 213**	**(46 266)**	**3 245**	**(49 511)**
EARNINGS / (LOSS) PER SHARE	**31**				
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES (euros per share)					
Basic		3.113	(2.974)	0.154	(3.128)
Diluted		3.113	(2.972)	0.154	(3.126)
CONSOLIDATED NET RESULT OF THE GROUP (euros per share)					
Basic		3.854	(2.089)	0.146	(2.235)
Diluted		3.854	(2.087)	0.147	(2.234)
RESULTS BEFORE NON-RECURRING EVENTS	**9 / 31**				
RESULT FROM OPERATIONS		121 703	123 831		123 831
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES		79 268	79 917	3 405	76 512
EARNINGS PER SHARE					
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES (euros per share)					
Basic		3.585	3.608	0.154	3.454
Diluted		3.585	3.606	0.154	3.452

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

All financial amounts expressed in thousands of euros

Consolidated balance sheet

ASSETS 31 DECEMBER	Notes	2003	2002 IFRS	Restatement IFRS	2002 reported
NON-CURRENT ASSETS		**1 153 760**	**1 163 904**		**1 163 904**
Intangible assets	10	48 542	54 950		54 950
Goodwill and negative goodwill	11	70 917	72 178		72 178
Property, plant & equipment	12	757 564	777 586		777 586
- Land and buildings		*211 542*	*223 220*		*223 220*
- Plant, machinery and equipment		*475 266*	*496 361*		*496 361*
- Furniture and vehicles		*9 557*	*10 797*		*10 797*
- Other		*3 425*	*3 041*		*3 041*
- Under construction and advance payments		*57 774*	*44 167*		*44 167*
Investments accounted for under the equity method	13	189 122	204 637		204 637
Loans and receivables	15	860	1 018		1 018
Financial assets		86 755	53 535		53 535
- Available-for-sale financial assets	*14*	*13 126*	*10 279*		*10 279*
- Derivatives	*26*	*73 629*	*43 256*		*43 256*
CURRENT ASSETS		**756 936**	**747 525**	**(37 332)**	**784 857**
Inventories	16	322 642	311 826		311 826
- Raw materials & consumables		*102 284*	*102 944*		*102 944*
- Work in progress & finished goods		*200 971*	*184 373*		*184 373*
- Goods purchased for resale & advance payments		*19 387*	*24 509*		*24 509*
Amounts receivable		338 588	353 189	(37 332)	390 521
- Trade receivables	*16*	*307 740*	*311 413*		*311 413*
- Loans	*17*	*5 766*	*8 124*		*8 124*
- Other receivables	*18*	*25 082*	*33 652*	*(37 332)*	*70 984*
Financial assets		32 571	21 379		21 379
- Available-for-sale financial assets		*48*	*134*		*134*
- Derivatives	*26*	*1 916*	*1 391*		*1 391*
- Short term deposits		*30 607*	*19 854*		*19 854*
Cash & cash equivalents		50 468	52 381		52 381
Deferred charges and accrued income	18	12 667	8 750		8 750
DEFERRED TAX ASSETS	**19**	**15 064**	**10 665**	**6 246**	**4 419**
TOTAL		**1 925 760**	**1 922 094**	**(31 086)**	**1 953 180**

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

All financial amounts expressed in thousands of euros

BEKAERT

EQUITY AND LIABILITIES 31 DECEMBER	Notes	2003	2002 IFRS	Restatement IFRS	2002 reported
EQUITY		**778 950**	**758 403**	**(73 500)**	**831 903**
Share capital	20	170 000	170 000		170 000
- Issued capital		*170 000*	*170 000*		*170 000*
Reserves and retained earnings		747 042	707 262	(78 767)	786 029
Hedging reserve	21	(3 018)	(13 015)		(13 015)
Cumulative translation adjustment		(135 074)	(105 844)	5 267	(111 111)
MINORITY INTERESTS	**22**	**43 344**	**44 343**		**44 343**
NON-CURRENT LIABILITIES		**539 270**	**596 603**	**46 867**	**549 736**
Employee benefit obligations	23	171 435	176 389	46 867	129 522
Provisions	24	43 804	53 860		53 860
Financial liabilities		322 169	342 912		342 912
- Leasing and other similar obligations	*25*	*1 034*	*555*		*555*
- Credit institutions	*25*	*204 317*	*216 744*		*216 744*
- Bonds	*25*	*106 998*	*106 991*		*106 991*
- Derivatives	*26*	*9 820*	*18 622*		*18 622*
Other amounts payable	25	1 862	23 442		23 442
CURRENT LIABILITIES		**499 516**	**456 683**		**456 683**
Financial liabilities		177 343	152 020		152 020
- Current portion of non-current financial liabilities	*25*	*8 480*	*8 358*		*8 358*
- Credit institutions	*25*	*168 103*	*138 376*		*138 376*
- Derivatives	*26*	*760*	*5 286*		*5 286*
Trade payables	16	191 417	184 921		184 921
Advances received on contracts in progress	16	6 245	2 444		2 444
Employee benefit obligations	16	69 922	75 552		75 552
Taxes		24 937	21 591		21 591
- Income taxes		*7 289*	*5 138*		*5 138*
- Other taxes		*17 648*	*16 453*		*16 453*
Other amounts payable	27	22 005	12 493		12 493
Accrued charges and deferred income	27	7 647	7 662		7 662
DEFERRED TAX LIABILITIES	**19**	**64 680**	**66 062**	**(4 453)**	**70 515**
TOTAL		**1 925 760**	**1 922 094**	**(31 086)**	**1 953 180**

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

All financial amounts expressed in thousands of euros

BEKAERT

Consolidated statement of changes in shareholders' equity

	Share capital	Treasury shares	Hedging reserve	Retained earnings	Deferred tax booked in equity	Cumulative translation adjustment	Total
BALANCE AT 1 JANUARY 2003	**170 000**	**-**	**(13 015)**	**684 534**	**22 728**	**(105 844)**	**758 403**
Result of the Group	-	-	-	85 213	-	-	85 213
Reclass to deferred tax	-	-	-	-	-	-	-
Result recognised directly in equity:							
- Foreign exchange translation differences	-	-	-	-	-	(29 230)	(29 230)
- Cash flow hedges (1)	-	-	9 997	-	-	-	9 997
- Timing difference dividends (2)	-	-	-	-	-	-	-
- Other	-	-	-	(3 287)	(1 382)	-	(4 669)
Own shares acquired	-	(2 185)	-	-	-	-	(2 185)
Cancellation own shares	-	2 185	-	(2 185)	-	-	-
Dividends to shareholders	-	-	-	(38 579)	-	-	(38 579)
BALANCE AT 31 DECEMBER 2003	**170 000**	**-**	**(3 018)**	**725 696**	**21 346**	**(135 074)**	**778 950**
BALANCE AT 1 JANUARY 2002	**170 000**	**-**	**(15 091)**	**871 866**	**-**	**(5 365)**	**1 021 410**
RESTATEMENT IFRS (3)	**-**	**-**	**-**	**(95 029)**	**13 018**	**-**	**(82 011)**
BALANCE AT 1 JANUARY 2002 AFTER RESTATEMENT IFRS	**170 000**	**-**	**(15 091)**	**776 837**	**13 018**	**(5 365)**	**939 399**
Result of the Group as reported	-	-	-	(49 511)	-	-	(49 511)
Restatement IFRS 2002 (4)	-	-	-	3 245	-	5 267	8 512
Reclass to deferred tax	-	-	-	(1 873)	1 873	-	-
Result recognised directly in equity:							
- Foreign exchange translation differences	-	-	-	-	-	(105 746)	(105 746)
- Cash flow hedges (1)	-	-	2 076	-	-	-	2 076
- Timing difference dividends (2)	-	-	-	(2 379)	-	-	(2 379)
- Other	-	-	-	(3 090)	7 837	-	4 747
Own shares acquired	-	(1 471)	-	-	-	-	(1 471)
Cancellation own shares	-	1 471	-	(1 471)	-	-	-
Dividends to shareholders	-	-	-	(37 224)	-	-	(37 224)
BALANCE AT 31 DECEMBER 2002	**170 000**	**-**	**(13 015)**	**684 534**	**22 728**	**(105 844)**	**758 403**

The accompanying notes are an integral part of this statement.

(1) See note 21 “Hedging reserve”.
(2) “Timing difference dividends” relates to a Latin-American holding not taking part in the consolidation and to an entity having 30 September as annual closing date, as a result of which there may be a timing difference between dividends being declared by an entity and dividends being recognised by the parent company (N.V. Bekaert S.A.).
*(3) Relates to the IFRS restatement impact on the **opening** equity; see “Impact of first-time adoption of IFRS” under Note 1.*
*(4) Relates to the IFRS restatement impact on the result and on the translation of the **closing** equity as of 31 December 2002.*

All financial amounts expressed in thousands of euros

Consolidated cash flow statement

See also Note 28

YEARS ENDED 31 DECEMBER	2003	2002
OPERATING ACTIVITIES		
Result from operations	111 801	64 242
Non-cash items included in result from operations	96 096	166 809
- Depreciation and amortisation	*127 307*	*149 442*
- Impairment losses on assets	*-*	*12 095*
- (Gains) / losses on disposals of assets	*(2 602)*	*3 603*
- Provision for liabilities and charges	*(28 609)*	*1 669*
Income taxes	(18 490)	(13 063)
GROSS CASH PROVIDED BY OPERATING ACTIVITIES	**189 407**	**217 988**
Change in operational working capital	(18 570)	39 487
Change in other working capital	(18 503)	(1 555)
Extraordinary & other non-operating cash flows	(2 201)	(7 104)
CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**150 133**	**248 816**
INVESTING ACTIVITIES		
New investments acquired and capital increases	(33 947)	(5 505)
Proceeds from sales and disposals of investments	5 701	3 101
Gross (increase) / decrease non-current loans and receivables	(243)	(629)
Dividends received from companies accounted for under the equity method	18 902	14 289
CASH GENERATED BY / (USED IN) PORTFOLIO RELATED ACTIVITIES	**(9 587)**	**11 256**
Purchase of intangible assets	(9 519)	(7 333)
Purchase of property, plant & equipment	(108 630)	(77 595)
Proceeds from sales of intangible assets	-	46
Proceeds from sales of property, plant & equipment	11 738	13 683
Proceeds from government grants	(11)	(348)
CASH GENERATED BY / (USED IN) INDUSTRIAL RELATED ACTIVITIES	**(106 422)**	**(71 547)**
CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	**(116 009)**	**(60 291)**
FINANCING ACTIVITIES		
Interest received	3 329	3 344
Interest paid	(21 574)	(30 025)
Gross dividend paid	(44 860)	(43 137)
Capital paid in by minority interests	249	1 089
(Increase) / decrease treasury shares at cost	(2 185)	-
Cash flows from non-current financial liabilities	82 153	5 334
Cash flows from current financial liabilities	(40 025)	(120 124)
(Increase) / decrease current loans and receivables	1 652	(3 019)
(Increase) / decrease current financial assets (1)	(11 542)	(4 199)
CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	**(32 803)**	**(190 737)**
NET INCREASE IN CASH & CASH EQUIVALENTS	**1 321**	**(2 212)**
CASH & CASH EQUIVALENTS AT 1 JANUARY	**52 381**	**58 324**
Effect of exchange rate changes on cash & cash equivalents	(3 234)	(3 731)
CASH & CASH EQUIVALENTS AT 31 DECEMBER	**50 468**	**52 381**

(1) excluding derivatives

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

All financial amounts expressed in thousands of euros

Notes to the consolidated financial statements

1. Summary of significant accounting policies

Statement of compliance

N.V. Bekaert S.A. ("the Company") is a company domiciled in Belgium. The consolidated annual accounts of the Company include those of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in companies accounted for under the equity accounting method. The consolidated annual accounts were authorised for issue by the Board of Directors on 17 March 2004.

The accompanying consolidated accounts have been compiled for the first time in full conformity with the International Financial Reporting Standards ("IFRS"), formerly named International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the Standing Interpretation Committee of the IASB, both of which have been approved by the European Commission. The Group also applied IAS/IFRS standards which are not yet officially approved by the European Commission, namely IAS 32 "Financial Instruments: Disclosure and Presentation", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 1 "First-Time Adoption of International Financial Reporting Standards". A derogation allowing the Group to apply IFRS 1 was granted by the Belgian Banking, Finance and Insurance Commission ("CBFA") on 23 February 2004 in accordance with article 10, §3, 2° of the law of 2 August 2002 concerning the supervision of the financial sector and financial services.

The applied accounting policies substantially comply with the regulations of the 7th EU directive.

Basis of preparation

The consolidated financial statements are presented in thousands of euros, using the historical cost basis, except that investments held for trading and available-for-sale are stated at their fair value. If a reliable price quotation in an active market is not available or if the fair value of the investment cannot be reliably measured, the available-for-sale investments are measured at cost.

The accounting policies have been applied consistently in 2003 and in the previous year (as restated). Because the data necessary for the proper reclassification of periods earlier than 2000, as presented in the "Historical Review", have not been collected, these periods have not been restated.

Principles of consolidation

Subsidiaries

Subsidiaries are those enterprises controlled by N.V. Bekaert S.A. This control is normally evidenced when N.V. Bekaert S.A. owns, directly or indirectly, more than 50% of the voting rights of an enterprise's share capital and is able to govern its financial and operating policies so as to obtain benefits from its activities. The purchase method of accounting is used for acquired businesses. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is acquired by the Group until the date control ceases. All intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. The equity and net result attributable to minority shareholders' interests are shown separately in the balance sheets and income statements, respectively.

Joint ventures and associates

A joint venture is a contractual arrangement whereby N.V. Bekaert S.A. and other parties undertake, directly or indirectly, an economic activity that is subject to joint control. Associates are those companies in which N.V. Bekaert S.A. has, directly or indirectly, a significant influence, and which are neither subsidiaries nor joint ventures. This is presumed if the Group holds at least 20% of the voting rights associated with the shares. Financial statements of these companies are only restated to the accounting policies applied by the Group when the appropriate information is available. In most cases, the financial statements of these companies are prepared under other accounting policies than those of the Group and the information for restating these to Group policies is generally not available. In accordance with IFRS 1 (First-time Adoption of International Financial Reporting Standards), the accounting policies applied to the financial statements of 2003 are consistent with those applied to 2002. The consolidated financial statements include the Group's share of the total recognised gains and losses of joint ventures and associates on an equity accounted basis, from the date that joint control or significant influence commences until the date that joint control or significant influence ceases. When the Group's share of losses exceeds the carrying amount of the investment, the investment is reported at nil value and recognition of losses is discontinued except to the extent of the Group's commitment. Material unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the enterprise, against the investment in the joint venture or the associate. An assessment of investments in joint ventures and associates is performed when there is an indication that the asset has been impaired or the impairment losses recognised in prior years no longer exist.

Foreign currency translation

Based on the economic substance of the underlying events and circumstances relevant to the Company, the measurement currency of the Company has been determined to be the euro. To consolidate the Company (measured in euros), and each of its subsidiaries (each measured in its own measurement currency), financial statements of foreign consolidated subsidiaries are translated as follows:

- assets and liabilities at the year-end rate of the European Central Bank;
- sales and expenses at the weighted average exchange rate for the year;
- shareholders' equity accounts at transaction exchange rates.

Exchange differences arising from the translation of the net investment in foreign subsidiaries, joint ventures and associated entities at the year-end exchange rates are recorded as part of shareholders' equity under "cumulative translation adjustment". On disposal of a foreign entity, accumulated exchange differences are recorded in the income statement as part of the gain or loss on the sale. The financial statements of the subsidiary Beksa Celik Kord Sanayi ve Ticaret A.S. (Turkey), which operates in an economy with a history of high inflation, are expressed in its functional currency, the euro, as this reflects the economic substance of the transactions relevant to that enterprise.

All foreign currency denominated assets and liabilities outstanding at the year-end in the financial statements of the parent company and its subsidiaries are translated at the exchange rate at the balance sheet date. Unrealised and realised exchange gains and losses are recorded in the income statement.

Intangible assets

Intangible assets are initially measured at cost. Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight-line basis over the best estimate of their useful lives. The amortisation period and the amortisation method are reviewed at each financial year-end.

Licences, patents and similar rights

Expenditure on acquired licences, patents, trademarks and similar rights is capitalised and amortised using the straight-line method over the contractual period, if any, or the estimated useful life, which is normally considered to be not longer than 10 years.

Computer software

Generally, costs associated with the acquisition, development or maintenance of computer software programmes are recognised as an expense as incurred. However, external costs directly associated with the acquisition and implementation of acquired ERP software, are recognised as intangible assets. Computer software costs recognised as assets are amortised over 5 years using the straight-line method.

Rights to use land

Rights to use land are recognised as intangible assets. They are amortised over the contractual period using the straight-line method.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technological knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes prior to commercial production or use, is capitalised if, and only if, all of the recognition criteria set forward below are met:

- the product or process is clearly defined and costs are separately identified and reliably measured;
- the technical feasibility of the product is demonstrated;
- the product or process will be sold or used in-house;
- the assets will generate future economic benefits (e.g. a potential market exists for the product or its usefulness in case of internal use is demonstrated); and
- adequate technical, financial and other resources required for completion of the project are available.

In most cases, these recognition criteria are not met. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product using the straight-line method over the period expected to benefit. The period of amortisation does not normally exceed 10 years.

Goodwill and negative goodwill

Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the net assets acquired at the date of acquisition. Goodwill is amortised using the straight-line method over its estimated useful life, not exceeding 20 years.

Negative goodwill represents the excess of the fair value of the Group's share in the net assets acquired over the cost of acquisition. Negative goodwill is presented in the same balance sheet classification as goodwill. To the extent that it relates to expected future losses and expenses that are identified in the Group's plan for the acquisition and can be reliably measured, but which do not represent identifiable liabilities, negative goodwill is amortised as those losses and expenses are incurred. Any remaining negative goodwill, not exceeding the fair value of non-monetary assets acquired, is recognised in the income statement over the remaining useful life of those assets; negative goodwill in excess of the fair value of those assets is recognised in the income statement immediately.
Goodwill and negative goodwill is accounted for in consolidation and not in the books of the acquired entity.
The "investments accounted for under the equity method" presented in the balance sheet includes the carrying amount of any related goodwill.

Property, plant & equipment

Property, plant & equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and all expenditure incurred to bring the asset to its working condition and location for its intended use. Borrowing costs are not capitalised.

Subsequent expenditure related to an item of property, plant & equipment is usually charged to income when incurred. Expenditure is only capitalised when it can be clearly demonstrated that it has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant & equipment in excess of its originally assessed standard of performance.

Depreciation is provided over the estimated useful lives of the various classes of property, plant & equipment using the straight-line method.

Annual depreciation rates are:

• buildings	5%
• plant, machinery and equipment	8%
• furniture and vehicles	20%
• computer hardware	25%

Improvements to leased buildings are capitalised and depreciated over the remaining term of the lease or their expected useful life if shorter.
Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.
Gains and losses on disposals are included in result from operations.

Leases

Finance leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property, plant & equipment acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. In calculating the present value of the minimum lease payments the discount factor used is the interest rate implicit in the lease, when it is practicable to determine it; otherwise the company's incremental borrowing rate is used. Initial direct costs incurred are included as part of the asset. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. A finance lease gives rise to depreciation expense for the asset as well as a finance expense for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned.

Operating leases

Leases under which substantially all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Government grants

Government grants relating to the purchase of property, plant & equipment are deducted from the cost of those assets. They are recorded in the balance sheet at their expected value at the time of initial government approval, corrected, if necessary, after final approval. The grant is recognised as income in proportion to the depreciation of the underlying fixed assets.

Financial assets

Financial assets, except derivatives, are initially measured at cost, which is the fair value of the consideration given for them, including transaction costs.
Available-for-sale and trading assets are subsequently carried at fair value without any deduction for transaction costs. Equity securities classified as available-for-sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured by alternative valuation methods are measured at cost.
Gains or losses on measurement to fair value of available-for-sale financial assets and assets held for trading are recognised directly in the income statement.
Held-to-maturity financial assets are carried at amortised cost using the effective interest rate method, except short term deposits, which are carried at cost.
Non-current available-for-sale assets include investments in other shares, amounts receivable in more than one year and cash guarantees. Current available-for-sale financial assets mainly include corporate bonds, government bonds, commercial paper, preferred and common stocks and rights to acquire or sell securities, all of which are saleable at the option of the holder and for which there is a ready market.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method. For processed inventories, cost means full cost including all direct and indirect production costs required to bring the inventory items to the stage of completion at the balance sheet date. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Receivables

Receivables are initially stated at nominal value and subsequently at amortised cost. At the balance sheet date, an estimate is made of the bad debts based on the total outstanding amounts and an appropriate amount is written off.

Cash & cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, have original maturities of three months or less and are subject to an

insignificant risk of change in value.
Cash, cash equivalents and short-term deposits are carried in the balance sheet at nominal value.

Share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares ("treasury shares") are presented in the balance sheet as a deduction from equity. When they are cancelled, as with options granted under the first stock option plan, this results in a reduction of retained earnings. When options granted to personnel under the first stock option plan are subsequently exercised, this results in an increase of share capital. When treasury shares are purchased and subsequently sold, as is the case with options granted under the second option plan, the result of any transaction is recognised in shareholders' equity, but does not result in an increase of share capital.

Minority interests

Minority interests represent the part of the equity of subsidiaries which are not fully owned. It includes the minority shareholder's proportion of the fair values of identifiable assets and liabilities recognised upon acquisition of a subsidiary together with the appropriate proportion of subsequent profits and losses.

The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and any further losses applicable to the minority, are charged against the Group's profit except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are credited to Group income until the minority's share of losses previously absorbed by the Group has been recovered.

Provisions

Provisions are recognised in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which it is probable will result in an outflow of resources embodying economic benefits that can be reliably estimated.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present value of the obligation at the balance sheet date, discounted when appropriate.

Restructuring

A provision for restructuring is only recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly before the balance sheet date. Any restructuring provision only includes the direct expenditure arising from the restructuring which is necessarily entailed by the restructuring and is not associated with the ongoing activities of the enterprise.

Site restoration

A provision for site restoration in respect of contaminated land is recognised in accordance with the Group's published environmental policy and applicable legal requirements.

Employee benefits

The parent company and its Belgian, US, UK and German subsidiaries have pension, death benefit and health care benefit plans covering a substantial part of their personnel.

Defined benefit plans

Most pension plans are defined benefit plans with benefits based on years of service and on the level of remuneration. For defined benefit plans, the amount recognised in the balance sheet is the present value of the defined benefit obligation adjusted for the unrecognised actuarial gains and losses, less the fair value of any plan assets and any past service costs not yet recognised.

The "present value of the defined benefit obligation" is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.
The present value of the defined benefit obligation and the related current and past service costs are calculated by a qualified actuary using the projected unit credit method. The discount rate is the yield at balance sheet date on high quality corporate bonds that have maturity dates approximating to the terms of the Group's obligations.

"Actuarial gains and losses" comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.

In principle, actuarial gains and losses are not immediately recognised but deferred and, to the extent that their cumulative amount exceeds the boundaries of a defined "corridor", recognised on a straight-line basis over the expected average remaining service life of the participants.

The "corridor" is determined separately for each defined benefit plan and has an upper and a lower boundary equal to 110% and 90% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. "Past service cost" is the increase in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested following the introduction of, or changes to, a defined benefit plan, past service costs are recognised as an expense immediately.

Where the calculated amount to be recognised in the balance sheet is negative, the recognised asset does not exceed the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan (the “asset ceiling” principle). However, in this case actuarial gains or losses are immediately recognised, if their deferred recognition would result under the “asset ceiling” principle in a gain being recognised solely as a result of an actuarial loss in the current period or in a loss being recognised solely as a result of an actuarial gain in the current period. Past service costs are also immediately recognised if their deferred recognition would result under the “asset ceiling” principle in a gain being recognised solely as a result of a past service cost in the current period.

In accordance with IFRS 1 “First-Time Adoption of International Financial Reporting Standards” (§ 20), the Group has opted to recognise all cumulative actuarial gains and losses at the date of transition to IFRS (being 1 January 2002) as an adjustment to equity.

The amount charged to the income statement consists of current service cost, any recognised past service cost, interest cost, the expected return on any plan assets and recognised actuarial gains and losses.
In the income statement, current and past service costs are included in “Result from operations” while all other elements are included in “Interest and similar expense”.

Pre-retirement pensions in Belgium and post-employment plans for medical care in the US are also treated as post-employment benefits of a defined benefit type.

Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred. Death benefits granted to employees of the parent company and its Belgian subsidiaries are covered by independent pension funds. The annual cost charged to the income statement equals the premium, calculated as a one year risk coverage, to be paid in the Belgian market for total risk coverage by an external insurance company. Death benefits granted to the personnel of other Group companies are mainly covered by external insurance policies where premiums are paid annually and charged to the income statement.

Equity and equity-related compensation benefits
The stock option plans allow Group employees to acquire shares of N.V. Bekaert S.A. The option exercise price equals the average market price of the underlying shares during an agreed period shortly before the grant and no employee compensation cost of the obligation is recognised at this time. When the options are exercised, equity is increased by the amount of the proceeds received.

Financial debt
Financial liabilities, except derivatives (see below), are recognised initially at the value received, net of transaction costs incurred. In subsequent periods, they are stated at amortised cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the liability.

If financial liabilities are hedged using derivative financial instruments qualifying as a fair value hedge, then these liabilities are recognised at fair value (see valuation principles on derivative financial instruments and hedging).

Trade and other payables
Trade and other payables are stated at cost, which is the fair value of the consideration received.

Income taxes
Income taxes are analysed between current and deferred taxes. Current income taxes include expected tax charges based on the accounting profit of the current year and adjustments to tax charges of prior years. Deferred taxes are calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation of property, plant & equipment, provisions for pensions, prepensions and other post retirement benefits and tax losses carried forward.

Deferred taxes are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realised or settled, based on tax rates enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised; this criterion is reassessed at every balance sheet date.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Derivative financial instruments, hedging and hedging reserve
The Group uses derivative financial instruments to hedge its exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investment activities. The net exposure of all subsidiaries is managed on a centralised basis by the Group Finance Department in accordance with the aims and principles laid down by general management. As a policy the Group does not engage in speculative or leveraged transactions, nor does it hold or issue financial instruments for trading purposes.

Foreign exchange risk
In order to reduce the impact of fluctuations in foreign exchange rates, forecast cash inflows and outflows are covered by forward contracts for the next 6 months. Significant exposures maturing beyond that time frame can also be covered.

Interest risk

General guidelines are applied in order to cover interest risk:

- the target average life time of long term debt is 4 years, and
- the repartition of the long term debt between floating and fixed interest rates must remain within the defined boundaries.

Commodity price risk

Risk management strategy has been focussed on hedging a proportion of forecast zinc purchases for not longer than the forthcoming 36 months. During 2003, the Group withdrew from all zinc hedges, mainly because of its limited exposure and the lack of any significant benefits.

On inception, Group treasury identifies certain derivatives as either

a. a hedge of the fair value of an asset or a liability (fair value hedge), or
b. a hedge of the exposure to variability in cash flows attributable to an asset or liability or a forecast transaction (cash flow hedge), or
c. a hedge of a net investment in a foreign entity, or
d. a derivative financial instrument not designated as a hedging instrument.

The Group's criteria for classifying a derivative instrument as a hedge include: (1) the hedge transaction is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistent with the originally documented risk management strategy for that particular hedging relationship (2) the effectiveness of the hedge can be reliably measured, (3) there is adequate documentation of the hedging relationships at the inception of the hedge, (4) for a cash flow hedge, the forecast transaction that is the subject of the hedge must be highly probable, (5) the hedge was assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting period.

1. Fair value hedges

Fair value hedges are hedges of the exposure to variability in the fair value of recognised assets and liabilities. Both the derivatives classified as fair value hedges and the hedged asset or liability are carried at fair value with the corresponding change in fair value recognised in the income statement. When a hedge ceases to be highly effective, hedge accounting is discontinued and the adjustment to the carrying amount of a hedged interest bearing financial instrument is written off immediately.

2. Cash flow hedge

Cash flow hedges are hedges of the exposure to variability in future cash flows related to recognised assets or liabilities, or highly probable forecast transactions or unrecognised firm commitments.

Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognised directly in shareholders' equity, (in the "hedging reserve"). The ineffective portion is immediately recognised in the income statement.

If the hedged cash flow results in the recognition of an asset or a liability, all gains and losses previously recognised directly in equity are transferred from equity and included in the initial measurement of the cost or carrying value of the asset or liability. For all other cash flow hedges, gains and losses initially recognised in equity are transferred from hedging reserve to net profit or loss when the hedged firm commitment or forecast transaction affects the income statement.

When the hedge ceases to be highly effective, hedge accounting is discontinued prospectively and the cumulative gain or loss is retained in equity until the committed or forecast transaction occurs. Should the committed or forecast transaction be no longer expected to occur, any net cumulative gain or loss previously reported in equity is transferred to the income statement.

3. Derivative financial instruments that are not designated as hedging instruments

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IAS 39. Changes in the fair value of any such derivative instruments are recognised immediately in the income statement.

Impairment of assets

Assets other than inventories, deferred tax assets, employee benefits and derivative financial instruments are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount (being the higher of its net selling price and its value in use), an impairment loss is recognised in income. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.
Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash generating unit to which the assets belong.
Reversal of impairment losses recognised in prior years is recorded in income when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. As an exception, an impairment loss recognised for goodwill is not reversed in a subsequent period unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the enterprise and the amount of the revenue can be measured reliably.
Sales are recognised net of sales taxes and discounts.

Revenue from sales of goods is recognised when delivery has taken place and the transfer of risks and rewards has been completed.
Revenue from rendering services is recognised by reference to the stage of completion when this can be measured reliably. The stage of completion is measured by reference to labour hours incurred prior to the year end as a percentage of total estimated labour hours for the contract. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. In the period in which it is determined that a loss will result from the performance of a contract, the entire amount of the estimated ultimate loss is charged against income.
No revenue is recognised on barter transactions involving the exchange of similar goods or services.
Interest is recognised on a time proportion basis that reflects the effective yield on the asset.
Royalties are recognised on an accrual basis in accordance with the terms of agreements.
Dividends are recognised when the shareholder's right to receive payment is established.

Contingencies

Contingent assets are not recognised in the financial statements but are disclosed when the inflow of economic benefits is probable.
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Subsequent events

Post balance sheet events that provide additional information about the company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post balance sheet events that are not adjusting events are disclosed in the notes when material.

Impact of first-time adoption of IFRS

The Group has opted to be treated as a "first-time adopter" of IFRS. This is permitted by IFRS 1 ("First-time Adoption of IFRS"), as the Group's consolidated financial statements have never previously contained an explicit statement of full compliance.
The Group has elected to recognise the net cumulative actuarial losses related to employee benefits at the date of transition as an adjustment to equity, as permitted by IFRS 1 §20. The impact of this has been partly offset by a related deferred tax asset.

As the Group has been making a gradual transition towards IFRS since 2001, the other adjustments (which relate mainly to segment reporting) had no impact on equity.

EQUITY AS REPORTED AT 31.12.2001		1 021 410
Restatement employee benefits (defined benefit plans)	(1)	(95 029)
Restatement deferred tax assets (net)	(2)	7 737
Restatement deferred tax liabilities	(3)	5 281
RESTATED EQUITY AT 1.1.2002		**939 399**

(1) Consisting of a reversal of "other receivables" (€46 403) for defined benefit plans having recognised negative liabilities before the restatement, and an increase of "employee benefit obligations" (€48 626).
(2) Gross deferred tax assets increased by €23 519, which was partially compensated by an allowance thereon of €15 782.
(3) Deferred tax liabilities were reversed for defined benefit plans having recognised negative liabilities before the restatement.

All financial amounts expressed in thousands of euros

2. Segment reporting

Segment reporting helps the reader of financial statements better to understand past performance and better assess risks and returns, and so make a more informed judgement on the company as a whole.

Two segmentations are set out below: the primary segmentation presents the business segments, whilst the secondary presents the Group's geographical markets.

The business segmentation is based on an in-depth analysis of various factors defining the distinguishing components of each segment (including the risk profile, the nature of products, services and production processes, and the potential for similar long term financial performance), and on the Group's internal financial reporting.

Bekaert's risks and returns are mainly linked to two core competences: advanced metal transformation (which drives the business segments "advanced wire products" and "fencing systems Europe") and advanced materials and coatings (which drives the segments "advanced materials" and "advanced coatings").

"Other" mainly consists of the functional unit group technology, and non-allocated expenses for group management and services. For group technology, EBIT before non-recurring events improved from €(12 525) in 2002 to €(9 444), mainly due to the increased activity in engineering. For group management and services, EBIT before non-recurring events improved from €(31 718) in 2002 to €(28 742), mainly because of a reclass of financial pension expenses to non-operating expenses under IFRS. Non-recurring events under "Other" related to environmental programmes (2003: €2 305, 2002: €2 500) and to the restructuring of Bekaert-CMTM GmbH (2002: €6 160).

More information on the segments is provided in the profile of the company and in the section on shareholder information. The segment data related to 2002 have been restated to ensure comparability with 2003.

Key data by primary reporting segment

2003	Advanced wire products	Fencing systems Europe	Advanced materials	Advanced coatings	Other	Eliminations	Consolidated
Net Sales to external customers	1 196 156	382 936	102 730	111 552	3 613		1 796 987
Net Sales to other segments	44 843	5 110	403	1 046	54 184	(105 586)	0
Result from operations							
before non-recurring events	*124 359*	*27 063*	*8 650*	*(183)*	*(38 186)*		*121 703*
Non-recurring events	*(3 146)*	*(1 618)*	*(912)*	*(1 921)*	*(2 305)*		*(9 902)*
Result from operations (EBIT)	121 213	25 445	7 738	(2 104)	(40 491)		111 801
Depreciation & amortisation	*85 247*	*18 256*	*6 008*	*13 931*	*3 865*		*127 307*
Impairment losses	-	-	-	-	-		-
EBITDA	206 460	43 701	13 746	11 827	(36 626)		239 108
Segment assets	*1 009 024*	*246 672*	*87 935*	*171 441*	*61 417*	*(69 084)*	*1 507 405*
Unallocated corporate assets							*418 355*
Total assets							1 925 760
Segment liabilities	*178 561*	*73 788*	*24 079*	*22 884*	*56 627*	*(79 507)*	*276 432*
Unallocated corporate liabilities							*827 034*
Total liabilities							1 103 466
Capital expenditure PP&E	87 577	7 868	3 665	5 601	3 919		108 630
Capital expenditure intangible assets	6 177	651	1 459	89	1 143		9 519
Share in the result of							
joint ventures and associates	33 701	1 237	40	472	-		35 450
Investments in companies accounted							
for under the equity method	174 223	4 326	81	614	-		179 244
Number of employees (year-end)							
Blue collars	*5 649*	*1 357*	*388*	*295*	*264*		*7 953*
White collars	*1 246*	*406*	*124*	*216*	*295*		*2 287*
Managers	*505*	*99*	*80*	*95*	*185*		*964*
Total	7 400	1 862	592	606	744		11 204

All financial amounts expressed in thousands of euros

Key data by primary reporting segment

2002	Advanced wire products	Fencing systems Europe	Advanced materials	Advanced coatings	Other	Eliminations	Consolidated
Net Sales to external customers	1 206 027	418 411	97 334	119 271	22 424		1 863 467
Net Sales to other segments	40 010	5 058	1 890	1 038	35 492	(83 488)	0
Result from operations							
before non-recurring events	*132 313*	*19 435*	*10 444*	*5 882*	*(44 243)*		*123 831*
Non-recurring events	*(11 442)*	*(28 273)*	*(8 343)*	*(2 871)*	*(8 660)*		*(59 589)*
Result from operations (EBIT)	120 871	(8 838)	2 101	3 011	(52 903)		64 242
Depreciation & amortisation	*96 252*	*18 939*	*5 226*	*14 519*	*14 506*		*149 442*
Impairment losses	*609*	*-*	*-*	*5 326*	*6 160*		*12 095*
EBITDA	217 732	10 101	7 327	22 856	(32 237)		225 779
Segment assets	*1 008 673*	*259 521*	*84 410*	*188 828*	*52 022*	*(65 501)*	*1 527 953*
Unallocated corporate assets							*394 141*
Total assets							1 922 094
Segment liabilities	*178 644*	*75 741*	*23 874*	*22 382*	*56 952*	*(85 614)*	*271 979*
Unallocated corporate liabilities							*847 369*
Total liabilities							1 119 348
Capital expenditure PP&E	53 833	10 380	4 135	7 565	1 682		77 595
Capital expenditure intangible assets	2 974	1 216	1 173	984	986		7 333
Share in the result of							
joint ventures and associates	33 091	(2 352)	23	445	(8 111)		23 096
Investments in companies accounted							
for under the equity method	174 354	9 077	68	1 675	-		185 174
Number of employees (year-end)							
Blue collars	*4 609*	*1 509*	*367*	*248*	*256*		*6 989*
White collars	*1 038*	*442*	*116*	*180*	*292*		*2 068*
Managers	*491*	*118*	*86*	*108*	*211*		*1 014*
Total	6 138	2 069	569	536	759		10 071

Assets and liabilities allocated to the various segments comprise only intangible assets, goodwill, property, plant & equipment and the elements of the operational working capital. All other assets and liabilities (excluding equity & minority interests), not allocated to the business segments are reported as unallocated corporate assets or liabilities.

All financial amounts expressed in thousands of euros

Key data by secondary reporting segment

2003	European Union	Rest of Europe	North America	Latin America	Asia	Rest of the World	Consolidated
Net sales	851 636	200 152	483 570	22 394	210 951	28 284	1 796 987
Total assets before consolidation	*1 947 197*	*205 750*	*481 011*	*39 057*	*230 452*	*2 203*	*2 905 670*
Intercompany eliminations	*(1 032 425)*	*(20 614)*	*(5 649)*	-	*(5 509)*	*(103)*	*(1 064 300)*
Consolidation adjustments							*84 390*
Total assets after consolidation							1 925 760
Capital expenditure							
PP&E	*38 681*	*10 375*	*14 208*	*8*	*45 321*	*37*	*108 630*
Intangible assets	*4 342*	*97*	*5 080*	-	-	-	*9 519*

2002	European Union	Rest of Europe	North America	Latin America	Asia	Rest of the World	Consolidated
Net sales	906 617	144 151	552 834	29 672	206 259	23 934	1 863 467
Total assets before consolidation	*2 569 501*	*153 438*	*509 859*	*39 838*	*193 629*	*2 165*	*3 468 430*
Intercompany eliminations	*(1 644 649)*	*(5 387)*	*(4 961)*	-	*(4 437)*	*(169)*	*(1 659 603)*
Consolidation adjustments							*113 267*
Total assets after consolidation							1 922 094
Capital expenditure							
PP&E	*41 772*	*5 041*	*15 375*	*1*	*15 325*	*81*	*77 595*
Intangible assets	*5 253*	*215*	*1 695*	-	*169*	*1*	*7 333*

The split of net sales shows the revenue from external customers by geographical area based on the geographical location of the customers.

Total assets and capital expenditure are detailed by geographical location of the assets. Investments in subsidiaries are excluded from assets by area, while other assets related to subsidiaries are included, but then eliminated (under “intercompany eliminations”) in order to reconcile to the total assets. The unallocated “consolidation adjustments” mainly relate to goodwill recognised and amortised in consolidation.

All financial amounts expressed in thousands of euros

3. Sales

2003	2002	%
1 796 987	**1 863 467**	**-3.6**

Sales were favourably affected by organic growth (2.4%) and new acquisitions, net of divestments (1.7%). There was a negative currency impact (especially of the US dollar and Chinese renminbi) of 7.7%.
Sales by business segment and by geographical market are disclosed in the section on "segment reporting" (note 2) and in the Company Profile.

4. Result from operations

2003	2002	Change	%
111 801	**64 242**	**+47 559**	**+74.0**

Gross profit on sales increased from 20.1% in 2002 to 20.7% in 2003. The total selling, general and administrative expenses decreased by 3.1%, mainly due to currency fluctuations. Expenditure on research and development remained at the same level as 2002. At constant currencies, the result from operations would have increased to €138.1 million. The result from operations included non-recurring elements (see note 9 "non-recurring events") of €9.9 million (2002: €59.6 million). Before non-recurring elements and at constant currencies, the result from operations would have increased from €123.8 million to €148 million (+19.5%). The main reasons for this increase were the strong growth of sales in China, the favourable effect of the restructuring programme of the fencing activities and the strong activity in combustion technologies.

The non-recurring costs of 2003 were related to restructuring programmes in advanced wire products (mainly in Belgium and due to the withdrawal from some unprofitable products and the relocation of others), in fencing systems Europe (the continuation of the programme started in 2002) and in advanced coatings (the restructuring of a small plant in the United States). Some additional provisions were also made for environmental clean-up programmes.

Other revenues & expenses from operations

	2003	2002
Other revenues	**20 135**	**19 629**
Royalties received	3 801	7 259
Gain on disposal of PP&E and intangible assets	6 508	2 363
Realised exchange results on sales & purchases	(330)	984
Tax rebates	421	534
Government grants	2 834	3 085
Other	6 901	5 404
Other expenses	**(32 784)**	**(74 158)**
Royalties paid	(105)	(48)
Amortisation goodwill on subsidiaries	(6 984)	(11 109)
Impairment losses on assets	-	(12 095)
Losses on disposal of PP&E and intangible assets	(3 906)	(5 966)
Bank charges	(1 681)	(1 606)
Restructuring expenses	(1 459)	(30 363)
Trading expenses	(7 995)	(2 143)
Environment provisions	(3 123)	(834)
Other	(7 531)	(9 994)
TOTAL	**(12 649)**	**(54 529)**

"Other" revenues in 2003 relate mainly to personnel related revenue (€2 044), trading revenue (€1 042), recharged expenses (€768), rental income (€532), decrease in provisions (€521). "Other" expenses in 2003 include Group captive insurance company expenses (€2 846), fixed assets related expenses and depreciation (€1 403), pension provisions and related costs (€591), other provisions and related costs (€656).

All financial amounts expressed in thousands of euros

5. Operating expenses by nature

The table below discloses additional information on how the major operating expenses, categorised by nature, were allocated to the line items of the income statement by function.

2003	Cost of sales	Distribution & selling	General & admin	Research & development	Other expenses from operations	TOTAL
Raw materials	569 904	-	-	-	-	569 904
Half-products & goods for resale	102 462	-	-	-	-	102 462
Change in work-in-process and finished goods	7 099	-	-	-	-	7 099
Personnel cost	370 483	58 368	45 912	22 490	9 620	506 873
Depreciation PP&E	98 367	778	1 649	1 261	458	102 513
Amortisation intangible assets	791	3 405	8 358	8	284	12 846
Amortisation investment grants	(930)	-	-	-	-	(930)
Amortisation goodwill on subsidiaries	-	-	-	-	6 984	6 984
Write-offs on inventories	4 304	-	-	-	-	4 304
Write-offs on trade receivables	-	1 590	-	-	-	1 590
Depreciation & amortisation	102 532	5 773	10 007	1 269	7 726	127 307
Impairment losses	-	-	-	-	-	-
Freight	70 263	-	-	-	-	70 263
Handling of finished goods	6 501	-	-	-	-	6 501
Consumables & spare parts	76 378	-	-	-	-	76 378
Energy	58 450	312	82	125	-	58 969
Maintenance	40 150	1 036	2 434	335	-	43 955
Travel	2 340	7 620	11 320	959	-	22 239
Advertising	-	8 557	850	-	-	9 407
ICT	7 230	3 788	16 034	1 294	-	28 346
Commissions	-	5 091	-	-	-	5 091
Consulting & other fees	-	3 828	11 315	4 551	-	19 694
Losses on disposal of PP&E	-	-	-	-	3 731	3 731
Other expenses	10 689	17 123	2 678	4 905	11 707	47 102
TOTAL	**1 424 481**	**111 496**	**100 632**	**35 928**	**32 784**	**1 705 321**

2002						
Raw materials	520 118	-	-	-	-	520 118
Half-products & goods for resale	141 949	-	-	-	-	141 949
Change in work-in-process and finished goods	(12 780)	-	-	-	-	(12 780)
Personnel cost	404 485	58 901	40 895	23 980	20 401	548 662
Depreciation PP&E	115 332	794	2 228	1 730	4 949	125 033
Amortisation intangible assets	1 068	1 272	7 739	38	550	10 667
Amortisation investment grants	(634)	-	-	-	(808)	(1 442)
Amortisation goodwill on subsidiaries	-	-	-	-	11 109	11 109
Write-offs on inventories	3 817	-	-	-	-	3 817
Write-offs on trade receivables	-	258	-	-	-	258
Depreciation & amortisation	119 583	2 324	9 967	1 768	15 800	149 442
Impairment losses	-	-	-	-	12 095	12 095
Freight	70 244	-	-	-	-	70 244
Handling of finished goods	7 053	-	-	-	-	7 053
Consumables & spare parts	91 296	-	-	-	-	91 296
Energy	53 501	75	97	41	-	53 714
Maintenance	30 637	427	1 180	379	-	32 623
Travel	1 236	8 082	10 062	821	-	20 201
Advertising	-	8 313	807	48	-	9 168
ICT	7 284	3 464	14 374	1 214	-	26 336
Commissions	-	5 158	-	-	-	5 158
Consulting & other fees	-	952	7 996	1 080	-	10 028
Losses on disposal of PP&E	-	-	-	-	5 966	5 966
Other expenses	55 173	22 262	23 513	6 737	19 896	127 581
TOTAL	**1 489 779**	**109 958**	**108 891**	**36 068**	**74 158**	**1 818 854**

All financial amounts expressed in thousands of euros

6. Interest income & expenses

	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Interest & similar income	3 329	3 344		3 344
Interest & similar expense	(21 457)	(27 651)		(27 651)
Interest subsidies	-	-		-
Interest portion on interest bearing provisions	(14 177)	(5 215)	3 405	(8 620)
TOTAL	**(32 305)**	**(29 522)**	**3 405**	**(32 927)**

The interest portion on interest bearing provision is mainly related to the defined benefit plans (see note 23), and includes recognised actuarial gains and losses.

7. Non-operating income & expenses

	2003	2002
Value adjustments to financial instruments	23 968	9 500
Unrealised exchange results	(23 075)	(15 344)
Realised exchange results	(7 146)	(3 376)
Translation gains / (losses) inflation accounting	341	(886)
Gain / (loss) on disposal financial assets	(55 930)	(630)
Dividends from other shares	7	390
Reversals / (write-downs) on investments	62 421	(1 609)
Impairments of investments	(5 800)	(73 294)
Reversals / (write-downs) on loans & receivables	(424)	(12 865)
Other	(5 022)	(2 481)
TOTAL	**(10 660)**	**(100 595)**

“Value adjustments to financial instruments” includes changes to the fair value of all derivatives, other than those designated as “cash flow hedges” (see table below), and of all debt being hedged by a “fair value hedge”. “Unrealised exchange results” relate to the impact of valuing balance sheet items at closing rates, while “Realised exchange results” relate to transactions other than normal trading sales and purchases. Due to the disposal of Bekaert ECD Solar Systems LLC and United Solar Systems Corp., a loss of €55 572 and a reversal of a write-down of €60 842 have been accounted for. The impairment of €5 800 relates to the joint venture Bekaert Handling Group A/S.

Impact of financial instruments on non-operating income and expenses

	2003	2002
Value adjustments		
Zinc option contracts	86	202
Foreign exchange contracts	51	1 555
Interest rate swaps	2 126	(8 149)
Cross-currency interest rate swaps	41 854	30 781
Consolidation adjustments	-	(819)
Total value adjustments to derivatives	**44 117**	**23 570**
Value adjustments to hedged items	(20 149)	(14 070)
Total value adjustments financial instruments	**23 968**	**9 500**
Unrealised exchange results on hedged items	(22 024)	(19 638)
TOTAL	**1 944**	**(10 138)**

The “Unrealised exchange results on hedged items “reported here is only the part that relates to the euro loans of Bekaert Corporation, which are hedged by means of Cross Currency Interest Rate Swaps not qualifying as “fair value hedges”. Consequently, these loans are not carried at fair value, but their restatement to closing rate is recorded as an unrealised exchange result rather than as part of “Value adjustments to financial instruments”.

All financial amounts expressed in thousands of euros

8. Income taxes

	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Current taxes for the year	(17 909)	(17 100)		(17 100)
Adjustment to current taxes and write-back of tax provisions	(1 116)	3 477		3 477
Deferred taxes	10 867	20 869	(160)	21 029
TOTAL INCOME TAXES	**(8 158)**	**7 246**	**(160)**	**7 406**

Relationship between tax expense and accounting profit

In the table below, accounting profit or loss is defined as “result from ordinary activities before taxes”.

2003	Basis for tax computation	Tax (expense) / income	Tax rate
Accounting profit and tax expense as reported by the Group companies	**341 350**	**(7 825)**	**2.29%**
Elimination of intercompany dividends, gains / losses			
on the sale of investments and write-downs on investments	(188 840)		
Accounting profit and tax expense after intercompany eliminations	**152 510**	**(7 825)**	**5.13%**
Consolidation adjustments not affecting tax			
Amortisation goodwill in consolidation	(3 376)		
Realised exchange results on dividend pay-out	(7 904)		
Provisions / (reversals) in consolidation	(24 482)		
Elimination reversals of write-downs on subsidiaries	(45 961)		
Realised result on disposal of subsidiaries	(236)		
Other	(58)		
Consolidation adjustments affecting tax			
Elimination of intercompany profit in inventories,			
PP&E and intangible assets	(1 657)	(555)	
Accounting profit and tax expense after consolidation adjustments	**68 836**	**(8 380)**	**12.17%**
Taxes recognised in consolidation, not related to accounting profit			
Potential tax on undistributed earnings		570	
Withholding tax impact intercompany dividends		(885)	
Consolidated tax assessments		537	
Consolidated accounting profit and tax expense	**68 836**	**(8 158)**	**11.85%**

All financial amounts expressed in thousands of euros

2002	Basis for tax computation	Tax (expense) / income	Tax rate
Accounting loss and tax income as reported by the Group companies (before IFRS)	**(145 134)**	**7 285**	**5.02%**
Restatement IFRS	3 405	(160)	
Accounting loss and tax income as reported by the Group companies (after IFRS)	**(141 729)**	**7 125**	**5.03%**
Elimination of intercompany dividends, gains / losses on the sale of investments and write-downs on investments	54 929		
Accounting loss and tax income after intercompany eliminations	**(86 800)**	**7 125**	**8.21%**
Consolidation adjustments not affecting tax			
Amortisation goodwill in consolidation	(9 497)		
Realised exchange results on dividend pay-out	(1 519)		
Provisions / (reversals) in consolidation	28 176		
Elimination reversals of write-downs on subsidiaries	(4 785)		
Realised result on disposal of subsidiaries	2 144		
Other	4 564		
Consolidation adjustments affecting tax			
Elimination of intercompany profit in inventories, PP&E and intangible assets	1 842	(740)	
Accounting loss and tax income after consolidation adjustments	**(65 875)**	**6 385**	**9.69%**
Taxes recognised in consolidation, not related to accounting profit			
Potential tax on undistributed earnings		1 664	
Withholding tax impact intercompany dividends		(577)	
Consolidated tax assessments		(226)	
Consolidated accounting loss and tax income	**(65 875)**	**7 246**	**11.00%**

Reconciliation of effective tax rate

	2003	2002 after IFRS
Accounting profit / (loss) on ordinary activities after consolidation adjustments	68 836	(65 875)
Tax (expense) / income at the theoretical domestic rates applicable to profits of taxable entities in the countries concerned	(16 975)	52 596
Theoretical tax rate	24.7%	79.8%
Tax impact of:		
Non-deductible items	(5 336)	(9 855)
Tax on share of joint venture results	(200)	2 680
Deferred tax impact on translation differences	287	1 477
Impact of lower Belgian tax rate on deferred taxes	-	6 094
Other tax rate effects	3 782	4 549
Impact special tax status (co-ordination centre)	3 431	3 458
Excess exempted dividends over result from ordinary activities, not generating tax losses carry-forward	(2 183)	(5 320)
Change in deferred tax asset allowances recognised in income	13 484	(50 753)
Adjustment to deferred tax assets to offset deferred tax liabilities	(3 554)	(2 018)
Tax adjustment relating to prior periods	(1 116)	3 477
Tax impact on undistributed earnings	570	1 664
Withholding tax impact intercompany dividends	(885)	(577)
Consolidated tax assessment	537	(226)
Total tax (expense) / income in income statement	**(8 158)**	**7 246**

All financial amounts expressed in thousands of euros

9. Non-recurring events

2003	As reported in income statement	Non-recurring events	Before non-recurring events
Non-recurring operating revenues / (expenses)			
Restructuring programmes		(7 280)	
Impairment losses		0	
Other		(2 622)	
Result from operations	**111 801**	**(9 902)**	**121 703**
Interest income / (expenses)	(32 305)		(32 305)
Non-operating income / (expenses)	(10 660)	(530)	(10 130)
Impairment losses on investments in joint ventures & associates		(5 800)	
Other		5 270	
Result from ordinary activities before taxes	**68 836**	**(10 432)**	**79 268**

The main non-recurring events affecting the result from operations are restructuring programmes in:
- advanced wire products: N.V. Bekaert S.A. (Belgium), Bekaert Hemiksem (Belgium), Rome (US) and Industrias del Ubierna, S.A. (Spain);
- fencing systems Europe: completion of last year's programme and close-down of Bekaert Indoor Safety B.V. (Netherlands);
- advanced coatings: restructuring Santa Rosa plant (a part of Bekaert Specialty Films, LLC (US)).

Other non-recurring events relate mainly to additional provisions for environmental clean-up programmes in Belgium and the US. Non-recurring events included in non-operating income and expenses are an impairment charge in respect of a joint venture, Bekaert Handling Group A/S (€5 800), and a gain arising from the sale of Bekaert ECD Solar Systems LLC and United Solar Systems Corp. (€5 270).

2002	As reported in income statement (IFRS)	Non-recurring events	Before non-recurring events
Non-recurring operating revenues / (expenses)			
Restructuring programmes		(41 935)	
Impairment losses		(12 095)	
Other		(5 559)	
Result from operations	**64 242**	**(59 589)**	**123 831**
Interest income / (expenses)	(29 522)		(29 522)
Non-operating income / (expenses)	(100 595)	(86 203)	(14 392)
Impairment losses on investments in joint ventures & associates		(73 294)	
Other		(12 909)	
Result from ordinary activities before taxes	**(65 875)**	**(145 792)**	**79 917**

In 2002, the main non-recurring events affecting the result from operations were related to:
- restructuring programmes in:
  - advanced wire products (Joseph Sykes Brothers Limited (UK), Rome (US) and Industrias del Ubierna, S.A. (Spain));
  - fencing systems Europe: closure of two production units (Charleville (France) and Dublin (Ireland)), sale of the Ancerville plant (France) and downsizing of the plants in Germany and the UK;
  - advanced materials: the fibres plant in the US, Furigas UK Limited;
- impairments in:
  - advanced wire products (preformed staple wire);
  - advanced materials (fibres US);
  - advanced coatings (Bekaert Flexible Circuit Venture);
  - Bekaert-CMTM GmbH;
- environmental clean-up programmes in Belgium.

Non-recurring events included in non-operating income and expenses were related to the investments in Bekaert ECD Solar Systems LLC and United Solar Systems Corp.

All financial amounts expressed in thousands of euros

10. Intangible assets

AT COST	Licences patents & similar rights	Computer software	Rights to use land	Development costs	Other	TOTAL 2003	TOTAL 2002
At 1 January	37 071	39 749	8 139	1 229	1 599	87 787	84 518
Expenditure	607	5 942	-	76	2 894	9 519	7 333
Sales and disposals	(1 536)	(477)	-	-	(486)	(2 499)	(1 495)
Transfers to / (from)	-	-	-	-	-	-	-
First consolidation	-	83	-	-	18	101	-
Left out of consolidation	-	-	-	-	-	-	-
Translation (losses) / gains	-	(984)	(1 389)	(216)	(96)	(2 685)	(2 569)
At 31 December	36 142	44 313	6 750	1 089	3 929	92 223	87 787
AMORTISATION							
At 1 January	6 838	21 888	1 473	1 229	1 409	32 837	23 782
Charge for the year	5 550	6 324	195	7	770	12 846	10 667
Impairment losses	-	-	-	-	-	-	553
Sales and disposals	(194)	(325)	-	-	(555)	(1 074)	(1 315)
Transfers to / (from)	-	-	-	-	-	-	-
First consolidation	-	37	-	-	11	48	-
Left out of consolidation	-	-	-	-	-	-	-
Translation (gains) / losses	-	(484)	(271)	(209)	(12)	(976)	(850)
At 31 December	12 194	27 440	1 397	1 027	1 623	43 681	32 837
NET BOOK VALUE AT 31 DECEMBER 2003	**23 948**	**16 873**	**5 353**	**62**	**2 306**	**48 542**	**54 950**
NET BOOK VALUE AT 31 DECEMBER 2002	**30 233**	**17 861**	**6 666**	**-**	**190**		**54 950**

The decrease of net book value during 2003 (€6 408), is mainly due to higher amortisation (€12 846) than expenditure (€9 519). An amount of €5 942 of the expenditure relates to the implementation of ERP software (SAP). The currency translation has a negative impact on the 2003 net book value of €1 709, mainly on assets recorded in US dollar and Chinese renminbi. The intellectual property is being amortised on a straight-line basis over 10 years, and ERP software over 5 years.
"Licences, patents and similar rights" mainly consists of intellectual property of the specialised films activity platform, acquired in 2001, and having a net book value of €22 989 (2002: €26 031).

All financial amounts expressed in thousands of euros

11. Goodwill and negative goodwill

a. Goodwill

AT COST	2003	2002
At 1 January	113 671	125 498
Expenditure	13 742	5 380
Sales and disposals	(884)	(6 036)
Transfers to / (from)	9 758	-
First consolidation	105	-
Translation (losses) / gains	(10 949)	(11 171)
At 31 December	125 443	113 671
AMORTISATION		
At 1 January	40 813	32 156
Charge for the year	7 372	11 109
Impairment losses	-	4 151
Sales and disposals	(884)	(5 805)
Transfers to / (from)	4 481	-
First consolidation	72	-
Translation (gains) / losses	(1 324)	(798)
At 31 December	50 530	40 813
NET BOOK VALUE AT 31 DECEMBER	**74 913**	**72 858**

b. Negative goodwill

AT COST	2003	2002
At 1 January	680	-
Expenditure	3 704	680
Sales and disposals	-	-
Transfers to / (from)	-	-
First consolidation	-	-
Translation (losses) / gains	-	-
At 31 December	4 384	680
AMORTISATION		
At 1 January	-	-
Charge for the year	388	-
Impairment losses	-	-
Sales and disposals	-	-
Transfers to / (from)	-	-
First consolidation	-	-
Translation (gains) / losses	-	-
At 31 December	388	-
NET BOOK VALUE AT 31 DECEMBER	**3 996**	**680**

TOTAL NET BOOK VALUE AT 31 DECEMBER (a-b)	**70 917**	**72 178**

This note includes only goodwill on consolidation of subsidiaries. Goodwill arising on companies accounted for under the equity method is included in “Investments accounted for under the equity method” (Note 13).

The main expenditure on goodwill in 2003 relates to the increased share in Contours Ltd (€8 283), the acquisition of Bekaert CEB Technologies B.V. (€3 438), Bekaert Specialty Films Nordic AB (€1 391), and Bekaert CEB Technologies Canada Ltd (€206).

Due to participation increases in Contours Ltd (previously a joint venture) and Sorevi S.A. / Sorevi Savoie S.A. (previously associates), a net goodwill amount of €5 277 (cost €9 758 minus amortisation €4 481) was transferred from goodwill on investments accounted for under the equity method.

The increase in negative goodwill relates to the acquisition of Bekaert Hlohovec, a.s. In 2002 negative goodwill was recognised on the acquisition of Sobelcard (€680).

The weighted average useful life of goodwill is 13.9 years and 9.3 years for negative goodwill.

All financial amounts expressed in thousands of euros

12. Property, plant & equipment

AT COST	Land and buildings	Plant, machinery & equipment	Furniture and vehicles	Leasing and other similar rights	Other PP&E	Assets under construction and advance payments	TOTAL 2003	TOTAL 2002
At 1 January	523 244	1 606 419	64 003	6 305	8 896	44 167	2 253 034	2 409 374
Capital expenditure	6 666	14 114	2 400	6	1 037	84 407	108 630	77 595
Sales and disposals	(9 581)	(57 735)	(3 592)	(706)	(68)	(423)	(72 105)	(81 162)
Transfers	11 543	54 893	2 513	(1 624)	23	(67 348)	-	-
First consolidation	14 031	31 050	572	700	1 256	1 728	49 337	5 215
Left out of consolidation	-	-	(735)	-	(342)	-	(1 077)	(1 148)
Translation losses	(39 723)	(97 264)	(3 151)	(389)	(1 017)	(4 757)	(146 301)	(156 840)
At 31 December	506 180	1 551 477	62 010	4 292	9 785	57 774	2 191 518	2 253 034
DEPRECIATION AND IMPAIRMENT LOSSES								
At 1 January	299 140	1 106 643	53 978	3 676	5 855	-	1 469 292	1 491 438
Charge for the year	19 767	77 335	4 152	226	1 033	-	102 513	125 033
Impairment losses	-	-	-	-	-	-	-	7 391
Write-back of depreciation	-	-	-	-	-	-	-	-
Sales and disposals	(7 373)	(51 792)	(3 222)	(586)	(57)	-	(63 030)	(63 875)
Transfers	1 352	(1 840)	881	(475)	82	-	-	-
First consolidation	1 707	3 948	267	-	258	-	6 180	397
Left out of consolidation	-	-	(573)	-	(112)	-	(685)	(994)
Translation gains	(20 917)	(61 289)	(2 537)	(234)	(699)	-	(85 676)	(90 098)
At 31 December	293 676	1 073 005	52 946	2 607	6 360	-	1 428 594	1 469 292
Net book value before investment grants and reclassification of leases	**212 504**	**478 472**	**9 064**	**1 685**	**3 425**	**57 774**	**762 924**	**783 742**
Net investment grants	(2 130)	(3 219)	(11)	-	-	-	(5 360)	(6 156)
Reclassification of leases	1 168	13	504	(1 685)	-	-	-	-
Net book value at 31 December 2003	**211 542**	**475 266**	**9 557**	**-**	**3 425**	**57 774**	**757 564**	**777 586**
Net book value at 31 December 2002	**223 220**	**496 361**	**10 797**	**-**	**3 041**	**44 167**		**777 586**

The increase in expenditure between 2002 and 2003 is mainly explained by the investment programme in China. The negative net currency translation impact for the year (€60 625) is mainly related to assets recorded in US dollar, pound sterling and Chinese renminbi. The first consolidation during 2003 arises from the acquisition of Bekaert CEB Technologies B.V. (Netherlands), Bekaert CEB Technologies Canada Ltd, Bekaert Fencing España, S.L., Bekaert Hlohovec, a.s. (Slovak Republic), Bekaert (Shandong) Tire Cord Co., Ltd (China), Bekaert Specialty Films Nordic AB (Sweden) and Bekaert Specialty Films North Europe AB (Sweden) and the increase of ownership in Sorevi S.A. and Sorevi Savoie S.A. (both in France) and Contours Ltd (US).

All financial amounts expressed in thousands of euros

13. Investments accounted for under the equity method

In most cases, the financial statements of these companies are prepared under other accounting policies than those of the Group and the information for restating them to Group policies is generally not available. In accordance with IFRS 1 ("First-time Adoption of International Financial Reporting Standards"), the accounting policies applied to the financial statements of 2003 are consistent with those applied to 2002. The next annual report will include a restatement of the major joint ventures and associates to IFRS.

Investments excluding related goodwill

NET BOOK VALUE	2003	2002
At 1 January	185 174	276 192
Expenditure	-	559
Result for the year	35 450	23 096
Dividends	(24 172)	(20 271)
Sales and disposals	-	(2 597)
(Write-downs) / reversals (1)	(5 800)	(26 629)
Translation (losses) / gains	(6 782)	(64 592)
Retroactive restatements	(83)	-
Transfers (2)	(4 543)	(584)
NET BOOK VALUE AT 31 DECEMBER	**179 244**	**185 174**

Related goodwill

AT COST	2003	2002
At 1 January	39 987	42 460
Expenditure	-	-
Sales and disposals	-	(546)
Transfers to / (from)	(9 758)	-
Translation (losses) / gains	(1 722)	(1 927)
At 31 December	28 507	39 987
AMORTISATION		
At 1 January	20 524	17 753
Charge for the year	3 429	4 043
Sales and disposals	-	(471)
Transfers to / (from)	(4 481)	-
Translation (gains) / losses	(843)	(801)
At 31 December	18 629	20 524
NET BOOK VALUE AT 31 DECEMBER	**9 878**	**19 463**
TOTAL NET BOOK VALUE OF INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	**189 122**	**204 637**

(1) (Write-downs) / reversals relate to the impairment loss in the joint venture Bekaert Handling Group A/S (€5 800).

(2) Transfers mainly relate to the increase in shareholding in Contours Ltd (€4 319) and Sorevi S.A. and Sorevi Savoie S.A (€1 386); these companies moved from joint ventures and associates to subsidiaries.

The Group's share of assets and liabilities and results of joint ventures and associates (excluding related goodwill) is summarised below:

Combined items

	2003	2002
Property, plant & equipment	145 829	202 256
Other non-current assets	15 944	13 194
Current assets	150 640	180 918
Non-current liabilities	(29 723)	(90 140)
Current liabilities	(86 926)	(95 049)
Total net assets / (liabilities)	**195 764**	**211 179**
Sales	384 240	447 764
Profit from operations	50 845	47 380
Net profit	35 450	23 096

All financial amounts expressed in thousands of euros

Shown in more detail, the Group's share in the equity and the profit (loss) of the companies accounted for under the equity method was as follows:

		EQUITY VALUE		PROFIT / (LOSS)	
		2003	2002	2003	2002
JOINT VENTURES					
Bekaert Australia Steel Cord Pty Ltd	Australia	4 254	3 656	210	417
Bekaert ECD Solar Systems LLC (1)	USA	-	-	-	(8 111)
Bekaert Faser Vertriebs GmbH	Germany	81	68	41	19
Bekaert Handling Group A/S and subsidiaries	Denmark	4 073	8 793	1 080	(2 527)
Bekaert Timeda B.V.	Netherlands	-	-	-	4
Belgo Bekaert Arames S.A.	Brazil	69 732	59 345	18 739	18 918
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda.	Brazil	21 785	28 525	5 635	4 348
Chilean entities (2)	Chile	44 892	40 009	5 256	3 645
Contours Ltd (4)	USA	-	4 761	1 047	2 536
Ideal Alambrec S.A. (3)	Ecuador	10 047	12 377	662	1 960
Netlon Sentinel Limited	UK	-	115	72	119
Spaleck-Bekaert GmbH & Co. KG	Germany	1 091	1 090	484	201
Vicson, S.A.	Venezuela	21 245	23 149	1 691	1 097
SUBTOTAL JOINT VENTURES		**177 200**	**181 888**	**34 917**	**22 626**
ASSOCIATES					
Jiangyin Fasten-Bekaert Optical Cable Steel Products Co., Ltd	China	1 177	1 443	(23)	(31)
Pindurg S.L.	Spain	253	169	84	56
Precision Surface Technology Pte Ltd	Singapore	614	418	280	172
Sorevi S.A. and subsidiary (4)	France	-	1 256	192	273
SUBTOTAL ASSOCIATES		**2 044**	**3 286**	**533**	**470**
TOTAL JOINT VENTURES and ASSOCIATES excl. Related goodwill		**179 244**	**185 174**	**35 450**	**23 096**
Related goodwill		**9 878**	**19 463**	**(3 429)**	**(4 043)**
TOTAL JOINT VENTURES and ASSOCIATES incl. Related goodwill		**189 122**	**204 637**	**32 021**	**19 053**

(1) Including Bekaert ECD Solar Systems Europe and United Solar Systems de Mexico (disposed in the beginning of 2003).
(2) Including Prodalam Group and Inchalam Group.
(3) Relates to the Ideal Alambrec Group.
(4) Became subsidiaries in the course of 2003.

All financial amounts expressed in thousands of euros

14. Available-for-sale investments

Non-current available-for-sale financial assets

NET BOOK VALUE	2003	2002
At 1 January	10 279	46 336
Expenditure	3 587	540
Sales and disposals	(27 158)	(96)
Reversal / (write-down)	28 361	(1 622)
Impairment loss	-	(32 388)
Transfers	(2 050)	(64)
First consolidation	214	-
Left-out of consolidation	(12)	-
Translation gains / (losses)	(95)	(2 427)
NET BOOK VALUE AT 31 DECEMBER	**13 126**	**10 279**

The "Sales and disposals" and "Reversal / (write-down)" relate mainly to the disposal of United Solar Systems Corp. (€26 885). The main "Available-for-sale investments" at the year end were Millenium Materials Management (€3 396), a Venture Capital Fund for high-tech investments, and Enerjisa (€3 292), an investment held by Beksa in the self-supporting energy division of the Turkish Sabanci Group.

15. Non-current loans and receivables originated by the enterprise

A. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	2003	2002
NET BOOK VALUE		
At 1 January	832	4 576
Increases / (decreases)	311	658
Transfers	-	(4 118)
Translation gains / (losses)	(314)	(284)
At 31 December	829	832

B. OTHER INVESTMENTS	2003	2002
NET BOOK VALUE		
At 1 January	186	215
Increases / (decreases)	(155)	(29)
At 31 December	31	186
NET BOOK VALUE AT 31 DECEMBER (A+B)	**860**	**1 018**

16. Operational working capital

	2003	2002	%
Inventories	322 642	311 826	3.5
Trade receivables	307 740	311 413	-1.2
Trade payables	(191 417)	(184 921)	3.5
Advances received on contracts	(6 245)	(2 444)	155.5
Current employee benefit obligations	(69 922)	(75 552)	-7.5
Personnel related taxes	(8 849)	(9 062)	-2.4
OPERATIONAL WORKING CAPITAL	**353 949**	**351 260**	**0.8**

The following factors explain the increase of the operational working capital:

- an increase of €12 677, mainly in inventories;
- a negative currency impact (€25 685);
- an increase of €15 697 from acquisitions less disposals.

Additional information on:

- **Inventories**
  Write-down of inventories recognised in the Income Statement: €4 304 (2002: €3 819).
  No inventories were pledged as security for liabilities (2002: also none).

- **Trade receivables**
  Allowance for bad and doubtful debt recognised in the Income Statement: €1 590 (2002: €258).

17. Current loans and receivables

NET BOOK VALUE	2003	2002
At 1 January	8 124	5 642
Increase / (decrease)	(1 867)	3 019
First consolidation	29	-
Translation (losses) / gains	(520)	(537)
NET BOOK VALUE AT 31 DECEMBER	**5 766**	**8 124**

Financial receivables are mainly loans to joint ventures and to associates and are denominated in US dollars (2003: 23.1%, 2002: 79.7%) and euros (2003: 76.9%, 2002: 20.3%).

All financial amounts expressed in thousands of euros

18. Other receivables, deferred charges and accrued income

Other receivables

NET BOOK VALUE	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
At 1 January	33 652	42 483	(46 403)	88 886
(Decrease) / increase	(6 726)	(5 659)	9 071	(14 730)
First consolidation	608	353		353
Left out of consolidation	(100)	(548)		(548)
Translation (losses) / gains	(2 352)	(2 977)		(2 977)
NET BOOK VALUE AT 31 DECEMBER	**25 082**	**33 652**	**(37 332)**	**70 984**

"Other receivables" mainly consists of an amount of €16 859 (2002: €19 857) related to taxes, and an amount of €1 810 (2002: €5 804) related to royalties. The IFRS restatement relates to some defined employee benefit pension plans (see Note 23).

Deferred charges and accrued income

NET BOOK VALUE	2003	2002
At 1 January	8 750	15 775
Increase / (decrease)	4 315	(4 640)
First consolidation	353	74
Left out of consolidation	(31)	(120)
Translation (losses) / gains	(720)	(2 339)
NET BOOK VALUE AT 31 DECEMBER	**12 667**	**8 750**

19. Deferred tax assets and liabilities

Recognised deferred assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	ASSETS		LIABILITIES		NET (1)	
	2003	2002	2003	2002	2003	2002
Intangible assets	487	543	(3 204)	(2 737)	(2 717)	(2 194)
Property, plant & equipment	3 325	3 128	(79 585)	(85 123)	(76 260)	(81 995)
Investments	-	628	(15 412)	(17 084)	(15 412)	(16 456)
Inventories	2 223	2 859	(1 386)	(1 270)	837	1 589
Receivables	437	850	(32)	-	405	850
Other current assets	36	-	(898)	(449)	(862)	(449)
Employee benefits (2)	7 167	7 519	(6 528)	(5 436)	639	2 083
Other provisions	7 756	10 064	(379)	(197)	7 377	9 867
Other liabilities	843	750	(2 841)	(4 405)	(1 998)	(3 655)
Tax losses carried forward, tax credits and recoverable income taxes	29 257	25 826	-	-	29 257	25 826
Intercompany profit elimination	-	-	9 118	9 137	9 118	9 137
Tax assets / (liabilities)	**51 531**	**52 167**	**(101 147)**	**(107 564)**	**(49 616)**	**(55 397)**
Off-set of assets and liabilities	**(36 467)**	**(41 502)**	**36 467**	**41 502**		
NET TAX ASSETS / (LIABILITIES)	**15 064**	**10 665**	**(64 680)**	**(66 062)**	**(49 616)**	**(55 397)**

(1) The "Net" position is given solely for information purposes.
(2) The impact of the IFRS restatement on the 2002 net position amounted to €10 699 consisting of a reversal of the deferred tax liabilities (€4 453) and an increase of the deferred tax assets (€6 246).

The deferred tax liabilities on investments relate mainly to temporary differences arising from undistributed profits from subsidiaries, joint ventures and associates. Of the total net movement of €5 781 in the balance sheet position, an amount of €10 867 was recognised in income.

All financial amounts expressed in thousands of euros

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2003	2002	change
Deductible temporary differences	56 518	50 089	
Tax losses	43 252	64 771	
TOTAL	**99 770**	**114 860**	**(15 090)**

Previously unrecognised tax assets which have now been recognised as offsetting the deferred tax liabilities amount to €3 554 (2002: €2 018).

20. Ordinary shares, treasury shares, subscription rights and share options

ISSUED CAPITAL		Value	Number of shares
1.	At 1 January 2003	170 000	22 121 630
	Movements in the year		
	Cancellation of shares	-	51 330
	At 31 December 2003	170 000	22 070 300
2.	Structure		
2.1	Classes of share capital		
	Ordinary shares without par value	170 000	22 070 300
2.2	Registered shares	-	13 475
	Bearer shares	-	22 056 825
AUTHORISED, NOT ISSUED CAPITAL		**170 000**	**-**

During 2003, 51 330 of the Company's own shares have been purchased and cancelled, resulting in a reduction of €2 185 in reserves.

The Extraordinary General Assembly of Shareholders of 14 October 1999 authorised the Board to issue up to 1 300 000 subscription rights to its management and executive employees in the period 2000-2004 in connection with a stock option plan based on the Act of 26 March 1999. If all of the 1 300 000 subscription rights were to be granted in the relevant period and subsequently converted into shares, the maximum dilution would amount to 5.8% of the total number of shares outstanding at the end of 1999. In order to avoid the potential dilution of the existing shares, the company has hitherto repurchased and cancelled a total of 387 020 existing shares. The 2003 offering was 40 050 subscription rights, of which 33 580 were granted on 9 September 2003 and issued on 6 October 2003.

Overview:

Date offering	Number of subscription rights offered	Date granted	Number of subscription rights granted	Date of issue of subscription rights	Exercise price in €	First exercise period	Last exercise period
17.12.1999	39 330	15.02.2000	35 730	04.04.2000	52.60	01-15.06.2003	16-30.11.2012
17.12.1999		15.02.2000	2 890	04.04.2000	52.60	01-15.06.2003	16-30.11.2009
17.12.1999	1 000	15.02.2000	1 000	04.04.2000	52.60	01-15.06.2003	16-30.11.2004
14.07.2000	118 357	12.09.2000	106 547	26.09.2000	54.00	01-15.06.2004	01-15.06.2013
14.07.2000		12.09.2000	5 515	26.09.2000	54.00	01-15.06.2004	01-15.06.2010
14.07.2000	4 750	12.09.2000	4 750	26.09.2000	49.85	01-15.06.2004	01-15.06.2005
13.07.2001	158 384	11.09.2001	139 389	26.09.2001	41.94	01-15.06.2005	01-15.06.2014
13.07.2001		11.09.2001	4 125	26.09.2001	41.94	01-15.06.2005	01-15.06.2011
12.07.2002	42 128	10.09.2002	35 364	25.09.2002	47.48	01-15.06.2006	01-15.06.2015
12.07.2002		10.09.2002	380	25.09.2002	47.48	01-15.06.2006	01-15.06.2012
11.07.2003	40 050	09.09.2003	33 580	06.10.2003	40.89	01-15.06.2007	01-15.06.2013
TOTAL	**403 999**		**369 270**				

All financial amounts expressed in thousands of euros

Out of the 35 730 and 2 890 subscriptions rights granted in 1999, respectively 385 and 2 530 expired during 2003. As a result, there is presently an aggregate of 366 355 subscription rights outstanding.

In 2003, a further 2 780 options on existing shares were offered and granted under the second stock option plan.

Date offering	Number of options offered	Date granted	Number of options granted	Exercise price in €	First exercise period	Last exercise period
26.07.2000	2 850	24.09.2000	2 850	49.85	01-15.06.2004	01-15.06.2013
13.07.2001	11 450	11.09.2001	11 450	41.94	01-15.06.2005	01-15.06.2014
12.07.2002	3 040	10.09.2002	3 040	47.48	01-15.06.2006	01-15.06.2015
11.07.2003	2 780	09.09.2003	2 780	40.89	01-15.06.2007	01-15.06.2013
TOTAL	**20 120**		**20 120**			

21. Hedging reserve

BALANCE	2003	2002
At 1 January	(13 015)	(15 091)
New instruments added	-	(164)
Existing instruments settled	7 123	6 176
Value changes existing instruments	1 922	(5 383)
First / (left out of) consolidation	-	-
Translation gains / (losses)	952	1 447
NET BOOK VALUE AT 31 DECEMBER	**(3 018)**	**(13 015)**
Of which		
Zinc forward contracts	-	(7 943)
Interest rate swaps (US dollar loans)	(3 018)	(5 072)

Changes in the fair value of hedging instruments designated as effective “cash flow hedges” are recognised directly in equity. All zinc forward contracts were settled prior to the end of 2003.

22. Minority interests

BALANCE	2003	2002
At 1 January	44 343	42 548
Decrease / (increase) in ownership	-	(233)
Share of net profit of subsidiaries	7 486	6 690
Dividend pay-out	(7 756)	(4 334)
Capital increases	249	1 089
Transfer from equity method	502	1 302
Translation (losses) / gains	(1 480)	(2 719)
NET BOOK VALUE AT 31 DECEMBER	**43 344**	**44 343**

Capital increases in 2003 mainly relate to Bekaert Shenyang Steel Cord Co., Ltd (€238). The transfer from equity method relates to the increase in shareholding in Sorevi S.A. and Sorevi Savoie S.A. from 49% to 87% in 2003.

All financial amounts expressed in thousands of euros

23. Employee benefit obligations

Several Bekaert companies maintain retirement benefit and other post-employment benefit plans. These plans generally cover all employees and provide benefits that are related to remuneration and length of service. Most assets in Belgium and the UK are invested in mixed portfolios of shares and bonds, mainly denominated in local currency. Plan assets in the US are invested in Group annuity contracts providing a guaranteed rate of return, in fixed income funds and in equity investments. The pension funds hold no direct positions in Bekaert shares, nor do they own any property used by a Bekaert entity. It is general Group policy to fund pension benefits on an actuarially acceptable basis with contributions paid to insurance companies and/or independent pension funds.

As a "first-time adopter" of IFRS, the Group opted to recognise all cumulative actuarial gains and losses at the date of transition to IFRS. To illustrate the impact of this, 2002 figures are reported before and after IFRS restatement.

At 31 December 2003 the Group's total net liabilities for employee benefit obligations amounted to €171 435 (€176 389 at 31 December 2002), comprised as follows:

	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
(Assets) for:				
Pension plans	-	-	37 332	(37 332)
Liabilities for:				
Pension plans	66 664	73 985	45 860	28 125
Other post-employment defined benefit plans	90 989	95 056	1 007	94 049
Other employee benefit obligations	13 782	7 348	-	7 348
Total employee benefit obligations	171 435	176 389	46 867	129 522
Total net (assets) / liabilities	**171 435**	**176 389**	**84 199**	**92 190**

Pension defined benefit plans

CHANGE IN BENEFIT OBLIGATION	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Present value at 1 January	398 092	401 493		401 493
Service cost	10 151	10 611		10 611
Interest cost	20 990	22 103		22 103
Participants' contributions	577	664		664
Plan amendments	-	294		294
First consolidation / (left out of consolidation)	106	-		-
Actuarial losses / (gains)	39 893	11 345		11 345
Benefits paid	(25 877)	(24 230)		(24 230)
Translation (gains) / losses	(26 805)	(24 188)		(24 188)
Present value of defined benefit obligation at 31 December	**417 127**	**398 092**		**398 092**

CHANGE IN PLAN ASSETS	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Fair value at 1 January	247 627	322 468		322 468
Actual return on plan assets	51 578	(49 235)		(49 235)
Company contributions	22 173	14 154		14 154
Plan participants contributions	577	665		665
First consolidation / (left out of consolidation)	(567)	-		-
Settlements	-	-		-
Benefits paid	(24 439)	(22 905)		(22 905)
Translation (losses) / gains	(17 892)	(17 520)		(17 520)
Fair value of plan assets at 31 December	**279 057**	**247 627**		**247 627**

All financial amounts expressed in thousands of euros

FUNDED STATUS	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Present value of unfunded obligations	22 290	20 754		20 754
Present value of funded obligations	394 837	377 338		377 338
Fair value of plan assets	(279 057)	(247 627)		(247 627)
Present value of net obligations	**138 070**	**150 465**		**150 465**
Unrecognised actuarial gains / (losses)	(71 405)	(76 374)	83 192	(159 566)
Unrecognised past service cost	(1)	(106)		(106)
Net liability / (asset)	**66 664**	**73 985**	**83 192**	**(9 207)**
Amounts in the balance sheet:				
Assets	**-**	**0**	**(37 332)**	**37 332**
Liabilities	**66 664**	**73 985**	**45 860**	**28 125**

Asset amounts in the balance sheet were shown as “Other receivables” before implementation of IFRS.

CHANGE IN LIABILITY	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Net liability / (asset) at 1 January	73 985	79 183	93 297	(14 114)
Contributions paid	(23 435)	(15 519)		(15 519)
Expense recognised in the income statement	19 665	13 869	(3 320)	17 189
First consolidation	195	-		-
Left out of consolidation of pension asset	(222)	-		-
Translation (gains) / losses	(3 524)	(3 548)	(6 785)	3 237
Net liability / (asset) at 31 December	**66 664**	**73 985**	**83 192**	**(9 207)**
Amounts in the balance sheet:				
Assets	**-**	**0**	**(37 332)**	**37 332**
Liabilities	**66 664**	**73 985**	**45 860**	**28 125**

The amounts recognised in the income statement are as follows:

NET BENEFIT EXPENSE	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Current service cost	10 151	10 611		10 611
Interest cost	20 990	22 103		22 103
Expected return on plan assets	(14 426)	(21 238)		(21 238)
Net actuarial losses / (gains) recognised in the year	2 856	-	(3 320)	3 320
Past service cost	94	2 393		2 393
TOTAL	**19 665**	**13 869**	**(3 320)**	**17 189**

All financial amounts expressed in thousands of euros

The principal actuarial assumptions at the balance sheet date (weighted averages) were:

ACTUARIAL ASSUMPTIONS	2003	2002
Discount rate	5.3%	5.6%
Expected return on plan assets	6.9%	6.7%
Future salary increases	3.7%	3.7%

Other post-employment benefit plans

This relates to pre-retirement pensions in Belgium (defined benefit obligation in 2003: €76 474, 2002: €77 489) and other post-employment benefits for medical care in the US (defined benefit obligation in 2003: €17 707, 2002: €19 464), which are not externally funded. Of the defined benefit obligation in Belgium, an amount of €38 255 (2002: €39 775) relates to employees being in active service and not yet having concluded any pre-retirement agreement.

CHANGE IN BENEFIT OBLIGATION	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Present value at 1 January	96 953	99 660		99 660
Service cost	2 465	2 412		2 412
Interest cost	4 900	5 121		5 121
Participants' contributions	-	-		-
Plan amendments	-	-		-
First consolidation / (left out of consolidation)	-	-		-
Actuarial losses / (gains)	1 884	2 226		2 226
Benefits paid	(8 549)	(9 051)		(9 051)
Translation (gains) / losses	(3 472)	(3 415)		(3 415)
Present value of defined benefit obligation at 31 December	**94 181**	**96 953**		**96 953**

FUNDED STATUS	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Present value of unfunded obligations	94 181	96 953		96 953
Present value of funded obligations	-	-		-
Fair value of plan assets	-	-		-
Present value of net obligations	**94 181**	**96 953**		**96 953**
Unrecognised actuarial gains / (losses)	(3 332)	(1 959)	1 007	(2 966)
Unrecognised past service cost	140	62		62
Net liability	**90 989**	**95 056**	**1 007**	**94 049**

CHANGE IN LIABILITY	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Net liability at 1 January	95 056	99 608	1 732	97 876
Contributions paid	(8 549)	(9 091)		(9 091)
Expense recognised in the income statement	7 505	7 651	(84)	7 735
Translation (gains) / losses	(3 023)	(3 112)	(641)	(2 471)
Net liability at 31 December	**90 989**	**95 056**	**1 007**	**94 049**

All financial amounts expressed in thousands of euros

The amounts recognised in the income statement are as follows:

NET BENEFIT EXPENSE	2003	2002 after IFRS	Restatement IFRS	2002 before IFRS
Current service cost	2 465	2 412		2 412
Interest cost	4 900	5 121		5 121
Net actuarial losses / (gains) recognised in the year	42	0	(84)	84
Past service cost	98	118		118
TOTAL	**7 505**	**7 651**	**(84)**	**7 735**

The principal actuarial assumptions at the balance sheet date (weighted averages) were:

ACTUARIAL ASSUMPTIONS	2003	2002
Discount rate	5.1%	5.4%
Future salary increases	3.3%	3.8%
Health care cost increases (US)	12.0%	13.0%

Weighted averages are slightly different from the pension plans because they include only the Belgian and US plans; actuarial assumptions per country were, however, identical.

Other employee benefit obligations

This relates mainly to legal retirement benefits in countries including France, Italy and Turkey.

Equity compensation plans

Details are provided in Note 20.

24. Provisions

	Restructuring	Legal claims	Other	Total
AT 31 DECEMBER 2002	**20 582**	**3 407**	**29 871**	**53 860**
Additional provisions made	3 870	1 905	5 445	11 220
Unused amounts released	-	(67)	(729)	(796)
Increase in discounted amount	-	13	474	487
Charged to the income statement	**3 870**	**1 851**	**5 190**	**10 911**
First consolidation	-	-	1 586	1 586
Amounts used during the year	(17 494)	(1 933)	(2 466)	(21 893)
Translation (gains) / losses	(372)	(254)	(34)	(660)
AT 31 DECEMBER 2003	**6 586**	**3 071**	**34 147**	**43 804**

The "Additional provisions made" relate to the restructuring of specialised films in the US and advanced wire products in Spain, and the creation of a provision for product warranties in Bekaert Specialty Films, LLC. The amounts used for restructuring relate mainly to the restructuring programme in fencing systems Europe reported last year. The other provisions relate mainly to environmental programmes and disputes with government bodies. The expected timing of the settlement of these provisions is uncertain.

All financial amounts expressed in thousands of euros

25. Financial liabilities and non-current other amounts payable

Information concerning the contractual terms of the Group's interest-bearing loans and borrowings, covering financial liabilities (current and non-current) and other amounts payable (non-current) is set out below:

2003	Due within one year	Due between one and five years	Due after five years	TOTAL
Non-current financial liabilities				
- leasing	-	581	453	1 034
- credit institutions	-	203 307	1 010	204 317
- bonds	-	-	106 998	106 998
Other non-current amounts payable	-	1 862	-	1 862
Current financial liabilities				
- current portion of non-current financial liabilities-credit institutions	8 301	-	-	8 301
- current portion of non-current leasing	179	-	-	179
- credit institutions	168 103	-	-	168 103
TOTAL	**176 583**	**205 750**	**108 461**	**490 794**

2002	Due within one year	Due between one and five years	Due after five years	TOTAL
Non-current financial liabilities				
– leasing	-	555	-	555
– credit institutions	-	209 744	7 000	216 744
– bonds	-	-	106 991	106 991
Other non-current amounts payable	-	6 175	17 267	23 442
Current financial liabilities				
– current portion of non-current financial liabilities-credit institutions	8 179	-	-	8 179
– current portion of non-current leasing	179	-	-	179
– credit institutions	138 376	-	-	138 376
TOTAL	**146 734**	**216 474**	**131 258**	**494 466**

Total financial debt was mainly denominated in US dollar (66.9%, 2002: 74.5%), euro (20.4%, 2002: 16.0%) and Chinese renminbi (8.4%, 2002: 6.1%). The general principle is that loans are entered into by entities in their local currency, so as to avoid currency risk.

Fixed interest rates applied to 47.4% of the long-term financial debt. The weighted average interest rates at the year-end were:
- fixed interest rate loans: 5.65% on US dollar loans (2002: 5.65%); not applicable to any euro or Chinese renminbi loans in 2003 (2002: not applicable);
- floating interest rate loans: 1.94% on US dollar loans (2002: 2.35%) and 2.33% on euro loans (2002: 3.26%).

The weighted average lifetime at the year-end of long-term financial debt was 3.5 years (2002: 4.4 years).
Short-term financial debt was mainly denominated in US dollar (52.1%, 2002: 65.1%), Chinese renminbi (20.7%, 2002: 19.0%) and euro (20.3%, 2002: 8.0%).
Of the short-term financial debt, the weighted average interest rates for the main currencies at year-end were: 1.60% on US dollar loans (2002: 2.11%), 1.57% on Chinese renminbi loans (2002: 5.49%) and 2.31% on euro (2002: not applicable).
Several committed and uncommitted short-term credit lines in euros and other currencies are available to the Group in amounts considered adequate for current and near-future financial needs. These facilities are generally of the "mixed type" and may be utilised for advances, overdrafts, acceptances, etc.
The Group also has credit facilities at its disposal up to a maximum equivalent of €185 million (2002: €153 million) under "Multi-currency Credit Facilities" at floating interest rates with fixed margins. These credit facilities will mature in 2004, 2006 and 2007. At the year-end, €101.0 million was drawn under the Multi-currency Credit Facilities (2002: €66.2 million).
In addition, the Group has a Commercial Paper and Medium Term Notes Programme available for a maximum of €123.9 million (same amount as in 2002). At 31 December 2003, €24.5 million of commercial paper notes were outstanding (2002: nil).

All financial amounts expressed in thousands of euros

26. Derivative financial instruments

The Bekaert Group uses derivative financial instruments to hedge exchange rate exposure, interest rate exposure and commodity price exposure arising from its industrial and commercial operations. Some only of these financial instruments qualify for "hedge accounting" under the stringent criteria defined in IAS 39, other derivatives are treated as "free-standing instruments held for trading" in accordance with IAS 39.

The net exposure of all subsidiaries is managed on a centralised basis by the Group Finance Department in accordance with the aims and principles laid down by general management, supported by timely controlling and reporting procedures. As a policy, the Group does not engage in speculative or leveraged transactions, nor does it hold or issue financial instruments for trading purposes.

A. Fair value

The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The Group's principal financial instruments not carried at fair value are cash and cash equivalents, receivables and other current assets, non current assets, trade and other payables and long-term borrowings.

The carrying amount of cash equivalents approximates to their value due to the short-term maturity of these financial instruments. Similarly, the historical cost carrying amount of receivables and payables, which are all subject to normal trade credit terms, approximate to their fair values.

The fair value of long-term fixed rate borrowings is based on the quoted market price for the same or similar issues, or on the current rates available for debt with the same maturity and credit-rating risk profile. The fair value of long-term floating rate borrowings only takes into account the currency impact.

B. Foreign exchange exposure

The Group uses forward exchange contracts to limit its commercial foreign exchange risk on such transactions as sales, purchases, royalties and dividends. These contracts are concluded with major financial institutions.

With the adoption of IAS 39, the Group has not designated its forward exchange (FX) contracts as "cash flow hedges". As a consequence, changes in the fair value of these contracts between two balance sheet dates are shown as "Value adjustments to financial instruments" under "Non-Operating Income / Expense".

At 31 December 2003, the total fair value of the forward exchange contracts was €1 179 (2002: €1 100), while the notional amounts were:

FORWARD EXCHANGE CONTRACTS	2003	2002
Currencies purchased forward, maturing:		
up to 6 month	717	-
after 6 months	2 786	2 043
	3 503	**2 043**
Currencies sold forward, maturing:		
up to 6 months	58 555	35 600
after 6 months	640	727
	59 195	**36 327**

The Group has entered into cross currency interest rate swaps ("CCIRS") for a notional amount of €260 542 (2002: €250 150) resulting in the obligation to sell currencies and interest thereon against euro, US dollar and British pound on pre-set terms.

With the adoption of IAS 39, the Group has designated the CCIRS related to its Eurobond as a "fair value hedge". As a consequence, changes in the fair value of the hedging instrument and of the hedged item offset each other in the Income Statement. The other CCIRSs do not qualify for hedge accounting under IAS 39 and consequently are not treated as hedging instruments, even though they provide economic hedging. At 31 December 2003, the total fair value of CCIRS instruments amounted to €73 163 (2002: €43 046).

C. Interest rate exposure

To manage its interest rate exposure, the Group has entered into interest rate swaps. Any interest rate differential is recognised as an adjustment to other financial charges or revenues over the term of the related underlying debt. Of the total outstanding debt at 31 December 2003, the interest rate exposure relating to the equivalent of €119 083 (2002: €143 797) was hedged through these interest rate agreements.

The maturities of the interest rate swaps are as follows:

- maturing within one year: €319 (2002: €380);
- maturing between one and five years: €98 970 (2002: €119 578);
- maturing after more than five years: €19 794 (2002: €23 839).

At 31 December 2003, the total fair value of the interest rate swaps amounted to €(9 378), compared to €(15 372) the previous year.

With the adoption of IAS 39, the Group has designated only part of its interest rate swaps as "cash flow hedges". Although the Group entered into interest rate swaps (IRS) relating to a combination of a loan and a cross currency interest rate swap (CCIRS) only for hedging not for trading reasons, these IRS's are treated as "instruments held for trading" under IAS 39 rather than as hedging instruments.

All financial amounts expressed in thousands of euros

D. Commodity risk exposure

To manage the zinc price exposure, the Group has entered into zinc hedging agreements (forward contracts).

At the time of adoption of IAS 39, the Group designated its zinc forward contracts as "cash flow hedges". Consequently, changes in the fair value of these contracts are booked initially in the hedging reserve.

Gains and losses on these hedging instruments become part of the cost of sales on a symmetrical basis with the underlying transaction, being the sale of zinc as part of finished goods. Realised gains or losses on these hedging instruments before the realisation of the underlying transaction are deferred.

During 2003, the Group reassessed its exposure to commodity price risk and, mainly because of its limited exposure and the lack of any significant benefits, withdrew from all commodity hedges, so that the fair value of outstanding contracts at 31 December 2003 was nil (2002: €(8 044)); the notional amounts outstanding were:

	2003	2002
Expiring in 2003	-	19 056
Expiring in 2004	-	10 070
Expiring in 2005	-	2 530

E. Credit Risk

To manage its credit risk, the Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all counterparties requiring significant credit facilities. Furthermore, credit risk is covered by credit insurance policies with either a public or a private credit insurer, and also by the systematic use of trade finance instruments (e.g. letter of credit).

Breakdown of net position by type of financial instrument

FAIR VALUE OF CURRENT AND NON-CURRENT DERIVATIVES	ASSETS 2003	ASSETS 2002	LIABILITIES 2003	LIABILITIES 2002	NET POSITION 2003	NET POSITION 2002
Financial instruments						
Zinc forward and option contracts	-	-	-	(8 044)	-	(8 044)
Foreign exchange contracts	1 916	1 391	(737)	(291)	1 179	1 100
Interest rate swaps	-	1	(9 378)	(15 373)	(9 378)	(15 372)
Cross-currency interest rate swaps	73 629	43 255	(465)	(199)	73 164	43 056
NET ASSETS / (LIABILITIES)	**75 545**	**44 647**	**(10 580)**	**(23 907)**	**64 965**	**20 740**

Movement in the net position recognised in the balance sheet

	2003	2002
At 1 January	20 740	(3 176)
Increase / (decrease) via income statement	44 117	23 570
Increase / (decrease) via hedging reserve	9 045	629
First consolidation	-	-
Left out of consolidation	-	-
Translation (losses) / gains	(8 937)	(2 437)
Transfers	-	2 154
NET BOOK VALUE AT 31 DECEMBER	**64 965**	**20 740**

Movements via income statement are explained in Note 7 (Non-operating income & expenses).

All financial amounts expressed in thousands of euros

27. Other payables, accrued charges and deferred income

Other payables

NET BOOK VALUE	2003	2002
At 1 January	12 493	16 826
Increase / (decrease)	11 700	(2 646)
First consolidation	886	540
Left out of consolidation	(16)	(185)
Translation (losses) / gains	(3 058)	(2 042)
NET BOOK VALUE AT 31 DECEMBER	**22 005**	**12 493**

The increase in "Other payables" arises from a timing difference in payments.

Accrued charges and deferred income

NET BOOK VALUE	2003	2002
At 1 January	7 662	10 349
(Decrease) / increase	(790)	(1 680)
First consolidation	1 674	83
Left out of consolidation	(13)	-
Translation (losses) / gains	(886)	(1 090)
NET BOOK VALUE AT 31 DECEMBER	**7 647**	**7 662**

28. Cash flow statement

Cash provided by operating activities was mainly used to finance the expansion programmes in property, plant and equipment, mainly in China and Eastern Europe.
The cash used in investing activities relates to the increase in shareholding in Contours Ltd, Sorevi S.A. and Sorevi Savoie S.A., the acquisition of Drôtovña Drôty a.s. and Drôtovña Kordy a.s. (now called Bekaert Hlohovec, a.s.), Bekaert Specialty Films Nordic AB and Bekaert Specialty Films North Europe AB.

29. Off balance sheet commitments

At 31 December, important commitments were:

	2003	2002
Guarantees given to third parties	4 433	33 697
Commitments to purchase fixed assets	1 730	514
Other commitments	-	1 643

30. Related parties

Remuneration and pensions of the parent Company's non-executive directors for their services rendered to Group companies amounted to €2 220 (€3 903 in 2002) (for more information: see "Corporate Governance").

31. Earnings / (loss) per share

At 31 December 2003	Basic	Diluted
Weighted average number of ordinary shares	22 111 807	22 111 807
Effect of stock options on issue (note 20)	-	83
Weighted average number of ordinary shares (diluted)	-	22 111 890
Net income attributable to ordinary shareholders	85 213	85 213
Earnings / (loss) per share (in euros)	**3.854**	**3.854**
Result from ordinary activities before taxes	68 836	68 836
Result from ordinary activities before taxes per share (in euros)	**3.113**	**3.113**
Result from ordinary activities before taxes and non-recurring events	79 268	79 268
Result from ordinary activities before taxes and non-recurring events per share (in euros)	**3.585**	**3.585**

All financial amounts expressed in thousands of euros

At 31 December 2002	Basic	Diluted
Weighted average number of ordinary shares	22 149 092	22 149 092
Effect of stock options on issue (note 20)	-	14 893
Weighted average number of ordinary shares (diluted)	-	22 163 985

AFTER IFRS		
Net income attributable to ordinary shareholders	(46 266)	(46 266)
Earnings / (loss) per share (in euros)	**(2.089)**	**(2.087)**
Result from ordinary activities before taxes	(65 875)	(65 875)
Result from ordinary activities before taxes per share (in euros)	**(2.974)**	**(2.972)**
Result from ordinary activities before taxes and non-recurring events	79 917	79 917
Result from ordinary activities before taxes and non-recurring events per share (in euros)	**3.608**	**3.606**

BEFORE IFRS		
Net income attributable to ordinary shareholders	(49 511)	(49 511)
Earnings / (loss) per share (in euros)	**(2.235)**	**(2.234)**
Result from ordinary activities before taxes	(69 280)	(69 280)
Result from ordinary activities before taxes per share (in euros)	**(3.128)**	**(3.126)**
Result from ordinary activities before taxes and non-recurring events	76 512	76 512
Result from ordinary activities before taxes and non-recurring events per share (in euros)	**3.454**	**3.452**

The average value of one ordinary share during 2003 was €41.22 per share (2002: €45.57 per share).

32. Consolidated statement on relationships with companies accounted for under the equity method

At 31 December, the subsidiaries had the following outstanding balances with these companies:

	Joint ventures 2003	Associates 2003	Joint ventures 2002	Associates 2002
Non-current receivables	2 829	108	384	4 111
Trade receivables	844	445	3 070	578
Other current receivables	2 911	739	2 401	709
Non-current payables	-	-	-	-
Trade payables	1 389	234	2 178	168
Other current payables	31	-	1 254	-

and realised the following transactions with them:

	Joint ventures 2003	Associates 2003	Joint ventures 2002	Associates 2002
Net sales	7 507	34	12 924	208
Royalties receivable	3 530	120	5 342	329
Royalties payable	-	-	-	-
Financial revenues	346	16	204	27
Financial charges	10	-	208	-
Dividends receivable	22 021	35	19 055	68
Capital commitments	-	-	-	-

All financial amounts expressed in thousands of euros

33. Annual report of the Board of Directors and annual accounts of N.V. Bekaert S.A.

Statutory annual accounts

The statutory annual accounts of the parent company, N.V. Bekaert S.A., are reported below in a condensed format.
In conformity with Belgian Company Law, the Directors' report and Annual Accounts of the parent company, N.V. Bekaert S.A., together with the Statutory Auditor's report, are deposited at the National Bank of Belgium.
They are available on request from:

N.V. Bekaert S.A.
Group Management
President Kennedypark 18
B - 8500 KORTRIJK (Belgium)

The statutory auditor issued an opinion without reservation on the annual accounts of N.V. Bekaert S.A.

CONDENSED PROFIT AND LOSS STATEMENT

YEARS ENDED 31 DECEMBER	2003	2002
Sales	496 492	663 390
OPERATING PROFIT (LOSS)	10 693	8 031
Financial result	151 822	1 532
Extraordinary result	(45 946)	(70 848)
Current and deferred income taxes	-	(1)
PROFIT / (LOSS) FOR THE YEAR	**116 569**	**(61 286)**

CONDENSED BALANCE SHEET AFTER PROFIT APPROPRIATION

31 DECEMBER	2003	2002
FIXED ASSETS	**1 358 168**	**1 413 604**
Formation expenses, intangible fixed assets	31 688	40 513
Tangible fixed assets	78 383	76 030
Financial fixed assets	1 248 097	1 297 061
CURRENT ASSETS	**220 856**	**206 348**
TOTAL ASSETS	**1 579 024**	**1 619 952**
EQUITY	**801 775**	**725 970**
Capital	170 000	170 000
Revaluation surplus	1 995	1 995
Legal reserve	17 000	17 000
Untaxed reserves	-	-
Reserves available for distribution, retained earnings	612 780	536 975
Investment grants	-	-
PROVISIONS AND DEFERRED TAXES	**68 292**	**71 233**
CREDITORS	**708 957**	**822 749**
Amounts payable after one year	439 368	439 571
Amounts payable within one year, accrued charges and deferred income	269 589	383 178
EQUITY AND LIABILITIES	**1 579 024**	**1 619 952**

All financial amounts expressed in thousands of euros

VALUATION PRINCIPLES

Valuation and translation principles applied in the statutory accounts of the parent company are based on Belgian accounting legislation.

Summary of the annual report of the Board of Directors

Sales amounting to €496 492 were 25% lower than in the previous year. This was mainly due to the carve-out of the fencing activity into the separate legal entity Bekaert Fencing NV. Advanced materials and the engineering department achieved higher sales. For the engineering department sales were about 70% higher than last year, mainly due to the delivery of equipment for the expansion in China and Central Europe. Sales of advanced wire products were slightly below 2002 figures.

The result from operations amounted to €10 693 (2002: €8 031). The impact of the carve-out of Bekaert Fencing NV was more than offset by lower depreciation and a lower charge relating to provisions for pension and similar rights.

The financial result was substantially higher than last year (2003: €151 822; 2002: €1 532), mainly due to higher revenue from financial fixed assets.

Due to a loss on disposal and write-downs on financial fixed assets of €14 010 and €29 173 respectively, there were negative extraordinary results of €45 946 (2002: €70 848).

The net profit for the year ending 31 December 2003 amounted to €116 569, compared with a loss of €61 286 in 2002.

Statement on the activities of the Statutory Auditor and related persons

As a result of an existing agreement, a previously related company, with which the statutory auditor has terminated his professional relationship before 31 December 2003, has rendered EDP services to the company for an amount of €6 034. Other fees amounting to €415 were charged by the statutory auditor and persons professionally related to him. These fees relate essentially to audit related and tax services.

Environmental programmes

The provision for environmental programmes amounts to €13 946 stemming from additional charges of €2 305 and expenditure of €1 192.

Information on research and development

Information on the Research and Development activities of the Company can be found in the Company Profile.

Conflict of interest

As provided by company law and prescribed by the Charter of the Board, the members of the Board of Directors are expected to give the Chairman prior notice of any agenda items in respect of which they have a direct or indirect conflict of interest of a financial nature with the company and to refrain from participating in the discussion and voting on those items.

In 2003, Mr. Hubert Jacobs van Merlen refrained from participating in the discussion and voting on indemnification by the company of his civil liability as director. For more details, refer to the Corporate Governance chapter in this Annual Report.

STATEMENT OF CAPITAL

Since the issue of the 2002 annual report, no new notifications of participation in the share capital of the company, in conformity with art. 4 of the Law of 2 March 1989, have been received.

NOTIFIER	Date of notification	Number of shares	% of total number of shares
Stichting Administratiekantoor Bekaert Chasséveld 1, Breda (Netherlands) (*)	09.03.01	4 265 940	19.33
Common attorney, on behalf of individuals, Mr. X. Oberson, 20 rue de Candolle, Geneva (Switzerland) (*)	31.10.96	2 223 140	10.07
Beauval Enterprises Corp., 325 Waterfront Drive, Tortola (British Virgin Islands)	29.11.99	1 100 000	4.98
Tirhold Inc., Bank of America Building, 50th Street 5, Panama (Rep. of Panama)	01.03.99	1 079 630	4.89
HLF S.p.r.l., square Vergote 19, Brussels (*)	31.10.96	76 820	0.35
N.V. BSI, Schoonberg 15, Aalter (*)	16.06.94	57 470	0.26
N.V. Grisar & Velge, Keizerstraat 13, Antwerp (*)	31.10.96	19 000	0.09
N.V. De Sneppe, Kortrijkstraat 11, Zwevegem (*)	02.09.94	17 460	0.08
Millenium 3 S.A., av. N. Plissart 8, Brussels (*)	01.03.99	16 000	0.07
S.A. Berfin, Drève L. Chaudoir 16, Brussels	01.03.99	15 000	0.07
S.A. Subeco, rue Guimard 19, Brussels (*)	01.03.99	12 600	0.06
Brocsa S.A., av. De Fré 225, Brussels (*)	01.03.99	6 770	0.03
TOTAL		**8 889 830**	**40.28**

(*) These individuals and companies, linked by their joint control of the Stichting Administratiekantoor Bekaert, together with the Stichting Administratiekantoor Bekaert, have 6 695 200 shares (30.34%).

All financial amounts expressed in thousands of euros

34. Subsidiaries, joint ventures and associates

A. SUBSIDIARIES

INDUSTRIAL COMPANIES		%
EUROPE		
Bekaert Bohumín s.r.o.	Bohumín, Czech Republic	100
Bekaert CEB Technologies B.V.	Eindhoven, Netherlands	100
Bekaert Combustion Technology B.V.	Assen, Netherlands	75
Bekaert Combustion Technology NV	Zwevegem, Belgium	75
Bekaert Deutschland GmbH	Schwalmtal, Germany	100
Bekaert Dymonics	Zulte, Belgium	100
Bekaert Dymonics GmbH	Bad Homburg, Germany	100
Bekaert Fencing España, S.L.	Burgos, Spain	100
Bekaert Fencing Limited	Sheffield, United Kingdom	100
Bekaert Fencing NV	Zwevegem, Belgium	100
Bekaert Fencing S.A.	Bourbourg, France	100
Bekaert Fencing S.p.A.	Tortoreto, Italy	100
Bekaert Fencing Sp.z o.o.	Kotlarnia, Poland	100
Bekaert Fibre Processing Systems	Wevelgem, Belgium	100
Bekaert France S.A.	Charleville-Mézières, France	100
Bekaert Hemiksem	Hemiksem, Belgium	100
Bekaert Hlohovec, a.s.	Hlohovec, Slovak Republic	100
Bekaert Indoor Safety B.V.	Ede, Netherlands	95
Bekaert Petrovice s.r.o.	Petrovice, Czech Republic	100
Bekaert Progressive Composites, S.A.	Munguía, Spain	100
Bekaert Slovakia, s.r.o.	Sladkovicovo, Slovak Republic	100
Bekaert VDS	Deinze, Belgium	100
Bekintex	Wetteren, Belgium	100
Industrias del Ubierna, S.A.	Burgos, Spain	100
Sobelcard	Zwevegem, Belgium	100
Sorevi S.A.	Limoges, France	87
Sorevi Savoie S.A.	Bons en Chablais, France	87
Tinsley Wire (Ireland) Limited	Dublin, Ireland	100
Werler Drahtwerke GmbH	Werl, Germany	100
NORTH AMERICA		
Bekaert CEB Technologies Canada Ltd	Calgary, Canada	100
Bekaert Combustion Technology Corporation	Wilmington (Delaware), USA	75
Bekaert Corporation	Wilmington (Delaware), USA	100
Bekaert Progressive Composites Corporation	Atlanta (Georgia), USA	80
Bekaert Specialty Films, LLC	Wilmington (Delaware), USA	100
Rotar, Inc.	Minneapolis (Minnesota), USA	100
Titan Steel & Wire Co. Ltd	Surrey (BC), Canada	70
AFRICA		
Bekaert Bastion Fencing Systems (Pty) Ltd	Blackheath, South Africa	60
ASIA		
Bekaert Industries Private Limited	Taluka Shirur, District Pune, India	100
Bekaert Jiangyin Steel Cord Company Limited	Jiangyin, China	90
Bekaert-Jiangyin Wire Products Co., Ltd	Jiangyin, China	90
Bekaert (Shandong) Tire Cord Co., Ltd	Weihai, China	100
Bekaert Shenyang Steel Cord Co., Ltd	Shenyang, China	98
Bekaert Technology and Engineering (Jiangyin) Co., Ltd	Jiangyin, China	100
Bekaert Toko Metal Fiber Co., Ltd	Tokyo, Japan	70
Bekinit Kabushiki Kaisha	Miyashiro-Machi, Japan	60
Beksa Celik Kord Sanayi ve Ticaret A.S.	Istanbul, Turkey	50
China Bekaert Steel Cord Company Limited	Jiangyin, China	90
PT. Bekaert Indonesia	Karawang, Indonesia	100
Shanghai Bekaert Ergang Company Limited	Shanghai, China	70

SALES OFFICES, WAREHOUSES AND OTHERS		%
EUROPE		
Bekaert (Schweiz) AG	Baden, Switzerland	100
Bekaert A/S	Roskilde, Denmark	100
Bekaert Asia	Zwevegem, Belgium	100
Bekaert Beheer B.V.	Nieuwegein, Netherlands	100
Bekaert-CMTM GmbH	Saalfeld, Germany	100
Bekaert Combustion Technology Limited	Hinckley, United Kingdom	75
Bekaert France SAS	Antony, France	100
Bekaert Ges.m.b.H.	Maria Enzersdorf-Südstadt, Austria	100
Bekaert Limited	Sheffield, United Kingdom	100
Bekaert Nederland B.V.	Dordrecht, Netherlands	100
Bekaert Norge A/S	Frogner, Norway	100
Bekaert Portugal Lda	Lisboa, Portugal	100
Bekaert Specialty Films Nordic AB	Rimbo, Sweden	100
Bekaert Specialty Films North Europe AB	Rimbo, Sweden	100
Bekaert Specialty Films (UK) Ltd	Worcestershire, United Kingdom	100
Bekaert Svenska AB	Göteborg, Sweden	100
Bekaert Wire o.o.o.	Moscow, Russian Federation	100
Imaware	Zwevegem, Belgium	75
Innovative Sputtering Technology	Zulte, Belgium	100
Joseph Sykes Brothers Limited	Sheffield, United Kingdom	100
Leon Bekaert S.p.A.	Trezzano Sul Naviglio, Italy	100
NORTH AMERICA		
Bekaert Specialty Films (Canada), Inc.	Oakville, Canada	100
LATIN AMERICA		
Bekaert Specialty Films de Mexico, SA de CV	Monterrey, Mexico	100
Bekaert Trade Latin America N.V.	Curaçao, Netherlands Antilles	100
Bekaert Trade Mexico, S. de R.L. de CV	Mexico City, Mexico	100
Specialty Films de Services Company, SA de CV	Monterrey, Mexico	100
ASIA		
Bekaert Hong Kong Limited	Hong Kong, China	100
Bekaert Korea Ltd	Seoul, Korea	100
Bekaert Singapore Pte Ltd	Singapore	100
Bekaert Specialty Films (SEA) Pte Ltd	Singapore	100
SAM Logistics (Shanghai) Co., Ltd	Shanghai, China	100
AUSTRALIA		
Bekaert Building Products Pty Ltd	Sydney, Australia	100
Bekaert Specialty Films Australia Pty Ltd	Seven Hills, Australia	100

FINANCIAL COMPANIES		%
Becare Limited	Dublin, Ireland	100
Bekaert (Ireland) Limited	Dublin, Ireland	100
Bekaert Coördinatiecentrum	Zwevegem, Belgium	100
Bekaert do Brasil	Contagem, Brazil	100
Bekaert Engineering	Zwevegem, Belgium	100
Bekaert GmbH	Friedrichsdorf, Germany	100
Bekaert Holding B.V.	Assen, Netherlands	100
Bekaert Ibérica Holding, S.L.	Burgos, Spain	100
Bekaert North America Management Corporation	Wilmington (Delaware), USA	100
Bekpart B.V.	Assen, Netherlands	100
Imperial Eagle Limited	Hinckley, United Kingdom	75
Société de Participations Financières Bekaert	Antony, France	100
Sentinel Garden Products Limited (°)	Sheffield, United Kingdom	100

(°) As a consequence of the recent restructuring of the UK companies, TWIL Limited (now called TWIL Company) is no longer the holding company.

B. JOINT VENTURES

INDUSTRIAL COMPANIES		%
EUROPE		
Bekaert Handling A/S	Middelfart, Denmark	50
Bekaert Handling Limited	Spennymoor, United Kingdom	50
Bekaert Handling SNC	Saint Clément des Levées, France	50
Bekaert Handling Systems AB	Stockholm, Sweden	50
Bekaert Handling Systems Ltd	Droitwich, United Kingdom	50
Bekaert Timeda B.V.	Enschede, Netherlands	50
Benitis Technologie Innovation Surfaces S.A.	Chelles, France	25
Bruker Technik GmbH	Schramberg, Germany	50
Spaleck-Bekaert GmbH & Co. KG	Bocholt, Germany	50
NORTH AMERICA		
Wire Rope Industries Ltd	Pointe-Claire, Canada	48
LATIN AMERICA		
Acma S.A.	Santiago, Chile	50
Acmanet S.A.	Santiago, Chile	50
Belgo Bekaert Arames S.A.	Contagem, Brazil	45
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda.	Vespasiano, Brazil	45
Cimaf Cabos S.A.	São Paulo, Brazil	48
Ideal Alambrec S.A.	Quito, Ecuador	50
Industrias Chilenas de Alambre Inchalam S.A.	Talcahuano, Chile	50
Jossan S/A	Feira de Santana, Brazil	45
Procables S.A.	Callao, Peru	45
Productora de Alambres Colombianos S.A. – Proalco S.A.	Bogota, Colombia	50
Productos de Acero Cassadó S.A.	Callao, Peru	42
Productos de Acero S.A. – Prodinsa	Maipu, Chile	48
Productos de Manejo de Fluidos S.A.	Maipu, Chile	50
Transportes Puelche Limitada	Talcahuano, Chile	50
Vicson, S.A.	Valencia, Venezuela	50
AUSTRALIA		
Bekaert Australia Steel Cord Pty Ltd	North Shore, Australia	50

SALES OFFICES, WAREHOUSES AND OTHERS		%
EUROPE		
Bekaert Faser Vertriebs GmbH	Idstein, Germany	50
LB Systemer A/S	Copenhagen, Denmark	50
Netlon Sentinel Limited	Sheffield, United Kingdom	50
SCI La Haie Briffault	Saint Clément des Levées, France	50
LATIN AMERICA		
Prodalam Argentina S.A.	Buenos Aires, Argentina	50
Productos de Alambre Prodalam S.A.	Santiago, Chile	50

FINANCIAL COMPANIES		%
Acma Inversiones S.A.	Talcahuano, Chile	50
Alambres Andinos S.A. (Alansa)	Quito, Ecuador	50
Bekaert Handling France SAS	Saint Clément des Levées, France	50
Bekaert Handling Group A/S	Copenhagen, Denmark	50
Impala S.A.	Panama, Panama	50
Instafer S.A.	Santiago, Chile	50
Inversiones Y Manufacturas del Metal – Manumetal Ltda	Talcahuano, Chile	50
Numelino S.A.	Panama, Panama	50
VBS Wire Company	Grand Cayman, Cayman Islands	50

C. ASSOCIATES

INDUSTRIAL COMPANIES		%
EUROPE		
Pindurg S.L.	Briviesca (Burgos), Spain	33
ASIA		
Jiangyin Fasten-Bekaert Optical Cable Steel Products Co., Ltd	Jiangyin, China	30
Precision Surface Technology Pte Ltd	Singapore	33

CHANGES IN 2003

1. New investments

SUBSIDIARIES		%
Bekaert CEB Technologies B.V.	Eindhoven, Netherlands	100
Bekaert CEB Technologies Canada Ltd	Calgary, Canada	100
Bekaert Fencing España, S.L.	Burgos, Spain	100
Bekaert Hlohovec, a.s.	Hlohovec, Slovak Republic	100
Bekaert Limited	Sheffield, United Kingdom	100
Bekaert (Shandong) Tire Cord Co., Ltd	Weihai, China	100
Bekaert Specialty Films Nordic AB	Rimbo, Sweden	100
Bekaert Specialty Films North Europe AB	Rimbo, Sweden	100

JOINT VENTURES		%
Benitis Technologie Innovation Surfaces S.A.	Chelles, France	25

2. Increased / decreased ownership

SUBSIDIARIES		
Bekaert Consulting, S.L.	Bilbao, Spain	From 100 to 10 %
Bekaert ECD Solar Systems Europe	Zulte, Belgium	From 60 to 0 %
Bekaert ECD Solar Systems LLC	Auburn Hills (Michigan), USA	From 60 to 0 %
Bekaert-Stanwick	Merelbeke, Belgium	From 100 to 0 %
Contours Ltd	Orville (Ohio), USA	From 50 to 100 %
Sorevi S.A.	Limoges, France	From 49 to 87 %
Sorevi Savoie S.A.	Bons en Chablais, France	From 49 to 87 %
United Solar de Mexico	Tijuana, Mexico	From 60 to 0 %

JOINT VENTURES		
Productora de Alambres Colombianos S.A. – Proalco S.A.	Bogota, Colombia	From 34 to 50 %
Middelfart Galvanisering A/S	Middelfart, Denmark	From 50 to 0 %

3. Mergers / conversion

SUBSIDIARIES	
Bossuyt Gebroeders, S.B.S. and Sobo	Merged into Sobelcard
Contours Ltd	Merged into Bekaert Corporation

JOINT VENTURES	
Bekaert Handling Systems GmbH	Merged into Bekaert Handling Systems Ltd

4. Change of name

Bekaert Technology and Engineering (Jiangyin) Co. Ltd	Formerly Bekaert Mechanical Engineering (Jiangyin) Co. Ltd
Bekaert Combustion Technology Limited	Formerly Furigas UK Limited
Bekaert GmbH	Formerly Bekaert Deutsche Holding GmbH
TWIL Company	Formerly TWIL Limited

35. Cash flow statement: effect of acquisitions and disposals

The first consolidation in 2003 relates to the increase in shareholding in Contours Ltd, Sorevi S.A. and Sorevi Savoie S.A., the acquisitions of Bekaert Hlohovec, a.s., Bekaert Specialty Films Nordic AB, Bekaert Specialty Films North Europe AB and Bekaert CEB Technologies B.V. and Bekaert CEB Technologies Canada Ltd.

The impact of the disposal of Bekaert-Stanwick and Bekaert Consulting, S.L. is reflected in “left out of consolidation”.

SUBSIDIARIES	2003 first consolidation	2003 left out of consolidation	2003 total	2002 total
Intangible assets (other than goodwill)	52	-	52	-
Goodwill acquired	34	-	34	-
Property, plant & equipment	43 005	(393)	42 612	4 654
Investments	214	(16)	198	-
Inventories	11 872	-	11 872	342
Trade receivables	16 274	(2 643)	13 631	1 480
Other receivables	766	(48)	718	340
Cash & cash equivalents	2 413	(7)	2 406	1 733
Deferred charges & accrued income	353	(31)	322	-
Deferred tax assets	988	-	988	-
Provisions	(1 767)	-	(1 767)	(1 026)
Non-current financial liabilities	(2 795)	-	(2 795)	-
Other non-current amounts payable	-	-	-	-
Current financial liabilities	(5 887)	36	(5 851)	(3 183)
Trade payables	(10 512)	261	(10 251)	(1 649)
Other payables	(15 292)	2 575	(12 717)	(486)
Accrued charges & deferred revenues	(1 651)	13	(1 638)	-
Deferred tax liabilities	(2 633)	-	(2 633)	-
TOTAL NET ASSETS	**35 434**	**(253)**	**35 181**	**2 205**
Goodwill arising on related acquisitions	10 038	-	10 038	3 740
Timing difference in effective cash	(4 911)	(146)	(5 057)	-
Reclass of investments previously accounted for under the equity method in 2002	(5 705)	-	(5 705)	(584)
Minority contribution on related acquisitions	(503)	-	(503)	-
CONSIDERATION PAID	**34 353**	**(399)**	**33 954**	**5 361**
Cash acquired	(2 413)	7	(2 406)	(1 733)
NET CASH OUTFLOW	**31 940**	**(392)**	**31 548**	**3 628**

JOINT VENTURES AND ASSOCIATES	2003	2002
Net book value divestments	-	(2 596)
Cash proceeds from divestments	-	930

COMPANIES	Month of acquisition	Impact on the consolidated net result of the group
Bekaert CEB Technologies B.V. and subsidiary	February 2003	(73)
Bekaert Hlohovec, a.s.	April 2003	1 410
Bekaert Specialty Films North Europe A.B. and subsidiary	July 2003	63
Sorevi S.A. and subsidiary	July 2003	126
Contours Ltd	August 2003	791

All financial amounts expressed in thousands of euros

36. Events subsequent to the balance sheet date

Two events occurred after the balance sheet date, none of which entailed any adjustments to the present financial statements:

- on 15 January 2004, Bekaert signed an agreement for the acquisition of Solaronics Technologies and its subsidiaries Solaronics IRT and Solarelec. Solaronics, with sales of €20 million and employing one hundred people worldwide, is specialised in gas- and electrical solutions for the drying of coatings on paper, on metal (e.g. in the automotive industry) and on wood. The newly acquired company will become part of combustion technologies, an activity platform within the advanced materials segment.

- on 20 January 2004, Bekaert sold its composite profile activities to Exel Oyj, a Finnish company specialised in composite technology. Exel acquired the operations, working capital, equipment and industrial property of the composite profile activities located in Oudenaarde (Belgium) and in Munguía (Spain). The sold activities were part of composites, an activity platform within the advanced materials segment.

PROPOSED APPROPRIATION OF N.V. BEKAERT S.A. 2003 RESULT (in euros)

The profit for the year ended 31 December 2003, after income taxes, was €116 568 856 compared to a loss of €61 285 764 for the year ended 31 December 2002.
At the General Assembly of Shareholders on 12 May 2004, the Board will propose to appropriate the above mentioned profit as follows:

	EUR
Gross dividends	38 578 885
Transfer to reserves	53 025 644
Carried forward to the following year	24 964 327
	116 568 856

If confirmed, the gross dividend of €1.748 per share will be paid giving a net dividend of €1.311 if presented without VVPR strip (reduced withholding tax strip) or €1.4858 if presented with VVPR strip.

The dividends will be payable in euros from 19 May 2004 onwards upon presentation of dividend coupon number 5 at the following banks:
- ING Bank, Fortis Bank, KBC Bank, Bank Degroof and Dexia Bank in Belgium;
- Société Générale in France;
- ABN-AMRO Bank in the Netherlands;
- UBS in Switzerland.

APPOINTMENTS PURSUANT TO THE ARTICLES OF ASSOCIATION

As of the date of the General Shareholders' meeting the following appointments as director expire:
- Dr. Pol Bamelis
- Roger Dalle
- François de Visscher
- Baudouin Velge

We propose to re-elect the following persons as directors for a new term of three years ending immediately after the General Shareholders's meeting of the year 2007:
- Dr. Pol Bamelis
- Roger Dalle
- François de Visscher
- Baudouin Velge

Baron Jan Huyghebaert submitted his resignation as a director. The Board of Directors proposes to nominate Sir Anthony Galsworthy as an independent director for a term of three years ending immediately after the shareholders' meeting of 2007.

The Board also proposes to nominate Bernard van de Walle de Ghelcke for a term of three years ending immediately after the shareholders' meeting of 2007.

The appointment of the Statutory Auditor, Deloitte & Partners Bedrijfsrevisoren, (represented by Mr. Dirk Van Vlaenderen), expires at the General Shareholders' meeting approving the accounts of 2003. We propose to reappoint the audit firm Deloitte & Partners Bedrijfsrevisoren (represented by Mr. Geert Verstraeten and Mr. Guy Wygaerts) as Statutory Auditor for a period of three years ending immediately after the General Shareholders' meeting of the year 2007.

STATUTORY AUDITOR'S REPORT to the shareholders of N.V. Bekaert S.A.

We have audited the accompanying consolidated annual accounts of N.V. BEKAERT S.A. and subsidiaries as of 31 December 2003. These contain the consolidated balance sheet and the related consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity and the notes for the year then ended. These consolidated annual accounts have been prepared under the responsibility of the Board of Directors. The balance sheet total as of 31 December, 2003 is €1 925 760 (000) and the profit for the year then ended is €85 213 (000).
We did not audit the financial statements of the companies accounted for by use of the equity method. The Company's share in the net assets of these companies is 9.8% of total consolidated assets as of 31 December 2003. The share of these entities in the consolidated profit of the year is a profit of €35 450 (000). The financial statements of these entities were audited by other auditors whose reports have been furnished to us. Our opinion on the accompanying consolidated annual accounts, insofar as it relates to the amounts included for those companies, is based solely upon the reports of the other auditors.

Opinion, without reservation, on the accompanying consolidated annual accounts

We conducted our audit in accordance with the auditing standards of the Belgian Institute of Company Auditors. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free of material misstatements, taking into account Belgian Law and Regulations with respect to the consolidated annual accounts. In accordance with these standards, we have taken into consideration the administrative and accounting procedures and system of internal control of the Company. An audit includes examining, on a test basis, evidence supporting the amounts in the consolidated annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the consolidated annual accounts as a whole. We received from the management of the Company the information and explanations we requested. We believe that our procedures, together with the reports of other auditors, provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the accompanying consolidated annual accounts for the year ended 31 December 2003, present fairly, in all material respects, the financial position of N.V. Bekaert S.A. and subsidiaries, the results of their operations, the cash flows, the changes in shareholder's equity and the notes to the consolidated annual accounts in accordance with International Financial Reporting Standards (previously IAS).

Additional statements

We complete our report with the following additional statements which do not modify the above mentioned audit opinion on the accompanying consolidated annual accounts:

- As indicated and discussed in the "statement of compliance" in Note 1 "Summary of significant accounting policies" and in accordance with the applicable laws and regulations, the Company has established the accompanying consolidated annual accounts in accordance with IFRS, including IFRS 1, and has obtained from the Belgian Banking, Finance and Insurance Commission such departure from the applicable Belgian Law and Regulations.

- In accordance with applicable laws and regulations, we confirm that the Company's administrative organisation is adapted for applying IFRS.

- The Consolidated Board of Directors' Report for the year ended 31 December 2003 contains the information required by law and is in accordance with the consolidated annual accounts.

Diegem, March 18, 2004

The Statutory Auditor,

DELOITTE & PARTNERS
Bedrijfsrevisoren

Guy Wygaerts

Geert Verstraeten

BEKAERT

Bekaert Group Executive

Julien De Wilde	Chief Executive Officer
Bert De Graeve	Chief Financial and Administration Officer
Georges Brys	Advanced materials and advanced coatings
Marc Vandecasteele	Advanced wire products
Henri Jean Velge	Advanced wire products and fencing systems Europe

Group Vice Presidents

Jacques Anckaert	Investor relations
Daniël Chambaere	Advanced wire products
Alfons De Knijf	HR Belgium
Marc de Sauvage	Bekaert Engineering
Mark Goyens	HR worldwide
Pol Huysentruyt	Strategic projects
Lieven Larmuseau	Purchasing
Peter Ramaut	Fencing systems Europe
Willy Supeene	Advanced wire products
Herman Vandaele	Bekaert Asia
Frans Van Giel	Business development
Geert Van Haver	Advanced wire products
Geert Voet	Advanced wire products

Group Secretary

Bert De Graeve

Statutory Auditor

Deloitte & Partners
Bedrijfsrevisoren

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Financial calendar

2003 annual report available on www.bekaert.com	19 April 2004
First-quarter trading update	12 May 2004
Annual General Meeting of Shareholders	12 May 2004
Dividend payable (coupon no. 5)	19 May 2004
Second-quarter trading update and 2004 interim results	2 August 2004
Third-quarter trading update	8 November 2004
Fourth-quarter trading update	21 February 2005
2004 results	17 March 2005
2004 annual report available on www.bekaert.com	22 April 2005
First-quarter trading update	11 May 2005
Annual General Meeting of Shareholders	11 May 2005
Dividend payable (coupon no. 6)	18 May 2005

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Bekaert is the worldwide leader in advanced metal transformation and in advanced materials and coatings.

BEKAERT