

Bekaert

BEKB.BR / BEKB.BB

Engineering & Machinery
Belgium

Current price € 89.92
Target price € 110.00
Market cap € 1,787m
Free float 54%

	EPS (€)	P/E
FY06	7.22	11.4
FY07E	7.33	12.3
FY08E	7.26	12.4

Bekaert acquires full ownership of Vicson

Accumulate
Rating Unchanged

Yesterday, Bekaert announced to have signed an agreement with Siderurgica Venezolana Sivensa for the acquisition of 50.002% of the shares in Vicson, resulting in full ownership for Bekaert. The purchase price related to this transaction amounts to \$ 35.5m (€ 25.4m).

Vicson, which is located in Valencia, Venezuela, manufactures wire products for industrial, construction and agricultural applications. The company has a workforce of 650 employees. With an annual production capacity of about 100k tonnes p.a., Vicson records annual sales of approximately € 100m.

Indirectly, Bekaert also acquires a majority interest in the joint venture Productora de Alambres Colombianos (Proalco), in which Vicson had a 75% share. Combined with the 12.5% share that Bekaert holds through its joint venture in Ecuador, Bekaert becomes a 87.5% shareholder of Proalco. This company staffs 340 employees and posts annual sales of € 50m. Proalco produces similar wire products for the Colombian market.