

Bekaert

BEKB.BR / BEKB.BB

Engineering & Machinery
Belgium

Current price € 102.56
Target price € 115.00
Market cap € 2,017m
Free float 61%

	EPS (€)	P/E
FY07	8.05	12.2
FY08E	8.27	12.4
FY09E	8.42	12.2

Reorganising steel cord activities in Belgium

Accumulate
Rating Unchanged

Bekaert this morning announced its intentions to reorganise its steel cord activities in Belgium. This reorganization includes the intention to close the production plant in Lanklaar and the decision to integrate the Waregem production entity into other plants within the Bekaert group. The intended closure of the plant in Lanklaar affects 136 jobs.

As a result of this reorganization Bekaert's Belgian steel cord activities would be largely concentrated in Aalter, this plant continuing to specialize even more in the production and development of advanced steel cord products. The news itself should not have come to a major surprise as Bekaert's steel cord production capacity in Belgium has gradually declined from peak levels around 70k tonnes in the mid-90's to below 20k tonnes last year, explaining the need to concentrate the production to one production site.

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