

11 December 2013

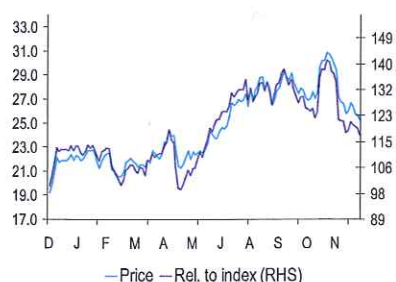
## BEKAERT

### Expanding into Costa Rica

GENERAL INDUSTRIES  
BELGIUM

CURRENT PRICE € 25.28  
TARGET PRICE € 26.00

**HOLD**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg BEKB.BB  
Reuters BEKB.BR

www.bekaert.com

Market Cap € 1,513.9m  
Shares outst. 59.9m  
Volume (daily) € 3,087,370  
Free float 62.0%

Next corporate event

Results FY13: 28 February 2014

(€ m)	2012	2013E	2014E
Sales	3,460.6	3,167.9	3,264.2
REBITDA	274.8	319.6	353.4
Net earnings	-194.9	30.3	62.8
Adj. EPS (€)	-1.17	0.68	1.19
P/E (x)		37.4	21.3
EV/REBITDA	8.3	7.2	6.4
FCF Yield	8.6%	12.2%	6.6%
Dividend yield	3.8%	3.4%	4.0%

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Bekaert yesterday announced it will acquire, through the Bekaert Ideal Holding (a 80/20 partnership between Bekaert and local partners) 73% of the steel wire activity of ArcelorMittal in Costa Rica. ArcelorMittal will retain a 27%. The same partners will also construct a new Dramix manufacturing plant, which is expected to become operational in 2Q14.

In Brazil, Bekaert will acquire 55% and hence become full owner of Cimaf Cabos. The company, to be renamed Bekaert Cimaf Cabos, is a steel rope producer serving mining, oil & gas, lifting equipment and infrastructure markets.

In exchange, ArcelorMittal will acquire a 27% stake in the steel wire activity in Ecuador with the Bekaert Ideal Holding retaining the remaining 73%.

The transaction comprises share swaps with an overall cash neutral impact. Capital expenditure (100%) for the new dramix plant is estimated at about \$ 20m in 2014.

**Conclusion:**

Impact on consolidated sales from the share swaps in activities in Brasil, Costa Rica and Ecuador is estimated at approximately € 50m. Impact on the bottom-line is expected to remain neutral though. Via these transactions, Bekaert widens its geographical reach in Latin America entering Costa Rica.