

**Bekaert**

BERTL.BR / BEKB BB

Engineering & Machinery  
Belgium

Current price	€ 67.80
Target price	€ 74.00
Market cap	€ 1,459m
Free float	57%

	EPS (€)	P/E
FY04	6.54	7.7
FY05E	5.85	11.6
FY06E	6.11	11.1

**Bekaert moves on in China**

Bekaert this morning announced to be working on a further increase of its production capacity in china by at least 50%. As a reminder, Bekaert invested about € 200m over 2003 to 2005 to bring its Chinese steel cord capacity to currently about 120k tonnes p.a. This capacity is now on-stream and already fully utilised. As such, Bekaert decided to move on. The decision of Bekaert to invest heavily in Chinese steel cord was the right decision at the right time. We also highly welcome the current decision to aggressively move forward.

**Outperform**

Rating Unchanged