

Friday 25 February

Bekaert

FY10F

Price (€): 77.5

Results date: 25/2/11

Target price (€): 97

Buy

€m	FY10F	FY09	% change	Consensus
Consolidated sales	3,184.5	2,437.8	30.6%	3,170.0
REBIT	525.8	256.8	104.8%	524.0
EBIT	495.8	232.2	113.5%	497.0
EPS	5.92	2.56	131.3%	5.98
Net debt	468.6	467.0	0.3%	N/A

- After 40% sales growth in 3Q10, Bekaert guided for a decline in sales growth to c.24% in 4Q10, due to forex effects and more tempered sales growth in China. We expect a 27% increase, but could be surprised on the upside as the Chinese and global economy continued to steam ahead in 4Q.
- Focus should be on the Asia Pacific margins: we expect the Asia Pacific 2H10 REBIT at €218m, which implies a 240bp margin decline HoH to 35%, in spite of a 13% sales increase HoH. This again looks cautious and leaves room for upside surprises.
- Guidance: Bekaert reported a 1H10 REBIT margin of 17.1% at group level and guided for REBIT margins above 10% until 2013. We do not expect to get more accurate guidance for 2011F.

Source: Company data, ING estimates; price as of 16/02/11

Filip De Pauw

Belgacom SA

4Q10F

Price (€): 27.39

Results date: 25/2/11

Target price (€): 28

Hold

€m	4Q10F	4Q09	% change	Consensus
Revenue	1,670.0	1,496.0	11.6%	1,663.0
REBITDA	457.0	448.0	2.0%	478.0
Operating income	276.0	338.0	-18.3%	276.0
Net income	155.0	270.0	-42.6%	185.0
DPS	2.18	2.08	0.05	2.18

- We expect Belgacom to deliver an unsurprising set of results with (organic) revenue growth seen at +1% YoY in 4Q10F.
- We see Belgacom's outlook for 2011 to be in the 0-1% range for top-line growth and 29% for (recurring) EBITDA margin.

Source: Company data, ING estimates; price as of 16/02/11

Bertrand Kuentzler