

**Bekaert**

BERTt.BR / BEKB BB

Engineering  
Belgium

Current price € 40.15  
Target price € 45.00  
Market cap € 895 m  
Free float 60%

	EPS*(€)	P/E
FY02	-1.55	-
FY03E	4.55	8.82
FY04E	4.82	8.33

\*Adjusted for goodwill and exceptionals

**Expansion in Chinese steel cord market**

This morning, Bekaert quantified in a press release its expansion plans in the Chinese steel cord market.

At the moment, Bekaert is present through two JV's with a total capacity of about 45,000 ton (Bekaert's total capacity in steel cord amounts to about 260,000 ton), or a market share above 40%. Since 1997, the Chinese steel cord market increased on average by 25% per year and is expected to double in the coming 3 to 4 years. Bekaert targets a share of 50% of the market.

The capacity at the two existing plants will be expanded to 80,000-90,000 ton by 2005. In addition, Bekaert will build a third plant (100% Bekaert) with an initial capacity of 10,000 ton, coming on stream in 2005. The total investment amount is estimated at about €180m-€200m. The target of a capacity of 100,000 ton by 2005 and the investment amount involved have been mentioned before and are as such no news.

**Accumulate**

Unchanged

[Back to contents](#)

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