

**Bekaert (Buy - EUR 85.4): Q4 revenue preview****Preview**

Period	2007 revenues
Date/Time	Friday February 15, before market opening
Recommendation	Buy

in EUR	2006	2007e	yoy
Revenues (m)	2,010	2,137	6.3%
Combined revenues (incl associates)	3,195	3,358	5.1%
Organic growth	1.3%	6.5%	

Analyst Meeting/ conf call                      Investor day on Friday February 22

**Key items**

1. We expect Bekaert to post 2007 revenues of EUR 2,137m up 6.3% yoy of which 6.5% organically. This implies a Q4 revenue of EUR 548m, up yoy by 10%. We expect a Q4 organic revenue growth of 6%, slowing down from the very strong 8% recorded in Q3, but in line with H1 organic growth. Bekaert will fully consolidate Vicson in Venezuela in Q4, compared to equity consolidation in the first 9 months. We expect a EUR 33m revenue contribution by Vicson in Q4.

2. China should remain the growth driver of the group helped by the capacity expansion. Based on a 250,000 tons capacity at the end of Q4, we expect 35% revenue growth in China.. We expect Europe to weaken to 2% revenue growth, while US should remain tough (-7%). Building materials and Latin America are expected to perform well.

3. Outlook: Traditionally Bekaert gives a non-quantitative guidance. We do not expect any change in the group's habit. We expect that Bekaert will repeat its H1 statement that market conditions in North America are challenging, that raw material prices are expected to remain high and that the group continues to invest in BRIC countries.

**Conclusion**

We expect more newsflow next week on February 22 when Bekaert will host its annual investor day during which it will give a strategy update of the group and of its divisions as well as an update of its R&D pipeline. We are mainly looking forward to the group's further capacity plans in China and management's comments regarding the business environment and the order book. FY results will be reported on March 14.