



16 November 2012

Investment Research

Hold

Recommendation unchanged

Share price: EUR 18.19

closing price as of 15/11/2012

Target price: EUR 20.00

from Target Price: EUR **24.00**

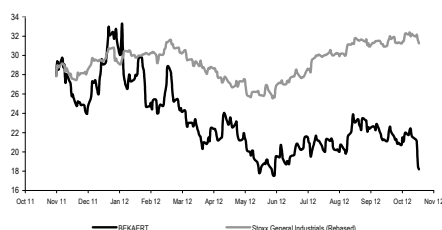
Reuters/Bloomberg

BEKB.BR/BEKB.BB

Daily avg. no. trad. sh. 12 mth	220,051
Daily avg. trad. vol. 12 mth (m)	5.17
Price high 12 mth (EUR)	33.27
Price low 12 mth (EUR)	17.51
Abs. perf. 1 mth	-13.8%
Abs. perf. 3 mth	-9.5%
Abs. perf. 12 mth	-36.2%

Market capitalisation (EURm)	1,091
Current N° of shares (m)	60
Free float	61%

Key financials (EUR)	12/11	12/12e	12/13e
Sales (m)	3,340	3,444	3,611
EBITDA (m)	477	314	338
EBITDA margin	14.3%	9.1%	9.3%
EBIT (m)	268	(51)	150
EBIT margin	8.0%	nm	4.1%
Net Profit (adj.)(m)	202	(34)	55
ROCE	7.1%	-0.9%	5.1%
Net debt/(cash) (m)	860	848	870
Net Debt Equity	0.5	0.6	0.6
Net Debt/EBITDA	1.8	2.7	2.6
Int. cover(EBITDA/Fin.int)	7.2	3.2	3.7
EV/Sales	0.7	0.6	0.6
EV/EBITDA	5.1	6.5	6.2
EV/EBITDA (adj.)	5.1	6.1	5.7
EV/EBIT	9.1	nm	13.9
P/E (adj.)	7.4	nm	19.8
P/BV	0.9	0.8	0.8
OpFCF yield	10.5%	15.8%	7.8%
Dividend yield	6.4%	2.6%	2.6%
EPS (adj.)	3.36	(0.57)	0.92
BVPS	28.24	23.58	23.43
DPS	1.17	0.47	0.47



Shareholders: Bekaert Fam. & Rel. 39%;

For company description please see summary table footnote

Poor outlook brings us to further cut earnings forecasts

The facts: Although 3Q12 sales were roughly in line with expectations, Bekaert provided a gloomy outlook for 4Q12 and announced another set of non-recurring charges (EUR 100m to be booked in 2H12) due to further deteriorations in the sawing wire (SW) activity. On top of that Bekaert drew a poor picture for EMEA (unfavourable product mix) and for Latin America (feedstock issue in Venezuela). All these elements led us to adjust downwards our short and mid term recurring EBIT (Rebit) estimates for the years 2012-2014 by 4.4% on average.

This results into a lower DCF fair value per share to EUR 20 (from EUR 24), which is our new TP. Rating stays at HOLD because of the very weak visibility on the activities and since the nature of the EUR 100m savings target by the company remains very limited.

Our analysis: **Consolidated sales** are up 6% to EUR 865m, roughly in line with our and consensus estimates of EUR 860m and EUR 869m, respectively. The 6% sales drop can be split into a 9% organic sales decline (was -11% in 2Q12), 6.9% favourable FX and 8.2% net effects of acquisitions/divestments. Combined sales (consolidated sales + sales of the associates) are down 3% to EUR 1,106m, also roughly in line.

Sales (EURm)	1Q11	2Q11	3Q11	4Q11	FY11	1Q12	2Q12	3Q12A	3Q12e	Dif. %	CSS
EMEA	307	307	293	262	1,169	290	267	253	260	-2.7%	
% change	25.8%	8.9%	8.1%	-2.5%	9.7%	-5.5%	-13.0%	-13.7%	-11.3%		
North America	176	178	172	139	665	176	175	166	170	-2.4%	
% change	24.8%	3.5%	1.2%	-10.3%	4.2%	0.0%	-1.7%	-3.5%	-1.2%		
Latin America	82	91	97	102	372	197	200	212	205	3.4%	
% change	22.4%	18.2%	9.0%	30.8%	19.6%	140.2%	119.8%	118.6%	111.3%		
Asia	353	286	254	241	1,134	232	246	234	225	4.0%	
% change	45.9%	-7.7%	-24.4%	-33.1%	-9.1%	-34.3%	-14.0%	-7.9%	-11.4%		
Consolidated sales	918	862	816	744	3,340	895	888	865	860	0.6%	869
% change	32.3%	2.5%	-5.8%	-13.7%	2.4%	-2.5%	3.0%	6.0%	5.4%		
EMEA	305	303	289	259	1,156	290	265	252	256	-1.6%	
% change	25.5%	8.2%	7.4%	-2.3%	9.4%	-4.9%	-12.5%	-12.8%	-11.4%		
North America	174	175	171	137	657	176	175	166	169	-1.8%	
% change	25.2%	2.3%	1.2%	-9.9%	4.1%	1.1%	0.0%	-2.9%	-1.2%		
Latin America	401	413	422	409	1,645	423	420	442	455	-2.8%	
% change	21.9%	3.8%	0.5%	7.3%	7.7%	5.5%	1.7%	4.8%	7.8%		
Asia	353	288	256	244	1,141	247	259	245	236	4.0%	
% change	45.9%	-7.4%	-24.0%	-33.0%	-9.0%	-30.0%	-10.1%	-4.1%	-7.8%		
Combined sales	1,233	1,179	1,138	1,049	4,599	1,135	1,119	1,106	1,116	-0.9%	1,104
% change	29.4%	-1.3%	-4.8%	-9.7%	2.9%	-7.9%	-5.1%	-2.9%	-1.9%		

Sources : Bekaert / Bank Degroof estimates/ CSS= consensus computed by Inquiry for 13/11/2012

In **EMEA**, consolidated sales dropped 14% Y-o-Y to EUR 253m, 2.7% below our expectation. Bekaert blamed an unfavourable product mix due to the slowdown in the automotive market in Western Europe and in the stainless steel activities. Sales were also impacted by the collapse of the solar cell market. This poor mix is set to persist in the coming quarter. In **North America**, Bekaert has suffered from a continued difficult economic environment. In **Latin America**, beyond the positive impact of the consolidation of the former equity-consolidated joint ventures in Chile & Peru, Bekaert claimed to have enjoyed a strong business performance in Peru and Venezuela. However, Bekaert mentioned that the operations in Venezuela have recently suffered from a lack of wire rod supply, which led to activity losses and to a temporary production shutdown in the first weeks of October 2012. Now production is back to normal, but Bekaert highlighted the uncertainties due to the fact that a steady supply of raw materials cannot be ensured in this market. It should be added that Venezuela accounts for 30% of the profit realised in Latin America. Finally, in **Asia Pacific** Bekaert continued to suffer from the collapse of the sawing wire and from price pressures in tire cord, in a highly competitive environment.

Although 3Q12 sales offered no major negative surprises, Bekaert also announced that it expected **EUR 100m additional non-recurring charges** in 2H12, linked to bad debt provisions in the sawing wire activity (for an amount of about EUR 25m) and to the likely impairment of all the remaining sawing wire assets for an amount of about EUR 75m. This decision is not only due to the fact that EBITDA margins have turned negative in this activity, but also because Bekaert does no longer see the possibility to transfer the machines towards the tire activity in the medium term, given the likely trend of the tire cord demand in China and India.

Note that to this amount of EUR 100m, should be added the non-recurring charges related to the EUR 100m **savings program**, for which the implementation started in 3Q12. Bekaert did not provide details on this program, so far. We just got an indication of the associated costs (EUR 50m to be split between 2H12 and 1H13) and on the timing of its full effects (2014). That year Bekaert expect to reach back to bottom end of the long term targeted EBIT margin range of 7-9%.

Bekaert provided a weak outlook with continued weakness in sawing wire and in tire cord to be expected for the coming quarter. Beyond the usual year-end seasonal effect, Bekaert expects sustained price pressures in sawing wire and in tire cord in Asia and continued unfavourable product mix in EMEA. More generally, Bekaert foresees declining business activity in most industries and highly competitive market conditions in all regions. We understood from a discussion with Bekaert that in this context the 7% EBIT margin target for FY14 is increasingly challenging.

Bekaert: estimates review (in EUR m)	2011	2012e		2013e		2014e	
	Actual	old	new	old	new	old	new
Sales	3,340	3,457	3,444	3,639	3,611	3,818	3,790
% change			-0.4%		-0.8%		-0.7%
Rebit	280.9	155.2	147.3	206.4	194.5	261.9	255.9
margin (%)	8.4%	4.5%	4.3%	5.7%	5.4%	6.9%	6.8%
% change			-5.1%		-5.8%		-2.3%
-EMEA ¹	66.0	64.8	60.3	71.7	67.4	76.9	74.1
% change			-7.0%		-6.0%		-3.7%
-North America	32.0	37.8	36.3	38.5	37.8	41.4	40.6
% change			-3.9%		-1.9%		-1.9%
-Latin America	35.0	58.5	56.6	60.8	60.6	62.7	62.4
% change			-3.2%		-0.4%		-0.4%
-Asia Pacific	224.0	64.1	64.0	95.4	88.7	131.0	128.8
% change			-0.1%		-7.0%		-1.7%
- Corporate	-76.1	-70.0	-70.0	-60.0	-60.0	-50.0	-50.0
% change			0.0%		0.0%		0.0%
EBIT	268	50	-51	161	150	245	239
margin (%)	8.0%	1.5%	-1.5%	4.4%	4.1%	6.4%	6.30%
Financial results	-19	-101	-101	-94	-94	-88	-89
Associates	25	13	13	17	17	21	21
Net result (group)	193	-103	-204	35	22	106	101
% change			nr		-35.3%		-4.4%
Net current result (group)	202	-22	-34	67	55	118	113
% change			nr		-18.1%		-4.0%
Adj. EPS (in EUR)	3.36	-0.36	-0.57	1.12	0.92	1.97	1.89
% change			nr		-18.1%		-4.0%

Sources : Bekaert / Bank Degroof estimates

We had already the most conservative assumptions in the market for the FY12-14 before the 3Q12 reporting. Based on the above comments, we further cut our Rebit estimates by 4.4% on average and kept our FY14 EBIT margin significantly below management target (at 6.3%)

Conclusion & Action: *We do not see a rapid improvement of the economic situation in Bekaert's main markets. Hence we do not anticipate a rapid improvement of margins. We still believe it is too early to turn positive on this share. Hence our HOLD rating.*

Bekaert Key figures (EUR m)	2008	2009	2010	2011	2012e	2013e	2014e
Combined sales	4,010.0	3,343.0	4,470.0	4,599.0	4,448.6	4,668.5	4,903.6
Consolidated sales	2,662.4	2,437.0	3,263.0	3,340.2	3,443.6	3,611.3	3,790.4
-EMEA	1,167.8	827.0	1,066.0	1,169.1	1,032.8	1,072.1	1,102.1
-North America	605.1	474.0	638.0	665.0	672.2	685.6	702.8
-Latin America	176.6	327.0	311.0	372.0	809.0	841.4	866.6
-Asia Pacific	712.9	809.0	1,248.0	1,134.0	929.6	1,012.2	1,118.9
EBITDA	412.4	387.0	725.7	476.8	314.3	337.5	419.4
Margin	15.5%	15.9%	22.2%	14.3%	9.1%	9.3%	11.1%
Rebit	294.2	256.8	562.5	280.9	147.3	194.5	255.9
Margin	11.1%	10.5%	17.2%	8.4%	4.3%	5.4%	6.8%
-EMEA	67.8	2.0	95.0	66.0	60.3	67.4	74.1
Margin	5.8%	0.2%	8.9%	5.6%	5.8%	6.3%	6.7%
-North America	24.6	-5.0	34.0	32.0	36.3	37.8	40.6
Margin	4.1%	-1.1%	5.3%	4.8%	5.4%	5.5%	5.8%
-Latin America	15.7	28.0	26.0	35.0	56.6	60.6	62.4
Margin	8.9%	8.6%	8.4%	9.4%	7.0%	7.2%	7.2%
-Asia Pacific	249.1	288.0	471.0	224.0	64.0	88.7	128.8
Margin	34.9%	35.6%	37.7%	19.8%	6.9%	8.8%	11.5%
-Corporate	-63.0	-56.2	-63.5	-76.1	-70.0	-60.0	-50.0
Operating result	210.5	232.2	534.3	268.4	-50.7	149.5	238.9
Margin	7.9%	9.5%	16.4%	8.0%	-1.5%	4.1%	6.3%
Financial result	-49.2	-65.6	-32.4	-18.5	-101.2	-94.2	-88.8
Current result before tax	161.2	166.6	501.9	249.9	-151.9	55.4	150.0
Income tax	-25.5	-33.9	-139.5	-68.1	-45.0	-25.0	-40.5
Tax rate	15.8%	20.4%	27.8%	27.3%	-29.6%	45.2%	27.0%
Results of associates	56.1	37.8	36.1	25.4	12.9	17.0	21.4
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consolidated profit	191.8	170.4	398.5	207.2	-184.0	47.4	130.9
Minority interest	17.7	18.6	30.9	14.6	20.0	25.0	30.0
Group's share in net result	174.1	151.8	367.7	192.6	-204.0	22.4	100.9
Group's net current result	236.9	170.2	388.8	201.7	-34.3	55.2	113.3
EPS (EUR)	2.93	2.55	6.13	3.21	-3.40	0.37	1.68
EPS Adj. (EUR)	3.99	2.86	6.48	3.36	-0.57	0.92	1.89

Sources : Bekaert / Bank Degroof estimates

¹ EMEA= Europe, the Middle East and Africa



Bekaert: Summary tables

PROFIT & LOSS (EURm)	12/2008	12/2009	12/2010	12/2011	12/2012e	12/2013e
Sales	2,662	2,437	3,263	3,340	3,444	3,611
Cost of Sales & Operating Costs	-2,250	-2,050	-2,537	-2,863	-3,129	-3,274
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	-19.2	-25.0
EBITDA	412	387	726	477	314	338
EBITDA (adj.)*	412	387	726	477	334	363
Depreciation	-202	-155	-191	-208	-186	-188
EBITA	210	232	534	268	128	150
EBITA (adj)*	210	232	534	268	147	175
Amortisations and Write Downs	0.0	0.0	0.0	0.0	-179	0.0
EBIT	210	232	534	268	-50.7	150
EBIT (adj.)*	210	232	534	268	-31.5	175
Net Financial Interest	-41.4	-56.7	-50.1	-65.8	-97.2	-90.2
Other Financials	-7.8	-8.9	17.7	47.3	-4.0	-4.0
Associates	56.1	37.8	36.1	25.4	12.9	17.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	217	204	538	275	-139	72.4
Tax	-25.5	-33.9	-139	-68.1	-45.0	-25.0
<i>Tax rate</i>	<i>11.7%</i>	<i>16.6%</i>	<i>25.9%</i>	<i>24.7%</i>	<i>nm</i>	<i>34.6%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-17.7	-18.6	-30.9	-14.6	-20.0	-25.0
Net Profit (reported)	174	152	368	193	-204	22.4
Net Profit (adj.)	237	170	389	202	-34.3	55.2
CASH FLOW (EURm)	12/2008	12/2009	12/2010	12/2011	12/2012e	12/2013e
Cash Flow from Operations before change in NWC	384	283	594	398	176	232
Change in Net Working Capital	-162	196	-277	-175	63.6	-78.3
Cash Flow from Operations	221	478	317	223	240	154
Capex	-244	-164	-320	-276	-150	-145
Net Financial Investments	20.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	-2.3	314	-2.7	-53.1	89.5	8.6
Dividends	-59.3	-60.5	-63.7	-109	-76.7	-30.6
Other (incl. Capital Increase & share buy backs)	-118	0.5	-27.4	-175	0.0	0.0
Change in Net Debt	-179	254	-93.9	-337	12.9	-22.0
NOPLAT	147	163	374	188	-22.1	122
BALANCE SHEET & OTHER ITEMS (EURm)	12/2008	12/2009	12/2010	12/2011	12/2012e	12/2013e
Net Tangible Assets	1,071	1,128	1,295	1,406	1,191	1,148
Net Intangible Assets (incl. Goodwill)	111	105	131	131	131	131
Net Financial Assets & Other	218	259	276	338	338	338
Total Fixed Assets	1,400	1,492	1,702	1,875	1,660	1,617
Inventories	511	358	508	578	560	614
Trade receivables	536	480	774	828	792	831
Other current assets	102	174	182	182	182	182
Cash (-)	-118	-325	-507	-706	-719	-697
Total Current Assets	1,267	1,338	1,971	2,294	2,252	2,323
Total Assets	2,667	2,830	3,673	4,169	3,912	3,940
Shareholders Equity	1,131	1,285	1,611	1,694	1,415	1,406
Minority	41.8	88.7	86.0	72.5	86.0	108
Total Equity	1,172	1,374	1,697	1,766	1,501	1,514
Long term interest bearing debt	299	603	710	918	918	918
Provisions	363	325	370	341	341	341
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total Long Term Liabilities	662	928	1,080	1,259	1,259	1,259
Short term interest bearing debt	503	151	320	648	648	648
Trade payables	254	247	342	291	300	314
Other current liabilities	76.4	129	234	204	204	204
Total Current Liabilities	833	528	896	1,143	1,152	1,167
Total Liabilities and Shareholders' Equity	2,667	2,830	3,673	4,169	3,912	3,940
Net Capital Employed	2,219	2,128	2,590	2,968	2,689	2,725
Net Working Capital	793	591	940	1,116	1,052	1,130
GROWTH & MARGINS	12/2008	12/2009	12/2010	12/2011	12/2012e	12/2013e
<i>Sales growth</i>	<i>22.5%</i>	<i>-8.5%</i>	<i>33.9%</i>	<i>2.4%</i>	<i>3.1%</i>	<i>4.9%</i>
EBITDA (adj.)* growth	19.9%	-6.2%	87.5%	-34.3%	-30.1%	8.7%
<i>EBITA (adj.)* growth</i>	<i>20.5%</i>	<i>10.3%</i>	<i>130.1%</i>	<i>-49.8%</i>	<i>-45.1%</i>	<i>18.5%</i>
<i>EBIT (adj.)* growth</i>	<i>20.5%</i>	<i>10.3%</i>	<i>130.1%</i>	<i>-49.8%</i>	<i>-chg</i>	<i>+chg</i>

Bekaert: Summary tables

GROWTH & MARGINS	12/2008	12/2009	12/2010	12/2011	12/2012e	12/2013e
Net Profit growth	46.8%	-28.1%	128.4%	-48.1%	-chg	+chg
EPS adj. growth	46.0%	-28.3%	126.6%	-48.1%	-chg	+chg
DPS adj. growth	1.4%	5.0%	69.5%	-29.6%	-60.1%	0.0%
EBITDA (adj)* margin	15.5%	15.9%	22.2%	14.3%	9.7%	10.0%
EBITA (adj)* margin	7.9%	9.5%	16.4%	8.0%	4.3%	4.8%
EBIT (adj)* margin	7.9%	9.5%	16.4%	8.0%	nm	4.8%
RATIOS	12/2008	12/2009	12/2010	12/2011	12/2012e	12/2013e
Net Debt/Equity	0.6	0.3	0.3	0.5	0.6	0.6
Net Debt/EBITDA	1.7	1.1	0.7	1.8	2.7	2.6
Interest cover (EBITDA/Fin.interest)	10.0	6.8	14.5	7.2	3.2	3.7
Capex/D&A	120.7%	106.1%	167.0%	132.4%	41.1%	77.1%
Capex/Sales	9.1%	6.7%	9.8%	8.3%	4.4%	4.0%
NWC/Sales	29.8%	24.2%	28.8%	33.4%	30.5%	31.3%
ROE (average)	21.3%	14.1%	26.9%	12.2%	-2.2%	3.9%
ROCE (adj.)	7.5%	8.9%	15.8%	7.1%	-0.9%	5.1%
WACC	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%
ROCE (adj.)/WACC	0.6	0.8	1.3	0.6	-0.1	0.4
PER SHARE DATA (EUR)***	12/2008	12/2009	12/2010	12/2011	12/2012e	12/2013e
Average diluted number of shares	59.4	59.5	60.0	60.0	60.0	60.0
EPS (reported)	2.93	2.55	6.13	3.21	-3.40	0.37
EPS (adj.)	3.99	2.86	6.48	3.36	-0.57	0.92
BVPS	19.05	21.59	26.86	28.24	23.58	23.43
DPS	0.93	0.98	1.66	1.17	0.47	0.47
VALUATION	12/2008	12/2009	12/2010	12/2011	12/2012e	12/2013e
EV/Sales	0.7	1.1	1.8	0.7	0.6	0.6
EV/EBITDA	4.3	7.0	8.0	5.1	6.5	6.2
EV/EBITDA (adj.)*	4.3	7.0	8.0	5.1	6.1	5.7
EV/EBITA	8.4	11.7	10.8	9.1	16.0	13.9
EV/EBITA (adj.)*	8.4	11.7	10.8	9.1	13.9	11.9
EV/EBIT	8.4	11.7	10.8	9.1	nm	13.9
EV/EBIT (adj.)*	8.4	11.7	10.8	9.1	nm	11.9
P/E (adj.)	4.0	12.6	13.2	7.4	nm	19.8
P/BV	0.8	1.7	3.2	0.9	0.8	0.8
Total Yield Ratio	8.4%	3.0%	2.1%	7.0%	2.8%	2.8%
EV/CE	0.9	1.5	2.4	0.9	0.9	0.9
OpFCF yield	13.7%	18.0%	4.9%	10.5%	15.8%	7.8%
OpFCF/EV	7.4%	14.3%	4.4%	6.4%	8.4%	4.1%
Payout ratio	31.8%	38.4%	27.1%	36.4%	-13.7%	125%
Dividend yield (gross)	5.8%	2.7%	1.9%	6.4%	2.6%	2.6%
EV AND MKT CAP (EURm)	12/2008	12/2009	12/2010	12/2011	12/2012e	12/2013e
Price** (EUR)	16.11	36.17	85.90	24.79	18.19	18.19
Outstanding number of shares for main stock	59.4	59.5	60.0	60.0	60.0	60.0
Total Market Cap	956	2,152	5,152	1,487	1,091	1,091
Net Debt	684	429	523	860	848	870
<i>o/w Cash & Marketable Securities (-)</i>	<i>-118</i>	<i>-325</i>	<i>-507</i>	<i>-706</i>	<i>-719</i>	<i>-697</i>
<i>o/w Gross Debt (+)</i>	<i>802</i>	<i>755</i>	<i>1,030</i>	<i>1,566</i>	<i>1,566</i>	<i>1,566</i>
Other EV components	136	125	97	86	105	122
Enterprise Value (EV adj.)	1,776	2,707	5,772	2,433	2,044	2,083

Source: Company, Bank Degroof estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: General Industrials/Diversified Industrials

Company Description: Bekaert is a company built on two core competences: "advanced metal transformation" and "advanced materials & coatings". Bekaert strives to be a market and technological leader in its niches markets in which it is seeking substantial profitable growth. Bekaert is strongly exposed to BRIC countries and other growing markets, which together represent almost 80% of the "combined" sales.

ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.

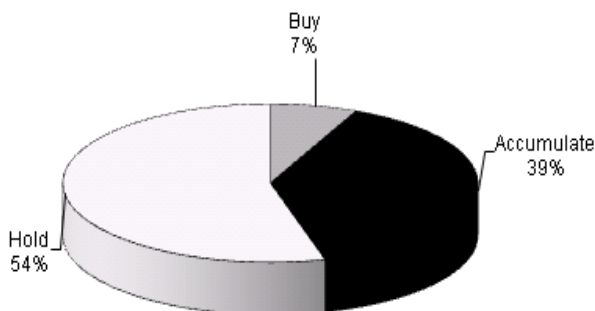
The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy, Accumulate (or Add), Hold, Reduce and Sell (in short: B, A, H, R, S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

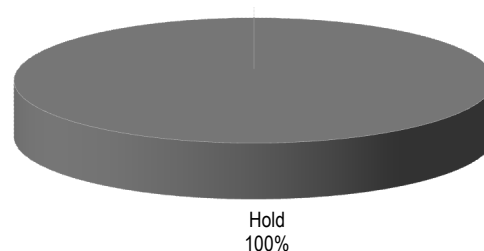
Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 20%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **10% to 20%** during the next 12 months time horizon
- **Hold:** the stock is expected to generate total return of **0% to 10%** during the next 12 months time horizon.
- **Reduce:** the stock is expected to generate total return of **0% to -10%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -10%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved or to a change of analyst covering the stock
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Bank Degroef Ratings Breakdown



Bank Degroef Ratings Breakdown for companies with conflicts of interest

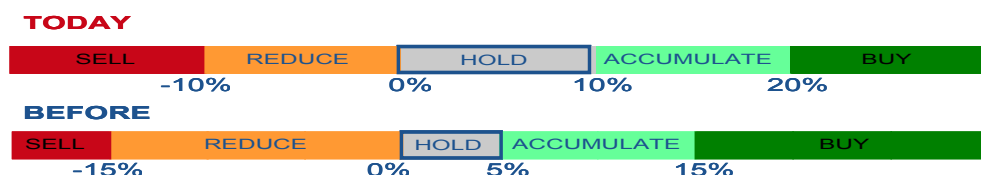


History of ESN Recommendation System

Since **18 October 2004**, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.

Since **4 August 2008**, the ESN Rec. System has been amended as follow.

- Time horizon changed to 12 months (it was 6 months)
- RecommendationsTotalReturnRange changed as below:




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Bart Beullens	+32 2 287 91 80
Laurent Goethals	+32 2 287 91 85
Pascal Magis	+32 2 287 97 81
Peter Rysseleere	+32 2 287 97 46

Institutional & corporate bond desk

Peter Deknopper	+32 2 287 91 22
Gauthier de Ghellinck	+32 2 287 68 74
Fabrice Faccenda	+32 2 287 91 81

Institutional & Structured products

Edouard Nouvellon	+32 2 287 93 23
Quentin De Decker	+32 2 287 92 87
Tim Vercammen	+32 2 287 91 83
Jerome Verhaegen	+32 2 287 92 56

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Thomas Palmblad	+32 2 287 93 27
Oliver Gigounon	+32 2 287 91 84
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Frederic Collett	+32 2 287 93 06

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Tanguy del Marmol	+32 2 287 96 13
Frederic Lebrun	+32 2 287 96 84
Robin Podevyn	+32 2 287 91 82
Christian Saint-Jean	+32 2 287 97 80

Derivatives brokerage

Mohamed Abalhossain	+32 2 287 95 10
Olivier-Pierre Morrot	+32 2 287 96 18

Treasury desk

Alain Strapart	+32 2 287 95 16
Jeroen De Keer	+32 2 287 97 71

Equity research

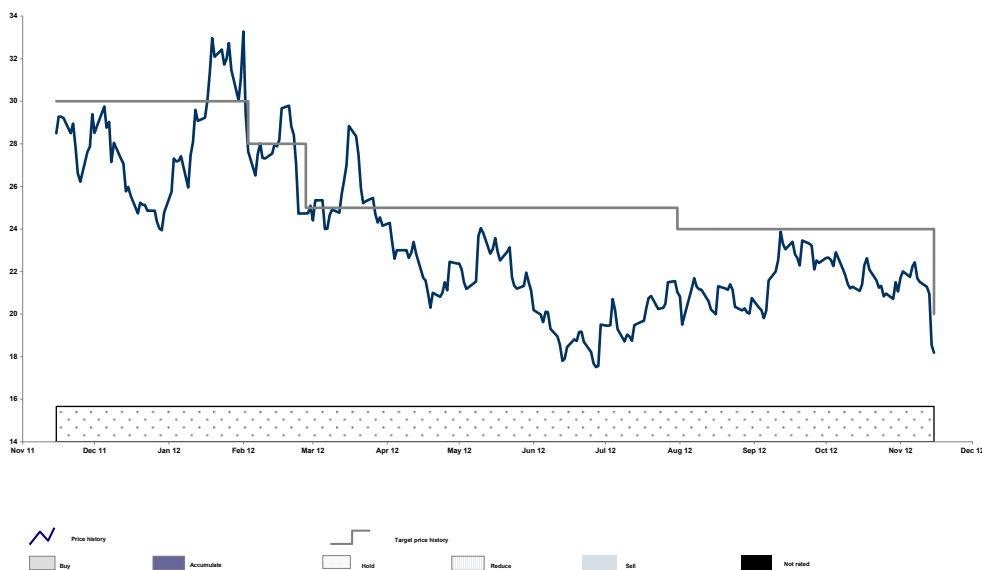
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Hans D'Haese	+32 2 287 92 23
Dries Dury	+32 2 287 91 76
Bernard Hanssens	+32 2 287 96 89
Siddy Jobe	+32 2 287 92 79
Marc Leemans, CFA	+32 2 287 93 61

Recommendation history for BEKAERT

Date	Recommendation	Target price	Price at change date
15-Nov-12	Hold	20.00	18.19
14-Nov-12	Hold	24.00	18.56
20-Jul-12	Hold	25.00	20.85
03-Feb-12	Hold	28.00	27.64
15-Dec-11	Hold	30.00	25.98
04-Nov-11	Accumulate	36.00	30.74
01-Aug-11	Accumulate	50.00	39.88
15-Jul-11	Accumulate	69.00	50.23
20-Jun-11	Accumulate	80.00	58.04
10-May-11	Accumulate	90.00	83.54

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Bank Degroof continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Bernard Hanssens (since 05/02/1997)



Bank Degroof acts as liquidity provider for:

Aedifica, Atenor, Banimmo, Bois Sauvage, BSB International, Connect Group, D'Ieteren, Duvel,Eckert-Ziegler, Elia,Floridienne, GIMV, Home Invest Belgium, Intervest Retail, I.R.I.S., Kinopolis, Leasinvest, Luxempart, Montea, PinguinLutosa, Realco, Resilux, Roularta, Sapec, Ter Beke, Van de Velde.

Bank Degroof holds a significant stake in:

Fountain and Proximedia.

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