

Morning Note

9 May 2006

Bekaert

BERT.LBR / BEKB BB

Engineering & Machinery
Belgium

Current price € 98.15
Target price € 90.00
Market cap € 2,113m
Free float 57%

	EPS (€)	P/E
FY05	6.97	9.4
FY06E	6.64	14.8
FY07E	6.82	14.4

Divestment of Handling joint-venture

Yesterday, after market, Bekaert announced to have reached an agreement with K. Hartwall on the sale of Bekaert Handling A/S located in Middelfart (Denmark) and Bekaert Handling Ltd. located in Glenrothes and Spennymoor (United Kingdom), both joint ventures in which Bekaert holds a 50% stake. Both companies together employ 450 people and realize annual sales of € 55m. This activity concentrates on the production of handling materials for logistical applications in Europe. The share deal is based on an enterprise value of € 13.6m. As a reminder, Bekaert has earlier put the value of this business at zero via impairments and we expect a small capital gain on this sale. The divestment of the Fencing business is no surprise at all as it no longer fitted into Bekaert's core business.

Accumulate
Rating Unchanged

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