

Fortis Bank Nederland

Bekaert

Indy - Industrial, Diversified / Belgium

Target Price EUR 75.00

Expected performance (12 mth) 1.7%

HOLD (Downgrade from BUY) EUR 73.76 (Closing price 11-May-09)

Change in recommendation

Downgraded to HOLD

12 May 2009

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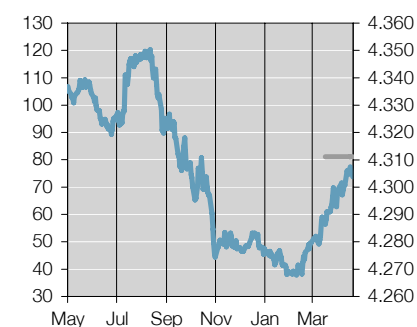
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Opinion on qualitative criteria

Accounting	IFRS 01/01/2004
Quality of track record	High
Solvency	High
Currency risk	High
Risk of asset write-off	Neutral

Share price performance/EPS revision (EUR)

Price Fortis EPS est. 2009



Source: FactSet, Fortis Equity Research

Market capitalisation (EUR m)	1,459.3
No. of shares (m)	19.8
Free float	61.4%
1/3/12 mth perf. (%)	20.9/66.2/(24.8)
High/low 52 weeks (EUR)	120.32/37.88
Next results due	13 May 2009
Price/book value (x)	1.3
Volatility (β) (5yrs/)	
Reuters symbol	BEKB.BR
Bloomberg symbol	BEKB BB
Website	www.bekaert.com

No catalysts to unlock further upside – HOLD

With a little help from a beta rally in equities, the Bekaert stock staged a 30% performance since we initiated coverage on 7 April (and it recovered by 95% from the low of end-February). Bekaert's 2010 valuation has re-rated to 10.5x P/E, 4.3x EV/EBITDA and 7.9x EV/EBIT, which narrowed the discount to the historic 10-year average valuation to only 16%. As the stock has reached at our target price of EUR 75, we downgrade our recommendation from BUY to HOLD. We adopt a wait-and-see approach in the face of uncertainty about the development of short-term earnings. With an (unchanged) EPS forecast for 2009 that is 33% below consensus, we perceive a risk of disappointment. At current share price levels, we consider the longer-term attractions of the investment case (emerging markets footprint) balanced out by the short-term risks.

Preview 1Q09 sales trading update (due 13 May)

This note also contains a preview to the sales trading update of 13 May. A presentation at the recent Capital Markets Event showed an indication of 1Q09 consolidated sales in a range of EUR 575-600m. Although management noted that the slide merely served as an illustration of the challenges faced by Bekaert (it was said to be no guidance), we would be surprised if the actual outcome would not be consistent with it. We consider the indicated 2-7% *q-o-q* decline a resilient top-line performance (-3% to +1% on 1Q08). Note that the update only discloses sales numbers and thereby fails to give important insight with respect to the impact of current trading conditions on earnings (in other words, there remains uncertainty about to the impact of operational leverage).

Year to December	2007	2008	2009e	2010e	2011e
Sales (EUR m)	2,173.6	2,662.4	2,446.6	2,590.7	2,715.3
EBITDA (EUR m)	298.6	412.2	290.8	353.8	408.9
Net profit excl. extr. & amort. (EUR m)	157.2	219.1	85.3	139.4	187.9
Net profit (EUR m)	152.9	174.1	85.3	139.4	187.9
EBITDA margin (%)	13.7	15.5	11.9	13.7	15.1
ROCE (incl. goodwill) (%)	9.5	11.6	5.2	7.7	9.3
Net gearing (%)	45.7	59.5	43.2	38.1	30.2
EPS before extr. & amort. (EUR)	7.84	11.11	4.31	7.04	9.50
EPS (EUR)	7.63	8.83	4.31	7.04	9.50
DPS (EUR)	2.76	2.80	1.72	2.82	3.80
% change sales	8.2	22.5	(8.1)	5.9	4.8
% change EPS (excl. extr. & amort.)	13.7	41.6	(61.2)	63.4	34.8
EV/Sales	0.87	0.51	0.65	0.61	0.56
EV/EBITDA	6.4	3.3	5.5	4.5	3.7
P/E (excl. extr. & amort.)	12.5	7.9	17.1	10.5	7.8
P/E	12.9	10.0	17.1	10.5	7.8
PE/growth (excl. extr.)	1.2	0.5	nmf	nmf	0.2
Free cash flow yield (%)	(0.5)	(2.5)	13.5	2.6	6.2

No catalysts to unlock further upside – HOLD

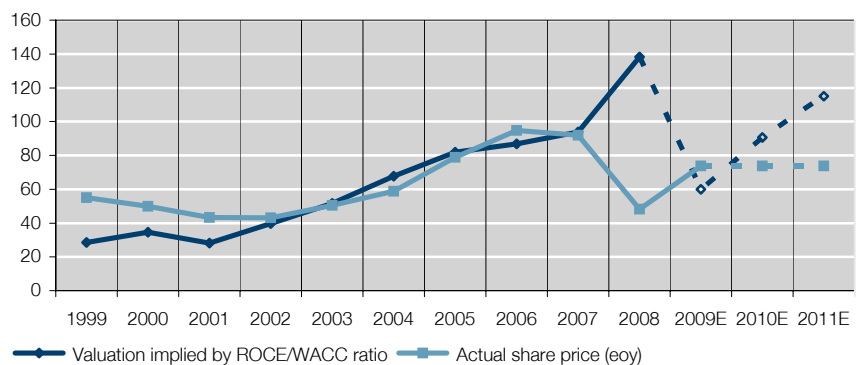
With a little help from a beta rally in equities in recent weeks, the Bekaert stock staged a 30% performance since we initiated coverage of the company on 7 April (and it recovered by 95% from the low of end-February). As the share price has reached at our price target of EUR 75, the time has come to reconsider our BUY recommendation.

We see further upside potential to a trough-the-cycle valuation of EUR 100/shr ...

On the one hand, we see further upside potential to the fundamental valuation on a through-the-cycle view. As a key attraction of the investment case, we highlight the broad spread of Bekaert's operations across many parts of the world and many different industries. This puts the company in an attractive position to take advantage of recovery spots in the economy the moment they arise. A key differentiating factor is the fact that Bekaert generates 70% of *combined* sales from emerging countries (mainly Latin America and Asia). While exports from emerging countries suffer from the economic slowdown in developed countries, it are the domestic developments that continue to thrive remarkably well, as was recently confirmed by Bekaert at the capital market event of 17 April. We expect the emerging markets footprint to make Bekaert's earnings more resilient in the short term, and we expect it to drive a continued growth outperformance in the long run. We also highlight Bekaert's healthy balance sheet (end-2009 net debt/EBITDA of 1.6x and gearing of 43%), which should enable the company to weather the current downturn and still make anti-cyclical investments in long-term growth opportunities.

A DCF valuation based on conservative assumptions (2009-2018 CAGR EBIT of 0.3% and 0% terminal growth) indicates a through-the-cycle valuation for the Bekaert stock of EUR 100 (including a valuation of EUR 28 per share for the joint ventures, based on a dividend discount model). A returns-based valuation (where the EV/CE is consistent with ROCE/WACC) on 2010 numbers indicates a fair value of EUR 91 (the chart below shows the historically close link between the outcome of this valuation approach and actual share price development).

Development Bekaert's valuation implied by ROCE/WACC ratio versus actual eoy share price (EUR)



Source: Fortis Bank Nederland

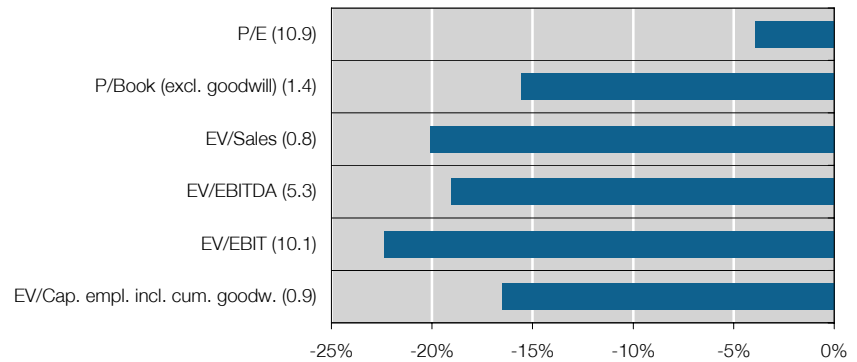
... however, we question whether the market will be prepared to defy risks to short-term earnings and already price the longer-term potential

On the other hand, however, we question whether the market will be willing to defy the uncertainty about the short-term earnings development and already price the Bekaert stock on its longer-term normalised earnings potential. We perceive a risk that the downturn in short-term earnings may be larger than is currently anticipated by the consensus (our 2009 EPS forecast of EUR 4.31 is 33% below consensus). Short-term earnings may thereby not yet convincingly support the aforementioned attractions of the investment case.

Discount of 2010 valuation multiples to 10-year historic average narrowed to only 16%

Bekaert's valuation multiples have been re-rated to 10.5x P/E, 4.3x EV/EBITDA¹ and 7.9x EV/EBIT on our forecasts for 2010 (which are in line with the consensus). The chart below shows that the valuation discount has narrowed to some 16% to the historic 10-year average. Given the short-term uncertainties about earnings, we consider these multiples more or less fair.

Discount 2010 multiples to average 1999-2008 valuation



Source: Fortis Bank Nederland

Downgraded to HOLD, as we adopt a wait-and-see mode

Following the recent re-rating, we adopt a wait-and-see mode and downgrade our recommendation from BUY to HOLD. We see no short-term catalysts to unlock further upside, while there may be a risk that disappointment about short-term earnings triggers profit taking.

Preview 1Q09 trading update (due 13 May)

The 1Q09 sales trading update lacks important insight into the impact of operational leverage on earnings

Bekaert is due to release a trading update for 1Q09 on 13 May. As is the tradition with quarterly trading updates, only the sales performance is disclosed. As such, the update does not provide important insight with respect to the impact of current trading conditions on earnings (in other words, there remains uncertainty related to the impact of operational leverage).

We note that Bekaert has changed the segmentation of its accounting from this year onwards². The new breakdown differentiates between EMEA, North America, Latin America and Asia-Pacific, and also the profit numbers will be disclosed on a half-year and full-year basis. The 1Q09 update will disclose the development of *consolidated* sales and *combined* sales (the latter includes 100% of sales at joint ventures and associates consolidated by the equity method).

A slide at the recent Capital Markets Event showed an indication of 1Q09 sales

Although it was said to merely serve as an illustration of the challenges faced by Bekaert, we would be surprised if the actual outcome would not be consistent with it

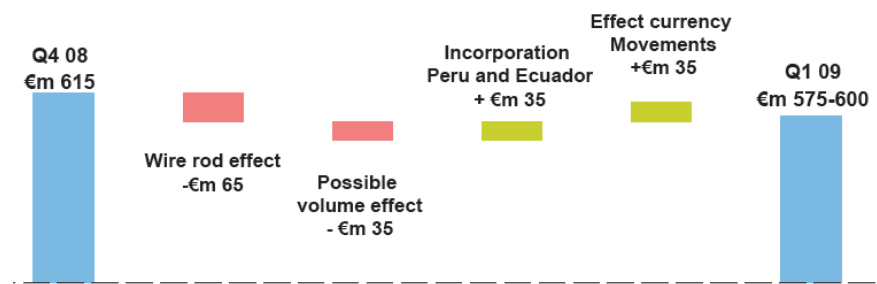
A slide at the recent Capital Markets Event showed an indication of 1Q09 sales – although it was meant to merely serve as an illustration of the challenges by Bekaert, we would be surprised if the actual outcome would not be consistent with it. At the Capital Market Event 2009 on 17 April, Bekaert management confirmed that the business environment had deteriorated strongly since 4Q08 and that there is no visibility at the moment (on a positive note, the environment for Bekaert's operations in Asia and Latin America was said to be relatively resilient). Management discussed a slide (see chart below) with a consideration of the challenges faced by Bekaert in 1Q09. Management noted that the slide only served as an illustration, as opposed to guidance for 1Q09. However, we

¹ Our calculation of EV includes the estimated market value of Bekaert's JVs and associates.

² The previous breakdown (based on Advanced wire products, Advanced materials and Advanced coatings) was rather meaningless, as the Advanced wire products segment accounted for about 90% of sales)

would be surprised if 1Q09 *consolidated* sales would not be consistent with the range of EUR 575-600m shown in the slide.

“What to consider when comparing 1Q09 with 4Q08”



Source: Bekaert presentation Capital Market Event 2009 (17 April)

Suggested 1Q09 *consolidated* sales of EUR 575-600m surprised us positively

While it seemed as if management showed the slide out of caution, we were actually positively surprised about impact of the suggested considerations. 1Q09 consolidated sales in a range of EUR 575-600m implies only a modest 2-7% decline on 4Q08 and a change of -3% to +1% in 1Q08. The pressure on sales that stems from lower volumes and the pass through of lower wire rod prices (they declined by 25% in 1Q09) is partly compensated by positive currency effects and the consolidation of the newly formed Ideal Holding³. We were surprised about suggested *q-o-q* volume effect (EUR 35m, or 5-6%), which looks resilient in view of the further deterioration of economic conditions in 1Q09.

Again, the 1Q09 sales trading update provides limited insight into profitability (note that profitability will likely have suffered somewhat from negative inventory value adjustments, which had a negative impact of c. EUR 10m on EBIT in 2H08, or c. 70bps margin impact).

³ In October 2008, Bekaert agreed with its Ecuadorean partner (the Kohn family) to merge their wire operations covering four northern countries of Latin America: Venezuela (100% owned by Bekaert), Colombia (87.5% owned by Bekaert and 12.5% by the partner), Ecuador (50/50 joint venture between Bekaert and the partner) and Peru (previously a 39.9% investment held 50/50 by Bekaert and the partner). Bekaert holds 80% of the shares in the newly established holding company. The financial implication of the merger is a shift of c. EUR 140m of revenue from equity-consolidated joint ventures (those in Ecuador and Peru) to Bekaert's *consolidated* revenue line (representing 5.3% of 2008 revenue).

P & L Statement (EUR m) Year to December	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Net sales	1,863.5	1,797.0	1,741.9	1,914.3	2,009.6	2,173.6	2,662.4	2,446.6	2,590.7	2,715.3
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Personnel costs	(548.7)	(506.9)	(450.3)	(449.9)	(462.0)	(472.6)	(507.7)	(509.2)	(529.3)	(548.8)
Other operating costs										
EBITDA	225.8	239.1	255.6	257.4	262.2	298.6	412.2	290.8	353.8	408.9
Depreciation	(149.4)	(127.3)	(107.6)	(107.4)	(110.7)	(119.7)	(156.7)	(165.6)	(165.4)	(167.0)
EBITA	76.3	111.8	148.0	150.0	151.4	178.9	255.4	125.2	188.4	242.0
Reported provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	(12.1)	0.0	(9.0)	(13.7)	(5.5)	(4.3)	(45.0)	0.0	0.0	0.0
EBIT	64.2	111.8	139.0	136.3	145.9	174.6	210.5	125.2	188.4	242.0
Net financials	(130.1)	(43.0)	(20.5)	(15.3)	(31.0)	(41.0)	(49.2)	(46.2)	(40.3)	(37.9)
Profit Before Taxes (PBT)	(65.9)	68.8	118.5	121.0	114.9	133.6	161.2	78.9	148.1	204.1
Taxes	7.2	(8.2)	(18.4)	(30.3)	(18.4)	(19.1)	(25.5)	(14.2)	(29.6)	(44.9)
Income from associates	19.1	33.5	53.5	56.9	51.0	47.1	56.1	31.1	38.1	52.0
Minorities	(6.7)	(7.5)	(12.3)	(12.0)	(4.8)	(8.7)	(17.7)	(10.5)	(17.2)	(23.2)
Net profit before extraordinary	(46.3)	86.7	141.3	135.7	142.8	152.9	174.1	85.3	139.4	187.9
Extraordinary items	0.0	0.0	26.3	54.2	0.0	0.0	0.0	0.0	0.0	0.0
Net reported profit	(46.3)	86.7	167.6	189.9	142.8	152.9	174.1	85.3	139.4	187.9
% change in Sales	3.8	(3.6)	(3.1)	9.9	5.0	8.2	22.5	(8.1)	5.9	4.8
% change in EBITDA	8.8	5.9	6.9	0.7	1.8	13.9	38.0	(29.4)	21.7	15.6
% change in EBITA	22.5	46.5	32.4	1.3	1.0	18.1	42.8	(51.0)	50.5	28.4
% change in PBT	ns	ns	72.1	2.1	(5.0)	16.3	20.7	(51.1)	87.7	37.8
% change in Net profit before extraordinary	ns	ns	63.0	(3.9)	5.2	7.1	13.9	(51.0)	63.4	34.8

Cash Flow Statement (EUR m)	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
EBITDA	225.8	239.1	255.6	257.4	262.2	298.6	412.2	290.8	353.8	408.9
Change in provisions excluding tax provisions	5.3	(31.2)	(0.6)	(15.4)	(12.3)	(8.9)	26.2	0.0	0.0	0.0
Change in net working capital	39.5	(18.6)	(112.6)	(32.3)	(31.9)	(41.9)	(162.4)	119.7	(57.7)	(28.3)
Gross operating cash flow	270.5	189.3	142.4	209.8	217.9	247.8	276.0	410.5	296.1	380.6
Taxes paid	(13.1)	(18.5)	(32.9)	(25.5)	(16.8)	(24.9)	(27.5)	(14.2)	(29.6)	(44.9)
Capex	(84.9)	(118.1)	(172.9)	(151.6)	(161.3)	(199.8)	(251.0)	(160.5)	(196.2)	(214.7)
Free cash flow	172.5	52.7	(63.3)	32.7	39.8	23.1	(2.5)	235.8	70.3	121.0
Net interest received	(26.7)	(18.2)	(16.0)	(14.8)	(22.0)	(30.8)	(31.5)	(38.4)	(32.5)	(30.1)
Other	19.7	17.2	75.5	96.6	(25.4)	42.1	24.2	29.3	15.8	24.5
Acquisitions	(5.5)	(33.9)	(16.9)	(21.2)	(42.7)	(14.7)	(44.2)	0.0	0.0	0.0
Divestments	3.1	5.7	0.1	86.5	0.0	4.2	0.7	0.0	0.0	0.0
Share issues/buybacks	0.0	(2.2)	(8.8)	(24.3)	(56.1)	(111.0)	(19.7)	0.0	0.0	0.0
Dividend (adj. stock dividend)	(43.1)	(44.9)	(45.3)	(52.2)	(74.1)	(57.2)	(62.2)	(55.4)	(34.1)	(55.7)
Extraordinary items (after tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in interest-bearing debt	(120.9)	32.5	77.4	20.6	39.1	136.4	180.4	(171.3)	(19.5)	(59.6)
Change in cash & cash equivalents	(0.9)	8.8	2.7	123.8	(141.5)	(7.9)	45.1	0.0	0.0	0.0

Balance Sheet (EUR m)	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Net intangible fixed assets	127.1	119.5	118.4	125.4	134.5	122.0	111.5	107.7	104.5	102.0
Net tangible fixed assets	777.6	757.6	791.6	799.8	824.2	917.6	1,070.7	1,069.3	1,103.2	1,153.5
Financials fixed assets (FFA)	269.9	303.7	331.1	325.5	348.6	303.4	247.7	232.8	240.4	250.8
Inventories	311.8	322.6	419.3	348.3	368.8	385.4	510.5	435.7	468.5	491.0
Trade debtors	311.4	307.7	385.2	354.2	398.9	437.7	483.2	435.7	468.5	491.0
Other debtors	52.1	45.5	44.9	63.4	63.7	73.1	125.3	106.3	123.6	121.6
Cash & securities	72.2	81.1	98.9	222.7	81.2	73.2	118.3	118.3	118.3	118.3
Total Assets	1,922.1	1,937.6	2,189.3	2,239.3	2,219.8	2,312.6	2,667.2	2,505.8	2,627.0	2,728.3
Shareholder's equity	758.4	790.8	909.7	1,057.5	1,060.1	1,098.2	1,130.6	1,160.5	1,265.7	1,397.9
Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	44.3	43.3	48.8	51.1	48.9	48.4	41.8	48.1	58.4	72.3
Provisions	413.9	361.5	373.0	357.5	331.4	298.8	373.4	373.4	373.4	373.4
Long-term interest bearing debt	324.3	312.3	242.3	288.3	274.4	322.5	288.1	116.8	97.3	37.7
Short-term interest bearing debt	146.7	176.6	312.0	245.6	218.0	253.0	503.1	503.1	503.1	503.1
Trade creditors	184.9	191.4	250.8	187.4	227.8	231.7	253.8	234.6	255.5	267.8
Other non-interest bearing liabilities	49.5	61.6	52.7	52.0	59.3	60.0	76.4	69.3	73.5	76.0
Total Liabilities & Capital	1,922.1	1,937.6	2,189.3	2,239.3	2,219.8	2,312.6	2,667.2	2,505.8	2,627.0	2,728.3
Enterprise Value (EV)	1,225.1	1,220.3	1,330.5	1,525.9	1,863.3	1,897.6	1,365.7	1,586.3	1,577.1	1,531.4
Net debt/(Net cash)	398.8	407.9	455.4	311.2	411.2	502.2	672.9	501.6	482.1	422.5
Capital Employed incl. goodwill (avg.)	1,529.7	1,383.0	1,458.6	1,515.7	1,517.1	1,610.5	1,852.6	1,963.0	1,947.0	2,031.8
Cumulative goodwill (as of 1991)	113.0	121.1	131.3	85.3	82.2	75.2	75.2	75.2	75.2	75.2
Capital Employed (avg.)	1,410.5	1,266.0	1,332.4	1,407.4	1,433.3	1,531.8	1,777.4	1,887.9	1,871.9	1,956.7
Net working capital	440.9	422.9	545.9	526.6	544.3	604.6	788.8	673.8	731.5	759.8
Discounted value of leases		29.6	26.3	36.6	32.2	28.6	32.8	34.8	37.2	39.8
Adjusted equity	871.4	911.9	1,041.0	1,142.9	1,142.3	1,173.3	1,205.7	1,235.6	1,340.9	1,473.1

Per Share Data (EUR)	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Avg. no. of shares (m)	22.1	22.1	21.9	21.6	21.5	20.0	19.7	19.8	19.8	19.8
Eoy. no. of shares (m)	22.1	22.1	21.9	21.5	20.9	19.8	19.8	19.8	19.8	19.8
Avg. no. of shares fully diluted (m)	22.2	22.1	22.0	21.7	21.6	20.2	19.8	19.9	19.9	19.9
Enterprise Value (EV)	55.38	55.29	60.83	70.87	88.95	95.69	69.03	80.18	79.72	77.41
Net debt less FFA plus minorities	7.83	6.68	7.92	1.71	5.32	12.47	23.60	16.02	15.17	12.33
Sales	84.13	81.27	79.46	88.49	93.51	108.47	135.02	123.67	130.95	137.25
EBITDA	10.19	10.81	11.66	11.90	12.20	14.90	20.90	14.70	17.88	20.67
EBITA	3.45	5.06	6.75	6.93	7.05	8.93	12.95	6.33	9.52	12.23
EBIT	2.90	5.06	6.34	6.30	6.79	8.71	10.67	6.33	9.52	12.23
Net profit before extr. & amort. (EUR)	(1.54)	3.92	6.86	6.91	6.90	7.84	11.11	4.31	7.04	9.50
Net profit before extraordinary (EUR)	(2.09)	3.92	6.44	6.27	6.64	7.63	8.83	4.31	7.04	9.50
Cash Flow (EUR)	5.20	9.68	11.76	11.87	12.05	13.82	19.06	12.68	15.40	17.94
Gross Dividend (EUR)	1.68	1.75	2.00	3.00	2.50	2.76	2.80	1.72	2.82	3.80
Book value (EUR)	34.28	35.83	41.59	49.12	50.61	55.38	57.15	58.66	63.98	70.66
Adjusted equity	39.39	41.32	47.59	53.08	54.54	59.17	60.95	62.46	67.78	74.46
Free Cash Flow	7.79	2.38	(2.89)	1.51	1.85	1.15	(0.13)	11.92	3.56	6.12
% change in EPS before extr. & amort.	ns	ns	74.88	0.76	(0.11)	13.68	41.63	(61.19)	63.41	34.84

Valuation	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
P/E (excl. extr. & amort.)	nmf	10.6	7.3	9.4	11.9	12.5	7.9	17.1	10.5	7.8
P/CF (x)	8.5	4.3	4.3	5.5	6.8	7.1	4.6	5.8	4.8	4.1
P/Book (x)	1.3	1.4	1.4	1.6	1.9	1.7	0.8	1.3	1.2	1.0
Dividend yield (%)	3.8	4.2	4.0	4.6	3.0	2.8	3.2	2.3	3.8	5.2
Free cash flow yield (%)	14.6	2.2	(7.2)	0.4	0.9	(0.5)	(2.5)	13.5	2.6	6.2
EV/Sales (x)	0.7	0.7	0.8	0.8	0.9	0.9	0.5	0.6	0.6	0.6
EV/EBITDA (x)	5.4	5.1	5.2	5.9	7.1	6.4	3.3	5.5	4.5	3.7
EV/EBITA (x)	16.0	10.9	9.0	10.2	12.3	10.6	5.3	12.7	8.4	6.3
EV/EBIT (x)	19.1	10.9	9.6	11.2	12.8	10.9	6.5	12.7	8.4	6.3
EV/Capital Employed (x)	0.9	1.0	1.0	1.1	1.3	1.2	0.8	0.8	0.8	0.8
EV/CE (incl. goodwill) (x)	0.8	0.9	0.9	1.0	1.2	1.2	0.7	0.8	0.8	0.8
Share price : High (EUR)	50.90	50.70	59.75	78.95	99.60	113.40	120.32	77.33		
Share price : Low (EUR)	35.76	31.00	43.50	55.40	69.35	84.46	44.47	37.88		
Share price : Average (EUR)	44.32	41.40	50.13	65.17	82.18	98.18	88.25	73.76	73.76	73.76
Share price : Year end (EUR)	43.15	50.50	58.75	78.95	94.70	92.00	48.32	73.76	73.76	73.76

Capital Efficiency/Solvability	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Sales/CE (incl. goodwill)	1.2	1.3	1.2	1.3	1.3	1.3	1.4	1.2	1.3	1.3
Sales/Fixed assets (x)	2.4	2.4	2.2	2.4	2.4	2.4	2.5	2.3	2.3	2.4
Sales/Net working capital (x)	4.2	4.2	3.2	3.6	3.7	3.6	3.4	3.6	3.5	3.6
Inventories/Sales (days)	61.1	65.5	87.9	66.4	67.0	64.7	70.0	65.0	66.0	66.0
Trade debtors/Sales (days)	61.0	62.5	80.7	67.5	72.5	73.5	66.2	65.0	66.0	66.0
Trade creditors/Sales (days)	36.2	38.9	52.6	35.7	41.4	38.9	34.8	35.0	36.0	36.0
CAPEX/Depreciation (%)	56.8	92.8	160.7	141.1	145.7	166.9	160.2	96.9	118.6	128.6
Equity/Total assets (%)	39.5	40.8	41.6	47.2	47.8	47.5	42.4	46.3	48.2	51.2
Net debt/Equity (%)	52.6	51.6	50.1	29.4	38.8	45.7	59.5	43.2	38.1	30.2
Interest cover (x)	2.4	3.2	6.3	4.8	5.5	5.2	5.6	3.0	5.1	7.0
Dividend payout (%)	(108.8)	44.6	29.1	43.2	35.3	34.8	25.3	40.0	40.0	40.0
ROCE (average) (%)	4.8	7.8	9.4	8.0	8.9	10.0	12.1	5.4	8.1	9.6
ROCE (incl. goodwill) (average) (%)	4.4	7.1	8.6	7.4	8.4	9.5	11.6	5.2	7.7	9.3

Operating Efficiency & Profitability ratios	2002	2003	2004	2005	2006	2007	2008	2009e	2010e	2011e
Sales per FTE employee ('000s)	181.7	168.9	161.4	178.9	169.2	155.4	181.6	170.6	178.1	184.6
Wage costs per FTE employee ('000s)	53.5	47.6	41.7	42.0	38.9	33.8	34.6	35.5	36.4	37.3
EBIT per FTE employee ('000s)	6.3	10.5	12.9	12.7	12.3	12.5	14.4	8.7	13.0	16.4
Gross margin (%)										
EBITDA margin (%)	12.1	13.3	14.7	13.4	13.0	13.7	15.5	11.9	13.7	15.1
Operating margin (%)	3.4	6.2	8.0	7.1	7.3	8.0	7.9	5.1	7.3	8.9
Net margin (%)	(2.5)	3.4	6.3	5.5	5.1	5.5	6.8	2.6	4.6	5.9
Tax rate (%)	11.0	11.9	15.5	25.0	16.0	14.3	15.8	18.0	20.0	22.0

Important disclosures

Issuer	Ticker	Price (EUR)
Bekaert	BEKB.BR	73.76

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Maarten Bakker - Equity Research Analyst

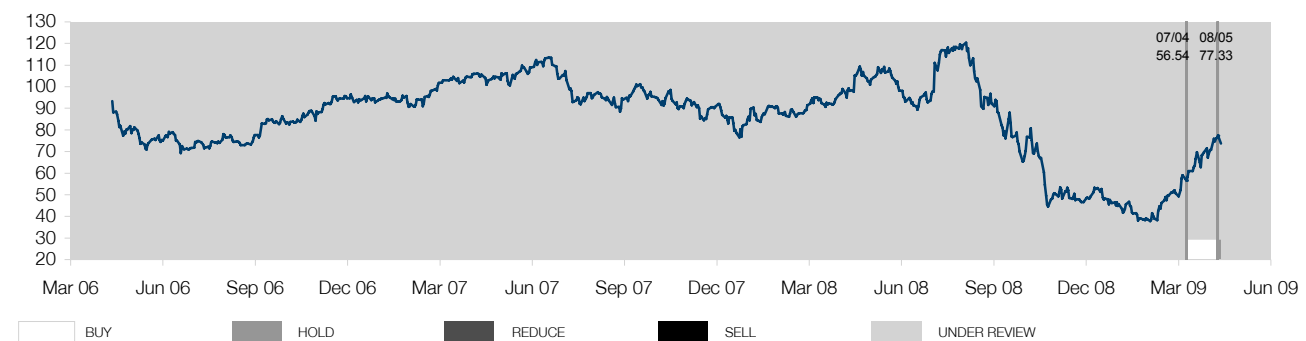
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12 May 2009

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Historical equity recommendations and target price for Bekaert (EUR)**History of Target Prices**

Date	Recommendation	Target Price
7/4/2009	BUY	EUR 75.00

History of Recommendations

Date	Recommendation	Target Price
8/5/2009	HOLD	EUR 75.00
7/4/2009	BUY	EUR 75.00

Source: Fortis Equity Research, FactSet

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