

## BELGIAN SHARES: INVESTMENT OPINIONS

<b>AB-INBEV</b> <i>ACCUMULATE</i>	€68.09	Although ABI has been on a run in recent months post the Modelo-deal announcement, we are maintaining our Accumulate rating and €75 TP on a somewhat softer than expected 3Q12. We think that in a low interest rates environment, ABI deserves a premium valuation given the high visibility on earnings, strong brands and exposure to high growth markets.
<i>Since 1-Sep-10 at €41.045</i>		
<b>ACKERMANS &amp; VH</b> <i>HOLD</i>	€62.40	ACKB's 1H12 update showed that the Contracting/dredging segment was weak (with strong order intake, though) and the private banking segment was performing better than expected. Notwithstanding the excellent long term track record (EPS, DPS, NAVps growth), we only would become positive on share price weakness. Discount c. -17%. TP: €69.
<i>Since 6-Feb-12 at €63.14</i>		
<b>AEDIFICA</b> <i>SUSPENDED</i>	€42.60	N.A.
<i>Since 4-Dec-12 at €42.60</i>		
<b>AGFA-GEVAERT</b> <i>ACCUMULATE</i>	€1.25	Agfa-Gevaert reported a better than expected 3Q12 sales remarkably better than expected, of € 766m, an increase of 6.5M y-o-y. Unfortunately the gross profit margin of 27.3% came out lower than we expected. Agfa-Gevaert did not provide a clear guidance, though the tone of the management comment was rather positive. TP € 1.75 unchanged
<i>Since 11-Sep-09 at €3.4572</i>		
<b>ARSEUS</b> <i>HOLD</i>	€14.50	3Q12 sales were in line with expectations and organic growth of 5.4% was better than anticipated. The Fagron business remains the reason for investing in the stock given its >20% EBITDA margins and healthy organic growth. The recent acquisition in Poland was rather richly priced, though. TP €14.
<i>Since 27-Sep-12 at €14.00</i>		
<b>ASCENCIO</b> <i>HOLD</i>	€50.05	EPS current emerged at € 3.35 for FY 11/12 ending in September, 17% higher than the previous year figure. the operating margin was up to 81.6%, from 80% one year earlier. Dividend unchanged at € 2.72. NAVps exclusive IAS 39 of € 49. Debt ratio of 43.7%. TP unchanged at € 50.
<i>Since 20-Jul-11 at €48.00</i>		
<b>ATENOR</b> <i>ACCUMULATE</i>	€33.49	Net profit 1H of € 7.7m mainly thanks to the UP-Site, as well the office part than the residential one. The agreement by the European Parliament to buy the Trebel building may also contribute to the results of FY 2012. Atenor guides for 2012 results in line with 2011 figures. Encouraging news during 3Q from projects in Central Europe. TP € 34.
<i>Since 15-Sep-11 at €29.99</i>		
<b>BANIMMO</b> <i>ACCUMULATE</i>	€9.03	Net profit was marginally positive at € 0.03m during 1H. FY 2012 as a whole should take profit from new leases in France for € 789k (6,501sqm), while two on three assets identified for sales are ongoing at the issue of first nine months. NAV of 14.8 estimated by the company. TP € 14.0
<i>Since 25-Nov-11 at €9.70</i>		
<i>Underlining denotes rating change since last week.</i>		

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<b>BARCO</b> <i>BUY</i>	€54.00	Barco reported an excellent 3Q12 sales trading update with solid growth for all divisions. Barco's EBIT- and EBITDA-margin increased year-over-year, consistent with the progress reported for the first half of 2012. In reaction to this good performance we increased our TP to €66 and increased our rating from Accumulate to Buy.
<i>Since 26-Oct-12 at €52.85</i>		
<b>BEFIMMO</b> <i>HOLD</i>	€47.24	With a net rental income ahead of expectations for the first nine months, the company has upped its guidance by 5%. NAV was € 57.52 (EPRA NAV) or € 57.87 (IFRS) pretty slightly ahead of the figures for 1H. New leases have been signed: 13,500sqm during 1H on top of 6,600smq in 3Q. TP € 50.
<i>Since 23-Nov-09 at €62.44</i>		
<b>BEKAERT</b> <i>HOLD</i>	€18.45	At the 3Q12 trading update Bekaert provided a gloomy outlook for 4Q12 & announced another € 100m non-recurring charges to be booked in 2H12 due to the sawing wire activity. We do not see a rapid improvement of the economic situation in Bekaert's main markets and still believe it is too early to turn positive on this share. TP of €20.
<i>Since 10-Nov-11 at €29.37</i>		
<b>BELGACOM</b> <i>HOLD</i>	€22.505	Belgacom has all assets to defend its position as incumbent in Belgium, especially now that the market has fully embraced the trend of fixed/mobile convergence. We believe Belgacom is one of the most attractive Telecom yield stocks in Europe. Hold maintained. TP € 25.
<i>Since 20-Jul-10 at €27.18</i>		
<b>BOIS SAUVAGE</b> <i>HOLD</i>	€191.60	COMB is being transformed from a fin. holding company to an industrial one. However, as we did not see any important investment file for 2 consecutive years, the ExCo is cancelled (no more daily governance?) and all cash is being upstreamed to shareholders, we remain puzzled about COMB's LT strategy, which merits a high discount (now -31%). TP €175
<i>Since 3-Sep-12 at €165.45</i>		
<b>CFE</b> <i>ACCUMULATE</i>	€40.35	Thus far FY12 was disappointing with sub-standard operating margins in Dredging and an operational loss in the Construction. Although we have reviewed downwards our FY12 estimates, we confirm our positive view on the dredging activity due to massive order-intake (Wheatstone, New Doha Port, Northwind...) and new activities/niches. TP: €47.
<i>Since 30-Aug-12 at €39.07</i>		
<b>COFINIMMO</b> <i>HOLD</i>	€86.99	Good set of 9M figures has made possible a confirmation of the guidance of EPS of € 7.47 that will probably be exceeded. IFRS NAV (no other disclosure) emerged at € 91.80 on the back of a 0.36% revaluation of the portfolio. Occupancy rate of 95.61% and operating margin up to 85.33%. The average lease maturity was 12.3 years. TP: € 96.
<i>Since 25-May-09 at €86.12</i>		
<b>COLRUYT</b> <i>HOLD</i>	€34.705	Management said that business remains tough and it expects FY12/13 net profit to be in line with FY11/12. The company's CFO will go on to lead the windfarm operations. The French business is still loss-making but the price perception of the consumer is very favorable. Valuation remains stretched compared to peers. TP €33.
<i>Since 1-Aug-11 at €33.90</i>		
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<b>DECEUNINCK</b> <i>ACCUMULATE</i>	€1.20	The earnings visibility remains low due to the poor momentum in the European construction market. Nevertheless, over the last years measures have been taken to ensure earnings resilience in difficult market conditions. The financial performances of the last two years demonstrated that efforts turned out to be worth it. Accumulate & TP at € 1.30
<i>Since 18-Jul-12 at €1.08</i>		
<b>DELHAIZE</b> <i>BUY</i>	€27.99	3Q12 figures came in strong, on the back of the reversal of a bonus provision in the US. LFL growth in Belgium was good, and margins in the SEE segment were also strong. The company looks set to achieve the € 500m free cash flow target albeit partially thanks to the provision reversal. This also means the stock trades at 16% FCF yield. TP: €39
<i>Since 4-Dec-12 at €27.99</i>		
<b>DEXIA</b> <i>NOT RATED</i>	€0.09	The stock has become a liquidation story, after the nationalisation of Dexia Bank Belgium. Recent comments by the Governor of Belgium's central Bank, Luc Coene, indicated that Dexia's capital is insufficient. Disclosure on the different remaining assets remains opaque and hence the stock is not investable.
<i>Since 4-Oct-11 at €1.30</i>		
<b>D'ITEREN</b> <i>BUY</i>	€36.97	After a number of very difficult quarters, the company may be reaching the inflection point. Belron's European operations will be cycling easier comps in the coming three quarters which should support the share price. Our estimates are only slightly ahead of management's forecasts. The stock remains good value and we raised our target price. TP:€ 50
<i>Since 4-Sep-12 at €35.50</i>		
<b>DUVEL</b> <i>SUSPENDED</i>	€93.25	The family shareholders considering to make a voluntary conditional public takeover offer on all DUV shares that are not yet in their possession at a max. offer price of €95/share, followed by a squeeze-out. We have suspended our recommendation and target price, in line with the bank's policy regarding this kind of transactions.
<i>Since 12-Oct-12 at €92.80</i>		
<b>ELIA</b> <i>ACCUMULATE</i>	€31.74	1H12 saw the German business more than double its net profit. The Belgian operations suffered from the lower 10 year government bond (OLO). Despite the lower OLO, we expect the dividend to remain stable at least due to the positive contribution of Germany. We consider it one of the best cash-proxies on the Belgian market. TP €35
<i>Since 1-Mar-11 at €28.46</i>		
<b>EVS BROADCAST</b> <i>BUY</i>	€42.96	EVS reported an awesome quarter! It was anticipated that 2Q12 would be an outstanding quarter, well the actual result was even better. The Global Order book came out at a whopping € 56.4m! The FY12 company guidance will certainly be exceeded. Buy TP: €53.
<i>Since 3-Sep-12 at €38.50</i>		
<b>FINANCIÈRE DE TUBIZE</b> <i>ACCUMULATE</i>	€33.24	Financière de Tubize is a one asset company, exclusively holding UCB shares. Each Tubize share represents 1.488 UCB share, less €5.99 net financial debt. Although we have cut our rating on UCB to Hold, we keep our positive stance on Tubize given the still high discount to NAV (44% vs 34% on average the last 5 years). TP at € 38.
<i>Since 22-Jun-12 at €30.43</i>		

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<b>FLORIDIENNE</b> <i>HOLD</i>	€100.00	Due to the economic slowdown FY2 was very weak thus far, and particularly the chemicals BU was hit heavily. FLOB announced a €10m private capital increase (9% dilution), which should allow bank financing for the capex plan at Floridienne Chimie. We see no short term trigger and expect negative earnings momentum in 2H12 as well. TP of €110.
<i>Since 1-Mar-11 at €148.00</i>		
<b>FLUXYS (Belgium)</b> <i>HOLD</i>	€33.56	The company's net result was negatively affected by the evolution of the 10 year government bond to the tune of € 6.7m (after tax). The company also mentioned a number of non-recurring items and the lower equity to have had a negative impact. Hold rating maintained as the low OLO will continue to negatively affect net profit. TP €28.
<i>Since 5-Jul-11 at €27.90</i>		
<b>GBL</b> <i>ACCUMULATE</i>	€60.17	GBLB management seems to pursue a more open communication style a more dynamic assets rotation, which might help to reduce the present discount level of -26%. Our implied €68.7 TP, based on ESN TPs for underlying assets leaves sufficient upside potential to maintain our ACC rating.
<i>Since 1-Mar-12 at €56.38</i>		
<b>GIMV</b> <i>HOLD</i>	€37.42	GIMB has evolved to a new model with specialisation in a couple of determined sectors that should lead to durable double-digit growth: "Consumer 2000", "Health & Care", "Smart Industries", "Sustainable Cities". Persistent weak M&A climate is however complicating value creation and exits for GIMB. Discount to NAV -10%. Divid. yld of >6%. TP €40.
<i>Since 15-Oct-12 at €38.28</i>		
<b>HOME INVEST BELGIUM</b> <i>HOLD</i>	€68.50	Following the publication of 9M12 results and the (probable) dividend tax increase for Belgian residential REITs from 0% to 15%, we reduce our TP from € 72.0 to € 67.0 and maintain our Hold recommendation. Our new TP corresponds to a 2012e gross (net) dividend yield of 4.7% (4.0%) and 13% premium to last published NAV excl. IAS 39.
<i>Since 4-Sep-12 at €71.49</i>		
<b>I.R.I.S.</b> <i>SUSPENDED</i>	€42.24	Canon announced its intention to launch a voluntary and conditional public takeover bid in cash of € 44.5 per IRIS share. Full details of the bid will be covered in the offer prospectus and the memorandum. The entire board of IRIS fully supports this bid and believes it will be to the benefit of all its stakeholders. Rating Suspended.
<i>Since 19-Sep-12 at €29.70</i>		
<b>INTERVEST O&amp;W</b> <i>HOLD</i>	€19.95	The net current result per share for 9M12 jumped 16% yoy to € 1.31, mainly as a result of acquisitions in logistics and lower financing costs. For offices, occupancy remained stable at 85% in 3Q12, while for the logistic portfolio it decreased from 88% to 85%. The prolongation of the lease with PwC will adversely impact 2013 results. TP to € 20.0
<i>Since 4-Sep-12 at €19.13</i>		
<b>INTERVEST RETAIL</b> <i>HOLD</i>	€46.46	The net current result per share for 9M12 increased by 4% yoy. The occupancy rate reached 97.4% on 30 September 2012. The fair value of the portfolio increased 1.5% on a constant basis in 9M12. Management is guiding for a DPS for 2012 of in between € 2.58 and € 2.63. EPRA NAV per share reached € 46.7. TP € 50.0 and Hold maintained.
<i>Since 30-Aug-12 at €47.65</i>		
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<b>KBC ANCORA</b> <i>HOLD</i>	€9.97	The share of KBC Ancora represents 1.05 KBC share less € 8.02 debt. We have a target price of €20 per KBC share. This reflects the value of the healthy underlying business as well as the remaining risks with regard to the exposure on Ireland and Hungary, the divestment program and the repayment of the state aid.
<i>Since 21-Apr-11 at €12.48</i>		
<b>KBC GROUP</b> <i>HOLD</i>	€23.31	The underlying business continued to beat consensus estimates in 2Q12, albeit that the reported figure was negatively affected by impairment charges. The company is well on track to repay the € 4.67bn state aid by end FY13. Pro-forma core tier 1 ratio was a very strong 15.4%. Main problems remain Ireland and Hungary. TP: € 20 per share.
<i>Since 10-Feb-11 at €30.815</i>		
<b>KINPOLIS</b> <i>BUY</i>	€79.96	Visitor numbers in 3Q12 decreased 19.6% yoy, due to the absence of blockbusters relating to the Olympics. In 4Q12, there is a catch-up ongoing, as a result of which the decline over the year to 12 November is 6.5%. The decline in 3Q12 was worse than expected, but our investment case remains intact and we confirm our Buy recommendation and € 90 TP.
<i>Since 23-Aug-12 at €67.19</i>		
<b>LEASINVEST RE</b> <i>HOLD</i>	€66.90	Fully letting the Crescent, a renovated office complex, would increase the occupancy rate to 96% from 93%. Besides, EPS growth in 2013 may be expected coming from the € 74.5m investment in real estate certificates of a shopping centre in Luxembourg and the finalised € 17.9m development in the States Archives in Bruges. TP: € 69.0.
<i>Since 9-Apr-10 at €64.96</i>		
<b>LOTUS BAKERIES</b> <i>HOLD</i>	€561.00	LOTB continues to book solid operating results thanks to the continuation of successful strategy: focus on star products, strong branding and passing COGS price hikes (raw materials, salary costs inflation etc) to customers. LOTB recently announced a Dinosaur children biscuits franchise. Our DCF-based €615 TP leaves limited upside. Hence, Hold.
<i>Since 16-Oct-12 at €560.00</i>		
<b>LUXEMPART</b> <i>HOLD</i>	€24.00	LXMP boasts ample dry powder and a defensive portfolio structure. The company is pursuing a more opportunistic approach for future investments and deal flow momentum has increased in FY12 (cfr. the Pescanova, Utopia, Initiative pour la Santé and Paul Würth transactions). Trading at an excessive discount of c. -38%. TP €26.
<i>Since 12-Sep-12 at €23.90</i>		
<b>MELEXIS</b> <i>ACCUMULATE</i>	€12.17	Solid 3Q12 results, though slightly below our and consensus expectations. 3Q12 sales growth stood at 13.5% yoy, resulting in group sales of € 64.4m. The star division of the company with as main product the Hall Sensors, performed strongly with an increase in sales of 18.6%. FY13 guidance imply a lower level than expected. TP € 14
<i>Since 1-Aug-12 at €12.16</i>		
<b>MOBISTAR</b> <i>SUSPENDED</i>	€20.88	N.A.
<i>Since 4-Dec-12 at €20.88</i>		
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<b>MONTEA</b> <i>HOLD</i>	€27.51	3Q again a good set of results. Improvement of the operating margin to 86.7% made possible by the contribution of the investments in France that have offset the loss of income from the sites in Belgium (Vorst and Nivelles) on top of a limited increase of the financial result (cost of debt of 4.21% on the back of a higher debt level. TP € 27.5
<i>Since 18-Nov-10 at €23.27</i>		
<b>NYRSTAR</b> <i>HOLD</i>	€4.246	We have cut our production fcasts for Talvivaara, given the multiples issues of recent quarters. This raises questions on its ability to increase production in order to achieve the target production of 90kt of zinc in concentrate. Based on our adjusted scenario for Tavivaara, we obtain a new F13 EBITDA estimate of € 317m, implying a TP of € 4.50.
<i>Since 28-Sep-12 at €5.03</i>		
<b>PINGUINLUTOSA</b> <i>ACCUMULATE</i>	€11.26	PIN seems to be able to integrate nicely the newly acquired Scana Noliko and CEBAB operations. A €225m offer has been made for the Lutosa division. Our €13 TP is based on peer group multiples and our adjusted estimates for the net cash position and FY13e EBITDA post closing of the Lutosa sale.
<i>Since 24-Sep-12 at €11.00</i>		
<b>REALDOLMEN</b> <i>ACCUMULATE</i>	€16.40	H 12/13 results were weaker than expected, both because of a frail market demand, but also because of a onetime expenses including management restructuring costs and a € 12.3m goodwill impairment taken on the two foreign subsidiaries in Luxembourg and France. The company expects 2H12/13 REBIT margins to be close to 2H11/12. TP € 21.
<i>Since 13-Aug-07 at €40.00</i>		
<b>RECTICEL</b> <i>HOLD</i>	€4.89	We still believe there is no trigger that could justify a re-rating of the share. Visibility remains extremely weak on both the earnings and on the antitrust investigations that could cost up to € 3.17 per share (we discount and actual value € -1.62 per share in our valuation). Hold; Fair value at € 6.0
<i>Since 5-Aug-11 at €6.28</i>		
<b>RETAIL ESTATES</b> <i>HOLD</i>	€51.52	As expected, Retail Estates has continued its profitable growth in 1H12/13. We increase our TP from € 53.0 to € 54.0 and maintain our Hold recommendation. Our new TP corresponds to a 14% premium to EPRA NAV, compared to an average premium for Belgian REITs of 9%.
<i>Since 14-Nov-11 at €48.50</i>		
<b>ROULARTA</b> <i>SUSPENDED</i>	€10.35	Roularta 3Q12 sales update was weaker than expected and its 4Q12 eyes rather fairly grim. Given Bank Degroof appointment as Co-Manager in the bond operation we have suspended our rating.
<i>Since 1-Oct-12 at €13.40</i>		
<b>RTL GROUP</b> <i>ACCUMULATE</i>	€76.13	Surprisingly strong 3Q12 result against the backdrop of a difficult economic environment across Europe. The company re-confirmed the outlook given at the 1H12 interim results presentation end of August 2012, i.e for FY12, RTL expects to deliver a solid level of EBITA, although not at the record level of FY 11. TP of € 84.
<i>Since 10-Nov-09 at €43.46</i>		
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<b>SIPEF</b> <i>REDUCE</i>	€58.03	Reassuring 3Q12 production, but we keep our cautious stance on Sipef given the weak visibility on the CPO prices for the coming quarters and on the productions costs in Papua New Guinea. We recall that our FY13 net adjusted EPS is based on an average CPO price of € 900/t CIF Rotterdam. Reduce rating with Fair value at € 56 are confirmed.
<i>Since 5-Oct-12 at €59.12</i>		
<b>SOLVAY</b> <i>HOLD</i>	€104.05	We remain confident on the ability of the new Solvay to achieve the targeted savings (€ 400m by end 2014) and on the aim of the new management, to continue the transformation of the company. However, Solvay currently trades with a premium versus BASF, meaning that the successful integration of Rhodia seems largely priced in. Fair value at € 95.
<i>Since 21-Feb-11 at €83.90</i>		
<b>TELENET</b> <i>SUSPENDED</i>	€35.06	Telenet announced that its Board of Directors has been informed by Liberty Global, Telenet's majority shareholder (50.04%), that it has the intention to launch a voluntary and conditional offer in cash of €35/sh on all of the Telenet shares. At the same time, Telenet announces an upward revision of its FY 2012 outlook. Rating suspended.
<i>Since 20-Sep-12 at €31.10</i>		
<b>TER BEKE</b> <i>ACCUMULATE</i>	€47.00	TERB margins are under pressure due to the negative impact of higher raw materials prices and consumer downtrading. The stock is traded at attractive multiples and contains a long term growth story thanks to expansion in Eastern Europe as FY14. We see no short time trigger, though. TP: €58.
<i>Since 7-Sep-12 at €49.00</i>		
<b>TESSENDERLO</b> <i>ACCUMULATE</i>	€22.88	The investment case remains intact; after the disposals announced in October, the company is now beyond half-way trough its strategic journey and further disposal will occur in 2013. We still estimate that the group is now well engaged into its transformation process to become a speciality chemicals play. TP € 27.
<i>Since 27-May-10 at €22.47</i>		
<b>UCB</b> <i>HOLD</i>	€43.74	In 3Q12 UCB reached the inflection point, with net sales of new core medicines (CVN franchise) exceeding those of the Keppra. Double-digit top line growth is expected for the coming years, driven by the CVN franchise. We still like UCB for its defensive profile in the uncertain market climate. Hence we stick to our Hold rating and TP of € 45.
<i>Since 31-May-12 at €38.91</i>		
<b>UMICORE</b> <i>HOLD</i>	€39.53	Long term drivers remain intact, but there are no short term catalysts due to macro uncertainties related to Umicore's strong exposure towards the automotive and metal industries. In that context and in a short term perspective Umicore is not cheap. Hence, any out-performance in the coming months seems unlikely. We stick to our HOLD rating & €40 TP
<i>Since 18-Oct-11 at €29.44</i>		
<b>VAN DE VELDE</b> <i>HOLD</i>	€34.48	1H12 was better than anticipated, but visibility remains low and it will take some time turn the US business (Intimacy) around. Margins held up quite well, though, and the Intimacy payment will be partially clawed back. The stake in Hong Kong based Top Form will likely be written down. The stock will likely remain dead money for some time. TP €39.
<i>Since 2-May-12 at €36.80</i>		

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<b>WDP</b>	€44.00	Guidance for net current profit in 2012 raised to at least € 50m, a >11% increase yoy. High yields, high occupancy and high leverage create a very profitable mix. Logistics real estate market remains dynamic. Sizeable premium to NAV of € 29.93 (IFRS) and NNAV of € 34.05 (EPRA), but high dividend yield. TP €42.0.
<i>HOLD</i>		

*Since 15-Feb-12 at €38.76*

*Underlining denotes rating change since last week.*

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