

Bekaert (Add - EUR 106.2) Q1 preview

08 May 2007

Period	Q1 revenues
Date/Time	Wednesday May 9, before market opening
Recommendation	Add
Target price	99.0

in EUR	Q1'06	Q1'07e
Revenues (m)	481	490
Combined revenues (incl associates)	795	722
Organic growth	-2.0%	3.1%

Analyst Meeting/ conf call No, but AGM at 10.30 CET

Key items

1. Bekaert holds its AGM on May 9 and issues a trading update before market opening. In March the group stated that 2007 started 'good', but with high volatility in raw material prices.
2. We expect Bekaert to post Q4 revenues of EUR 490m. Organically, we forecast revenue growth of 3%, while currencies are expected to lower revenue by 2.2%. China should remain the growth driver of the group helped by the capacity expansion and building materials. Also Europe is expected to perform well. On the other hand, we expect US to show a 16% revenue fall driven by slow demand, capacity reductions and a lower USD.
3. At year end 2006, the group already bought back and cancelled 636,656 shares or 3% of the outstanding capital. In February Bekaert repurchased and cancelled 546 779 shares or another 2.6% of its outstanding shares. We expect that the AGM will give a further mandate for share buy-backs.

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