

**Bekaert (Buy - EUR 91.7): Q3 preview****Preview.**

Period	Q3 revenues
Date/Time	Friday November 9, before market opening
Recommendation	Buy
Target price	122.0

in EUR	9m'06	9m'07e	yoy
Revenues (m)	1,505	1,555	3.3%
Combined revenues (incl associates)	2,398	2,461	2.6%
Organic growth	0.0%	4.0%	

Analyst Meeting/ conf call                      No

**Key items**

1. We expect Bekaert to post 9m revenues of EUR 1,554m up 3.2% yoy of which 4% organically. This implies a Q3 revenue of EUR 490m. Combined revenues (incl Bekaert's part in the joint ventures) is expected to rise by 2.2% to EUR 790m
2. China should remain the growth driver of the group helped by the capacity expansion. We expect 30% revenue growth in China. Also the Latin American business and building materials should continue to perform strongly. We expect Europe to weaken compared to H1, while US should remain tough as well, although coms are getting easier. Steelcord outside China is expected to report a revenue drop of 11% due to forex and the shut down of a plant in the US.
3. Outlook: At its H1 results, Bekaert stated that market conditions in North America were challenging, that raw material prices are expected to remain high and that the group continues to invest in Asia. We expect Bekaert will reiterate its outlook by adding that European markets are weakening as well.

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