

Morning Note

09 February 2004

Bekaert

BERTt.BR / BEKB BB

Margins under pressure - prudent outlook

Neutral
(Rating unchanged)

Belgium

Current price: € 51.45
Target price: € 52.00
Market cap: € 1,147m
Free Float 60 %

This morning, Bekaert released a very thin trading update (no preliminary results). Consolidated sales were down 3.5% but would have risen by 4% at constant currencies. Due to spikes in the steel rod prices, Bekaert states the **margins** in the 4Q to have come **under pressure**. No statement (guidance) was done concerning the 2003 bottom line figure (?!?). Referring to the current USD and high steel rod prices, Bekaert is **prudent for the current year**. As stated in our latest Flash note, we see little or no potential for outperformance in the months to come and stick to our 'neutral' rating. Bekaert will release its 2003 results on March-18.

	EPS* (€)	P/E
FY03E	4.33	11.88
FY04E	4.67	11.03
FY05E	5.02	10.25

* Adjusted for goodwill & exceptionals

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