

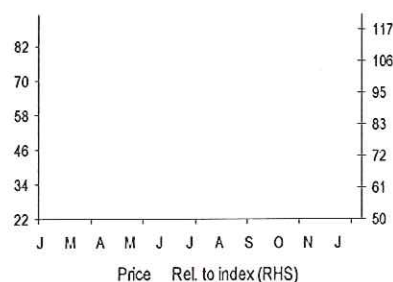
30 January 2012

BEKAERT

Intended sale of Industrial Coatings division

 GENERAL INDUSTRIES
 BELGIUM

 CURRENT PRICE € 31.45
 TARGET PRICE € 35.00

 HOLD
 RATING UNCHANGED


Source: Thomson Reuters Datastream

 Bloomberg BEKB.BB
 Reuters BEKB.BR

www.bekaert.com

 Market Cap € 1,883.4m
 Shares outst. 59.9m
 Volume (daily) € 8,629,063
 Free float 62.0%

Next corporate event

Results FY11: 24 February 2012

(€ m)	2011E	2012E	2013E
Sales	3,279.3	3,152.1	3,270.7
REBITDA	526.3	462.8	489.4
Net earnings	183.0	139.3	153.5
Adj. EPS (€)	3.29	2.55	2.79
P/E (x)	9.6	12.3	11.3
EV/REBITDA	5.0	5.3	4.7
FCF Yield	-3.0%	14.8%	11.9%
Dividend yield	5.3%	5.3%	5.3%

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Friday, after market, Bekaert announced to have signed an agreement for the sale of its Industrial Coatings activities to Element Partners, a US-based equity fund. The transaction is subject to customary closing conditions. Bekaert and Element Partners expect to close the deal in the course of 1H12.

Bekaert Industrial Coatings is a total solution provider for rotatable sputter equipment, offering spotter hardware, rotatable targets and sputter electronics for all Physical Vapour Deposition applications. While the business is growing, technological synergies within Bekaert have proven to be limited over time. Element Partners intends to also acquire US-based peer Soleras and merge the business with Bekaert Industrial Coatings.

The Industrial Coatings division accounted for less than 1.5% of Bekaert's consolidated sales in 2011 and had a profitability level in-line with the long-term profitability guidance for the Group (EBIT margin of 7-9%). Sale price has not been disclosed but assuming REBIT of about € 4m on sales of about € 50m, an EV of € 40m would correspond to about 0.8x sales and 10x REBIT.

Conclusion:

In the second half of last year, the company divested its Specialty Films activities while expanding its wire business in China and consolidating the Latin American activities. With the intended sale of the Industrial Coatings division, Bekaert continues to streamline its business. Overall impact will be limited.