

Bekaert

17 March 2009

New bond issue

Engineering & Machinery

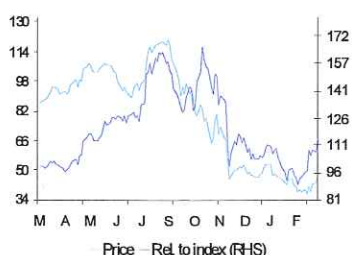
Current price € 47.31

Buy

Belgium

Target price € 70.00

Rating Unchanged



Source: Thomson Financial Datastream

Bloomberg BEKB.BB

Reuters BEKB.BR

www.bekaert.com

Market Cap € 935.9m

Shares outst. 19.8m

Volume (daily) € 3,804,338

Free float 61.4%

Next corporate event

General Assembly 08: 13 May 2009

(€ m)	2008	2009E	2010E
Sales	2,662.4	2,506.8	2,627.9
REBITDA	495.9	362.3	372.2
Net earnings	174.1	108.6	130.3
Adj. EPS (€)	12.02	6.51	7.07
P/E (x)	7.3	7.3	6.7
EV/REBITDA	5.0	4.0	3.8
FCF Yield	-0.5%	15.0%	11.7%
Dividend yield	3.2%	5.9%	5.9%

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Yesterday, Bekaert announced that it will issue two bonds for a minimum amount of € 150m and a maximum of € 300m through a public offering in Belgium and Luxembourg.

The 3-year bond (16 April 2009 till 16 April 2012) is issued at 101.185% and pays an annual coupon of 5.75% on 16 April. The 5-year bond (16 April 2009 till 16 April 2014) is issued at 101.201% and pays an annual coupon of 6.75% on 16 April.

Notes are available in denominations of € 1,000 and subscription will run from 17 March to 9 April, subject to early closing.

Our view:

The issue fits in with a debt restructuring with the purpose to provide a better balance between short and long term debts. At the end of 2008, Bekaert had a net financial debt position of € 627m. Interest-bearing debt amounted to € 288.1m (>1y) and € 503.1m (<1y).