

## Bekaert

BEKB.BR / BEKB.BB

Engineering & Machinery  
Belgium

Current price € 52.11  
Target price € 105.00  
Market cap € 1,025m  
Free float 61%

	EPS (€)	P/E
FY07	8.05	12.2
FY08E	11.82	4.4
FY09E	9.10	5.7

## Reorganizing steel wire activities in Belgium

Bekaert this morning announced its intentions to reorganize the production activities for steel wire in Belgium. Bekaert will close the production plant in Hemiksem, which will affect 264 employees. Production of steel wire in Belgium will be concentrated in the Zwevegem plant, which will continue to focus on the high-end spectrum of the product range. Hemiksem specialised in the production of steel wire for various industrial applications for which Bekaert has observed a structural downward movement in Western Europe. Aggressive competition, mainly from Central Europe and Asia, is putting continued pressure on sales prices. In addition, exports to non-European countries have practically ceased. Bekaert's clients are increasingly moving their activities to Central Europe, where they prefer locally-based suppliers. Hence, the company is confronted with a strong decrease in demand in Western Europe an overcapacity in the market for galvanized low-carbon fibre in particular. Estimates and target price are under revision.

**Buy**

Rating Unchanged