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Belgium / Metal technology

May 19, 2008

Bekaert

Capex fuels growth acceleration

Impressive start of the year

- Revenues increased by 15.3%, beating all expectations. Organically Q1 revenues were up by an impressive 13.5%
- Key driver was once more China which posted revenue growth of 75.7%. Bekaert added much more capacity than we expected and announced that it has already 275,000 tonnes tire cord capacity. We expected this capacity would only be reached in Q3. In addition, selling prices were increased significantly, while the product mix improved.
- Also other regions surprised at the upside: Wire Asia posted a strong 25% revenue growth and Building Products grew by 16%. Wire Europe posted a revenues growth of 6.2% and Wire US an organic revenue growth of 13.2%. Latin America, of which the largest part is consolidated via the equity method, grew revenues by 18.4%.

Forecasts and target price lifted by 9%

- Q1 results took away the fear that Bekaert would not be able to pass through strong price hikes of raw materials and showed that volumes remained strong driven by the group's geographical positioning.
- Emerging Markets represented already 54% of combined revenues. Given the higher profitability in these regions, we estimate that these regions made up more than 60% of profits.
- We lift our revenue forecast by 5% for '08 and by 6% for '09. The improving product mix and the higher profitability in Emerging Markets will lead to a flow through of the top line growth into margins, despite the raw material inflation. We increase our EBIT estimate by 9% to EUR 205.8m, implying a margin of 8.6%. This results in an increase of our net profit forecast by 9% to EUR 172.7m or 10% ahead of consensus estimates.
- Driven by the increased forecasts, we lift our target price from EUR 122 to EUR 133 per share. This is a combination of a DCF for Bekaert's activity and a DDM for the joint ventures
- Given its strategic and geographical positioning, we believe that Bekaert will continue to outperform the market. Buy reiterated

Year end	Sales (m)	EBITDA (m)	Adj. profit (m)	EPS	Div.	EV/ EBITDA (*)	P/E (*)	FCF Yield (*)	Div. Yield (*)
12/04	*2,173*	*313*	*183*	*8.38*	*2.00*	*5.2*	*7.0*	*18.8%*	*3.4%*
12/05	*1,914*	*257*	*149*	*6.91*	*3.00*	*6.8*	*11.4*	*8.7%*	*3.8%*
12/06	*2,010*	*268*	*148*	*6.88*	*2.50*	*7.4*	*13.8*	*6.1%*	*2.6%*
12/07	*2,174*	*299*	*153*	*7.63*	*2.76*	*6.1*	*12.1*	*8.5%*	*3.0%*
12/08e	2,400	338	173	8.76	3.25	6.2	12.1	7.8%	3.1%
12/09e	2,533	362	186	9.43	3.50	5.5	11.2	10.0%	3.3%
12/10e	2,643	369	192	9.78	3.75	5.1	10.8	10.7%	3.5%

(*) 2004-2007 figures of EV, P/E and Yield are based on end F.Y. price

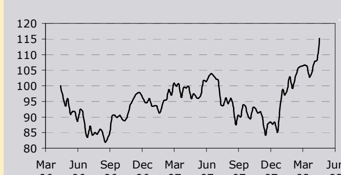
Buy

Price:	EUR 106.00 (16/05/08)
Target price:	133.00
Risk:	Medium
Reuters:	BERTt.BR
Bloomberg:	BEKB BB
Shares number (m):	19.83
Market cap. (m):	2,102
Net debt 12/08e (m):	504
Net debt/equity 12/08e:	40%
H/L 1 year:	113.40 - 76.54
1 year price perf.:	5.0%
Diff. with DJ Euro Stoxx	18.3%
Volume (sh./day):	50,184
Free Float	58%
Family shareholders	39%
Barclays PLC	3%

Company description:

Bekaert seeks sustainable profitable growth based on its two core competences : advanced metal transformation & advanced materials and coatings.

Bekaert relative to DJ Euro Stoxx (16/05/08)



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Capex fuels growth acceleration

Bekaert issued a very strong Q1 trading update. Revenues increased by 15.3% to EUR 593m, beating all expectations. Organically revenues were up by an impressive 13.5% split between prices hikes and increasing volumes. The acquisition of the remaining 50% in Venezuela and Colombia added 7.1% to revenues, while exchange rates had a negative effect of 5.3%.

Exhibit 1 Revenue per division

	Q1'07	Q1'08e	Q1'08	Diff
Advanced Wire Products	437	476	517	8.6%
Advanced Materials	47	48	47	-2.5%
Advanced Coatings	31	28	28	1.0%
Other & intercompanies	(1)	0	1	
Revenues	**514**	**552**	**593**	7.4%
Associates	297	300	310	3.2%
Combined revenues	**811**	**853**	**903**	5.9%

Source: Bekaert / Petercam estimates

- Advanced Wire products: Consolidated revenues were up by 18.4% to EUR 517m, helped by the acquisition of Vicson, which contributed EUR 36m to revenues. We estimate organic revenue growth of Bekaert's largest division amounted to 15% in Q1.

  Key driver for this outperformance was once more China which posted revenue growth of not less than 75.7% vs 'only' 20% expected. Bekaert clearly added much more capacity than we expected and announced that it has already 275,000 tonnes tire cord capacity. We expected this capacity would only be reached in Q3. In addition, selling prices were increased significantly, while the product mix improved thanks to a strong growth in high margin products such as 'Off the road' tires.

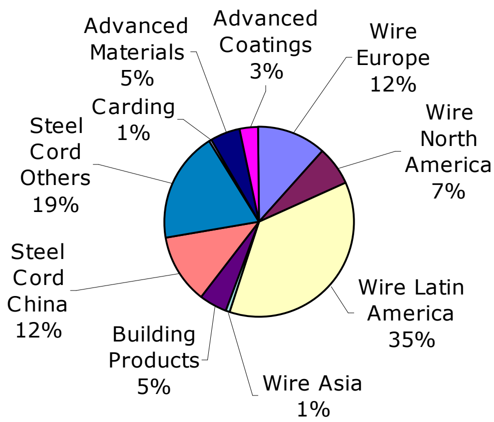
  Another driver of the growth acceleration seems the larger than expected part of the steel cord capacity (approximately 25%) that is already sold to non-tire manufacturers. Bekaert is entering new markets such as telecom, submarine energy transmission, green energy, mining, and oil and gas production segments to which it offers reinforcing wire for cables, flat and profiled wire for flexible pipes, sawing wire, and wire for hoisting. Penetration in China of these products is still low and is likely to become another growth driver.

  Besides the ongoing strong performance in China, Wire Asia posted a strong 25% revenue growth and Building Products grew by 16%. The Wire division in Europe does not show any signs of slowdown with revenues up by 6.2% where we were expecting a flat evolution. For the third quarter in a row, Wire US surprised positively (-1% vs -11% exp), implying an organic revenue growth of 13.2%. This performance is driven by strong demand for offshore products and increasing exports. Revenue of Steel cord outside China declined by 7.5% in line with forecasts and is driven by capacity closures in the US.

  Wire Latin America, of which the largest part is consolidated via the equity method, posted a revenue growth of 18.4% vs +14% expected. Bekaert states that this was a result of higher volumes and higher selling prices reflecting the immediate pass-through of price increases of raw material.
- Advanced materials: Revenues were stable at EUR 47m, slightly below our forecasts. Compared with a strong Q1'07, sales of stainless and combustion technologies were down, while rising demand for metal fibers for diesel particulate filters contributed largely to the sales growth in fiber technologies.

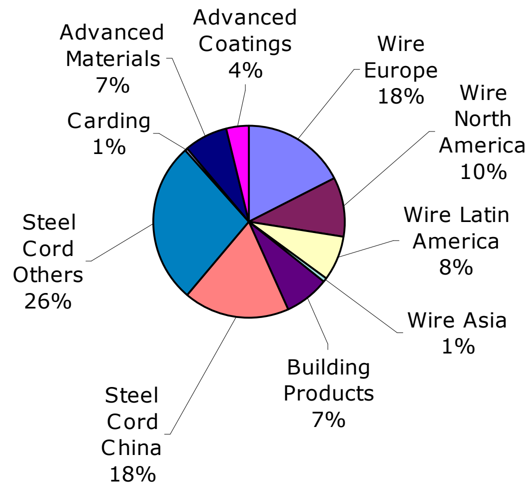
- Advanced Coatings: Revenues were down by 9% to EUR 28m, due to a lower level of project business in industrial coatings and the termination of the small-scale diamond-like coating activities in Asia. Specialized film coatings performed strongly (+15%), but all growth was offset out by exchange rate movements.

Exhibit 2 Breakdown revenues incl associates



Source: Petercam estimates

Exhibit 3 Breakdown consolidated revenues



Source: Petercam estimates

Forecasts raised by 9%

Not surprisingly, Bekaert is given a more bullish guidance than after its FY results in March. The group expects to achieve strong sales growth in the first half of the year, thanks to its strategic positioning in the growth markets.

We believe that these results should take away the fear that Bekaert would not be able to pass on the strong price hike of its raw materials. More price hikes are announced for Q2, which will enable the group to pass through the ongoing increase of wire rod prices. For the moment, the group's order book remains strong. We believe that this is a direct result from the group’s strategic positioning towards Emerging regions as well as to the ongoing upgrades of its product mix of which its exposure towards offshore markets and Dramix are clear examples.

In our model we pencilled in a modest revenue slowdown of Bekaert's US and European business for 2008, while we expect China to grow by 20%. It is clear that these assumptions prove to be too cautious.

We raise our FY forecasts significantly. We lift our revenue forecast by 4.8% for 2008 and by 5.9% for 2009. This implies an organic revenue growth of 8.6% in 2008, slowing down to 6% in 2009.

Exhibit 4 Increased estimates

Forecasts	08e old	08e new	change	09e old	09e new	change
Revenues	2,290	2,400	4.8%	2,395	2,533	5.8%
EBIT	188	206	9.3%	203	222	9.3%
Adjusted net profit	159	173	8.9%	165	186	12.6%

Source: Petercam estimates

Key growth driver remains China. We raised our FY revenue forecast by 20% in China to EUR 502m, implying a yoy sales growth of 38%. This is based on a production capacity of 325,000 tons compared to 300,000 tons in our previous estimates. Bekaert will continue to take market share as it can add capacity faster than most of its competitors. Besides Bekaert’s strong balance sheet and its scale, a key competitive advantage is the in-house development and production of its production lines. Given the strong market demand, waiting time for new production lines produced by external companies take much longer.

In addition, for the first time in years, selling prices are rising in China. On top of this, Bekaert seems to have started an aggressive roll out of other products as well. Competitors like Xingda announced that in order to pass through the surging raw material prices, it raised the selling prices in January and that it changed its pricing strategy from annual basis to quarterly basis. Also tire manufacturers indicated that steel cord prices went up by double digits year-to- date. We also lifted growth assumptions for other divisions, reflecting the price increases and better than anticipated volumes.

Bekaert did not give any indication about profitability, but given the prices hikes and the strong volumes growth, we believe that margins will not be under pressure, on the contrary.

We believe that the improving product mix and the higher profitability in Emerging Markets will lead to a flow through of the top line growth into margins, despite the raw material inflation. We lifted our gross margin forecast from 20% to 20.4%. This leads into an EBIT growth of 18% to EUR 205.8m, implying a margin of 8.6% compared to 8.2% in our previous model. As a result, our EBIT forecast is lifted by 9.3% and puts us 10% ahead of consensus estimates.

We also increased our profit contribution from associates by 2% to EUR 46.4m. This results in an increase of our net profit forecast by 9% to EUR 172.7m or 10% ahead of consensus estimates.

Target price increased to EUR 133 per share

Given the importance of Bekaert's joint ventures which are consolidated via the equity method, we believe Bekaert needs to be valued in two parts. At the end of 2007, book value of the joint ventures amounted to EUR 216m, while ROE reached 21.9% and ROCE amounted to 14%. It is clear that the market value of those assets, which contributed EUR 54.7m dividends in 2007 to Bekaert, is substantially above their book value.

Exhibit 5 Associates results and dividends in EUR m

Associates	2003	2004	2005	2006	2007	2008e	2009e	2010e
Equity value Bekaert part	201	220	238	238	216	207	214	222
Net profit Bekaert part	36.9	56.7	56.9	51.0	47.1	46.4	49.0	51.1
Dividend to Bekaert	18.6	22.8	43.6	35.2	54.7	39.4	41.7	43.4
Payout ratio	50%	40%	77%	69%	116%	85%	85%	85%
ROE	18.4%	25.8%	23.9%	21.4%	21.9%	22.4%	22.9%	23.0%

Source: Petercam estimates

We made a dividend discount model to value the joint ventures since Bekaert has only access to the cash it receives via dividends paid by these companies. For the 100% consolidated business, we made a DCF.

- Associates: Due to the increased top line assumptions, our equity value went up by 3% to EUR 597m or EUR 33 per Bekaert share. Our dividend discount model is based on a 85% payout ratio until 2010, falling back towards 80% afterwards. We use a WACC of 9.5% and a nominal growth rate after 2010 of 3%.

  On a multiple basis, our valuation represents an EV/EBITDA of 7.2x 2008e and 12.9x earnings. It also would imply that dividend yield amounts to 6.6% in 2008.
- 100% consolidated business: For our DCF valuation we take the following assumptions into account:
  - CAGR of revenues between 2007 and 2018 of 2.6%

- CAGR of EBIT of only 1.9%. From 2010 onwards we pencil in gradual EBIT margin erosion back to 8%, which is in the middle of the group's LT target range of 7% to 9%.
- Capex of EUR 200m in 2008, falling back towards EUR 140m in 2009 and EUR 120m afterwards. This is above the group's maintenance capex of EUR 90m.
- Working capital requirements representing 22% of revenues
- WACC of 7.5%
- Growth of FCF after 2018 of 1%.

This scenario leads to an equity value of the 100% consolidated business of EUR 1.83bn or EUR 100 per share. This would imply that Bekaert would be trading at an EV/EBITDA'08 of 7x.

This leads to a valuation of the group of EUR 2.6bn. Due to the recent share buy backs, the number of shares outstanding declined to 19.7m, leading to implying a target price of EUR 133 per share, up from EUR 122 previously.

Exhibit 6 DCF & DDM on associates

DCF	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues	2,400	2,533	2,643	2,696	2,750	2,805	2,861	2,918	2,976	3,036	3,097
yoy		5.6%	4.3%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EBIT	206	222	224	229	234	233	236	233	238	243	248
margin	8.6%	8.8%	8.5%	8.5%	8.5%	8.3%	8.3%	8.0%	8.0%	8.0%	8.0%
Taxes	-37	-42	-45	-50	-51	-56	-57	-56	-57	-58	-59
tax rate	18.0%	19.0%	20.0%	22.0%	22.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
NOPLAT	**169**	**180**	**179**	**179**	**182**	**177**	**179**	**177**	**181**	**185**	**188**
Depreciations	132	140	140	144	142	140	136	132	128	126	120
WCR	-54.0	-30.9	-30.4	-6.5	-12.7	-12.9	-13.2	-13.4	-13.7	-14.0	-14.3
CAPEX	200	140	120	120	120	120	120	120	120	120	120
DFCF	**43**	**129**	**136**	**146**	**133**	**119**	**110**	**98**	**91**	**85**	**78**

NPV horizon period :	1,169	
NPV residual value :	1,197	
net cash (debt) :	-448	
Minorities	-33	
Peripherals	31	
Provisions	-90	12m forward
Bekaert ex ass	**1,826**	1,964
Associates	**597**	653
Equity value	**2,423**	**2,617**
		19.7
		133.0

Equity part	80%
net debt part	20%
Bèta	1.0
risk free rate	4.3%
risk premium	4.0%
corpo spread	2.0%
cost equity	8.3%
cost of debt	4.4%
WACC	**7.5%**

residual value :	2,662
Discounted residual value :	1,197
continuing growth rate :	1.0%

Associates	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net profit	46	49	51	53	54	56	57	59	61	63	65
yoy		5.7%	4.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Dividend	39	42	43	42	43	45	46	47	49	50	52
payout	85.0%	85.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	0.0%
Div discounted	36	35	33	29	28	26	25	23	22	20	19

NPV horizon period :	296
NPV residual value :	301
Equity value associates	**597**

residual value :	809
Discounted residual value :	301
continuing growth rate :	3.0%

Bèta	1.1
risk free rate	5.0%
risk premium	4.0%
WACC	**9.4%**

Implied valuation	2008	2009	2010
Div yield	6.6%	7.0%	7.3%
PE	12.9	12.2	11.7
P/BV	2.89	2.79	2.69
ROE	22.4%	22.9%	23.0%
EV/EBITDA	7.2	6.5	6.2

Source: Petercam estimates

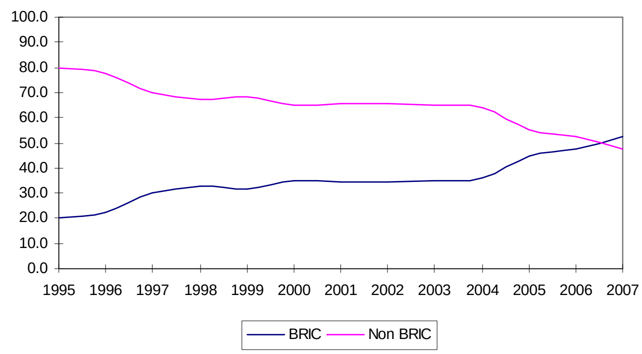
Conclusion

Q1 results took away the fear that Bekaert would not be able to pass through the strong price hike of its raw materials and pointed out that volumes remained strong driven by the group's geographical positioning. In Q1, Emerging Markets represented already 54% of combined revenues. Given the higher profitability in these regions, we estimate that these regions made up more than 60% of profits.

With the buyout of its JV partner in Venezuela and in Turkey, ongoing high capex level in China, greenfield investment in Russia, Indonesia and in India, Bekaert underpinned over the past months once more its emerging markets profile. We estimate that the already announced capacity expansions and greenfield investments in these regions will add EUR 205m to revenues in the next 4 years or 9.5% of consolidated revenues.

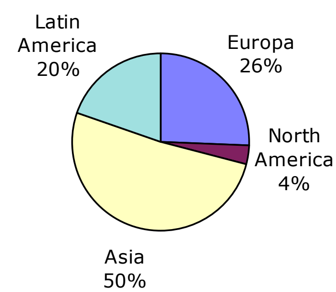
Despite the historical high capex and the share buy backs, net debt to EBITDA ratio stood only at 1.5x at the end of 2007, leaving room for further expansion and buy backs.

Exhibit 7 BRIC countries in % of total revenues



Source: Bekaert presentation

Exhibit 8 Capex per region 2007



Source: Bekaert annual report

2008 is more and more becoming a copy of 2004, when the group recorded a 22% organic revenue growth and an EBITDA margin of 14.6%. For the moment we are expecting an organic revenue growth for 2008 of 8.9% and an EBITDA margin of 14.1%. If raw material prices go further up in the coming montrhs, Bekaert will further raise prices and we will have to adjust our revenue forecast upwards.

Thanks to its aggressive expansion, Bekaert is taking significant market share in China and is clear market leader in the fastest growing market for its products. The group's high capex is paying off and translates in a significant improvement of its organic growth profile.

Despite the recent strong stock price performance, valuation remains attractive. Bekaert is trading at 12x EPS 2008 and EV/EBITDA 2008 stands only at 6.1x, while the group offers a FCF Yield of 8%.

We reiterate our Buy rating and increase our target price of EUR 133 per share.

Profit & Loss (EUR m)	**12/04**	**12/05**	**12/06**	**12/07**	**12/08e**	**12/09e**	**12/10e**
Revenues	**2,173.2**	**1,914.3**	**2,009.6**	**2,173.6**	**2,399.9**	**2,533.3**	**2,643.0**
(Y/Y - %)	*21%*	*-12%*	*5%*	*8%*	*10%*	*6%*	*4%*
Gross profit	490.8	392.1	394.9	433.9	490.7	513.3	524.6
Selling expenses	-111.7	-92.4	-96.7	-98.2	-106.8	-110.5	-113.8
R & D expenses	-53.9	-45.0	-49.6	-56.7	-63.0	-65.5	-68.0
General & administ. expenses	-108.9	-100.4	-95.3	-96.6	-104.9	-107.4	-109.8
Other expenses	-31.3	-18.0	-7.4	-7.8	-10.2	-7.8	-8.8
EBITDA	**313.5**	**257.4**	**267.7**	**298.6**	**337.8**	**362.1**	**369.3**
EBITA	192.1	150.0	151.4	174.6	205.8	222.1	224.3
(Ebita margin - %)	*8.8%*	*7.8%*	*7.5%*	*8.0%*	*8.6%*	*8.8%*	*8.5%*
Amortization	-10.2	-13.7	0.0	0.0	0.0	0.0	0.0
Impairment	-	-	-	-	-	-	-
EBIT	185.1	136.3	145.9	174.6	205.8	222.1	224.3
Net Financial Result	-30.6	-26.9	-25.1	-32.5	-39.6	-40.0	-32.6
(of which Net interest charges)	-16.4	-19.7	-23.2	-32.5	-39.6	-40.0	-32.6
(of which Other)	-14.2	-7.2	-1.9	0.0	0.0	0.0	0.0
Pre-tax result	154.5	121.0	114.2	133.6	166.2	182.1	191.7
Taxes	-28.1	-30.3	-18.1	-19.1	-29.9	-34.6	-38.3
Except. / Discont. operations	0.0	-	-	-	-	-	-
Associates	56.8	56.9	51.0	47.1	46.4	49.0	51.1
Minorities	-12.4	-12.0	-4.8	-8.7	-10.0	-11.0	-12.0
Net declared earnings	167.6	189.9	142.3	152.9	172.7	185.5	192.4
Net adjusted earnings	**183.4**	**149.4**	**147.8**	**152.9**	**172.7**	**185.5**	**192.4**

Cash Flow (EUR m)	**12/04**	**12/05**	**12/06**	**12/07**	**12/08e**	**12/09e**	**12/10e**
EBIT	185.1	136.3	145.9	174.6	205.8	222.1	224.3
Depreciation	121.4	107.5	116.2	124.0	132.0	140.0	145.0
Amortization	7.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment	0.0	13.7	0.0	0.0	0.0	0.0	0.0
Changes in provision	-7.5	-15.3	0.0	0.0	0.0	0.0	0.0
Changes in working capital	-107.2	-2.0	-31.9	-41.9	-54.0	-30.9	-30.4
Others	8.8	-5.5	-8.4	-1.5	0.0	0.0	0.0
Operational Cash Flow	**207.5**	**234.6**	**221.8**	**255.2**	**283.7**	**331.1**	**338.8**
Tax expenses	-32.9	-25.5	-16.8	-24.9	-29.9	-34.6	-38.3
Dividends from associates	22.8	43.6	35.2	54.7	39.4	41.7	43.4
Net interest charges	-16.0	-14.8	-22.0	-30.8	-39.6	-40.0	-32.6
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF from operating activities	**181.4**	**237.9**	**218.1**	**254.2**	**253.7**	**298.2**	**311.3**
CAPEX	-172.9	-151.6	-161.3	-199.8	-200.0	-140.0	-140.0
Investments in intangibles	-	-	-	-	-	-	-
Acquisitions	-16.7	-21.2	-42.7	-14.7	-40.4	0.0	0.0
Divestments	6.6	93.0	11.4	8.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF from investing activities	**-182.9**	**-79.9**	**-192.6**	**-206.6**	**-240.4**	**-140.0**	**-140.0**
Dividend payment	-45.3	-52.2	-74.1	-57.2	-54.7	-63.9	-68.8
Minor. & pref. dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity financing	1.2	-35.2	-52.8	-111.0	-14.4	0.0	0.0
Others	-2.0	12.0	0.0	0.0	0.0	0.0	0.0
CF from financing activities	**-46.0**	**-75.4**	**-127.0**	**-168.2**	**-69.1**	**-63.9**	**-68.8**
Changes in consolidation scope	-	-	-	-	-	-	-
Exchange rate impact	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt/cash change	**-47.5**	**82.7**	**-101.5**	**-120.6**	**-55.9**	**94.3**	**102.5**
FCF to Enterprise	34.7	150.1	133.4	157.8	193.7	241.1	249.8
FCF to Equity	241.4	147.8	121.3	155.3	163.7	208.2	223.3

Notes 2000 figures restated from US GAAP to IAS, As from 2005 estimates exclude Fencing

Balance Sheet (EUR m)	12/04	12/05	12/06	12/07	12/08e	12/09e	12/10e
Tangible fixed assets	791.6	799.8	824.2	917.6	995.4	984.4	966.4
Intangible fixed assets	118.4	125.4	134.5	122.0	122.0	122.0	122.0
(of which Goodwill)	76.0	79.9	77.0	70.1	70.1	70.1	70.1
(of which Other intang. assets)	42.4	45.5	57.5	51.9	51.9	51.9	51.9
Financial fixed assets	316.5	268.2	309.2	246.4	237.6	245.0	252.6
Total fixed assets	1,226.6	1,193.4	1,267.8	1,286.0	1,355.0	1,351.4	1,341.0
Working capital	474.0	453.9	401.1	511.6	565.7	596.6	627.1
Capital invested	**1,700.6**	**1,647.3**	**1,725.6**	**1,797.7**	**1,920.7**	**1,948.0**	**1,968.1**
Total Equity	958.5	1,130.3	1,121.3	1,146.6	1,244.5	1,366.1	1,489.7
Equity	909.7	1,079.2	1,072.5	1,098.2	1,216.1	1,337.7	1,461.3
Minorities & preferred	48.8	51.1	48.9	48.4	28.4	28.4	28.4
Provisions & deferred taxes	286.7	242.3	222.8	201.0	170.2	170.2	170.2
Net financial debt	455.4	271.7	377.6	448.1	504.0	409.6	306.2
Capital employed	**1,700.6**	**1,647.3**	**1,725.6**	**1,797.7**	**1,920.7**	**1,948.0**	**1,968.1**
Total assets	2,189.3	2,231.7	2,163.0	2,309.7	2,443.1	2,489.5	2,530.3

EV and CE details (EUR m)	12/04	12/05	12/06	12/07	12/08e	12/09e	12/10e
Market cap.	**1,285.1**	**1,699.8**	**1,983.7**	**1,824.5**	**2,085.0**	**2,085.0**	**2,085.0**
+ Net financial debt	455.4	271.7	377.6	448.1	504.0	409.6	306.2
(of which LT debt)	-	-	-	-	-	-	-
(of which ST debt)	-	-	-	-	-	-	-
(of which Cash position)	-	-	-	-	-	-	-
+ Provisions (pension)	172.0	138.9	135.6	120.8	90.0	90.0	90.0
+ Minorities (MV)	48.8	51.1	48.9	48.4	33.4	33.4	33.4
- Peripheral assets (MV)	-326.1	-402.8	-571.7	-631.1	-624.4	-624.4	-624.4
+ Others	-	-	-	-	-	-	-
Enterprise Value	**1,635.2**	**1,758.7**	**1,974.0**	**1,810.6**	**2,088.0**	**1,993.7**	**1,890.2**
Equity (group share)	**909.7**	**1,079.2**	**1,072.5**	**1,098.2**	**1,216.1**	**1,337.7**	**1,461.3**
+ Net financial debt	455.4	271.7	377.6	448.1	504.0	409.6	306.2
+ Provisions (pension)	172.0	138.9	135.6	120.8	90.0	90.0	90.0
+ Minorities	48.8	51.1	48.9	48.4	28.4	28.4	28.4
- Peripheral assets	-226.1	-242.2	-239.4	-220.2	-211.4	-218.8	-226.4
+ Others	-	-	-	-	-	-	-
Capital employed (for ROCE)	**1,359.9**	**1,298.7**	**1,395.1**	**1,495.2**	**1,627.1**	**1,647.0**	**1,659.4**
+ Accumulated goodwill amortiz.	57.3	57.3	57.3	57.3	57.3	57.3	57.3
CE (for ROCE grossed gdwll)	**1,417.2**	**1,356.0**	**1,452.4**	**1,552.6**	**1,684.4**	**1,704.3**	**1,716.8**

Notes 2000 figures restated from US GAAP to IAS, As from 2005 estimates exclude Fencing

Per Common Share (EUR)	12/04	12/05	12/06	12/07	12/08e	12/09e	12/10e
Adjusted EPS (*)	**8.38**	**6.91**	**6.88**	**7.63**	**8.76**	**9.43**	**9.78**
Adjusted EPS (fully diluted)	8.21	6.88	6.88	7.63	8.76	9.43	9.78
Declared EPS	-	-	-	-	-	-	-
CFS	13.94	11.87	12.29	13.82	15.46	16.55	17.15
FCF (to Equity)	11.04	6.83	5.64	7.75	8.30	10.59	11.35
Dividend	2.00	3.00	2.50	2.76	3.25	3.50	3.75
Book Value	41.59	49.89	49.90	54.80	61.70	68.01	74.29
Shares (m)							
At the end of F.Y.	21.874	21.530	20.947	19.831	19.670	19.670	19.670
Average number	21.874	21.633	21.492	20.039	19.710	19.670	19.670
Fully diluted Average number	22.410	21.708	21.597	20.367	20.026	19.986	19.986

(*) Adjusted EPS : pre-goodwill amortisation earnings, adjusted for post-tax non-recurrent items

Ratios	12/04	12/05	12/06	12/07	12/08e	12/09e	12/10e
Valuation analysis							
P/E	7.0	11.4	13.8	12.1	12.1	11.2	10.8
P/CF	4.2	6.6	7.7	6.7	6.9	6.4	6.2
P/BV	1.4	1.6	1.9	1.7	1.7	1.6	1.4
EV/Sales	0.8	0.9	1.0	0.8	0.9	0.8	0.7
EV/EBITDA	5.2	6.8	7.4	6.1	6.2	5.5	5.1
EV/EBITA	8.5	11.7	13.0	10.4	10.1	9.0	8.4
EV/EBIT	8.8	12.9	13.5	10.4	10.1	9.0	8.4
EV/CE	1.2	1.4	1.4	1.2	1.3	1.2	1.1
EV/CE (grossed goodwill)	1.2	1.3	1.4	1.2	1.2	1.2	1.1
EV/FCF (1)	47.2	11.7	14.8	11.5	10.8	8.3	7.6
FCF yield (2)	18.8%	8.7%	6.1%	8.5%	7.8%	10.0%	10.7%
Dividend yield	3.4%	3.8%	2.6%	3.0%	3.1%	3.3%	3.5%
Financial ratios							
Interest cover	7.0	5.1	5.8	5.4	5.2	5.6	6.9
Net Debt/EBITDA	1.5	1.1	1.4	1.5	1.5	1.1	0.8
Net Debt/Equity	47.5%	24.0%	33.7%	39.1%	40.5%	30.0%	20.6%
Net Debt/FCF (2)	1.9	1.8	3.1	2.9	3.1	2.0	1.4
Capital turnover	1.5	1.5	1.4	1.5	1.5	1.5	1.6
ROCE pre-tax	14.4%	12.9%	11.7%	12.5%	13.6%	14.4%	14.4%
ROCE post-tax	11.9%	12.4%	11.2%	12.0%	13.1%	13.9%	13.9%
ROCE pre-tax (grossed goodwill)	12.7%	9.7%	9.8%	10.7%	11.1%	11.7%	11.5%
ROCE post-tax (grossed gdwll)	10.5%	9.3%	9.4%	10.3%	10.7%	11.3%	11.2%
ROE	21.8%	13.8%	13.8%	13.9%	14.2%	13.9%	13.2%
Working capital (in % of sales)	21.8%	23.7%	20.0%	23.5%	23.6%	23.6%	23.7%
Payout	26.1%	43.4%	36.3%	36.2%	37.1%	37.1%	38.3%
Margin analysis and tax rate							
Gross margin	22.6%	20.5%	19.7%	20.0%	20.4%	20.3%	19.9%
EBITDA margin	14.4%	13.4%	13.3%	13.7%	14.1%	14.3%	14.0%
EBITA margin	8.8%	7.8%	7.5%	8.0%	8.6%	8.8%	8.5%
Adjusted profit margin	8.4%	7.8%	7.4%	7.0%	7.2%	7.3%	7.3%
Tax rate	17.0%	24.6%	15.9%	14.3%	18.0%	19.0%	20.0%
Growth analysis							
Sales	21%	-12%	5%	8%	10%	6%	4%
EBITDA	33%	-18%	4%	12%	13%	7%	2%
EBITA	62%	-22%	1%	15%	18%	8%	1%
Adjusted profit	78%	-19%	-1%	3%	13%	7%	4%
Adjusted EPS	80%	-18%	0%	11%	15%	8%	4%
Dividend	14%	50%	-17%	10%	18%	8%	7%

(1) Based on FCF to Enterprise - (2) Based on FCF to Equity

Notes -

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***Investment rating system**: The Petercam stock ratings are based on the estimated performance relative to the Petercam Benelux coverage universe. The total return required for a given rating depends on the risk profile relative to this universe. This risk profile is represented by the Beta, as estimated by the analyst. Low risk stocks have an estimated Beta below or equal to 0.9, Medium risk stocks have a Beta between 0.9 and 1.3 and High risk stocks have a Beta equal to or above 1.3. The required relative performance for a given rating is indicated below. The price targets given and the expected relative performance are always based on a 12 month time horizon.*

	SELL	**REDUCE**	**HOLD**	**ADD**	**BUY**
High Beta > 1.3	RP<-15%	-15%≤RP<-6%	-6%≤RP<+6%	+6%≤RP<+15%	RP≥15%
Medium 0.9 < Beta ≤ 1.3	RP<-10%	-10%≤RP<-4%	-4%≤RP<+4%	+4%≤RP<+10%	RP≥10%
Low Beta ≤ 0.9	RP<-6%	-6%≤RP<-2%	-2%≤RP<+2%	+2%≤RP<+6%	RP≥6%

RP : Relative Performance against Petercam coverage universe

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