

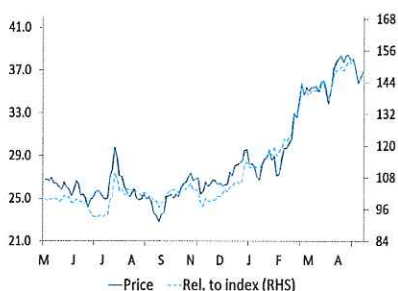
19 May 2016

BEKAERT

Convertible bond repurchase and offering

 GENERAL INDUSTRIES
 BELGIUM

 CURRENT PRICE € 37.08
 TARGET PRICE € 38.00

 HOLD
 RATING UNCHANGED


Source: Thomson Reuters Datastream

 Bloomberg BEKB.BB
 Reuters BEKB.BR
 www.bekaert.com

 Market Cap € 2,220.5m
 Shares outst. 60.1m
 Volume (daily) € 4,683,304
 Free float 62.0%

Next corporate event

Results 1H16: 29 July 2016

(€ m)	2015	2016E	2017E
Sales	3,671.1	3,941.3	4,219.3
REBITDA	441.4	465.7	508.8
Net earnings	102.2	130.3	152.4
Adj. EPS (€)	1.77	2.37	2.75
P/E (x)	14.8	15.7	13.5
EV/REBITDA	6.0	7.6	6.7
FCF Yield	15.9%	6.1%	7.6%
Dividend yield	3.4%	2.7%	3.4%

Wouter Vanderhaeghen

+32 2 429 37 30

wouter.vanderhaeghen@kbcsecurities.be

Bekaert this morning launches an offering of up to € 380m convertible bonds due 2021 and the repurchase of its outstanding € 300m 0.75% convertible bonds due 2018.

The offering of senior unsecured convertible bonds due June 2021 is for an initial amount of € 250m with an increase option of up to € 130m, potentially dependent upon the convertible bonds due 2018 to be repurchased. The new bonds will be issued at 100% of their principle amount and are expected to have a coupon ranging between 0.00% and 0.50% p.a. The conversion price is expected to be set at a premium ranging between 27.5% and 35% of the volume weighted average price of the Company's ordinary shares on Euronext Brussels on the launch day.

Concurrent with the offering Bekaert is inviting holders of its convertible bonds due 2018 to sell their bonds for cash. This cash consideration will be equal to the closing price of the outstanding bond prior to the launch of the offer, adjusted for variations in the price of the ordinary shares of the Company on the launch day, plus a tender premium. In addition, the Company will pay accrued interest. In case 85% or more is offered, Bekaert might redeem outstanding bonds at their principle amount plus accrued interest.

Our view:

Via the offering, Bekaert is further enhancing liquidity and maturity profile while taking advantage of current share price levels and low interest rate environment.