

**Company results**  
 28 February 2012

**Sell** (maintained)

 Price (27/02/12)  
 €24.73

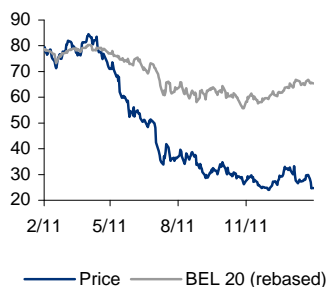
 Target price (12-mth)  
 €20.00 (previously €23.00)

 Forecast total return  
 -15.1%

**Industrial Goods & Services**  
**Belgium**  
**Bloomberg: BEKB BB**  
**Reuters: BEKB.BR**
**Share data**

Avg daily volume (3-mth)	236,484
Free float (%)	60.9
Market cap (€m)	1,483.2
Net debt (1F, €m)	867
Enterprise value (1F, €m)	2,477
Dividend yield (1F, %)	4.0

Source: Company data, ING estimates

**Share price performance**


Source: ING

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# Bekaert

## Light at the end of the wire?

**We lower our 2012-13F EPS by 23-21% as the path to recovery starts from a lower base (2.5% REBIT margin in 2H11 vs. 3.5% expected), affected by weaker mature markets; and given the challenges ahead, we expect the lower end of the targeted REBIT range (7-9%) by 2014, instead of the middle. At 2012-13F PERs of 19.1x and 13.8x, respectively, the valuation looks stretched. Maintain SELL and cut our TP to €20 from €23.**

**2H11 underlying EPS close to zero.** 2H11 REBIT was €39m (2.5% margin), below our €54m forecast (3.5% margin). The main disappointment came from (1) the €12m REBIT in EMEA (INGF €40m), affected by €9m in negative inventory effects, start-up costs in Slovakia and Russia, weak capacity utilisation and high costs incurred at the Belgian sawing wire and stainless steel wire activities; and (2) the €4m REBIT (1.3% margin) in North America (INGF €12m), due to lower capacity utilisation, maintenance shutdowns and negative inventory effects. The 2H11 REBIT of €39m in Asia Pac (7.9% margin) and €19m in Latam (9.5% margin) were slightly above (lowered) expectations. 2H11 reported net profit was above REBIT at €48.7m, yet this included c.€50m in capital gains on the divestment of Specialty Films and exchange rate gains on dividends from China. Excluding the latter, underlying EPS were close to zero (reported at €0.83). A gross dividend of €0.5 is proposed, which would bring the total gross dividend on 2011 earnings to €1.17. Net debt was €860m (INGF €762m), due to continued high working capital.

**We cut our 2012-13F normalised EPS by 23-21% to €1.29 and €1.79,** reflecting (1) the weaker-than-anticipated 2H11 margins in mature markets and guidance for further weakness; (2) guidance for more pressure on top-line growth in China stemming from a quickly maturing truck tire market and a risk of sawing wire capacity being converted to tire cord (as 50% of the sawing wire producers are also tire cord producers); (3) guidance for a positive impact from the realignment program (only) as of 2H12. We pencil in €125m in non-recurring costs for the latter in 2012F, which should translate into reported 2012F EPS of -€0.71. The above is partly mitigated at the REBIT level (no impact on EPS) by the announced consolidation of the JVs in Chili, Peru and Canada (c.€300m in sales, c.8% REBIT margin). We now expect a return to a 7% REBIT margin (the lower end of the target range of 7–9%) in 2014, vs 8% previously. Our 2012-13F estimates are c.25% below the Bloomberg consensus.

**SELL, with lowered TP of €20 (from €23).** At 19.1x and 13.8x respective 2012-13F PERs, the valuation seems stretched. On consensus estimates, steel and tire producers trade at a c.8x 2013F PER. Our TP reflects 8x 2014F EPS (ie, post restructuring), which seems lenient in view of the expected 'growth', an ROCE below the WACC until 2014F and a 2012F net debt/EBITDA of 2.8x.

**Forecasts and ratios**

Year end Dec (€m)	2010	2011	2012F	2013F	2014F
Revenues	3,262	3,340	3,429	3,566	3,685
Normalised EBITDA	753	489	418	430	483
Normalised net profit	396	205	77	107	147
Normalised EPS (€)	6.68	3.48	1.29	1.79	2.46
Normalised PER (x)	3.7	7.1	19.1	13.8	10.1
EV/normalised EBITDA (x)	3.1	5.1	5.9	5.7	4.9
FCF yield (%)	4.1	n/a	4.7	6.8	7.8
Dividend yield (%)	6.7	4.7	4.0	4.2	4.4
Price/book (x)	0.92	0.88	0.91	0.89	0.86
Normalised ROE (%)	27.3	12.4	4.7	6.5	8.7

Source: Company data, ING estimates

## 2H11 underlying EPS close to zero

Fig 1 Bekaert 2H11 key numbers (€m)

	2H10	1H11	2H11F	2H11A	%ch
Consolidated sales	1,727.0	1,780.0	1,551.0	1,560.0	-9.7
EBITDA	376.0	342.0	128.0	134.0	-64.4
EMEA	41.4	54.4	39.9	12.0	-71.0
North America	13.0	27.7	12.0	4.0	-69.2
Latin America	12.2	16.1	12.7	19.0	55.7
Asia Pacific	264.0	185.0	31.7	39.0	-85.2
Other	(30.0)	(41.3)	(42.0)	(35.0)	16.7
<b>REBIT</b>	<b>301.0</b>	<b>241.9</b>	<b>54.0</b>	<b>39.0</b>	<b>-87.0</b>
<b>Margin (%)</b>	<b>17.4</b>	<b>13.6</b>	<b>3.5</b>	<b>2.5</b>	
Non recurring	(9.0)	(10.5)	(15.0)	(3.0)	-66.7
EBIT	291.0	231.4	39.0	36.0	-87.6
Net profit	187.0	143.9	19.0	48.7	-74.0
<b>Reported EPS (€)</b>	<b>3.16</b>	<b>2.44</b>	<b>0.32</b>	<b>0.83</b>	<b>-73.7</b>
DPS (FY) (€)	1.67		1.00	1.17	-29.9
Net debt	578.0		762.0	860.0	48.8

Source: Company data, ING estimates

2H11 REBIT was €39m (2.5% margin), below our €54m forecast (3.5% margin). The main disappointment came from (1) the €12m REBIT in EMEA (INGF €40m), affected by €9m in negative inventory effects, start-up costs in Slovakia and Russia, weak capacity utilisation and high costs incurred at the Belgian sawing wire and stainless steel wire activities; and (2) the €4m REBIT (1.3% margin) in North America (INGF €12m), due to lower capacity utilisation, maintenance shutdowns and negative inventory effects. The 2H11 REBIT of €39m in Asia Pac (7.9% margin) and €19m in Latam (9.5% margin) were slightly above (lowered) expectations. 2H11 reported net profit was above REBIT at €48.7m, yet this included c.€50m in capital gains on the divestment of Specialty Films and exchange rate gains on dividends from China. Excluding the latter, underlying EPS were close to zero (reported at €0.83). A gross dividend of €0.5 is proposed, which would bring the total gross dividend on 2011 earnings to €1.17. Net debt was €860m (INGF €762m), due to continued high working capital.

## More than 20% cut in 2012-13F EPS

Fig 2 Bekaert: change in key estimates (€m)

	2009	2010	2011	2012F old	2012F new	%ch	%YoY	2013F old	2013F new	%ch	%YoY	2014F new	%YoY
EMEA	828	1,066	1,169	1,184	1,096	-7	-6	1,208	1,117	-7	2	1,140	2
North America	473	637	665	598	593	-1	-11	609	605	-1	2	617	2
Latin America	327	311	372	362	709	96	91	376	738	96	4	767	4
Asia Pacific	810	1,248	1,134	1,141	1,032	-10	-9	1,224	1,106	-10	7	1,161	5
<b>Consolidated sales</b>	<b>2,438</b>	<b>3,262</b>	<b>3,340</b>	<b>3,285</b>	<b>3,429</b>	<b>4</b>	<b>3</b>	<b>3,418</b>	<b>3,566</b>	<b>4</b>	<b>4</b>	<b>3,685</b>	<b>3</b>
EMEA	1	95	66	95	55	-42	-18	109	73	-33	33	97	33
North America	(5)	34	32	36	27	-26	-16	43	33	-22	25	46	39
Latin America	28	26	35	29	64	120	82	34	70	107	10	77	9
Asia Pacific	288	470	224	93	85	-8	-62	111	107	-4	25	116	9
Other	(55)	(63)	(76)	(83)	(77)	-8	1	-75	-78	4	1	-78	0
<b>REBIT</b>	<b>257</b>	<b>562</b>	<b>281</b>	<b>169</b>	<b>153</b>	<b>-9</b>	<b>-45</b>	<b>222</b>	<b>205</b>	<b>-8</b>	<b>33</b>	<b>258</b>	<b>26</b>
EMEA (%)	0.1	8.9	5.7	8.0	5.0			9.0	6.5			8.5	
North America (%)	-1.1	5.3	4.8	6.0	4.5			7.0	5.5			7.5	
Latin America (%)	8.6	8.3	9.4	8.0	9.0			9.0	9.5			10.0	
Asia Pacific (%)	35.6	37.7	19.8	8.1	8.3			9.1	9.7			10.0	
<b>REBIT margin (%)</b>	<b>10.5</b>	<b>17.2</b>	<b>8.4</b>	<b>5.1</b>	<b>4.5</b>			<b>6.5</b>	<b>5.7</b>			<b>7.0</b>	
Non-recurring	(25)	(28)	(13)	(15)	(120)	700	859	(15)	(15)	0	-88	-15	0
<b>EBIT</b>	<b>232</b>	<b>534</b>	<b>268</b>	<b>154</b>	<b>33</b>	<b>-78</b>	<b>-88</b>	<b>207</b>	<b>190</b>	<b>-8</b>	<b>467</b>	<b>243</b>	<b>28</b>
EBIT margin (%)	9.5	16.4	8.0	4.7	1.0			6.0	5.3			6.6	
Net financing charges	(66)	(32)	(19)	(65)	(70)	8	277	(65)	(67)	3	-4	(64)	-4
Taxes	(34)	(140)	(68)	(27)	(12)	-55	-82	(41)	(37)	-11	207	(54)	46
Share in the JV's	38	36	25	28	8	-72	-69	29	9	-71	6	9	6
Minorities	(19)	(31)	(15)	(5)	(2)	-60	-86	(8)	(2)	-74	0	(2)	0
Net profit	152	368	193	85	(43)	-150	n/a	122	92	-24	n/a	132	43
<b>Normalised net profit</b>	<b>176</b>	<b>396</b>	<b>205</b>	<b>100</b>	<b>77</b>	<b>-23</b>	<b>-62</b>	<b>136</b>	<b>107</b>	<b>-21</b>	<b>39</b>	<b>147</b>	<b>37</b>
Reported EPS (€)	2.56	6.20	3.27	1.42	(0.71)	-150	n/a	2.03	1.54	-24	n/a	2.21	43
<b>Normalised EPS (€)</b>	<b>2.98</b>	<b>6.68</b>	<b>3.48</b>	<b>1.67</b>	<b>1.29</b>	<b>-23</b>	<b>-63</b>	<b>2.27</b>	<b>1.79</b>	<b>-21</b>	<b>39</b>	<b>2.46</b>	<b>37</b>
<b>Net debt</b>	<b>467</b>	<b>578</b>	<b>857</b>	<b>746</b>	<b>844</b>	<b>13</b>	<b>-1</b>	<b>693</b>	<b>804</b>	<b>16</b>	<b>-5</b>	<b>782</b>	<b>-7</b>
Net debt/EBITDA	1.2	0.8	1.8	2.0	2.8			1.6	1.9			1.7	

Source: Company data, ING estimates

We cut our 2012-13F normalised EPS by 23-21% to €1.29 and €1.79, reflecting (1) the weaker-than-anticipated 2H11 margins in mature markets and guidance for further weakness; (2) guidance for more pressure on top-line growth in China stemming from a quickly maturing truck tire market and a risk of sawing wire capacity being converted to tire cord (as 50% of the sawing wire producers are also tire cord producers); (3) guidance for a positive impact from the realignment program (only) as of 2H12. We pencil in €125m in non-recurring costs for the latter in 2012F, which should translate into reported 2012F EPS of -€0.71. The above is partly mitigated at the REBIT level (no impact on EPS) by the announced consolidation of the JVs in Chili, Peru and Canada (c.€300m in sales, c.8% REBIT margin). We now expect a return to a 7% REBIT margin (the lower end of the target range of 7-9%) in 2014, vs 8% previously. Our 2012-13F estimates are c.25% below the Bloomberg consensus.

## SELL, with lowered TP of €20 (from €23)

Fig 3 Tire producer multiples (x)

	Share price	Rating	2012F PER	2013F PER
Brigdestone	JPY1961	Not Rated	9.3	8.4
Goodyear	US\$12.9	Not Rated	6.7	5.1
Michelin	€52.6	Not Rated	7.2	6.6
Nokian Renkaat	€33.3	Not Rated	12.8	11.3
Pirelli	€7.8	Not Rated	9.3	7.6
<b>Average</b>			<b>9.1</b>	<b>7.8</b>
<b>Median</b>			<b>9.3</b>	<b>7.6</b>

Source: Bloomberg

Fig 4 Steel producer multiples (x)

	Share price	Rating	2012F PER	2013F PER
ArcelorMittal	€16.1	BUY	10.2	7.0
Tata Steel	INR459.8	Not Rated	10.5	8.2
US Steel	US\$28.1	Not Rated	10.8	7.6
Nucor	US\$44.2	Not Rated	13.9	10.7
ThyssenKrupp	€20.40	Not Rated	23.5	8.5
<b>Average</b>			<b>13.8</b>	<b>8.4</b>
<b>Median</b>			<b>10.8</b>	<b>8.2</b>

Source: Bloomberg, ING

At 19.1x and 13.8x respective 2012-13F PERs, the valuation seems stretched. On consensus estimates, steel and tire producers trade at a c.8x 2013F PER. Our TP reflects 8x 2014F EPS (ie, post restructuring), which seems lenient in view of the expected 'growth', an ROCE below the WACC until 2014F and a 2012F net debt/EBITDA of 2.8x.

### Risks

A key risk is an unexpected acceleration in global tire sales (automotive is c.33% of sales). Given the current global macro uncertainties, this seems unlikely, however. On the contrary, we see a risk of overcapacity (and, hence, declining margins) in tire cords if sawing wire producers convert too much capacity to tire cord. Another key risk is a faster-than-anticipated recovery in global construction (c.18% of sales). Again, the risk seems low in view of global macro data. Another risk lies in steel prices, as an increase might result in positive inventory effects. For now, the steel price seems flat YoY.

## Financials

Year end Dec (€m)	2007	2008	2009	2010	2011	2012F	2013F	2014F
<b>Income statement</b>								
Revenues	2,174	2,663	2,438	3,262	3,340	3,429	3,566	3,685
Cost of goods sold	(1,740)	(2,061)	(1,904)	(2,358)	(2,689)	(2,898)	(2,976)	(3,034)
<b>Gross profit</b>	<b>434</b>	<b>602</b>	<b>534</b>	<b>904</b>	<b>651</b>	<b>531</b>	<b>590</b>	<b>651</b>
Operating costs	(135)	(190)	(149)	(179)	(175)	(233)	(175)	(183)
<b>EBITDA</b>	<b>299</b>	<b>412</b>	<b>385</b>	<b>725</b>	<b>476</b>	<b>298</b>	<b>415</b>	<b>468</b>
Depreciation & amortisation	(124)	(202)	(153)	(191)	(208)	(265)	(225)	(225)
Impairments	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>175</b>	<b>210</b>	<b>232</b>	<b>534</b>	<b>268</b>	<b>33</b>	<b>190</b>	<b>243</b>
Net interest	(41)	(49)	(66)	(32)	(19)	(70)	(67)	(64)
Associates	47	56	38	36	25	8	9	9
Other pre-tax items	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>181</b>	<b>217</b>	<b>204</b>	<b>538</b>	<b>275</b>	<b>(29)</b>	<b>131</b>	<b>188</b>
Tax	(19)	(26)	(34)	(140)	(68)	(12)	(37)	(54)
Minorities	(9)	(18)	(19)	(31)	(15)	(2)	(2)	(2)
Other post-tax items	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>153</b>	<b>174</b>	<b>152</b>	<b>368</b>	<b>193</b>	<b>(43)</b>	<b>92</b>	<b>132</b>
<b>Normalised EBITDA</b>	<b>310</b>	<b>496</b>	<b>410</b>	<b>753</b>	<b>489</b>	<b>418</b>	<b>430</b>	<b>483</b>
<b>Normalised EBIT</b>	<b>186</b>	<b>294</b>	<b>257</b>	<b>562</b>	<b>281</b>	<b>153</b>	<b>205</b>	<b>258</b>
<b>Normalised net profit</b>	<b>165</b>	<b>258</b>	<b>176</b>	<b>396</b>	<b>205</b>	<b>77</b>	<b>107</b>	<b>147</b>
<b>Balance sheet</b>								
Tangible fixed assets	1,133	1,271	1,346	1,539	1,692	1,607	1,557	1,532
Intangible fixed assets	122	111	105	131	104	104	104	104
Other non-current assets	80	27	84	96	105	105	105	105
Cash & equivalents	73	118	276	443	676	689	729	787
Other current assets	904	1,140	1,018	1,464	1,593	1,603	1,659	1,708
<b>Total assets</b>	<b>2,313</b>	<b>2,667</b>	<b>2,830</b>	<b>3,673</b>	<b>4,169</b>	<b>4,107</b>	<b>4,153</b>	<b>4,235</b>
Short-term debt	253	503	151	320	648	648	648	648
Other current liabilities	388	478	484	719	616	624	636	646
Long-term debt	322	288	598	700	908	908	908	908
Other long-term liabilities	203	226	223	236	230	230	230	230
<b>Total liabilities</b>	<b>1,166</b>	<b>1,495</b>	<b>1,456</b>	<b>1,977</b>	<b>2,403</b>	<b>2,410</b>	<b>2,422</b>	<b>2,433</b>
Total equity	1,147	1,172	1,374	1,697	1,766	1,696	1,731	1,802
<b>Total liabilities &amp; equity</b>	<b>2,313</b>	<b>2,667</b>	<b>2,830</b>	<b>3,673</b>	<b>4,169</b>	<b>4,107</b>	<b>4,153</b>	<b>4,235</b>
Capital employed	1,722	1,964	2,123	2,717	3,322	3,252	3,287	3,358
Net working capital	644	793	640	1,004	1,204	1,206	1,251	1,290
Net debt (cash)	502	673	474	578	880	867	827	769
<b>Cash flow</b>								
Cash flow EBITDA	333	425	401	779	549	306	423	477
Change in working capital	(42)	(162)	196	(277)	(200)	(2)	(45)	(39)
Other non-cash items	(45)	(13)	(68)	(46)	(114)	0	0	0
<b>Operating cash flow</b>	<b>246</b>	<b>250</b>	<b>529</b>	<b>456</b>	<b>235</b>	<b>304</b>	<b>379</b>	<b>438</b>
Cash interest paid	(31)	(32)	(39)	(43)	(59)	(70)	(67)	(64)
Cash taxes paid	(25)	(28)	(31)	(113)	(129)	(12)	(37)	(54)
<b>Net cash from operating activities</b>	<b>191</b>	<b>191</b>	<b>458</b>	<b>299</b>	<b>47</b>	<b>222</b>	<b>275</b>	<b>321</b>
Capex	(200)	(251)	(167)	(248)	(278)	(175)	(175)	(200)
Net acquisitions	(11)	(44)	(4)	(17)	83	35	0	0
Other net investing cash flows	58	51	43	54	9	0	0	0
<b>Cash from investing activities</b>	<b>(152)</b>	<b>(243)</b>	<b>(127)</b>	<b>(211)</b>	<b>(185)</b>	<b>(140)</b>	<b>(175)</b>	<b>(200)</b>
Increase (decrease) in equity	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	165	(46)	210	480	0	0	0
Dividends & minority distribution	(57)	(62)	(51)	(119)	(163)	(30)	(60)	(63)
Other financing cash flow	25	(4)	(204)	32	(238)	0	0	0
<b>Cash from financing activities</b>	<b>(32)</b>	<b>98</b>	<b>(301)</b>	<b>124</b>	<b>79</b>	<b>(30)</b>	<b>(60)</b>	<b>(63)</b>
Forex & discontinued operations	(1)	0.8	(13)	5				
<b>Net change in cash &amp; equivalents</b>	<b>6</b>	<b>47</b>	<b>16</b>	<b>217</b>	<b>(59)</b>	<b>53</b>	<b>40</b>	<b>58</b>
FCF	22	(29)	331	95	(172)	117	167	185

Normalised earnings (eg, EBITDA, EBIT, net income and other sector-specific line items) are in the opinion of the analyst the best representation of a company's underlying and sustainable earnings derived from its regular operating activities.

Source: Company data, ING estimates

## Valuation, ratios and metrics

Year end Dec	2007	2008	2009	2010	2011	2012F	2013F	2014F
<b>Performance &amp; returns</b>								
Revenue growth (%)	8.2	22.5	-8.5	33.8	2.4	2.7	4.0	3.3
Normalised EBITDA growth (%)	11.2	59.8	-17.4	83.8	-35.1	-14.3	2.7	12.4
Normalised EBIT growth (%)	14.3	57.9	-12.7	118.9	-50.0	-45.4	33.5	25.9
Normalised EPS growth (%)	10.4	59.2	-31.6	124.0	-47.9	-62.9	38.7	37.0
Gross margin (%)	20.0	22.6	21.9	27.7	19.5	15.5	16.5	17.7
Normalised EBITDA margin (%)	14.3	18.6	16.8	23.1	14.6	12.2	12.1	13.1
Normalised EBIT margin (%)	8.6	11.0	10.5	17.2	8.4	4.5	5.7	7.0
Reported net margin (%)	7.0	6.5	6.2	11.3	5.8	-1.2	2.6	3.6
Reported ROE (%)	14.2	15.6	12.6	25.4	11.7	-2.6	5.6	7.8
Normalised ROA (%)	8.2	11.8	9.3	17.3	7.2	3.7	5.0	6.2
ROAIC (%)	7.9	8.9	8.9	15.9	4.3	0.61	4.4	5.3
ROACE (%)	11.2	16.0	12.6	23.2	9.3	4.7	6.3	7.8
ROACE - WACC (%)	2.9	7.3	4.0	14.7	0.80	-3.8	-2.2	-0.74
<b>Leverage &amp; solvency</b>								
Working capital as % of sales	29.6	29.8	26.3	30.8	36.0	35.2	35.1	35.0
Net debt (cash)/EBITDA (x)	1.7	1.6	1.2	0.80	1.8	2.9	2.0	1.6
Net debt (cash)/equity (%)	43.8	57.4	34.5	34.1	49.8	51.1	47.8	42.7
EBITDA net interest coverage (x)	7.3	8.4	5.9	22.4	25.7	4.3	6.2	7.3
Current ratio (x)	1.5	1.3	2.0	1.8	1.8	1.8	1.9	1.9
Dividend cover (cash flow) (x)	0.84	0.03	6.8	1.4	n/a	2.6	2.7	2.9
<b>Valuation</b>								
EV/revenue (x)	0.99	0.88	0.89	0.70	0.75	0.72	0.68	0.65
EV/normalised EBITDA (x)	6.9	4.7	5.3	3.1	5.1	5.9	5.7	4.9
EV/normalised EBIT (x)	11.6	8.0	8.5	4.1	8.9	16.1	11.9	9.2
EV/capital employed (x)	1.3	1.2	1.0	0.85	0.75	0.76	0.74	0.71
EV/invested capital (x)	1.1	1.1	0.93	0.78	0.70	0.71	0.69	0.66
Normalised PER (x)	9.0	5.7	8.3	3.7	7.1	19.1	13.8	10.1
Price/book (x)	1.3	1.3	1.1	0.92	0.88	0.91	0.89	0.86
Dividend yield (%)	3.7	3.8	4.0	6.7	4.7	4.0	4.2	4.4
FCF yield (%)	1.0	n/a	15.2	4.1	n/a	4.7	6.8	7.8
<b>Per share data</b>								
Reported EPS (€)	2.54	2.94	2.56	6.20	3.27	(0.71)	1.54	2.21
Normalised EPS (€)	2.74	4.36	2.98	6.68	3.48	1.29	1.79	2.46
Dividend per share (€)	0.92	0.93	0.98	1.67	1.17	1.00	1.05	1.10
Equity FCFPS (€)	(0.15)	(1.02)	4.93	0.87	(3.92)	0.79	1.67	2.01
BV/share (€)	18.46	19.05	21.59	26.90	28.24	27.08	27.65	28.84

Source: Company data, ING estimates

## Company profile

Bekaert is a global technological and market leader in advanced solutions based on metal transformation and coatings. It is also the world's largest independent manufacturer of drawn steel wire products. Bekaert is a global company with headquarters in Belgium, employing 28,000 people worldwide. Serving customers in 120 countries, Bekaert pursues sustainable profitable growth in all of its activities and generated combined sales of €4.5bn in 2010.

# Disclosures Appendix

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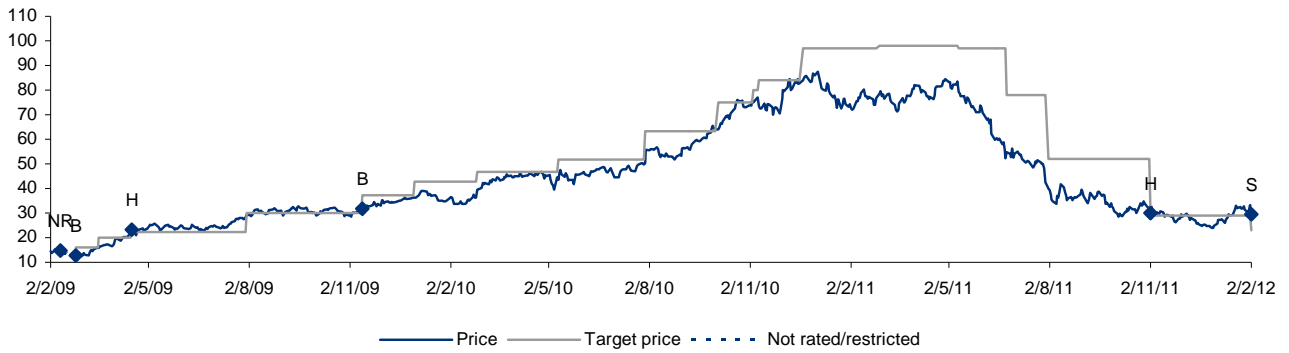
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