

HOLDING & INVESTMENT COMPANIES OVERVIEW

May 22nd 2013



Jan-Willem Billiet +32 2 429 45 04
janwillem.billiet@kbcsecurities.be

Tom Simonts +32 2 429 37 22
tom.simonts@kbcsecurities.be

Financial calendars	3
Valuation matrix & Recommendation overview	4
Dividend data	5
Valuation graphs	6
Average holding discount	7
Sector performance	8
Track record	9
Favourite list	10
Cascade structures and traditional holdings	
• The Albert Frère structure	11
- GBL	12
- Pargesa	17
• The UCB structure	22
- Tubize	23
• The Solvay structure	27
- Solvac	28
• The KBC structure	32
- KBC Ancora	33
• The Boël structure	37
- Henex	38
- Sofina	43
• Brederode	48
• Heineken holding	53
Private Equity & Privak companies	
• Gimv	58
• Quest for Growth	63
Diversified holding companies	
• Ackermans & van Haaren	69
• BIP Investment Partners	75
• Bois Sauvage	80
• HAL Trust.....	85
• Luxempart	90
• Punch International	95
• RHJ International	100

• Financial calendar

Recent news flow •

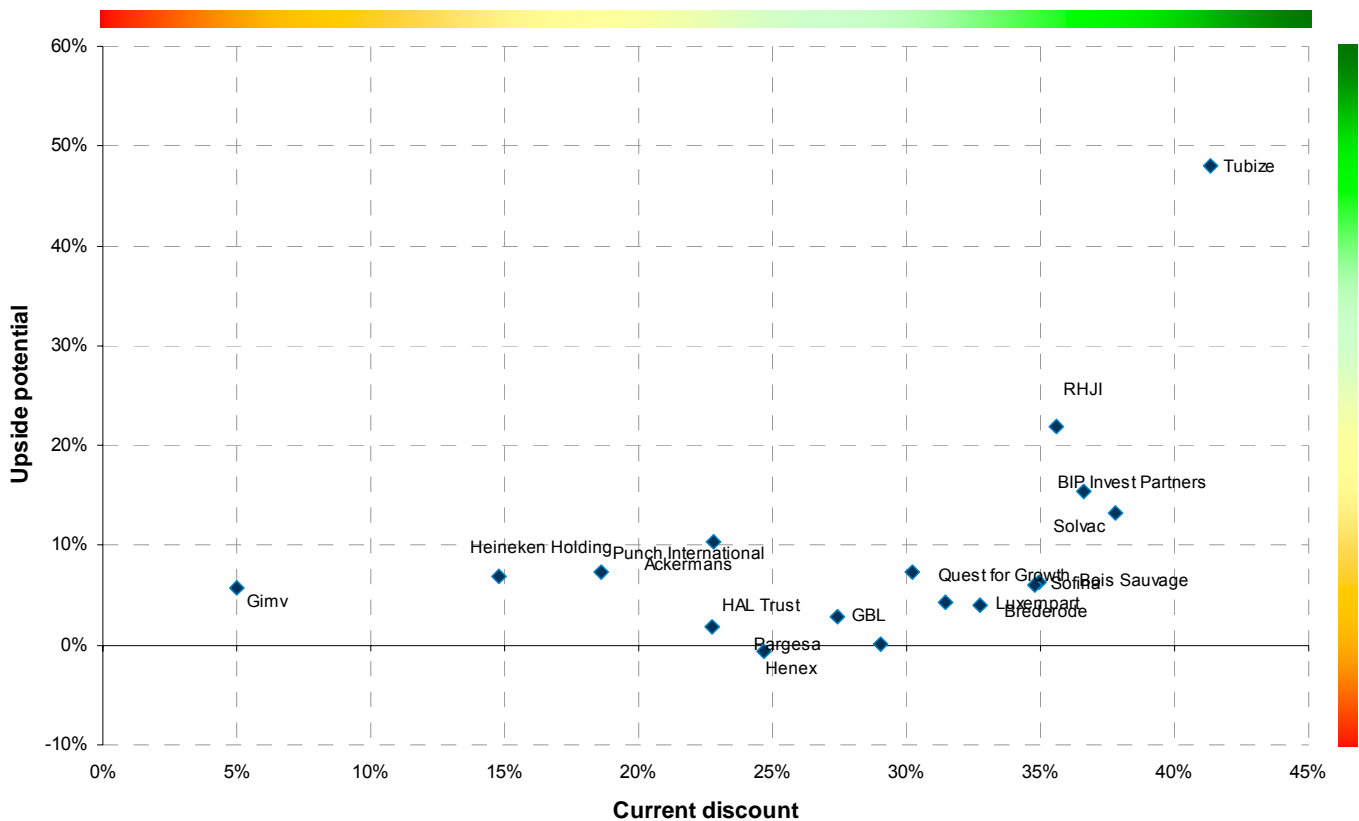
Company	Event	Date	Company	Title	
8-May-13	Brederode	General Assembly	17 May	HAL Trust	Soft optical retail figures
8-May-13	GBL	Trading update 1Q	16 May	Sofina	Playing the online retail card again
8-May-13	Pargesa Holding	General Assembly	15 May	Gimv	When flirting ends between the sheets
8-May-13	Pargesa Holding	Results 1Q	15 May	Ackermans	A comforting trading update
10-May-13	BIP	General Assembly	14 May	Henex	Buyback doesn't prelude delisting (yet?)
10-May-13	Bois Sauvage	Trading update 1Q	14 May	GBL	Ready to shoot an elephant
10-May-13	Solvac	Trading update 1Q	14 May	Bois Sauvage	The chocolate take-over
15-May-13	Ackermans	Trading update 1Q	14 May	Punch International	1Q13 update brings no news on Xeikon bid
16-May-13	Hal Trust	General Assembly	10 May	Pargesa	1Q13 brings no changes to portfolio; DPS confirmed
16-May-13	Hal Trust	Trading update 1Q	09 May	GBL	1Q13 cash earnings in line; no change to portfolio
17-May-13	Luxempart	Trading update 1Q	06 May	Brederode	1Q13 update brings no additional info
17-May-13	Moury Construct	Trading update 1Q	06 May	Quest for Growth	End of April NAV -0.2%
17-May-13	Punch International	Trading update 1Q	02 May	Ackermans	Paddling through
17-May-13	Saptec	Trading update 1Q	26 Apr	Quest for Growth	Houston, we (might) have a dividend
23-May-13	Gimv	Results FY	24 Apr	Heineken Holding	1Q13 update: downgrade to Hold & TP lowered
23-May-13	Gimv	Analyst Meeting	19 Apr	Sofina	Feedback analyst meeting
23-May-13	Punch International	General Assembly	03 Apr	Henex	FY12 current result +4.8%; DPS +6.1%
27-May-13	Ackermans	General Assembly	03 Apr	Sofina	FY12 net result +9%; DPS +5.4%; Rating lowered
5-Jun-13	Gimv	Roadshow	02 Apr	Luxempart	DPS +10%; Possible additional Pescanova impact
10-Jun-13	Gimv	Roadshow	28 Mar	HAL Trust	Solid set of Optical Retail figures
20-Jun-13	Gimv	Roadshow	26 Mar	Tubize	FY12 results in line; poison-pill cancelled; upped TP
26-Jun-13	Gimv	General Assembly	26 Mar	Gimv	Selling Halder stake to Halder partners
16-Jul-13	BIP	Results 1H	19 Mar	Gimv	Eyeballing Lampiris
18-Jul-13	Gimv	Results 1Q	15 Mar	Pargesa	BNP launched €250m bond convertible into Pargesa
25-Jul-13	Quest for Growth	Results 1H	12 Mar	HAL Trust	Additional \$27m payment to SBM Offshore
30-Jul-13	Pargesa Holding	Results 1H	11 Mar	Brederode	FY12 DPS +3.4%; Vibrant activity in FE
21-Aug-13	Heineken Holding	Results 1H	11 Mar	Gimv	Exit Astex and lowered Ablynx stake
23-Aug-13	Punch International	Results 1H	07 Mar	Quest for Growth	End-of-February NAV rises 2%
28-Aug-13	Ackermans	Results 1H	06 Mar	BIP	Whopping 20% increase in DPS; TP lowered to €61
28-Aug-13	Hal Trust	Results 1H	06 Mar	Pargesa	FY12 economic earnings +4.7%; Flat DPS
29-Aug-13	Saptec	Results 1H	06 Mar	GBL	Underlying cash earnings in line; DPS +1.9%
29-Aug-13	Sofina	Results 1H	05 Mar	Bois Sauvage	FY12 DPS increases 2.9%
30-Aug-13	Brederode	Results 1H	04 Mar	Solvac	Flat FY12 Solvac dividend
30-Aug-13	Luxempart	Results 1H	28 Feb	Tubize	TP upped from €45 to €49
30-Aug-13	Vranken-Pommery	Results 1H	28 Feb	Gimv	€50m commitment to new healthcare fund
31-Aug-13	Solvac	Results 1H	28 Feb	Ackermans	Current FY12 earnings -6%; DPS +2%
19-Oct-13	BIP	Results 3Q	27 Feb	Punch International	Solid Xeikon results; no news on bid
23-Oct-13	Heineken Holding	Results 3Q	27 Feb	Ackermans	FY12 preview
24-Oct-13	Quest for Growth	Results 3Q	26 Feb	Gimv	VPG bankruptcy filing flanks €200m healthcare fund
25-Oct-13	Brederode	Trading update 1Q	22 Feb	Gimv	Thin discount but a fat yield
7-Nov-13	Pargesa Holding	Results 3Q	21 Feb	Gimv	3Q12/13 NAV rises 1% to €40.93
9-Nov-13	Punch International	Results 3Q	13 Feb	Heineken Holding	FY12 net result +106%; confirms DPS policy
12-Nov-13	Solvac	Trading update 3Q	11 Feb	Solvac	TP upped from €120 to €135
14-Nov-13	Hal Trust	Trading update 3Q	11 Feb	Gimv	Multiplicom raises €5.5m in capital round
15-Nov-13	Ackermans	Trading update 3Q	01 Feb	Luxempart	Bertelsmann considers reducing RTL stake
15-Nov-13	Saptec	Trading update 3Q	01 Feb	BIP	Bertelsmann considers reducing RTL stake
21-Nov-13	Gimv	Results 1H	29 Jan	Punch International	Dumarey ups stake from 11.5% to 15.1%
21-Nov-13	Gimv	Analyst Meeting	28 Jan	Ackermans	Spanogroup sale yields €30m cap gain
21-Nov-13	Luxempart	Trading update 3Q	25 Jan	Quest for Growth	€15.7m FY12 profit brings FY13 dividend closer
13-Dec-13	Ackermans	Roadshow	25 Jan	HAL Trust	FY12 NAV update; proposes €3.9 DPS
			25 Jan	GBL	Successful bond placement at increased coupon
			24 Jan	GBL	€1bn convertible bond launch for GDF Suez shares
			22 Jan	Brederode	Share buyback program reinitiated
			21 Jan	Quest for Growth	Exit 4Energy
			17 Jan	Ackermans	Exit Spanogroup?
			16 Jan	Gimv	DG Infra+ is preferred bidder for FPS project
			15 Jan	Quest for Growth	Stake in 4energy falls to 5.92%

Recommendation overview

Company	Last price	Adjusted equity value	Current discount	Target equity value	Target discount	Target price	Upside potential	Rating
Ackermans	69.79	90.37	22.8%	91.26	23.5%	77.00	10.3%	BUY
KBC Ancora	16.15	25.95	37.8%	25.95	37.8%	-	-	-
BIP Invest Partners	53.90	86.67	37.8%	88.78	39.3%	61.00	13.2%	ACCUMULATE
Bois Sauvage	178.81	274.86	34.9%	278.09	35.7%	190.00	6.3%	HOLD
Brederode	24.93	36.38	31.5%	36.48	31.7%	26.00	4.3%	HOLD
GBL	62.21	85.70	27.4%	85.88	27.6%	64.00	2.9%	HOLD
Gimv	39.70	41.78	5.0%	42.24	6.0%	42.00	5.8%	HOLD
HAL Trust	98.13	127.03	22.8%	131.69	25.5%	100.00	1.9%	HOLD
Heineken Holding	48.20	56.58	14.8%	60.00	19.7%	51.50	6.8%	HOLD
Henex	50.32	66.79	24.7%	68.76	26.8%	50.00	-0.6%	HOLD
Luxempart	26.94	40.07	32.8%	40.07	32.8%	28.00	3.9%	HOLD
Pargesa	67.40	94.98	29.0%	95.14	29.2%	67.50	0.1%	HOLD
Punch International	5.87	7.21	18.6%	7.21	18.6%	6.30	7.3%	BUY
Quest for Growth	6.80	9.75	30.2%	9.75	30.2%	7.30	7.4%	ACCUMULATE
RHJI	3.94	6.12	35.6%	6.12	35.6%	4.80	21.8%	BUY
Sofina	73.54	112.74	34.8%	112.52	34.6%	78.00	6.1%	ACCUMULATE
Solvac	117.00	184.55	36.6%	194.78	39.9%	135.00	15.4%	ACCUMULATE
Tubize	35.80	61.02	41.3%	70.95	49.5%	53.00	48.0%	BUY
Average			28.8%		30.2%			
- Average (mono holdings)			32.6%		36.7%			
- Average (excl. mono holdings)			27.7%		28.4%			

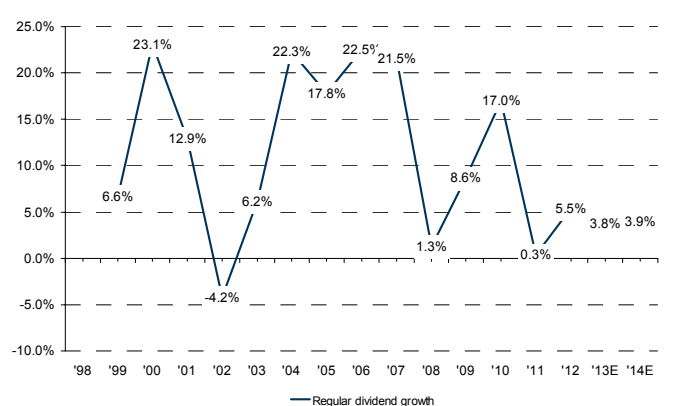
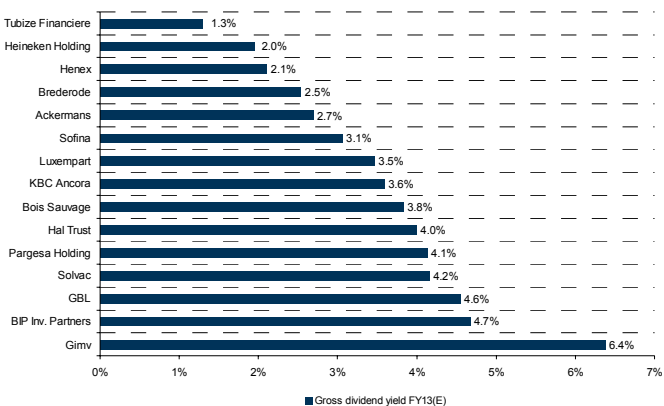
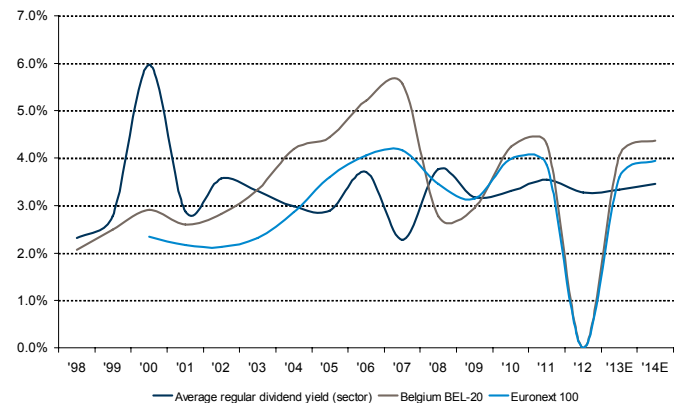
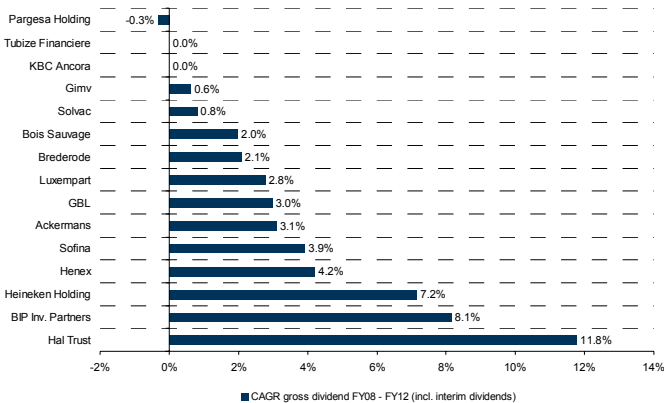
- * The current discount is the discount of the current stock price versus the adjusted equity value.
- * The target equity value corrects the adjusted equity value with KBCS target prices to better reflect the portfolio's underlying potential.
- * The target discount is the discount of the current stock price versus the target equity value.
- * The upside potential is the difference between the current stock price and the target price.
- * The implied discount is the difference between the target price and the target equity value.

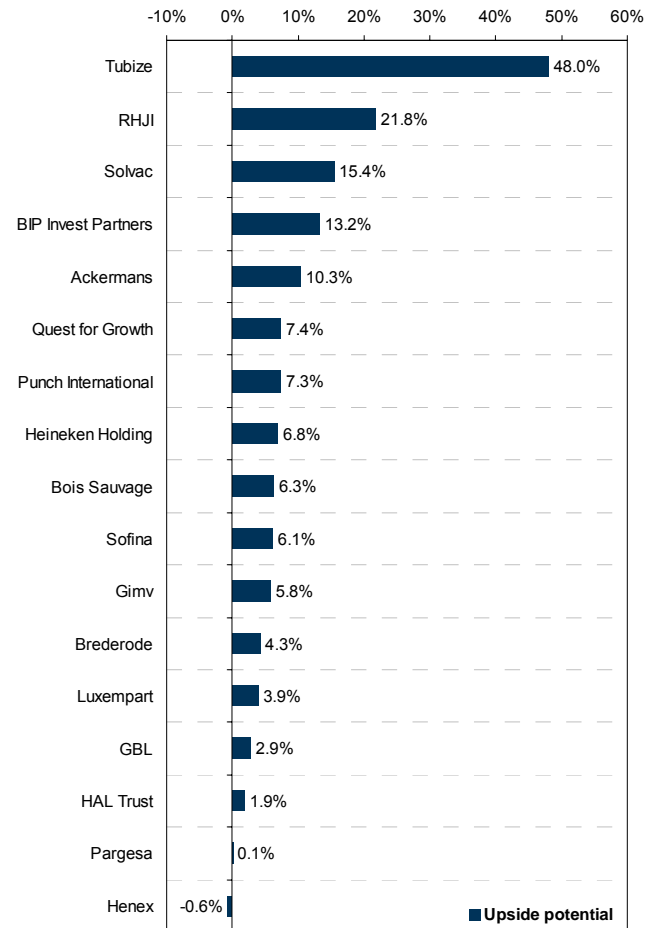
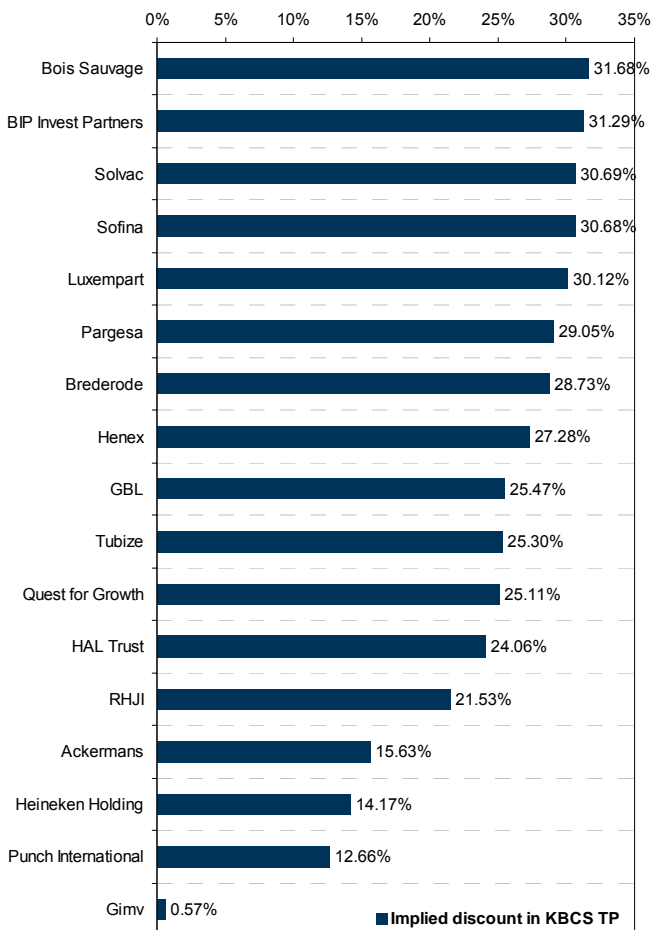
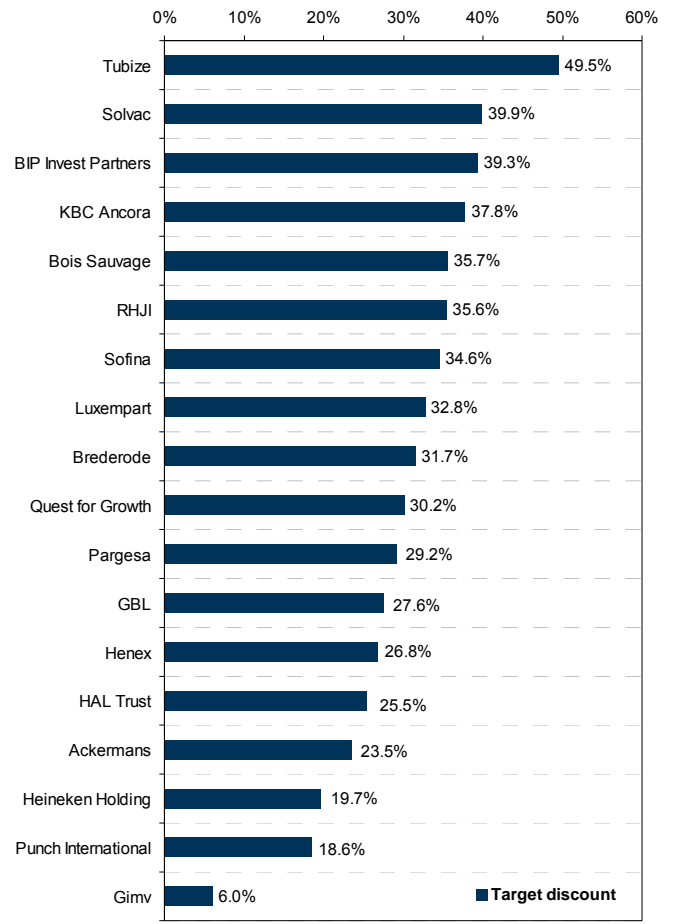
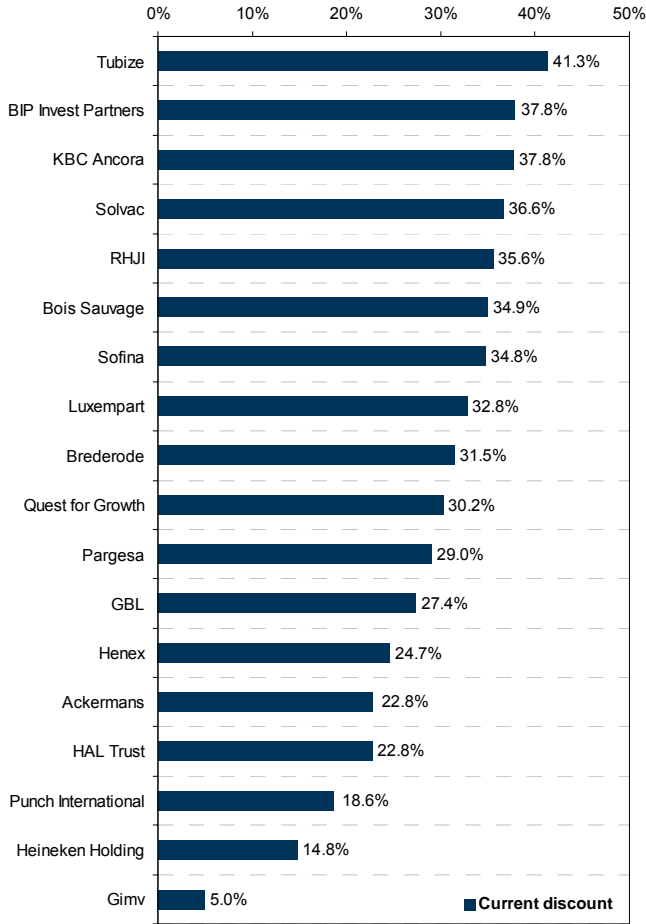
Valuation Matrix



• Dividend table

	yield (%)	2.7%	4.0%	3.2%	2.7%	2.2%	1.9%	1.7%	1.8%	4.2%	3.2%	3.1%	3.2%	2.5%	2.5%
GBL	Total dividend	1.20	1.32	1.42	1.49	1.60	1.72	1.90	2.09	2.30	2.42	2.54	2.60	2.65	2.74
	yield (%)	2.4%	2.3%	3.7%	3.3%	2.7%	2.1%	2.1%	2.4%	4.0%	3.7%	4.0%	5.0%	4.4%	4.6%
Gimv	Total dividend	1.34	1.40	0.70	1.48	1.65	3.53	4.18	4.36	2.36	2.40	2.45	2.45	2.45	2.45
	yield (%)	2.8%	4.4%	3.7%	5.6%	4.4%	7.9%	8.7%	9.1%	7.6%	6.6%	5.8%	6.6%	6.5%	6.2%
Hal Trust	Total dividend	1.40	1.40	1.25	1.45	1.80	3.00	3.15	3.25	2.00	2.85	3.75	3.40	3.90	3.92
	yield (%)	6.5%	6.1%	6.1%	6.1%	6.0%	6.0%	4.6%	3.9%	3.9%	4.0%	4.0%	4.0%	4.0%	4.0%
Heineken Holding	Total dividend	0.28	0.32	0.32	0.35	0.40	0.40	0.68	0.74	0.59	0.66	0.80	0.86	0.89	0.95
	yield (%)	1.0%	1.3%	1.4%	1.6%	1.8%	1.6%	2.2%	1.9%	2.9%	2.3%	2.5%	2.7%	2.2%	2.0%
Henex	Total dividend	0.17						0.05	0.09	0.25					
	yield (%)		1.5%	1.9%	1.4%	1.3%	1.0%	0.9%	1.5%	2.5%	2.1%	2.0%	2.3%	2.0%	2.0%
KBC Ancora	Total dividend	0.73	0.87	0.91	1.01	1.66	2.26	3.05	3.40	0.00	0.00	0.00	0.00	0.00	0.50
	yield (%)			4.1%	4.9%	5.6%	4.2%	4.2%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%
Kardan	Total dividend									0.11	0.22				
	yield (%)									1.7%	5.0%				
Luxepart	Total dividend	0.34	0.34	0.34	0.36	0.40	0.45	0.50	0.56	0.70	0.62	0.68	0.75	0.83	0.91
	yield (%)	1.3%	2.3%	4.3%	3.6%	2.6%	2.5%	2.7%	2.3%	3.5%	2.9%	2.8%	3.3%	3.3%	3.5%
Pargesa Holding	Total dividend	1.50	1.60	1.72	1.84	2.00	2.15	2.37	2.62	2.62	2.72	2.72	2.57	2.57	2.63
	yield (%)	2.4%	2.4%	3.4%	2.8%	2.5%	1.9%	1.7%	2.1%	3.7%	3.1%	3.4%	4.2%	4.1%	4.0%
Punch	Total dividend	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	yield (%)	1.0%													
Quest For Growth	Total dividend	13.80					0.69	1.94	0.05						
	yield (%)	54.8%					8.0%	21.2%	0.6%						
RHJI	Total dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	yield (%)														
Sofina	Total dividend	1.04	1.09	1.13	1.19	1.25	1.33	1.43	1.53	1.64	1.75	1.85	1.96	2.07	2.19
	yield (%)	2.6%	2.5%	3.3%	3.1%	2.3%	1.9%	1.7%	1.9%	3.4%	2.6%	2.7%	3.3%	3.0%	3.0%
Solvac	Total dividend	3.40	3.53	3.53	3.73	3.73	3.65	4.04	4.12	4.32	4.32	4.32	4.53	4.53	4.62
	yield (%)	5.6%	5.3%	5.7%	4.9%	3.9%	3.1%	2.9%	3.5%	6.5%	5.3%	4.5%	5.6%	4.0%	4.0%
Texaf	Total dividend	0.00	0.00	0.00	0.00	0.00	0.10	0.11	0.13	0.16	0.19	0.23	0.28	0.29	0.31
	yield (%)						1.4%	0.8%	1.1%	2.1%	1.5%	1.1%	1.7%	1.4%	1.0%
Tubize Financiere	Total dividend	0.25	0.31	0.38	0.41	0.44	0.45	0.46	0.47	0.48	0.48	0.48	0.48	0.48	0.49
	yield (%)	0.9%	0.9%	1.7%	1.7%	1.3%	1.1%	0.9%	1.5%	3.7%	2.0%	2.2%	2.0%	1.5%	1.3%
Average yield		6.1%	3.1%	3.8%	3.6%	3.0%	3.1%	3.8%	2.6%	4.0%	3.3%	4.2%	4.7%	3.3%	3.3%





• Historical 'holding discount'

The holding discount is calculated as the average of all individual discounts of the companies that are covered in this overview, excluding mono-holdings. Market capitalisation and/or free float percentages do not affect the outcome, as all discounts are equally weighted. Unlike our method for determining our target prices (where we use target prices of companies that are covered by KBC Securities analysts instead of stock market prices), the holding discount is calculated by using the discount to the adjusted (marked-to-market) equity value of the company in question. The historic discount series since 2001 is constructed entirely from our own calculations.

The goal of the holding discount is to obtain a graphic depiction of investors' willingness to invest in holdings and investment companies, which is translated into a rising or declining average discount to adjusted equity value. The long-term average of the historical discount can then be used to position the current discount more accurately. Typically, overall discount levels tend to increase in bear markets, while a decrease is expected in a bull market.

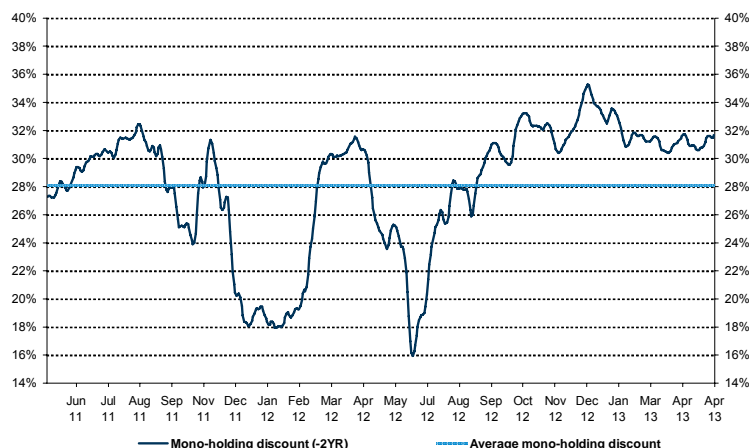
The 'broad' holding discount is based on data from Ackermans, BIP, Brederode, Bois Sauvage, GBL, Gimv, HAL Trust, Kardan, Pargesa, Henex, Sofina, Quest for Growth, RHJ International, Punch International, Texaf and Luxempart.

The calculation of the mono-holding discount, we have excluded KBC Ancora between 20 January 2009 and 6 August 2009 as we prefer to avoid producing a sharp distortion on the historic discount graph. In effect, including KBC Ancora's exploded discount in the wake of KBC's plunging stock price would render the whole series useless. The companies from which we calculate our mono-holding discount are Tubize, Solvac, Heineken Holding and KBC Ancora.

Holding discount (-2YR)



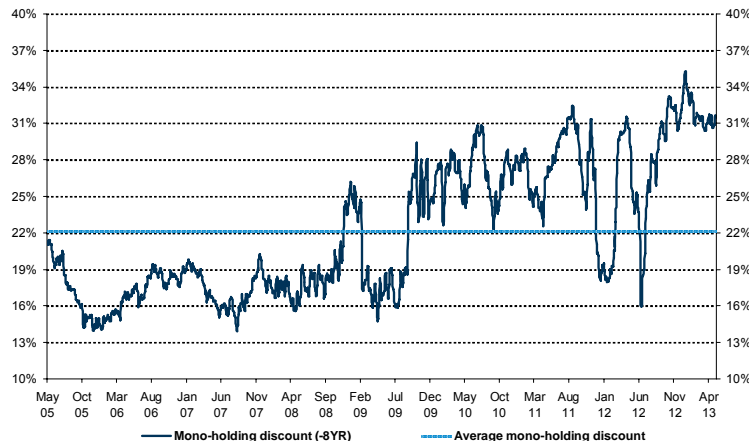
Mono-holding discount (-2YR)



Holding discount (-8YR)



Mono-holding discount (-8YR)

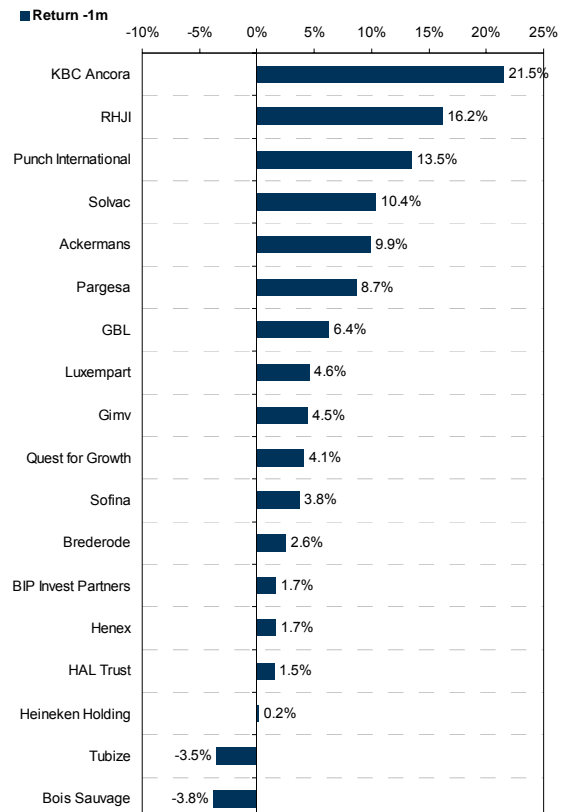
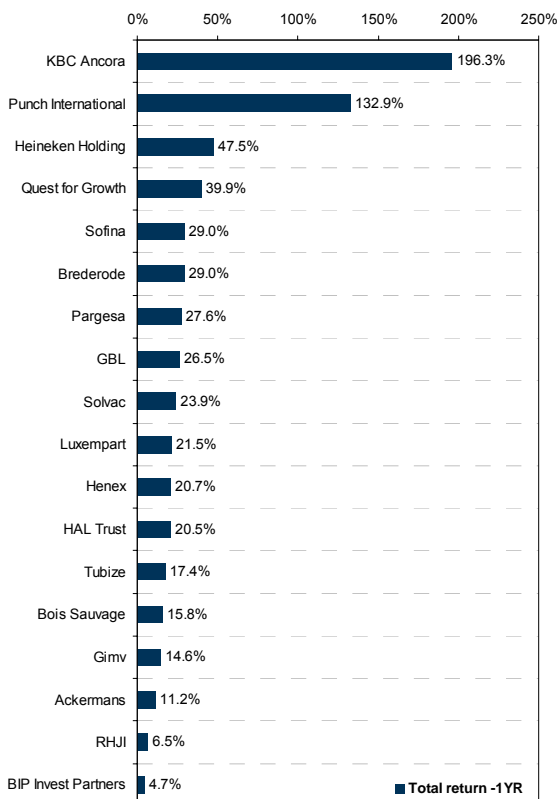


• Stock price performance overview

Absolute return (%)

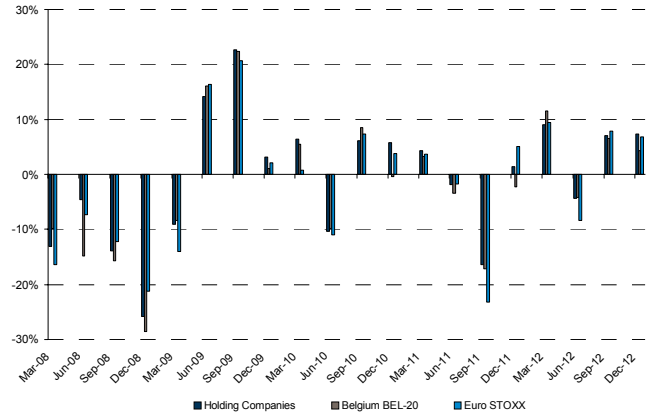
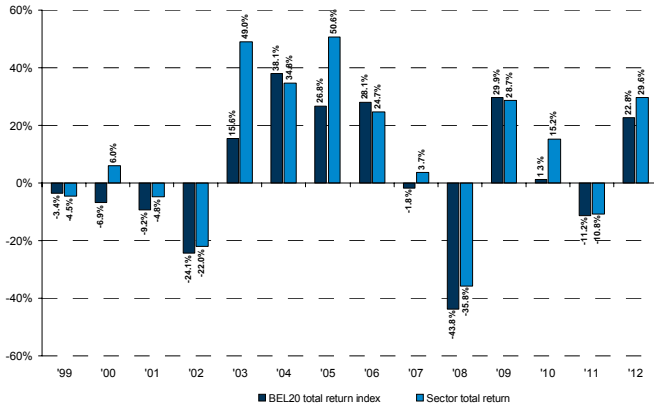
Relative return (% , versus Euronext 100)

	Last price	-1M	-6M	-1Y	YTD	-1M	-6M	-1Y	YTD
Ackermans	69.79	9.9%	10.7%	8.3%	12.1%	1.3%	-4.4%	-20.7%	0.6%
KBC Ancora	16.15	21.5%	82.3%	196.3%	24.7%	12.9%	67.2%	167.3%	13.3%
BIP Invest Partners	53.90	1.7%	3.7%	0.7%	-2.0%	-6.9%	-11.4%	-28.2%	-13.4%
Bois Sauvage	178.81	-3.8%	-6.6%	11.5%	-6.4%	-12.4%	-21.7%	-17.5%	-17.8%
Brederode	24.93	2.6%	9.0%	25.3%	4.1%	-6.0%	-6.1%	-3.7%	-7.3%
GBL	62.21	6.4%	5.6%	21.0%	3.4%	-2.2%	-9.5%	-8.0%	-8.0%
Gimv	39.70	4.5%	8.6%	7.3%	4.7%	-4.1%	-6.4%	-21.7%	-6.8%
HAL Trust	98.13	1.5%	7.5%	15.9%	1.2%	-7.1%	-7.6%	-13.1%	-10.2%
Luxempart	26.94	4.6%	11.1%	17.9%	8.0%	-4.0%	-4.0%	-11.1%	-3.4%
Pargesa	67.40	8.7%	8.4%	22.8%	7.6%	0.1%	-6.7%	-6.2%	-3.8%
Punch International	5.87	13.5%	90.0%	132.9%	79.5%	4.9%	74.9%	103.9%	68.1%
Heineken Holding	48.20	0.2%	19.2%	44.4%	16.3%	-8.4%	4.1%	15.4%	4.9%
Henex	50.32	1.7%	6.5%	18.4%	4.0%	-6.9%	-8.6%	-10.6%	-7.4%
Quest for Growth	6.80	4.1%	22.5%	39.9%	19.3%	-4.5%	7.4%	10.9%	7.9%
RHJI	3.94	16.2%	6.8%	6.5%	-1.3%	7.6%	-8.3%	-22.5%	-12.7%
Sofina	73.54	3.8%	12.8%	25.4%	7.4%	-4.8%	-2.3%	-3.6%	-4.1%
Solvac	117.00	10.4%	18.2%	18.7%	4.5%	1.8%	3.1%	-10.3%	-7.0%
Tubize	35.80	-3.5%	10.2%	15.9%	11.0%	-12.1%	-4.9%	-13.1%	-0.5%
AVERAGE (total)		5.8%	18.1%	35.0%	11.0%	-2.8%	3.0%	6.0%	-0.4%
AVERAGE (ex. mono-holdings)		5.4%	14.7%	25.8%	10.6%	-3.2%	-0.4%	-3.2%	-0.8%
EURONEXT TOP 100 INDEX	758.69	8.6%	15.1%	29.0%	11.4%				
BEL 20 INDEX	2734.82	5.7%	14.3%	27.7%	10.5%				
Euro Stoxx 50 Pr	2821.65	9.2%	11.3%	28.7%	7.0%				



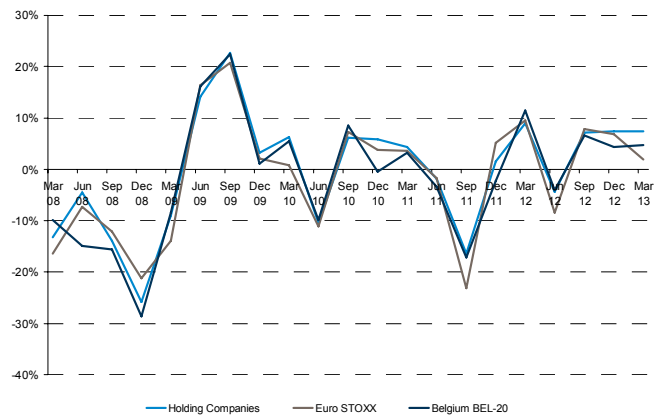
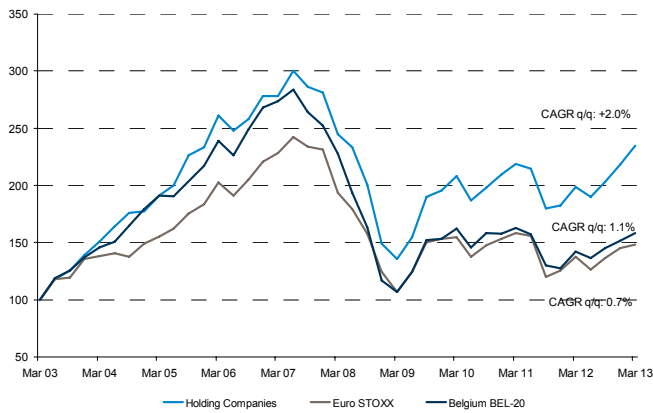
• **Generating “alpha”**

In an effort to determine whether or not investing in holding and investment companies produces above average returns, we have created an index of our coverage universe and recalculated back to 1999. Comparing the total return of this ‘holding index’ with the total return of Belgium’s benchmark BEL20 index reveals a clear outperformance by holding companies. This capacity to generate “alpha” confirms that holdings and investment companies are in fact excellent money managers who, through their ability to shift assets into the most promising sectors at all times, are able to produce above-average shareholder value on an annual basis. We have also included some other graphs.



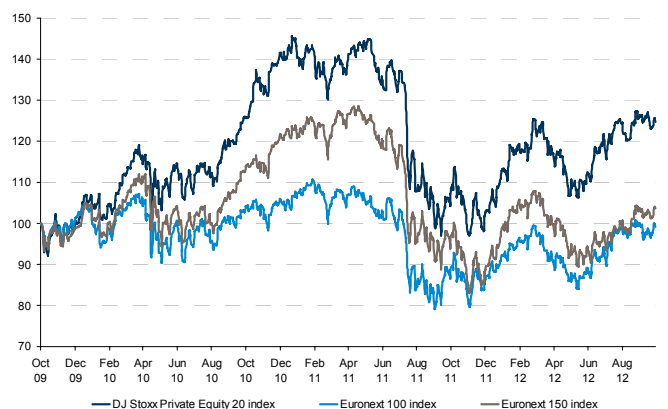
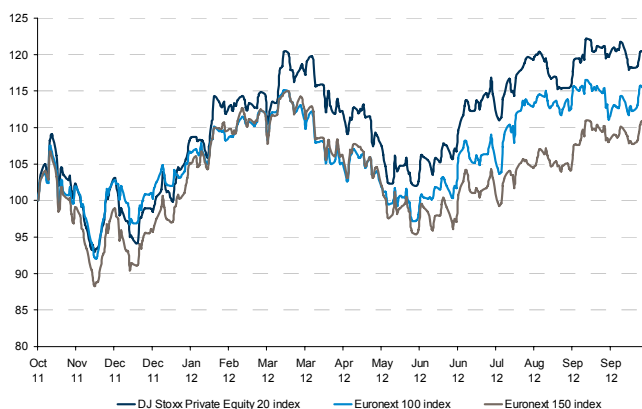
• **Comparing CAGRs**

The graph on the left-hand side below depicts the CAGR of quarterly returns of the holding index as compared to the DJ Euro Stoxx and BEL20-index. The base date is 3Q02, which marked the ending of the bursting of the dot com bubble. These data, too, confirm that the sector is capable of creating substantial alpha throughout the full cycle.



• **Private Equity versus Benchmark indices**

Below is a rebased overview of the performance of the main Euronext benchmark indices versus the DJ Stoxx Private Equity index, which measures the stock price performance of the 20 largest private equity companies in Europe (Wendel, Gimv, Ratos, 3i, Eurazeo, Bois Sauvage, Candover, Electra Private Equity, etc.).



Despite KBC Securities does not use a relative valuation system, our 'Favourite list' should nevertheless be regarded as such. In terms of timing, we don't regularly alter the constitution of our selection as we try to aim for value instead of being a trader. Obviously, we tend to favour large discounts, while not losing sight out of the potential for unlocking hidden value, investment track records, portfolio constitution, stability of the portfolio's valuation, investment profile, etc.

• Top pick list

	Profile	Entry price	Entry date	Current price	Upside potential	% change (TR)	Δ rel. to DJ Stoxx 50
Ackermans	Defensive	62.75	23/06/11	69.79	10.3%	11.2%	7.9%
RHJ International	Agressive	4.86	21/12/09	3.94	21.8%	-18.9%	-15.4%
Quest for Growth	Momentum	5.56	22/06/11	6.80	7.4%	22.3%	21.4%

• Investment cases

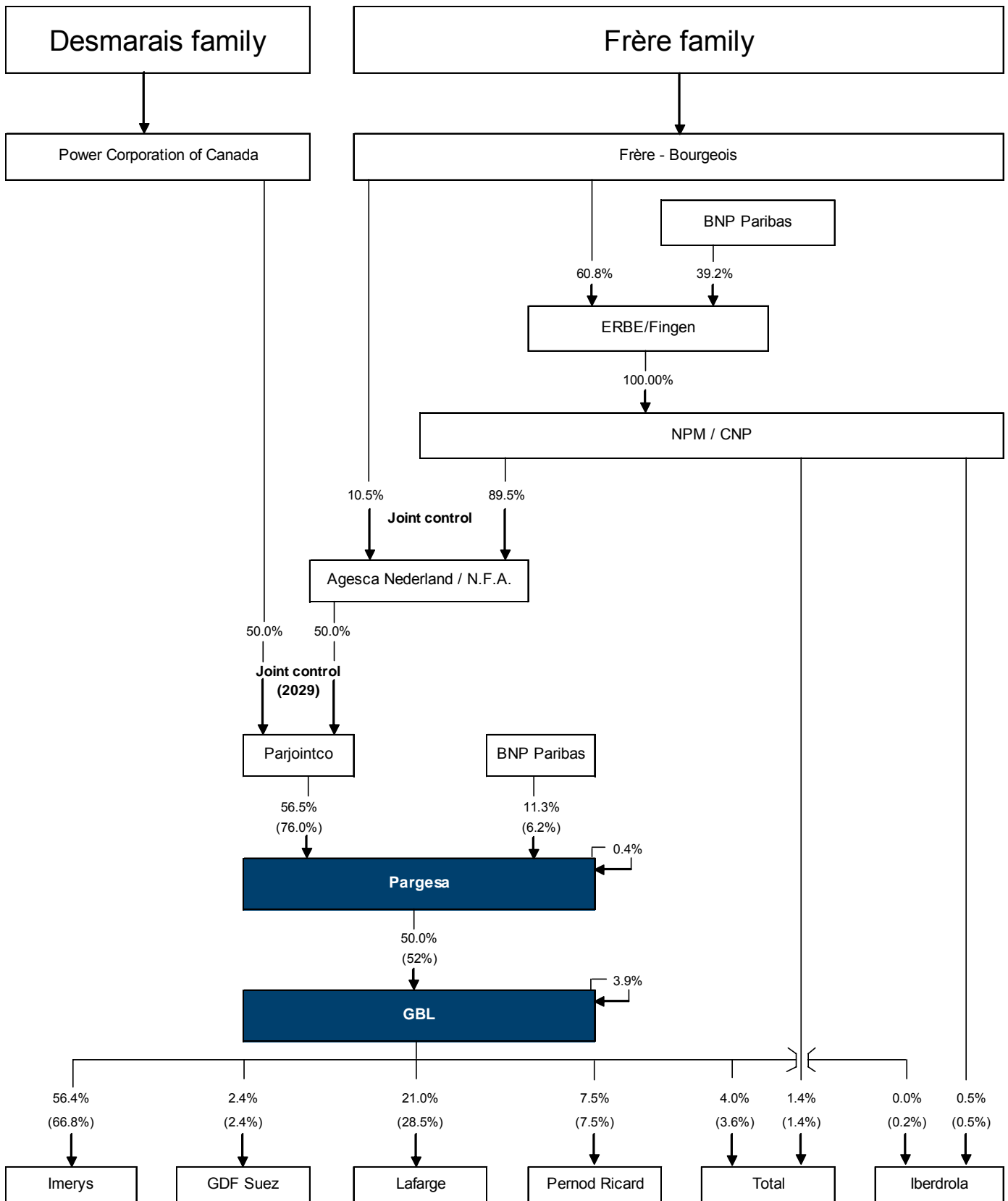
- **AvH big guns (DEME, Bak Delen and Bank J. van Breda) are growing strongly, despite the crisis**
- AvH has a hands-on approach to creating value, allowing for rising current earnings from FY12 onwards
- We expect AvH to up its dividend 5% y/y up until FY15, based on a steady growth of current earnings
- An experienced management team and well-managed, well-balanced portfolio combines growth with defensiveness

- **RHJ sold its stake in Shaklee for a price (JPY500) that is significantly below closing price (JPY825)**
- RHJ aims to use its €245m war chest for boosting its position in the finance sector (BHF-Bank)
- RHJ's discount to NAV reflects uncertainty about the exit value of the remaining industrial portfolio
- RHJ aims to rename into Kleinwort Benson Group and could list in London as a full-fledged merchant bank

- **Quest's investors benefit from Belgium's Privak statute, thanks to which the gross dividend is net of taxes**
- Quest has a dynamically managed portfolio of listed stocks, leaving it vulnerable to the market's momentum
- Quest abandoned from directly investing into Life Sciences and will henceforward invest in an indirect way
- Our rating is entirely based on valuation grounds, as the stock is trading at high discount levels

• Past transactions

Past transactions	Entry price (€)	Entry date	Exit price (€)	Exit date	Total return (%)	Δ rel. to DJ Stoxx 50
Sofina	80.0	28/12/2007	70.7	23/07/2008	-9.7%	13.4%
RHJ	11.2	28/12/2007	7.3	21/04/2008	-34.5%	-20.1%
Brederode	12.8	31/12/2008	16.3	23/07/2009	31.4%	25.8%
BIP Invest. Partners	50.5	31/12/2008	50.5	21/09/2009	3.0%	-14.3%
Quest for Growth	3.15	31/12/2008	4.32	21/09/2009	37.1%	19.8%
Luxempart	210	17/09/2009	220.9	21/12/2009	5.2%	4.1%
Sofina	62.38	10/09/2009	64.93	19/02/2010	4.1%	5.0%
GBL	54.25	30/07/2009	59.78	14/06/2010	15.7%	14.6%
Gimv	31	31/12/2008	38.89	07/09/2010	40.8%	29.4%
Ackermans	50.35	14/06/2010	62.1	26/10/2010	23.3%	16.3%
BIP Investment Partners	52.05	18/11/2010	64.5	24/02/2010	23.9%	20.4%
Tubize	26.4	19/02/2010	25.2	22/06/2011	-2.7%	-3.0%



(...): percentage of voting rights

 : Public company : Private company

Description

GBL is a holding company, controlled by Albert Frère and Paul Desmarais, with major stakes in French-based blue chip companies. It also has stakes in Private Equity companies.

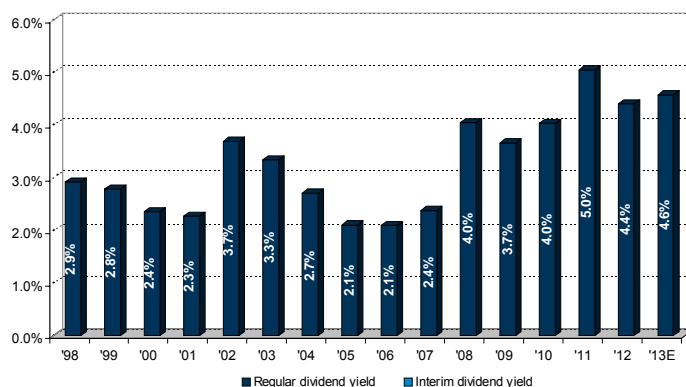
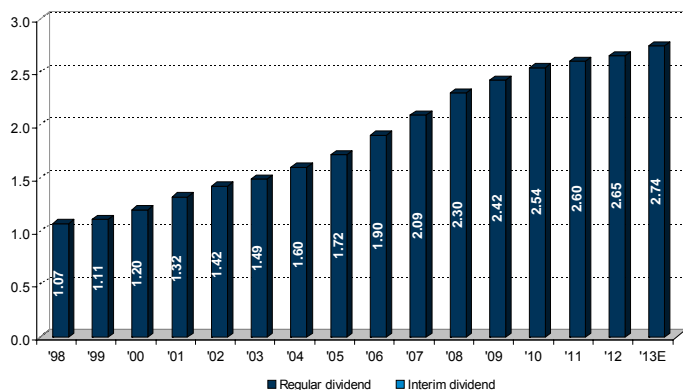
Investment cases

- GBL's cyclical portfolio companies are still struggling with the economic crisis
- GBL runs a net cash position of approx € 300m after having trimmed its portfolio to reduce debts
- GBL's portfolio of blue-chip stocks leave little room for trigger events
- GBL's current earnings are not expected to drop significantly, enabling a stable dividend growth policy

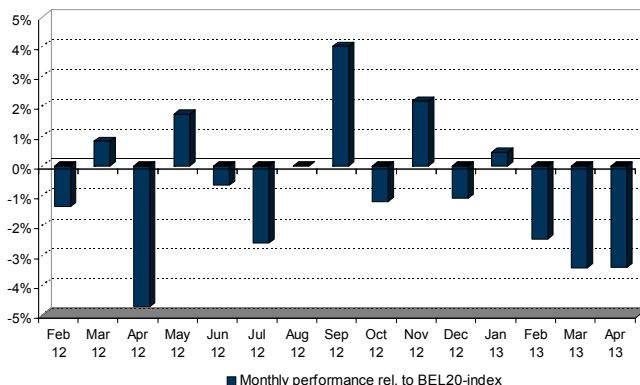
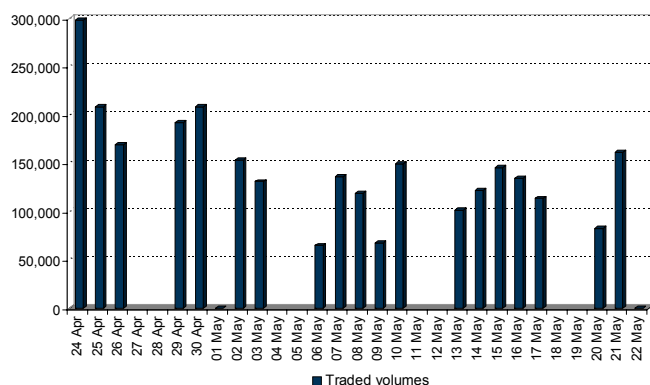
Shareholder structure

	# shs	% shs	value (€m)
Pargesa	80,680,729	50.00%	5,019.15
Treasury shares	6,333,297	3.92%	393.99
NPM/CNP	38,500	0.02%	2.40
Paul G. Desmarais	500	0.00%	0.03
Free float	74,305,261	46.05%	4,622.53

Dividend data



Volume and performance data



Analyst opinion

Stock price: € 61.48
 Target price: € 64.00
 Potential: 4.1%
 Rating: HOLD

Company specifics

Market cap: € 10,038m
 Currency: EUR
 Avg. daily value: € 7.88m
 Avg. 3M volume: 136,405
 % chg 1M: 6.36%
 % chg 1Y: 21.03%
 52-week hi/lo: 62.8 / 49.38
 BB-code: GBLB BB
 Reuters-code: LAMBt.BR
 Web: www.gbl.be

Corporate calendar

08-May-2013
 Trading update 1Q (A)

News flow

14-05-2013: Ready to shoot an elephant

GBL is selling 2.7% of GDF Suez' share capital through an ABB, reducing its current 5.1% equity stake. No impact on our valuation. Hold and TP maintained. News: GBL is launching the sale of 65m shares of GDF Suez, representing around 2.7% of GDF Suez' share capital, through a private placement by way of an accelerated bookbuilding limited to institutional investors. Upon completion of the placement, GBL will communicate the results of the offer together with the financial implications of the sale for the group. Our View: Prior to this transaction, GBL held a 5.1% stake in GDF Suez valued at c.€2bn. Assuming a 5% discount to yesterday's close, the ABB should lead to an inflow of c.€1.0bn which brings GBL's net cash position to €1.36bn. The remaining 2.4% stake in GDF Suez will be used as collateral for the recently issued €1.0bn exchangeable bond into GDF Suez shares. The deal confirms our expectation that GBL considers GDF Suez to be "a less strategic" asset versus other participations. After the ABB and convertible bond, GBL de facto will no longer have an active position in GDF Suez. The substantial cash build-up over the past months (GBL has €3.3bn gross cash at hand) leads us to believe that GBL is ready to shoot an elephant. But with the markets at all-time highs and interest rates at all time lows, there is clearly a reinvestment risk.

Conclusion: Based on yesterday's close, we estimate GBL's NAV at €87 with a 30% discount. The implied discount of our €64 TP versus the target equity value is 26.5% and leaves 5% upside potential. We maintain our Hold rating.

09-05-2013: 1Q13 cash earnings in line; no change to portfolio

GBL's cash earnings of €39.0m were well in line with KBCSe of €37.8m while an additional impairment of €65m on GDF Suez, albeit with no impact on valuation, was unexpected. Net cash and portfolio build-up did not surprise. Hold and TP maintained. News:

- Cash earnings came in at €39m (vs. €29m a year earlier) as higher dividends were received from Total (€52m vs. €46m) and lower interest expenses were recorded (€5.4m vs. €10.1m) due to the active management of the cost of carry.
- Associates added €12.6m versus €24m a year earlier as Lafarge's results (€-24.6m vs. €-12.6m) were impacted by unfavourable weather conditions and a reduced number of working days. Imerys recorded a small decline in net results from €74m to €70m. The Private Equity segment added a loss of €3m vs a loss of €6m a year earlier as the entities making up the PE division were changed.
- Impairments and capital gains amounted to €-64m vs. €455m. GBL impaired an additional €65m on GDF Suez, which is a purely accounting-driven impairment with no impact on cash earnings. The €455m in 1Q12 included the gains on the disposal of Arkema and 2.3% fraction of Pernod Ricard.
- The YE12 net cash position of €339m was slightly lowered to €321m, of which €2.3bn cash, €350m bonds, €600m outstanding credit lines and €1.4bn bonds exchangeable into Suez Environnement and GDF Suez shares.
- No changes were reported to the build-up of the portfolio other than the already announced €1.0bn 4-year bond exchangeable into GDF Suez shares, which covers a little under half of the GDF Suez stake currently owned by GBL (4.86%). Our View: The 1Q13 update did not surprise from an earnings viewpoint as both net and cash earnings were in line with expectations. 1Q13 has seen flattish to slightly positive stock price performances of most of GBL's portfolio companies which has translated into a NAV increase from €81.8 at YE12 to levels at c.€85.0 more recently. GBL is relatively cheaply valued (in terms of underlying valuation multiples), generates a decent (4.4%) gross yield but doesn't have a lot of "surprise upside potential". Even if the recently announced new strategy will be rolled out, we're at least 2-3 years away from incrementally higher returns, we believe. Hold rating maintained. Conclusion: We estimate adjusted equity value at €86 p.s. with a discount of 30%. Our TP of €64 implies a discount of 26%. The upside potential vs current levels amounts to 5.6%. We maintain our Hold rating.

06-03-2013: Underlying cash earnings in line; DPS +1.9%

FY12 cash earnings (€489m) were a tad below KBCS estimate of €506.2m while net earnings (€276m) were below our estimate of €1.08bn. We up our TP from €60 to €64. News: FY12 net result came in at €276m (€1.78 p.s.), versus a €75m profit in FY11 (€0.48 p.s.) and KBCSe of €1.08bn (€6.95 p.s.). The net result was negatively impacted due to a €774m impairment loss on GDF Suez. This is a purely accounting-driving impact that doesn't impact cash earnings. Cash earnings, the portfolio's real performance measure, declined 6.3% y/y to €489.3m (KBCSe: €506.2m) as dividends received dropped 6.6% y/y to €529.3m and other financial income was negatively impacted by the early repayment penalty of €17m for part of a credit line (€250m on a total credit line of €850m). Excluding this penalty, cash earnings were bang in line with estimates. Changes to the investment portfolio in 4Q were scant, after GBL earlier in 2012 sold its entire stake in Arkema and reduced its stake in Pernod Ricard from 9.8% to 7.5%. In September, GBL launched a €400m bond exchangeable in Suez Environnement shares. Over the year, €28m was poured in PE funds Ergon Capital Partners and Sagard. Net cash stood at €339m YE12 (not including €300m commitments to PE funds), which is in line with KBCSe of €321m. The Figure breaks down in €1.69bn of cash and €1.35bn of debts. GBL has to its disposal €1.2bn of untapped, confirmed credit lines. No debt repayments fall due before 2014. The DPS will increase 1.9% to €2.65 (yielding 4.3% at current Prices). The dividend is payable as from 03 May (ex-coupon 29 April). This is below KBCS forecasts (+3.5% y/y to €2.69) and clearly reflects a desire to attune DPS growth to downward pressure on cash earnings. The payout ratio vs. FY12 cash earnings equals 87%, north of the 8-year avg (66.0%). Our scenario currently accounts on a long-term DPS CAGR of 3.5%, which should reduce the pay-out ratio to 73.6% by FY15. These estimates don't include changes to the investment portfolio. Post close, GBL issued a bond exchangeable into GDF Suez shares totaling €1bn. Our View:

GBL ultimately is a NAV stock, whose discount is function of growth in NAV and dividends, the publication of FY earnings generally doesn't have a profound market impact. Reflecting changes in the valuation of portfolio companies, we decided to increase our TP from €60 to €64, aligning the implied discount in our TP with GBL's long-term average discount (approx 26%). The stock's upside potential amounts to 3.36%, hence we stick to Hold. Based on yesterday's close, we estimate adjusted equity value p.s. at €85.94 with a 27.95% discount.

25-01-2013: Successful bond placement at increased coupon

GBL successfully placed its €1bn bond convertible into GDF Suez shares, albeit at a higher coupon than originally communicated: 1.25% versus 0.375%-1.00%. No impact on NAV/rating/TP. News: GBL launched a €1bn exchangeable bond for GDF Suez shares. The implied exchange price of the bonds was set a premium of 20% to the reference price of GDF Suez shares. The bonds have a maturity of 4 years and will bear an interest rate of 1.25% (versus 0.375% and 1.00% communicated earlier). The bonds were placed to qualified investors in France and outside France, with the exception of the USA, Canada, Japan and Australia. Settlement is expected to take place on 7 February 2013. Our View: We feel that GDF Suez is considered a less strategic asset versus other participations in the portfolio. The bond offering reflects GBL's strategy of active management of its financial flexibility. With a cash position of €2.5bn, part of it cheaply funded, we wouldn't exclude investments in higher yielding assets in the near future. Financially, GDF Suez accounts for 13.4% of NAV and the bond covers half of GBL's 4.86% stake, GDF Suez currently accounts for 13.4% of the investment portfolio, which is based on an estimated position of 117.4m shares).

From a cash flow perspective, GBL will keep receiving GDF Suez dividend's over the next 4 years (10% yield) while it only has to pay a limited coupon. In line with last year's launch of the €400m convertible into Suez Environnement, BNP Paribas' convertible into Pargesa shares and Sofina's convertible into GDF Suez, GBL continues to surf the convertible wave. Despite having been revised upwards, the issuance still brings cheap funding and allows for

[Please press here to request a full historical news flow overview of the company](#)

Sum-of-the-parts model

Portfolio	BB	Share price (€)	Equity stake (%)	Voting rights (%)	% of NAV	value (€m)
Total	FP FP	39.68	3.95%	3.60%	26.9%	3,726.4
GDF Suez	GSZ FP	16.53	2.41%	2.41%	6.9%	959.3
Lafarge	LG FP	54.54	20.99%	28.46%	23.8%	3,289.2
Pernod-Ricard	RI FP	95.95	7.49%	7.51%	13.8%	1,908.5
Imerys	NK FP	50.56	56.86%	66.78%	15.7%	2,166.6
Suez Environnement	SEV FP	11.24	6.85%	6.85%	2.8%	392.9
Private Equity & others					3.1%	426.0
Portfolio					93.1%	12,869.0
Net cash					6.9%	960.2
Adjusted equity value					100.0%	13,829.18

Number of shares (outstanding)	161,358,287
Treasury shares (for remuneration purposes, resale, collateral,...)	3.92% 6,333,297
Treasury shares (available for cancellation)	0.00% 0
Number of shares (for per share calculation)	161,358,287

GBL last price	62.21
Adjusted equity value p.s.	85.70
Current discount	27.41%

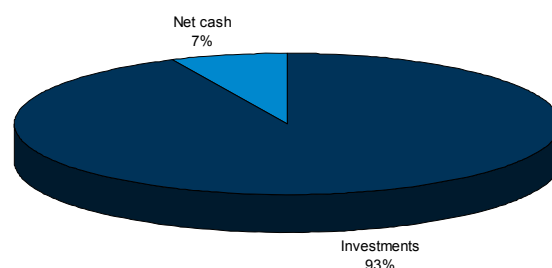
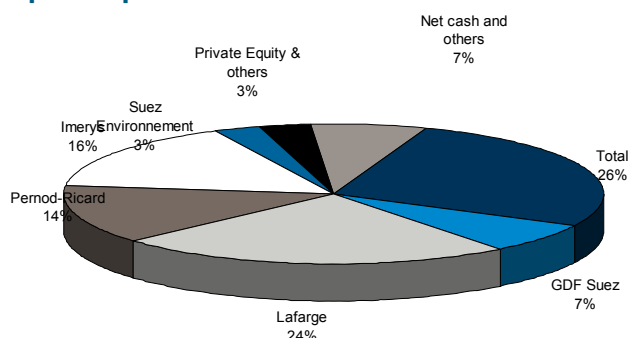
Target prices	GDF Suez	17.00	
Target equity value			13,856.76
Target equity value p.s.			85.88
Discount to target equity value			27.56%

KBCS has a HOLD recommendation and a €64 target price.

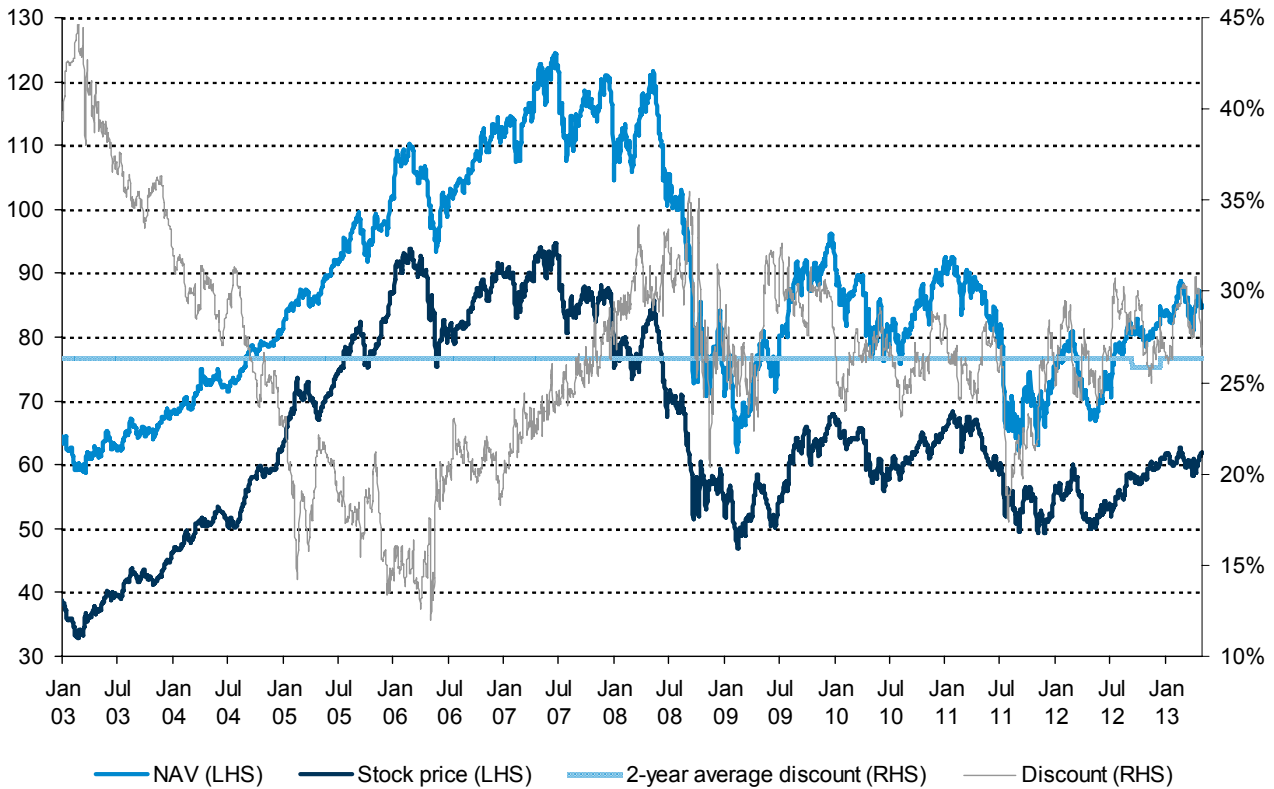
The upside potential versus a stock price of € 62.21 equals 2.88%.

The implied discount of our € 64 target price vs. the target equity value is 25.47%.

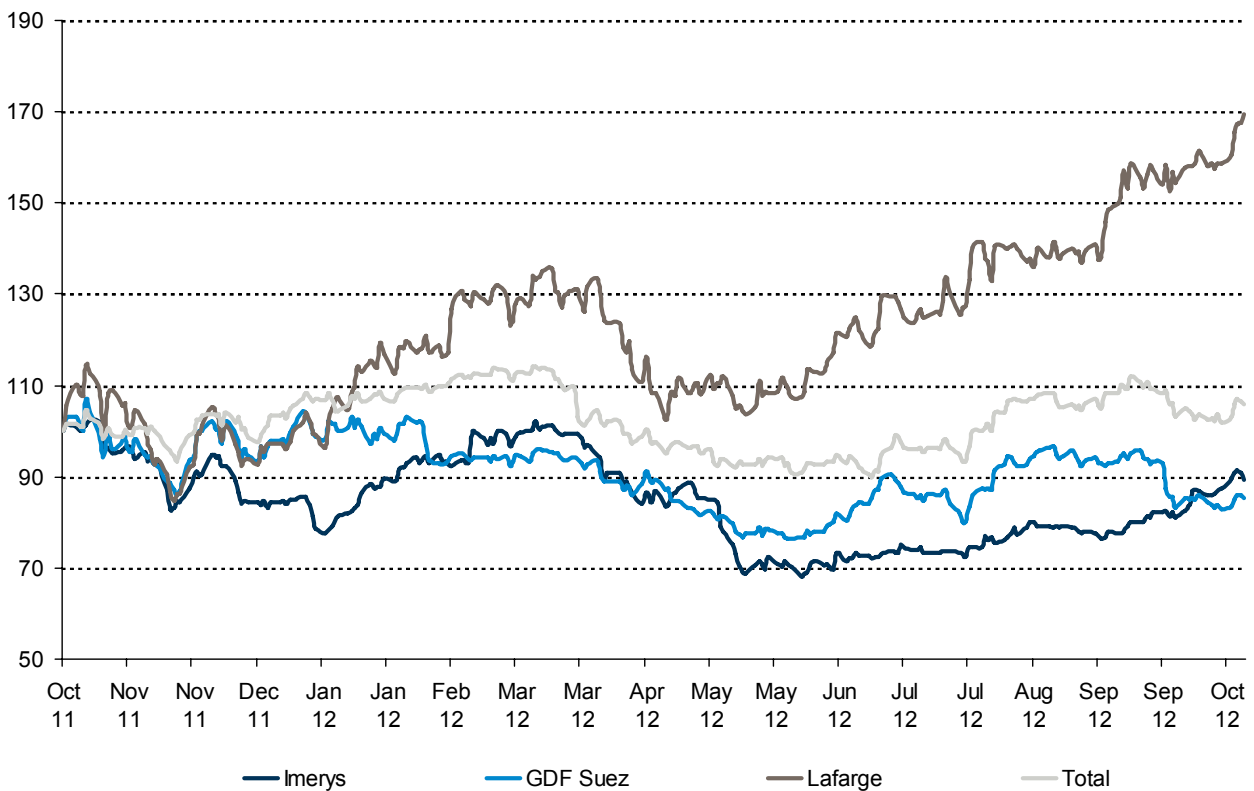
Graphical portfolio breakdown



Historical NAV overview



Stock price evolution quoted participations (-1 year, rebased to 100)



Financial data

Income statement (€m)	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	169.3	257.2	446.0	479.8	550.3	450.7	500.3
Result from operating activities	150.3	228.6	422.1	459.5	526.0	422.8	467.2
Result from financing activities	22.7	66.7	38.0	-36.5	0.0	0.0	0.0
Result from extraordinary activities	6.5	11.7	214.7	-344.8	-258.3	-18.8	44.8
Share of result of associates	83.2	70.7	90.3	324.9	161.1	262.2	136.3
Income taxes	0.7	18.6	13.8	1.0	1.1	0.9	-89.6
Discontinued activities	259.6	2,487.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	2.4	-86.2
Share of the group	523.0	2,883.3	778.9	404.1	429.9	669.5	472.5
Adjusted net result	323.7	441.0	534.0	720.7	612.1	565.0	522.3
Balance sheet (€m)	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	0.0	0.0	0.0	0.0	0.0	73.6	1,229.2
Tangible assets	16.6	17.0	23.5	19.0	18.0	23.9	1,919.9
Participations acc. for under equity method	2,582.7	536.6	599.7	3,393.1	4,556.4	4,901.4	3,542.6
Other financial assets	7,932.4	12,935.0	16,878.6	9,462.4	10,114.9	9,670.9	8,873.7
Cash & cash equivalents	82.5	2,648.2	1,803.0	966.0	604.8	685.8	737.9
Other assets	43.0	96.4	77.7	196.5	49.1	190.8	1,846.6
TOTAL ASSETS	10,657.2	16,233.2	19,382.5	14,037.0	15,343.2	15,546.4	18,149.9
Equity attributable to holders of the parent	10,159.7	15,682.0	18,868.6	13,418.4	14,845.1	14,745.2	12,666.4
Minorities	0.0	0.0	0.0	0.0	0.0	9.5	978.2
Financial debt	430.4	432.2	436.6	570.6	424.7	687.8	3,084.9
Other liabilities	67.1	119.0	77.3	48.0	73.4	103.9	1,420.4
TOTAL LIABILITIES	10,657.2	16,233.2	19,382.5	14,037.0	15,343.2	15,546.4	18,149.9
net debt	347.9	-2,216.0	-1,366.4	-395.4	-180.1	2.0	2,347.0
Cash flow statement (€m)	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	401.3	421.8	498.8	460.6	794.6	-34.3	434.3
Cash flow from investing activities	-874.9	1,668.5	-2,260.8	-1,078.0	-620.1	-289.4	-1,021.3
Dividends paid (consolidated)	-212.4	-228.8	-269.6	-325.6	-358.3	-375.7	-394.4
Other cash flow from financing	452.7	704.2	1,186.4	106.0	-177.4	236.9	791.9
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	-233.3	2,565.7	-845.2	-837.0	-361.2	81.0	52.1
Per share data	2005	2006	2007	2008	2009	2010	2011
Year-end share price (€)	82.9	91.1	87.9	56.9	66.1	62.9	51.5
Year-end market cap (€ m)	10,999.3	12,643.6	13,092.4	8,861.6	10,280.1	9,768.2	7,997.4
Weighted average # shares	132,761,384	138,864,253	148,997,891	155,849,909	155,641,380	155,223,385	155,258,843
Weighted average # shares, diluted	133,121,574	139,114,418	154,324,866	161,199,792	161,202,533	158,721,241	157,431,914
Basic EPS (€)	3.94	20.76	5.23	-4.41	11.53	1.95	-6.83
Diluted EPS (€)	3.93	20.73	5.05	-4.26	6.66	4.12	0.54
NBV (€)	80.3	113.9	122.3	83.2	92.1	93.0	86.7
Adjusted equity value (€)	79.8	113.0	120.9	78.9	94.3	89.5	89.5
Premium (-) / Discount to (vs. period end)	-3.87%	19.45%	27.34%	27.94%	29.92%	29.70%	29.70%
Gross dividend	1.72	1.90	2.09	2.30	2.42	2.54	2.60
Gross dividend yield	2.08%	2.09%	2.38%	4.05%	3.66%	4.04%	5.05%
Ratios	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	6.6%	28.4%	5.0%	2.1%	3.2%	4.5%	3.2%
Total return	41.0%	12.0%	-1.4%	-32.9%	20.2%	-1.1%	-14.1%
Pay-out ratio (adjusted net result)	73.5%	63.4%	63.1%	51.5%	63.8%	72.5%	80.3%
P/E	21.03	4.39	16.81	-12.89	5.73	32.27	-7.54
P/NBV	1.03	0.80	0.72	0.68	0.72	0.68	0.59
Statutory data (€m)	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	-15.0	-25.2	-18.4	-18.7	-21.4	-17.4	-19.2
Result from financing activities	273.2	370.6	562.2	184.2	392.9	185.4	59.1
Result from extraordinary activities	17.9	2,710.7	213.5	-2,832.6	2,814.5	-55.3	-1,996.5
Income taxes	0.0	17.8	12.8	0.0	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	276.1	3,056.1	757.3	-2,667.1	3,186.0	112.7	-1,956.6
Dividends paid (statutory)	-237.8	-279.6	-337.2	-371.1	-390.7	-409.9	-419.5
Financial assets	8,908	14,789	16,177	15,230	14,871	15,151	14,704
Other assets	6	20	14	11	7	36	83
Capital and reserves	7,758	11,262	12,887	9,848	12,644	12,347	9,971
Provisions and deferred taxation	21	18	22	8	10	2	3
Liabilities	1,135	3,529	3,283	5,384	2,224	2,838	4,814
TOTAL ASSETS	8,914	14,809	16,191	15,240	14,878	15,187	14,787

Description

Pargesa is the holding company that controls GBL and is in turn controlled by Parjointco, a JV between Albert Frère and Paul Demarais. After selling a direct 26.8% stake in Imerys, Pargesa's sole asset is a 50.0% equity stake in GBL.

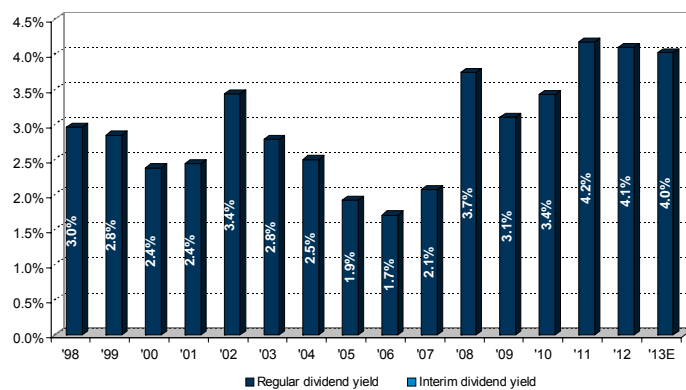
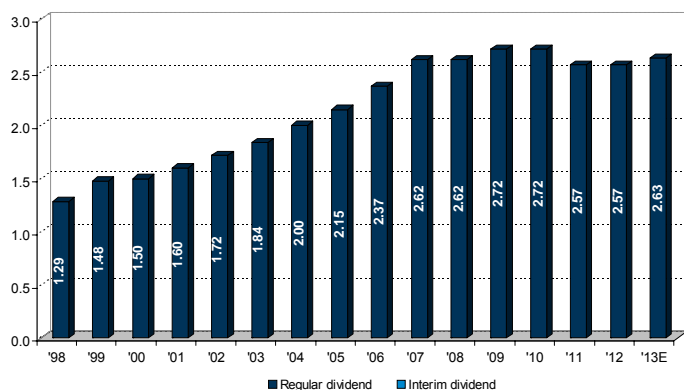
Investment cases

- We don't expect a further flattening of the cascade structure similar to Frère taking out NPM/CNP in cash
- Following the take-private of NPM/CNP, Pargesa is the cascade's highest-positioned listed company
- Pargesa has become a de facto mono-holding company after it sold its Imerys stake to GBL
- Pargesa's quotation on the Swiss stock exchange leads to limited liquidity and could hamper trading the stock

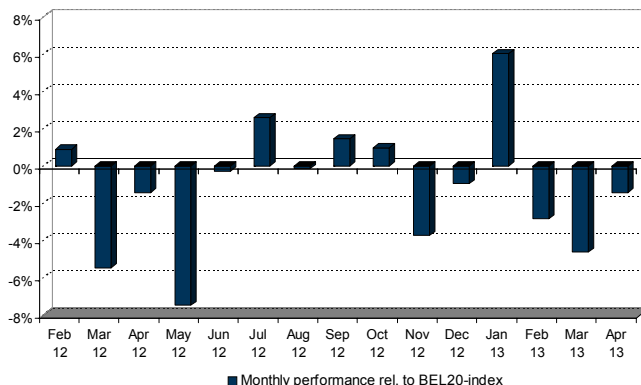
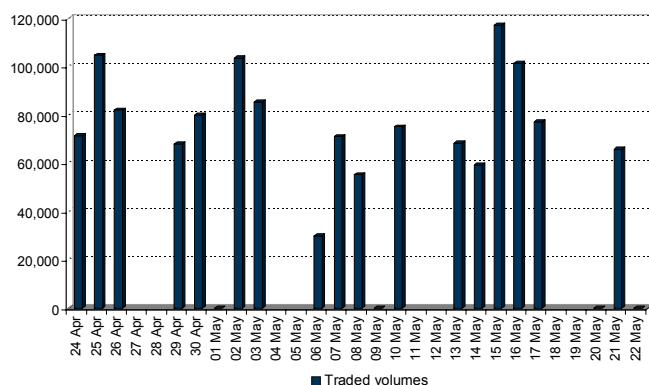
Shareholder structure

	# shs	% shs	value (CHF)
Parjointco	47,820,000	56.50%	3,223.07
BNP Paribas Group	9,560,000	11.30%	644.34
Treasury shares	297,800	0.35%	20.07
Free float	26,960,570	31.85%	1,817.14

Dividend data



Volume and performance data



Analyst opinion

Stock price: € 67.15
 Target price: € 67.50
 Potential: 0.52%
 Rating: HOLD

Company specifics

Market cap: CHF 5,725m
 Currency: CHF
 Avg. daily value: CHF 5.62m
 Avg. 3M volume: 72,276
 % chg 1M: 8.71%
 % chg 1Y: 22.77%
 52-week hi/lo: 68.95 / 51.05
 BB-code: PARG SW
 Reuters-code: PARG.S
 Web: www.pargesa.ch

Corporate calendar

08-May-2013 General Assembly (A)
 08-May-2013 Results 1Q (A)
 30-Jul-2013 Results 1H (A)
 07-Nov-2013 Results 3Q (A)

News flow

10-05-2013: 1Q13 brings no changes to portfolio; DPS confirmed

Pargesa recorded a 1Q13 net loss of CHF 61m vs. a 1Q12 profit of CHF 262.5m. The portfolio build-up did not change. Hold and TP maintained. News: The AGM approved the CHF 2.57 dividend per bearer share, unchanged y/y. The dividend will be paid out on 16 May 2013. The net result of CHF -61m takes into account an additional impairment of GBL's investment on GDF Suez whereas the 1Q12 result of CHF 262.5m benefited from capital gains on disposals. Consolidated net cash was reported at a negative CHF 427m; correcting for GBL's reported cash position, net debt amounts to approx. CHF 625m. Conclusion: Based on yesterday's close, we estimate Pargesa's NAV at CHF 94.2 p.s with a 29% discount. Our TP of CHF 67.5 implies a discount to target equity value of 28.6% and leaves 1.12% upside potential vs. current levels. We maintain our Hold rating.

15-03-2013: BNP Paribas placed €250m convertible bond into Pargesa stock

BNP Paribas successfully placed a € 250m 3.5 year bond convertible into Pargesa Holding shares.

The bond has the following characteristics:

- Annual coupon of 0.25%
- Redeemed at par on September 27, 2016 in cash or through the delivery of shares or a combination thereof, at the issuer's option
- Convertible into Pargesa stock at an initial exchange price of € 61.71 p.s., representing a 15% premium to yesterday's average trading price
- Represents 4.8% of BNP Paribas' stake in Pargesa
- Proceeds will be used for general corporate purposes

Our View: The € 250m convertible bond comes on the heels of a similar transaction in September last year. BNP Paribas then launched a € 375m convertible into Pargesa shares (due 2015; 0.25% coupon; 20-28% premium). A back of the envelope calculation learns that the combined convertibles allow BNP Paribas to fully exit their 11.5% stake in Pargesa Holding. After a decade long hand-in-hand cooperation, Basel-induced capital constraints forced BNP Paribas to shed stakes in industrial assets (which is the case for all banks/financial services companies). GBL's (and thus Pargesa's) way of doing business has seen a paradigm shift over the past years: the wine-and-dine culture which has brought fame, fortune and numerous deals via 'les salons Parisiens' has been pushed away by the professionalization of the Private Equity business. In this respect, GBL is currently revamping its strategy, which was in depth elaborated on in last week's first ever analyst meeting. In this new strategy, a key shareholder like BNP Paribas adds little value in our view. No impact on our valuation/rating/TP. Conclusion: Based on yesterday's closing prices, we estimate Pargesa's NAV at CHF 98.5 with a 32.5% discount. The implied discount of our CHF 67.5 target price vs the target equity value is 32.5%. The upside potential versus current levels amounts to 1.58%. We maintain our Hold rating.

07-03-2013: FY12 economic earnings +4.7%; Flat DPS

FY12 produced no surprises, as both economic earnings and the composition of the investment portfolio were in line with estimates. Pargesa proposes a stable dividend of CHF 2.57 p.s. We maintain our CHF 67.5 TP and Hold rating. News: FY12 consolidated result (group share) switched a FY11 loss of CHF 64.9m for a CHF 417.9m profit. The y/y increase is largely due to a FY11 impairment of the valuation of Lafarge at the level of GBL (€ 650m, Pargesa part: CHF 416.5m). Dividends and interests received dropped 15% to CHF 526m. Economic earnings increased 4.7% y/y to CHF 358.7m. These are calculated as income from associates (Imerys, Lafarge, Ergon), dividends from the strategic portfolio (Total, GDF Suez, Pernod Ricard), other results and operating costs at the holding level. Earnings from associates decreased y/y due to GBL's decision to lower its take in Imerys and the inclusion, at the level of Lafarge, of €-340m of net non-recurring items, related to impairments on assets in Greece and restructuring charges. The balance sheet points to an equity value per share of CHF 90.4 on 31 December 2012, with transitive (i.e. including GBL's net cash position) net debts of CHF 390m. These figures are in line with our valuation model. Few to no changes were made public by GBL and/or Pargesa, other than those that had already been communicated earlier in 2012. Hence, we applied no changes in the investment portfolio vis-à-vis the assumptions we previously set out in our SOTP model, meaning that Pargesa still holds a direct 50% of GBL's equity (52.0% voting rights). The dividend will be held stable at CHF 2.57 p.s., after a 5.5% drop in FY11, versus KBCS forecasts of a 2.5% y/y hike to CHF 2.63. The dividend will be paid on 16 May 2013 and equals a cash outflow of CHF 217.5m. We keep our long-term DPS growth assumptions unchanged at 2.5% y/y. Our View: Few to no surprises in Pargesa's FY12 results; hence we haven't adjusted our valuation model in a substantial way. Conclusion: Based on yesterday's closing prices, we estimate adjusted equity value p.s. of CHF 96.01, with a discount of 29.85%. The upside potential from current levels is close to zero, hence we stick to our Hold rating and CHF 67.5 TP

12-11-2012: 3Q12 reveals little new information

Pargesa's 3Q12 consolidated result (group share) arrived at CHF 143.7m, compared to a loss of CHF 305.8m a year earlier. The 9M12 results of CHF 556.4m (vs. CHF -103.6m in 9M11) have benefitted from capital gains of CHF 288m recorded on the disposals by GBL of its 10% investment in Arkema and a 2.3% stake in Pernod Ricard. Traditionally, Pargesa doesn't receive any dividends in 3Q, due to which the consolidated earnings fail to provide an insight in the portfolio's cash generation. The 3Q12 economic earnings came in at CHF 143.2m (3Q11: CHF 109.3m). The rise in economic earnings is entirely due to lower net financial income, overheads and taxes (CHF -19.4m in 3Q12 vs CHF -51.4m in 3Q11). 9M12 economic earnings edged up slightly y/y to CHF 321.5m (9M11: CHF 319.3m). There were no changes to the investment portfolio: Pargesa still holds a direct 50% of GBL's equity. Equity value per share stood at CHF 87.9 on 2 November 2012, which compares to KBCS estimates (based on closing prices of 9 November 2012) of CHF 87.39. Our view: Few to no new surprises in Pargesa's trading update. The company recorded no 3Q12 dividend income at the holding level and the portfolio underwent no unexpected changes. Conclusion: Based on last Friday's closing prices, we estimate adjusted equity value p.s. at CHF 87.39 with a discount of 27.91%. Our upped TP of CHF 67.5 (from CHF 65.0) leaves upside potential of 7.14% vs. the current stock price of 63.0. The implied discount of our CHF 67.5 TP vs. the target equity value is 24.66%. We feel comfortable with the implied discount, which explains our TP hike. Hold rating maintained.

31-07-2012: No surprises in 1H12 earnings report

1H12 consolidated income (group share) more than doubled to CHF 412.7m, versus a 1H11 income of CHF 202.2m. The huge growth is explained entirely by capital gains realised by GBL on selling a part of its stake in Pernod-Ricard and its entire Arkema stake. A drop in income was also noted at the level of associates (which principally mirrors a drop in Lafarge's 1H12 net results due to impairing assets in Greece). Per share, 1H12 income stood at CHF 4.88, up vs. a year earlier level of CHF 2.39. Net consolidated debt on 30 June 2012 (including net cash at the level of GBL) stood at CHF 330m, versus a year-earlier debt level of CHF 784m. Not including GBL's liquidities (Pargesa share: CHF 39.64m), statutory debt stood at CHF 369.64m. Pargesa in 1H12 continued repurchasing its FY13 and FY14 convertible bonds for CHF 26 in face value, bringing the total amount bought back at CHF 730m (vs. issued total of CHF 1,67bn). Alongside CHF 1,09bn of remaining net debt, we estimate cash at hand of CHF 726. This is in line with the CHF 360.6m assumption in our SOTP model (though the level of GBL's net debt did come in below KBCS assumptions) and therefore doesn't surprise. Equity value per share on 30 June 2012 stood at CHF 79.90 (1H11: CHF 87.66, YE11: CHF 87.39). Based on yesterday's closing prices, we estimate this figure increased to CHF 82.67 on paying a CHF 2.57 DPS as well as a drop in GBL's stock price (including DPS payment, GBL's total return was negative at

Please press [here](#) to request a full historical news flow overview of the company

Sum-of-the-parts model

Portfolio	BB	Share price (€)	Equity stake (%)	% of NAV	Value (€m)	Value (CHFm)
Share of GBL				107.8%	6,914.73	8,665.58
- Total	FP FP	39.68	1.98%	29.1%	1,863.25	2,335.04
- GDF Suez	GSZ FP	16.53	1.20%	7.5%	479.68	601.14
- Lafarge	LG FP	54.54	10.50%	25.6%	1,644.61	2,061.04
- Imerys	NK FP	50.56	28.43%	16.9%	1,083.31	1,357.61
- Pernod-Ricard	RI FP	95.95	3.75%	14.9%	954.28	1,195.91
- Suez Environnement	SEV FP	11.24	3.43%	3.1%	196.48	246.22
- Private Equity & others				3.3%	213.00	266.94
- Net cash				7.5%	480.12	601.69
Portfolio				107.8%	6,914.73	8,665.58
Net cash				-7.8%	-501.23	-628.15
Adjusted equity value				100.0%	6,413.50	8,037.43

Number of shares (outstanding)	84,638,370
Treasury shares (for remuneration purposes, resale, collateral,...)	0.3% 281,650
Treasury shares (available for cancellation)	0.0% 16,150
Number of shares (for per share calculation)	84,622,220

Pargesa last price	67.40
Adjusted equity value p.s.	94.98
Current discount	29.04%

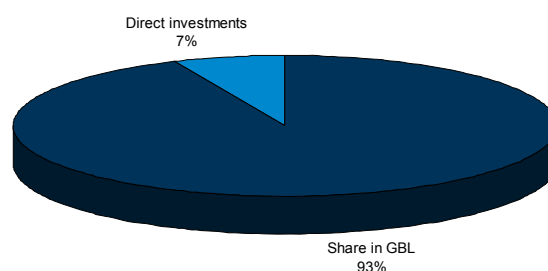
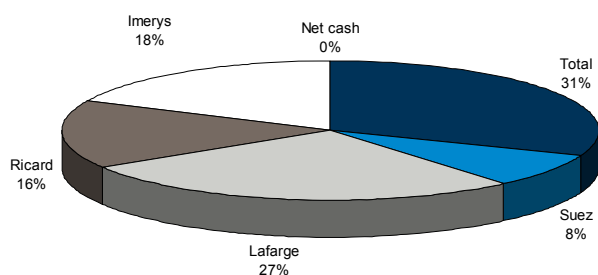
Target prices	GDF Suez	17.00	
Target equity value			8,051.22
Target equity value p.s.			95.14
Discount to target equity value			29.16%

KBCS has a HOLD recommendation and a CHF 67.5 target price.

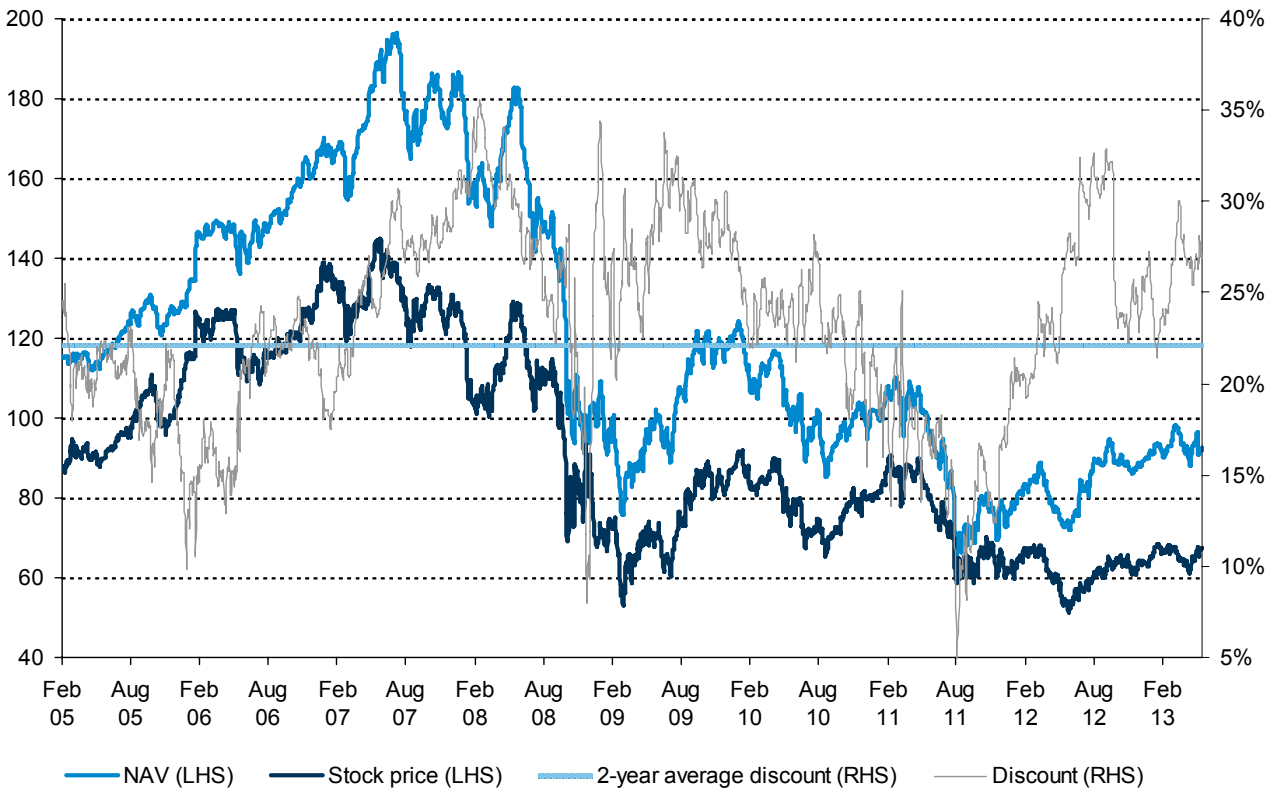
The upside potential versus a stock price of CHF 67.4 equals 0.15%.

The implied discount of our CHF 67.5 target price vs. the target equity value is 29.05%.

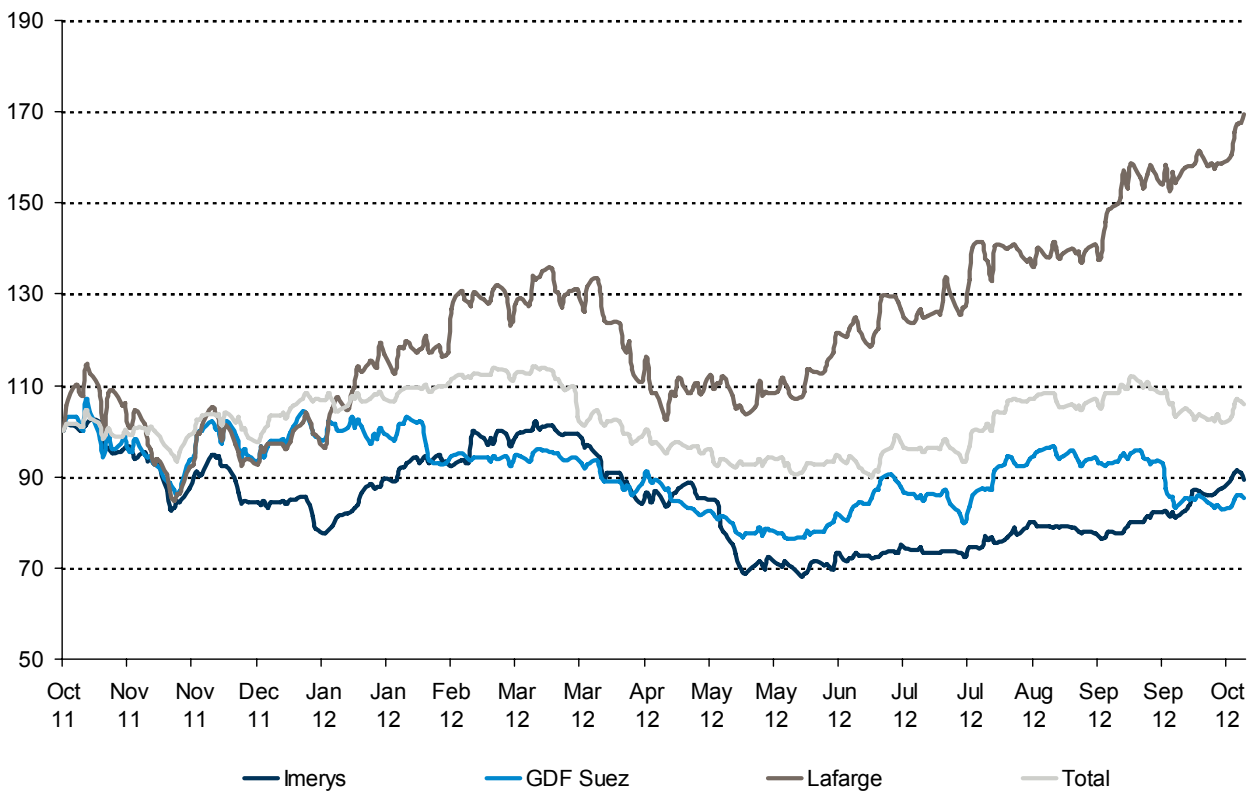
Graphical portfolio breakdown



Historical NAV overview

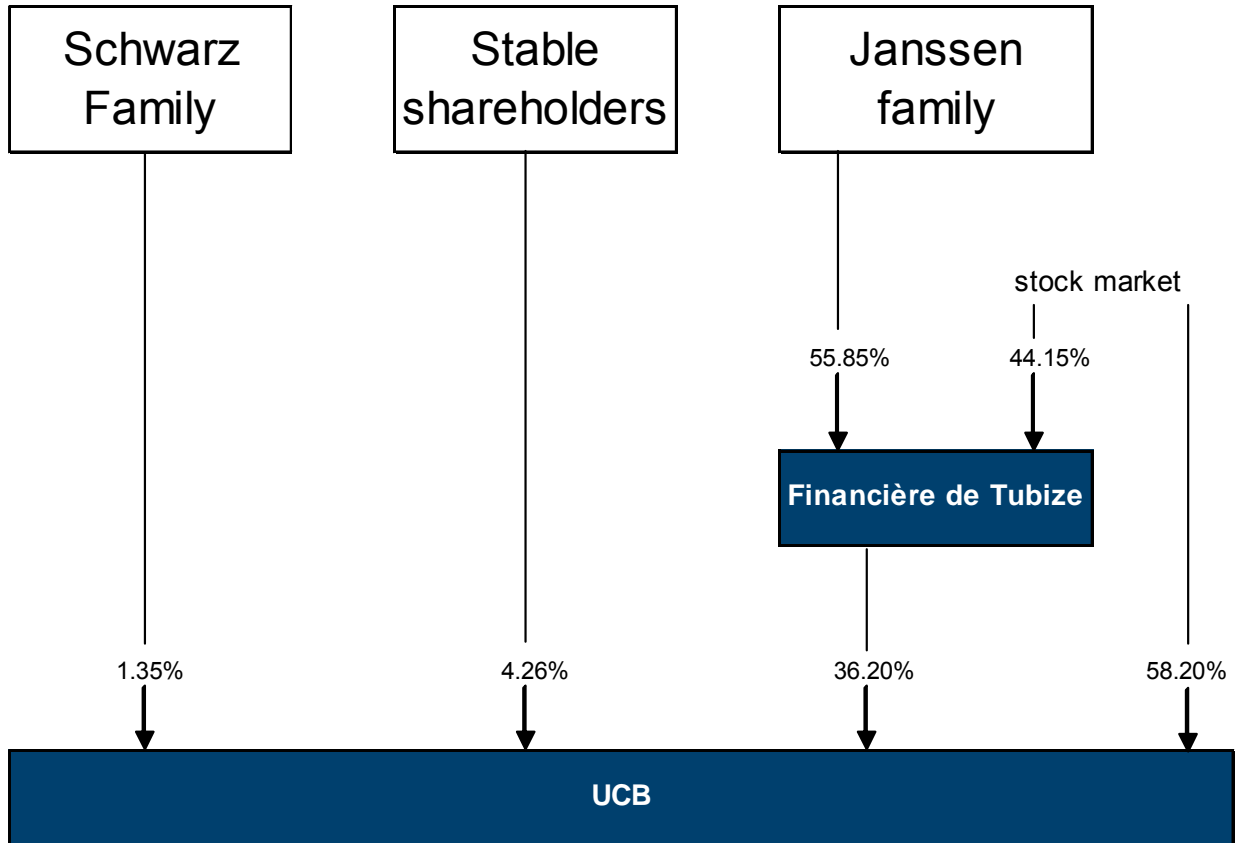


Stock price evolution quoted participations (-1 year, rebased to 100)




Financial data

Income statement (CHF m)	2004	2005	2006	2007	2008	2009	2010
Sales & operating income	4,841.7	4,811.1	5,303.9	5,682.7	5,569.5	4,259.4	4,704.3
Result from operating activities	615.4	635.7	402.3	1,009.1	-1,822.8	801.1	480.1
Result from financing activities	330.5	223.1	423.5	670.1	575.6	615.5	434.0
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of result of associates	405.0	9.3	41.5	35.2	459.3	224.0	255.7
Income taxes	-155.1	-117.4	-51.8	-136.1	-139.6	-54.3	-132.5
Discontinued activities	0.0	415.0	3,882.6	0.0	0.0	0.0	0.0
Minorities	-635.3	-632.7	-2,404.8	-856.0	406.7	-794.6	-573.1
Share of the group	560.5	533.0	2,293.3	722.3	-520.8	791.7	464.2
Adjusted net result	476.7	509.0	539.3	609.3	708.1	512.1	464.8
Balance sheet (CHF m)	2004	2005	2006	2007	2008	2009	2010
Intangible assets & goodwill	1,069.3	1,510.8	1,465.0	1,683.7	1,604.4	1,584.9	1,490.3
Tangible assets	2,515.6	2,931.8	2,618.9	2,817.6	2,580.8	2,402.3	2,207.5
Participations acc. for under equity method	2,949.5	3,316.8	158.5	258.3	14,171.0	15,040.4	12,126.5
Other financial assets	8,489.5	12,539.9	20,867.3	28,004.3	4,865.3	5,985.7	5,419.2
Cash & cash equivalents	652.4	427.5	4,735.6	3,408.9	1,569.7	1,321.4	1,298.3
Other assets	1,760.0	2,100.8	2,355.9	2,383.2	2,077.9	1,528.9	1,698.0
TOTAL ASSETS	17,436.3	22,827.6	32,201.2	38,556.0	26,869.1	27,863.6	24,239.8
Equity attributable to holders of the parent	6,768.5	8,755.3	12,965.4	15,170.7	9,434.8	10,548.9	8,704.7
Minorities	7,090.1	9,137.7	13,821.5	16,808.1	10,646.4	11,787.9	10,096.8
Financial debt	2,037.2	3,119.6	3,531.5	4,718.3	5,177.4	4,152.6	4,045.1
Other liabilities	1,540.4	1,815.0	1,816.4	1,858.9	1,581.9	1,349.7	1,365.1
TOTAL LIABILITIES	17,436.2	22,827.6	32,134.8	38,556.0	26,840.5	27,839.1	24,211.7
net debt	1,384.8	2,692.1	-1,204.1	1,309.4	3,607.7	2,831.2	2,746.8
Cash flow statement (CHF m)	2004	2005	2006	2007	2008	2009	2010
Cash flow from operating activities	1,082.6	1,103.9	1,079.5	1,462.2	993.5	2,275.3	1,243.7
Cash flow from investing activities	-302.5	-1,964.9	2,371.3	-4,612.8	-2,599.5	-982.6	-594.6
Dividends paid (consolidated)	-363.8	-403.3	-440.9	-512.3	-561.0	-523.8	-526.4
Other cash flow from financing	-725.4	845.3	764.9	2,021.2	422.2	-1,016.0	43.3
Fx and changes to consolidation scope	-9.1	8.7	89.7	98.4	-234.5	4.1	-190.3
Change in cash & equivalents	-318.2	-224.9	4,308.0	-1,326.7	-1,839.2	-248.3	-23.1
Per share data	2004	2005	2006	2007	2008	2009	2010
Year-end share price (€)	80.0	112.2	138.8	126.5	70.0	90.6	79.4
Year-end market cap (€ m)	6,754.8	9,496.4	11,747.8	10,706.8	5,924.7	7,668.2	6,720.3
Weighted average # shares	84,434,770	84,638,370	84,638,370	84,638,370	84,638,370	84,638,370	84,638,370
Weighted average # shares, diluted	84,434,770	84,638,370	84,638,370	84,638,370	84,638,370	84,638,370	84,638,370
Basic EPS (€)	6.68	6.33	27.10	8.53	-6.15	9.35	5.48
Diluted EPS (€)	6.61	6.29	25.95	7.97	-6.15	8.81	5.47
NBV (€)	97.7	118.0	169.5	188.5	102.0	127.1	87.4
Adjusted equity value (€)	97.3	114.6	168.5	185.8	100.4	120.5	101.9
Premium (-) / Discount to (vs. YE stock price)	17.79%	2.05%	17.60%	31.91%	30.28%	24.82%	22.11%
Gross dividend	2.00	2.15	2.37	2.62	2.62	2.72	2.72
Gross dividend yield	2.50%	1.92%	1.71%	2.07%	3.74%	3.00%	3.43%
Ratios	2004	2005	2006	2007	2008	2009	2010
Return on Equity (avg)	8.3%	7.9%	26.2%	5.6%	-3.4%	8.4%	4.4%
Total return	24.0%	42.8%	25.6%	-7.2%	-42.6%	33.2%	-9.4%
Pay-out ratio (adjusted net result)	35.4%	35.8%	37.2%	36.4%	31.3%	45.0%	49.5%
P/E	11.98	17.73	5.12	14.83	-11.38	9.69	14.49
P/NBV	0.82	0.95	0.82	0.67	0.69	0.71	0.91
Statutory data (CHF m)	2004	2005	2006	2007	2008	2009	2010
Result from operating activities	-12.0	-10.4	-15.7	-13.1	-12.4	-11.4	-11.1
Result from financing activities	185.0	200.8	210.9	300.4	366.8	266.7	265.0
Result from extraordinary activities	4.0	10.7	7.0	0.0	0.0	0.0	0.0
Income taxes	-1.5	-1.5	-1.7	-1.5	-1.5	-1.6	-1.5
PROFIT/LOSS FOR THE PERIOD	177.0	201.1	202.2	287.3	354.4	255.3	253.9
Dividends paid (statutory)	-168.9	-182.0	-200.6	-221.8	-221.8	-230.2	-230.2
Financial assets	2,134	2,106	2,102	2,296	2,235	2,237	2,511
Other assets	204	259	345	244	375	401	337
Capital and reserves	2,336	2,363	2,382	2,384	2,456	2,484	2,498
Provisions and deferred taxation	0	0	0	0	0	0	0
Liabilities	1	2	65	156	155	154	350
TOTAL ASSETS	2,337	2,365	2,447	2,540	2,610	2,638	2,847



- * Tubize holds a poison pill via which it can up its stake in UCB to 42.95%. In case Tubize will lift the option, the stable shareholders will hold 3.48% and the Schwarz family will hold 1.1%.
- * UCB shareholders currently control 41.8% of UCB. In case Tubize will decide to exercise its poison pill, UCB shareholders will control 47.54% of UCB.

 : Public company  : Private company

Description

Financière de Tubize is a holding company through which the Janssen family maintains factual control over UCB. Tubize holds 36.20% of the UCB shares, as well as a poison pill.

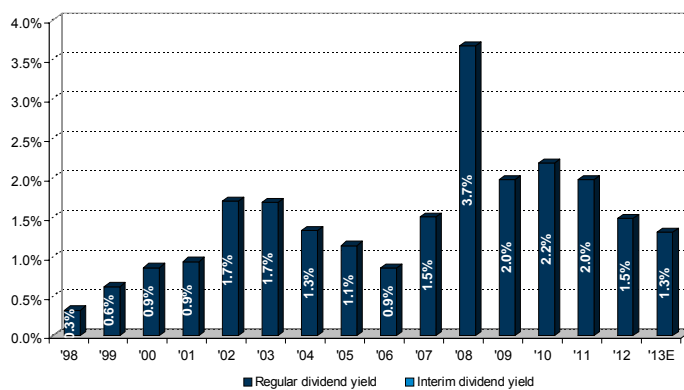
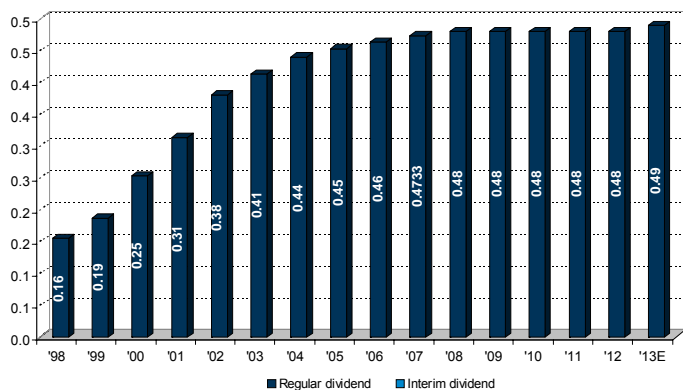
Investment cases

- UCB's Cimzia sees a good launch in the US for RA and Crohn's both in Europe and especially in the US market
- UCB's Epratuzumab for systemic lupus erythematosus showed good mid-stage results; ready for phase III testing
- UCB's restructuring/divestment efforts and the focus on core projects is boosting short-term profitability
- Tubize has 30% upside potential (30% implied discount to NAV) and enjoys a positive leverage effect

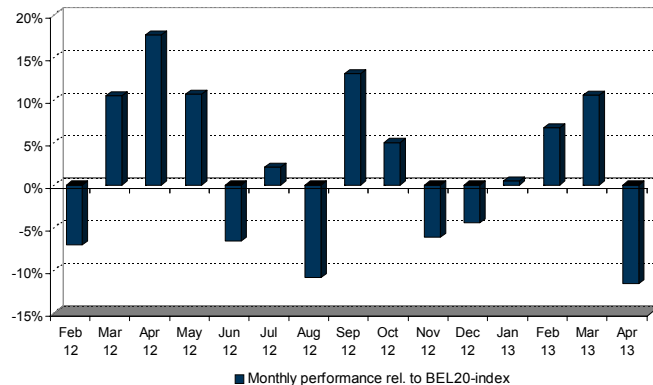
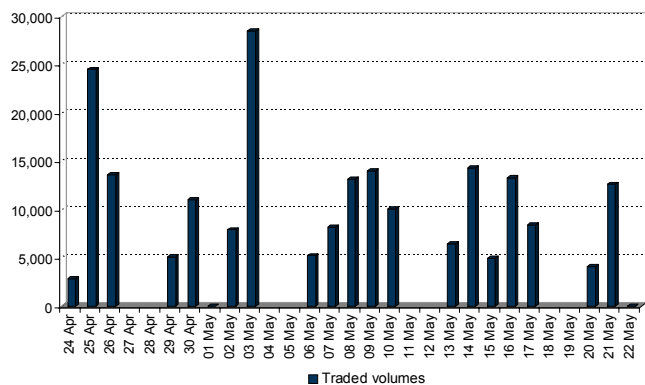
Shareholder structure

	# shs	% shs	value (€m)
Baron Daniel Janssen	5,881,677	13.19%	210.56
SCA Fin. Eric Janssen	8,525,014	19.11%	305.20
Cyril Janssen	484,700	1.09%	17.35
Mme André Janssen	1,251,865	2.81%	44.82
Barnfin	3,852,633	8.64%	137.92
Altai Invest	4,918,594	11.03%	176.09
Free float	19,694,348	44.15%	705.06

Dividend data



Volume and performance data



Analyst opinion

Stock price: € 36.05
 Target price: € 53.00
 Potential: 47.02%
 Rating: BUY

Company specifics

Market cap: € 1,597m
 Currency: EUR
 Avg. daily value: € 0.31m
 Avg. 3M volume: 13,656
 % chg 1M: -3.53%
 % chg 1Y: 15.86%
 52-week hi/lo: 40.24 / 28.56
 BB-code: TUB BB
 Reuters-code: TUB.BR
 Web: www.financiere-tubize.be

Corporate calendar

31-Mar-2013 Results FY (E)

News flow

26-03-2013: FY12 results in line; poison-pill cancelled; TP upped

Last week's released set of FY12 results contained no noteworthy items that necessitated a drastic fine-tuning of our SOTP model. We did adjust our net debt estimated as we took into account FY13 cash flows, including a proposed € 0.48 DPS (unchanged y/y). We maintain our Buy rating and up our TP from € 49 to € 53. News: Non-consolidated, FY12 current result (after tax) arrived at € 54.2m (+5.1% y/y), which includes € 66.41m of UCB dividends (+2.0% y/y) and interest payments that shaved off € 11.81m (-10.1% y/y). Net profit matched current results at € 54.2m (+5.1% y/y), as no exceptional items were included. EPS amounted to € 1.2145. The balance sheet boasts liabilities of € 255m, which includes € 220m of long-term debt and € 35.0m of short-term debt. On the asset side, cash & cash equivalents amount to a negligible € 0.19m. Lower debts and higher current earnings allowed for an unchanged DPS (€ 0.48), which compares with KBCS estimates of € 0.49. UCB is cancelling the poison-pill at the level of Tubize. This mechanism allowed Tubize to increase its stake in UCB from 36.2% to 46.2%. Combined with the stake of the stable shareholders, Tubize had the formal option to raise its control to 51% of UCB, making it impossible for a third party to take over UCB. Instead of the indirect poison-pill, UCB opted to install the option to directly increase its capital by 10% in case of a take-over. This should prevent a third party to launch a hostile takeover. Our View & Conclusion: As time progresses and UCB's dividends are flowing in, Tubize's debt repayments are reducing the debt-to-equity ratio as well as the number of debt servicing costs. This is again shown in the FY12 accounts and we expect this trend to continue in FY13 and beyond. We fine-tuned our estimated net debt figure to € 217m (versus a previous € 253m): this includes YE12 debts, cash-income from the UCB dividend (payable in May 2013, € 67.7m), cash-outs related to paying its own dividend (€ 21.41m) and debt servicing costs (€ 3m). The corresponding debt-to-equity ratio amounts to 6.6%, which is down significantly vs. a YE11 and YE10 level of 12.7% and 18.7%, respectively. The cancellation of the poison-pill does not impact our valuation but merely shifts the blocking power from a takeover to the level of UCB rather than Tubize. Tubize deleveraged quite significantly over the past couple of years, but the real value driver remains the operating performance of UCB. KBCS this morning upped its TP on UCB from € 48 to € 51 (full explanation elsewhere in this morning note). We estimate adjusted equity value p.s. at € 69.05 with a 42.6% discount. Our € 53.0 TP leaves upside potential of 33.7% and implies a 25.35% discount to target equity value, which is more or less in line with its 2-year average. We maintain our Buy rating.

28-02-2013: TP upped from €45 to €49

We increase our TP on Tubize from € 45 to € 49, following KBCS' decision to up the TP of UCB from € 43.5 to € 48. News: During the FY12 results presentation, UCB provided details on its 5 strategic growth priorities, the ambitions with the late-stage pipeline and ambition to improve profitability. The growth of CVN, development of the late-stage pipeline and introduction of new molecules into the clinic speak for themselves. Additional information was provided on the focus of emerging markets and Japan. Emerging markets in BRICMT (Brazil-Russia-India-China-Mexico-Turkey) represents 75% of total emerging market growth and represents now €278m (+23% y/y). UCB sees this area to consistently grow above average (high single to more than double digit) as several of the CVN (and in some occasion also Keppra) still need to be introduced. As a fifth pillar, UCB provided a clear and ambitious guidance on REBITDA: via a combination of revenue growth, gross margin increase and operational cash controls, the firm sees its REBITDA margin growing to around 30% by 2017 (from 19% today). This ambitious target, if achieved, will dramatically increase the cash flow generation and the ultimate driver of value. Until now, our model was in the low twenties range at this time-frame. During the pipeline update it became clear that the near term catalyst on Vimpat's US monotherapy (2Q13) not only has a substantial probability of success but also doubles the eligible patient population. Assuming the US monotherapy read-out is positive, the 'above €1.2bn' peak-sales guidance of Vimpat is conservative. Anti-epileptic drugs gaining monotherapy approval have a hockey-stick like sales behaviour. Knowing that Keppra reached €1.3bn in sales (with CAGR of ~30% the years before going generic) with no monotherapy label in the US and Vimpat having premium US pricing and broader administration approval, we believe the release of positive monotherapy results (which we see as likely) should unlock the unrecognized potential of Vimpat today. Our View: The increase of UCB's TP positively influences the underlying potential of Tubize, which holds a 36.2% stake in UCB. We therefore decided to increase our TP on Tubize as well, more specifically upping it by 9% to € 49.0 (previously: € 45.0). This implies a 25.5% discount to target equity value of € 65.78 per share, which is more or less in line with its 2-year average. Tubize from current levels has upside potential of 39.48%, so we definitely keep our recommendation unchanged at Buy. Conclusion: We currently estimate adjusted equity value per share at € 59.84 with a discount of 41.29%. The discount is staggering high and unwarranted, we believe. Tubize is a slightly levered (net debt/adjusted equity value of 9.4%) monoholding in UCB. We maintain our Buy rating.

30-10-2012: TP hike from €40 to €45

We increase our TP on Tubize from €40 to €45, following yesterday's decision of KBCS to up the TP of UCB from €42 to €44. News: UCB's 9M12 update proved that the company is well on track to meet its FY12 ambitions. The CVN products outperformed for the first time the Keppra franchise. Given the solid 9M12 results, UCB's management reiterated its (unchanged) outlook for FY12: revenues are expected to exceed €3.2bn, REBITDA will be between €630 - €660m and core earnings per share at approx €1.70/sh. We believe the market rightfully incorporates the positive prospects of UCB's investment opportunity and we see limited downward risk up until the FY12 numbers from pipeline developments or other stock triggering news flow. We therefore keep our Hold rating on UCB. For more information on UCB's 9M12 results, we refer to yesterday's morning note. Our View: The increase of UCB's TP positively influences the underlying potential of Tubize, which holds a 36.2% stake in UCB. We therefore decided to increase our TP on Tubize as well, more specifically upping it by 12.5% to €45.0 (previously: €40.0). This implies a 24.54% discount to target equity value of €59.64 per share, which is more or less in line with its 2-year average. Tubize from current levels has upside potential of 34.89%, so we definitely keep our recommendation unchanged at Buy. Conclusion: We currently estimate adjusted equity value per share at €60.09 with a discount of 44.06%. The discount is staggering high and unwarranted, we believe. Tubize is a slightly levered (net debt/adjusted equity value of 9.7%) monoholding in UCB. We therefore advise to swap UCB shares, which we deem fair at €44, for Tubize shares.

11-10-2012: 3Q12 reveals no changes to UCB stake

In a limited trading update, Tubize mentions that it did not engage in any trading activities. This translates in no changes to Tubize's 36.2% stake in UCB. News: Tubize's stake in UCB remained level at 36.2%. The company reminds that in 1H12 it repaid € 38m of debt via utilising the net dividend balance (€ 66.4m received and € 21.4m paid), but we already reflected that in our SOTP model. Our View: As the trading update lacks useful info, we advise focusing on our Tubize investment case: the 43.6% discount is flabbergasting. Tubize is a slightly levered (net debt/adjusted equity of 8.9%) monoholding in UCB (which we like at € 42). With an acceptable liquidity level of € 1.5m/day, this out-of-the-ordinary discount warrants switching UCB positions for Tubize.

01-08-2012: Debt repayment again chief activity in 1H12

Tubize announced 1H12 results that were comparable to last year's results, while the UCB stake hasn't changed (36.2%). Reflecting a increase of KBCS' TP on UCB, we decided to increase our TP from € 35.0 to € 40.0 and maintain our Buy rating (upside potential: 30% !) News: Tubize announced that 1H12 net profit (statutory level) arrived at € 59.05m (€ 1.3432 p.s.), up 3.2% versus a 1H11 reading of € 58.04m (€ 1.3012 p.s.). The reported

Sum-of-the-parts model

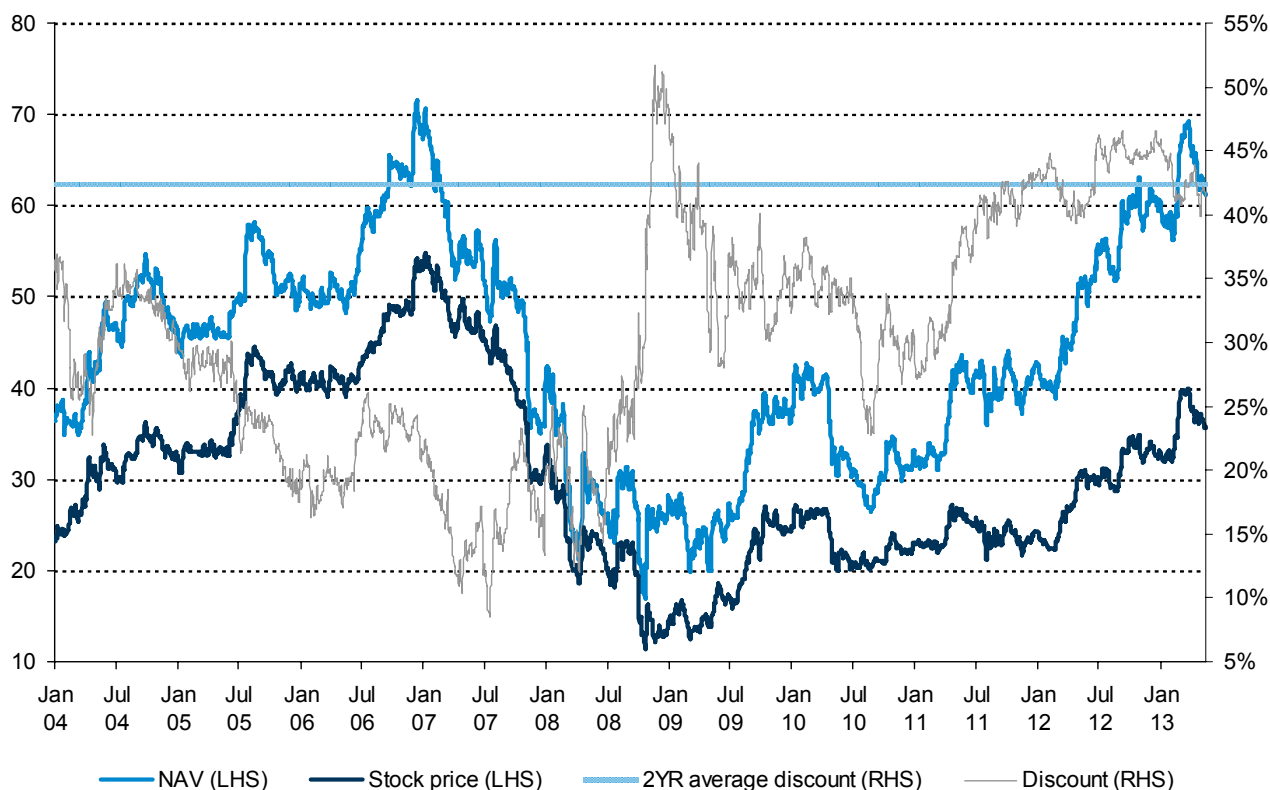
Portfolio	BB	# shares	Shares outstanding	% Tubize	Share price €	% of NAV %	Value €m	
UCB	UCB BB	66,370,000	183,365,052	36.20%	44.33	108.1%	2,941.85	
Portfolio						108.1%	2,941.85	
Net cash						-8.1%	-220.00	
Adjusted equity value						100.0%	2,721.85	
Number of shares (outstanding)							44,608,831	
Treasury shares (for remuneration purposes, resale, collateral,...)							0.0%	0
Treasury shares (available for cancellation)							0.0%	0
Number of shares (for per share calculation)							44,608,831	
Tubize last price							35.80	
Adjusted equity value p.s.							61.02	
Current discount							41.33%	
Target prices		UCB		51.00				
Target equity value							3,164.87	
Target equity value p.s.							70.95	
Discount to target equity value							49.54%	

KBCS has a BUY recommendation and a €53 target price.

The upside potential versus a stock price of € 35.8 equals 48.04%.

The implied discount of our € 53 target price vs. the target equity value is 25.3%.

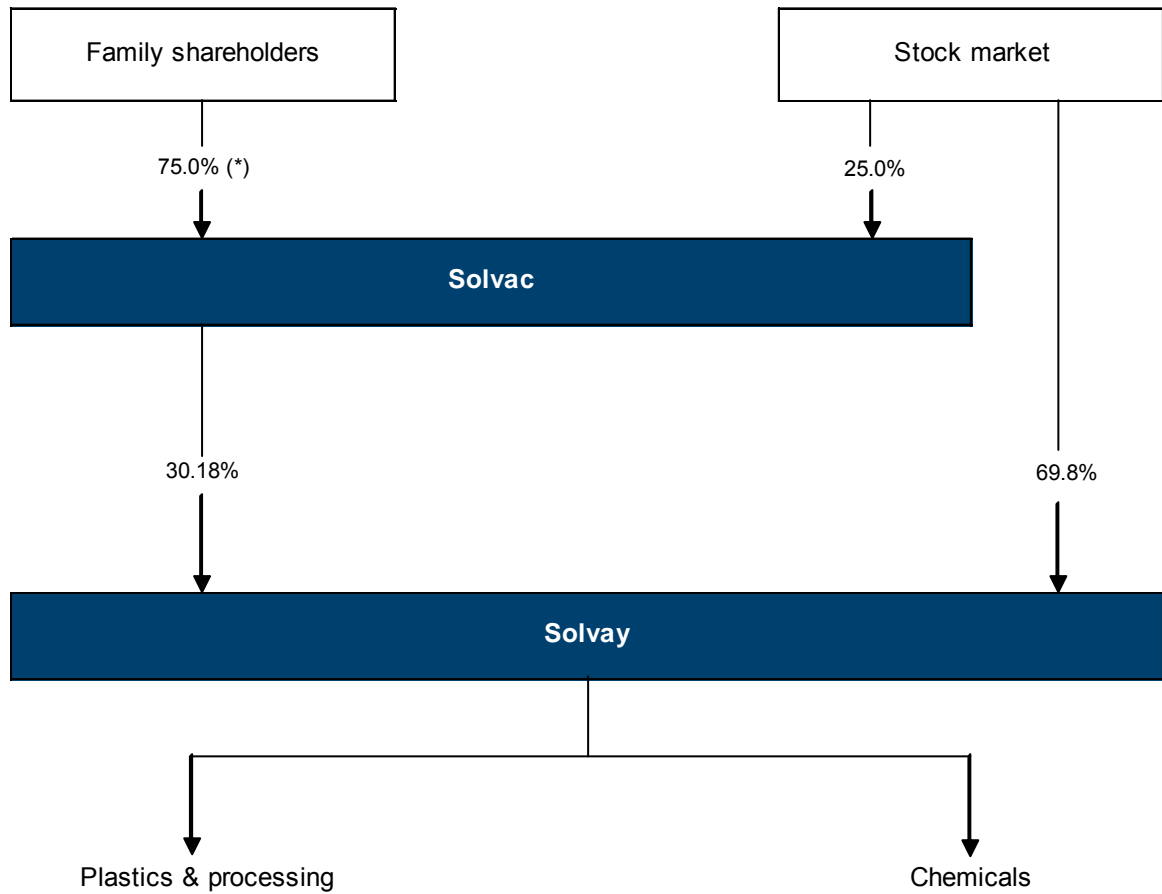
Graphical portfolio breakdown



* The historical NAV and discount data have been corrected following the merger between Tubize and Obourg in June 2005

Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010
Sales & operating income	0.1	0.3	0.3	0.7	0.7	0.2	0.0
Result from operating activities	0.1	-0.5	0.1	0.1	0.5	-0.2	-0.4
Result from financing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from extraordinary activities	0.0	0.0	328.2	0.0	0.0	0.0	0.0
Share of result of associates	132.0	304.6	156.7	57.9	15.1	185.8	37.2
Income taxes	-2.2	-4.0	-0.4	-1.3	0.2	-0.1	-0.2
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of the group	123.9	293.9	477.3	39.5	-0.9	163.3	20.9
Adjusted net result	42.2	43.8	46.7	42.7	44.9	44.8	48.9
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010
Intangible assets & goodwill	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Participations acc. for under equity method	704.6	1,005.8	1,585.1	1,665.5	1,575.8	1,720.3	1,783.5
Other financial assets	5.2	5.3	0.0	0.0	0.1	0.0	0.0
Cash & cash equivalents	4.9	7.2	9.7	8.9	8.8	2.8	0.8
Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ASSETS	715.3	1,018.9	1,595.3	1,675.0	1,585.3	1,723.7	1,784.9
Equity attributable to holders of the parent	592.6	901.4	1,355.0	1,261.2	1,195.4	1,357.1	1,443.9
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial debt	112.7	103.4	223.4	389.1	359.5	348.6	323.2
Other liabilities	10.0	14.1	16.9	24.7	31.6	18.1	17.8
TOTAL LIABILITIES	715.3	1,018.9	1,595.3	1,675.0	1,586.4	1,723.7	1,784.9
net debt	107.8	96.2	213.8	380.2	350.7	345.8	322.5
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010
Cash flow from operating activities	3.1	-7.1	335.2	5.6	5.3	-19.0	-2.4
Cash flow from investing activities	48.5	50.9	-97.4	-134.6	61.8	61.2	63.8
Dividends paid (consolidated)	-18.8	-5.9	-20.2	-20.7	-21.1	-21.4	-21.4
Other cash flow from financing	-28.6	-35.5	113.1	148.8	-46.1	-23.4	-43.3
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	4.1	2.3	2.5	-0.8	-0.1	-6.0	-2.0
Per share data	2004	2005	2006	2007	2008	2009	2010
Year-end share price (€)	33.0	39.6	53.8	31.5	13.1	24.3	22.0
Year-end market cap (€ m)	750.7	1,767.0	2,400.0	1,404.3	583.5	1,084.0	979.6
Weighted average # shares	22,747,400	44,608,831	44,608,831	44,608,831	44,608,831	44,608,831	44,608,831
Weighted average # shares, diluted	22,747,400	44,608,831	44,608,831	44,608,831	44,608,831	44,608,831	44,608,831
Basic EPS (€)	5.45	6.59	10.70	0.89	-0.02	3.66	0.47
Diluted EPS (€)	5.45	6.59	10.70	0.89	-0.02	3.66	0.47
NBV (€)	32.0	20.2	30.4	28.3	26.8	30.4	32.4
Adjusted equity value (€)	46.1	49.0	67.9	36.8	36.8	36.6	31.2
Premium (-) / Discount to (vs. YE stock price)	28.39%	19.21%	20.77%	14.46%	64.46%	33.68%	29.53%
Gross dividend	0.88	0.45	0.46	0.47	0.48	0.48	0.48
Gross dividend yield	2.67%	1.14%	0.86%	1.50%	3.67%	1.98%	2.19%
Ratios	2004	2005	2006	2007	2008	2009	2010
Return on Equity (avg)	27.3%	49.6%	52.9%	2.9%	-0.1%	13.7%	1.5%
Total return	176.4%	22.7%	37.0%	-40.6%	-56.9%	89.4%	-7.7%
Pay-out ratio (adjusted net result)	47.5%	46.1%	44.3%	49.4%	47.1%	47.1%	43.8%
P/E	6.06	6.01	5.03	35.52	-644.73	6.64	46.94
P/NBV	1.03	1.96	1.77	1.11	0.49	0.80	0.68
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010
Result from operating activities	-0.1	-0.9	-0.3	-0.6	-0.2	-0.4	-0.4
Result from financing activities	42.3	58.8	47.0	43.3	45.1	45.2	49.3
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	42.2	43.8	46.7	42.7	44.9	44.8	48.9
Dividends paid (statutory)	-20.0	-20.2	-20.7	-21.1	-21.1	-21.1	-21.4
Financial assets	700	842	1,154	1,580	1,580	1,580	1,580
Other assets	11	13	10	9	10	3	1
Capital and reserves	575	729	916	1,168	1,192	1,205	1,233
Provisions and deferred taxation	0	0	0	0	0	0	0
Liabilities	135	126	249	422	398	378	349
TOTAL ASSETS	710	855	1,165	1,590	1,590	1,584	1,582



(*) Rough estimate based on research from 'De Tijd' and ING

 : Public company  : Private company

Description

Solvac is the holding company of Solvay, in which it holds a 30.12% stake. Its share capital is solely made up of nominative shares.

Investment cases

- All of Solvac's shares are nominative and prevent institutional investors from stepping in
- Solvay acquired Rhodia in a value-creating deal that deployed all of the cash generated by the Pharma sale
- Solvay's FY11 started excellently with REBITDA up 28% in 1Q11
- Solvay after acquiring Rhodia still has a strong balance sheet that allow for external growth

Shareholder structure

	# shs	% shs	value (€m)
Family (*)	10,668,443	69.85%	1,248.21
Patrick Solvay	806,557	5.28%	94.37
Free float	15,273,681	24.87%	1,787.02

(*) Rough estimate based on research from 'De Tijd' and ING

Analyst opinion

Stock price:	€ 117.00
Target price:	€ 135.00
Potential:	15.38%
Rating:	ACCUMULATE

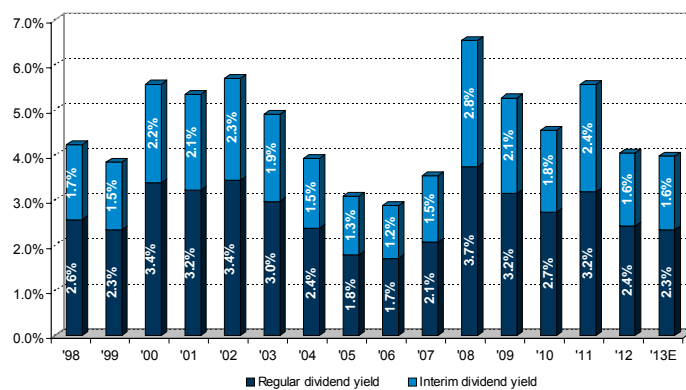
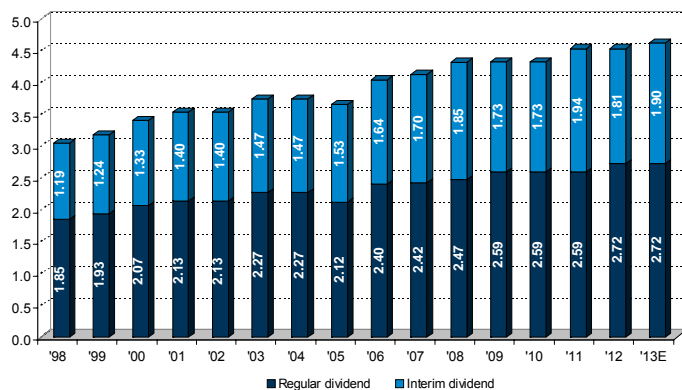
Company specifics

Market cap:	€ 1,788m
Currency:	EUR
Avg. daily value:	€ 0.04m
Avg. 3M volume:	858
% chg 1M:	10.38%
% chg 1Y:	18.66%
52-week hi/lo:	128 / 89
BB-code:	SOLV BB
Reuters-code:	SOAC.BR
Web:	www.solvac.be

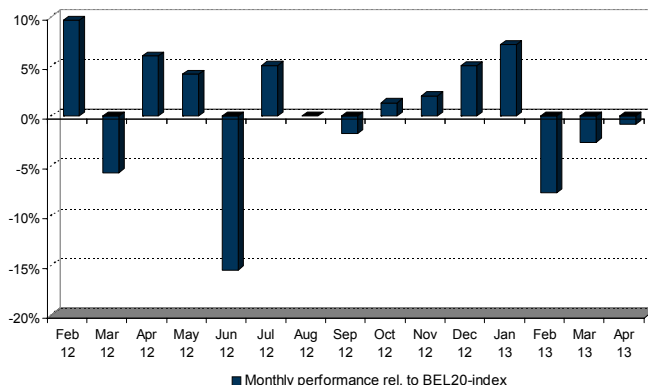
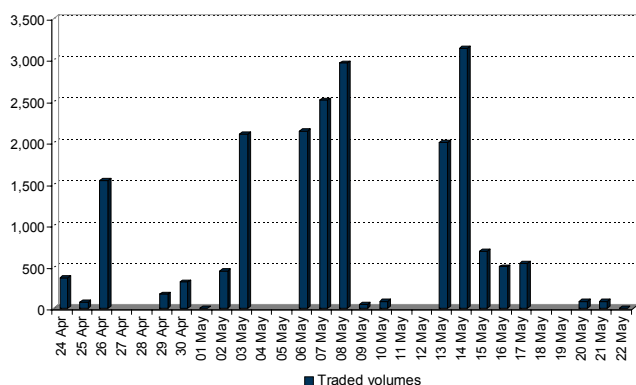
Corporate calendar

10-May-2013	Trading update 1Q (A)
31-Aug-2013	Results 1H (A)
12-Nov-2013	Trading update 3Q (A)

Dividend data



Volume and performance data



News flow

04-03-2013: Flat FY12 Solvac dividend

Solvac reported consolidated FY12 income of € 174m (€ 11.4 p.s.), up from € 72m (€ 4.7 p.s.) in FY11 as Solvac's income in FY12 included for the first time the results from 12 months of Rhodia activities. News: Cash flow during the period consisted, in line with tradition, entirely of Solvac dividends (€ 72.7m, flat y/y), which has been paid out under the form of Solvac dividends (€ 69.2m), debt servicing costs (€ 5.7m) and the acquisition of additional Solvac shares (which prompted an increase in the Solvac stake by 0.03% to 30.18%). Non-consolidated, FY12 income decreased 0.03% to € 72.70m. Since no capital gains were recorded, no taxation was included in the P&L and only a limited amount of current items were noted, the current result equals the net result. Solvac had already announced that it paid out a second gross interim DPS of € 1.81 (-6.7% y/y), prompting a cash outflow of € 27.7m. Combined with the first gross interim DPS (€ 2.72, 5% y/y), the total FY12 gross dividend amounts to € 4.53, which equals the FY11 dividend. Assuming 4.9% growth in FY13 DPS, the stock currently yields 4.1%. In cash flow terms, the FY12 dividend equals a cash outflow of € 69.2m. This compares with FY12 dividend inflows totalling € 78.4m (including costs, net cash flow amounted to € 72.7m). Our View: The press release did not surprise at the level of the final dividend amount, as this had already been announced. The hike of the Solvac stake was something unexpected, though nevertheless applaudable as we have been a buyer of Solvac for a considerable period of time. Combined with a share buyback at the level of Solvac, this allocation of cash has created shareholder value. Conclusion: Based on Friday's closing prices, we estimate adjusted equity value per share at € 175.91 with a 34.6% discount. Our € 135 TP implies a 30% discount to target equity value of € 194.8 p.s. (based on KBCS TP of € 120.0 on Solvac), which we believe is warranted based on the fact that liquidity is extremely poor and institutional investors are barred from entering the capital. The upside potential versus current levels amounts to 17%. We maintain our Accumulate rating.

11-02-2013: TP upped from €120 to €135

Summary: KBCS today increases its TP on Solvac from € 112.0 to € 120.0. Since this directly affects Solvac's underlying potential, we decided to increase our TP on Solvac from € 125.0 to € 135.0. We maintain our Accumulate rating as the upside potential amounts to 12.5%. Our View: Solvac holds 30.18% of Solvac, next to which it has an estimated € 110m of debt on its balance sheet (debt-to-equity: 3.7%). For more details with regards to KBCS decision to increase its TP on Solvac, we refer to comments elsewhere in today's morning note. Conclusion: We currently estimate adjusted equity value per share at € 186.08 with a 35.5% discount. Replacing Solvac's stock price with KBCS' TP (€ 120) would result in an increase to € 193.7 per share. Our new TP implies a rough 30% discount to this level, which we believe is justified not only by the much lower liquidity of the stock vis-à-vis Solvac, but also due to the nominative character of Solvac (which prevents institutional investors from stepping in). Based on our € 135 TP, the upside potential from current levels amounts to 12.5%, hence we maintain our Accumulate rating.

18-12-2012: Upped TP and rating on the back of new Solvac TP

Ever since upping our TP from € 100 to € 110 on 5 September, Solvac's stock price increased 11.68%, which is significantly better than the BEL20 (+3.02%) and DJ Eurostoxx50 (+6.54%). Our new TP of € 125 on Solvac implies a 31% discount, which we feel is fair given Solvac's profile. We upgrade from Hold to Accumulate. A gross dividend of € 2.72 p.s. was paid in October and since the beginning of the share buyback programme (1 September 2011) 32,646 shares were bought back. The first interim dividend corresponds to 60% of the total dividend paid in the preceding fiscal year. The dividend payment corresponds to a gross distribution of € 41.6m. More comments on the second interim dividend will be made on 17 December 2012. We carry Solvac's stake in Solvac at € 2.7bn while we estimate the net debt position at € 110m (4.2% of NAV). Since Solvac has nearly terminated its share buyback programme (€ 2.87m of the maximum allowed € 3.0m), we could question whether a current discount of 36.65% warrants another share buyback programme. Solvac received € 52.8m worth of Solvac dividends in FY12. Hence, a cash-out of € 41.6m leaves approximately € 11.2m in net cash that can be used to initiate another share repurchase programme.

Underlying, at the level of Solvac, the focus seems to be on improving returns and growing the company organically after selling Pharma and acquiring Rhodia. We understood from the 2012 Capital Markets Days that no bold steps (in the form of divestments) will be taken in the short term. The 3Q12 results were remarkably resilient and the FY guidance seems within reach. Despite weak volumes (-4%), 3Q12 REBITDA rose 4% to € 554m, much better than our and consensus forecast at that time. Solvac set forward an ambitious € 3bn REBITDA target by 2016, vs. the 2011 proforma number of € 2.1bn, underpinned by restructuring and organic growth. Overall, Solvac targets approximately € 380m in savings between 2011 and 2014. This morning, KBCS downgraded Solvac from Buy to Accumulate. After the hefty share price rally since our upgrade from Hold in January 2012 (at a share price of € 65.01), we now feel that the upside potential has become more limited. We decided to increase our TP from € 105 to € 112, on the back of our DCF model. Conclusion: Solvac holds a 30.18% stake in Solvac, which is financed through equity and debt. Based on yesterday's closing prices, we estimate adjusted equity value p.s. at € 173.61 with a discount of 36.65%. Our new target price of € 125 implies a discount of 31%, which we feel is justified given the stock's nominative character and low liquidity. The new target price leaves 14% upside potential, which in turn explains our upgrade from Hold to Accumulate.

13-11-2012: 3Q12: No changes to Solvac stake

The 3Q12 trading update revealed little exciting news. The 30.18% stake in Solvac remained unchanged, a gross DPS of € 2.72 was paid in October and since the beginning of the share buyback programme (1 September 2011) 32,646 shares were bought back. The update has no impact on our rating and € 110 TP. News: On 25 October 2012, Solvac paid its first interim dividend of € 2.72 p.s. (gross, +5% y/y). This amount corresponds to 60% of the total dividend paid in the preceding fiscal year. The payment amounts to a gross distribution of € 41.6m. More comments on the second interim dividend will be made on 17 December 2012. Solvac initiated a share buyback programme for a maximum consideration of € 3m on 1 September 2012. Since its inception, 32,646 shares have been bought back for a total amount of € 2.87m. Our View: The 3Q12 trading update does not contain material new information which could change our investment case or view on Solvac. We carry Solvac's stake in Solvac at € 2.4bn while we estimate the net debt position at € 110m (4.8% of NAV). Since Solvac has nearly terminated its share buyback programme (€ 2.87m of the maximum allowed € 3.0m), one could argue whether a current discount of 32.53% warrants another share buyback programme. Solvac received € 52.8m worth of Solvac dividends in FY12. Hence, a cash-out of € 41.6m leaves approximately € 11.2m in net cash that can be used to initiate another share repurchase programme. Conclusion: Based on yesterday's closing prices, we estimate adjusted equity value per share at € 149.7 with a 32.53% discount. We have a € 110 TP, which implies a 34.75% discount to target equity value and which leaves 8.91% upside potential.

05-09-2012: 1H12 sees higher Solvac stake

Consolidated income rose to € 83m profit in 1H12, while cash inflow matched cash outflow (dividend received and paid were unchanged y/y). Hence, the 1H12 recurring result didn't budge and the balance sheet barely changed, except for Solvac boosting its Solvac stake to 30.18% from 30.15%, (financed by cash flows). We increase our TP from € 100 to € 110, which implies a 35% discount that we deem justified given the liquidity and the nominative-only character of the stock. Hold maintained (11% upside). News: Consolidated 1H12 income increased to € 83m (€ 5.4 p.s.), up sharply vs. a year-earlier €

Sum-of-the-parts model

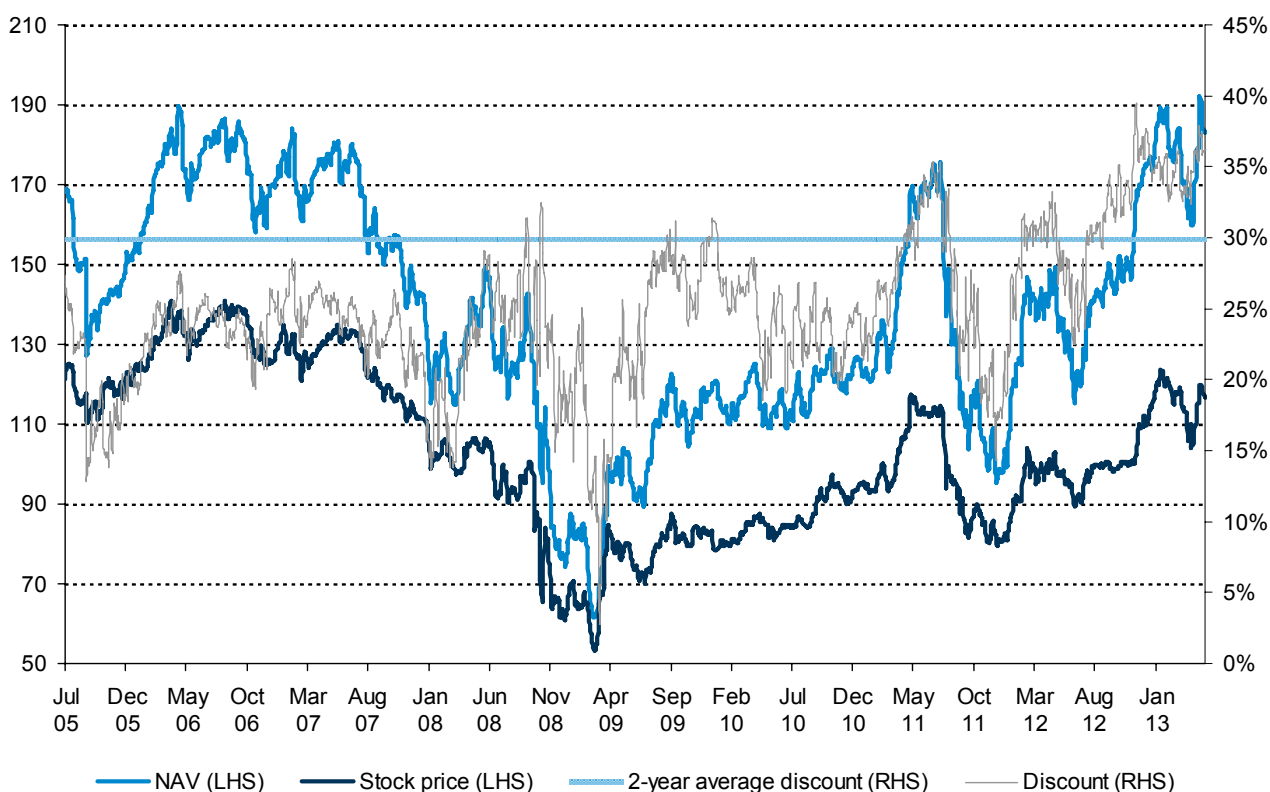
Portfolio	BB	# shares	Shares outstanding	% ownership	Share price €	% of NAV %	Value €m
Solvay	SOLB BB	25,562,757	84,701,133	30.18%	113.90	103.5%	2,911.60
Portfolio						103.5%	2,911.60
Net cash						-3.5%	-98.91
Adjusted equity value						100.0%	2,812.69
Number of shares (outstanding)							15,273,681
Treasury shares (for remuneration purposes, resale, collateral,...)						0.0%	0
Treasury shares (available for cancellation)						0.2%	32,599
Number of shares (for per share calculation)							15,241,082
Solvac last price							117.00
Adjusted equity value p.s.							184.55
Current discount							36.60%
Target prices	Solvay		120.00				
Target equity value							2,968.62
Target equity value p.s.							194.78
Discount to target equity value							39.93%

KBCS has an ACCUMULATE recommendation and a €135 target price.

The upside potential versus a stock price of € 117 equals 15.38%.

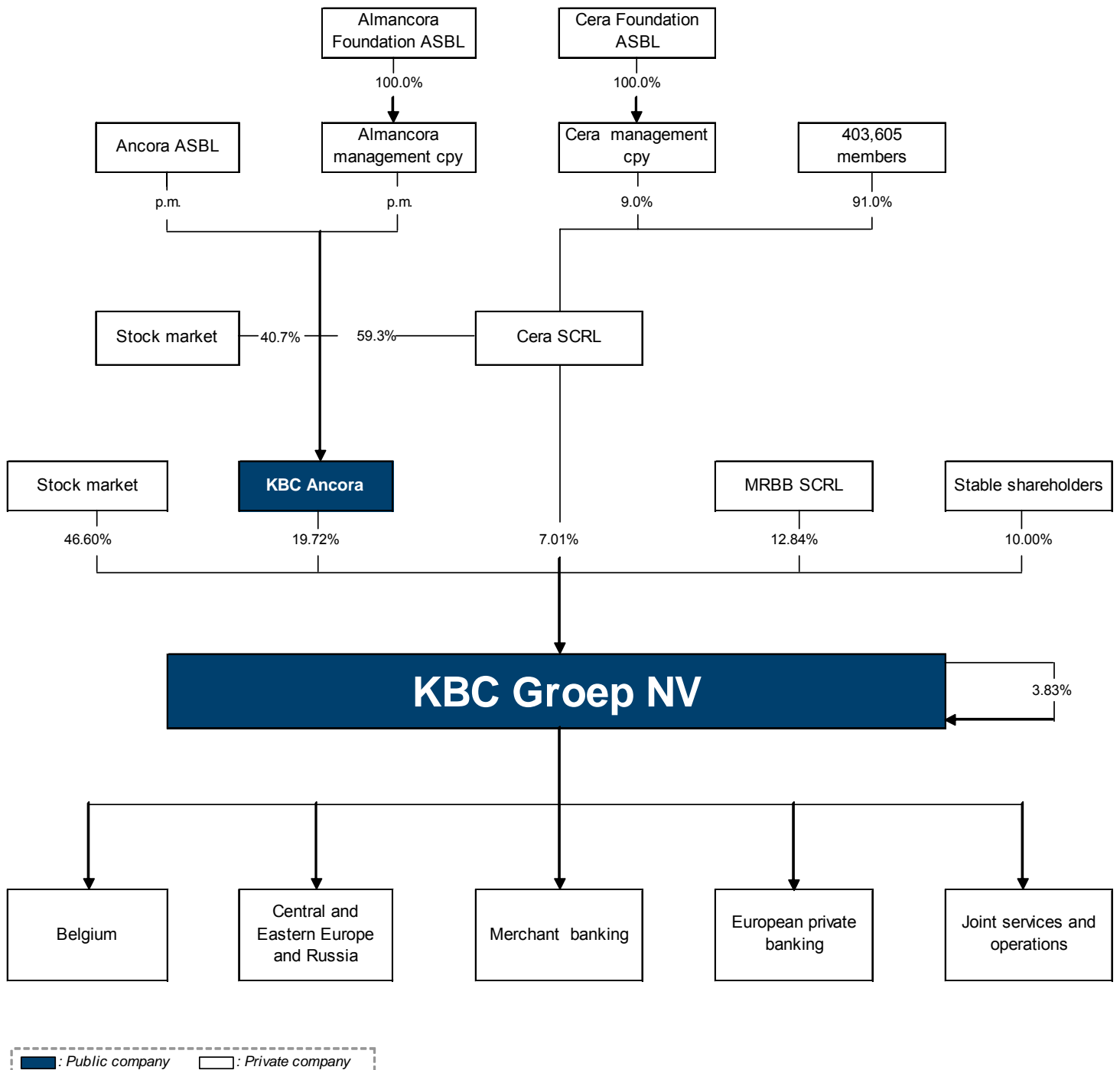
The implied discount of our € 135 target price vs. the target equity value is 30.69%.

Historical NAV overview



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from operating activities	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Result from financing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from extraordinary activities	44.0	73.0	74.0	0.0	0.0	0.0	0.0	0.0
Share of result of associates	135.0	218.0	229.0	241.0	125.0	160.0	559.0	78.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of the group	176.0	288.0	298.0	235.0	119.0	154.0	553.0	72.0
Adjusted net result	51.8	54.8	57.8	63.8	65.6	87.6	69.1	72.7
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	848.0	1,174.0	1,634.0	1,673.0	1,718.0	1,813.0	2,362.0	2,277.0
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Participations acc. for under equity method	0.0	0.0	0.0	0.0	4.0	4.0	4.0	0.0
Other financial assets	0.0	0.0	0.0	0.0	60.0	52.0	52.0	4.0
Cash & cash equivalents	0.0	0.0	3.0	0.0	0.0	0.0	0.0	0.0
Other assets	21.0	21.0	29.0	34.0	39.0	31.0	31.0	31.0
TOTAL ASSETS	869.0	1,195.0	1,666.0	1,707.0	1,821.0	1,900.0	2,449.0	2,312.0
Equity attributable to holders of the parent	775.0	1,103.0	1,492.0	1,534.0	1,583.0	1,678.0	2,227.0	2,143.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial debt	50.0	50.0	110.0	110.0	110.0	110.0	110.0	110.0
Other liabilities	44.0	42.0	64.0	63.0	64.0	56.0	56.0	55.0
TOTAL LIABILITIES	869.0	1,195.0	1,666.0	1,707.0	1,757.0	1,844.0	2,393.0	2,308.0
net debt	50.0	50.0	107.0	110.0	110.0	110.0	110.0	110.0
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	-2.0	-3.0	9.0	-9.0	-7.0	1.0	-1.0	-26.0
Cash flow from investing activities	55.0	58.0	-186.0	73.0	76.0	72.0	72.0	77.0
Dividends paid (consolidated)	-51.0	-53.0	-54.0	-62.0	-64.0	-68.0	-66.0	-91.0
Other cash flow from financing	-2.0	-2.0	234.0	-5.0	-5.0	-5.0	-5.0	42.0
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	0.0	0.0	3.0	-3.0	0.0	0.0	0.0	0.0
Per share data	2004	2005	2006	2007	2008	2009	2010	2011
Year-end share price (€)	95.1	124.9	138.7	116.4	66.0	83.5	95.0	81.5
Year-end market cap (€ m)	1,293.4	1,698.7	2,122.1	1,781.5	1,009.8	1,276.8	1,453.4	1,244.7
Weighted average # shares	13,600,468	13,600,468	15,300,000	15,300,000	15,300,000	15,300,527	15,300,527	15,281,741
Weighted average # shares, diluted	13,600,468	13,600,468	15,300,000	15,300,000	15,300,000	15,300,527	15,300,527	15,297,338
Basic EPS (€)	12.94	21.18	19.48	15.36	7.78	10.07	36.14	4.71
Diluted EPS (€)	12.94	21.18	19.48	15.36	7.78	10.07	36.14	4.71
NBV (€)	57.0	81.1	97.5	100.3	103.5	109.7	145.6	140.2
Adjusted equity value (€)	129.2	151.3	181.9	147.2	77.8	119.9	124.4	95.4
Premium (-) / Discount to (vs. YE price)	26.41%	17.44%	23.74%	20.87%	15.21%	30.41%	23.63%	14.63%
Gross dividend	3.73	4.13	4.57	4.12	4.32	4.32	4.32	4.53
Gross dividend yield	3.92%	3.31%	3.30%	3.54%	6.54%	5.18%	4.55%	5.57%
Ratios	2004	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	25.9%	37.2%	27.0%	15.8%	7.8%	9.7%	33.0%	3.2%
Total return	28.0%	35.3%	14.4%	-12.8%	-39.8%	33.0%	19.0%	-9.7%
Pay-out ratio (adjusted net result)	98.0%	79.4%	99.8%	98.9%	100.7%	75.4%	95.6%	95.3%
P/E	7.35	5.90	7.12	7.58	8.49	8.29	2.63	17.29
P/NBV	1.67	1.54	1.42	1.16	0.64	0.76	0.65	0.58
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	-0.5	-0.5	-0.8	-0.6	-0.7	-0.9	-0.8	-0.7
Result from financing activities	52.3	55.3	58.7	45.4	47.4	69.5	69.9	73.4
Result from extraordinary activities	86.0	131.9	1,287.8	0.0	94.9	94.9	0.0	0.0
Income taxes	0.0	0.0	0.0	0.4	0.0	0.4	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	137.9	186.7	1,345.6	44.8	141.5	163.5	69.1	72.7
Dividends paid (statutory)	-50.8	-43.5	-57.7	-63.1	-66.1	-66.1	-66.1	-69.3
Financial assets	465	597	2,137	2,137	2,186	2,189	2,192	2,193
Other assets	21	21	31	18	39	31	31	31
Capital and reserves	393	526	1,994	1,975	2,051	2,054	2,057	2,059
Provisions and deferred taxation	0	0	0	0	0	0	0	0
Liabilities	94	93	174	180	174	166	166	166
TOTAL ASSETS	487	619	2,168	2,155	2,225	2,220	2,223	2,224



Description

KBC Ancora is a listed company which holds 22.99% of the shares in KBC Group and which, together with CERA and the other Permanent shareholders, is responsible for the shareholder stability and further development of KBC Group.

Investment cases

- KBC Securities is a 100% subsidiary of the KBC Group and gives no advice on KBC and/or related group members.

Shareholder structure

	# shs	% shs	value (€m)
Cera Holding	46,406,639	59.27%	749.47
Portus	1,164,510	1.49%	18.81
Free float	30,730,165	39.25%	496.29

Analyst opinion

Stock price:	€ 16.08
Target price:	-
Potential:	-
Rating:	NO REC.

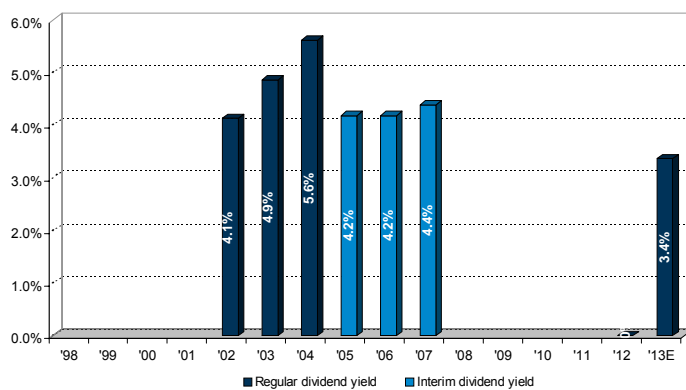
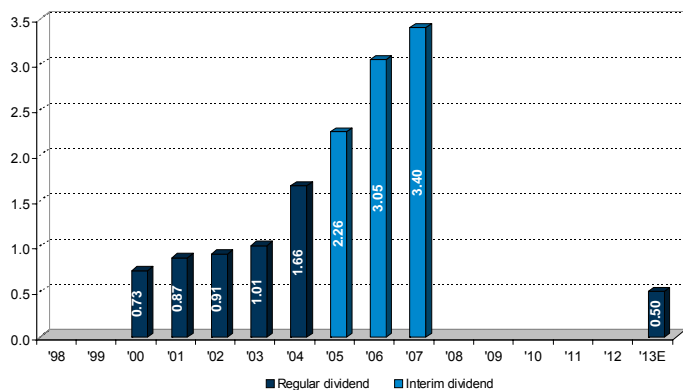
Company specifics

Market cap:	€ 1,265m
Currency:	EUR
Avg. daily value:	€ 2.84m
Avg. 3M volume:	121,767
% chg 1M:	21.52%
% chg 1Y:	196.33%
52-week hi/lo:	16.24 / 4.91
BB-code:	KBCA BB
Reuters-code:	KBCA.BR
Web:	www.kbcancora.be

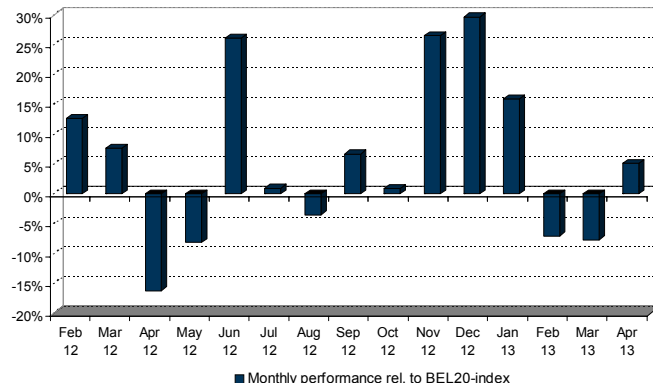
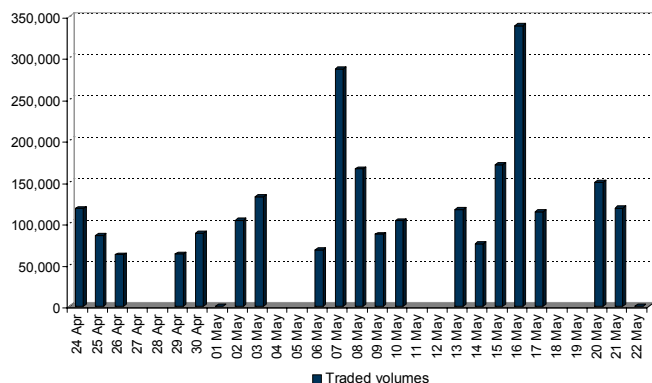
Corporate calendar

26-Oct-2012 General Assembly (A)

Dividend data



Volume and performance data



News flow

31-10-2010: FY10/11 result written in black on KBC dividend reception

The € 30.17m (€ 0.39 p.s.) FY10/11 income compares with a € 30.46m (€ 0.39 p.s.) loss in the comparable period a year earlier and is due entirely due to receiving for the first time since FY07/08 a dividend from KBC (€ 0.75 p.s.). The positive results reduced carried-over losses to € 29.66m (FY09/10: € 59.83m) and lowered KBC Ancora's debt load to € 597.6m (FY09/10: € 627.8m). These figures are entirely in line with our valuation model, hence don't necessitate sharp adjustments. The company in the twelve months up until 30 June did not buy or sell any KBC shares, thus keeping its stake steady at 22.99%. The carrying value per KBC share was kept steady at € 31.5. Our view: our SOTP model now includes net debt of € 7.82 per share, which is north of the reported € 7.63 per share at YE10/11. The difference is explained by the pro-rata inclusion of debt-service costs (approx. € 14.1m in 6M11/12): We expect KBC Bank to pay out a € 0.95 DPS in May 2012, which would reduce KBC Ancora's debt to € 7.01, but we await a definitive confirmation from KBC on its dividend policy. Based on this KBC € 0.95 DPS assumption, we expect KBC Ancora to wipe out carried-over losses by YE11/12, paving the way for a dividend payment from that point onwards. We currently estimate adjusted equity value per KBC Ancora share at € 8.34 with a 26.5% discount.

29-04-2011: 3Q10/11 results come in as expected

KBC Ancora will close FY10/11 with a positive recurring result for approx. € 30m, but since € 59.8m carried-over losses are greater than this projected result KBC Ancora will not be able to distribute a dividend. KBC Ancora in the past quarter didn't adjust its 22.97% stake in KBC Group. The latter on 10 February 2011 announced a net profit of € 1.86bn and an underlying result of € 1.71bn. KBC Group also paid out a € 0.75 DPS, reducing KBC Ancora's net debt initially increased from € 8.22 per share (31 December 2010) to € 8.32 per share as at 31 March 2011. (due to pro-rate interest charges), but declined to € 7.61 per share after the dividend reception. Based on yesterday's closing prices, we estimate adjusted equity value at € 20.43 with a 36% discount.

31-10-2010: Publication of 1H10/11 results

The 1H10/11 loss compares with a € 15.3m (€ 0.20 p.s.) loss in the comparable period a year earlier and is due entirely to debt servicing costs. The slight y/y increase mimics the nominal increase of KBC Ancora's debt load (€ 642.7m) and therefore does not surprise. Indeed, net debt increased due to pro rata inclusion of debt servicing costs to € 8.22 p.s. (+€ 0.10 p.s. versus FY09/10), which is entirely in line with our valuation model. The company in the six months up until 31 December did not buy or sell any KBC shares, thus keeping its stake steady at 22.99%. The carrying value per KBC share was kept steady at € 31.5. The update holds no surprises and barely alters our financial model. Not that we didn't adjust our SOTP model and continue to a net debt figure of € 8.22 per share for the foreseeable future: KBC Bank should pay out a € 1 DPS in May 2011, which would reduce KBC Ancora's debts. We await a definitive confirmation from KBC, though. We estimate adjusted equity value p.s. at € 22.17 with a 37.8% discount. This in our view appears exaggerated, both in light of the discount's historic trading range and the fact that KBC's CFO Luc Philips has put forward a € 1 DPS payment over KBC's FY10 earnings. The latter is extremely important for KBC Ancora, since that would allow reducing a large part of its short-term debts and carried-over losses, paving the way for a dividend distribution in early 2012 (upon receiving a KBC dividend over FY11 earnings).

04-11-2010: 1Q10/11 trading update

KBC Ancora published its 1Q10/11 trading update. The company in the three months up until 30 September did not buy or sell any KBC shares, thus keeping its stake steady at 22.97%. The company's net debt increased (due to pro rata inclusion of debt servicing costs) by € 0.10 p.s. to € 8.12 p.s. The trading update thus holds no surprises. Our SOTP model differed from the trading update in that we use a net debt figure slightly north of the reported figure, more specifically € 8.21 (as we proportionally included the € 32m increase in debts that is expected for FY10/11). We estimate the intrinsic value of KBC Ancora at 1.05x KBC share minus € 8.21. Going forward, we remind that as long as KBC Ancora will not touch dividends from KBC, its debts will continue increasing by € 0.10 each quarter.

01-09-2010: Publication of FY09/10 results

KBC Ancora announced that its FY09/10 result was negative at € 30.5m (€ -0.39 p.s.) This compares with a loss of € 1.26bn in the previous financial year and stems entirely from interest charges on debt and to a lesser extent also normal operating costs. As announced earlier, KBC Ancora will not be distributing a dividend for the financial year 2009/2010. KBC Ancora's net debt increased from € 7.82 p.s. (31 December 2009) and € 7.91 p.s. (31 March 2010) to € 8.02 p.s., due to the pro rata interest charges on outstanding loans. Since KBC Ancora will not receive any dividends from KBC Group in the current financial year, it will record a recurring loss equivalent to the amount of its operating costs and interest charges and will be unable to distribute a dividend for the current financial year. KBC Group has stated its intention of resuming the distribution of dividends in 2011 (for the financial year 2010). But before KBC Ancora can distribute a dividend, the recurring losses carried forward must first be made good.

03-05-2010: Publication of 3Q09/10 results

KBC Ancora reported that its assets consist almost entirely of a participating interest of 22.97% in KBC Group, which is unchanged versus previous reportings. KBC Group recorded a negative FY09 result of € 2.47bn with an underlying profit of € 1.72bn. KBC Ancora's net debt increased from € 7.82 p.s. as at 31 December 2009 to € 7.91 p.s. as at 31 March 2010, due to the pro rata interest charges on outstanding loans. Since KBC Ancora will not receive any dividends from KBC Group in the current financial year, it will record a recurring loss equivalent to the amount of its operating costs and interest charges and will be unable to distribute a dividend for the current financial year. KBC Group has stated its intention of resuming the distribution of dividends in 2011 (for the financial year 2010). Before KBC Ancora can distribute a dividend, the recurring losses carried forward must first be made good.

29-01-2010: Publication of 1H09/10 results

KBC Ancora published its 1H09/10 trading update. The company in the six months up until 30 December did not buy or sell any KBC shares, thus keeping its stake steady at 22.99%. Net debt increased due to pro rata inclusion of debt servicing costs to € 7.82 p.s. (+€ 0.09 p.s. versus FY08/09). The carrying value per KBC share was kept steady at € 31.5. The trading update holds no surprises and barely alters our financial model. We remind that our SOTP model differs from the official release in that we use a net debt figure of € 8.19 per share (we already include an extra € 30m of debts, which Ancora will incur by end-1H10/10). In other words, as long as KBC Ancora will not touch dividends from KBC, its debts will continue increasing by app. € 0.10 each quarter. We estimate adjusted equity value p.s. at € 25.59 with a 32.3% discount. This in our view appears exaggerated, both in light of the discount's historic trading range and the fact that KBC's CFO Luc Philips has put forward a € 1 per share dividend payment over FY10 earnings. The latter is extremely important for KBC Ancora.

03-11-2009: 1Q09/10 trading update

Please press [here](#) to request a full historical news flow overview of the company

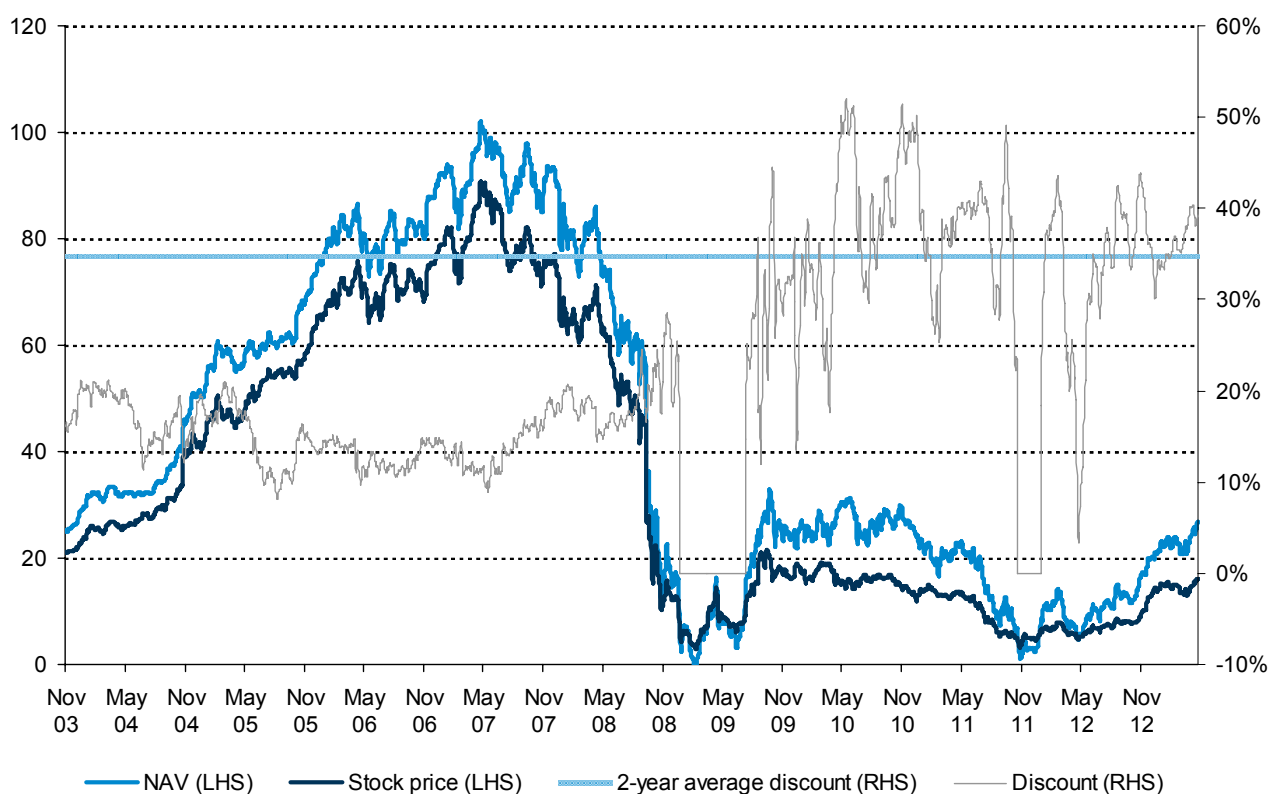
Sum-of-the-parts model

Portfolio	BB	# shares	% of cpy	Share price €	% of NAV %	Value €m
KBC	KBC BB	82,216,380	19.72%	31.73	128.4%	2,608.31
Portfolio					128.4%	2,608.31
Net cash					-28.4%	-576.21
Adjusted equity value					100.0%	2,032.10
Number of shares (outstanding)						78,301,314
Treasury shares (for remuneration purposes, resale, collateral,...)						0.0% 0
Treasury shares (available for cancellation)						0.0% 0
Number of shares (for per share calculation)						78,301,314
KBC Ancora last price						16.15
Adjusted equity value p.s.						25.95
Current discount						37.77%

KBC Securities does not give a recommendation on the stock

1 share of KBC Ancora represents 1.05 shares of KBC and € 7.36 of debts

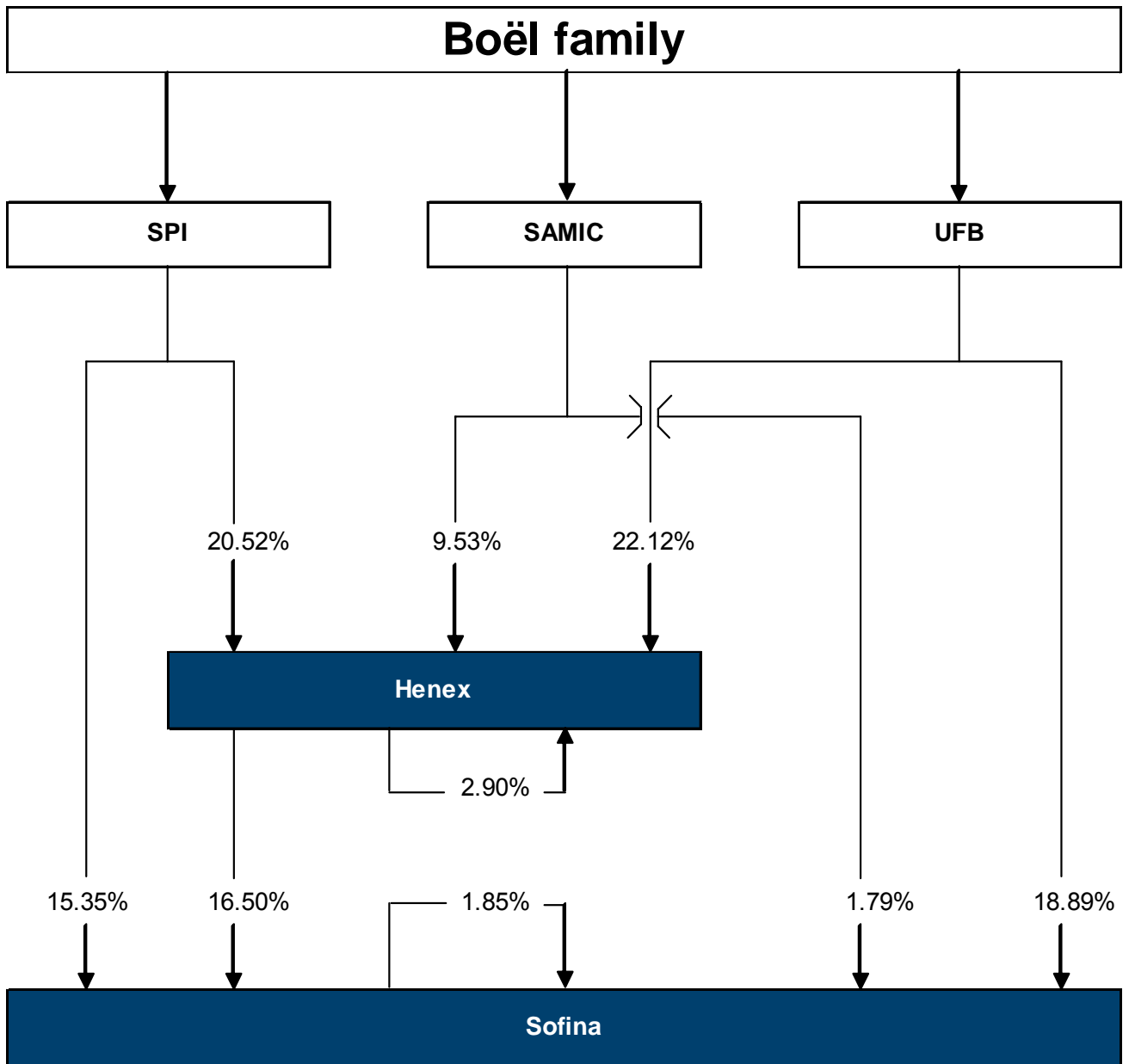
Historical NAV overview



Note: We have cut the negative discount at 0% so as to avoid a sharp distortion of the historic series

Financial data

Income statement (€m)	04/05	05/06	06/07	07/08	08/09	09/10
Sales & operating income	0.0	0.0	0.0	0.0	0.0	0.0
Result from operating activities	0.0	0.0	0.0	0.0	0.0	0.0
Result from financing activities	0.0	0.0	0.0	0.0	0.0	0.0
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0
Share of result of associates	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	-0.6	-2.5	-2.6	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Share of the group	136.3	185.8	251.3	280.5	-1,258.7	-30.5
Adjusted net result	140.7	191.7	257.1	282.9	-28.1	-28.2
Balance sheet (€m)	04/05	05/06	06/07	07/08	08/09	09/10
Intangible assets & goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Participations acc. for under equity method	0.0	0.0	0.0	0.0	0.0	0.0
Other financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Cash & cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ASSETS	3,346.6	3,251.6	3,441.1	3,821.4	2,589.8	2,589.8
Equity attributable to holders of the parent	3,215.4	3,224.4	3,236.9	3,251.2	1,992.5	1,962.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Financial debt	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL LIABILITIES	3,346.6	3,251.6	3,441.1	3,821.4	2,589.8	2,589.8
net debt	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow statement (€m)	04/05	05/06	06/07	07/08	08/09	09/10
Cash flow from operating activities	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid (consolidated)	0.0	0.0	0.0	0.0	0.0	0.0
Other cash flow from financing	0.0	0.0	0.0	0.0	0.0	0.0
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Per share data	04/05	05/06	06/07	07/08	08/09	09/10
Year-end share price (€)	54.0	72.9	86.7	77.5	12.2	14.9
Year-end market cap (€ m)	4,225.1	5,705.0	6,788.7	6,068.4	957.6	1,163.6
Weighted average # shares	78,301,314	78,301,314	78,301,314	78,301,314	78,301,314	78,301,314
Weighted average # shares, diluted	78,301,314	78,301,314	78,301,314	78,301,314	78,301,314	78,301,314
Basic EPS (€)	1.74	2.37	3.21	3.58	-16.07	-0.39
Diluted EPS (€)	1.74	2.37	3.21	3.58	-16.07	-0.39
NBV (€)	41.1	41.2	41.3	41.5	25.4	25.1
Adjusted equity value (€)	76.8	90.0	92.3	60.1	6.3	27.0
Premium (-) / Discount to (vs. YE stock price)	29.76%	19.04%	6.11%	19.11%	-15.32%	45.07%
Gross dividend	1.66	2.26	3.05	3.40	0.00	0.00
Gross dividend yield	3.08%	3.10%	3.52%	4.39%	0.00%	0.00%
Ratios	04/05	05/06	06/07	07/08	08/09	09/10
Return on Equity (avg)	4.2%	5.8%	7.8%	8.6%	-63.2%	-1.6%
Total return	87.7%	39.2%	23.2%	-6.7%	-84.2%	21.5%
Pay-out ratio (adjusted net result)	92.6%	92.2%	92.9%	94.1%	0.0%	0.0%
P/E	31.01	30.70	27.01	21.64	-0.76	-38.20
P/NBV	1.31	1.77	2.10	1.87	0.48	0.59
Statutory data (€m)	04/05	05/06	06/07	07/08	08/09	09/10
Result from operating activities	-2.8	-2.8	-3.2	-2.5	-2.1	-2.3
Result from financing activities	140.7	191.7	257.1	282.9	-28.1	-28.2
Result from extraordinary activities	-1.0	-0.5	0.0	0.0	-1,228.4	0.0
Income taxes	-0.6	-2.5	-2.6	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	136.9	188.3	253.9	280.5	-1,258.7	-30.5
Dividends paid (statutory)	-130.3	-176.7	-238.8	-266.2	0.0	0.0
Financial assets	3,207	3,220	3,436	3,818	2,590	2,590
Other assets	140	32	5	3	0	0
Capital and reserves	3,215	3,224	3,237	3,251	1,993	1,962
Provisions and deferred taxation	0	0	0	0	0	0
Liabilities	131	27	204	570	597	628
TOTAL ASSETS	3,347	3,252	3,441	3,821	2,590	2,590



The Boël family controls 55.07% of Henex

The Boël family controls 54.38% of Sofina, which includes 1.85% of treasury shares held by Sofina.

■ : Public company □ : Private company

Description

Henex is an investment company controlled by the Boel family. Despite the merger with Henex, its portfolio is still overly invested in Danone and Sofina.

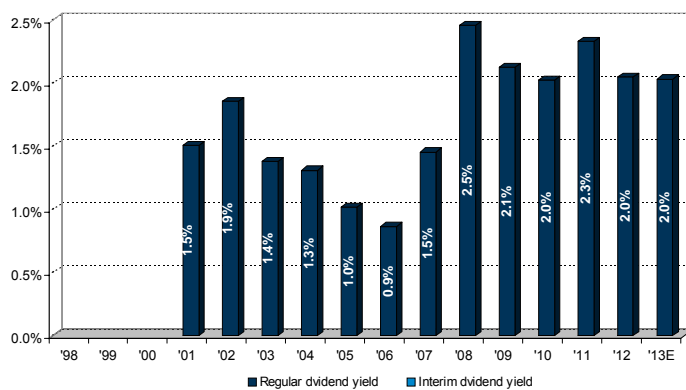
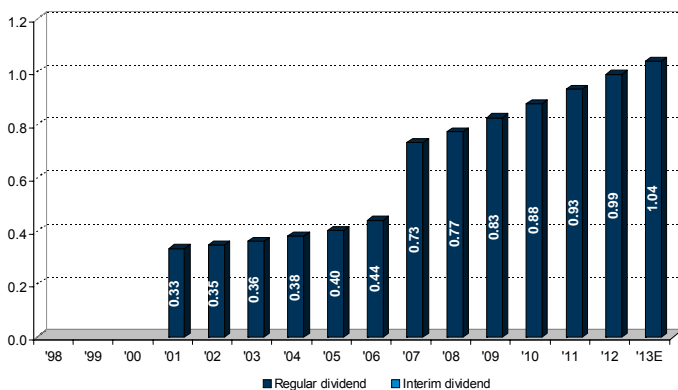
Investment cases

- We expect Henex to be folded into the Boël-group only in the medium- to long-term
- Henex is a very long-term investor in value assets and rotates its portfolio very slowly
- Henex has a policy of low-level communication, which partly explains the structural discount
- Share buyback program is used to buy and cancel own shares and comes on top of a stable dividend

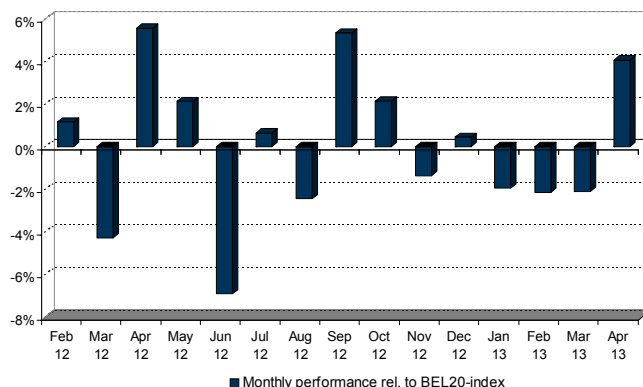
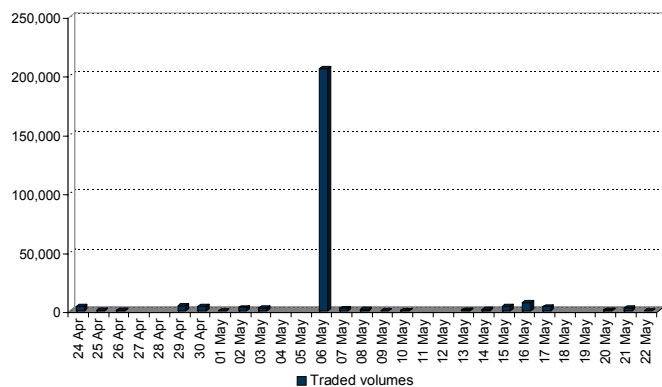
Shareholder structure

	# shs	% shs	value (€m)
SAMIC	1,361,500	9.53%	68.51
SPI	2,931,409	20.52%	147.51
UFB	3,158,744	22.12%	158.95
Free float	6,830,796	47.83%	343.73

Dividend data



Volume and performance data



Analyst opinion

Stock price: € 50.99
 Target price: € 50.00
 Potential: -1.94%
 Rating: HOLD

Company specifics

Market cap: € 780m
 Currency: EUR
 Avg. daily value: € 0.18m
 Avg. 3M volume: 5,619
 % chg 1M: 1.66%
 % chg 1Y: 18.4%
 52-week hi/lo: 51.8 / 41.1
 BB-code: HENX BB
 Reuters-code: HNXB.BR
 Web: www.henex.be

Corporate calendar

31-Mar-2013 Results FY (A)

News flow

14-05-2013: Buyback doesn't prelude delisting (yet?)

A transparency declaration revealed that Henex bought back 200,000 shares last week for a total amount of €10.3m. The buyback brings the total number of treasury shares at 414k (2.9% of total number of outstanding shares). Our view: We assume that Henex – in line with its tradition and lacking a stock-option based remuneration scheme – will proceed to cancel the treasury shares in the future. This will boost the stake of the controlling entities (Société de Participations Industrielles, Union Financière Boël, Mobilière et Immobilière du Centre) in Henex from 50.75% to 52.0%. We don't consider this transaction to prelude a delisting in the short-term. In effect, Henex regularly buys back treasury shares. This one catches the eye, however. The buyback is accretive to both NAV and EPS and allows the Boël-family to further increase their grip on Henex. We're not banking on a short-term flattening of the Henex/Sofina cascade structure, though we're convinced that such a scenario will materialise in the medium to long term. Conclusion: Based on yesterday's close, we estimate Henex' NAV at €66.4 with a discount of 22%. The implied discount of our €50 TP vs the target equity value is 26.2% and leaves -3.36% upside. We maintain our Hold rating.

03-04-2013: FY12 current result +4.8%; DPS +6.1%

FY12 net result increased from € 0.83m to € 14.7m as FY11 included (non-cash) impairments of € 20m (vs € 7m in FY12) provoked by weak equity markets. The current result increased due to higher dividend income, allowing for a 6.1% DPS hike. Henex strengthened its Sofina and GDF Suez stake and shifted cash to fixed-income instruments. We up our TP from € 48 to € 50. Hold maintained. News: Weak stock markets in FY12 required impairing the carrying value of stakes in Delhaize (€ 2.9m vs € 4.76m in FY11), GDF Suez (€ 4.12m vs € 2.53m) and Suez Environnement (€ 0.16m vs € 2.97m) for a total of € 7.2m vs € 20.26m. Not including marking-to-market other parts of the listed portfolio, EPS increased 1667% y/y to € 1.06 (FY11: € 0.06). FY12 current earnings, which we believe is a more accurate valuation benchmark than IFRS-based earnings, climbed 4.8% in FY12 to € 22.68m as dividend income from the listed portfolio rose 7% y/y to € 21.95m and interest income declined 35% to € 0.73m. Mimicking this increase, Henex proposed to crank up FY12 DPS by 6.1% to € 0.99, which is north of KBCSe of a 5% y/y growth to € 0.98 p.s. FY12 equity p.s. was reported at € 61.17 p.s. (this figure doesn't correct for fiscal latencies), which compares with KBCS estimates of € 60.42. Changes to the investment portfolio at YE12 include the acquisition 190,980 treasury shares while at the same time it cancelled 204,227 treasury shares. So far, Henex did not engage in any share buybacks in FY13 which brings the total number treasury shares at 214,256 (1.5% of total). The company furthermore boosted stakes in Sofina (from 16.22% to 16.50%) and GDF Suez (from 0.033% to 0.035%) and left all of its other assets unchanged. Our View: The balance sheet boasts an estimated net cash position of € 56.7m. After subtracting a 33.99% corporate tax rate on € 37.0m of immunised reserves (fiscal latencies), we estimate net cash at € 44.2m (5.0% of NAV). Conclusion: We currently estimate adjusted equity value at € 64.57 with a 24.9% discount. We believe no stock price triggers are in sight in the near-term (e.g. a simplification of the shareholders' structure in which Henex would be taken out). Our upped TP of € 50 (from € 48) implies a discount of 25% to target equity value. The upside potential is limited to 3.14%. Hold maintained.

11-09-2012: No important events so far in 3Q12

Henex in its 3Q12 trading update reported no changes other than those communicated in its recently released 1H12 report. TP and rating unchanged. News: During the period considered, no important events or transactions have taken place that could have a material impact on the financial situation of Henex and the companies it controls. Qualitative in nature, management mentions that the 3Q12 result (so far) is positive, driven by interest income on cash. It is noted, however, that dividends and interests are being received at irregular intervals throughout the year, which makes that cash income is spread in an equal way. Hence, the positive 3Q12 result shouldn't be extrapolated. Our View: Quite evidently, the press release doesn't prompt fine-tuning our SOTP model. Hence we stick to our previous assumptions: the portfolio's heavyweights remain Sofina (43.5% of NAV) and Danone (41.3%), flanked by € 51.9m in net cash and including 160,033 treasury shares. Conclusion: Based on yesterday's closing prices, we estimate adjusted equity value per share at € 58.07 with a 25.9% discount. Our € 48.0 TP implies a 25% discount to this level, but leaves 11.5% upside potential. We stick to Hold.

04-09-2012: Few eye-catchers in 1H12

Henex' main feat in 1H12 was the buyback of € 4.82m worth of treasury shares and the expiration of a number of investments in fixed-income products. We stick to our TP and rating. News: 1H12 earnings (comprehensive, group share) decreased 59% y/y to € 29.21m (1H11: € 70.51m in 1H11), as a € 50.11m profit stemming from a revaluation of the AFS assets (which are recorded directly into equity instead of popping up in the P&L) was reduced to a € 12.57m profit. Excluding those, 1H12 net earnings dropped 18% y/y to € 16.64m (EPS: € 1.20), despite dividend income in the period climbed 7% y/y to € 21.34m. The main culprit is a € 4.74m depreciation cost on the carrying value of AFS portfolio constituents. We estimate 1H12 current result increased 9%, due entirely to having received higher dividends from Danone and Sofina. This increase validates KBCSe of a 5% y/y dividend increase to € 0.98 p.s. (current yield: 2.3%). Changes to the investment portfolio as reported in the release are limited to having acquired treasury shares (€ 4.82m for a total 114,812 shares). After having cancelled 204,227, we estimate the number of treasury shares currently held at 160,033 (1.14% of total). Henex' balance sheet boasts a cash position of € 53.7m, which is up sharply versus previously reported levels as a € 14.06m bond portfolio and other fixed-interest investments matured. We currently estimate net cash at € 66.4m. Subtracting a 33.99% corporate tax rate on € 37.0m of immunised reserves (fiscal latencies) sets the net cash position in our SOTP model at € 51.9m (6.5% of NAV). The 1H12 figure is therefore in line with our estimates. 1H12 equity per share was reported at € 57.59 p.s. (YE11: € 56.32 p.s.), which doesn't correct for fiscal latencies. This compares with KBCS estimates of € 55.48. Based on yesterday's closing prices, we estimate adjusted equity value at € 58.03 with a 24.6% discount. Our View:

The earnings report didn't contain any surprises as both cash and equity value per share were in line with our expectations. Also, no changes have been made to the constitution of the investment portfolio. The available cash on the balance sheet allows further strengthening of the Sofina stake and continuing to buy back treasury shares (producing a substantially higher return – upon cancellation – than holding on cash). Conclusion: Our TP leaves 10% upside and no stock price triggers are in sight in the near term (e.g. a simplification of the shareholders' structure in which Henex would be taken out). Hence, we stick to our Hold rating and € 48 TP (which implies a 25% discount to target equity value).

29-08-2012: Declaration statement unveils insider buying

Henex updated its shareholder structure, thereby unveiling yet another increase of its main shareholders' stake. Combined and including SAMIC, the company's free float dropped to 46.77%. News: The declaration statement that was yesterday published on Henex' website unveiled that family-controlled investment vehicles UFB and SPI have increased stakes in Henex by a resp. 62,522 and 60,139 shares (aggregate increase of approx. 0.88%) on 28 August 2012. As a result, UFB now holds 22.56% in Henex, while SPI's stake increased to 20.94%. Our View: We remind that both shareholders are acting in concert, so that another 6.49% can be acquired before the 50% threshold would be breached (provoking a mandatory bid). Add to that SAMIC (which is also Boël-controlled, but doesn't form part of the shareholders concert). The company reported in its FY11 annual report that it had acquired € 4m worth of Sofina and Henex, but refrained from providing any details. Assuming 50% of the investment went into Henex, SAMIC

Sum-of-the-parts model

Portfolio	BB	Last price	# shares	% of cpy	% NAV	Value (€m)
Sofina	SOF BB	73.54	5,732,839	16.50%	45.51%	421.59
Danone	BN FP	58.83	6,664,113	1.05%	42.32%	392.05
GDF Suez	GSZ FP	16.53	788,849	0.04%	1.41%	13.04
SES	SESG FP	24.59	1,500,000	0.07%	3.98%	36.88
Delhaize	DELB BB	49.74	200,000	0.20%	1.07%	9.95
Heineken	HEIA NA	56.58	250,000	0.04%	1.53%	14.15
Suez Environnement	SEV FP	11.24	375,035	0.08%	0.45%	4.21
Ageas	AGS BB	29.19	17,766	0.01%	0.06%	0.52
Portfolio					96.34%	892.38
Net cash					3.66%	33.94
Adjusted equity value					100.00%	926.32

Number of shares (outstanding)		14,282,449
Treasury shares (for remuneration purposes, resale, collateral,...)	0.00%	0
Treasury shares (available for cancellation)	2.90%	414,256
Number of shares (for per share calculation)		13,868,193

Henex last price		50.32
Adjusted equity value p.s.		66.79
Current discount		24.66%

Target prices	Sofina	78.00	GDF Suez	17.00
	Delhaize	52.00	Heineken	60.00
Target equity value				953.57
Target equity value p.s.				68.76
Discount to target equity value				26.82%

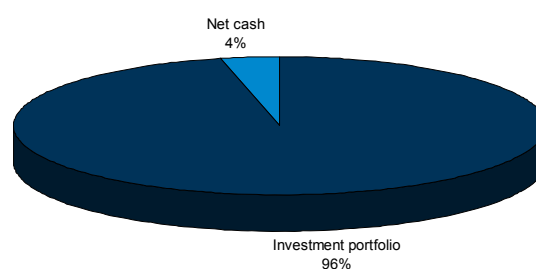
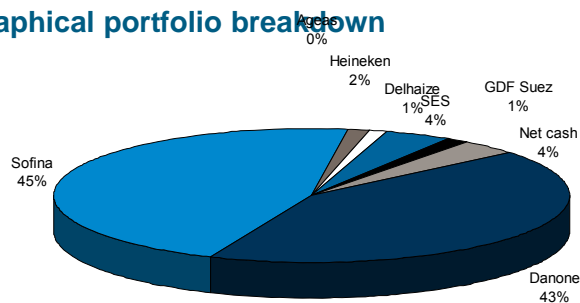
KBCS has a HOLD recommendation and a €50 target price.

The upside potential versus a stock price of € 50.32 equals -0.64%

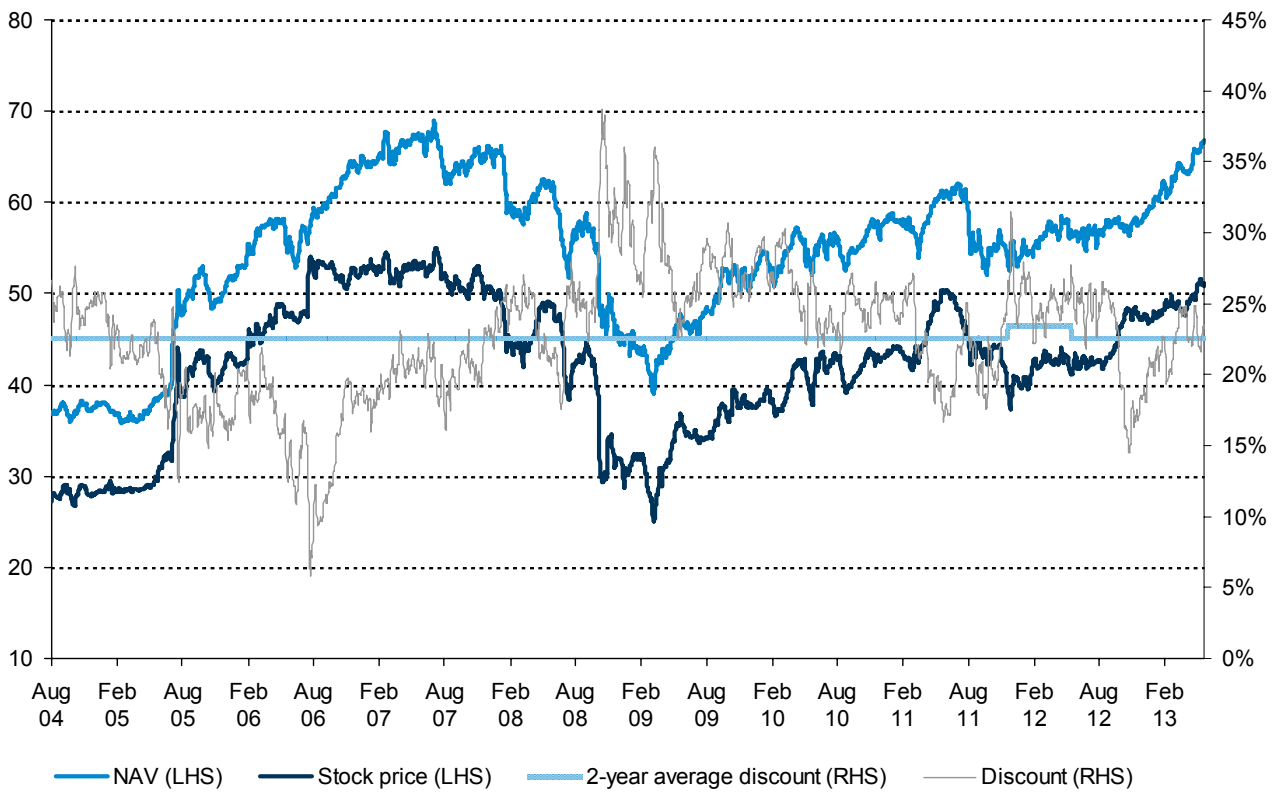
The implied discount of our € 50 target price vs. the target equity value is 27.28%

The look-through value amounts to € 80.71, bringing the discount to 37.65%

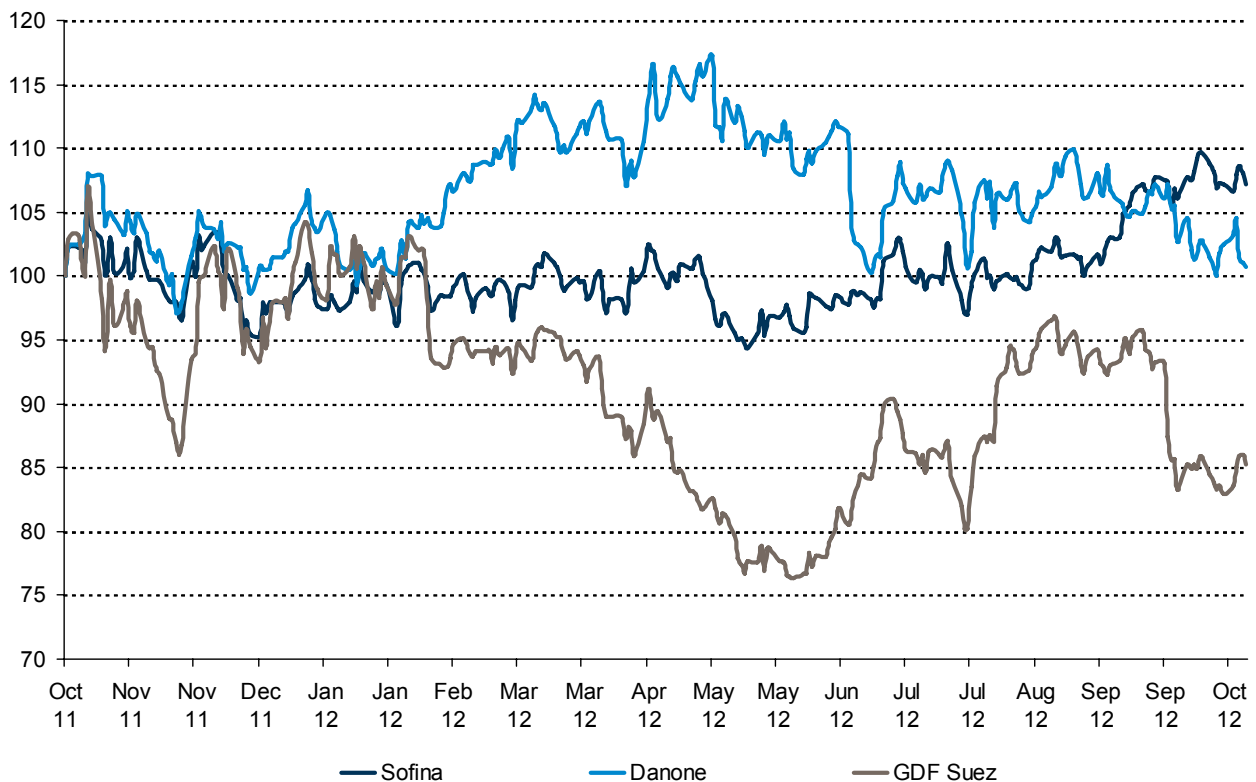
Graphical portfolio breakdown



Historical NAV breakdown



Stock price evolution quoted participations (-1 year, rebased to 100)



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	6.7	29.2	8.1	10.2	21.0	16.8	18.9	20.5
Result from operating activities	6.5	29.0	7.5	9.8	20.5	16.2	18.4	19.9
Result from financing activities	0.0	0.0	0.0	5.4	-0.1	0.0	-0.1	-0.1
Result from extraordinary activities	0.0	21.8	0.0	127.1	0.0	0.7	0.0	0.0
Share of result of associates	0.0	4.7	7.1	0.0	0.0	0.0	0.0	0.0
Income taxes	-0.1	-0.2	0.0	-1.1	-0.1	0.4	0.3	0.2
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of the group	6.4	55.3	14.5	141.3	20.3	17.2	18.6	20.0
Adjusted net result	6.5	11.8	14.6	9.8	20.4	17.4	19.2	21.0
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	223.8	253.6	454.5	856.9	538.6	722.7	767.9	723.7
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Participations acc. for under equity method	12.1	13.6	69.6	0.3	0.3	0.0	0.0	0.0
Other financial assets	0.0	0.0	0.0	0.0	0.0	0.4	0.7	0.9
Cash & cash equivalents	63.7	104.1	13.1	95.0	124.3	65.1	55.0	33.6
Other assets	2.2	2.5	0.5	2.0	2.0	0.1	0.1	0.2
TOTAL ASSETS	301.7	373.8	537.7	954.2	665.2	788.4	823.7	758.4
Equity attributable to holders of the parent	301.4	373.5	537.5	953.9	664.6	803.3	838.1	787.1
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	0.3	0.3	0.2	0.5	0.6	0.6	1.0	0.6
TOTAL LIABILITIES	301.7	373.8	537.7	954.4	665.2	803.9	839.0	787.7
net debt	-63.7	-104.1	-13.1	-95.0	-124.3	-65.1	-55.0	-33.6
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	6.2	38.8	7.3	19.2	41.9	-45.2	8.6	1.7
Cash flow from investing activities	6.2	5.7	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid (consolidated)	-3.9	-4.1	-3.5	-3.9	-10.6	-11.1	-11.7	-12.7
Other cash flow from financing	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	8.5	40.4	0.4	81.9	29.3	-59.1	-10.1	-21.4
Per share data	2004	2005	2006	2007	2008	2009	2010	2011
Year-end share price (€)	29.0	39.3	50.9	50.4	50.4	50.4	50.4	50.4
Year-end market cap (€ m)	207.1	280.7	436.9	500.0	732.8	726.3	722.1	711.1
Weighted average # shares	7,141,600	7,141,600	8,582,845	9,920,881	14,540,537	14,411,448	14,327,398	14,109,689
Weighted average # shares, diluted	7,141,600	7,141,600	8,582,845	9,920,881	14,540,537	14,411,448	14,327,398	14,109,689
Basic EPS (€)	0.89	4.68	1.69	14.24	0.35	1.26	1.36	0.06
Diluted EPS (€)	0.89	4.68	1.69	14.24	0.35	1.26	1.36	0.06
NBV (€)	42.2	52.3	62.6	60.8	45.7	55.2	57.6	55.4
Adjusted equity value (€)	42.2	51.1	59.5	63.1	45.4	50.4	58.2	54.4
Premium (-) / Discount to (vs. YE price)	31.20%	23.16%	14.46%	20.46%	32.54%	22.83%	25.24%	26.34%
Gross dividend	0.38	0.40	0.44	0.73	0.77	0.83	0.88	0.93
Gross dividend yield	1.31%	1.02%	0.86%	1.46%	1.53%	1.64%	1.75%	1.85%
Ratios	2004	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	2.1%	18.3%	3.9%	26.3%	2.1%	2.6%	2.3%	2.4%
Total return	12.5%	36.8%	30.5%	-0.1%	1.5%	1.5%	1.6%	1.7%
Pay-out ratio (adjusted net result)	52.5%	30.2%	27.0%	119.5%	55.8%	69.6%	67.3%	64.0%
P/E	32.46	8.39	30.04	3.54	144.25	39.92	37.05	861.12
P/NBV	0.69	0.75	0.81	0.83	1.10	0.91	0.87	0.91
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	5.9	6.8	7.7	47.5	20.9	19.9	18.9	19.8
Result from financing activities	0.0	0.0	0.0	-0.8	-0.4	-0.4	-0.4	-0.4
Result from extraordinary activities	7.9	0.0	0.0	126.0	-5.3	8.2	-0.4	-4.8
Income taxes	0.3	0.1	0.2	-1.2	-0.1	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	13.9	6.8	7.7	172.6	15.2	27.7	18.1	14.6
Dividends paid (statutory)	-3.4	-3.6	-3.9	-11.7	-11.4	-12.1	-12.9	-13.4
Financial assets	181.2	184.7	188.2	549.6	547.2	563.2	569.5	558.8
Other assets	0.0	0.0	0.0	0.2	0.0	0.5	0.5	0.5
Capital and reserves	177.5	180.5	184.0	537.8	535.5	551.0	556.2	545.5
Provisions and deferred taxation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	3.7	4.2	4.1	12.0	11.8	12.6	13.7	13.8
TOTAL ASSETS	181.2	184.7	188.2	549.8	547.3	563.7	569.9	559.3

Description

Sofina is the core holding company of the Boel family and is a very long-term investor with major stakes in GDF Suez, Danone, Total, SES and Colruyt. It is also an active investor in private equity dossiers and hedge funds.

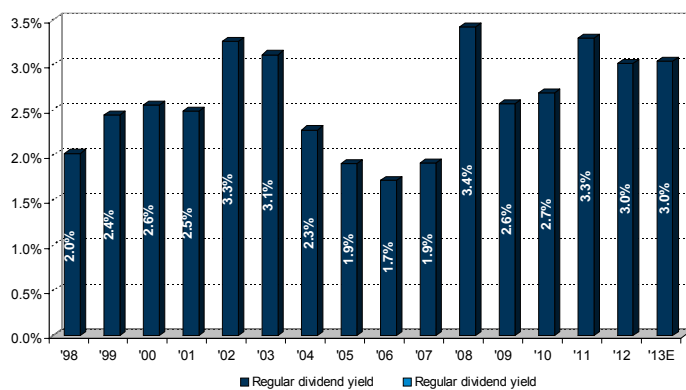
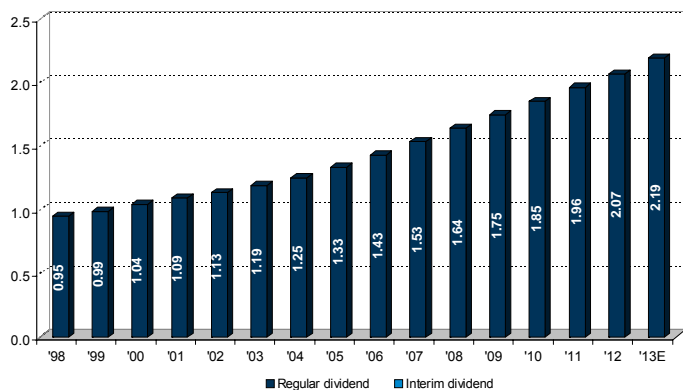
Investment cases

- Sofina holds a defensive portfolio aimed at protecting the wealth the family build up during the past decade
- The 7 largest stakes in Sofina's portfolio represent 47% of equity value and have a very long-term horizon
- Sofina has a policy of low-level communication, hence a structurally high discount
- We expect Sofina to gradually increase its dividend, in order to supply the Boel family with stable cash flow

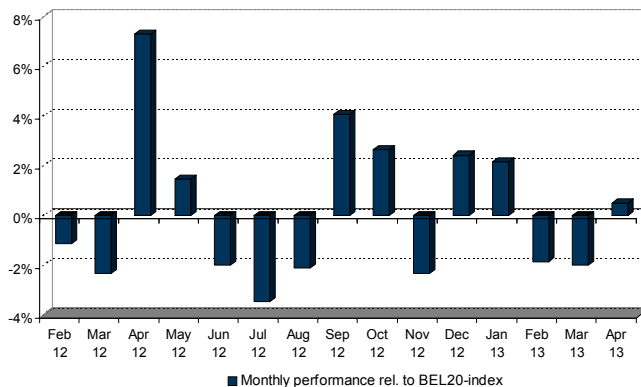
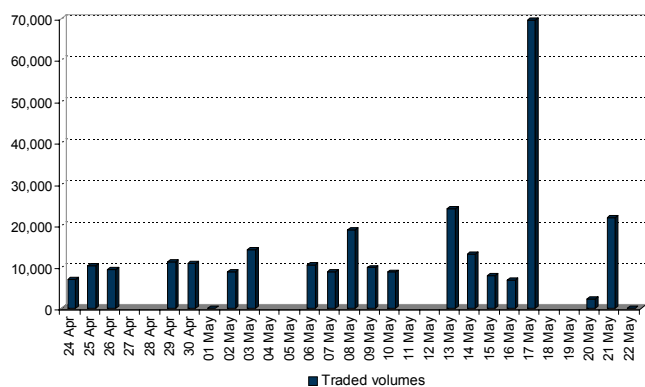
Shareholder structure

	# shs	% shs	value (€m)
SPI	5,332,710	15.35%	392.17
UFB	6,563,796	18.89%	482.70
SAMIC	622,504	1.79%	45.78
Henex	5,732,839	16.50%	421.59
Mutuelle Solvay	1,092,341	3.14%	80.33
Treasury shares	644,313	1.85%	47.38
Free float	15,853,838	45.62%	1,165.89

Dividend data



Volume and performance data



Analyst opinion

Stock price: € 73.12
 Target price: € 78.00
 Potential: 6.67%
 Rating: ACCUMULATE

Company specifics

Market cap: € 2,556m
 Currency: EUR
 Avg. daily value: € 1.59m
 Avg. 3M volume: 11,638
 % chg 1M: 3.77%
 % chg 1Y: 25.43%
 52-week hi/lo: 74.5 / 57.04
 BB-code: SOF BB
 Reuters-code: SOFBt.BR
 Web: www.sofina.be

Corporate calendar

29-Aug-2013 Results 1H (A)

News flow

16-05-2013: Playing the online retail card again

According to financial newspaper De Tijd, Sofina has acquired a stake in the Spanish online clothing-retailer Privalia. Accumulate maintained and TP upped to € 78. News:Sofina took the lead in a € 25m capital round but it is unknown how many other parties participated and how much Sofina injected. Other current shareholders of Privalia include La Caixa Capital, Nauta Capital, Highland Capital Partners, General Atlantic, Index Ventures and the two cofounders.

Privalia is a Barcelona based online clothing-retailer with FY12 revenues of € 442m (+32% y/y). Since its inception in 2006, Privalia already raised € 190m. The company operates in Spain, Italy, Germany, Mexico and Brazil. It said it plans to use the new funding to expand its growth in the Latin-American region, as well as to strengthen its financial structure and extend its leadership. Sales in Mexico grew by more than three digits in FY12 and Brazil is its main operating company by sales volume. Our View:After its investment in Spartoo late FY12, it is clear that Sofina is playing the online retail sector card again. This proves that Sofina continues to put its cash to a good use through investing in modern business models like online stores and event organisers (GL Events/Polygone). Today's news however doesn't impact our valuation/rating. Conclusion:Based on yesterday's close, we estimate Sofina's NAV at € 111 with a discount of 34%. Our upped TP of € 78 implies a discount of 30% to the target equity value and leaves 7% upside potential. Accumulate.

19-04-2013: Feedback analyst meeting

At the occasion of the FY12 results and 1Q13 trading update, Sofina hosted an analyst meeting. The meeting did not prompt significant changes to our SOTP-model or rating, but rather confirmed our earlier findings and investment case on Sofina. Accumulate rating and € 76.00 TP maintained. The meeting confirmed our earlier view on the FY12 results: these were solid, given the economic environment that Sofina operates in. The FY12 net result climbed 9% y/y to € 152m, while the comprehensive result (group share) came in at € 307m versus a year-earlier loss of € 151m. The YE12 equity value p.s. increased to € 108.95 versus € 101.12 at YE11. This matched KBCS estimates of € 108.95. Including the payment of a € 1.96 DPS, the stock returned 9.4% in FY12. In 1Q13, Sofina hasn't been resting on its laurels. Stakes have been upped in Touax and the recently acquired GL Events and Spartoo. In the Private Equity fund portfolio, Sofina has taken new commitments for a total amount of € 45.4m while € 22.7m worth of calls have been made and € 23.7m has been distributed back to the company. We touched base with management on the dividend policy and decided not to alter our forecasts for FY13 and beyond. Sofina's dividend has been growing at an average rate of 6.2% over the past ten years. We feel comfortable with a 6.0% increase in the FY13E DPS to € 2.19 and pencil in similar growth rates in FY14 and beyond. Our current dividend forecast implies a gross yield of 3.1%, which compares to the average yield of 3.5% in our holding & investment companies universe. The current portfolio breaks down into a listed portfolio (61.2% of NAV), direct private equity (6.5%) and indirect private equity (23.4%). Since years, Sofina has been involved in the development of private equity, initially in the USA, then in Europe and eventually in emerging countries. This has helped the company to diversify its geographic footprint and sectoral distribution. In Europe in particular, funds have been impacted by the reluctance of the banks and insurance companies, which are an important part of the investor base. This has caused a survival of the fittest in the current private equity fund landscape. Sofina expects this to lead to a structural process of concentration of investment portfolios. We believe Sofina is well positioned to benefit from suchlike situation. Conclusion:The analyst meeting did not lead to significant changes in our model, but rather confirmed our current stance on the company. Sofina remains a well managed and diversified long-term investor aimed at protecting the wealth of the Boël family built up over the past decades. Strategically, over the past couple of years Sofina switched away from being a small minority investor in large companies and gradually embarked on acquiring large minority positions. The investment teams have remained active despite markets being in the doldrums. Based on yesterday's close, we estimate NAV at € 107 p.s. with a discount of 34.45%. Our TP of € 76 implies a 29% discount, which we deem fair, given Sofina's portfolio constitution, transparency, stock liquidity and track record. The upside potential vs. current levels equals 8.3%. Accumulate.

03-04-2013: FY12 net result +9%; DPS +5.4%; Rating lowered

FY12 net result increased 9% y/y to € 152m, while the comprehensive result (group share) came in at a € 307m vs. a year-earlier loss of € 151m. DPS is hiked 5.4% y/y to € 2.07 and equity value of € 108.69 was in line with KBCS estimates of € 108.95. Rating lowered to Accumulate from Buy and TP upped to € 76 from € 75. Our view:Net profit increased 9% to € 152m. Income from non-current assets increased 56% y/y to € 65.9m, as a 6% y/y rise to € 112m in realised capital gains (a.o. the sale of FCOF, Financiere Callatay & Wouters, International Power, Total and Rab Energy Fund) were more than compensated by depreciations totalling € 47m. Income from current assets turned positive at € 12.7m compared with a € 6.5m loss in FY11. Dividends received decreased 19% y/y to € 80.5m, while associates added € 8.8m to earnings, down 21% y/y. Equity value p.s. increased to € 108.69, versus € 101.12 at YE11. This is in line with KBCS estimates of € 108.95. Including the payment of a € 1.96 DPS, the stock returned 9.4% in FY12 compared to 13% of the Eurostoxx. The balance sheet remains sound and solid. We estimate net cash at YE12 at € 287.0m. Including the exercise of stock options, we pencil in a figure of € 330m into our SOTP model. Sofina at YE12 held 852,294 treasury shares and cancelled 750,000 shs, which brings the total outstanding shares at 34.75m. The main changes to the investment portfolio include new investments in GL Events and Spartoo. Stakes were upped in Mersen, Sibelco and Sylve Invest. Stakes were lowered in Total, SES and GDF Suez while a full exit was concluded in FCOF and Financier Callatay & Wouters. We have fully adjusted our SOTP model, based on the FY12 annual report. Sofina proposes to hike its DPS by 5.4% y/y to € 2.07 (yielding 3% at current prices), which is a tad below KBCS estimates of a 6% y/y DPS growth. The company traditionally refrains from giving a detailed FY outlook, since its earnings are directly linked with the performance of the stock markets, the evolution of interest rates and the realization of capital gains. Its 1Q13 trading update mentions increased stakes in GL Events, Spartoo and Touax. Conclusion:FY12 was a relatively solid year for Sofina with a stock performance that only marginally lagged European indices. Based on yesterday's close, we estimate adjusted equity value at € 108.4 with a 34.5% discount. Since Sofina adopts a policy of low-level communication, the discount is structurally high. We believe a 30% implied discount is warranted given Sofina's transparency, portfolio constitution and liquidity. Our upped TP of € 76 implies a 29.6% discount and leaves 7.06% upside potential. We lower our rating to Accumulate.

24-10-2012: First we take GL Events, then we take Spartoo

Sofina, together with A Plus Finance, CM-CIC Capital Privé, Highland Partners and Endeavour Vision, enters the capital of online footwear and bag retailer Spartoo. Together they have committed € 25m. News:Spartoo has raised € 45m to date, since being founded back in 2006. The online retailer said it plans to use the new funding to sustain aggressive expansion across the European market. The company is now profitable in its core French market, and has ramped up to become one of Europe's largest online shoes and accessories retailers, using free and fast deliveries and returns to encourage shoppers to buy two million pairs of shoes last year in the 20 European countries in which it's active. Spartoo has more than 12 million unique site visitors a month, up from more than 4 million in 2009. The company has seen its international turnover multiply 20-fold over the past three years. Mid-September, Sofina also entered the capital of the French listed events organiser GL Events and its reference shareholder Polygone. GL Events raised € 28.5m while Polygone (57% shareholder of GL Events) raised € 43.3m. At the same time, Sofina also invested in Polygone directly. Sofina acquired 4% of the capital, subscribed to a capital raise and convertible bonds for a total amount of € 23m. After the operation, Sofina will hold 8.7% of

Please press [here](#) to request a full historical news flow overview of the company

Sum-of-the-parts model

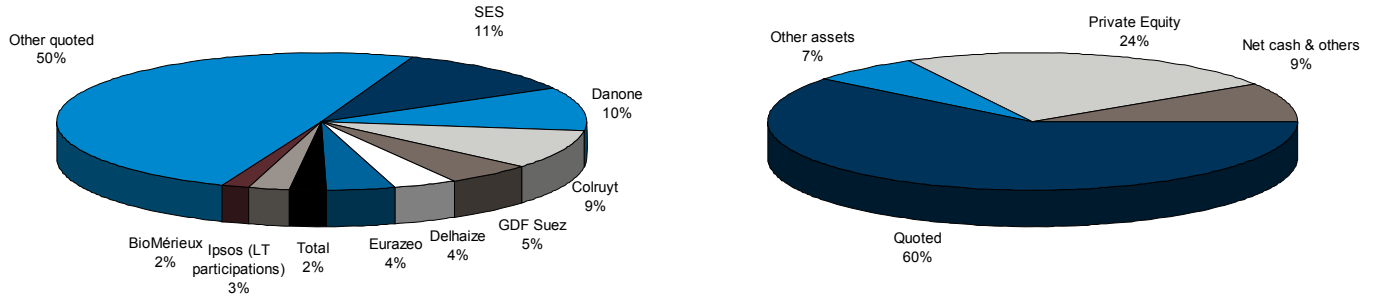
Portfolio	BB	Sector	# shares	last price (€)	% of cpy	% of NAV	value (€m)
Top stakes listed portfolio						60.9%	2,392.9
SES	SESG FP	Telecommunication	18,206,104	24.59	5.4%	11.4%	447.6
Danone	BN FP	Food processing	6,920,428	58.83	1.1%	10.4%	407.1
Colruyt	COLR BB	Distribution	8,750,000	40.90	5.2%	9.1%	357.8
GDF Suez	GSZ FP	Energy	12,805,464	16.53	0.6%	5.4%	211.6
Delhaize	DELB BB	Distribution	2,958,401	49.74	2.9%	3.7%	147.2
Eurazeo	RF FP	Investment company	3,780,000	43.37	5.5%	4.2%	163.9
Total	FP FP	Energy	2,108,625	39.68	0.1%	2.1%	83.7
Ipsos (LT participations)	IPS FP	Research firm	4,488,825	28.10	9.9%	2.7%	106.1
BioMérieux	BIM FP	Medical testing services	835,619	74.40	2.1%	1.6%	62.2
Caledonia Investments	CLDN LN	Investment company	2,847,344	22.34	5.1%	1.6%	63.6
Suez Environnement	SEV FP	Water and waste	4,125,661	11.24	0.8%	1.2%	46.4
SCR Sibelco	SCRVP BB	Diversified minerals	6,028	12,500.00	-	1.9%	75.4
Rapala VMC	RAP1V FH	Fishing equipment	7,500,000	4.88	19.0%	0.9%	36.6
Mersen	MRN FP	Electrical products	1,632,398	18.34	8.0%	0.8%	29.9
Luxempart	LXMP LX	Investment company	1,257,500	26.94	5.2%	0.9%	33.9
Touax	TOUP FP	Infrastructure leasing	961,374	18.21	16.7%	0.4%	17.5
Deceuninck	DECB BB	Building products	18,856,250	1.30	17.5%	0.6%	24.5
Vicat	VCT FP	Cement production	315,000	48.53	0.1%	0.4%	15.3
Shimano	7309 JP	Outdoor sports gear	230,000	66.81	0.2%	0.4%	15.4
Eredene	ERE LN	Logistics	36,599,101	0.15	8.2%	0.1%	5.4
Exmar	EXM BB	LNG/LPG transport	797,019	7.99	1.3%	0.2%	6.4
GL Events	GLO FP	Exhibition services	1,972,682	18.00	8.7%	0.9%	35.5
Direct Private Equity						6.5%	256.8
Bowers & Wilkins		High-end loudspeakers			20.0%		
Codic		Real Estate Promotion			17.9%		
Polygone		Exhibition services			8.4%		
M. Chapoutier		Wine production			14.3%		
MMC (Groupe Chapoutier)		Wine production			18.8%		
O3b networks		Satellite network operator			6.3%		
Spartoo		Online retailer			9.0%		
Sylve Invest(Petit Forestier)		Refrigeration services			43.1%		
Indirect Private Equity						23.5%	922.0
3rd Party Funds portfolio						20.9%	822.0
Hedge fund portfolio						2.5%	100.0
Portfolio						90.9%	3,571.69
Net cash & others						9.1%	357.87
Adjusted equity value						100.0%	3,929.56
Number of shares (outstanding)							34,750,000
Treasury shares (for remuneration purposes, resale, collateral,...)						1.9%	644,313
Treasury shares (available for cancellation)						-0.3%	-104,661
Number of shares (for per share calculation)							34,854,661
Sofina last price							73.54
Adjusted equity value p.s.							112.74
Current discount							34.77%
Target prices		GDF Suez	17.00	Colruyt	38.00		
		Exmar	9.00	Delhaize	52.00		
		Ageas	-	Deceuninck	1.45		
		Luxempart	28.00				
Target equity value							3,921.96
Target equity value p.s.							112.52
Discount to target equity value							34.64%

KBCS has an ACCUMULATE recommendation and a €78 target price.

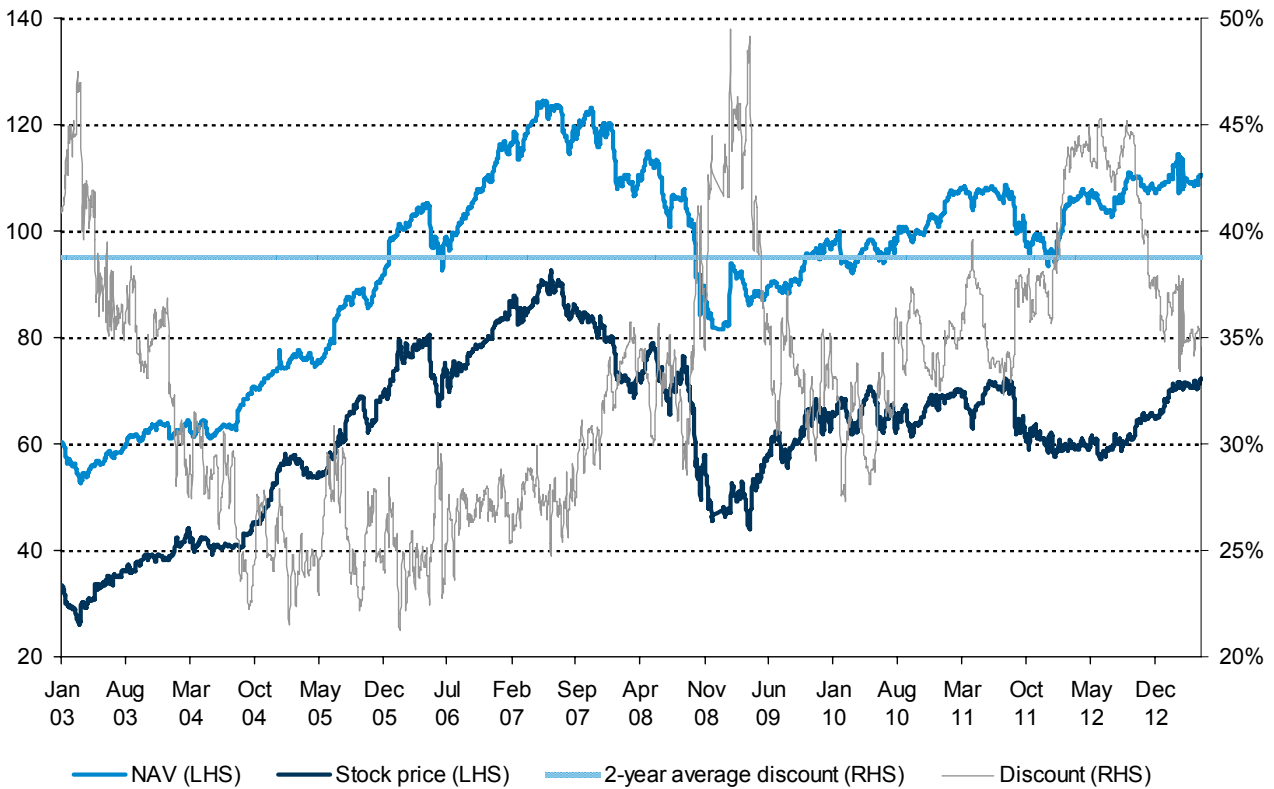
The upside potential versus a stock price of € 73.54 equals 6.06%.

The implied discount of our € 78 target price vs. the target equity value is 30.68%.

Graphical portfolio breakdown



Historical NAV overview



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	50.0	66.2	94.2	92.8	97.3	85.0	75.8	99.5
Result from operating activities	33.8	48.2	80.0	71.6	79.4	64.8	54.8	79.0
Result from financing activities	13.9	11.9	10.2	15.6	6.0	11.5	14.7	14.6
Result from extraordinary activities	58.8	98.9	141.3	185.6	5.7	98.2	61.2	35.7
Share of result of associates	-0.1	0.3	0.5	1.9	-4.0	6.6	9.5	11.2
Income taxes	0.0	2.7	-1.1	-0.2	-2.4	-4.3	1.3	-0.3
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.4	-0.8	-0.2	-1.9	1.2	-3.3	0.0	0.0
Share of the group	106.0	161.3	230.7	272.7	85.8	173.5	141.5	140.1
Adjusted net result	47.6	60.5	90.7	89.0	81.4	82.8	79.0	104.7
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	0.5	0.6	0.6	0.5	0.5	0.7	0.7	0.6
Tangible assets	5.0	13.9	15.1	14.7	14.3	18.6	17.6	17.0
Participations acc. for under equity method	5.4	7.9	12.9	134.0	128.2	142.0	148.4	156.1
Other financial assets	2,150.4	2,942.0	3,763.2	4,139.1	2,784.5	2,950.6	3,300.4	3,071.8
Cash & cash equivalents	325.7	199.1	71.3	203.3	210.3	295.9	221.9	6.8
Other assets	291.8	311.2	454.1	260.0	356.1	121.8	117.3	339.2
TOTAL ASSETS	2,778.7	3,474.7	4,317.2	4,751.6	3,493.9	3,529.5	3,806.3	3,591.6
Equity attributable to holders of the parent	2,745.7	4,137.0	4,137.0	4,372.3	3,234.2	3,417.7	3,707.0	3,465.4
Minorities	17.4	17.1	17.1	10.6	9.4	6.1	0.0	0.0
Financial debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	15.6	21.2	21.2	364.5	250.2	105.6	99.3	126.2
TOTAL LIABILITIES	2,778.7	4,175.3	4,175.3	4,747.4	3,493.9	3,529.5	3,806.3	3,591.6
net debt	-325.7	-199.1	-71.3	-203.3	-210.3	-295.9	-221.9	-6.8
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	-25.3	89.8	70.7	532.2	-116.8	107.4	74.5	110.5
Cash flow from investing activities	-91.7	-155.0	-147.3	-279.3	191.1	58.3	-77.7	-5.7
Dividends paid (consolidated)	-46.6	-49.2	-51.4	-55.3	-55.1	-56.8	-60.7	-64.0
Other cash flow from financing	-64.0	-12.1	0.2	-65.7	-12.2	-23.3	-10.2	-25.1
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	-227.7	-126.5	-127.8	132.0	7.0	85.6	-74.0	15.7
Per share data	2004	2005	2006	2007	2008	2009	2010	2011
Year-end share price (€)	54.8	70.0	83.0	116.4	66.0	82.0	95.0	95.0
Year-end market cap (€ m)	1,989.9	2,519.0	2,999.3	4,187.5	2,331.5	2,811.5	3,299.7	3,277.6
Weighted average # shares	36,311,912	35,985,755	36,136,148	35,962,800	35,325,950	34,285,901	34,737,553	34,504,406
Weighted average # shares, diluted	36,311,912	36,354,255	36,501,148	36,352,800	35,778,450	34,826,901	34,737,553	34,504,406
Basic EPS (€)	2.84	4.50	6.39	7.63	2.41	5.07	4.07	4.06
Diluted EPS (€)	2.82	4.44	6.29	7.63	2.41	5.07	4.07	4.06
NBV (€)	76.1	95.6	113.7	124.0	92.2	98.4	107.0	101.1
Adjusted equity value (€)	74.4	93.6	114.0	120.2	83.0	100.4	103.4	96.4
Premium (-) / Discount to (vs. YE price)	26.29%	25.25%	27.17%	33.42%	42.22%	32.25%	33.50%	38.23%
Gross dividend	1.25	1.33	1.43	1.53	1.64	1.75	1.85	1.96
Gross dividend yield	2.28%	1.90%	1.72%	1.32%	2.48%	2.13%	1.95%	2.06%
Ratios	2004	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	5.0%	5.9%	5.6%	6.6%	2.0%	5.4%	4.1%	3.8%
Total return	56.1%	30.0%	20.5%	42.0%	-42.0%	26.7%	18.0%	1.9%
Pay-out ratio (adjusted net result)	100.8%	81.0%	57.4%	62.9%	73.6%	72.4%	83.1%	66.5%
P/E	19.31	15.54	12.99	15.25	27.44	16.16	23.32	23.39
P/NBV	0.72	0.73	0.73	0.94	0.72	0.83	0.89	0.94
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	-5.0	-6.0	-6.0	-11.0	-8.0	-10.0	-13.0	-12.0
Result from financing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Result from extraordinary activities	355.0	247.0	121.0	286.0	-160.0	212.0	170.0	-103.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
PROFIT/LOSS FOR THE PERIOD	350.0	241.0	115.0	275.0	-168.0	202.0	157.0	-114.0
Dividends paid (statutory)	-48.0	-49.0	-52.0	-56.0	-59.9	-60.0	-65.7	-69.6
Financial assets	995	1,467	1,579	2,044	1,569	1,703	1,834	1,749
Other assets	320	122	120	54	52	36	7	12
Capital and reserves	1,248	1,360	1,419	1,630	1,365	1,452	1,528	1,332
Provisions and deferred taxation	3	1	1	1	1	0	0	0
Liabilities	64	229	280	468	255	287	313	429
TOTAL ASSETS	1,315	1,590	1,700	2,099	1,621	1,739	1,841	1,761

Description

Brederode is an investment company that actively manages a portfolio of listed and unlisted investments with the aim of boosting shareholder value by generating recurring dividends and capital gains.

Investment cases

- Brederode's profile is geared towards cash flow generation, with risk concentrated in the 3rd Party Funds
- Brederode has an impressive track record in unlocking value out of its Private Equity fund portfolio
- Brederode's balance sheet is sound, with barely any debt to fund the assets
- Brederode's portfolio mainly consists of a portfolio of 3rd party Private Equity funds (54% of NAV)

Shareholder structure

	# shs	% shs	value (€m)
Holdicam	16,242,520	55.29%	404.93
Treasury shares	95,751	0.33%	2.39
Free float	13,038,950	44.38%	325.06

Analyst opinion

Stock price:	€ 25.20
Target price:	€ 26.00
Potential:	3.17%
Rating:	HOLD

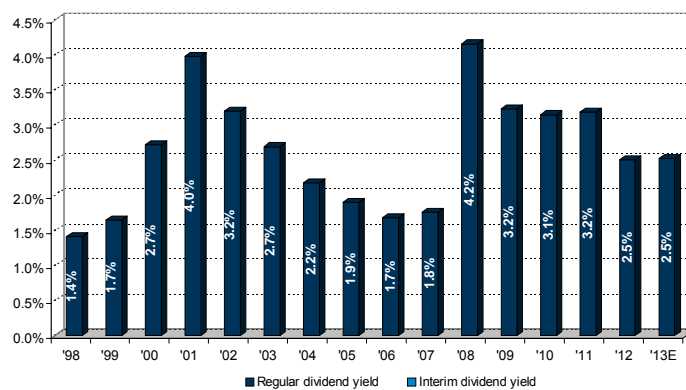
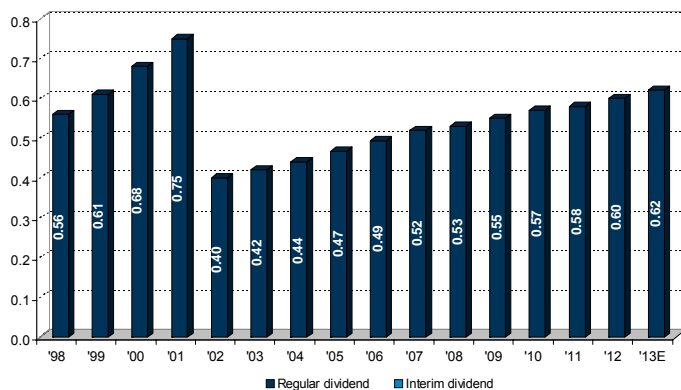
Company specifics

Market cap:	€ 749m
Currency:	EUR
Avg. daily value:	€ 0.11m
Avg. 3M volume:	5,468
% chg 1M:	2.59%
% chg 1Y:	25.28%
52-week hi/lo:	26.95 / 19.1
BB-code:	BREB BB
Reuters-code:	BRED.BR
Web:	www.brederode.eu

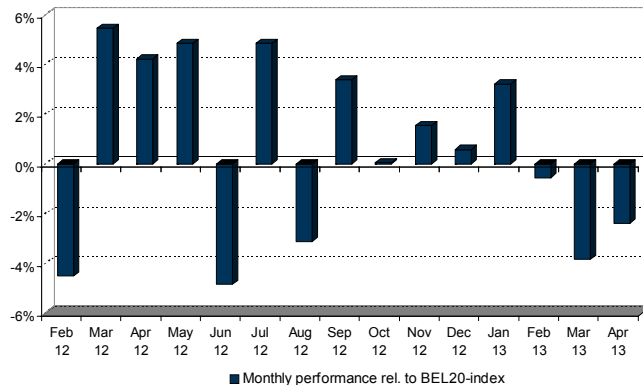
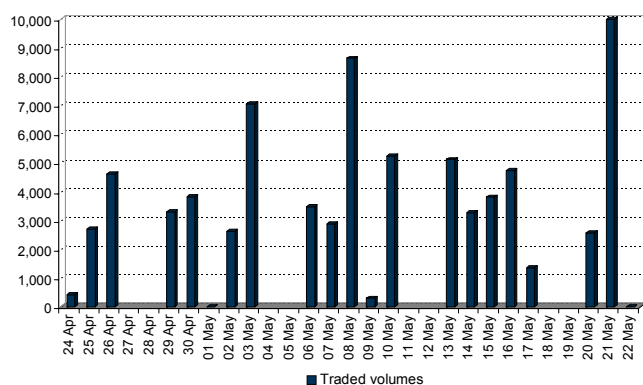
Corporate calendar

08-May-2013	General Assembly (A)
30-Aug-2013	Results 1H (A)
25-Oct-2013	Trading update 1Q (A)

Dividend data



Volume and performance data



News flow

06-05-2013: 1Q13 update brings no additional changes

The 1Q13 update revealed that Brederode's listed portfolio is broadly unchanged while the activity in Private Equity continues to be brisk. Uncalled amounts tot € 305m vs € 286m at YE12. The group purchased 32,268 own shares at an average price of € 25.09 (0.1% of its capital). The intrinsic value is slightly up from its YE12 mark. We are banking on a flat NAV at 1Q13 of € 35.81 vs. € 35.82 at YE12. Conclusion: The 1Q13 unveiled very little new information that could lead to possible changes in our SOTP-model. We therefore keep our previous assumptions, based on the more detailed FY12 release. Based on last Friday's close, we estimate Brederode's NAV at € 36.3 p.s with a 32.76% discount. Our TP of € 26 implies a discount of 28.55% to target equity value and leaves 6.47% upside potential. We maintain our Hold rating.

11-03-2013: FY12 DPS +3.4%; Vibrant activity in PE

FY12 (comprehensive) profit increased 68% y/y, proposed DPS of € 0.60 was in line with forecasts and shareholder's equity (€ 35.22) came in a tad below KBCS estimates (€ 35.81). With ROE at 11.2%, FY12 has proven a very good year for Brederode. We increase our TP from € 25.0 to € 27.0 (implying a 25% discount level), and lower our rating from Accumulate to Hold. News: FY12 comprehensive profit arrived at € 116.7m (+68% y/y), due to a sharp increase in the contribution from the listed portfolio (€ 46.3m, vs. FY11: € -17.3m) and a slight drop in earnings from the Private Equity fund portfolio (€ 53.7m, vs. FY11: € 62.9m). Equity p.s. rose to a slightly higher-than-expected € 35.22, (11.5% y/y, KBCS estimate: € 35.81). The corresponding ROE amounts to 11.2% (FY11: 7.3%). FY12 current earnings (i.e. dividend and interest income) dropped 1.5% y/y to € 24.8m, allowing a DPS increase to € 0.60 (+3.4% y/y, payment date: 12 June 2013), in line with KBCSe of € 0.60. The dividend currently yields 2.5%. We stick to our long-term DPS forecasts and continue applying a 3.5% CAGR for the period up until 2015. The listed portfolio's carrying value increased by € 61.07m to € 485.7m. (+3.9% y/y). Changes in 2H12 relative to 1H12 include the addition of Telenor (+842,164 shs) and Coloplast (+170,000 shs), a full sale of France Telecom (-685,000 shs), a slight hike in Saipem (+40k shs) and slightly lower stakes in Total (-30k shs), Iberdrola (-81k shs) and Ageas (-60k shs). The portfolio of 3rd Party Private Equity funds was carried in the equity at € 525m (+2.6% y/y and 7.0% vs. KBCSe: +9.0%), driven by a € 53.69m change in reported value. Brederode received € 142.92m in payments and invested € 102.7m of previously committed capital. Total commitments at YE12 decreased 4% y/y to € 286.6m, (54% of YE12 carrying value, FY11: 59%). New commitments taken in FY12 totalled € 81.5m. We estimate YE12 net cash at € 23.04m (which doesn't take into account a € 7.2m tax credit), as capital calls from the PE portfolio more or less matched disbursements. This figure doesn't include € 50m or credit lines (which is down from a year-earlier € 70m). Brederode currently holds 88,368 treasury shares, in line with KBCS estimates (0.3% of outstanding shs). Our View:

Fair value adjustments in the 3rd Party PE portfolio were supported by rising valuation multiples and exits of fund investments. Since we already pencilled in a substantial valuation increase, adjusting our SOTP produced only a marginally positive effect on NAV. We have increased our TP from € 25.0 to € 26 (which implies a 27% discount to target equity value) and downgrade to Hold (from Accumulate) as there is no upside vs current levels. Based on yesterday's closing prices, we estimated adjusted equity value p.s. at € 35.8 with a 27.42% discount.

22-01-2013: Share buyback program reinitiated

Between 15 -18 January, Brederode bought back 2,472 shares for a total amount of € 60.5k. Our View: The re-initiation of the share buyback program comes on the heels of the cancellation of 652,033 treasury shares and the fine-tuning of the capital structure (transfer of € 137.7m capital to the available reserves). In FY12 Brederode bought back 589,154 shares for a total amount of € 11.6m. Since the end of August, the company has stopped buying back shares for an unknown reason. The restart of the SBB program is positive as it increases NAV per share. Brederode might have used its SBB program in FY12 as a weapon to reduce the discount (average discount January – August 2012 = 41.44%). But given that today's discount has narrowed to 30.64% and Brederode reinitiates the program, that argument is invalid. We see no other reasons than that Brederode finds a SBB program the optimal and most efficient way to deploy its excess cash. We estimate Brederode's net cash position at € 7.7m. Conclusion: Based on yesterday's closing prices, we estimate Brederode's NAV at € 35.4 p.s. with a discount of 30.64%. Our target price of € 25 implies a discount of 29.68% versus the target equity value and leaves 1.83% upside potential. We maintain our Accumulate rating.

14-01-2013: EGM approval on all resolutions

The EGM of 31 December 2012 approved on all proposed resolutions: i) the cancellation of 652,033 treasury shares and ii) a capital decrease of € 137.7m destined for the available reserves. No impact on valuation/TP/rating. Our View: According to Brederode, the goal of the capital decrease is to give a true image of the fiscal capital and available reserves while increasing the distributable amounts, which can be used by the board for dividend distribution. The new number of shares now stands at 29,377,221 (previously 30,029,254) while Brederode's capital equals € 182.7m (previously € 320.4m). The cancellation of the treasury shares has no impact on our NAV. On the other hand, when a share buyback is announced, our SOTP model is positively impacted by the lower number of shares (used for EPS and NAV calculation) and less negatively impacted by the lower cash position, due to the discount. Brederode bought back 589,154 shares in FY12 for a total amount of € 11.6m. The company has stopped buying back shares since the end of August last year for an unknown reason. We estimate Brederode's current net cash position at € 7.7m. Conclusion: Based on last Friday's closing prices, we estimate Brederode's NAV at € 35.4 p.s. with a 31.29% discount. Our target price of € 25.0 implies a discount of 29.77% towards the target equity value. The upside potential versus a stock price of € 24.33 equals 2.75%. We maintain our Accumulate rating and € 25.0 TP.

05-12-2012: Taking a breather

Ever since setting our target price to € 25 on 4 September, Brederode rose 6% which compares with the performance of the BEL20 and DJ Eurostoxx 50 of +4.0% and +5.96% respectively. Ever since upgrading to Buy on 1 September 2011, Brederode's share price increased 29.1% while the BEL20 and DJ Eurostoxx50 increased 7.7% and 12.9% respectively. The upside potential versus our target price has dropped to 7.94%. We downgrade from Buy to Accumulate. The 3Q12 update revealed that Brederode did not disclose a detailed breakdown of the listed portfolio, but claims that it didn't undergo any significant changes. We estimate that value of the listed portfolio at € 459m (44.5% of NAV). The activity in the Private Equity portfolio has remained brisk and cash generative. Uncalled amounts to € 295m against € 313m end of June 2012. Brederode has also been active in buying back shares. In 3Q12, the company bought back 64,717 shares at an average price of € 20.95 (0.2% of the capital). Recently, the company has refrained from further buy backs. It remains unclear whether Brederode will reinitiate its SBB programme. Conclusion: Based on yesterday's closing prices, we estimate Brederode's adjusted equity value at € 35.10 p.s. with a discount of 34.02%. The implied discount of our € 25 target price vs. the target equity value equals 29.39%. We feel this is fair given Brederode's risk-profile, replicability of the portfolio and transparency towards the market. We expect further value creation from the Private Equity portfolio but we feel more comfortable with an Accumulate rating as the upside potential versus current levels is limited to 7.94%.

29-10-2012: 3Q12 NAV slightly up

Brederode's 3Q12 qualitative trading update mentioned no changes to the listed portfolio, while activity in the Private Equity portfolio remained brisk and cash generative. The press release noted that NAV was slightly up compared to 1H12 numbers. We stick to our Buy rating and € 25 TP. News: Brederode

Please press [here](#) to request a full historical news flow overview of the company

Sum-of-the-parts model

Portfolio	BB	No. of shares	Last price (€)	Currency	% of NAV	Value (€m)
Insurance					0.93%	9.86
Ageas	AGS BB	337,750	29.19	EUR	0.93%	9.86
Energy & Electricity					14.89%	158.64
ENI	ENI IM	1,749,000	18.33	EUR	3.01%	32.06
E.ON	EOAN GR	1,500,000	13.22	EUR	1.86%	19.83
Iberdrola	IBE SM	4,507,965	4.24	EUR	1.79%	19.11
Royal Dutch	RDSA NA	1,637,746	26.54	EUR	4.08%	43.46
Saipem	SPM IM	520,000	22.40	EUR	1.09%	11.65
Total	FP FP	820,000	39.68	EUR	3.05%	32.53
Telecom					1.36%	14.44
Telenor	TEL NO	842,164	17.14	NOK	1.36%	14.44
Pharmacy					9.64%	102.65
Coloplast	COLOB DC	170,000	44.11	DKK	0.70%	7.50
Fresenius SE & Co	FRE GY	202,397	94.02	EUR	1.79%	19.03
Novartis	NOVN VX	625,000	57.77	CHF	3.39%	36.11
Sanofi	SAN FP	470,000	85.14	EUR	3.76%	40.02
Diverse Industries					21.63%	230.45
Holcim	HOLN VX	412,844	62.24	CHF	2.41%	25.70
Nestlé	NESN VX	577,872	53.42	CHF	2.90%	30.87
Samsung Electronics GDR	SMSN LI	100,000	522.12	USD	4.90%	52.21
Schröder UK Alpha Plus Fund	SCHUKAA LN	1,926,782	1.94	GBP	0.35%	3.74
Schröder Specialist Value UK Eq. F	SSVUEXA LN	1,587,302	1.56	GBP	0.23%	2.48
Sofina	SOF BB	665,152	73.54	EUR	4.59%	48.92
Syngenta	SYNN VX	38,000	308.49	CHF	1.10%	11.72
TomTom	TOM2 NA	308,750	3.96	EUR	0.11%	1.22
Unilever	UNA NA	1,611,788	32.73	EUR	4.95%	52.75
Others (<1m)					0.08%	0.85
Listed portfolio					48.44%	516.03
Private equity					49.33%	525.45
Portfolio					97.77%	1,041.48
Net cash & other assets					2.23%	23.76
Adjusted equity value					100.00%	1,065.25

Number of shares (outstanding)		29,377,221
Treasury shares (for remuneration purposes, resale, collateral,...)	0.0%	0
Treasury shares (available for cancellation)	0.3%	95,751
Number of shares (for per share calculation)		29,281,470

Brederode last price		24.93
Adjusted equity value p.s.		36.38
Current discount		31.47%

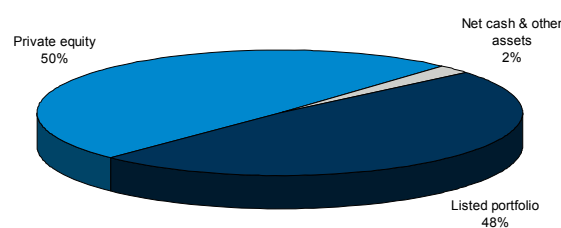
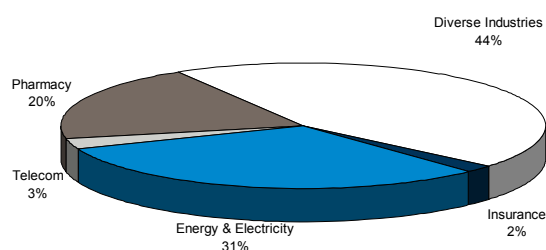
Target prices	Sofina	78.00	Ageas	-	
Target equity value					1,068.21
Target equity value p.s.					36.48
Discount to target equity value					31.66%

KBCS has a HOLD recommendation and a €26 target price.

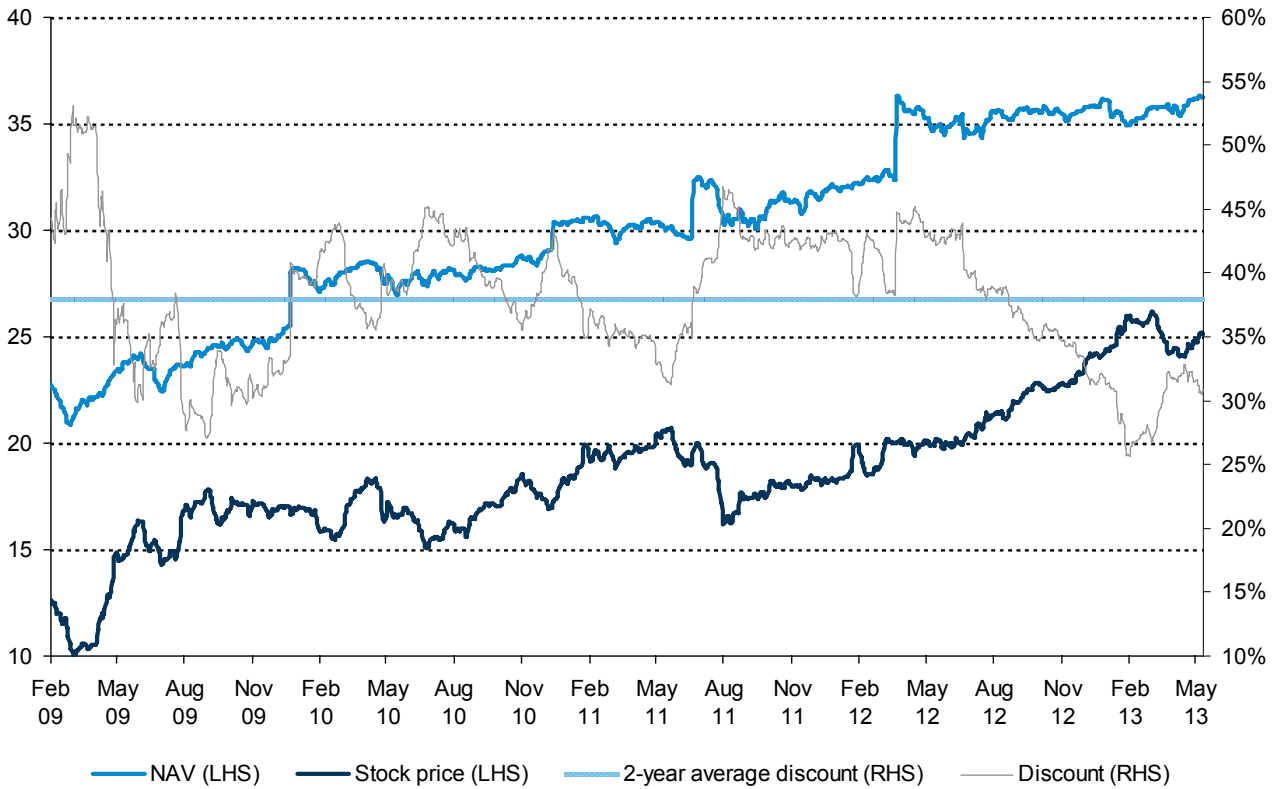
The upside potential versus a stock price of € 24.93 equals 4.29%.

The implied discount of our € 26 target price vs. the target equity value is 28.73%.

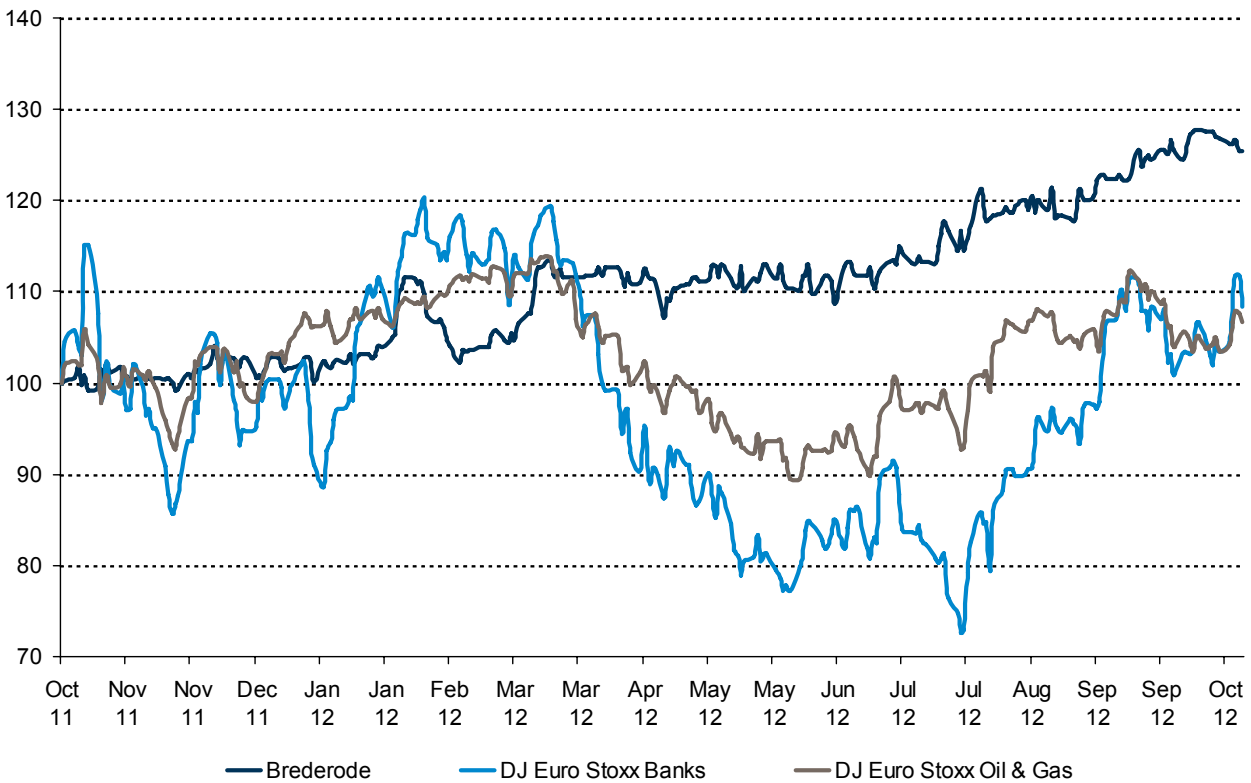
Graphical portfolio breakdown



Historical NAV overview

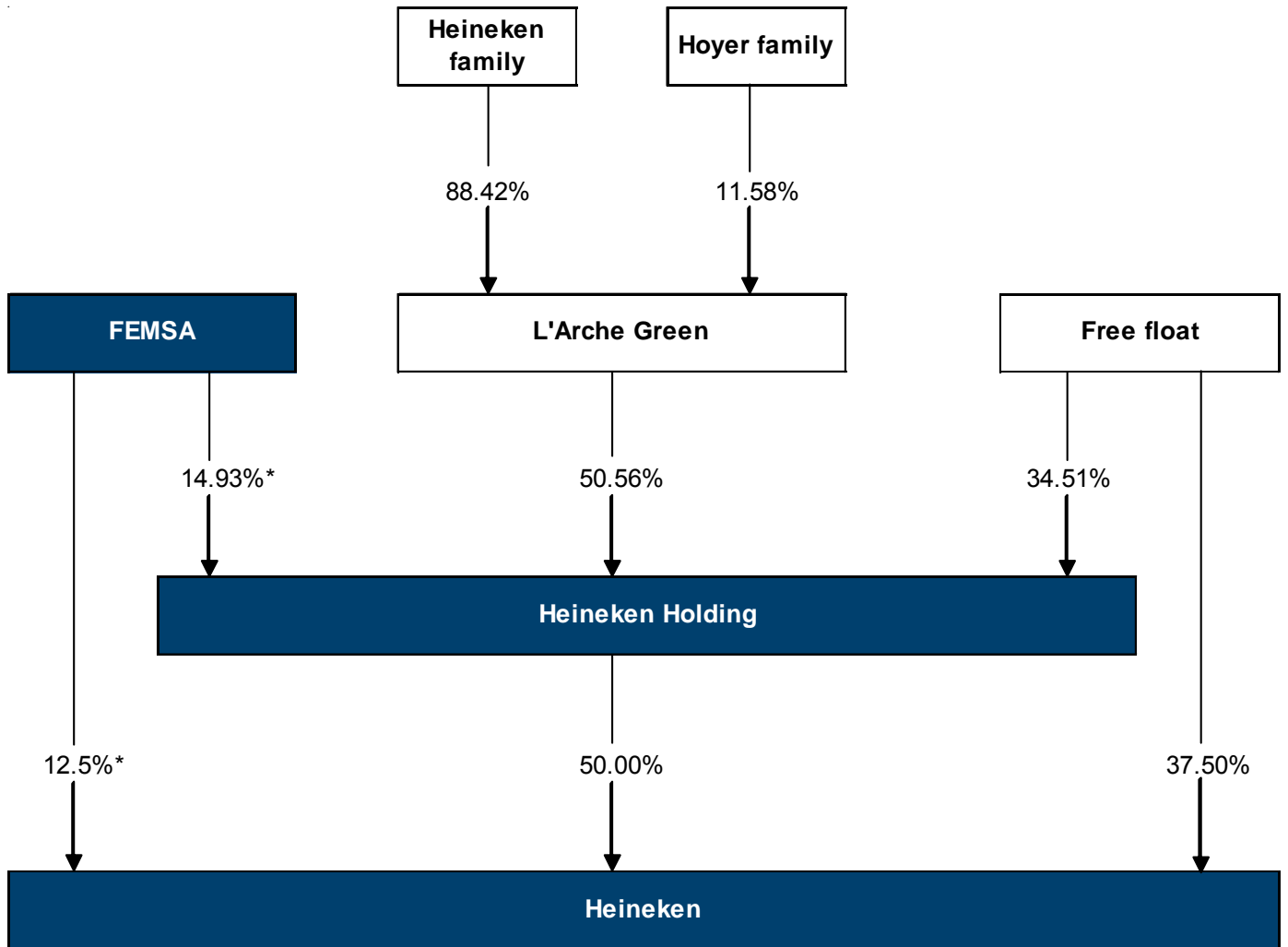


Relative performance versus key portfolio sectors



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	26.6	36.2	43.3	42.6	37.7	20.9	26.0	25.2
Result from operating activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from financing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from extraordinary activities	88.5	214.3	154.7	7.3	-480.7	130.2	78.5	45.7
Share of result of associates	4.1	0.9	0.1	0.0	0.0	0.0	0.0	0.0
Income taxes	-3.0	-3.9	-8.3	-4.9	-3.5	-3.3	-0.8	-2.4
Discontinued activities	0.0	14.1	0.0	0.3	0.0	0.0	0.0	0.0
Minorities	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Share of the group	107.0	255.9	188.8	48.7	-449.3	140.8	95.3	69.4
Adjusted net result	30.7	37.1	43.4	42.6	37.7	20.9	26.0	25.2
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	850.6	1,109.5	1,245.0	1,237.8	663.9	829.2	906.6	937.6
Tangible assets	0.0	4.4	4.4	4.4	4.1	4.1	3.9	3.3
Participations acc. for under equity method	0.0	1.8	1.9	0.0	0.0	0.0	0.0	0.0
Other financial assets	35.4	2.6	1.2	0.2	0.0	0.0	0.7	1.2
Cash & cash equivalents	15.3	9.8	25.3	3.1	29.7	6.8	5.6	6.6
Other assets	42.7	0.1	0.5	0.3	0.2	0.0	2.0	0.0
TOTAL ASSETS	944.1	1,128.2	1,278.2	1,245.8	697.8	840.1	918.7	948.7
Equity attributable to holders of the parent	831.9	1,077.0	1,218.6	1,184.2	714.1	842.2	906.4	946.8
Minorities	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Financial debt	74.7	44.7	47.2	66.8	0.0	4.5	21.0	12.2
Other liabilities	37.1	19.9	39.3	24.2	5.1	3.1	5.2	5.0
TOTAL LIABILITIES	944.1	1,141.7	1,305.2	1,275.4	719.2	849.9	932.6	964.1
net debt	59.4	34.9	21.9	63.8	-29.7	-2.3	15.4	5.6
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	29.6	11.5	54.4	40.5	12.5	21.5	10.8	24.2
Cash flow from investing activities	-31.9	2.2	5.9	-4.9	97.6	-32.4	1.8	14.7
Dividends paid (consolidated)	-13.7	-15.1	-16.0	-15.9	-16.2	-16.5	-17.1	-17.3
Other cash flow from financing	24.6	-4.3	-28.8	-41.9	-67.2	4.5	11.3	-20.6
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	8.5	-5.7	15.5	-22.2	26.6	-22.9	-1.2	1.0
Per share data	2004	2005	2006	2007	2008	2009	2010	2011
Year-end share price (€)	20.2	24.6	29.3	29.6	12.8	17.0	18.1	18.1
Year-end market cap (€ m)	693.1	845.4	971.9	922.1	396.9	530.2	562.4	547.3
Weighted average # shares	34,310,252	34,310,252	33,170,345	31,150,901	31,130,901	31,130,901	31,070,204	30,235,701
Weighted average # shares, diluted	34,310,252	34,310,252	34,084,288	32,234,120	31,141,715	31,141,715	31,070,204	30,235,701
Basic EPS (€)	3.12	7.46	5.69	1.56	-14.43	4.52	3.07	2.29
Diluted EPS (€)	3.12	7.46	5.54	1.51	-14.43	4.52	3.07	2.29
NBV (€)	24.3	31.4	36.7	38.0	22.9	27.1	29.6	31.6
Adjusted equity value (€)	23.8	28.9	34.0	38.0	23.3	25.5	29.3	32.0
Premium (-) / Discount to (vs. YE price)	15.23%	14.77%	13.85%	22.15%	45.21%	33.27%	38.23%	43.00%
Gross dividend	0.44	0.47	0.49	0.52	0.53	0.55	0.57	0.58
Gross dividend yield	2.18%	1.90%	1.68%	1.76%	4.16%	3.23%	3.15%	3.20%
Ratios	2004	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	12.9%	23.8%	15.5%	4.1%	-62.9%	16.7%	10.5%	7.3%
Total return	32.3%	24.3%	20.9%	2.8%	-55.1%	37.9%	9.6%	3.2%
Pay-out ratio (adjusted net result)	49.2%	43.1%	37.7%	37.0%	43.8%	82.0%	67.2%	68.9%
P/E	6.48	3.30	5.15	18.94	-0.88	3.77	5.90	7.89
P/NBV	0.83	0.78	0.80	0.78	0.56	0.63	0.61	0.57
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	-1.2	-2.1	-1.1	-2.3	-2.0	-0.5	-0.9	-3.8
Result from financing activities	12.1	6.1	4.7	1.2	12.8	1.2	1.6	4.3
Result from extraordinary activities	92.5	57.2	33.7	-12.3	-172.8	32.7	-1.6	-0.5
Income taxes	-1.8	0.0	-8.9	-4.2	0.0	-0.1	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	103.4	61.2	37.3	-13.4	-162.1	33.4	-0.9	-0.1
Dividends paid (statutory)	-15.1	-16.0	-16.4	-15.8	-16.5	-17.1	-17.4	-17.4
Financial assets	859	924	906	941	680	547	490	478
Other assets	5	5	5	4	4	3	4	3
Capital and reserves	796	841	770	692	513	529	472	443
Provisions and deferred taxation	0	0	0	0	0	0	0	0
Liabilities	68	88	141	254	171	21	22	39
TOTAL ASSETS	864	929	910	945	684	550	494	481



 : Public company
 : Private company

Description

Heineken Holding heads the Heineken Group and aims to manage or supervise the latter's management. It also seeks to promote to continuity, independence and stability of the whole group and to pursue its long-term policy.

Investment cases

- Heineken Holding is the vehicle via which the brewer's families are exerting full control over the group
- Heineken Holding has a 100% flow-through policy, enabled by a zero operating run rate and debt-free balance
- We have no reason to assume that the cascade structure will be flattened in the future
- Heineken Holding is actively traded, which allows for setting up long/short strategies

Shareholder structure

	# shs	% shs	value (€m)
Arche Green	145,607,964	50.56%	7,018.30
FEMSA	43,000,000	14.93%	4,219.59
Free float	99,403,884	34.51%	9,754.50

Analyst opinion

Stock price:	€ 49.21
Target price:	€ 51.50
Potential:	4.66%
Rating:	HOLD

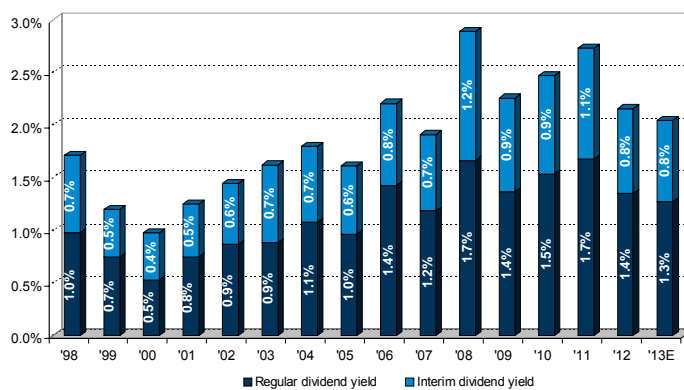
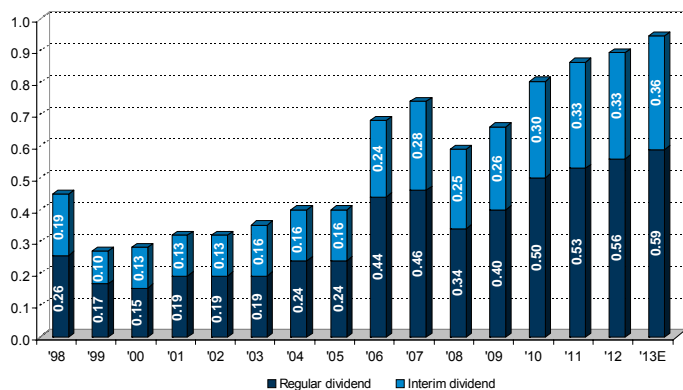
Company specifics

Market cap:	€ 13,883m
Currency:	EUR
Avg. daily value:	€ 7.48m
Avg. 3M volume:	158,028
% chg 1M:	0.22%
% chg 1Y:	44.4%
52-week hi/lo:	50.91 / 31.34
BB-code:	heio na
Reuters-code:	HEIO.AS
Web:	heinekeninternational.com

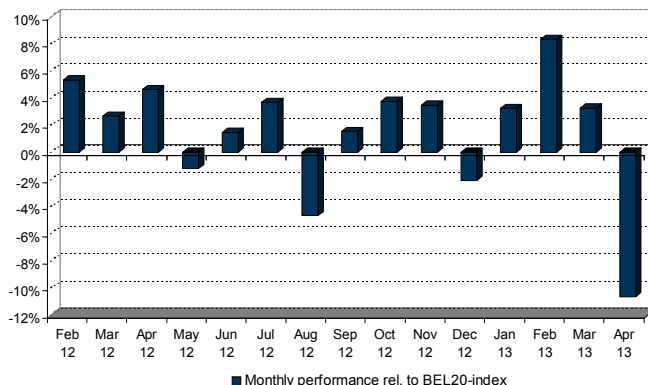
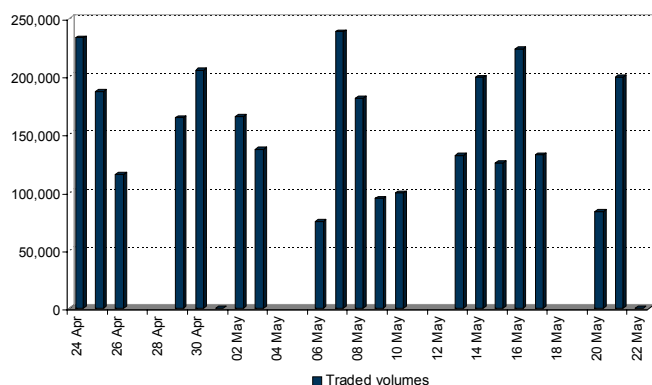
Corporate calendar

21-Aug-2013	Results 1H (A)
23-Oct-2013	Results 3Q (A)

Dividend data



Volume and performance data



News flow

24-04-2013: 1Q13 update: downgrade to Hold & TP lowered

Heineken NV released its 1Q13 update, which was clearly weaker than expected. We lower our TP from € 53.5 to € 51.5 and downgrade to Hold (from Buy). News: For a detailed overview and comment on Heineken's NV 1Q13 trading update, we refer to the Heineken NV section in this morning note. Consolidated beer volume increased by 5.8% (-4.7% organically) to 38.0m hl, which compares to our and consensus forecast of 40.1m hl. Note that we assumed a 1.1% organic growth while consensus assumed a 0.6% organic growth. We remind that Heineken typically does not provide precise numbers below the top line at the time of quarterly trading updates, except for a net profit number. EBIT (beia) was said to have increased in the mid-teens in total, helped by the positive consolidation effect of APB. EBIT (beia) declined in the mid single digits on an organic basis, reflecting lower revenue which Heineken commented was only partially offset by lower phasing of marketing expenses and realization of TCM2 savings. Net profit increased from €166m in 1Q12 to €227m in 1Q13. Although we expected a relatively weak 1Q13, top line figures are clearly lower than expected, while there seems to be little reason to anticipate a major short term improvement in trends. After the hefty share price rally of the past year or so, KBCS decided to lower the rating on Heineken NV from Buy to Accumulate while slightly lowering the target price to €60 (from €62). Our View: Heineken Holding's 1Q13 trading update traditionally reiterates the information disclosed in Heineken NV's trading update. Since no changes to the holding structure were reported and Heineken Holding remains debt-free, there is no impact on our SOTP model whatsoever. Conclusion: Based on yesterday's close, we estimate adjusted equity value per share at € 57.7. The stock's currently trading at a 14.74% discount, which compares with a 2-year historic average of 15.07%. Taking into account the stock's underlying potential, based on KBCS TP of Heineken NV (lowered from € 62 to € 60), we believe that Heineken Holding's adjusted equity value could increase to € 60.0. As we believe a 14% target holding discount is appropriate, we lower our TP from € 53.5 to € 51.5. Our new TP leaves upside potential of 4.66%, hence we downgrade from Buy to Hold.

13-02-2013: FY12 net result +106%; confirms DPS policy

FY12 net earnings more than doubled to € 1.5bn allowing the group to propose a final DPS of € 0.56 (total FY12 DPS € 0.89), which hovers in line with the dividend policy. We stick to our Buy rating and up our TP from € 48.5 to € 53.5. News: Heineken Holding's net profit rose 106% y/y to € 1.47bn, (EPS: € 5.13), owing to a non-cash exceptional gain of € 1.5bn of Heineken NV, related to a revaluation of previously held equity interest in APB and APIPL. The company proposes to distribute a FY12 cash dividend of € 0.89 p.s (+7.2% y/y). Having paid an interim DPS of € 0.33 p.s. on 4 September 2012, the final DPS will be € 0.56 p.s., payable on 8 May 2013. Our View: Statutory annual results for a holding company such as Heineken, which is the archetype of a cascade company without operational costs and with a zero net cash position, are not a stock price driver. For an in-depth overview of Heineken NV's FY12 results, we refer to comments in today's morning note. We highlight that the dividend amount is in line with Heineken Holding's dividend policy to payout 30% to 35% of its net profit (beia). Growth in FY12 DPS amounts to 7.2% y/y, with the final dividend being in line with our € 0.56 forecast. Conclusion: Based on yesterday's closing prices, we estimate adjusted equity value per share at € 51.95. The stock's currently trading at a 15.06% discount, which compares with a 2-year historic average of 14.71%. KBCS recently upped its TP on Heineken to € 62 p.s. which directly impacts the underlying value of Heineken Holding. As a consequence, we up our TP on Heineken Holding to € 53.5, implying a discount of 14% to the target equity value. Our new TP leaves 21.25% upside potential, which justifies our Buy rating.

24-10-2012: 3Q12 update brings little surprises

Heineken Holding's 3Q12 trading update didn't contain any surprises: the company still holds 50% of Heineken NV and still has no leverage on its balance sheet so that its earnings are equal to those of Heineken NV. No changes to TP and/or rating. News: Heineken's 3Q consolidated beer volumes were slightly better than our forecast and slightly below consensus while revenue was in line with consensus and also slightly better than our forecast. We still believe Heineken is trading at an excessive discount to global brewing peers AB InBev and SABMiller while the company is working hard on improving its geo-mix (acquisition of F&N's stake in APB scheduled to close soon) and in improving returns (€500m profit improvement program ongoing). Our View: The trading update for a holding company such as Heineken, which is the archetype of a cascade company (no operational costs and a zero net cash position), is not a stock price driver. But Heineken NV's results do matter, so for a more in-depth overview of the Dutch brewer's 3Q12 results, we refer to comments in today's morning note. Conclusion: Based on yesterday's closing prices, we estimate adjusted equity value per share at € 47.67. The stock is trading at a 18.24% discount (which compares with a 2-year average of 13.82%). Based on KBCS's € 57 TP for Heineken NV, we estimate the upside potential from current levels at 24.44%, which explains our Buy rating.

11-10-2012: TP upped from €43.5 to €48.5

Since KBCS increased its TP on Heineken NV, we decided to lift our TP on Heineken Holding from € 43.5 to € 48.5. We stick to our buy rating as the upside potential versus a stock price of € 39.9 equals 21.55%. News: The decision to increase our TP on Heineken Holding is a direct consequence of the fact that our analyst on the beer sector increased the TP for Heineken NV (from € 53 to € 57). Following the recent approval by Fraser & Neave's shareholders of the sale of F&N's 39.7% stake in Asia Pacific Breweries to Heineken, the earnings model of Heineken NV was adjusted to include a full takeover of APB. A full takeover as of end November 2012 was assumed as well. The impact of the APB inclusion increases our FY13 revenue forecast by 9% (to € 21.2bn), while increasing our FY13 EBIT (beia) forecast by 12% to € 3.5bn and our FY13 EPS (beia) forecast by 6% to € 3.53. Our View: We remind that Heineken Holding is the archetype mono-holding company that holds no debts and pays out all dividend inflows to investors. Moreover, all operating costs are borne by Heineken NV, so that it de facto constitutes a discounted investment in Heineken. Conclusion: We estimate adjusted equity value per share at € 48.97. The stock is trading at a current discount of 18.52%, which compares with a 2-year historic average of 14.88%. Our new TP is based on a target equity value of € 57 p.s (which implies a 15% discount). This leaves 21.55% upside versus yesterday's closing prices.

22-08-2012: 1H12 group result up 29% y/y to €392m

1H12 earnings (group share) soared 29% y/y to € 392m, while revenues increased 5% y/y to € 8.36bn. The interim DPS is fixed at € 0.33, which is in line with the dividend policy. We maintain both our rating (Buy, upside potential: 18.3%) and TP (€ 43.50, implied discount 13%). News: The 1H12 net result (group share) amounts to € 392m, up 29% y/y. Net cash at the statutory level hasn't been disclosed, but given a long tradition we expect it to be zero. Heineken Holding proposes to maintain its interim dividend at € 0.33 p.s. (ex-dividend on 24 August 2012), which is in line with its policy to pay out an interim dividend equal to 40% of the total dividend of the previous year. Since statutory semi-annual results for a holding company such as Heineken, which is the archetype of a cascade company without operational costs and with a zero net cash position, are not a stock price driver, we gladly refer to an in-depth overview of Heineken NV's 1H12 results included in this morning note. In a nutshell, KBCS commented that: "Consolidated beer volumes grew by +3.5% in 1H12 to 82.6m hl, which means organic volume growth slowed down from 4.7% in 1Q12 to an estimated 1.4% in 2Q12. 1H12 revenue grew by +5% to € 8.78bn, while EBIT (beia) grew 0.5% to € 1.26bn and net profit (beia) grew 1.6% to € 705m (excluding a € 175m capital gain). Heineken guides for a FY12 net profit (beia) in line with last year, on an organic basis. In all, Heineken NV's 1H12 results were below our and consensus forecasts. But the FY12 consensus is in line with the new guidance. We reiterate our Buy rating on Heineken NB and € 50 TP, based on the attractive valuation." Conclusion: we estimate adjusted equity value per share at € 44.50. The stock's currently trading at a 17.39% discount, which compares with a 2-year

Please press [here](#) to request a full historical news flow overview of the company

Sum-of-the-parts model

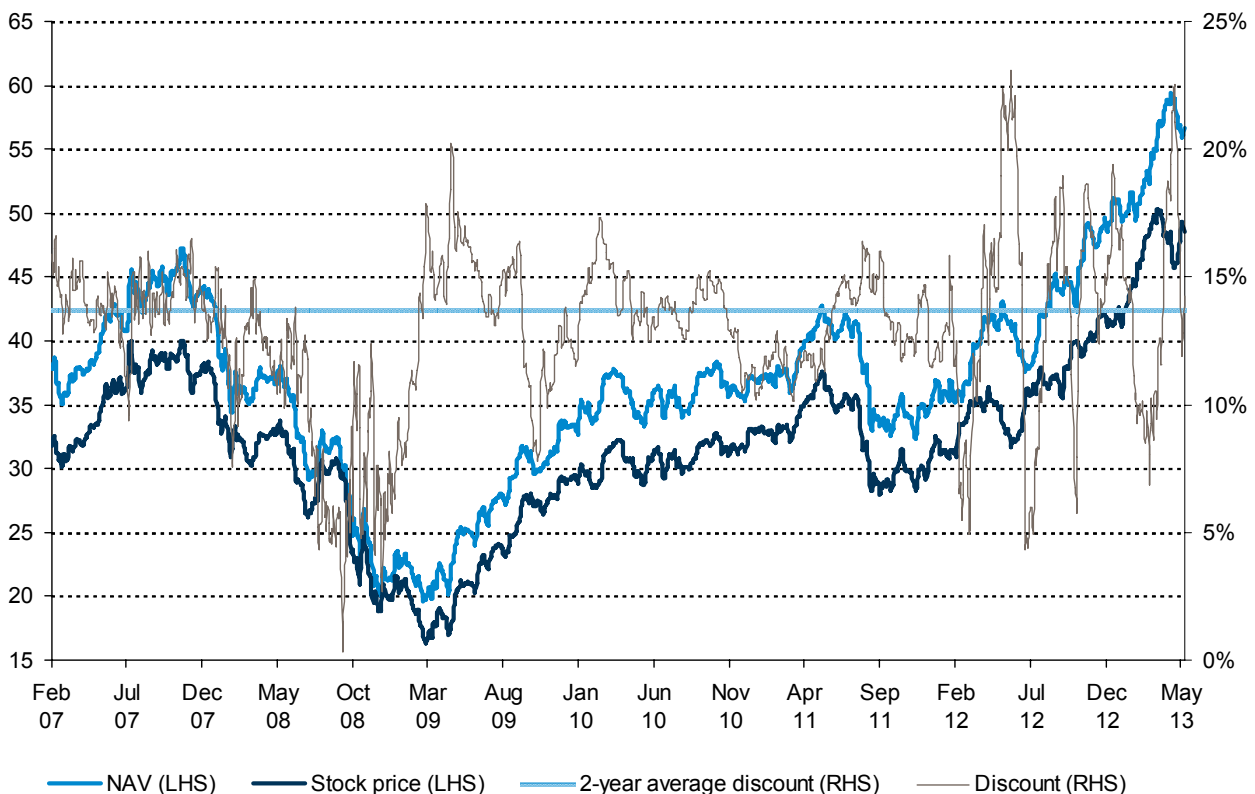
Portfolio	BB	# shares	Share price (€)	Equity stake (%)	% of NAV	value (€m)	
Heineken	HEIA NA	288,011,848	56.58	50.00%	100.0%	16,295.71	
Portfolio					100.0%	16,295.71	
Net cash					0.0%	0.00	
Adjusted equity value					100.0%	16,295.71	
Number of shares (outstanding)						288,011,848	
Treasury shares (for remuneration purposes, resale, collateral,...)						0.00%	0
Treasury shares (available for cancellation)						0.00%	0
Number of shares (for per share calculation)						288,011,848	
Heineken holding last price						48.20	
Adjusted equity value p.s.						56.58	
Current discount						14.81%	
Target prices		Heineken	60.00				
Target equity value						17,280.71	
Target equity value p.s.						60.00	
Discount to target equity value						19.67%	

KBCS has a HOLD recommendation and a €51.5 target price.

The upside potential versus a stock price of € 48.2 equals 6.85%

The implied discount of our € 51.5 target price vs. the target equity value is 14.17%

Historical NAV overview



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010
Sales & operating income	10,062.0	10,859.0	12,208.0	11,273.0	14,351.0	14,742.0	16,372.0
Result from operating activities	1,348.0	1,254.0	1,805.0	1,364.0	1,182.0	1,630.0	2,283.0
Result from financing activities	-330.0	-114.0	-122.0	-95.0	-485.0	-329.0	-509.0
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of result of associates	21.0	29.0	27.0	54.0	-102.0	127.0	193.0
Income taxes	-306.0	-300.0	-365.0	-394.0	-248.0	-286.0	-399.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-412.0	-488.5	-738.9	-524.8	-242.0	-632.0	-847.0
Share of the group	321.0	380.5	606.1	404.2	105.0	510.0	721.0
Adjusted net result	321.0	380.5	606.1	404.2	107.7	510.4	721.0
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010
Intangible assets & goodwill	1,837.0	2,380.0	2,449.0	2,110.0	7,109.0	7,135.0	10,890.0
Tangible assets	4,773.0	5,067.0	4,944.0	4,673.0	6,314.0	6,017.0	7,687.0
Participations acc. for under equity method	134.0	172.0	186.0	892.0	1,145.0	1,427.0	1,673.0
Other financial assets	901.0	932.0	1,181.0	922.0	1,246.0	1,448.0	2,094.0
Cash & cash equivalents	678.0	585.0	1,374.0	560.0	698.0	520.0	610.0
Other assets	2,454.0	2,693.0	2,863.0	2,797.0	4,051.0	3,633.0	3,708.0
TOTAL ASSETS	10,777.0	11,829.0	12,997.0	11,954.0	20,563.0	20,180.0	26,662.0
Equity attributable to holders of the parent	1,628.0	1,985.0	2,507.0	2,707.0	2,241.0	2,682.0	4,554.0
Minorities	2,105.0	2,529.0	3,013.0	3,004.0	2,511.0	2,965.0	5,666.0
Financial debt	3,584.0	3,293.0	3,332.0	2,333.0	10,053.0	8,702.0	9,072.0
Other liabilities	3,460.0	4,022.0	4,145.0	3,910.0	5,758.0	5,766.0	7,192.0
TOTAL LIABILITIES	10,777.0	11,829.0	12,997.0	11,954.0	20,563.0	20,115.0	26,484.0
net debt	2,906.0	2,708.0	1,958.0	1,773.0	9,355.0	8,182.0	8,462.0
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010
Cash flow from operating activities	1,611.0	1,872.0	1,849.0	1,529.0	1,660.0	2,379.0	2,657.0
Cash flow from investing activities	-1,795.0	-1,194.0	-799.0	-1,125.0	-4,744.0	-787.0	-407.0
Dividends paid (consolidated)	-243.0	-271.0	-297.0	-417.0	-485.0	-392.0	-483.0
Other cash flow from financing	-123.0	-321.0	-352.0	-214.0	3,794.0	-1,445.0	-1,597.0
Fx and changes to consolidation scope	1.0	-13.0	-8.0	-5.0	70.0	5.0	36.0
Change in cash & equivalents	-549.0	73.0	393.0	-232.0	295.0	-240.0	114.0
Per share data	2004	2005	2006	2007	2008	2009	2010
Year-end share price (€)	29.0	39.3	29.5	50.4	31.5	38.9	38.9
Year-end market cap (€ m)	7,105.3	9,636.3	7,230.3	12,348.6	7,715.4	9,531.0	10,646.6
Weighted average # shares	245,011,848	245,011,848	245,011,848	245,011,848	245,011,848	245,011,848	273,690,728
Weighted average # shares, diluted	245,011,848	245,011,848	245,011,848	245,011,848	245,011,848	245,011,848	273,690,728
Basic EPS (€)	1310.27	1553.14	2.47	1.65	0.43	2.08	2.63
Diluted EPS (€)	1310.27	1553.14	2.47	1.65	0.43	2.08	2.63
NBV (€)	6.6	8.1	10.2	11.0	9.1	10.9	15.8
Adjusted equity value (€)	23.0	25.8	34.6	43.3	21.4	33.4	37.1
Premium (-) / Discount to (vs. YE stock price)	-26.14%	-52.50%	14.59%	-16.29%	-47.01%	-16.33%	-4.94%
Gross dividend	0.40	0.40	0.60	0.70	0.62	0.65	0.76
Gross dividend yield	1.38%	1.02%	2.03%	1.39%	1.97%	1.67%	1.95%
Ratios	2004	2005	2006	2007	2008	2009	2010
Return on Equity (avg)	20.3%	23.4%	30.5%	16.1%	3.9%	22.8%	26.9%
Total return	12.3%	37.0%	-24.0%	72.8%	-36.1%	25.5%	1.7%
Pay-out ratio (adjusted net result)	30.5%	25.8%	24.3%	42.4%	141.0%	31.2%	30.4%
P/E	0.02	0.03	11.93	30.55	73.48	18.69	14.77
P/NBV	4.36	4.86	2.88	4.56	3.44	3.55	2.46
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010
Result from operating activities	321.0	380.5	606.1	404.2	107.7	510.4	721.0
Result from financing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	321.0	380.5	606.1	404.2	107.7	510.4	721.0
Dividends paid (statutory)	-98.0	-98.0	-147.0	-171.5	-151.9	-159.3	-218.9
Financial assets	1,628	1,985	2,507	2,707	2,241	2,682	4,554
Other assets	0	0	0	0	0	0	0
Capital and reserves	1,628	1,985	2,507	2,707	2,241	2,683	4,701
Provisions and deferred taxation	0	0	0	0	0	0	0
Liabilities	0	0	0	0	0	0	0
TOTAL ASSETS	1,628	1,985	2,507	2,707	2,241	2,683	4,701

Description

Gimv is Belgium's leading Private Equity company. Both in Belgium and abroad it invests in life sciences and technology companies, as well as in growth financing and management buy-outs of companies in more traditional sectors.

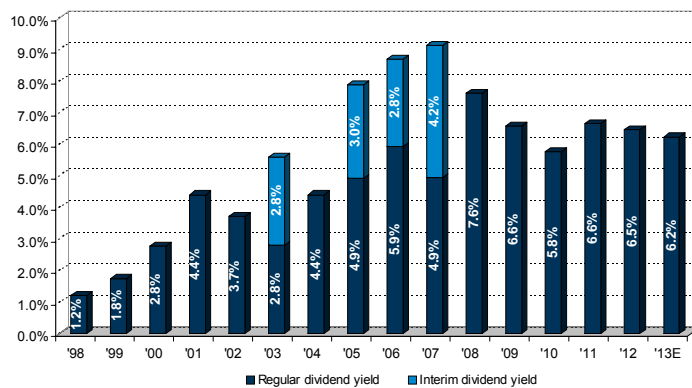
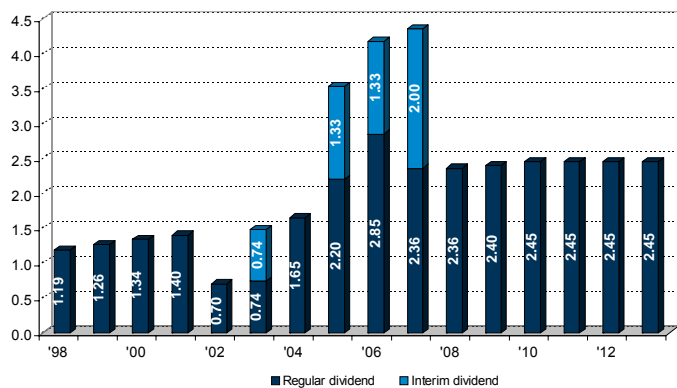
Investment cases

- Directly and indirectly held cash of appr. € 800m is both an investment opportunity and a return risk
- Long-term (30yr) average annual return (IRR) of 12% underlines management competence
- GimVs push into managing external assets leverages on the existing business model
- Gimv combines a conservatively valued portfolio with a 7.0% dvd yield, making it a safety and opportunity play

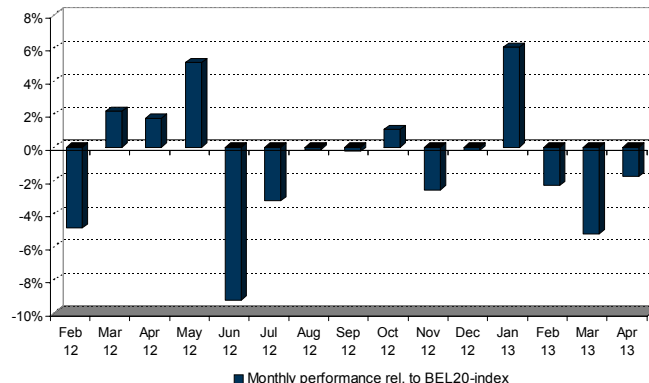
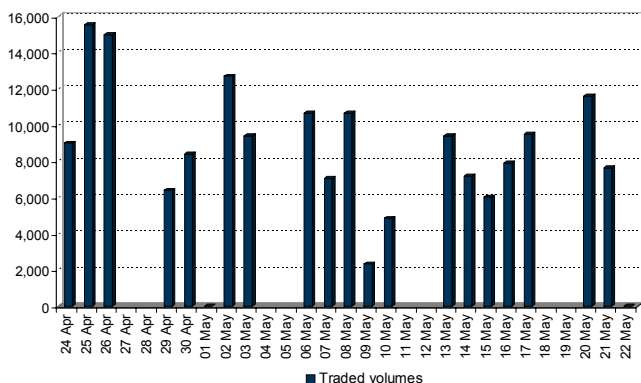
Shareholder structure

	# shs	% shs	value (€m)
VPM	6,454,826	26.94%	256.26
KBC AM	696,489	2.91%	27.65
Free float	16,812,471	70.16%	667.46

Dividend data



Volume and performance data



Stock price: € 39.71
 Target price: € 42.00
 Potential: 5.77%
 Rating: HOLD

Analyst opinion

Company specifics

Market cap: € 951m
 Currency: EUR
 Avg. daily value: € 0.34m
 Avg. 3M volume: 15,021
 % chg 1M: 4.47%
 % chg 1Y: 7.3%
 52-week hi/lo: 42.8 / 34.86
 BB-code: GIMB BB
 Reuters-code: GIMV.BR
 Web: www.gimv.com

Corporate calendar

23-May-2013 Results FY (A)
 23-May-2013 Analyst Meeting (A)
 05-Jun-2013 Roadshow (A)
 10-Jun-2013 Roadshow (A)
 20-Jun-2013 Roadshow (A)
 26-Jun-2013 General Assembly (A)

News flow

15-05-2013: When flirting ends up between the sheets

According to financial newspaper De Tijd, Gimv and SRIW are close to acquiring 1/3 of Lampiris' capital. No impact on rating/TP. Our View: It seems that earlier news snippets of the double team Gimv-SRIW looking to acquire an interest in Lampiris are getting more tangible. Lampiris is Belgium's largest independent energy supplier with a client base of 528,380 at 1H12. The company realised a FY11 turnover of € 381m and EBITDA of € 16m (4% margin). A minority stake in Lampiris would fit perfectly in Gimv's 'Sustainable Cities' platform. That platform facilitates the development of companies in the energy, utilities and other highly regulated markets which have a strong infrastructure component. Investments in physical and digital infrastructure with community impact and related operations and services are also targeted. To have an indication about a possible price-tag, we use the Eni-Nuon merger. Late 2011, Italian Eni acquired the Belgian branch of Nuon for € 157m. At that time, Nuon Belgium had a similar client base to Lampiris (550,000). The takeover price also included Nuon Wind (4.5MW sustainable energy production) and Nuon Power Generation Walloon. Applying ballpark numbers, a 33% stake in Lampiris would lead to a cash-outflow of c.€ 40m for Gimv and SRIW combined. A € 20m investment would be in line with Gimv's overall investment size, assuming a 50/50 split. Conclusion: Based on yesterday's close, we estimate Gimv's NAV at € 41.74 p.s. with a 5.19% discount. The implied discount of our € 42 TP vs the target equity value is 0.35%. The upside potential versus a stock price of € 39.59 equals 6.09%. This news doesn't impact our SOTP-model, but we will keep a close eye on further developments. We maintain our Hold rating.

26-03-2013: Selling the Halder stake to Halder partners

Gimv sold its stake in Halder to the Halder partners for an undisclosed amount. No impact on valuation/rating/TP. News: Gimv sold its shares in the advisory company Halder, which advises two buyout funds for the German midcap market (Halder Gimv Germany and Halder Gimv Germany II), to the Halder partners. This transaction does not alter Gimv's position as an investor in the Halder-Gimv Germany funds. Our View: Gimv has a 21.9% and 25.0% stake in the Halder I (€ 155m AuM) and Halder II (€ 325m AuM) fund respectively. For the Halder partners in Frankfurt, this agreement offers the basis for the continuation and expansion of their investment activities as an independent partnership under the 'Halder' brand. Important to note is that this transaction has no impact on Gimv as an investor in the Halder-Gimv Germany funds. We expect the price-tag linked to the sale stake to be limited in size, as it has no impact on results. Conclusion: Based on yesterday's close, we estimate Gimv's NAV at € 41.74 p.s. with a 6.2% discount. The implied discount of our € 42 TP vs the target equity value equals 0.12%. Our TP leaves 7.28% upside potential. We maintain our Hold rating.

19-03-2013: Eyeballing Lampiris

According to financial newspaper De Tijd, Gimv and SRIW are teaming up to acquire a minority interest in Lampiris. No impact on valuation/rating/TP. Gimv and SRIW are in exclusive early talks with Lampiris. The duo has priority access to submit a binding offer to acquire a minority interest. Should that offer prove unsuccessful, other interested parties can submit a binding offer as well. Our View: Lampiris is Belgium's largest independent energy supplier with a client base of 528,380 at 1H12. The company realised a FY11 turnover of € 381m and EBITDA of € 16m (4% margin). A minority stake in Lampiris would fit perfectly in Gimv's 'Sustainable Cities' platform. That platform facilitates the development of companies in the energy, utilities and other highly regulated markets which have a strong infrastructure component. Investments in physical and digital infrastructure with community impact and related operations and services are also targeted. To have an indication about a possible price-tag, we use the Eni-Nuon merger. Late 2011, Italian Eni acquired the Belgian branch of Nuon for € 157m. At that time, Nuon Belgium had a similar client base to Lampiris (550,000). The takeover price also included Nuon Wind (4.5MW sustainable energy production) and Nuon Power Generation Walloon. Applying ballpark numbers, a minority stake (5%-25%) in Lampiris would lead to a cash-outflow of € 5m to € 30m, in line with Gimv's overall investment size. Conclusion: Based on yesterday's close, we estimate Gimv's NAV at € 41.73 p.s. with a 4.39% discount. The implied discount of our € 42 TP vs the target equity value is 0.19%. The upside potential versus a stock price of € 39.9 equals 5.26%. This news doesn't impact our SOTP-model, but we will keep a close eye on further developments. We maintain our Hold rating.

11-03-2013: Exit Astex and lowered Ablynx stake

Gimv sold its full participation in the American pharmaceutical company Astex. Astex researches, develops and commercializes new drugs against cancer and other diseases for which as yet no effective cures have been found. The sale has a slightly positive impact on Gimv's last published equity value at 31 December 2012 (€ 0.9 million or € 0.04 per share). Over the entire period this investment realised an insignificant return. Recently Gimv and Gimv-managed Biotech Fonds Vlaanderen reduced their stake in biotech firm Ablynx with more than 25%. On 5 March 2013 the total participation amounted to 5,825,939 shares (2,897,065 shares of Gimv and 2,928,874 shares of BFV). After this divestment and the capital increase Gimv's total participation in Ablynx diluted to 12.1% on 5 March 2013. This partial exit has a positive impact € 1.8 million or € 0.07 per share on the last published equity value of Gimv at 31 December 2012. Conclusion: The sale of Astex and partial sale of Ablynx lead to marginal changes in our SOTP-model and fit perfectly in Gimv's strategy of bringing down the number of participations. Based on yesterday's close, we estimate Gimv's NAV at € 42.04 with a 4.04% discount. The implied discount of our € 42 TP vs the target equity value is 1.32%. The upside potential versus current levels equals 4.12%. We maintain our Hold rating.

28-02-2013: €50m commitment to new healthcare fund

Gimv announced the inception of a € 100m Health & Care fund. Gimv's initial investment equals € 50m while the Flemish Government, through VPM (27% shareholder), also commits € 50m. On top of that, the newborn fund is looking to attract extra resources from various institutional investors. Although the fund will require a € 50m cash outflow at the level of Gimv, our NAV is not impacted. Hold and € 42 TP maintained; News: Gimv is finalising the establishment of a new fund within its Health & Care platform, which will focus on growth companies in the health & care services and medtech sectors in order to invest in the development of innovative care concepts and the internationalisation of successful business models. Gimv's initial investment in this fund equals € 50m, with the Flemish government also committing € 50m through VPM. Various institutional investors will also be addressed to attract extra resources. Over the next six years, the fund aims to invest in 10 to 15 innovative companies in the Health & Care Services and Medtech sectors in Gimv's home markets (Benelux, Germany and France) and a smaller part in Northern-Europe. The amount per investment can be up to € 25m, both in equity and quasi-equity. With a term of 12 years, the fund presents itself as a long-term partner for the projects it will invest in. The Gimv Health & Care team will be responsible for the management of the fund. Our View: We applaud Gimv's hands-on approach in trying to mine gold from the health & care services and medtech sectors. The amalgamation of medtech and health & care related investments into one single fund is fairly unique. From a strategic point of view, the fund makes sense to us. The new healthcare fund leverages on Gimv's existing business model and dedicated teams, hence we expect the operating costs to rise less than the incremental addition to fee income. Other Gimv-managed funds include Gimv-XL (€ 609m AuM, € 250m Gimv commitment), Gimv-Agri+ (€ 60m AuM, € 30m Gimv commitment), the DG Infra funds (€ 280m AuM, € 35m Gimv commitment), Arkiv ICT (€ 30m AuM, € 15m Gimv commitment) and the Halder Germany I & II funds (€ 480m AuM, € 115m Gimv commitment). Conclusion: We estimate NAV at € 41.77 p.s. with a 3.12% discount. Our TP of € 42 implies a 4.66% discount to target equity value and leaves 3.78% upside potential. At current levels, Gimv still offers a satisfying yield which explains the corresponding high valuation and low discount. We believe that current rock-

Sum-of-the-parts model

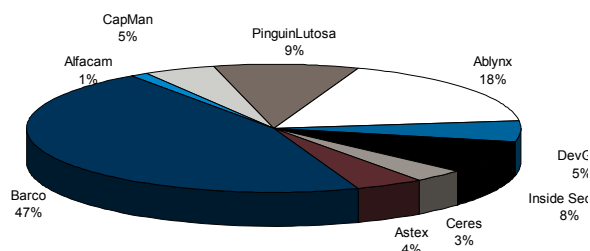
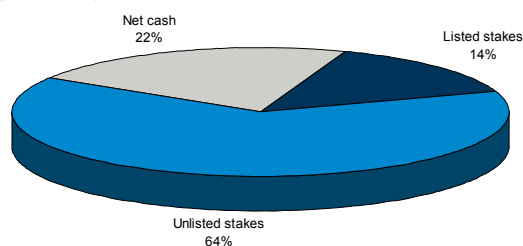
Platform	BB	# shares	Last price (€)	Value (€ m)	Stake (%)	% NAV	Total (€ m)
Consumer 2020						16.2%	162.6
Listed stakes						1.5%	14.9
- PinguinLutosa	PIN BB	1,169,562	€ 12.70	14.9	3.1%	1.5%	14.9
Unlisted stakes				147.7		14.8%	147.7
Health & Care						5.6%	56.5
Listed stakes						1.9%	19.4
- Ablynx	ABLX BB	2,897,065	€ 6.71	19.4	6.0%	1.9%	19.4
Unlisted stakes				37.1		3.7%	37.1
Smart industries						25.0%	250.4
Listed stakes						10.4%	103.8
- Barco	BAR BB	1,249,921	€ 66.83	83.5	10.4%	8.3%	83.5
- Alfacam	ALFA BB	1,139,782	€ 0.70	0.8	12.9%	0.1%	0.8
- Capman	CPMBV FH	8,431,978	€ 0.85	7.2	10.6%	0.7%	7.2
- Inside secure	INSD FP	4,254,171	€ 2.89	12.3	12.9%	1.2%	12.3
Unlisted stakes				146.6		14.6%	146.6
Sustainable Cities						10.2%	102.1
Listed stakes						0.2%	2.5
- Ceres	CERE US	1,420,363	€ 1.73	2.5	5.7%	0.2%	2.5
Unlisted stakes				99.6		9.9%	26.3
Third party funds						17.8%	983.3
Total investment portfolio						74.9%	749.9
Off-balance sheet items						3.5%	34.7
Net cash (incl. FX movements & others)						21.6%	216.6
Adjusted equity value						100.0%	1,001.2
Number of shares (outstanding)							23,963,786
Treasury shares (for remuneration purposes, resale, collateral,...)						0.0%	0
Treasury shares (available for cancellation)						0.0%	0
Number of shares (for per share calculation)							23,963,786
Gimv last price							39.70
Adjusted equity value p.s.							41.78
Current discount							4.98%
Target prices		Barco	61.0	Ablynx	12.0		
		PinguinLutosa	16.0				
Target equity value							1,012.28
Target equity value p.s.							42.24
Discount to target equity value							6.02%

KBCS has a HOLD recommendation and a €42 target price.

The upside potential versus a stock price of € 39.7 equals 5.79%.

The implied discount of our € 42 target price vs. the target equity value is 0.57%.

Graphical portfolio breakdown



Top-10 largest investments per business unit

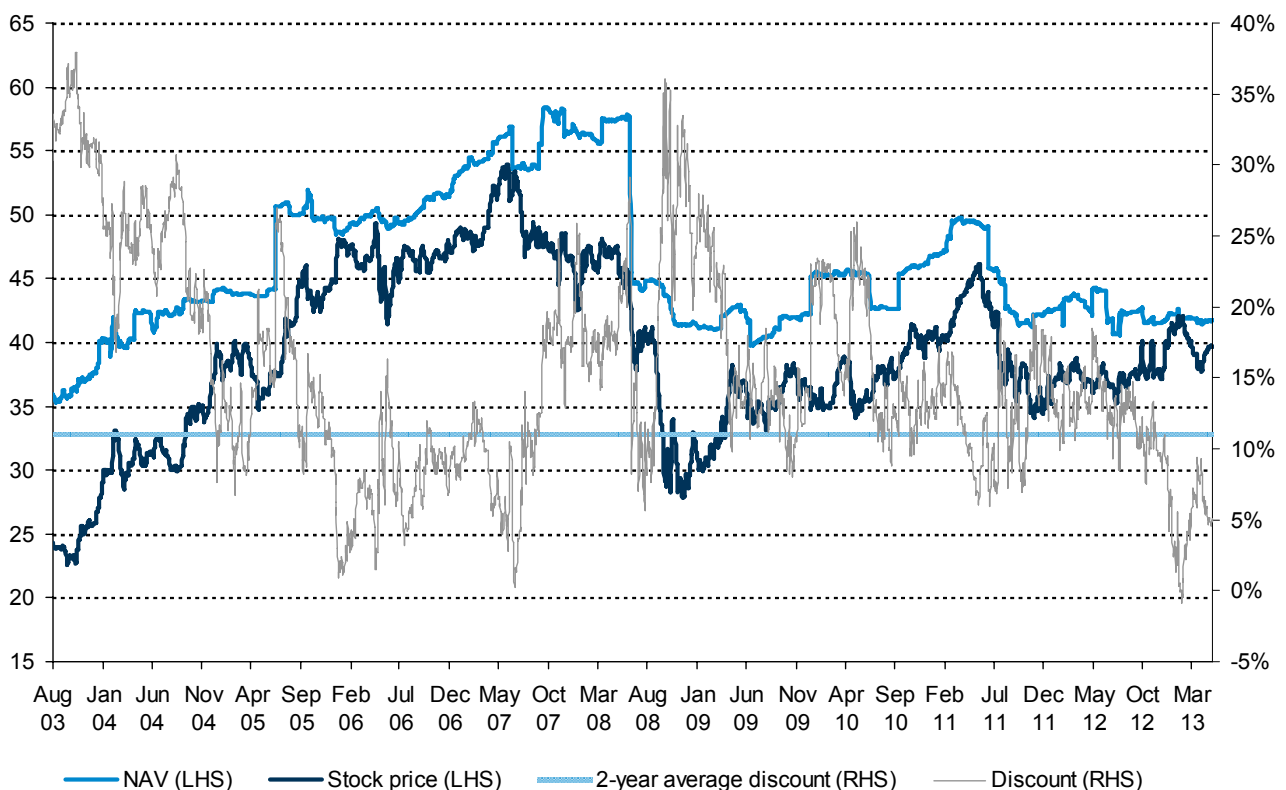
Top-10 largest investments Buy-outs and Growth (30.03.2012)

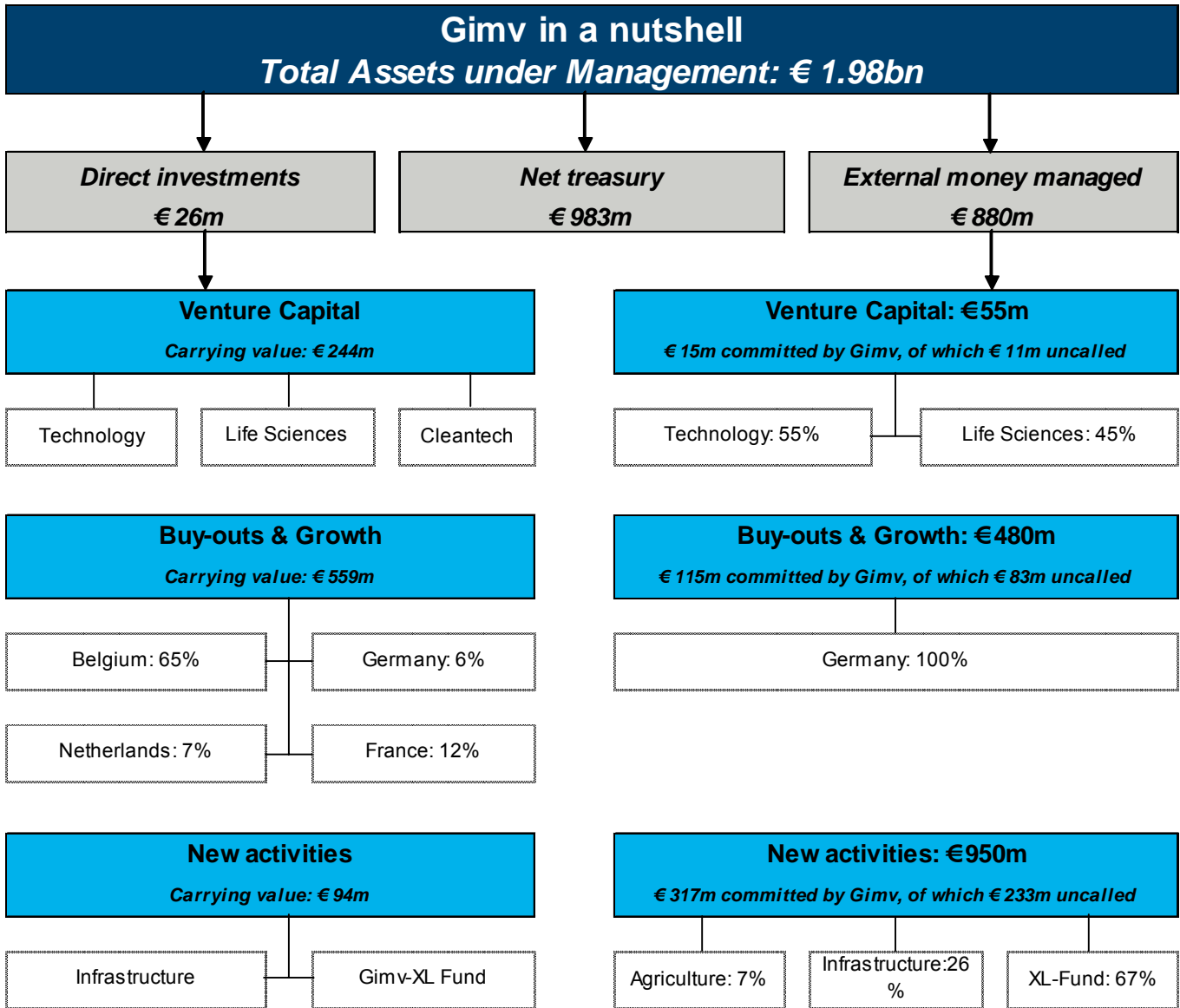
Company name	Location	Entry	Business description
1 Accent Jobs for People	Belgium	2006	SOLD (1Q12/13)
2 Vandemoortele	Belgium	2009	Frozen bakery, lipids & soy
3 VCST	Belgium	2009	Automotive components
4 Electravinds	Belgium	2008	Green power
5 EBT	Belgium	1992	Port and port related activities
Cumulative equity value (€ mln)		152.0	
6 Easyvoyage	France	2009	Information & comparison site for travelling
7 Verhaeren-Kembo	Belgium	2008	Road and asphalt works and sewerage
8 Oclifit Ultrasound	The Netherlands	2012	High-tech medical diagnostics
9 Wolkro	Belgium	2012	Substrate for the cultivation of mushrooms
10 Operator Group Delft	Netherlands	2006	SOLD (12/06/2012)
Total cumulative equity value (€ mln)		226	
Percentage of unlisted CI portfolio (excl. funds)		48%	
Average investment date		2007	

Top-10 largest investments Venture Capital (30.03.2012)

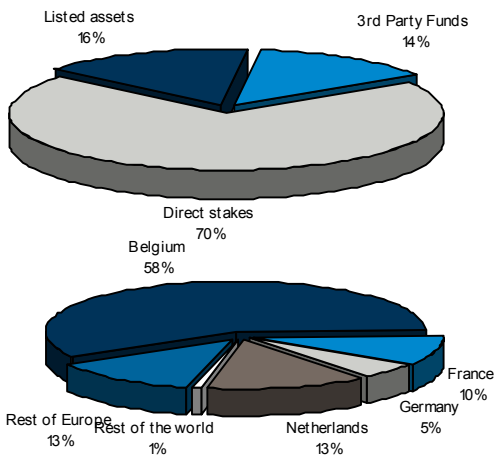
Company name	Location	Entry	Business description
1 Ebuzzing	France	2011	Distribution of content on social media
2 Greenpeak Technologies	The Netherlands	2006	Wireless datacommunication technology
3 RES Software	The Netherlands	2010	User workspace management
4 OTN Systems	Belgium	2008	Open transport network solution
5 Endosense	Switzerland	2009	Catheters for cardiac rhythm disorders
Cumulative equity value (€ mln)		45.0	
6 Human Inference	Netherlands	2007	Software to improve corporate data quality
7 Mentum	France	2002	Network planning software
8 Ubidyne	Germany	2009	Digital antenna embedded radio system
9 Prosenza	The Netherlands	2008	Treatment of neuromuscular diseases
10 Arbit Biosciences	USA	2002	Functional proteomics
Total cumulative equity value (€ mln)		75	
Percentage of unlisted LS portfolio (excl. funds)		44%	
Average investment date		2007	

Historical NAV overview





Asset class breakdown BO&G



Asset class breakdown VC

Geographical split VC

Financial data

Income statement (€m)	2005	06/07	07/08	08/09	09/10	10/11	11/12
Sales & operating income	266.2	355.8	544.2	879.5	896.5	1,009.7	840.7
Result from operating activities	-28.2	-93.3	-99.8	-380.0	-87.1	-100.0	-90.0
Result from financing activities	7.0	13.9	-0.1	-64.8	-8.7	-10.7	-12.0
Result from extraordinary activities	218.9	333.6	293.4	67.4	200.9	233.8	160.5
Share of result of associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	-5.6	-4.8	-8.1	-11.4	-6.3	-10.9	-3.5
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-5.2	-8.1	-17.4	34.2	-1.4	2.1	-1.9
Share of the group	186.9	241.3	168.0	-354.7	97.3	114.2	53.0
Adjusted net result	32.7	39.0	17.7	30.3	28.4	30.9	36.9
Balance sheet (€m)	2005	06/07	07/08	08/09	09/10	10/11	11/12
Intangible assets & goodwill	60.8	169.6	308.1	203.4	187.0	155.3	103.5
Tangible assets	46.4	37.3	90.5	125.0	147.8	145.5	80.3
Participations acc. for under equity method	0.2	0.7	0.0	0.0	2.8	1,050.8	970.4
Other financial assets	642.1	794.4	725.3	481.7	604.1	750.1	787.3
Cash & cash equivalents	486.8	452.5	538.3	347.5	297.8	236.1	179.9
Other assets	93.5	99.9	175.0	295.8	296.3	340.8	153.2
TOTAL ASSETS	1,329.7	1,554.3	1,837.2	1,453.4	1,535.8	2,678.7	2,274.5
Equity attributable to holders of the parent	1,100.0	1,259.6	1,315.1	905.3	947.9	1,006.2	1,007.8
Minorities	14.7	26.0	51.2	17.6	59.8	59.9	30.1
Financial debt	88.9	162.4	320.9	400.5	369.9	355.1	167.5
Other liabilities	126.1	106.4	150.0	197.4	206.2	216.4	138.3
TOTAL LIABILITIES	1,329.7	1,554.3	1,837.2	1,520.8	1,583.8	1,637.5	1,343.7
net debt	-397.9	-290.1	-217.5	53.0	72.1	119.0	-12.4
Cash flow statement (€m)	2005	06/07	07/08	08/09	09/10	10/11	11/12
Cash flow from operating activities	25.2	-29.6	46.1	-79.0	218.4	34.7	235.9
Cash flow from investing activities	238.9	-17.3	152.7	-4.4	-17.5	-52.7	-9.6
Dividends paid (consolidated)	-69.3	-83.3	-112.6	-54.8	-54.7	-56.6	-56.8
Other cash flow from financing	-36.3	96.0	-0.4	14.8	-54.3	-25.5	-195.8
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	158.4	-34.2	85.8	-123.4	-69.1	-100.1	-26.3
Per share data	2005	06/07	07/08	08/09	09/10	10/11	11/12
Year-end share price (€)	44.8	48.1	47.8	31.0	36.5	42.5	42.5
Year-end market cap (€ m)	1,038.3	1,114.3	1,107.8	718.5	846.6	985.0	985.0
Weighted average # shares	23,176,005	23,176,005	23,176,005	23,176,005	23,176,005	23,176,005	23,176,005
Weighted average # shares, diluted	23,176,005	23,176,005	23,176,005	23,176,005	23,176,005	23,176,005	23,176,005
Basic EPS (€)	8.06	10.41	7.25	-15.31	4.20	4.93	2.29
Diluted EPS (€)	8.06	10.41	7.25	-15.31	4.20	4.93	2.29
NBV (€)	47.9	55.2	57.3	41.0	43.7	47.1	43.6
Adjusted equity value (€)	49.7	55.2	57.3	42.7	43.1	46.8	42.5
Premium (-) / Discount to (vs. YE stock price)	9.86%	12.85%	16.55%	27.32%	15.24%	9.27%	10.02%
Gross dividend	3.53	4.18	4.36	2.36	2.40	2.45	2.45
Gross dividend yield	7.88%	8.69%	9.12%	7.61%	6.57%	5.76%	5.76%
Ratios	2005	06/07	07/08	08/09	09/10	10/11	11/12
Return on Equity (avg)	19.0%	21.9%	13.3%	-27.0%	10.8%	12.0%	5.3%
Total return	23.8%	15.2%	8.1%	-26.0%	25.5%	22.9%	5.8%
Pay-out ratio (adjusted net result)	250.2%	248.3%	572.0%	180.6%	195.8%	183.5%	153.9%
P/E	5.56	4.62	6.59	-2.03	8.70	8.63	18.58
P/NBV	0.93	0.87	0.83	0.76	0.84	0.90	0.97
Statutory data (€m)	2005	06/07	07/08	08/09	09/10	10/11	11/12
Result from operating activities	3.0	-21.7	-11.9	-22.5	-11.8	-13.2	0.0
Result from financing activities	79.6	52.3	29.4	29.0	62.7	20.9	0.0
Result from extraordinary activities	118.1	104.9	27.4	-79.6	68.1	45.6	0.0
Income taxes	0.0	0.2	0.0	0.0	0.3	0.2	0.0
PROFIT/LOSS FOR THE PERIOD	200.7	135.5	44.9	-73.1	119.0	53.3	0.0
Dividends paid (statutory)	-81.8	-96.9	-101.0	-54.7	-55.6	-56.8	-56.8
Financial assets	1,093	1,132	1,187	1,006	1,028	1,029	0
Other assets	5	5	4	4	5	9	0
Capital and reserves	1,010	1,049	994	809	872	868	0
Provisions and deferred taxation	5	4	7	4	5	5	0
Liabilities	83	84	191	198	155	165	0
TOTAL ASSETS	1,098	1,137	1,191	1,010	1,033	1,038	0

The PRIVAK status was created by a Royal Decree of 18 April 1997 and is part of a wider raft of measures taken by the Belgian government to boost investment in venture capital. PRIVAKs were initially required to apply for a listing on the Belgian stock exchange, but in May 2003, the regulator granted them the option to remain private, which means that their shareholder structures can be reserved exclusively for private investors. The PRIVAK is obliged to pay out at least 80% of the profits that stem from the realized capital gains of its accounting year.

ONLY TWO BELGIAN PRIVAKS

Quest for Growth and KBC Biotech are currently the only two public PRIVAKs in Belgium. It is unsure that other public PRIVAKs are currently being set up.



The first company to be awarded the PRIVAK status was Quest for Growth, which received the status in 1998. Quest for Growth is focused on investing money in technology and high growth companies and has a clear-cut policy for investments in listed stocks.



The KBC Private Equity Fund Biotech (KBC Biotech) was the second PRIVAK to be launched and was approved in 2001. KBC Biotech has invested exclusively in biotechnology companies. Its investments in listed stakes are mainly done on the Nasdaq stock exchange.

OVERSEEN BY THE CBFA

Companies with PRIVAK status are monitored by the CBFA, the Belgian market regulator. The name PRIVAK is derived from 'Private Equity' and 'Bevak' (closed-end investment company). In essence, a PRIVAK is a Belgian closed-end investment company that provides a framework for private investors to invest directly in admissible financial instruments issued by unlisted companies and growth companies.

INVESTMENT CRITERIA

PRIVAKs are subject to very strict investment criteria and are subject to some constraints concerning dividend payments.

1. At least 50% of the portfolio must be invested in equity.
2. At least 70% of the portfolio must be invested in so-called qualified investments, which are investments in non-quoted companies, companies that are quoted in a growth market or investments in private equity funds with a similar investment profile to the PRIVAK.
3. Investments in companies quoted on a growth market must be limited to 50% of the above-mentioned qualified investments.
4. PRIVAKs may invest no more than 20% of total assets in a single company and must restrict the investments per company per year to a maximum of € 6.2m.

FISCAL BENEFITS

PRIVAKs are granted substantial tax benefits, over and above the exemption from capital gains tax normally granted to Belgian investment vehicles. A PRIVAK's dividends are exempt from withholding tax if at least 80% of the profits stem from realized capital gains and if the company complies with all of the investment criteria. The part of the dividend resulting from capital gains will be exempt from withholding tax, while the remaining part of the dividend will be subject to a withholding tax of 15%.

Description

Quest for Growth is a Belgian investment company focused on listed and unlisted growth companies with the objective of converting capital gains into tax-free income through the Privak-structure.

Investment cases

- Quest's investors benefit from Belgium's Privak statute, thanks to which the gross dividend is net of taxes
- Quest has a dynamically managed portfolio of listed stocks, leaving it vulnerable to the market's momentum
- Quest abandoned from directly investing into Life Sciences and will henceforward invest in an indirect way
- Our rating is entirely based on valuation grounds, as the stock is trading at high discount levels

Shareholder structure

	# shs	% shs	value (€m)
F&I Group	1,734,324	15.04%	11.79
FPIM (Dexia Insurance)	1,393,855	12.09%	9.48
Free float	8,401,771	72.87%	57.13

Analyst opinion

Stock price:	€ 6.77
Target price:	€ 7.30
Potential:	7.83%
Rating:	ACCUMULATE

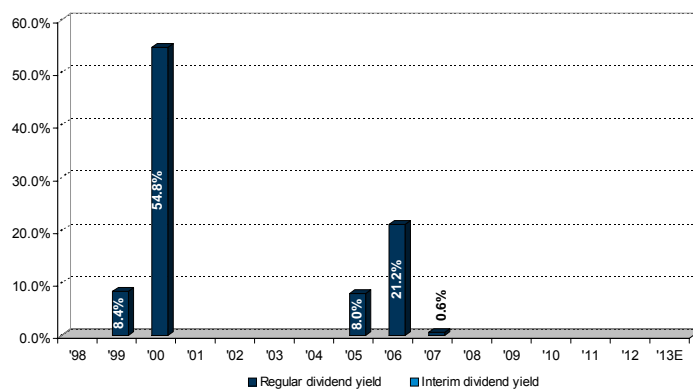
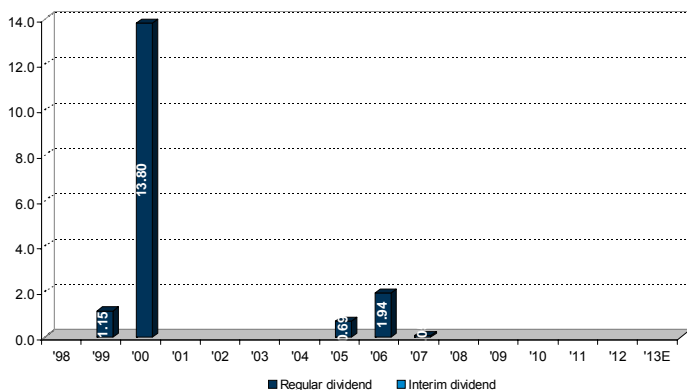
Company specifics

Market cap:	€ 78m
Currency:	EUR
Avg. daily value:	€ 0.02m
Avg. 3M volume:	4,348
% chg 1M:	4.13%
% chg 1Y:	39.92%
52-week hi/lo:	6.99 / 4.42
BB-code:	QFG BB
Reuters-code:	QUFG.BR
Web:	www.questforgrowth.com

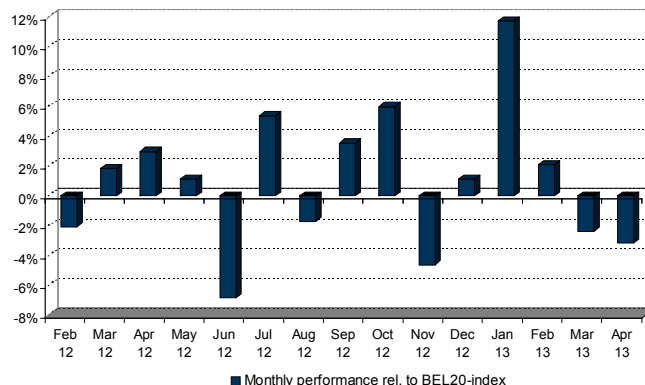
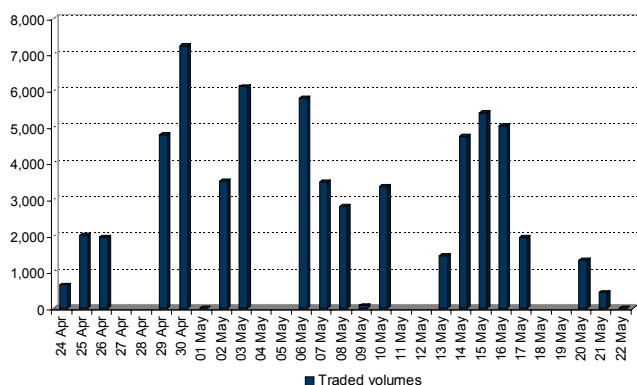
Corporate calendar

25-Jul-2013	Results 1H (A)
24-Oct-2013	Results 3Q (A)

Dividend data



Volume and performance data



News flow

06-05-2013: End of April NAV -0.2%

Quest's end-of-April NAV decreased from € 9.68 to € 9.66 p.s., while its stock followed suit with a decrease from € 6.63 to € 6.55 (32.19% discount). New investments were made in Sartorius, Bertrandt and RTL while provisions remained level m/m. We lower to Accumulate and maintain our € 7.3 TP. News:NAV at end-April moved down to € 9.66 p.s., versus € 9.68 at end-March. The stock followed suit and ended the month at € 6.55 (-1.2% m/m), due to which the discount increased slightly to 32.19% (end-March 2013: 31.51%). Quest showed activity in April across all its sectors/markets. The company upped stakes in Econocom, SAP, Barco, Tomra, Melexis, Andritz and Centrotec while stakes in Nemetschek, United Drug and Arcadis were lowered. Combined, the listed portfolio at current prices totals € 69.4m and accounts for 62% of NAV. Listed assets break down in Software & Services (11.85%), Technology & Hardware (12.51%), Healthcare Equipment (14.12%), Semiconductors (2.76%), Electrical & Engineering (15.54%) and Materials & Others (3.39%). Quest took new positions in Sartorius, Bertrandt and RTL. The aggregated value of the direct Private Equity investments (€ 19.8m, excl. provisions) rose marginally compared to end-of-March. The total amount of provisions remained level at € 3.17m (3% of NAV). Capital invested into various 3rd party investment funds totalled € 9.52. All PE assets are carried at € 36.65m (32.6% of NAV). We estimate net cash at € 6.34m (5.6% of NAV), which includes the valuation of options and other items as well as € 3.17m of the said provisions. Commitments total € 18.11m (47% of all PE investments). Conclusion:Based on yesterday's close, we estimate NAV at € 9.75 p.s. with a 30.74% discount. The implied discount of our € 7.3 TP vs. the target equity value is 25.09%. We believe this implied discount is warranted given that a FY13 dividend is within reach. Quest managed to exchange its carried-over losses in 1Q13 for a net profit of € 4.86m. This brings the annualized results to € 1.3m. However, extrapolating the current trend to the remainder of the year is a tricky exercise. Monthly NAV updates are not the de facto stock price drivers, but the potential for a dividend payment certainly is. As the upside potential vs current levels equals 8.15% we lower our rating to Accumulate.

26-04-2013: Houston, we (might) have a dividend

1Q13 produced a € 4.86m profit (1Q12: € 6.2m), which exchanged carried-over losses of € 3.6m at YE12 to a carried-over profit of € 1.3m. This brings investors a huge step closer to a possible FY13 dividend payout (to be paid out in FY14). No additional news was announced in the 1Q13 update. No changes to rating and TP. News:Quest's monthly NAV updates had already unveiled that equity p.s. increased to € 9.68 at end-1Q13 vs. € 9.26 at YE12 (+4.5%). The stock climbed 16% in 1Q13 to € 6.63 p.s., due to which the discount decreased to 32% (YE12: 38%, 2-year average: 38.4%). The 4.5% rise in NAV is well in line with the performance of the DJ STOXX 600 index over the first quarter (+5%). The € 4.86m positive result compares with a € 6.2m profit over the same period last year. The corresponding ROE amounts to 4.35%. The result is almost entirely driven by unrealised capital gains in the quoted portfolio (€ 4.59m) due amongst others to Nemetschek, Arcadis, LPKF, Kendrion and Pharmagest. Imtech (-27% stock performance from the beginning of the year until the sale) was removed from the portfolio after a case of fraud had been revealed. Despite Quest's direct investments haven't been impaired, an additional € 0.3m provision was allocated to the already provisioned € 2.9m at YE12 that is aimed at covering potential, future impairments at the level of the direct PE portfolio. Our View:The 1Q13 profit confirms an earlier reported increase in monthly NAV on the back of strong equity markets. The carried-over losses have been wiped out with a 1Q13 net profit of € 4.86m. This brings the annualized result to € 1.3m. Extrapolating the current trend to the remainder of the year, which is a tricky exercise, should lead to a FY13 dividend (paid out in FY14). Quarterly earnings are not the de facto stock price driver for Quest since the monthly NAV reports already provide ample insight into the underlying valuation, but the potential for dividend payment certainly is. Conclusion:Based on yesterday's close, we estimate NAV at € 9.62 p.s. with a 31.43% discount. The implied discount of our € 7.3 TP vs. the target equity value is 24.15%, which we believe is warranted given that a possible dividend is within reach. The upside potential versus current levels amounts to 10.6%. We maintain our Buy rating.

07-03-2013: End of February NAV rises 2%

Quest's end-of-February NAV increased from € 9.42 to € 9.62 p.s., while its stock followed suit with an increase from € 6.47 to € 6.73 (30.04% discount). A new investment in Barco was made while the stake in Imtech stake was fully disposed of. We reiterate our Buy rating and maintain our TP. News:NAV at end-February moved up to € 9.62 p.s., versus € 9.42 at end-January. The stock followed suit and ended the month at € 6.73 (4% m/m), due to which the discount decreased to 30.04% (end-January 2013: 31.32%). Quest showed activity in February across all its sectors/markets. The company upped stakes in SAP, LPKF, Tomra, Fresenius, Gerresheimer, Arcadis and Umicore while stakes in Econocom, Nemetschek, EVS and LEM Holding were lowered. Combined, the listed portfolio at current prices totals € 67.3m and accounts for 61% of NAV. Listed assets break down in Software & Services (12.75%), Technology & Hardware (11.48%), Pharma & Biotech (1.66%), Healthcare Equipment (13.69%), Semiconductors (2.59%), Electrical & Engineering (15.61%) and Materials & Others (3.27%). Quest disposed of its entire 180k stake in Imtech and acquired a 15k stake in Barco. The aggregated value of the direct Private Equity investments (€ 20.8m, excl. provisions) rose marginally compared to end-of-February. The total amount of provisions increased from € 2.9m to € 4.6m (4.2% of NAV). Capital invested into various 3rd party investment funds totalled € 9.57. All PE assets are carried at € 37.45m (36% of NAV). We estimate net cash at € 5.4m (5% of NAV), which includes the valuation of options and other items as well as € 4.6m of the said provisions. Commitments total € 18.19m (47% of all PE investments). Conclusion:We maintain our Buy rating and € 7.3 TP. This leaves 8.15% upside potential. Quest's decent FY12 results brought a potential FY13 dividend (payable in 2014) back on the table. Quest is structured in the form of a PRIVAK status, which is granted substantial tax benefits: dividends are exempt from withholding tax if at least 80% of the profits stem from realized capital gains and if the company complies with all of the investment criteria. The part of the dividend resulting from capital gains (almost all of Quest profits) will be exempt from withholding tax, while the remaining part of the dividend will be subject to a withholding tax of 15%.

25-01-2013: €15.7m net profit brings FY13 dividend closer

A staunch performance of equity markets in 2H12 boosted FY12 net profit to € 15.7m (ROE: +17.1%), thereby decreasing carried-over losses to a mere € 3.6m (vs € 19.3m FY11). For the first time since long, investor have a clear view on the payment of a (tax free) dividend over FY13 earnings. We maintain our Buy rating and increase our TP from € 6.4 to € 7.3. News:The € 15.7m FY12 net profit compares with a FY11 net loss of € 13.31m, reflecting a strong performance of overall stock markets. € 9.26 p.s. The figure doesn't surprise, since a 17.2% y/y NAV increase was reported earlier in January (€ 9.26 p.s. vs. € 7.9 p.s. at YE11). ROE amounted to 17.1%, largely surpassing the 12.1% drop in FY11. The portfolio of quoted stocks has delivered a strong performance of more than 30% in FY12, which outperformed Quest's benchmark indices (DJ Stoxx Small 200 (+20%) and TecDax (+21%)). Quest's portfolio of unquoted stocks obtained a slight positive result in FY12. Market circumstance remained difficult, with the European IPO market being braintead at best. Direct participations stemmed from a number of follow-up investments in existing participations such as AC Capital, Cartagena, Kiadis Pharma, Prosonix and TCLand, for an aggregated amount of € 3m. The Capricorn ICT Arkiv NV was launched on 18 December 2012 with an aim to providing € 15m of VC to innovative ICT companies. Quest funnelled € 7.5m in the new fund, alongside the ARKImedes Fonds II. The balance sheet at YE12 decreased carried-over losses to € 3.6m (3.4% of total assets), down vs. a YE11 level of € 19.3m (21.2% of total assets). Whilst carried-over losses remain on the balance sheet, Quest is legally prohibited from paying out dividends. However, should Quest succeed in wiping out the remaining carried-over losses (3.2% ROE needed) in FY13 - which we deem highly likely - a (tax-free) dividend is in reach. Our View:FY earnings are not the de facto stock price driver for Quest since the monthly NAV reports already provide ample insight into the underlying valuation, but the potential for a dividend

Please press [here](#) to request a full historical news flow overview of the company

Sum-of-the-parts model

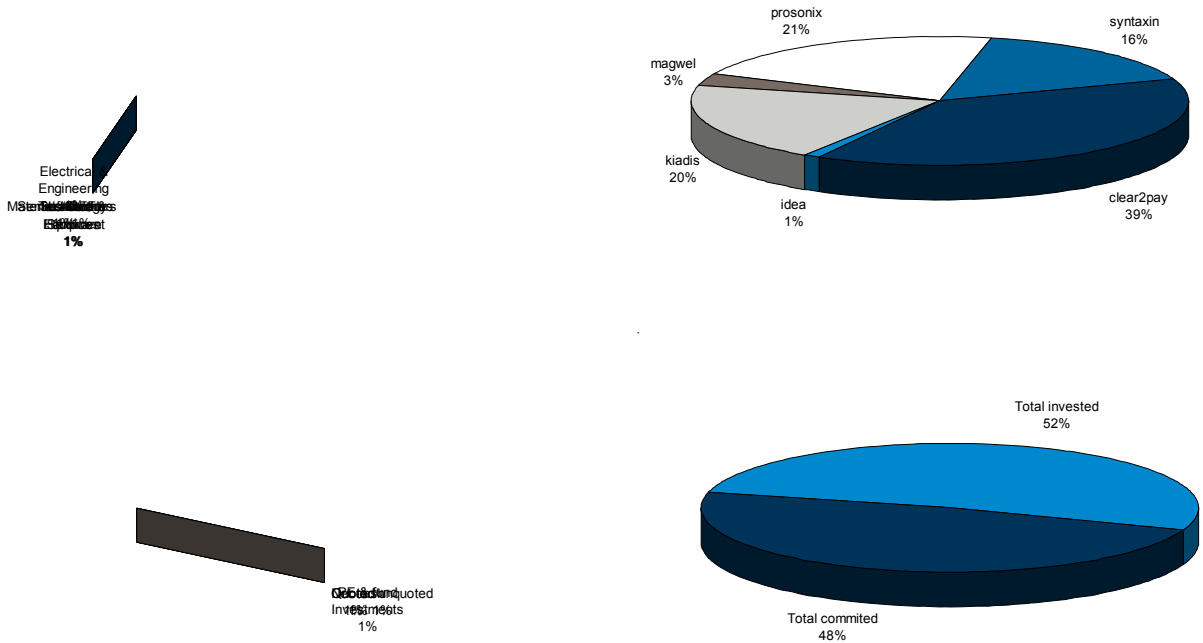
Description	Sector/market	BB	Shares held	Recent change	Last price	Crcncy	% of NAV	Valuation (€m)	
Quoted companies								12.03%	13.51
Software & Services									
ECONOCOM	Euronext Brussels	ECONB BB	713,548	62,548	5.7	€	3.64%	4.10	
INIT	Deutsche Börse	IXX GY	100,000	0	24.8	€	2.21%	2.48	
NEMETSCHKE	Deutsche Börse	NEM GR	85,000	-9,500	45.1	€	3.41%	3.83	
SAP	Deutsche Börse	SAP GR	50,000	7,500	62.0	€	2.76%	3.10	
Technology Hardware								13.39%	15.05
BARCO	Euronext Brussels	BAR BB	30,000	12,500	66.8	€	1.78%	2.00	
EVS BROADCAST	Euronext Brussels	EVS BB	97,500	0	55.2	€	4.79%	5.38	
LEM HOLDING	Zwitzerland	LEHN SW	4,461	0	590.0	CHF	1.87%	2.10	
LPKF LASER & ELECTRONICS	Deutsche Börse	LPK GR	122,500	0	23.2	€	2.53%	2.85	
TOMRA SYSTEMS	Oslo Stock Exchange	TOM NO	360,000	20,000	56.5	NOK	2.42%	2.72	
Semiconductors								2.88%	3.24
MELEXIS	Euronext Brussels	MELE BB	200,000	7,000	16.2	€	2.88%	3.24	
Health Care Equipment & Svs								14.47%	16.26
FRESENIUS	Deutsche Börse	FRE GR	30,000	0	94.0	€	2.51%	2.82	
GERRESHEIMER	Deutsche Börse	GXI GR	80,000	0	47.5	€	3.38%	3.80	
NEXUS	Deutsche Börse	NXJ GR	225,000	0	9.3	€	1.85%	2.08	
PHARMAGEST INTERACTIVE	Euronext Paris	PHA FP	38,750	0	77.0	€	2.65%	2.98	
SARTORIUS	Deutsche Börse	SRT3 GR	9,000	9,000	75.3	€	0.60%	0.68	
SPHERE MEDICAL HOLDING	AIM	SPHR LN	810,031	0	0.6	£	0.50%	0.56	
UNITED DRUG	Dublin	UGD ID	1,100,786	-150,000	3.0	€	2.97%	3.33	
Electrical & Engineering								15.47%	17.38
ANDRITZ	Vienna	ANDR AV	84,000	3,000	43.4	€	3.24%	3.65	
ARCADIS	Euronext Amsterdam	ARCAD NA	205,000	-20,000	21.5	€	3.92%	4.40	
BERTRANDT	Deutsche Börse	BDT GR	10,000	10,000	85.9	€	0.76%	0.86	
CENTROTEC	Deutsche Börse	CEV GY	130,000	30,000	14.4	€	#VALUE!	1.87	
KENDRION	Euronext Amsterdam	KENDR NA	104,860	0	21.3	€	1.98%	2.23	
SAFT GROUPE	Euronext Paris	SAFT FP	70,000	0	19.3	€	1.20%	1.35	
SCHALTBAU HOLDING	Deutsche Börse	SLT GY	85,000		35.5	€	2.68%	3.02	
Materials								3.11%	3.50
UMICORE	Euronext Brussels	UMI BB	95,000	0	36.8	€	3.11%	3.50	
Other sectors								0.42%	0.48
RTL Group	Deutsche Börse	RRTL GR	8,000	8,000	59.6	€	#VALUE!	0.48	
-									
Direct Private Equity Investments			Asset type	Invested	Committed		17.60%	19.78	
AC CAPITAL	Software & Services		equity	0.37		€	0.33%	0.37	
ANTERYON	Semiconductors		equity	1.56		€	1.39%	1.56	
CLEAR2PAY	Software & Services		equity	5.57		€	4.96%	5.57	
IDEA	Pharma & Biotech		equity	0.16		€	0.15%	0.16	
KIADIS	Pharma & Biotech		equity	2.87		€	2.56%	2.87	
MAGWEL	Software & Services		equity	0.43		€	0.38%	0.43	
MAPPER LITHOGRAPHY	Pharma & Biotech		equity	0.61		€	0.54%	0.61	
PROSONIX	Pharma & Biotech		equity	3.09		£	2.75%	3.09	
SYNTAXIN	Pharma & Biotech		equity	2.35		£	2.09%	2.35	
TCLAND	Pharma & Biotech		equity	2.76		€	2.46%	2.76	
Capricorn Private Equity Funds &				7.33	18.11		#VALUE!	7.33	
CAPRICORN CLEANTECH FUND	Funds & Div. Cpies		equity	1.55	0.25	€	#VALUE!	1.55	
CAPRICORN HEALTH-TECH FUNI	Funds & Div. Cpies		equity	2.78	11.25	€	#VALUE!	2.78	
CAPRICORN CLEANTECH CO-IN	Technology hardware		equity	1.12	0.99	€	#VALUE!	1.12	
CAPRICORN ICT ARKIV FUND	Funds & Div. Cpies		equity	1.88	5.63	€	#VALUE!	1.88	
3rd Party Private Equity Funds							€	8.47%	9.52
Portfolio							94.36%	106.05	
Net cash (incl. others & options)							5.64%	6.34	
Adjusted equity value							100.00%	112.39	
Number of shares (outstanding)								11,529,950	
Treasury shares (for remuneration purposes, resale, collateral,...)							0.00%	0	
Treasury shares (available for cancellation)							0.00%	0	
Number of shares (for per share calculation)								11,529,950	
Quest for Growth last price								6.80	
Adjusted equity value p.s.								9.75	
Current discount								30.24%	
Target prices									
Target equity value								112.39	
Target equity value p.s.								9.75	
Discount to target equity value								30.24%	

KBCS has an ACCUMULATE recommendation and a €7.3 target price.

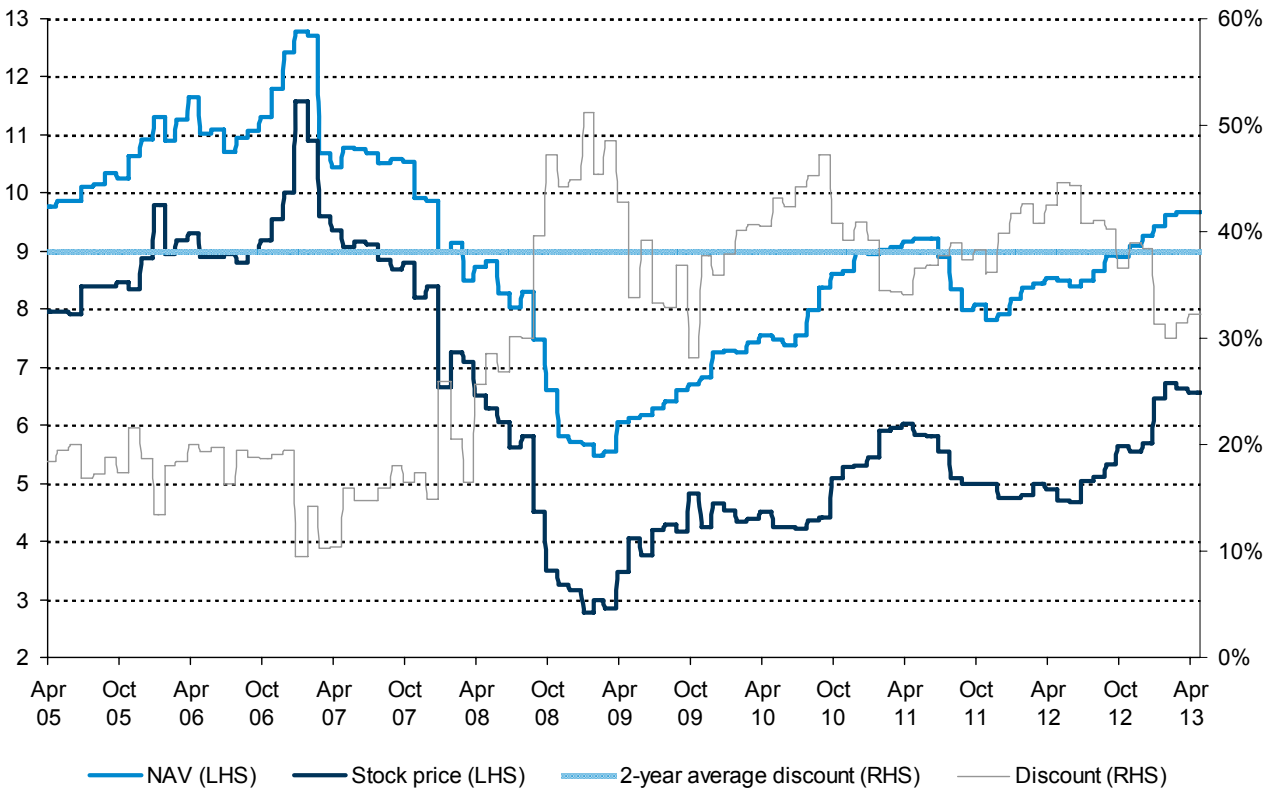
The upside potential versus a stock price of € 6.8 equals 7.35%.

The implied discount of our € 7.3 target price vs. the target equity value is 25.11%.

Graphical portfolio breakdown



Historical NAV overview



Financial data

Income statement (€m)	04/05	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from operating activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from financing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of result of associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	-2.0
Share of the group	4.6	7.3	21.5	0.6	-48.4	18.1	20.6	-13.3
Adjusted net result	4.6	7.3	21.5	0.6	-48.4	18.1	20.6	-13.3
Balance sheet (€m)	04/05	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Participations acc. for under equity method	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash & cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ASSETS	63.8	103.7	117.6	116.5	67.7	85.6	106.1	91.2
Equity attributable to holders of the parent	63.6	103.2	95.9	115.8	67.4	85.4	106.0	91.1
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL LIABILITIES	63.8	110.6	117.6	116.5	67.7	85.6	106.1	91.2
net debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow statement (€m)	04/05	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid (consolidated)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other cash flow from financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Per share data	04/05	2005	2006	2007	2008	2009	2010	2011
Year-end share price (€)	7.9	8.9	10.0	15.0	3.6	5.3	6.2	4.8
Year-end market cap (€ m)	42.8	84.0	94.6	176.8	42.3	63.0	73.1	54.8
Weighted average # shares	5,416,000	9,459,073	9,459,073	11,789,255	11,789,255	11,789,255	11,789,255	11,529,950
Weighted average # shares, diluted	5,416,000	9,459,073	9,459,073	11,789,255	11,789,255	11,789,255	11,789,255	11,529,950
Basic EPS (€)	0.85	0.77	2.28	0.05	-4.11	1.53	1.74	-1.15
Diluted EPS (€)	0.85	0.77	2.28	0.05	-4.11	1.53	1.74	-1.15
NBV (€)	11.7	10.9	10.1	9.8	5.7	7.2	9.0	7.7
Adjusted equity value (€)	11.7	10.9	12.4	9.9	9.9	7.3	9.0	7.9
Premium (-) / Discount to (vs. YE price)	32.71%	18.61%	19.48%	14.89%	14.89%	35.86%	42.94%	39.72%
Gross dividend	0.00	0.69	1.94	0.00	0.00	0.00	0.00	0.00
Gross dividend yield	0.00%	7.77%	19.40%	0.00%	0.00%	0.00%	0.00%	0.00%
Ratios	04/05	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	7.2%	7.0%	22.4%	0.5%	-71.9%	21.2%	19.4%	-14.6%
Total return	9.7%	21.1%	34.5%	50.0%	-76.1%	48.7%	16.1%	-23.4%
Pay-out ratio (adjusted net result)	0.0%	99.9%	100.0%	96.7%	0.0%	0.0%	0.0%	0.0%
P/E	9.30	11.58	4.39	284.96	-0.87	3.48	3.55	-4.11
P/NBV	0.67	0.81	0.99	1.53	0.63	0.74	0.69	0.61
Statutory data (€m)	04/05	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	4.7	7.2	20.7	0.3	-48.6	16.9	19.4	-15.2
Result from financing activities	-0.1	0.1	0.9	0.3	0.2	1.2	1.2	1.9
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	4.6	7.3	21.5	0.6	-48.4	18.1	20.6	-13.3
Dividends paid (statutory)	0.0	-7.2	-21.5	-0.6	0.0	0.0	0.0	0.0
Financial assets	63.0	103.2	117.3	116.1	67.1	85.1	104.9	90.0
Other assets	0.8	0.5	0.3	0.4	0.6	0.5	0.3	1.2
Capital and reserves	63.6	103.2	95.9	115.8	67.4	85.4	106.0	91.1
Provisions and deferred taxation	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0
Liabilities	0.2	7.4	21.6	0.7	0.3	0.1	0.1	0.1
TOTAL ASSETS	63.8	110.6	117.6	116.5	67.7	85.6	107.1	93.2

Description

AvH is a € 2.8bn heavy, Antwerp-based investment company with a long-term approach to creating value in 5 segments: Marine Engineering & Infrastructure, Private Banking, Real Estate & Senior Care, Development Capital and Energy & Resources.

Investment cases

- AvH big guns (DEME, Bak Delen and Bank J. van Breda) are growing strongly, despite the crisis
- AvH has a hands-on approach to creating value, allowing for rising current earnings from FY12 onwards
- We expect AvH to up its dividend 5% y/y up until FY15, based on a steady growth of current earnings
- An experienced management team and well-managed, well-balanced portfolio combines growth with defensiveness

Shareholder structure

	# shs	% shs	value (€m)
Scaldis Invest	11,054,000	33.00%	771.46
Treasury shares	360,500	1.08%	25.16
Free float	22,082,404	65.92%	1,541.13

Analyst opinion	
Stock price:	€ 68.98
Target price:	€ 77.00
Potential:	11.63%
Rating:	BUY

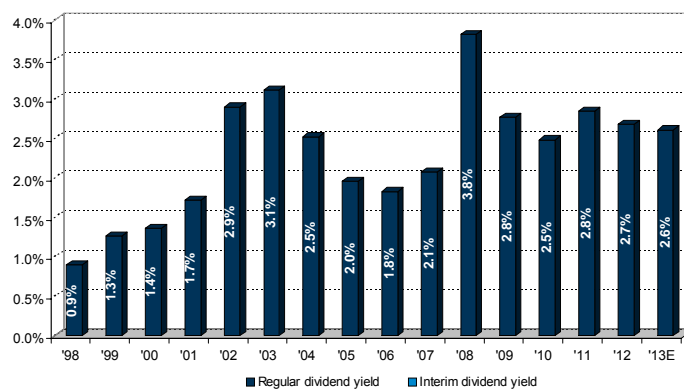
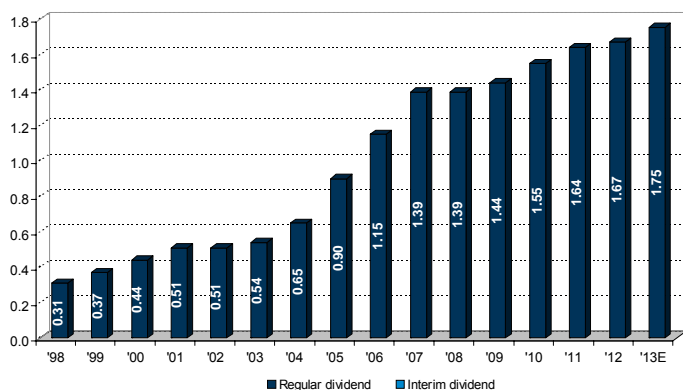
Company specifics

Market cap:	€ 2,338m
Currency:	EUR
Avg. daily value:	€ 1.96m
Avg. 3M volume:	33,785
% chg 1M:	9.92%
% chg 1Y:	8.25%
52-week hi/lo:	70.49 / 59
BB-code:	ACKB BB
Reuters-code:	AVHBt.BR
Web:	www.avh.be

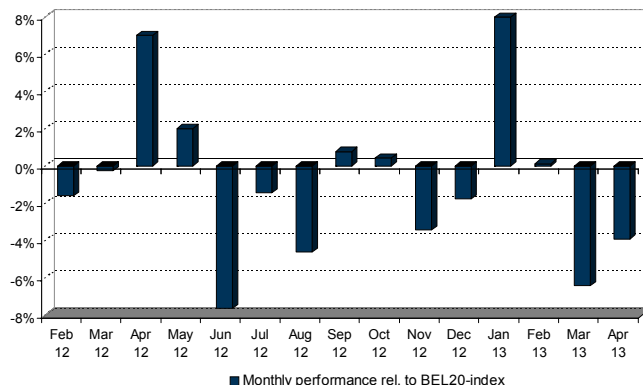
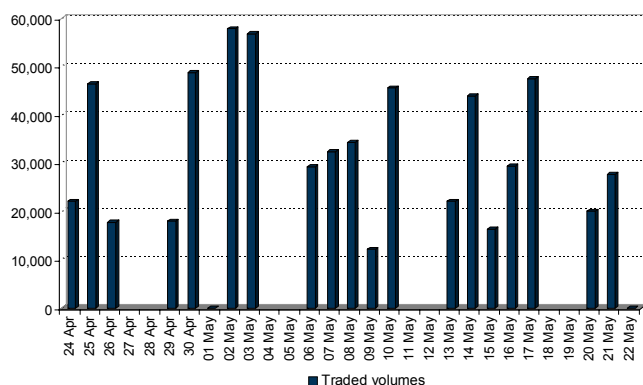
Corporate calendar

15-May-2013	Trading update 1Q (A)
27-May-2013	General Assembly (A)
28-Aug-2013	Results 1H (A)
15-Nov-2013	Trading update 3Q (A)
13-Dec-2013	Roadshow (A)

Dividend data



Volume and performance data



News flow

15-05-2013: A comforting trading update

AvH's 1Q13 update was largely in line with expectations with outperformances at Bank Delen & Bank J. Van Breda. Buy and TP maintained. News: DEME's revenue increased 21.5% y/y to € 525.5m while the orderbook declined slightly to € 3.2bn from € 3.3bn at YE12. Works at Northwind were started up while those of the 3rd phase of C-power continued. Works on the Port of Doha (Qatar) and Wheatstone (Australia) were started up as well in 1Q13. Part of the revenue increase is driven by higher turnover at marine works (up from about € 64.8m to € 147m y/y) and includes some lower margin turnover (steel). These results are in line with our FY13 scenario: 20% revenue increase and 16.3% EBITDA margin versus 18.3% in FY12. Bank Delen recorded a 6% increase in AuM to € 27.5bn versus € 25.9bn at YE12. The increase is attributable to a net inflow at both Delen Private Bank and JM Finn & Co and to the positive evolution of the financial markets. Delen is well on track to achieve our FY13 expectations of € 28.3bn in AuM. Total client assets at Bank J. Van Breda increased to € 8.3bn versus € 8.0bn at YE12. This outperforms our 1H13 forecasts of € 8.2bn. Loan volume from the bank core clients remained stable at € 3.0bn while provisions for loan losses amounted to 0.14%. Little groundbreaking news in the Real Estate segment: Leasinvest sold in office building in Luxembourg for € 20m, the construction of Extensa's building on the Tour & Taxis site is on schedule for completion in 1H14 and the seasonal impact of tourism was felt at Duval (which it hopes to counter with promotion activities). Sipef's palm oil production decreased 3.97% towards the end of 1Q13. The production prospects are on the low side for the next few months while 3Q13 looks more promising. With an unfavourable outlook for palm oil prices for 2H13, AvH expects Sipef's FY13 to be lower than last year. At Private Equity € 37.5m cash was injected by Sofinim in Hertel early January while Sofinim realised a € 34m capital gain on the approved sale of Spanogroup. Both transactions were already known and incorporated in our model. The net cash position at 3 May was € 181.4m (including the proceeds from Spanogroup) which compares with our figure of € 160m. We will upwardly adjust our model. The FY13 outlook is reconfirmed: notwithstanding the limited view of how the economic situation will develop in FY13, AvH expects an improvement in net result. Conclusion: The limited 1Q13 update confirms our positive stance towards the stock. AvH's big guns (DEME, Delen, Breda) lived up to the expectations while the remainder of the portfolio performed in line. Current trading levels do not yet fully reflect AvH's earnings potential. We estimate NAV at € 90.4 p.s. with a 24% discount. Buy and TP € 77 reiterated.

02-05-2013: Paddling through

FY12 net earnings of € 168m came in softer than market expectations, while the underlying current result was broadly in line. We see clear potential for future value creation in the mid-to long term on the back of AvH's solid operating assets. We upgrade to Buy and increase our TP to € 77. FY12 results. AvH's big guns (DEME, Bank J. Van Breda, Bank Delen, accounting for 68% of NAV) lived up to expectations, after stripping out non-recurring items. We remain confident that these will continue to perform well in FY13 and FY14 as their underlying value drivers are intact. The Real Estate pillar underperformed with earnings misses at Extensa and Duval due to difficult market conditions. Restructuring costs at Hertel stained the Development Capital contribution by € -11m. We believe that the PE and RE pillars should see a reversion to the mean of their earnings in the short- to mid-term. We continue to believe that at current levels, AvH is an attractive, well-managed, safe investment with an impressive track-record.

The stock offers clear upside potential for further in-depth value creation while its risk profile remains low. We believe that current trading levels do not yet fully reflect AvH's earnings potential, which could lead to increased shareholder returns in the form of upped dividends. Buy TP € 77. We estimate NAV at € 90.6 with a 28.67% discount. Our upped TP of €77 leaves 19% upside potential. We advise investors to Buy AvH, based on the solidity of the operating assets and AvH's ability to paddle successfully through difficult waters.

28-02-2013: Current FY12 earnings -6%; DPS +2%

Gimv announced the inception of a € 100m Health & Care fund. Gimv's initial investment equals € 50m while the Flemish Government, through VPM (27% shareholder), also commits € 50m. On top of that, the newborn fund is looking to attract extra resources from various institutional investors. Although the fund will require a € 50m cash outflow at the level of Gimv, our NAV is not impacted. Hold and € 42 TP maintained. News: Gimv is finalising the establishment of a new fund within its Health & Care platform, which fill focus on growth companies in the health & care services and medtech sectors in order to invest in the development of innovative care concepts and the internationalisation of successful business models. Gimv's initial investment in this fund equals € 50m, with the Flemish government also committing € 50m through VPM. Various institutional investors will also be addressed to attract extra resources. Over the next six years, the fund aims to invest in 10 to 15 innovative companies in the Health & Care Services and Medtech sectors in Gimv's home markets (Benelux, Germany and France) and a smaller part in Northern-Europe. The amount per investment can be up to € 25m, both in equity and quasi-equity. With a term of 12 years, the fund presents itself as a long-term partner for the projects it will invest in. The Gimv Health & Care team will be responsible for the management of the fund. Our View: We applaud Gimv's hands-on approach in trying to mine gold from the health & care services and medtech sectors. The amalgamation of medtech and health & care related investments into one single fund is fairly unique. From a strategic point of view, the fund makes sense to us. The new healthcare fund leverages on Gimv's existing business model and dedicated teams, hence we expect the operating costs to rise less than the incremental addition to fee income. Other Gimv-managed funds include Gimv-XL (€ 609m AuM, € 250m Gimv commitment), Gimv-Agri+ (€ 60m AuM, € 30m Gimv commitment), the DG Infra funds (€ 280m AuM, € 35m Gimv commitment), Arkiv ICT (€ 30m AuM, € 15m Gimv commitment) and the Halder Germany I & II funds (€ 480m AuM, € 115m Gimv commitment). Conclusion: We estimate NAV at € 41.77 p.s., with a 3.12% discount. Our TP of € 42 implies a 4.66% discount to target equity value and leaves 3.78% upside potential. At current levels, Gimv still offers a satisfying yield which explains the corresponding high valuation and low discount. We believe that current rock-bottom interest rates combined with Gimv's rock-solid dividend policy should prevent investors from dropping the stock, despite the demanding valuation. As long as interest rates remain low, Gimv warrants the current thin discount.

27-02-2013: FY12 preview

Ackermans will publish FY12 results before market on Thursday 28 February and will hold an analyst meeting thereafter (14:30pm). We expect FY12 current result of € 178.5m (+0.9% y/y, mean CSS: € 159m) and assume capital gains of € 09.m. We therefore put forward a FY12 net result of € 179.4m (€ 5.41 p.s., -0.1% y/y, CSS: € 5.27) and expect FY12 dividend to increase 5.0% y/y to € 1.72 p.s. (current yield: 2.5%, css: € 1.72). Our View: Current earnings. The main contributors are DEME (€ 52.8m, +1% y/y), Bank Delen (€ 47.5m, +6% y/y) and Bank J. van Breda (€ 26.0m, -40% y/y due to a positive first-time contribution from ABK in FY11). We expect Real Estate to contribute € 11.1m (+147% y/y), as Extensa will wipe out its negative 1H12 result of € -3.3m and a rise in Duval and Leasinvest of respectively 31% and 47%. We expect Private Equity to contribute € 17.8m (+107% y/y). Contribution from the Energy & Materials unit is forecast at € 18.3m (-13% y/y), driven by a severe drop in Sipef's contribution (-26% tot € 14.0m). Dividend. We anticipate a 5.0% y/y dividend hike to € 1.72 p.s. (current yield of 2.5%). The pay-out ratio versus current earnings in this scenario would arrive at 32% (vs. 31% in FY11 and an average 33.5% in the FY99-FY11 period). Going forward, we expect current earnings growth to equal dividend growth again, allowing the pay-out ratio to continue hovering at around 30%. Investment case. We continue to believe that AvH despite a stock price hike since the beginning of the year still offers clear potential for in-depth value creation on a mid- to long-term basis, making it both an attractive and a safe investment. We expect an incremental increase in current earnings going forward, trumping the all-time high FY07 levels already in FY13, which should translate into a gradual increase in dividends. Overall underlying earnings growth combined with a clear potential to unlock value out of the Private Equity

Please press [here](#) to request a full historical news flow overview of the company

Sum-of-the-parts model

Portfolio	BB ticker	Last price	% held (or # shs)	Method	% NAV	Value (€m)
Contracting					31.00%	938.37
DEME		Unl.	50.00%	KBC Sec est.	28.35%	857.92
Rent-A-Port		Unl.	45.00%	KBC Sec est.	0.30%	9.00
Van Laere		Unl.	100.00%	KBC Sec est.	1.42%	42.90
NMP / SNTC		Unl.	75.00%	KBC Sec est.	0.94%	28.55
Private Banking					40.43%	1,223.51
Finaxis		Unl.	78.75%		40.10%	1,213.74
Bank Delen				KBC Sec est.	27.32%	826.99
Bank J. Van Breda & Co				KBC Sec est.	12.78%	386.75
BDM/BtB		Unl.	50.00%	Book value	0.32%	9.77
Real Estate					8.04%	243.41
Extensa (incl. Realinvest RE)		Unl.	100.00%	KBC Sec est.	5.85%	177.17
Financière Duval		Unl.	41.14%	KBC Sec est.	1.49%	45.05
Anima Care		Unl.	100.00%	KBC Sec est.	0.70%	21.20
Private Equity					13.39%	405.24
Sofinim		Unl.	74.00%	KBC Sec est.	12.10%	366.07
Cash				KBC Sec est.	2.73%	82.60
Investments				KBC Sec est.	9.37%	283.47
GIB			50.00%		1.29%	39.18
Groupe Flo	FLO FP	€ 2.88	23.66%	Share price	0.88%	26.51
Trasys		Unl.	50.00%	KBC Sec est.	0.41%	12.33
Cash				Cpy data	0.01%	0.33
Energy & Materials					5.40%	163.35
Sipef	SIP BB	€ 55.50	26.69%	Share price	4.38%	132.61
Telemond Group		Unl.	50.00%	KBC Sec est.	0.31%	9.41
Max Green		Unl.	18.90%	KBC Sec est.	0.33%	10.10
Sagar Cements	SGC IN	€ 2.79	15.65%	Share price	0.26%	7.95
Oriental Quarries & Mines			50.00%	KBC Sec est.	0.11%	3.28
Other					1.11%	33.73
Treasury shares (option schemes)		avg.	1.05%	Share price	0.19%	5.79
Belfimas		€ 69.79	291,798	Share price	0.67%	20.36
Koffie Rombouts		Unl.	12.00%	KBC Sec est.	0.25%	7.57
Portfolio					99.38%	3,007.62
Net cash					0.62%	18.91
Adjusted equity value					100.00%	3,026.53

Number of shares (outstanding)		33,496,904
Treasury shares (for remuneration purposes, resale, collateral,...)	1.1%	353,000
Treasury shares (available for cancellation)	0.0%	7,500
Number of shares (for per share calculation)		33,489,404

Ackermans last price		69.79
Adjusted equity value p.s.		90.37
Current discount		22.78%

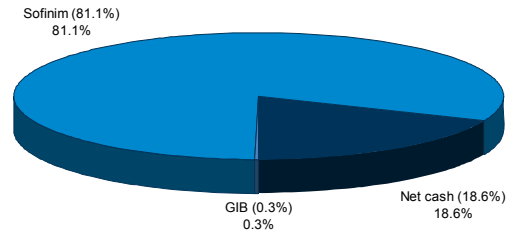
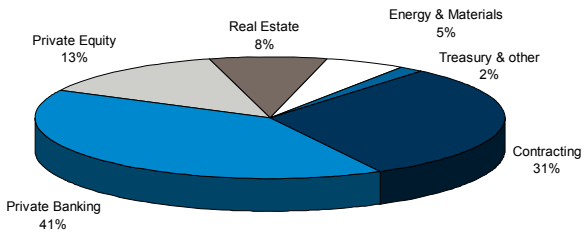
Target prices	Sipef	68.00	
Target equity value			3,056.40
Target equity value p.s.			91.26
Discount to target equity value			23.53%

KBCS has a BUY recommendation and a €77 target price.

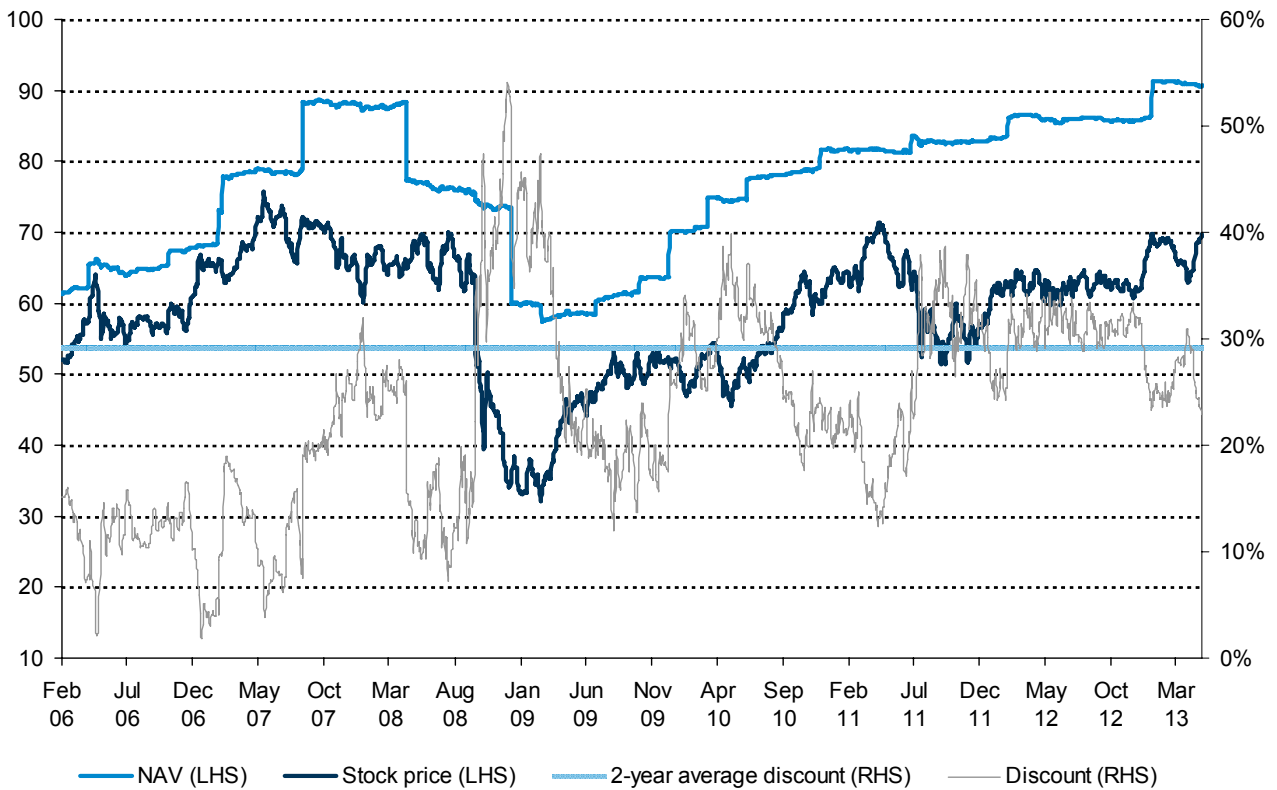
The upside potential versus a stock price of € 69.79 equals 10.33%.

The implied discount of our € 77 target price vs. the target equity value is 15.63%.

Graphical portfolio breakdown



Historical NAV overview



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	1,838.5	364.2	387.8	379.9	428.2	404.3	350.7	403.4
Result from operating activities	76.2	31.0	38.4	68.1	16.0	51.8	65.4	55.6
Result from financing activities	-11.2	8.6	21.5	7.7	1.8	-1.7	-2.7	-1.5
Result from extraordinary activities	71.3	215.6	44.5	126.4	50.0	0.1	6.9	-2.1
Share of result of associates	49.4	65.6	237.7	113.3	96.6	103.3	135.4	136.9
Income taxes	-24.6	-14.5	-12.9	-12.1	-9.7	-7.7	-12.0	-10.0
Discontinued activities	-3.2	9.3	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-23.2	-36.6	-21.5	-62.0	-40.1	-28.3	-32.2	-36.9
Share of the group	135.6	279.0	307.6	241.4	114.6	117.4	160.8	177.5
Adjusted net result	74.4	88.9	128.3	183.2	136.4	111.6	168.4	174.8
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	490.8	119.6	119.2	121.9	141.9	142.9	144.5	148.7
Tangible assets	156.7	120.5	540.7	558.4	659.8	647.3	597.8	621.7
Participations acc. for under equity method	428.6	445.0	588.4	611.3	726.5	814.5	947.6	1,024.4
Other financial assets	1,628.1	1,098.8	1,371.2	1,239.1	1,199.7	1,219.2	1,137.4	1,339.7
Cash & cash equivalents	183.2	351.1	214.8	225.5	305.1	189.4	168.6	284.9
Other assets	1,595.6	2,073.4	1,886.8	2,131.7	2,186.7	2,308.7	2,607.8	3,094.4
TOTAL ASSETS	4,482.9	4,208.4	4,721.2	4,887.9	5,219.6	5,322.0	5,603.7	6,513.8
Equity attributable to holders of the parent	814.8	1,118.2	1,423.7	1,580.1	1,517.1	1,595.5	1,711.4	1,882.6
Minorities	312.9	185.7	379.6	417.4	409.0	425.4	442.0	482.4
Financial debt	590.0	295.8	432.4	402.2	506.6	466.0	499.5	529.8
Other liabilities	2,765.1	2,608.8	2,485.2	2,488.3	2,786.9	2,835.1	2,950.8	3,621.9
TOTAL LIABILITIES	4,482.9	4,208.4	4,720.9	4,888.0	5,219.6	5,322.0	5,603.7	6,516.7
net debt	406.8	-55.3	217.6	176.7	201.5	276.7	331.0	244.9
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	204.4	-106.8	76.1	156.9	238.8	53.4	-92.5	221.0
Cash flow from investing activities	-289.6	323.0	-154.2	-80.9	-171.5	-26.6	135.1	-70.4
Dividends paid (consolidated)	-30.0	-30.2	-40.0	-56.2	-59.6	-59.1	-63.7	-71.1
Other cash flow from financing	158.5	-18.1	-30.2	-14.4	109.2	-84.0	0.0	32.6
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	43.3	167.9	-148.3	5.4	116.9	-116.3	-21.2	112.2
Per share data	2004	2005	2006	2007	2008	2009	2010	2011
Reference share price (€)	25.8	46.0	63.0	67.0	36.4	52.0	62.5	57.6
Reference market cap (€ m)	864.2	1,540.9	2,110.3	2,244.3	1,219.3	1,741.5	2,076.3	1,930.8
Weighted average # shares	33,496,904	33,496,904	33,496,904	33,496,904	33,496,904	33,496,904	33,231,010	33,496,904
Weighted average # shares, diluted	33,496,904	33,496,904	33,496,904	33,496,904	33,496,904	33,496,904	33,330,717	33,496,904
Basic EPS (€)	4.02	8.36	9.24	7.27	3.45	3.54	4.86	5.36
Diluted EPS (€)	4.02	8.36	9.23	7.25	3.44	3.54	4.84	5.35
NBV (€)	24.3	33.4	42.5	47.2	45.3	47.6	51.1	56.2
Adjusted equity value (€)	37.5	57.6	67.8	83.3	60.0	63.6	70.0	81.0
Premium (-) / Discount	31.18%	20.15%	7.13%	19.61%	40.45%	18.29%	10.74%	28.86%
Gross dividend	0.65	0.90	1.15	1.39	1.39	1.44	1.55	1.64
Gross dividend yield	2.52%	1.96%	1.83%	2.07%	3.82%	2.77%	2.48%	2.85%
Ratios	2004	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	22.6%	34.2%	27.5%	17.0%	7.3%	7.7%	10.1%	10.4%
Total return	52.4%	82.8%	38.9%	8.2%	-43.6%	46.6%	22.9%	-5.3%
Pay-out ratio (adjusted net result)	29.3%	33.9%	30.0%	25.4%	34.1%	43.2%	30.8%	31.4%
P/E	6.42	5.50	6.82	9.22	10.54	14.68	12.86	10.76
P/NBV	1.06	1.38	1.48	1.42	0.80	1.09	1.22	1.03
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	-2.5	-1.2	-5.0	-4.4	-3.5	-2.4	-3.4	-4.0
Result from financing activities	39.7	33.5	3.0	201.4	79.8	148.7	55.6	27.0
Result from extraordinary activities	36.1	-17.5	4.3	2.4	-95.4	14.7	-3.8	920.6
Income taxes	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	78.1	19.7	10.4	206.3	0.0	165.6	53.1	948.8
Dividends paid (statutory)	-21.8	-30.1	-38.5	-46.6	-46.6	-48.2	-51.9	-54.9
Financial assets	1,590	1,285	1,314	1,362	1,299	1,281	1,288	2,401
Other assets	6	9	51	19	20	19	17	25
Capital and reserves	583	573	545	704	643	760	761	1,655
Provisions and deferred taxation	0	3	0	0	0	0	0	0
Liabilities	1,013	718	821	678	676	539	544	771
TOTAL ASSETS	1,596	1,294	1,366	1,382	1,319	1,299	1,305	2,426

Description

BIP is a Luxembourg-based investment company that aims to create value via investing in listed and unlisted stocks and via selective stock picks. BIP's home market is the greater Luxembourg area.

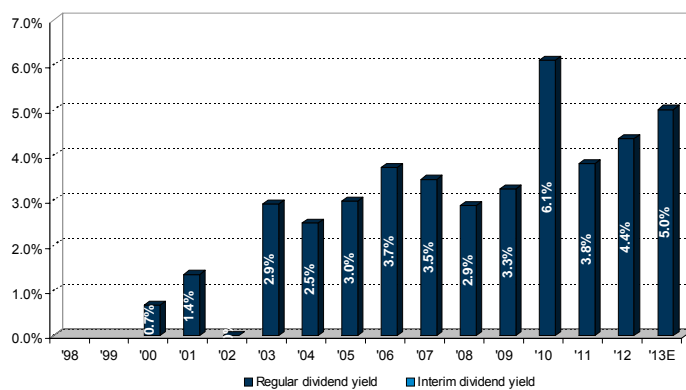
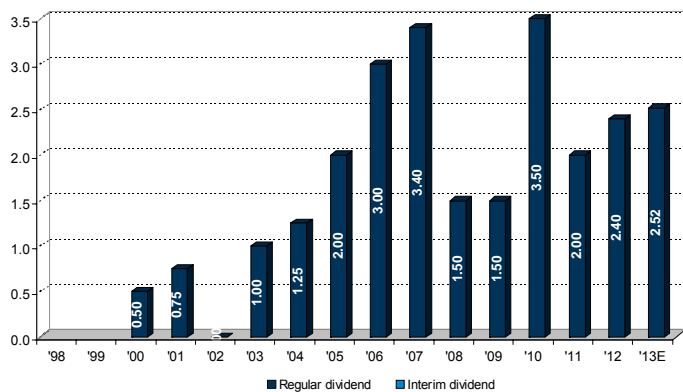
Investment cases

- BIP's excellent track-record in focussing on its core sectors does not blend in with today's high discount
- BIP's private equity portfolio after coupling with growth could see more divestments in FY12
- BIP's listed portfolio is diversified in cyclical (basic resources, mining and technology) and yield stocks
- BIP's changed its dividend policy and henceforward will pay out substantially more than its current income

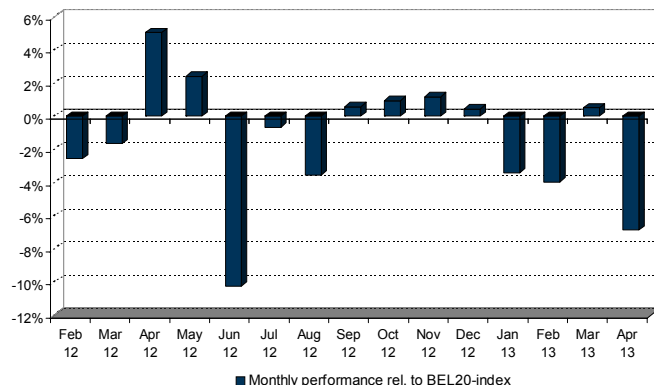
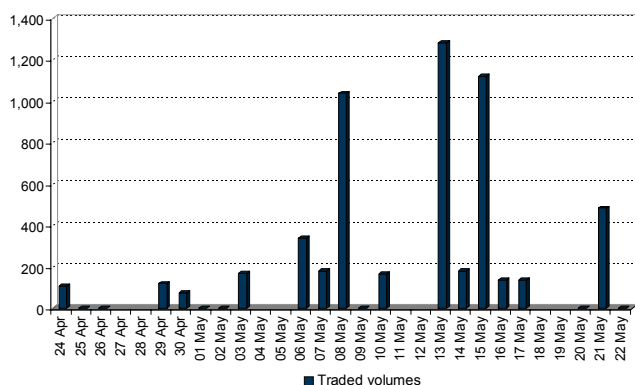
Shareholder structure

	# shs	% shs	value (€m)
Fortis Banque Lux	476,377	10.36%	25.68
Stable private investors	1,622,996	35.28%	87.48
La Luxembourgeoise	738,433	16.05%	39.80
Free float	1,762,194	38.31%	94.98

Dividend data



Volume and performance data



Analyst opinion

Stock price: € 53.79
 Target price: € 61.00
 Potential: 13.4%
 Rating: ACCUMULATE

Company specifics

Market cap: € 257m
 Currency: EUR
 Avg. daily value: € 0.02m
 Avg. 3M volume: 302
 % chg 1M: 1.68%
 % chg 1Y: 0.75%
 52-week hi/lo: 61.74 / 46.12
 BB-code: BIP LX
 Reuters-code: BIP.LU
 Web: www.bip.lu

Corporate calendar

10-May-2013 General Assembly (A)
 16-Jul-2013 Results 1H (A)
 19-Oct-2013 Results 3Q (A)

News flow

06-03-2013: Whopping 20% increase in DPS; TP lowered to €61

FY12 produced a comprehensive net result of € 7.2m (vs FY11 loss of € 29.4m). DPS increases 20% to € 2.4 while NAV increases 1.4% to € 83.7 p.s. We lower our TP from € 65 to € 61 News: The FY12 comprehensive result of € 7.2m compares with a year-earlier net loss of € 29.4m due to a positive net book result of € 1.6m (vs € -5m FY11) and a positive net variation in the revaluation reserve on available-for-sale financial assets of € 5.6m (vs € -24.4m FY11) BIP increased its stake in Cofinimmo by 74,375 shares (total 274,375 shares) representing a market value of € 24.67m (6.61% of NAV). The company also took part in a capital increase that raised the total investment in Nanogate to 660,054 shares valued at € 15m (4.1% of NAV). Without mentioning the name of the companies, BIP invested in two listed companies, each with a leading position in fast-growing global markets. BIP aims to gradually build up its positions in the unknown companies to a potential of € 40m. Mid-February, the unknown investment represented € 14m. BIP disposed of all shares held in ArcelorMittal, Dialog Semiconductor Fresenius, Melexis, Royal Dutch Shell and Xstrata, as well as part of its holding in Vale, generating € 8.6m in total capital gains after release of prior impairments on these positions. BIP proposes a FY12 DPS of € 2.4 (current gross yield: 4.5%), up 20% vs FY11 DPS of € 2.4 and compares with KBCS forecasts of € 2.1 (+5% y/y). Dividend and other income increased 1.6% to € 8.4m, while interest expenses dropped from € 2.3m to € 0.88m. Post-close, BIP invested € 25m in Socotec Group alongside Cobepa. Socotec is a French leader in the verification and technical inspection of buildings and equipment. The company employs 5,000 FTE's and realised FY12 turnover of € 475m. BIP's transitive stake in Socotec amounts to 7.0%. Our View: The FY12 net result doesn't come as a surprise given the solid performance of equity markets over the past year. The whopping 20% increase in DPS, exceeded our, and the market's, expectation. Since the 3Q12 update, BIP adopted a new way of reporting its results. We remain completely in the dark on the break-down and evolution of the unlisted portfolio (30% of NAV), which we regret. The reduced degree of reporting depth reduces transparency and lowers BIP's openness towards the market. We feel the company is caving in. We estimate BIP's NAV at € 84.9 p.s. with a 36.4% discount. We lower our TP from € 65 to € 61, implying a 30% discount to target equity value. We believe this is warranted given the low level of transparency and limited stock liquidity. Our upped TP leaves 12% upside potential. We maintain our Accumulate rating.

01-02-2013: Bertelsmann considers reducing RTL stake

Bertelsmann, currently holding 92.3% in RTL, considers reducing its shareholding in RTL Group, but would continue to hold a qualified majority of approximately 75%. Our View: This news is expected to lead to downward pressure on RTL of investors hoping for a Bertelsmann take-out. BIP has a 0.6% stake in RTL which accounts for 17.26% of NAV. Every 5% decline in RTL's share price has a negative impact of approximately 0.9% on BIP's NAV. For a detailed analysis on the RTL-Bertelsmann news, we refer to today's morning note contribution of RTL. Conclusion: Based on yesterday's closing prices, we estimate BIP's NAV at € 89.08 with a 39.27% discount. Our TP of € 65 implies a discount of 28.87% to target equity value and leaves 20.15% upside potential. We maintain our accumulate rating.

23-10-2012: 3Q12 update unveils little changes

BIP's 3Q12 update reveals that shareholders' equity on 30 September stood at € 368m (€ 84.57 p.s.). The 9M12 global result of € 11m includes a book result of € 9m and a positive net variation of € 2m in the revaluation reserve on available-for-sale financial assets. We keep our Accumulate rating and € 65 TP. News: End-of-September NAV rose 2.4% on a YTD-basis (4.8%, after including € 2 DPS), while BIP's stock price dropped 2.1% to € 51.40 (vs. EuroStoxx 50 rising 5.9%). The global result of € 11m breaks down into a book result of € 9m and a positive net variation of € 2m in the revaluation reserve on available-for-sale financial assets. The listed portfolio mainly saw divestments: BIP sold off all holdings in listed securities by Fresenius and Xstrata. Stakes were upped marginally in RTL Group and Cofinimmo. The company reported a 3Q12 cash position of € 95m (25.3% of NAV). BIP honoured Q3 capital calls from PE funds in its portfolio for an amount of € 0.9m and received distributions of € 1.4m. In its outlook, BIP mentions that its results will largely depend on the operational performance of its portfolio companies and on general economic and stock market trends. BIP remains committed to its policy of regular dividend payments. Our View: The 3Q12 results unveiled little to no groundbreaking news. We incorporated the adjustments of the listed portfolio in our model. BIP adopted a new way of reporting its results. We remain completely in the dark on the break-down and evolution of the unlisted portfolio, which we regret. Conclusion: Based on yesterday's closing prices, we estimate target NAV at € 90.53 p.s. The implied discount of our € 65 target price vs. the target equity value is 28.2%. We keep our Accumulate rating.

24-02-2012: FY11 loss prompts DPS cut to €2.0

FY11 produced a € 29.41m comprehensive loss due to realised and unrealised losses incurred on the listed and unlisted portfolio. DPS drops from € 3.5 to € 2.0, while NAV dropped 10% y/y to € 82.6 p.s. The stock's total return - € 3.5 DPS included - was 3% negative. News: The FY11 comprehensive loss compares with a year-earlier profit of € 85.19m. The results' main constituents are a € 6.4m loss related to the unlisted portfolio (€ 4.6m cap gains, € 11.1m unrealised valued adjustments) and a negative variation of € 26.5m in the value of the listed portfolio. BIP didn't stipulate the companies that mainly caused the € 11.1m loss, but said that "some were hit hard by the economic downturn". While Telecom Luxembourg fares well and is able to broaden its range of services, BIP divested its stake in Assisteo at a € 2.1m following important regulatory changes and took a stake in Euromac2. BIP's internet companies withstood the economic crisis very well, while its investments in 3rd Party Funds remained in run-down mode: filling up commitments required € 3.7m (compensated by € 2.4m payouts) and a number of interests were sold on the secondary market. Weak stock markets wreaked havoc on the listed portfolio. The release unfortunately did not contain a detailed breakdown of the portfolio, but some changes to the (strategic) listed investment portfolio include the full sale of EVS, Kabel Deutschland and Munich Re and a partial sale of Fresenius. A € 17.3m investment was made into Cofinimmo. BIP proposes a FY11 DPS of € 2.0 (current gross yield: 3.75%), down 42.8% vs. FY10 DPS of € 3.5 and compares with KBCS forecasts of € 2.50 (-28.6% y/y). Dividend and other income increased 18% to € 8.26m, while interest expenses dropped € 1.1m to € 2.31m. Combined, we estimate BIP's current result at 6.5m, below an estimated € 9.1m dividend outflow in FY12. BIP thoroughly reviewed its investment strategy and decision-making structures and henceforward will focus on mid-sized companies (public & private) that are based in Lux, Benelux, France and Germany. BIP decided to replace the two specialised investment committees (for PE and listed companies) with a single 5-member committee, including the CEO. Our View: The FY11 loss doesn't come as a surprise given that weak equity markets already ate into NAV, which hovered in line with KBCS estimates. The dividend cut was anticipated - though we had banked on a slightly higher figure - and brings the payout ratio (vs. current result) more in line with what we believe to be a stable level in the long-run. We made only broad adjustments to the listed portfolio and need to fine-tune the valuation of the unlisted portfolio. We currently estimate adjusted equity value p.s. at € 83.8 with a 36.5% discount. We stick to our € 65 TP and Accumulate.

06-02-2012: Shareholders foot KeyDrive's consolidation bill

BIP's single-biggest Private Equity holding KeyDrive acquired Moniker and SnapNames, funded by its controlling shareholders in a deal that saw BIP's stake increase to 33%. Despite disclosing scant details, the deal confirms the strong momentum of BIP's internet portfolio. News: BIP together with majority shareholder Interservices GmbH as well as a loan from BGL BNP Paribas provide funding for KeyDrive's acquisition of Moniker and SnapNames from Oversee.net. Moniker is a US based registrar, providing registration, domain management and other ancillary services. With about 2 million

Please press [here](#) to request a full historical news flow overview of the company

Sum-of-the-parts model

Portfolio	BB	Share price (€)	Sector	Valuation method	Ownership (%)	% of NAV	Value (€m)
Listed portfolio						40.75%	155.32
RTL Group	RTL BB	60.47	Multimedia	listed	0.6%	14.25%	54.30
SES	SESG FP	24.59	Telecom	listed	0.1%	2.90%	11.06
Vale	VALE/P US	11.92	Iron ore	listed	0.0%	1.25%	4.77
BHP Billiton	BLT LN	23.25	Mineral production	listed	0.0%	1.53%	5.81
Nanogate	N7G GR	24.42	Nanotech	listed	24.6%	4.23%	16.12
Ageas	AGS BB	29.19	Insurance	listed	0.1%	1.14%	4.36
Cofinimmo	COFB BB	92.36	Real Estate	listed	1.7%	6.65%	25.34
Other listed investments (*)				cpy data		8.80%	33.56
Private Equity portfolio						29.24%	111.45
Key-Drive			Internet	KBCS est.	33.3%	7.17%	27.33
Kentaro			Sport rights marketing	Mezzanine	-	2.49%	9.50
EuroDNS			Internet	inv. value	20.0%	1.93%	7.36
Dcinex			Digital cinema	KBCS est.	13.7%	1.54%	5.86
21Net			Telecom	KBCS est.	25.1%	1.67%	6.36
Socotec Group			Technical Inspection	inv. value	7.0%	6.56%	25.00
Luxembourg Telecom			Telecom	inv. value	34.0%	1.57%	6.00
Euromac 2			Construction	inv. value	-	1.31%	5.00
Escaux			Telecom	inv. value	20.4%	0.72%	2.75
IEE			Electronics	KBCS est.	6.5%	1.33%	5.09
Domain Invest			Internet	inv. value	9.9%	0.66%	2.50
Technolia			Telecom	inv. value	49.9%	0.58%	2.20
Enzymotec			Biotech	inv. value	4.7%	0.52%	2.00
IP Casting			Multimedia	KBCS est.	37.3%	0.79%	3.00
NordSüd Spedition			Logistics	inv. value	49.0%	0.00%	0.00
Non-disclosed investments				cpy data	n.a.	0.18%	1.50
Indirect PE investments						8.61%	32.80
Portfolio						78.6%	299.57
Net cash						21.4%	81.60
Adjusted equity value						100.0%	381.17
Number of shares (outstanding)							4,600,000
Treasury shares (for remuneration purposes, resale)					1.1%		48,752
Treasury shares (available for cancellation)					4.4%		201,943
Number of shares (for per share calculation)							4,398,057
BIP last price							53.90
Adjusted equity value p.s.							86.67
Current discount							37.81%
Target prices	Ageas	-					
	Cofinimmo	95.00		RTL Group	70.00		
Target equity value							390.45
Target equity value p.s.							88.78
Discount to target equity value							39.29%

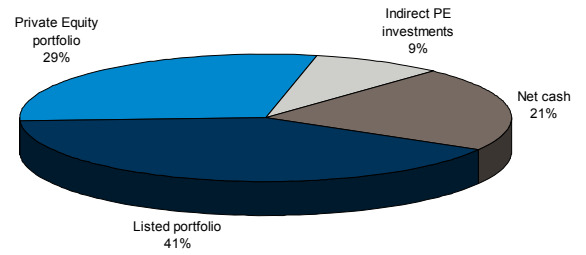
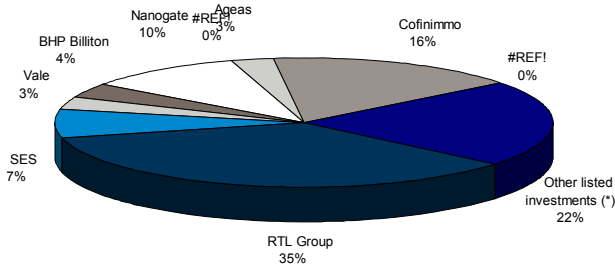
KBCS has an ACCUMULATE recommendation :

The upside potential versus a stock price of € 53.9 equals 13.17%.

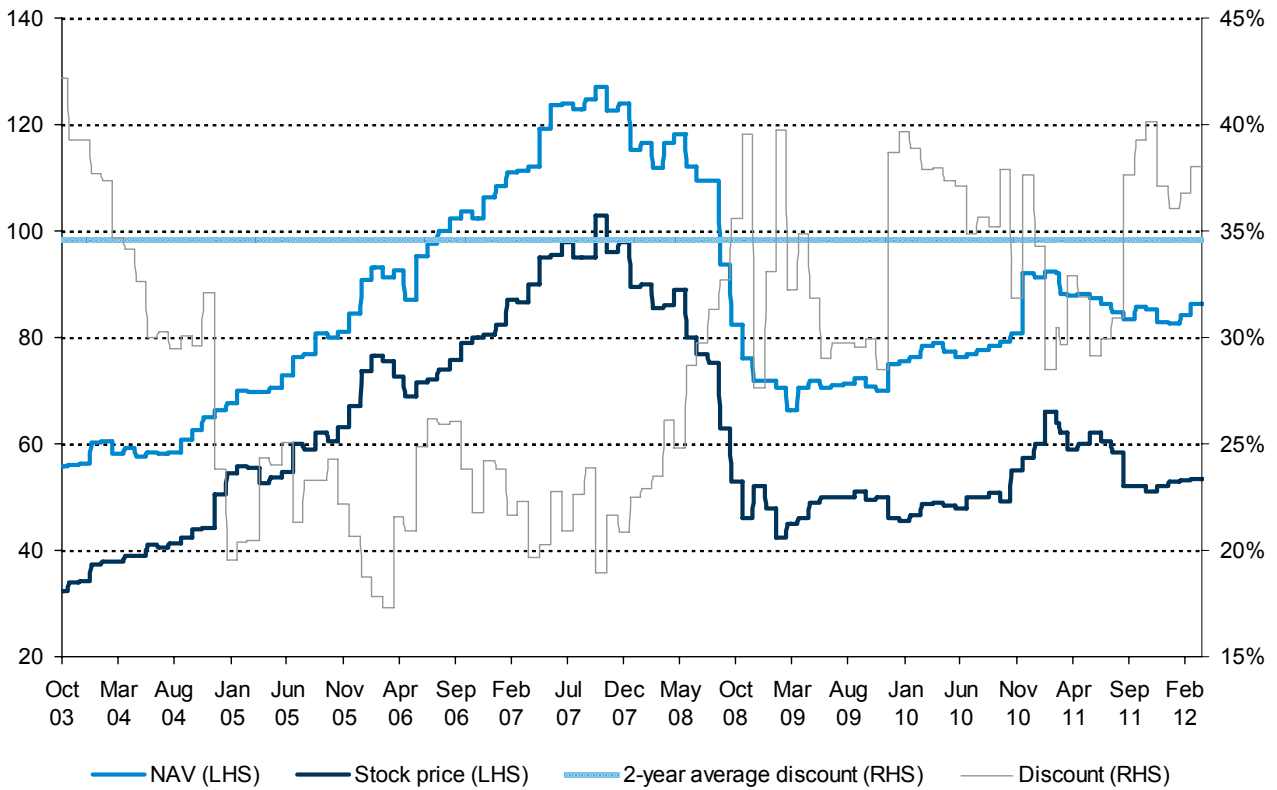
The implied discount of our € 61 target price vs. the target equity value is 31.29%.

(*) A negative figure indicates that BIP reduced its strategic portfolio since disclosing its detailed portfolio breakdown.

Graphical portfolio breakdown



Historical NAV breakdown



The valuation graph is created by using the official net asset value as it is published on a monthly basis by the company. KBC Securities corrects the value of some of the participations and therefore arrives at a different discount .

Financials

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010
Sales & operating income	10.6	8.0	12.6	11.8	12.2	6.2	7.0
Result from operating activities	5.0	5.9	10.1	8.6	9.8	2.8	2.3
Result from financing activities	0.7	0.4	-0.1	0.6	-1.1	-2.4	-1.6
Result from extraordinary activities	2.5	31.0	63.4	65.8	-107.0	-28.7	47.1
Share of result of associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	4.4	-2.5	-3.4	4.1	7.7	11.5
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of the group	8.3	41.8	71.0	71.5	-94.2	-20.5	59.4
Adjusted net result	8.0	6.4	10.4	8.7	10.1	3.9	4.3
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010
Intangible assets & goodwill	262.4	358.4	452.6	515.5	262.8	279.8	338.4
Tangible assets	0.2	0.1	0.0	0.1	0.1	0.1	0.0
Participations acc. for under equity method	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial assets	0.0	10.6	10.0	5.6	22.7	21.6	21.8
Cash & cash equivalents	26.5	51.1	45.3	58.8	56.9	51.5	66.1
Other assets	0.4	12.1	1.9	10.3	2.0	1.7	1.8
TOTAL ASSETS	289.4	432.3	509.9	590.2	344.5	354.7	428.2
Equity attributable to holders of the parent	286.4	429.5	501.8	580.7	331.7	345.7	423.2
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	3.1	2.8	8.8	10.4	14.2	9.0	5.0
TOTAL LIABILITIES	289.4	432.3	510.6	591.1	345.9	354.7	428.2
net debt	-26.5	-51.1	-45.3	-58.8	-56.9	-51.5	-66.1
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010
Cash flow from operating activities	0.0	-24.2	15.0	14.2	-10.7	26.8	-10.2
Cash flow from investing activities	0.0	38.2	-22.9	17.0	29.5	-26.5	33.0
Dividends paid (consolidated)	0.0	-6.0	-9.5	-14.2	-15.9	-6.9	-6.9
Other cash flow from financing	0.0	0.1	-2.4	-3.6	-4.7	-1.6	-1.3
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	0.0	8.2	-19.8	13.5	-1.9	-5.4	14.5
Per share data	2004	2005	2006	2007	2008	2009	2010
Year-end share price (€)	50.0	67.0	80.5	98.0	52.0	46.0	57.4
Year-end market cap (€ m)	238.7	318.9	382.4	462.3	242.5	212.5	262.8
Weighted average # shares	4,773,321	4,759,900	4,749,766	4,717,091	4,662,905	4,618,511	4,578,133
Weighted average # shares, diluted	4,753,043	4,759,900	4,749,766	4,724,591	4,662,905	4,618,511	4,584,480
Basic EPS (€)	1.73	8.78	14.94	15.16	-20.21	-4.44	12.98
Diluted EPS (€)	1.74	8.78	14.94	15.14	-20.21	-4.44	12.96
NBV (€)	60.2	90.3	105.6	122.9	71.1	74.8	91.8
Adjusted equity value (€)	66.3	84.6	103.5	123.9	73.4	74.9	92.2
Premium (-) / Discount to (vs. YE stock price)	24.55%	20.79%	22.22%	20.87%	29.16%	38.54%	37.72%
Gross dividend	1.25	2.00	3.00	3.40	1.50	1.50	3.50
Gross dividend yield	2.50%	2.99%	3.73%	3.47%	2.88%	3.26%	6.10%
Ratios	2004	2005	2006	2007	2008	2009	2010
Return on Equity (avg)	2.9%	14.6%	16.5%	14.3%	1.5%	-17.7%	-16.2%
Total return	48.9%	36.5%	23.1%	25.5%	-43.5%	-8.7%	28.0%
Pay-out ratio (adjusted net result)	74.5%	148.2%	138.0%	185.6%	71.0%	183.4%	392.2%
P/E	28.88	7.63	5.39	6.46	-2.57	-10.36	4.42
P/NBV	0.83	0.74	0.76	0.80	0.73	0.61	0.63
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010
Result from operating activities	0.0	-2.0	-2.3	-3.2	-2.4	-6.0	-4.9
Result from financing activities	0.0	9.3	13.4	13.6	11.7	9.1	10.0
Result from extraordinary activities	0.0	30.9	63.1	64.6	-120.8	-27.2	44.4
Income taxes	0.0	3.6	-3.5	-4.5	3.2	6.3	8.6
PROFIT/LOSS FOR THE PERIOD	11.7	38.2	74.2	75.1	-111.5	-24.1	49.6
Dividends paid (statutory)	-6.0	-9.5	-14.3	-16.2	-7.2	-7.2	-16.7
Financial assets	0.0	423.8	504.4	588.1	330.0	337.3	411.2
Other assets	0.0	8.4	6.2	2.8	15.8	14.3	14.0
Capital and reserves	0.0	429.5	501.8	580.7	331.7	345.7	423.2
Provisions and deferred taxation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	0.0	2.8	8.9	10.3	14.1	6.0	2.0
TOTAL ASSETS	0.0	432.3	510.7	591.0	345.8	351.7	425.2

Description

Bois Sauvage is a holding company with participations in listed and unlisted companies active in banking, industrial, luxury and real estate sectors. Its main investments are Berenbeg Bank, Neuhaus and Cofinimmo.

Investment cases

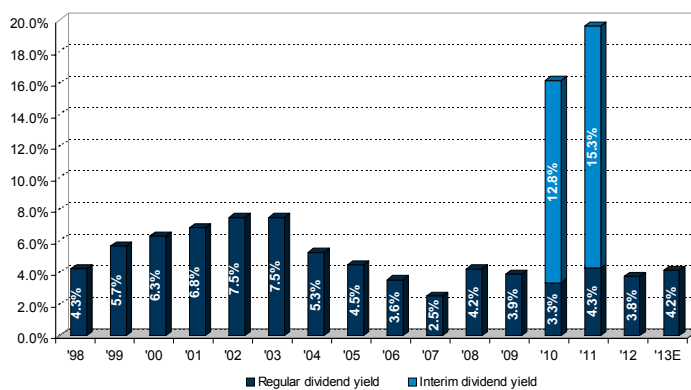
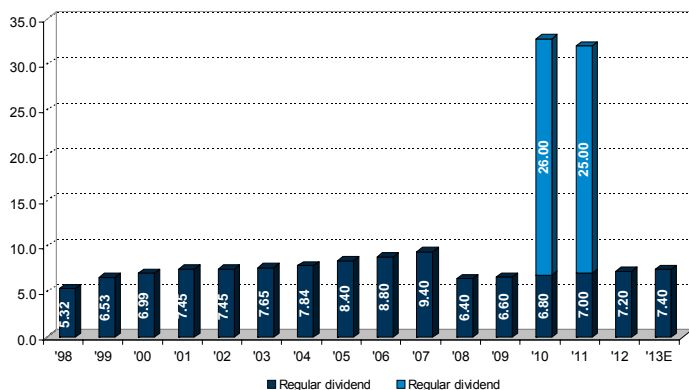
- Bois Sauvage adjusted its strategy away from using leverage on its statutory balance sheet
- Following the sale of Bank Degroof, around 70% of the portfolio is invested in unquoted assets
- Bois Sauvage's successfully repaid all debts in 1Q11 and reduced its capital as well
- Bois Sauvage's has few assets in its investment portfolio out of which it can unlock short-term value

Shareholder structure

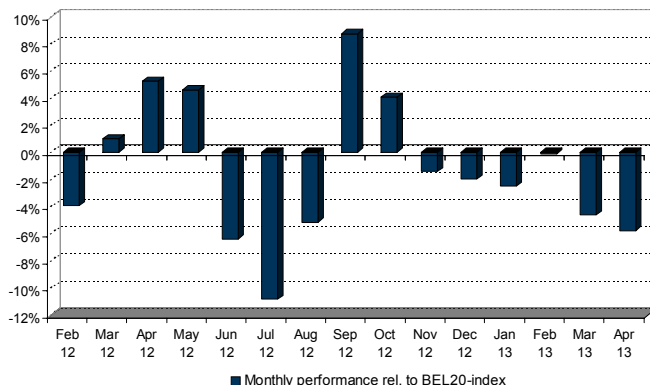
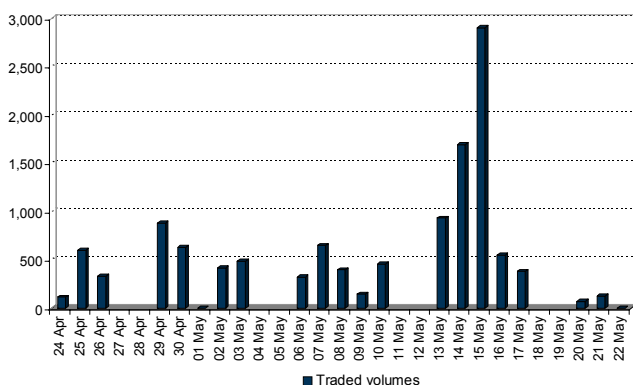
	# shs	% shs	value (€m)
ECFC	661,356	41.98%	118.26
Fingaren	92,000	5.84%	16.45
Guy Paquot	875	0.06%	0.16
Free float	821,115	52.12%	146.82

47.88%

Dividend data



Volume and performance data



Analyst opinion

Stock price: € 178.80
 Target price: € 190.00
 Potential: 6.26%
 Rating: HOLD

Company specifics

Market cap: € 282m
 Currency: EUR
 Avg. daily value: € 0.14m
 Avg. 3M volume: 549
 % chg 1M: -3.79%
 % chg 1Y: 11.5%
 52-week hi/lo: 198 / 149.06
 BB-code: COMB BB
 Reuters-code: CBOS.BR
 Web: www.bois-sauvage.be

Corporate calendar

10-May-2013
 Trading update 1Q (A)

News flow

14-05-2013: The chocolate take-over

1Q13 proved to be a low activity quarter for Bois Sauvage with the dividends being mainly received during Q2. The company has freed up and subscribed an additional amount of € 0.4m in the Matignon Technology II Fund and Theodorus II and in the Nanocyl asset. The stake in Ter Beke was also reduced to an undisclosed amount. Yesterday, Bois Sauvage also announced that Neuhaus (100% subsidiary) will acquire Corné Port-Royal, a chocolatier founded in 1932. No financials were disclosed. Our View: The qualitative trading update unveiled little news that might impact our SOTP-model in a significant way. We will finetune our valuation of Neuhaus (44% of NAV) to account for the acquisition of Corné Port-Royal. The latter is has (FY11) revenues of € 8m vs (FY12) revenues of € 150m of Neuhaus. Corné Port-Royal has also been loss making over the past 2 years. It operates 22 stores in Belgium and 9 in France. Over 20% of its revenues stem from Brussels Airport. Conclusion: The 1Q13 update didn't contain any surprises as most important changes to the portfolio were already communicated throughout the year. The lack of new items allows us to focus on Bois Sauvage's investment case. Early October last year, former chairman Guy Paquot crossed the 45% threshold. Mr. Paquot controls Fingaren, which in turn controls EFCF. Together they now own 47.87% of Bois Sauvage. Together with the decision to cancel the Executive Committee and the position of Managing Director, this fuels speculation that Mr. Paquot may take Bois Sauvage private. We estimate Bois Sauvage's NAV at € 276.3 p.s. with a 35.6% discount. The implied discount of our € 190 TP versus the target equity value equals 31.98%. The upside potential is limited to 6.9%, which explains our Hold rating. This rating doesn't include any take-out premiums. Should Mr. Paquot's stake increase reflect a desire to acquire all the Bois Sauvage shares he doesn't yet own, the stock price potential is far bigger than our TP. However, given that he has already proceeded with two consecutive capital decreases, that there is still a serious legal case pending against the company and that an estimated € 53m of debt needs to be replenished by asset sales, we are not convinced that a takeover offer is imminent.

05-03-2013: FY12 DPS increases 2.9%

FY12 profit dropped 47% to € 16.4m as the FY11 number included a capital gain of € 16m on the sale of Satair. Earnings from associates remained flat at € 5.9m. The FY12 current result (before disposals, changes in fair value and depreciations) decreases by € 1m to € 34.6m, taking into account a 11.8% increase in Neuhaus turnover, the reduction in net debt from € 7.7m to € 6.9m and the decrease in dividends mainly resulting from the absence of Satair dividend. Most changes to the investment portfolio had already been communicated: 100k Total, 45k Solvay and 150k Ageas shares were sold and the Ter Beke stake was reduced by 9k shares. Bois Sauvage also disposed of its entire stake in Cofinimmo (1.9%). Over the past year, Bois Sauvage bought back 2,275 shares and cancelled 6,654 shares. Today, the company no longer holds any own shares and has temporarily suspended its buyback programme. Conso group net debt increased slightly from € 54m at YE11 to € 55.2m at YE12. This figure compares to our estimate of € 53m. The company estimates NAV at YE12 at € 286.4 p.s., which is in line with KBCS estimates. Combined with the FY11 DPS and the € 25 p.s capital reduction, the stock's total FY12 return amounts to 32%. The portfolio's main holdings are Berenberg Bank (17% of NAV), Neuhaus (44%), Umicore (16%) Recticel (11%) and various real estate holdings totalling 19%. Note that our calculation includes a € 29.74m potential fine related to the Fortis insider investigation. Bois Sauvage proposes a FY12 DPS of € 7.2 (+2.9% y/y). After payment of the FY11 dividend (€ 11m) and capital reduction of € 25 p.s. (€ 39.4m), the group's equity stands at € 350m. Our View: The FY12 update didn't contain any surprises as most important changes to the portfolio were already communicated throughout the year. The lack of new items allows us to focus on Bois Sauvage's investment case. Early October last year, former chairman Guy Paquot crossed the 45% threshold. Mr. Paquot controls Fingaren, which in turn controls EFCF. Together they now own 47.86% of Bois Sauvage. Together with the decision to cancel the Executive Committee and the position of Managing Director, this fuels speculation that Mr. Paquot may take Bois Sauvage private. We estimate Bois Sauvage's NAV at € 275.7 p.s. with a 29.82% discount. The implied discount of our € 190 TP versus the target equity value equals 31.95%. The upside potential is limited to -1.8%, which explains our Hold rating. This rating doesn't include any take-out premiums. Should Mr. Paquot's stake increase reflect a desire to acquire all the Bois Sauvage shares he doesn't yet own, the stock price potential is far bigger than our TP. However, given that he has already proceeded with two consecutive capital decreases, that there is still a serious legal case pending against the company and that an estimated € 55m of debt needs to be replenished by asset sales, we are not convinced that a takeover offer is imminent.

12-11-2012: 3Q12: sold all remaining Cofinimmo shares

The qualitative 3Q12 trading update revealed little new information except for the fact that it sold its entire remaining stake in Cofinimmo. Most of the items mentioned in the update were already dispensed through press releases. We keep our rating and up our TP from € 180 to € 190. News: Over the past quarter, Bois Sauvage has Sold its remaining interest in Cofinimmo (306,147 shares since 1 January 2012 with 176,000 in 3Q12) Repaid in October the matured 2005-2012 bond of € 36m. It now remains a bond worth € 60m with maturity in November 2014 Processed end of July 2012 to a capital reduction of € 25 p.s Decided to cancel the Executive Committee and the position of managing director on 31 August 2012. With regards to the Fortis lawsuit, it is expected that an intermediate hearing will be held in September 2013. No comments were made on the underlying performance of Bois Sauvage's assets except that the results and/or trends of the principal holdings are in line with expectations. In its outlook, the group mentions that the Board remains confident in the asset quality, and cautious on the outlook in the short or medium term. Our View: The trading update contains little new information, except for the fact that the remaining Cofinimmo stake was sold. Conclusion: Based on last Friday's closing prices, we estimate adjusted equity value p.s at € 274.6 with a 30.88% discount. This compares with an official figure of € 281 on 8 November 2012, which in itself marks a 1% rise since 1H12. Our Hold recommendation is based on an upped TP of € 190 (which leaves 0.11% upside). Should Mr. Paquot's recent stake increases reflect a desire to effectively acquire all Bois Sauvage shares he doesn't yet own, the stock price potential is far bigger than our TP. However, going by the fact that he already proceeded with two consecutive capital decreases, that there is still an important litigation going on against the company (and its directors) and that an estimated € 58m in debts needs to be replenished by asset sales, we are not convinced that a take-out offer is impending.

18-10-2012: Two years delay for process Bois Sauvage

The trial for insider trading against holding Bois Sauvage and ex-VBO chairman Luc Vansteenkiste will be delayed by 2 years. The trial is now set for September 2014. News: The decision came from the Brussels Criminal court yesterday in consultation with the parties. The reason for the delay is that the court is facing a large backlog. As a reminder, Bois Sauvage and several former top bankers are accused of insider trading and forgery. Bois Sauvage is suspected of selling 3.6 million Fortis shares in 2008 just before the dismantling of the financial group was made public. According to the prosecutor, Vansteenkiste, who was external director at Fortis, tipped Bois Sauvage on what was going to happen. Our View: We estimate a € 29.7m maximum fine related to the case, which is included in our model. This represents 6.8% of NAV. Uncertainty remains on the final outcome of the case as it is now delayed by 2 years. Conclusion: Based on yesterday's closing prices, we estimate target NAV at € 284.3 per share. At a current price of € 190, this represents a discount of 33.2%. We have a hold recommendation as the upside potential vs. our target price equals -5.3%.

03-10-2012: Transparency declaration Guy Paquot

Please press [here](#) to request a full historical news flow overview of the company

Sum-of-the-parts model

Portfolio	BB	# shares	Last price (€ or stake value (€m))	Interest (%)	% of NAV	Value (€m)
Strategic participations					98.5%	426.35
Berenberg Bank				12.00%	17.2%	74.37
Neuhaus		929,999			44.2%	191.43
Umicore	UMI BB	1,875,000	36.79	1.56%	15.9%	68.98
Recticel	REC BB	8,677,356	5.55	29.99%	10.6%	46.00
Noël Group				30.52%	3.4%	14.57
Ter Beke	TERB BB	67,074	50.21	3.87%	0.8%	3.37
TC Re				26.41%	1.1%	4.82
Galactic				11.25%	1.1%	4.94
Guy Degrenne	GUYD FP	379,609	0.94	9.85%	0.1%	0.36
Others (13#)					4.0%	17.52
Real estate					18.8%	81.30
Codic		7,812	2,959.77	23.81%	5.3%	23.12
Site Bois Sauvage				100.00%	2.5%	10.94
Surongo America				99.99%	9.1%	39.55
Luxembourg (Imolina)					0.3%	1.49
Terrains & diverse					1.4%	6.20
Available for sale					1.8%	7.96
Delhaize	DELB BB	75,000	49.74		0.9%	3.73
GDF Suez	GSZ FP	140,000	16.53		0.5%	2.31
Fortis Bank	FBAVP BB	70,447	17.50		0.3%	1.23
Mobistar	MOBB BB	40,000	17.13		0.2%	0.69
Portfolio					119.1%	515.61
Net cash					-12.2%	-52.87
Potential insider trading related claim					-6.9%	-29.74
Adjusted equity value (fully diluted)					100.0%	433.00
Number of shares (outstanding)						1,575,346
Treasury shares (for remuneration purposes, resale, collateral,...)					0.0%	0
Treasury shares (available for cancellation)					0.0%	0
Number of shares (for per share calculation)						1,575,346
Bois Sauvage last price						178.81
Adjusted equity value p.s.						274.86
Current discount						34.95%
Target prices		Delhaize	52.00		Recticel	7.50
		Umicore	35.00			
Target equity value (€m)						438.09
Target equity value p.s.						278.09
Discount to target equity value						35.70%

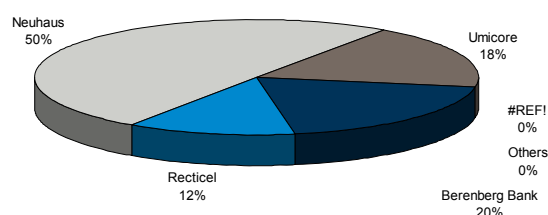
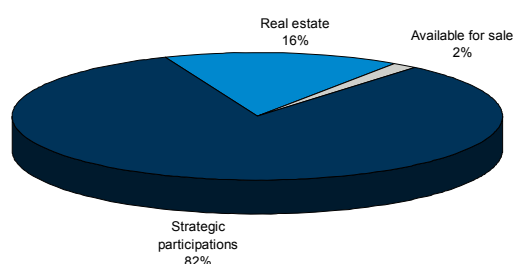
KBCS has a HOLD recommendation and a € 190 target price

The upside potential versus a stock price of € 178.81 equals 6.26%.

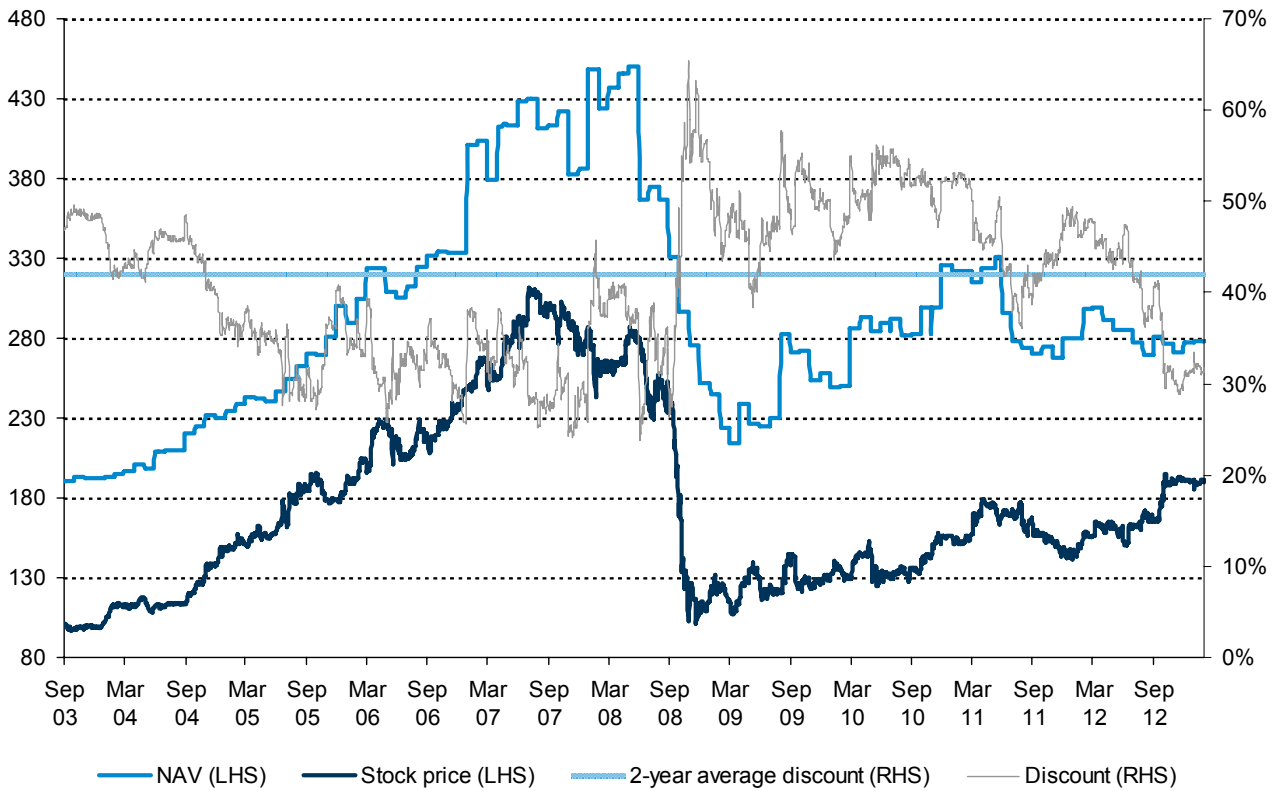
The implied discount of our € 190 target price vs. the target equity value is 31.68%.

#VALUE!

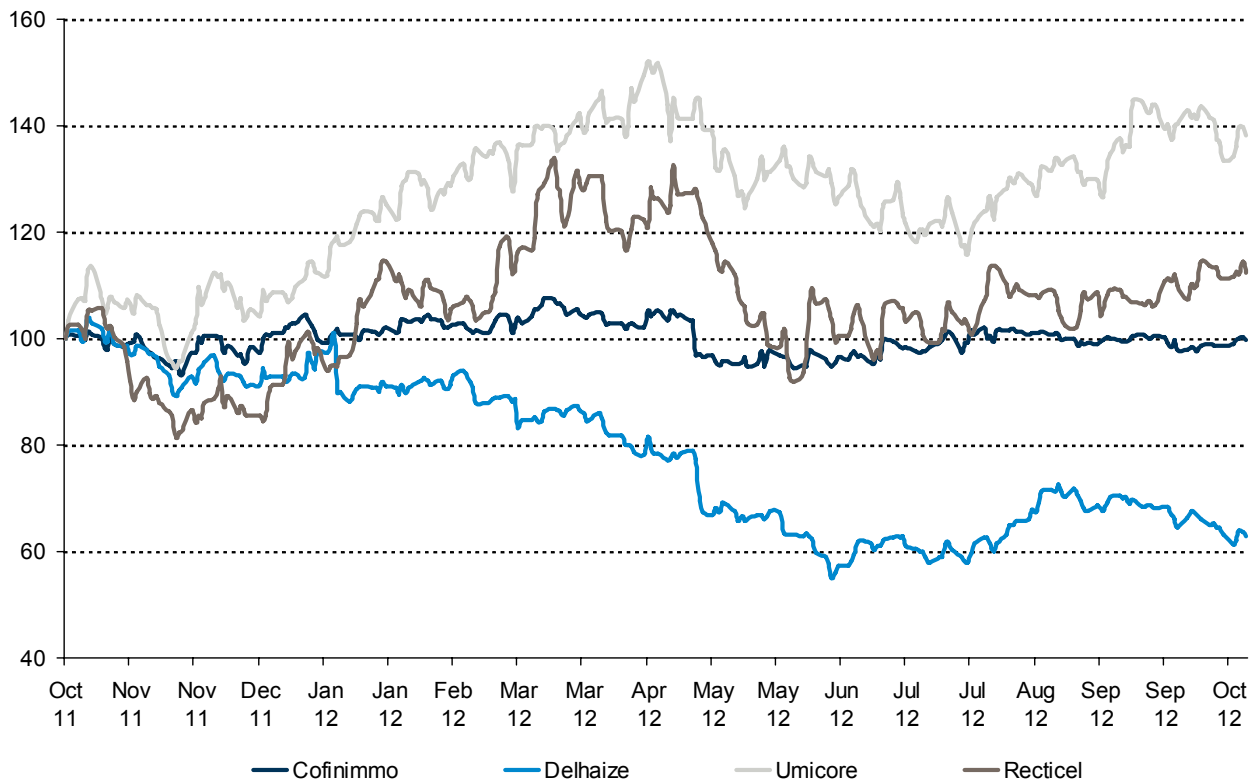
Graphical portfolio breakdown



Historical NAV breakdown



Stock price evolution quoted participations (-1 year, rebased to 100)



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	70.8	79.2	92.3	105.9	110.8	113.9	127.7	139.0
Result from operating activities	19.3	22.5	-5.6	-0.6	-1.9	-2.7	-0.2	15.8
Result from financing activities	-13.3	-10.6	22.7	30.0	29.4	22.0	20.5	14.0
Result from extraordinary activities	50.9	69.3	52.5	-20.6	-219.0	-11.9	96.7	8.9
Share of result of associates	-2.4	-0.6	5.1	28.9	14.1	3.2	5.6	5.9
Income taxes	-2.7	-6.7	-8.8	-14.5	0.0	-0.2	-9.2	-9.9
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-1.6	-6.9	-2.3	-3.2	-4.5	-4.4	-4.9	-3.6
Share of the group	50.2	67.0	63.7	19.9	-181.9	6.1	108.6	31.1
Adjusted net result	6.5	14.8	22.2	58.3	41.5	22.5	25.9	35.6
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	7.0	8.1	7.4	8.0	9.3	10.6	11.2	12.7
Tangible assets	82.0	69.2	66.2	70.5	78.9	74.7	75.4	76.0
Participations acc. for under equity method	1.7	2.0	375.3	656.1	534.0	545.8	348.9	307.0
Other financial assets	395.3	419.9	33.5	28.7	29.7	22.0	23.9	25.0
Cash & cash equivalents	52.6	92.1	66.9	31.0	53.7	64.0	50.9	44.9
Other assets	72.3	145.1	330.5	301.6	105.7	78.9	253.7	86.4
TOTAL ASSETS	610.9	736.5	879.7	1,095.9	811.3	795.9	764.0	552.0
Equity attributable to holders of the parent	306.8	436.8	555.5	656.0	341.3	373.4	416.0	369.2
Minorities	16.5	16.9	4.7	50.0	44.2	46.8	13.4	14.9
Financial debt	223.2	237.4	265.2	338.8	356.4	313.1	274.8	115.9
Other liabilities	64.4	45.3	54.4	51.1	69.3	62.6	59.8	52.0
TOTAL LIABILITIES	610.9	736.5	879.7	1,095.9	811.3	795.9	764.0	552.0
net debt	170.7	145.3	198.3	307.9	302.7	249.1	223.9	71.0
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	28.3	5.6	25.9	37.1	69.9	8.8	-82.4	-171.3
Cash flow from investing activities	-35.5	39.3	-91.3	-132.4	-62.8	45.3	25.8	187.1
Dividends paid (consolidated)	-10.8	-11.1	-12.8	-13.4	-16.0	-10.6	-10.3	-10.6
Other cash flow from financing	15.1	-15.5	38.3	74.5	31.9	-40.8	-42.2	-200.1
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash & equivalents	-3.0	39.5	-39.9	-34.2	21.9	11.1	-13.5	-6.0
Per share data	2004	2005	2006	2007	2008	2009	2010	2011
Year-end share price (€)	193.1	243.9	321.8	373.0	151.7	169.0	169.0	169.0
Year-end market cap (€ m)	294.3	361.3	445.2	568.3	234.1	264.1	264.1	264.1
Weighted average # shares	1,523,809	1,481,411	1,383,381	1,523,600	1,543,260	1,562,710	1,562,710	1,562,710
Weighted average # shares, diluted	1,896,446	1,851,048	1,558,381	1,886,805	1,679,430	1,891,855	1,564,210	1,616,255
Basic EPS (€)	36.25	45.19	41.78	13.09	-117.88	3.88	69.49	19.89
Diluted EPS (€)	32.18	36.17	33.57	10.57	-117.88	3.20	69.42	19.24
NBV (€)	201.3	294.9	356.5	347.7	203.2	197.4	266.0	228.4
Adjusted equity value (€)	230.0	299.9	364.3	448.0	252.0	258.3	326.0	326.0
Premium (-) / Discount to (vs. YE stock price)	0.03%	18.67%	11.65%	16.74%	39.80%	34.57%	37.73%	49.92%
Gross dividend	7.84	8.40	8.80	9.40	6.40	6.60	32.80	32.00
Gross dividend yield	4.06%	3.44%	2.73%	2.52%	4.22%	3.91%	19.41%	18.94%
Ratios	2004	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	16.3%	15.3%	11.5%	3.0%	-53.3%	1.6%	26.1%	8.4%
Total return	54.4%	30.6%	35.5%	18.8%	-57.6%	15.7%	19.4%	18.9%
Pay-out ratio (adjusted net result)	170.0%	86.7%	60.4%	24.6%	24.1%	45.9%	40.8%	30.3%
P/E	5.33	5.40	7.70	28.49	-1.29	43.56	2.43	8.49
P/NBV	0.96	0.83	0.90	1.07	0.75	0.86	0.64	0.74
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	-1.3	-2.0	-1.6	-1.9	-2.0	-1.6	-1.3	0.0
Result from financing activities	14.3	18.6	20.5	23.8	78.5	-1.0	-4.9	0.0
Result from extraordinary activities	41.8	27.8	20.6	198.6	-247.9	20.3	30.4	0.0
Income taxes	-0.8	-0.2	-3.8	-3.4	0.0	3.7	-0.2	0.0
PROFIT/LOSS FOR THE PERIOD	54.8	44.4	39.5	220.5	-171.4	17.7	24.2	0.0
Dividends paid (statutory)	-11.1	-12.8	-13.4	-14.3	-10.0	-10.3	-10.6	-10.8
Financial assets	438	502	535	999	760	750	694	0
Other assets	10	10	9	9	8	8	8	0
Capital and reserves	249	292	324	523	348	359	372	0
Provisions and deferred taxation	0	9	3	4	21	24	20	0
Liabilities	199	211	218	480	399	375	310	0
TOTAL ASSETS	448	512	545	1,008	769	758	702	0

Description

Hal Trust focuses on acquiring significant shareholdings in companies, with the long-term objective of increasing shareholders' value. Hal aims to be an active shareholder/board member and does not confine itself to particular industries.

Investment cases

- HAL is a traditional holding company that prefers a buy-and-build strategy over a buy-and-sell strategy
- HAL's investment portfolio is heavily skewed towards a limited amount of majority-controlled assets
- HAL holds a majority sway over almost all of its operating assets; with the largest offering bright prospects
- HAL's crown jewel is Pearle Europe, whose expansion towards South-America and Asia should drive valuation

Shareholder structure

	# shs	% shs	value (€m)
Blanca Flor Corp.	18,478,737	26.60%	1,813.32
De Zwarte Bergen	28,305,096	40.75%	2,777.58
H.D. Melchers	11,084,466	15.96%	1,087.72
Free float	11,594,607	16.69%	1,137.78

Analyst opinion

Stock price:	€ 100.00
Target price:	€ 100.00
Potential:	0%
Rating:	HOLD

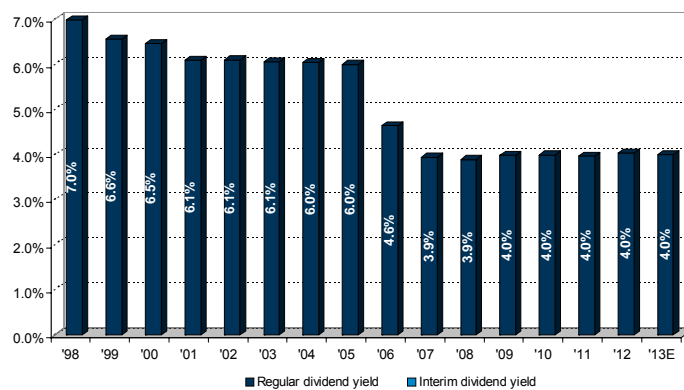
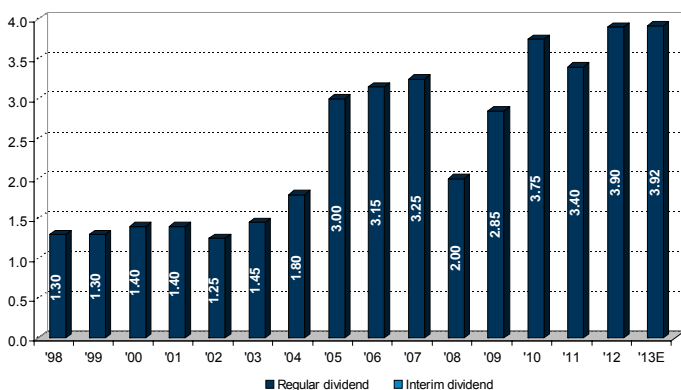
Company specifics

Market cap:	€ 6,816m
Currency:	EUR
Avg. daily value:	€ 1.20m
Avg. 3M volume:	8,245
% chg 1M:	1.51%
% chg 1Y:	15.92%
52-week hi/lo:	101.97 / 81.1
BB-code:	hal na
Reuters-code:	HLAN.AS
Web:	www.halinvestments.nl

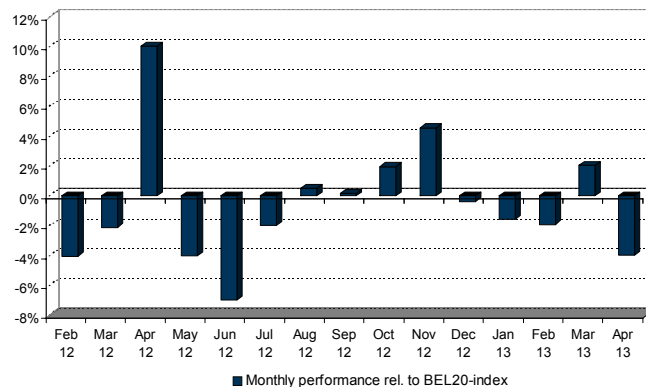
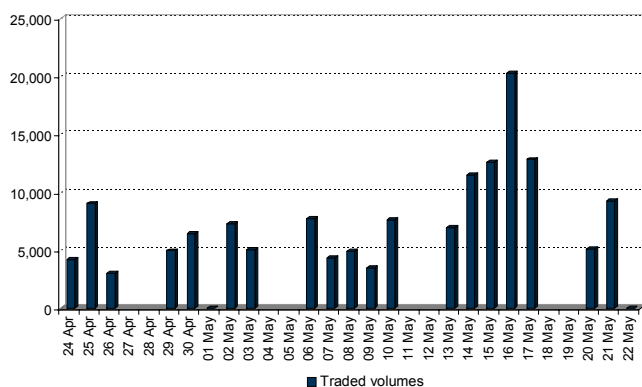
Corporate calendar

16-May-2013	General Assembly (A)
16-May-2013	Trading update 1Q (A)
28-Aug-2013	Results 1H (A)
14-Nov-2013	Trading update 3Q (A)

Dividend data



Volume and performance data



News flow

17-05-2013: Soft optical retail figures

HAL's 1Q13 update revealed that the optical retail division (50% of NAV) reported a rather soft set of figures. No other major new items were disclosed. Hold and TP maintained. News:Key takeaways from the 1Q13 update:1Q13 NAV decreased € 4.22 p.s. to € 100.14 p.s. versus € 104.36 at YE12. This figure is calculated prior to the FY12 DPS of € 3.90 but does not include the positive difference between estimated value and book value of the unquoted companies (€ 8.95). Excluding the latter, official NAV would arrive at € 109.9 p.s. This compares with KBCS estimate of € 124.4 p.s. (we use marked-to-market valuation multiples for the optical retail activities whereas HAL adopts a multiple of 8x). Up until 10 May, the value of the quoted and liquid portfolio increased by € 1.48 p.s. Optical retail revenues (50% of NAV) increased 4.1% to € 610m. Excluding acquisitions and FX, revenues decreased by 0.2%. Same store sales decreased 1.5% (versus +2.5% in 1Q12). Operating income amounted to € 53m versus € 60m in 1Q12. The acquisitions & divestitures were already known through press releases throughout the year: i) HAL participated in a cap increase for its proportionate 33.9% share in Boskalis, ii) The 31.6% interest in Dockwise was sold to Boskalis for € 274m, implying a cap gain of € 22m, iii) HAL participated for € 29.4m in a rights issue of SBM Offshore thereby increasing its stake from 13.3% to 13.5%. No FY13 outlook was given. Our View: The qualitative nature of the trading update does not really allow for finetuning our SOTP-model. Nevertheless, the somewhat soft figures at the Optical retail division are nothing to become enthusiastic about. The official NAV figure of € 109.9 p.s. compares with 1Q13 KBCS estimate of € 124.4 p.s. The difference stems from the valuation method applied: we include the optical and hearing aid retail activities at market multiples (resp. 12.2x EBITA and 2.4x EV/Sales) whereas HAL uses a 8x multiple in its estimates. Conclusion: We estimate HAL's NAV at € 126 p.s. with a 20.7% discount. Our € 100 TP implies a discount of 24% to target equity value and leaves 0% upside. We therefore maintain our Hold rating.

28-03-2013: Solid set of Optical Retail figures

The audited FY12 report confirmed the earlier stated estimated official NAV and also unveiled a solid operational performance of the Optical Retail activities. We adjusted our SOTP model insofar as possible and awaiting the publication of the annual report stick to our € 100 TP and Hold rating. News: FY12 conso revenues rose 1.3% y/y to € 4.05bn (excluding acquisitions and FX: -0.1% y/y), while net profit declined 17% y/y to € 405m: this reflects a mix of lower profitability of the quoted (-€ 34m) and lower earnings from unquoted assets (-€ 15m), higher capital gains on equities (+€ 5m), lower financial expenses (-€ 9m) and lower income from real estate activities (-€ 14m) and a rise in exceptional costs from € 14m in FY11 to € 27m. Official NAV increased by € 1.33bn (€ 19.45 p.s.) in FY12, marking a 22% y/y increase (FY11 hike: 3%) as quoted associates (Boskalis: +17%, Vopak: +30%) on average fared well and the impact from the equity portion of the liquid portfolio was limited. Excluding the FY11 cash dividend (€ 52m), NAV increased from € 88.83 p.s. to € 104.56 p.s. This figure is calculated by using the stock prices of listed assets, the market value of the liquid portfolio and the book value of the non-listed assets. Applying EBITDA multiples (so far, HAL has been using a multiple of 8x), HAL estimates the difference between estimated value and book value of the unquoted investments at YE11 at € 8.95 p.s., which would bring the official NAV estimate at € 113.06 p.s. Up until 22 March 2013, the value of the quoted and liquid portfolio decreased € 230m (€ 3.31 p.s.). HAL increased stakes in Safilo (from 37.2% to 42.2%), Dockwise (17.9% to 31.7%; sold entire stake in March 2013 to Boskalis for € 273m) and acquired 9% in SBM through a private placement (total 13.3%). Optical retail generated revenues of € 2.41bn (+5.4% y/y) and EBITA of € 251.5m (+1.5% y/y, 4Q12: € 58.5m), which is in line with KBCS estimates (€ 253m and € 60m, resp.). Revenues excluding FX changes and acquisitions increased 3.0% y/y due to new openings, while same store revenues (constant FX) climbed 0.7% (FY11: 0.1%). Results were stained by € 30m losses related to Spain, Greece and emerging markets. Our View: We await the publication of the annual report to help fine-tune the valuation of all of HAL's operating assets, since the FY report traditionally contains but scant underlying financial details. We take away that the Optical Retail delivered a satisfying operating margin while same-store sales grew nicely. Based on yesterday's close we estimate adjusted equity value at € 125 p.s. with a 19.7% discount. The implied discount of our € 100 TP vs target equity value is 24.9%, which we deem fair given HAL's transparency, liquidity and portfolio constitution. We maintain our Hold rating.

11-03-2013: Additional \$27m payment to SBM Offshore

SBM Offshore and Talisman have reached an agreement to terminate the Yme MOPUstor project for a settlement contribution by SBM Offshore of \$ 470m. The settlement fulfils a condition precedent for a 10% rights offering fully underwritten by HAL. SBM will furthermore receive an additional amount of \$ 27m from HAL as a result of the announced settlement with Talisman. This additional amount will be paid through a share premium contribution on the 17.1m new ordinary shares. Our View: Back in December, HAL Trust signed an agreement with SBM Offshore for a private placement of 17,111,757 new ordinary SBM Offshore shares. This represented 9.95% of the capital. Subject to SBM Offshore reaching an agreement with Talisman in respect of a definitive solution for Yme before 11 March 2013: HAL will pay an additional amount to SBM to reflect a revised, higher valuation for the private placement shares. This turns out to be \$ 27m. SBM will raise additional equity by means of a rights offering. This is already fully underwritten by HAL to the tune of approx. 10% of the then issued share capital. The underwriting price will be equal to the adjusted issue price in \$ terms. The raising of additional equity, under the form of a rights issue, will be voted on SBM's AGM on 2 April. The price will be similar to the \$ 12.894 that HAL paid for the private placement. This is circa € 9.89 per share. Conclusion: The only new thing we learned today is that HAL is paying an additional amount of \$ 27m to reflect a revised, higher valuation for the private placement shares. The additional payment has a marginal impact on our NAV estimate of -0.23%. Based on yesterday's close, we estimate NAV at € 128.5 p.s. with a 24.3% discount. Our € 100TP implies a discount to target equity value of 26.9%. The upside versus current levels is limited to 2.8%. We maintain our Hold rating.

25-01-2013: FY12 NAV update; proposes €3.9 DPS

HAL released its qualitative FY12 NAV update and confirmed its dividend policy by proposing a € 3.90 choice dividend. A full set of figures will be disclosed 27 March 2013. No change to € 100 TP and/or Hold rating. News:

HAL's official NAV increased by € 1.30bn (€ 19.0 p.s.) in FY12, marking a 22% y/y increase (FY11 hike: 3%) as quoted associates (Boskalis: +17%, Vopak: +30%) on average fared well and the impact from the equity portion of the liquid portfolio was limited. After deducting the cash portion of the FY11 dividend (€ 52m), official NAV increased from € 88.83 p.s. to € 104.11 p.s. This figure is calculated by using the stock prices of listed assets, the market value of the liquid portfolio and the book value of the non-listed assets. Applying EBITDA multiples (so far, HAL has been using a multiple of 8x), HAL estimates the difference between estimated value and book value of the unquoted investments at YE11 at € 8.85 p.s., which would bring the official NAV estimate at € 112.96 p.s. Same store sales in the optical retail segment (constant FX rates), increased by 0.7% during FY12 (FY11: + 0.1%). In order to match our FY12 sales forecasts, 4Q12 revenues need to come in at € 597m, +6.1% y/y. Operating income as well as a fully detailed and audited FY12 report will be released on 27 March 2012. HAL proposes a FY12 choice dividend of € 3.90 p.s. and as such sticks to its dividend policy of paying out 4% of the average December share price in the year prior to the year of the dividend payment. As in FY11; HAL proposes a stock dividend (unless a shareholder expressly requests for payment in cash). Shareholders owning in aggregate 70% of HAL Trust (i.e. Blanca Flor and De Zwarte Bergen) indicated they will opt for stock. Our View: The qualitative nature of the NAV update does not allow for fine-tuning our SOTP model, but nevertheless confirms our estimates at the NAV and dividend level. The official NAV figure of € 112.96 compares with YE12 KBCS estimates of € 133.5. The difference

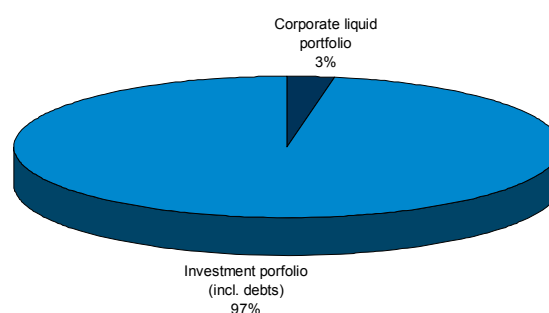
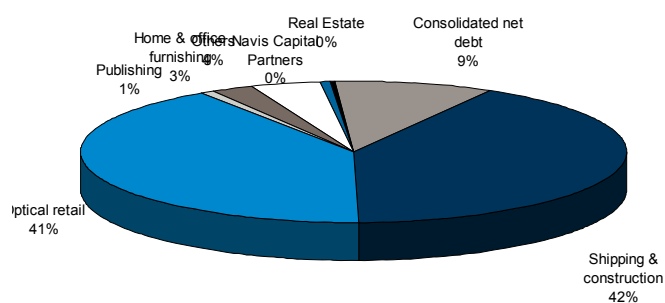
Sum-of-the-parts model

Portfolio	BB	Sector segment	% held	Share price €	% of NAV %	Value €m
Shipping & construction					50.9%	4,495.6
Vopak	VPK NA	Tank terminals	48.15%	46.51	32.4%	2,862.6
Boskalis	BOKA NA	Dredging	33.88%	32.26	14.5%	1,278.4
SBM Offshore	SBMO NA	Oil services	13.30%	13.63	2.6%	229.7
Anthony Veder		Shipping	64.20%		0.7%	61.5
Atlas Services Group		Consultancy	45.00%		0.7%	63.4
Optical retail					50.3%	4,437.6
Pearle Europe/Grandvision		Retail stores	99.00%		46.3%	4,085.9
Safilo	SFL IM	Retail stores	42.20%	13.50	4.0%	351.7
Publishing					0.8%	72.6
Mercurius Group		Specialty printing	100.00%		0.3%	23.0
FD Mediagroep		Newspaper	98.25%		0.6%	49.6
Home & office furnishing					3.2%	281.9
Ahrend		Office furnishing	99.00%		1.1%	96.4
Trespa/Arpa		Laminate	97.40%		2.0%	180.4
Pontmeyer		Wood products	57.00%		0.1%	5.1
Others					5.2%	456.5
AudioNova Int.		Hearing aids	95.80%		3.1%	273.3
Intersafe trust		Protection equipment	95.50%		0.6%	55.3
Nationale Borg		Guarantee insurance	47.50%		0.5%	40.6
InVesting		Debt collection	67.90%		0.5%	46.1
MyLaps		Timing systems	95.00%		0.2%	21.9
Orthopedie Investments		Orthopedic devices	89.00%		0.1%	11.9
Flight Simulation Company		Training	70.00%		0.1%	7.6
Navis Capital Partners		Investment fund	25.00%		0.5%	41.0
Real Estate			100.00%		0.6%	53.0
Consolidated net debt					-14.2%	-1,252.1
Portfolio					97.3%	8,586.2
Net cash					2.7%	237.8
Adjusted equity value					100.0%	8,824.0
Number of shares (outstanding)						69,462,906
Treasury shares (for remuneration purposes, resale, collateral,...)					0.0%	7,368
Treasury shares (available for cancellation)					0.0%	0
Number of shares (for per share calculation)						69,462,906
Hal Trust last price						98.13
Adjusted equity value p.s.						127.03
Current discount						22.75%
Target prices	Boskalis	35.00	Vopak	50.00		
Target equity value						9,147.63
Target equity value p.s.						131.69
Discount to target equity value						25.48%

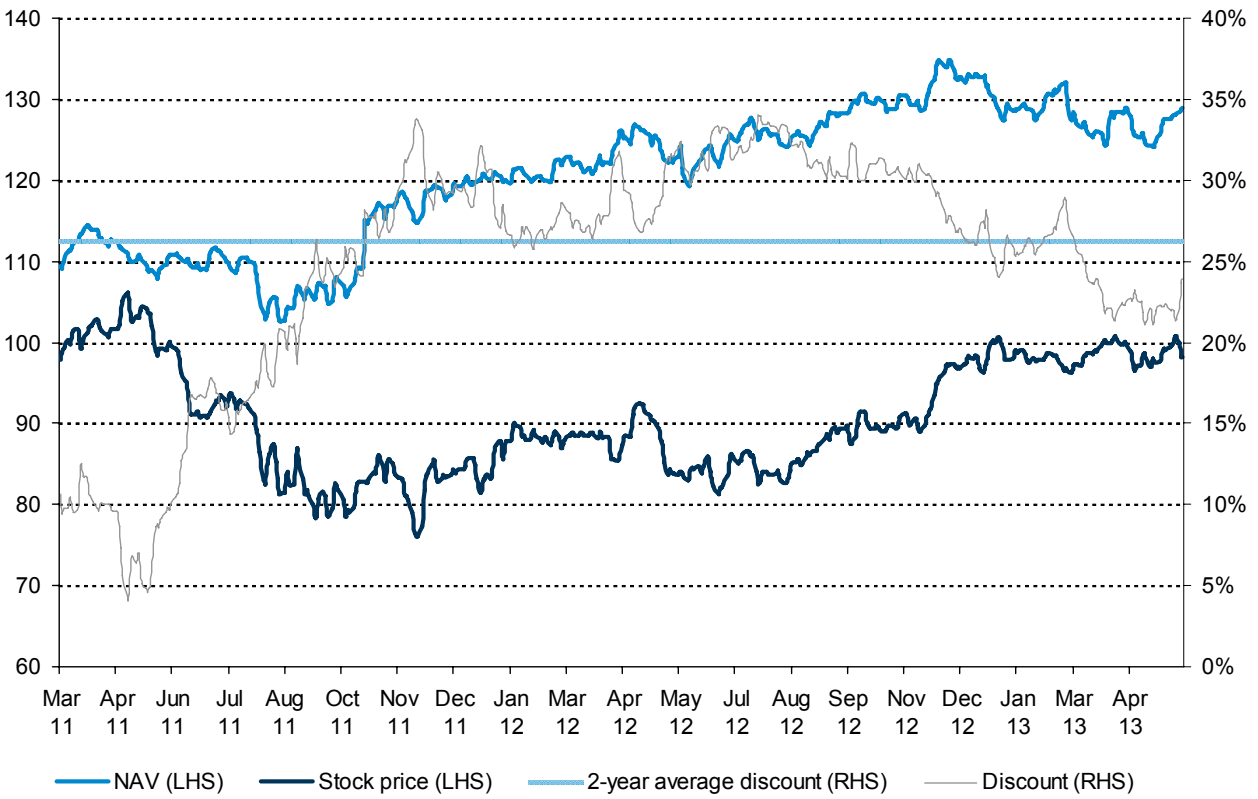
KBCS has a HOLD recommendation and a €100 target price.

The upside potential versus a stock price of € 98.13 equals 1.91%.

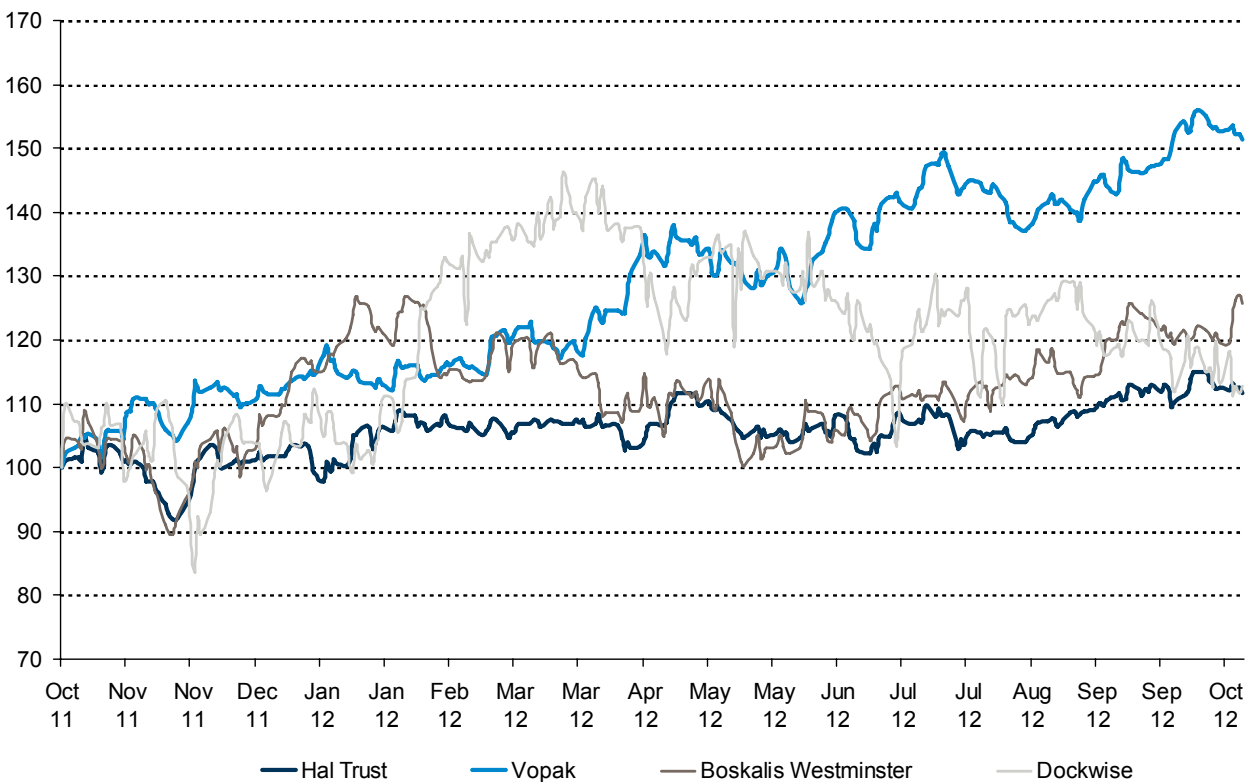
The implied discount of our € 100 target price vs. the target equity value is 24.06%.



Historical NAV breakdown



Stock price evolution quoted participations (-1 year, rebased to 100)



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	2,517.5	2,738.4	2,872.1	3,274.1	3,569.7	3,678.1	4,096.8	4,374.7
Result from operating activities	93.7	265.9	339.6	402.3	291.4	438.2	546.6	620.9
Result from financing activities	-65.4	-69.0	-50.4	-35.8	-53.8	-47.5	-55.9	-59.2
Result from extraordinary activities	0.0	84.0	3.2	19.8	11.8	2.8	0.0	0.0
Share of result of associates	82.4	115.2	250.3	426.5	188.9	0.0	0.0	0.0
Income taxes	-35.3	-64.5	-32.6	-57.2	-43.5	-51.4	-62.6	-66.8
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-4.2	-20.0	-13.3	-19.9	-11.7	5.1	4.0	-1.9
Share of the group	71.2	311.6	496.8	735.7	383.1	347.2	432.1	493.0
Adjusted net result	114.6	191.1	200.6	207.0	127.4	22.9	25.5	1.0
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	1,000.4	1,247.9	1,263.0	1,410.0	1,566.4	1,586.8	1,921.8	1,942.4
Tangible assets	458.7	451.5	456.4	501.4	668.9	678.1	747.7	828.7
Participations acc. for under equity method	695.1	820.0	743.6	737.3	828.0	1,122.0	1,527.0	1,781.7
Other financial assets	602.4	370.9	423.0	698.3	569.7	326.0	212.7	97.2
Cash & cash equivalents	115.7	130.0	132.9	183.8	160.4	139.9	144.7	644.7
Other assets	726.0	654.7	776.6	872.6	1,000.3	1,082.6	1,224.5	1,235.8
TOTAL ASSETS	3,598.3	3,675.0	3,795.5	4,403.4	4,793.7	4,935.4	5,778.4	6,530.5
Equity attributable to holders of the parent	1,695.1	1,901.7	2,201.7	2,716.2	2,807.5	3,132.4	3,595.1	3,969.9
Minorities	74.9	-9.9	51.5	86.4	94.2	72.2	30.1	51.6
Financial debt	1,193.3	1,078.2	809.8	812.1	1,010.6	901.7	1,232.3	1,500.0
Other liabilities	635.0	705.0	732.5	788.7	881.4	788.4	895.4	977.1
TOTAL LIABILITIES	3,598.3	3,675.0	3,795.5	4,403.4	4,793.7	4,894.7	5,752.9	6,498.6
net debt	1,077.6	948.2	676.9	628.3	850.2	761.8	1,087.6	855.3
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	314.3	355.4	286.3	417.2	409.2	377.5	331.3	347.0
Cash flow from investing activities	-292.4	-75.9	131.6	-125.4	-405.4	-149.5	-427.3	-1.6
Dividends paid (consolidated)	-92.4	-114.7	-191.4	-200.4	-206.4	-127.1	-40.9	-59.6
Other cash flow from financing	148.3	-152.5	-222.0	-39.0	178.9	-122.0	139.9	205.2
Fx and changes to consolidation scope	-0.7	2.0	-1.5	-1.5	0.4	2.4	0.0	2.8
Change in cash & equivalents	77.7	12.2	4.5	52.4	-23.7	-21.1	3.0	497.2
Per share data	2004	2005	2006	2007	2008	2009	2010	2011
Year-end share price (€)	29.8	50.0	67.9	82.5	51.5	71.5	94.0	85.7
Year-end market cap (€ m)	1,897.9	3,182.9	4,319.2	5,235.5	3,268.2	4,544.1	6,067.5	5,694.0
Weighted average # shares	63,686,850	63,658,000	63,658,000	63,499,000	63,521,000	63,554,000	64,548,000	66,418,000
Weighted average # shares, diluted	63,686,850	63,658,000	63,658,000	63,499,000	63,521,000	63,554,000	64,548,000	66,418,000
Basic EPS (€)	1.12	4.89	7.80	11.59	6.03	5.46	6.69	7.42
Diluted EPS (€)	1.12	4.89	7.80	11.59	6.03	5.46	6.69	7.42
NBV (€)	44.6	58.8	70.8	89.9	70.6	86.1	103.1	101.7
Adjusted equity value (€)	44.6	58.8	70.8	89.9	70.6	86.1	119.9	115.3
Premium (-) / Discount to (vs. YE price)	33.17%	14.98%	4.22%	8.24%	27.08%	16.96%	21.57%	25.63%
Gross dividend	1.80	3.00	3.15	3.25	2.00	2.85	3.75	3.40
Gross dividend yield	6.04%	6.00%	4.64%	3.94%	3.89%	3.99%	3.99%	3.97%
Ratios	2004	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	4.2%	18.4%	26.1%	33.4%	14.1%	12.4%	13.8%	13.7%
Total return	30.5%	73.8%	41.7%	26.2%	-33.7%	42.9%	35.5%	-4.8%
Pay-out ratio (adjusted net result)	100.0%	100.0%	100.0%	100.0%	100.0%	792.6%	962.9%	22902.0%
P/E	26.66	10.21	8.69	7.12	8.53	13.09	14.04	11.55
P/NBV	0.67	0.85	0.96	0.92	0.73	0.83	0.91	0.84
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from financing activities	114.6	191.1	200.6	207.0	207.0	127.4	181.5	245.6
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	114.6	191.1	200.6	207.0	207.0	127.4	181.5	245.6
Dividends paid (statutory)	-114.6	-191.1	-200.6	-207.0	-127.4	-181.5	-245.6	-229.0
Financial assets	69.3	69.3	69.3	69.3	69.3	69.3	69.3	69.3
Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital and reserves	69.3	69.3	69.3	69.3	69.3	69.3	69.3	69.3
Provisions and deferred taxation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ASSETS	69.3	69.3	69.3	69.3	69.3	69.3	69.3	69.3

Description

Luxempart is a Luxembourg-based holding company with both direct and indirect stakes in Private Equity companies and third party funds. Its core holdings are stakes in listed companies such as SES, RTL Group and Atenor.

Investment cases

- After the sale of CegeDel, the portfolio still holds ample assets that generate handsome cash flows
- The portfolio is well-diversified into listed and unlisted assets, spanning five different sectors
- We see few triggers that might unlock near-term value, while € 175m in net cash is awaiting redeployment
- Luxempart offers steady value at a time when markets are volatile and valuations are uncertain

Shareholder structure

	# shs	% shs	value (€m)
Foyer Finance	10,428,264	43.53%	280.94
Dexia	2,394,000	9.99%	64.49
Sofina	1,257,500	5.25%	33.88
Free float	9,875,320	41.22%	266.04

Analyst opinion

Stock price:	€ 26.01
Target price:	€ 28.00
Potential:	7.65%
Rating:	HOLD

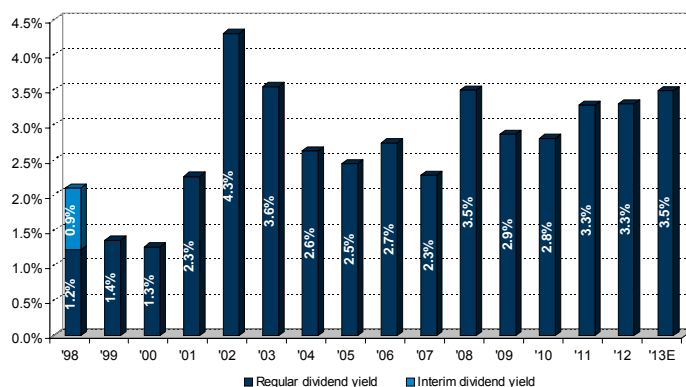
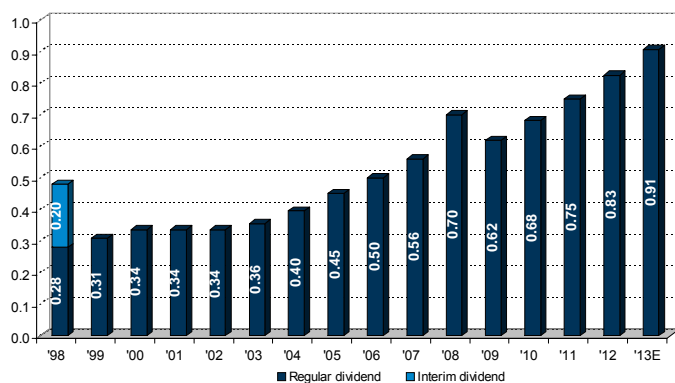
Company specifics

Market cap:	€ 645m
Currency:	EUR
Avg. daily value:	€ 0.06m
Avg. 3M volume:	3,665
% chg 1M:	4.62%
% chg 1Y:	17.9%
52-week hi/lo:	26.98 / 21.51
BB-code:	LXMP LX
Reuters-code:	LXMP.LU
Web:	www.luxempart.lu

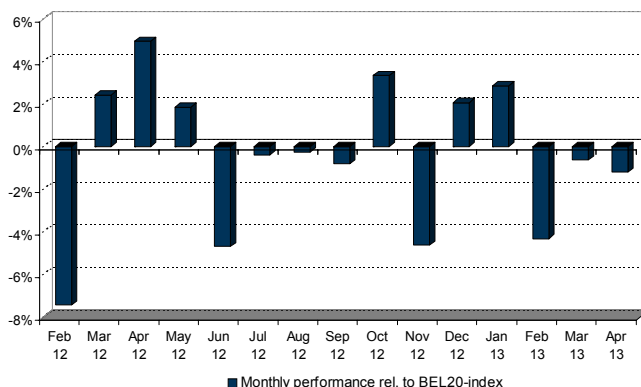
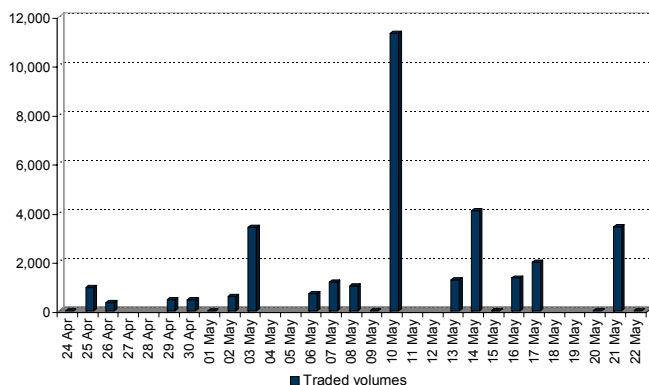
Corporate calendar

17-May-2013	Trading update 1Q (A)
30-Aug-2013	Results 1H (A)
21-Nov-2013	Trading update 3Q (A)

Dividend data



Volume and performance data



News flow

02-04-2013: DPS +10%; Possible additional Pescanova impact

FY12 earnings didn't surprise, as YE and current equity value and DPS were in line with KBCS estimates. No change to rating and/or TP. News: Luxempart lowered its FY12 net result to € 28.30m (FY10: € 43.39m), or € 1.18 p.s. (FY11: € 1.80). But comprehensive result, which includes variations in the value of the investment portfolio that are swapped directly over equity, increased 58% to € 51.31m (FY11: € 32.57m). Hence, strong equity markets prompted substantial gains related to marking-to-market the investment portfolio. FY12 current result climbed 8% y/y to € 24.70m, spurred by higher dividend income. Official equity value p.s. climbed 2.5% to € 36.88, which compares with a year-earlier figure of € 35.95 and which is a tad south of KBCS estimates (€ 38.21). As per 20 March 2013, this figure has increased to € 37.87, which compares with (adjusted) KBCS estimates of € 38.23. The balance sheet remains rock solid with a YE12 cash position of € 229.09m vs a YE11 level of € 163.6m. The sharp increase is mainly related to the sale of Paul Wurth and Utopia. This figure is north of KBCS estimates of approx. € 200m. Post close, Luxempart has impaired its stake in Pescanova to a total value of € 0 and has reduced the valuation of its convertible bonds on Pescanova leading to a € 48m negative impact on consolidated results. The impairment is the result of a difference in Pescanova's actual debt outstanding and the reported debt outstanding. Pescanova has the choice to restructure the entire organisation within 4 months or to go bust. Awaiting the outcome, shares remain suspended. Luxempart also took minority stakes in Octopode and Mirato. Luxempart proposes a gross DPS of € 0.8252 (+10% y/y, which is in line with a 10%+ growth rate since 2004), which yields 3.2% at current prices. This figures blends in smoothly with KBCS estimates. Given that portfolio heavyweights (RTL, SES, Foyer/Foyer Finance) intend to increase dividend payments y/y, we anticipate a coincident increase in current earnings in FY13 earnings and bank on 10% y/y DPS growth to € 0.91. Luxempart did not provide an outlook for FY13. The situation at Pescanova could lead to an additional negative impact of € 4m on FY13 results, in case of total devaluation of the convertible bonds. Our View: We await the publication of the annual report to fine-tune our SOTP model, but going by the reported cash and equity figures we don't expect to make significant changes. We estimate adjusted equity value p.s. at € 38.51. Our TP implies a 32.5% discount to NAV and leaves 2% upside potential. Hold.

01-02-2013: Bertelsmann considers reducing RTL stake

Bertelsmann, currently holding 92.3% in RTL, considers reducing its shareholding in RTL Group, but would continue to hold a qualified majority of approximately 75%. Our View: This news is expected to lead to downward pressure on RTL of investors hoping for a Bertelsmann take-out. Luxempart has a 0.7% stake in RTL which accounts for 9.16% of NAV. Every 5% decline in RTL's share price has a negative impact of approximately 0.5% on Luxempart's NAV. For a detailed analysis on the RTL-Bertelsmann news, we refer to today's morning note contribution of RTL. Conclusion: Based on yesterday's closing prices, we estimate Luxempart's NAV at € 39.09 with a 33.23% discount. Our TP of € 26 implies a discount of 33.58% to target equity value and leaves -0.38% upside potential. We maintain our hold rating.

04-01-2013: €60m commitment to French mutual funds

Luxempart and Five Arrows Secondary Opportunities III have acquired 82% of the Fonds Communs de Placement à Risque (FCPR) Acto and Acto Capital II. Luxempart has committed a total amount of € 60m. No impact on rating and/or TP. News: Luxempart, through its SICAR Luxempart Capital Partners, and Five Arrows Secondary Opportunities III, a Rothschild fund, have acquired 82% of the French mutual funds Acto and Acto Capital II which were previously held by Groupama. These funds are intended to be managed by a new management company, which is currently subject to approval by the French financial markets authority (AFM). The new management company will be directed by the current Paris-based Groupama Private Equity team. The new fund will operate under the same investment strategy: a focus on crisis-resilient growth sectors and a direct company approach. Luxempart has committed a total of € 60m to the new fund. The Acto and Acto Capital II funds are involved in 12 investments, ranging between € 5m and € 15m a piece, focussed on French companies active in health, tourism, controlling, and energy efficiency. Our View: We remind that Luxempart acquired a stake in the French-based, unlisted, Initiative Pour la Santé (IPS) alongside Acto Capital In March 2012. At that time, the deal put € 9.4m to work. The acquisition strikes us as a logical consequence of an already ongoing partnership. A back of the envelope calculation points to a cash outflow of € 36.9m at the level of Luxempart (an 82% stake in 12 investments of on average € 7.5m each, evenly split between Luxempart and Rothschild). Conclusion: Based on yesterday's closing prices, we estimate Luxempart's adjusted NAV at € 38.62 p.s. with a discount of 35.39%. Our € 26 TP leaves upside potential of 4.21% and justifies our Hold rating.

19-11-2012: Uninspiring 3Q12 update

The 3Q12 update revealed nothing new other than what was already known through press releases. The upside potential of the current stock price versus our target price has diminished, hence we cut our rating from Accumulate to Hold. TP unchanged. News: In July, Luxempart sold its stake in Paul Wurth for € 56m and facilitated the merger between Poweo and Direct- Energie. Luxempart also participated in a capital increase mid-July of Pescanova (2.5% of NAV) for a total consideration of € 9m. The stake in Pescanova therefore was raised from 5.1% to 5.8%. These transactions don't impact our SOTP model as we already included them at the time of the operation. We estimate the 3Q12 net cash position at € 198.6m (21.9% of NAV) versus € 207m at 1H12. The decrease is entirely linked to the € 9m capital increase of Pescanova. NAV on 15 November 2012 climbed to € 38.4 p.s. versus a reported € 36.71 p.s. at 1H12. The stock price followed suit and increased from € 22.6 at 1H12 to € 24.25 on 15 November. The FY12 current result will increase vs. FY11 levels, as Luxempart already received dividends north of the year-earlier level. The net result, which is affected directly by equity markets and IFRS-based valuation impacts, remains subject to stock market evolutions and the overall economy. Our View: Luxempart's portfolio currently combines listed investments in sectors Media & Communication (39% of NAV), Real Estate (1.9%), Insurance & Finance (13.3%), Energy (3%), Others (11.7%) and Private Equity investments (9.8%), both direct and indirect. An increase in FY12 current income indicates that Luxempart is likely to pursue its dividend policy (10% y/y growth), hence we keep our FY12 DPS forecast unchanged at € 0.83 p.s. (3.5% gross yield). Conclusion: We currently estimate adjusted equity value p.s. at € 38.13. We keep our € 26 TP unchanged, which implies a 31.95% discount (in line with 2Y average of 33.4%). As the upside potential versus current stock price remains limited to 4%, we downgrade to Hold from Accumulate.

30-08-2012: Paul Wurth sale produces "substantial" gain

Comprehensive 1H12 net result dropped to € 30.3m, as an increase in the current result (dividend income) was more than offset by a decline in income from associates and capital gains. Shareholder's equity at mid-August climbed to € 37.37, validating our SOTP model. TP and rating unchanged. News: 1H12 net result dropped 19.7% y/y to € 24.35m, while the comprehensive FY12 result (as variations in the value of the investment portfolio are swapped directly over equity) dropped 30.5% to € 34.46m (FY11: € 70.40m): 1/ A 14.1% y/y hike in the recurring result to € 24.9m (FY11: € 24.52m), reflecting higher dividend income from existing participations. These figures confirm our expectations that the FY12 recurring result will come in north of FY11 level, hence also lends credibility to our DPS forecast (+10% y/y to € 0.83 p.s., equalling a 3.7% yield.). 2/ Income from associates almost evaporated as it declined from € 8.72m to € 0.77m. We remind that 1H11 was driven by a € 7m capital gain on the sale of Velleman and Actief Interim (by Indufin Cap. Partners). 3/ Capital gains and valuation adjustments to the investment portfolio were few, but nevertheless produced a € 1.21m loss (1H11: € -0.23m).

Please press [here](#) to request a full historical news flow overview of the company

Sum-of-the-parts model

Participations	BB	Sector	Share price	# shares	Valuation method	Ownership	% of NAV	Value
Media & Communication							39.43%	376.6
SES Global	SESG FP	Telecom	24.59	12,538,000	listed	3.7%	32.28%	308.2
RTL Group	RTL BB	Media	60.47	1,130,000	listed	0.7%	7.16%	68.3
Real Estate							1.76%	16.8
Atenor	ATEB BB	Real Estate development	32.87	510,000	listed	10.1%	1.76%	16.8
Insurance & Finance							13.00%	124.1
Foyer	FOY LX	Insurance	52.20	485,937	listed	5.4%	2.66%	25.4
Foyer Finance		Holding company			KBCS est.	18.2%	10.34%	98.8
Others		Treasury shares					0.00%	0.0
Energy							2.66%	25.4
PNE Wind	PNE3 GR	Alternative energy	2.85	Convertible	listed	15.0%	1.88%	18.0
Poweo	ALPWO FP	Energy distribution	2.99	1,639,000	listed	3.5%	0.51%	4.9
SEO	SEOB LX	Energy distribution	282.50	8,925	listed	5.0%	0.26%	2.5
Private Equity							13.12%	125.3
Quip		Tempting agency			inv. value	51.0%	0.68%	6.5
DS Care		Resting homes			inv. value	45.1%	0.67%	6.4
IPS		Home Care			inv. value	-	0.98%	9.4
Intl. Electronics and Engineering		Electronics			KBCS est.	6.5%	0.63%	6.0
O3B		Satellite services			inv. value	-	0.59%	5.6
3rd party funds					Book value	0.0%	1.05%	10.0
Indufin Capital Partners					Book value	0.0%	4.66%	44.5
Acto & Acto Capital II					inv. value	-	3.86%	36.9
Other listed investments							9.83%	93.9
Pescanova		Fish and fish-by products	5.91	1,666,787	listed	5.8%	1.03%	9.9
Others							8.80%	84.0
Portfolio							79.8%	762.0
Net cash (incl. treasury shares)							20.2%	193.0
Adjusted equity value							100.0%	955.0

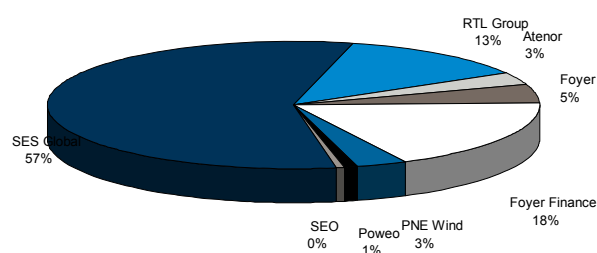
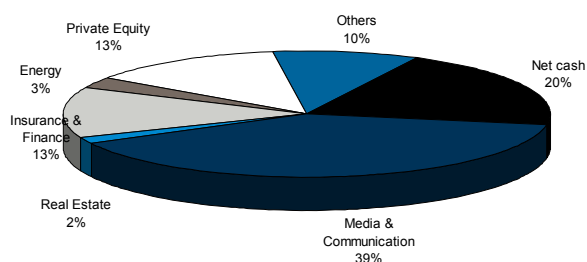
Number of shares (outstanding)		23,955,084
Treasury shares (for remuneration purposes, resale, collateral,...)	3.8%	909,470
Treasury shares (available for cancellation)	0.5%	120,000
Number of shares (for per share calculation)		23,835,084

Luxempart last price	26.94
Adjusted equity value p.s.	40.07
Current discount	32.76%

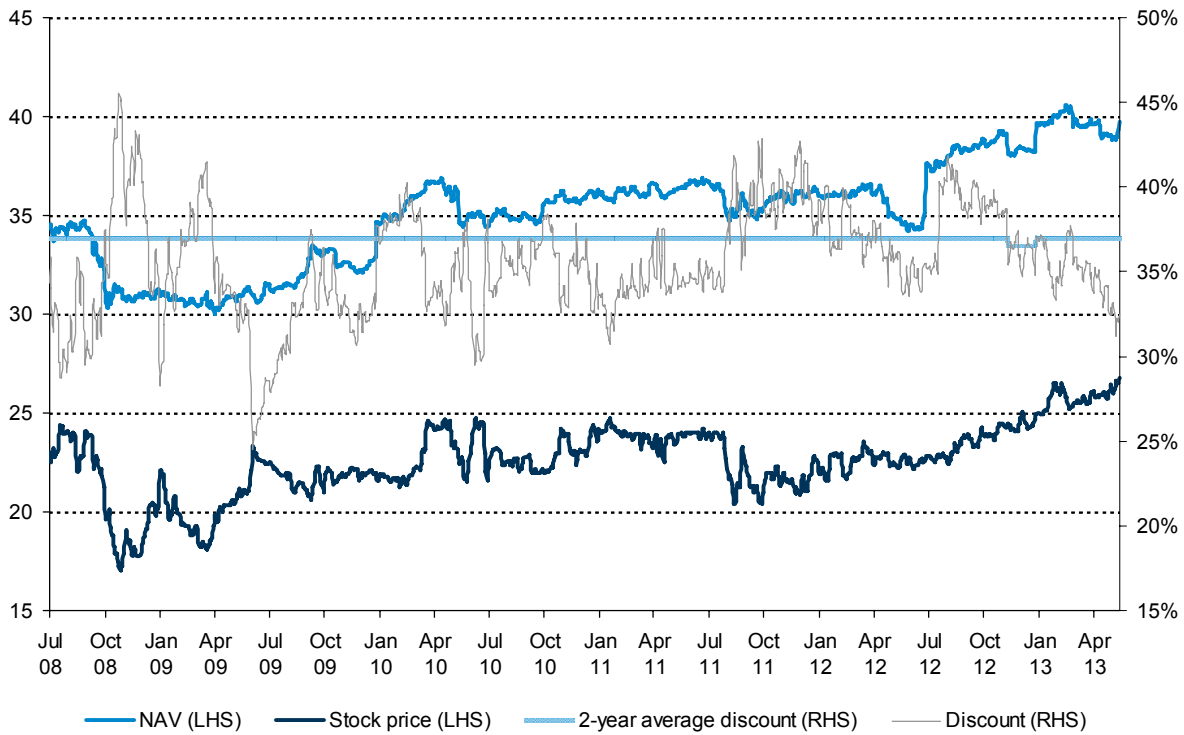
Target prices	Foyer	-	Atenor	34.00	
Target equity value					955.00
Target equity value p.s.					40.07
Discount to target equity value					32.76%

KBCS has a HOLD recommendation and a €28 target price.
The upside potential versus a stock price of €26.94 equals 3.93%.
The implied discount of our €28 target price vs. the target equity value is 30.12%.

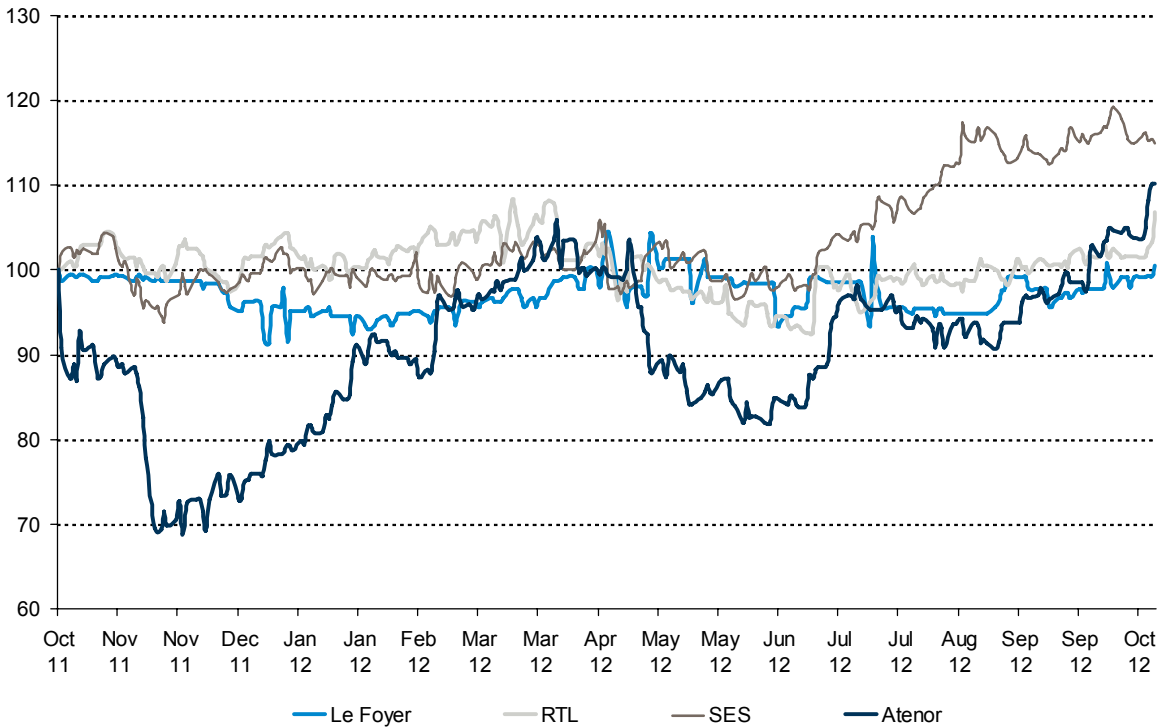
Graphical portfolio breakdown



Historical NAV overview



Stock price evolution quoted participations (-1 year, rebased to 100)



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010
Sales & operating income	8.1	10.5	12.4	16.0	19.3	18.5	21.3
Result from operating activities	6.6	9.0	10.4	12.1	15.9	12.3	16.6
Result from financing activities	1.3	2.4	1.6	3.7	-6.5	-5.6	-21.2
Result from extraordinary activities	1.4	22.7	18.1	41.4	17.8	100.2	12.5
Share of result of associates	10.9	4.5	12.2	10.8	3.0	0.2	2.8
Income taxes	-0.1	-1.4	-2.3	-0.7	0.0	-0.8	-0.1
Discontinued activities	0.0	0.0	0.0	0.0	7.4	0.0	2.6
Minorities	0.0	-0.6	-4.3	-8.4	-0.1	0.0	-0.1
Share of the group	20.1	36.6	35.7	58.8	37.5	106.3	13.1
Adjusted net result	11.1	22.6	17.2	34.7	27.5	21.9	25.4
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010
Intangible assets & goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Participations acc. for under equity method	91.1	80.8	107.8	115.8	45.3	65.7	68.6
Other financial assets	368.6	495.1	500.2	557.6	379.4	479.2	529.7
Cash & cash equivalents	17.5	61.5	27.4	61.0	88.3	218.7	214.5
Other assets	6.1	12.7	25.5	28.8	21.2	5.9	6.7
TOTAL ASSETS	483.3	650.2	660.9	763.3	534.2	769.5	819.6
Equity attributable to holders of the parent	430.2	580.9	587.5	752.0	612.1	758.5	813.8
Minorities	47.1	60.2	62.2	1.0	0.7	0.4	0.5
Financial debt	1.8	3.6	5.5	4.3	4.5	5.6	5.9
Other liabilities	4.2	5.4	5.7	6.0	5.1	5.0	5.1
TOTAL LIABILITIES	483.3	650.2	660.9	763.3	622.4	769.5	825.4
net debt	-15.6	-58.0	-21.9	-56.7	-83.7	-213.1	-208.6
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010
Cash flow from operating activities	3.9	57.0	-20.5	74.4	55.3	-30.4	14.6
Cash flow from investing activities	-3.6	-2.8	-2.8	-46.5	-14.2	177.0	-3.8
Dividends paid (consolidated)	-9.2	-10.2	-10.8	-11.4	-12.9	-16.1	-14.3
Other cash flow from financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash& equivalents	-8.9	44.1	-34.1	16.5	28.2	130.4	-3.5
Per share data	2004	2005	2006	2007	2008	2009	2010
Year-end share price (€)	15.0	18.4	18.2	24.5	20.0	21.6	24.3
Year-end market cap (€ m)	359.1	439.3	414.0	575.9	461.6	497.5	558.4
Weighted average # shares	23,937,930	23,937,930	22,747,390	23,507,890	23,078,220	23,030,610	23,028,460
Weighted average # shares, diluted	23,937,930	23,937,930	22,747,390	23,507,890	23,078,220	23,030,610	23,028,460
Basic EPS (€)	0.84	1.53	1.57	2.50	1.62	4.62	0.57
Diluted EPS (€)	0.84	1.53	1.57	2.50	1.62	4.62	0.57
NBV (€)	17.7	23.9	25.3	31.6	26.1	32.5	34.0
Adjusted equity value (€)	19.0	24.3	26.1	35.2	31.0	32.8	36.0
Premium (-) / Discount to (vs. YE stock price)	21.06%	24.39%	30.33%	30.40%	35.54%	34.06%	32.55%
Gross dividend	0.40	0.45	0.50	0.56	0.70	0.62	0.68
Gross dividend yield	2.63%	2.45%	2.75%	2.29%	3.50%	2.87%	2.81%
Ratios	2004	2005	2006	2007	2008	2009	2010
Return on Equity (avg)	8.2%	8.5%	6.1%	10.0%	5.0%	17.4%	1.7%
Total return	53.6%	25.0%	1.6%	37.4%	-16.1%	11.5%	15.1%
Pay-out ratio (adjusted net result)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
P/E	17.85	12.01	11.60	9.79	12.31	4.68	42.47
P/NBV	0.85	0.77	0.72	0.78	0.77	0.67	0.71
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010
Result from operating activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from financing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid (statutory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0
Capital and reserves	0	0	0	0	0	0	0
Provisions and deferred taxation	0	0	0	0	0	0	0
Liabilities	0	0	0	0	0	0	0
TOTAL ASSETS	0	0	0	0	0	0	0

Description

Punch is a holding company that after selling its stakes in the automotive and telematics sectors is exclusively active in the graphics sector via Xeikon

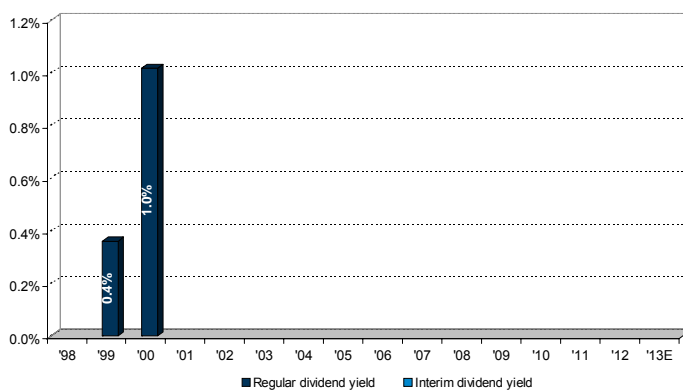
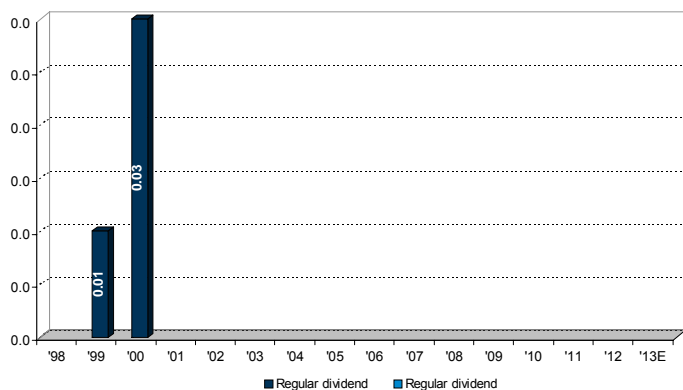
Investment cases

- Given the low weight of the other assets, buying PI basically equals a leveraged exposure to Xeikon
- Xeikon published relatively sluggish 1H12 results, due to Drupa and economic crisis
- Our SoP valuation (including a 25% discount) points to a € 3.3 target price
- For investors looking to gain exposure to Xeikon, we would advise to buyXeikon outright rather than through PI

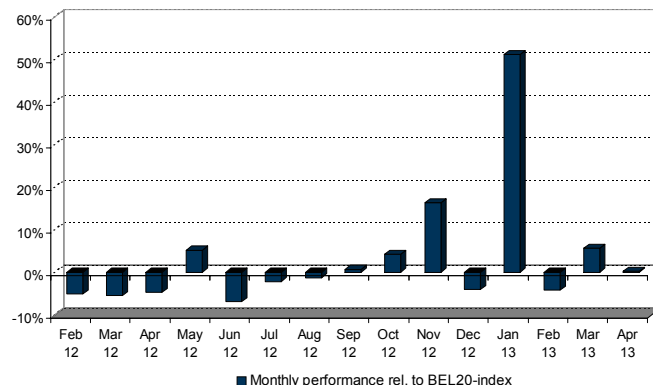
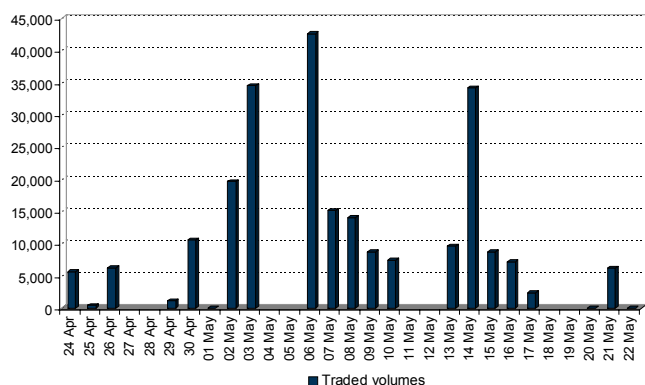
Shareholder structure

	# shs	% shs	value (€m)
Suma & Mohist	4,182,831	35.14%	24.55
Guido Dumarey	1,793,444	15.07%	10.53
Jan Hamelink	628,728	5.28%	3.69
West-Vlaamse Belegg.	394,092	3.31%	2.31
Goes Hoogstrate	360,457	3.03%	2.12
Fram	131,048	1.10%	0.77
Free float	4,412,705	37.07%	25.90

Dividend data



Volume and performance data



Analyst opinion

Stock price: € 5.85
 Target price: € 6.30
 Potential: 7.69%
 Rating: BUY

Company specifics

Market cap: € 70m
 Currency: EUR
 Avg. daily value: € 0.03m
 Avg. 3M volume: 8,464
 % chg 1M: 13.54%
 % chg 1Y: 132.94%
 52-week hi/lo: 5.98 / 2.28
 BB-code: PUN BB
 Reuters-code: PUNC.BR
 Web: w.punchinternational.com

Corporate calendar

17-May-2013 Trading update 1Q (A)
 23-May-2013 General Assembly (A)
 23-Aug-2013 Results 1H (A)
 09-Nov-2013 Results 3Q (A)

Sum-of-the-parts model

Participations	BB	Last price (€)	Est. value (100%, €m)	stake %	Valuation method	% of NAV	Est. value (stake, €m)
Xeikon (*)	XEI NA	5.00	143.6	65.68%	Stock price	110%	94.3
Accentis	ACCB BB	0.01	12.7	3.85%	Stock price	1%	0.5
Portfolio						110.5%	94.77
Net cash						-10%	-9.0
Adjusted equity value						100%	85.77
Number of shares (outstanding)							11,903,305
Treasury shares (for remuneration purposes, resale, collateral,...)						0.0%	0
Treasury shares (available for cancellation)						0.1%	13,104
Number of shares (for per share calculation)							11,890,201
Punch last price							5.87
Adjusted equity value p.s.							7.21
Implied discount							18.62%
Target prices							
Target equity value							85.77
Target equity value p.s.							7.21
Discount to target equity value							18.62%

KBCS has a BUY recommendation and a €6.3 target price.

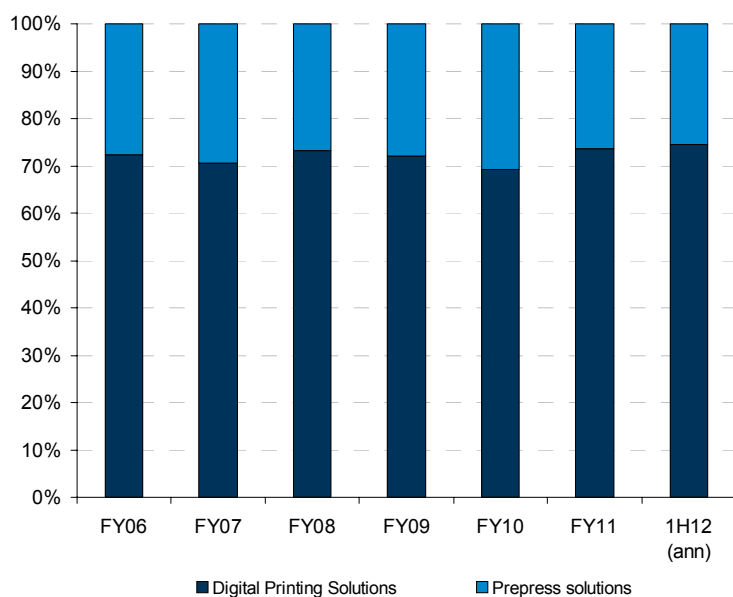
The upside potential versus a stock price of € 5.87 equals 7.33%.

The implied discount of our € 6.3 target price vs. the target equity value is 12.66%.

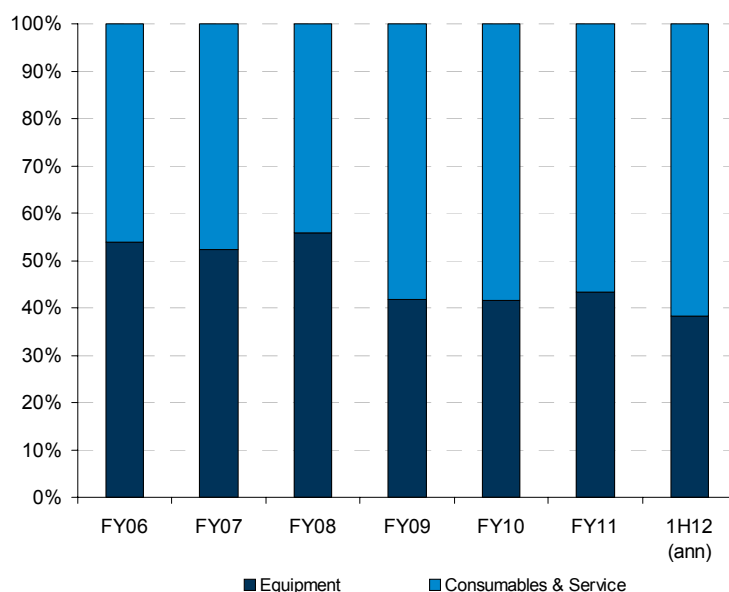
(*) Punch International holds 18,856,298 shares of Xeikon 65.68%), which in itself holds 3,032,752 treasury shares.

Should Xeikon decide to cancel its treasury shares, Punch International's stake will increase to 73.43%.

Xeikon sales (per segment)



Xeikon sales (per activity)



News flow

14-05-2013: 1Q13 update brings no news on Xeikon bid

Punch's 1Q13 update brought no new information on the possible take-over bid on Xeikon. The qualitative update on Punch's operations confirmed the solidity of the underlying asset. Buy and TP maintained. News: Punch's 1Q13 revenues rose from € 27.6m to € 27.9m. The increased revenue is due to a strong performance of Digital Printing Solutions (+12% to € 23m) while Prepress Solutions reported a decline of 30% to € 4.8m. Revenues from machine sales increased 4.7% to € 10.3m while recurring revenues from consumables and services declined with 0.7% to € 17.3m. Sales from Europe fell 17.7%, while Asia and the US increased 26.1% and 35.5% respectively. No additional information was given on the possible take-over bid on Xeikon. Our View: The 1Q13 update confirms our positive stance on Punch, based on the solid underlying recurring operations of Xeikon. We remind that Xeikon indicated early January that it is in discussion with a party that may be interested in making a public takeover bid for all Xeikon shares. We see 3 possible scenarios: 1. The bid grinds to a halt due to a giant red light (for whatever reason).

The Punch/Xeikon structure remains unaltered. 2. The bid is successful and includes both Xeikon and its 43.74% stake in Accentis. Punch Intl's upon closing will hold cash and a marginal stake in Accentis and shall be liquidated or acquired (to make use of the company's fiscal losses – if any). 3. The bid is successful, but excludes Xeikon's Accentis stake. One option would be that Gerard Cok, member of Accentis' BoD, bids for the Accentis stake. Conclusion: Based on yesterday's close, we estimate Punch's NAV at € 7.4 with a 19.5% discount. Our target price of € 6.3 is based on € 4.5 p.s. Xeikon-bid, which implies a Punch NAV of € 6.4 p.s. Our TP leaves 6% upside potential. Buy maintained.

27-02-2013: Solid Xeikon results; no news on bid

Punch International, Xeikon and Accentis reported FY12 results. Xeikon delivering strong recurring results, adding credibility to the pending bid. News: Punch International's FY12 net profit came in at € 9.3m (FY11 net profit: € 11.9m), with an EBITDA decline to € 32.6m (FY11 € 35.0m). Consolidated, PI's results are determined entirely by the results of 65.68%-held Xeikon, a 3.85% stake in Accentis and a declining number of liabilities on the balance sheet (estimated net debt of € 9m). Cash from operating activities increased from € 14.2m to € 24.4m while cash used for investing (€ 6.5m, related to acquisitions) and financing (€ -10.0m, due to repaying € 10m of the syndicated loan) resulted in a € 7.5m net cash flow (€ 0m in FY11). In all, net financial debt decreased from € 70m (YE11) to € 50m.

Xeikon's FY12 net profit increased from € 7m to € 8.9m, with a flat sales figure of € 131m. EBITDA increased from € 30.5m to € 32.0m, while EBIT climbed from € 19.5m to € 20.2m. No FY13 outlook was given. Accentis reported rental income of € 13.8m (FY11 € 13.8m). Occupancy rates nevertheless fell from 89.5% to 85.3%. EBITDA increased to € 10.5m (FY11: € 8.2m), while FY11 negative EBIT of € 40.2m increased to € 10.6m in FY12 (due to negative fair value adjustments on the real estate portfolio, which is conducted on a 3-year basis). Net profit therefore came in at € 0.6m, versus a net loss of € 38.45m in FY11. Earlier comments of Xeikon indicating that it is in discussion with a party that may be interested in making a public takeover bid for all Xeikon shares were repeated. Our View:

Xeikon's solid underlying results illustrate that the label printing business still offers satisfying cash flows. The fact that the company received interest of a potential acquiring party therefore doesn't come as a surprise to us.

We see 3 possible scenarios: 1. The bid grinds to a halt due to a giant red light (for whatever reason).

The Punch/Xeikon structure remains unaltered. 2. The bid is successful and includes both Xeikon and its 43.74% stake in Accentis. Punch Intl's upon closing will hold cash and a marginal stake in Accentis and shall be liquidated or acquired (to make use of the company's fiscal losses – if any). 3. The bid is successful, but excludes Xeikon's Accentis stake. One option would be that Gerard Cok, member of Accentis' BoD, bids for the Accentis stake. We base our Buy rating upon a € 4.5 p.s. bid, which implies a Punch NAV of € 6.42 p.s.

29-01-2013: Dumarey increases stake from 11.5% to 15.1%

A transparency declaration reveals that Guido Dumarey and his wife increased their stake in Punch from 11.5% to 15.07%. No impact on NAV/rating/TP. Our View: Mr. Dumarey's increased ownership fuels the Xeikon – Punch take-out speculation. We remind that early January, both Punch and Xeikon were suspended from trading, ahead of a release in which discussion with a party that may be interested in making a public takeover bid for all of Xeikon was disclosed. Xeikon refrained from identifying the bidder. NPM Capital backed out from a € 4.65 p.s. offer in March 2010. In late March 2010, Dutch Investment company NPM Capital offered to takeout Punch Graphix (redubbed Xeikon) for € 4.65 p.s. in cash plus an approx. € 0.17 p.s. payment via the distribution of the Accentis share. But NPM Capital backed out because "a number of necessary conditions were not fulfilled". We see 3 possible scenarios

1. The bid grinds to a halt due to a giant red light (for whatever reason). The Punch/Xeikon structure remains unaltered and questions will again be asked why an offer falls through yet again. Stock price will suffer.

2. The bid is successful and includes both Xeikon and its 43.74% stake in Accentis. Punch Intl's upon closing will hold cash and a marginal stake in Accentis and shall be liquidated or acquired (to make use of the company's fiscal losses – if any). Punch will quote close to NAV, with an estimated discount of 5%. Euronext's death toll: 2 members.

3. The bid is successful, but excludes Xeikon's Accentis stake. One option would be that Gerard Cok, member of Accentis' BoD, bids for the Accentis stake. Euronext's potential death toll: 3 members. Conclusion: Based on yesterday's closing prices, we estimate Punch's NAV at € 6.01 p.s. with a discount of 16.8% (Xeikon closing price of € 4.24 p.s.). We base our Buy rating upon a € 4.5 p.s. bid, which implies a Punch NAV of € 6.42 p.s.

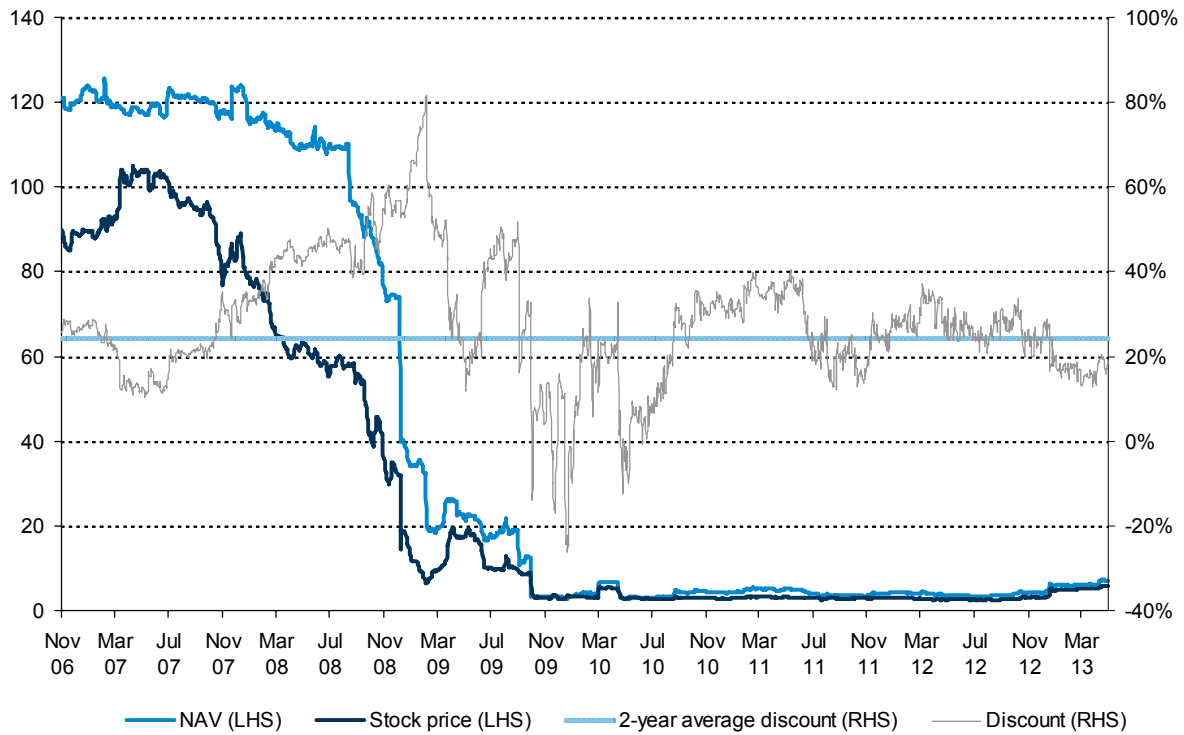
09-01-2013: Potential bid on Xeikon

Both Punch and Xeikon were suspended from trading, ahead of a release in which discussion with a party that may be interested in making a public takeover bid for all of Xeikon was disclosed. Xeikon refrained from identifying the bidder. We upgrade Punch to Buy and increase our TP to € 6.3 Remnants of the decayed Dumarey-empire: Punch International is a mono-holding company that offers a leveraged exposure to Xeikon: it holds a 65.68% stake in Xeikon (previously dubbed Punch Graphix). This represents 115% of Punch's NAV and is flanked by a 3.85% stake in Accentis (€ 0.5m) and debt owed to Xeikon (€ 9.0m). The remaining Xeikon shares are held by the public (23.76%) and treasury shares (10.56%). We note that Xeikon holds a 43.74% direct stake in Accentis. NPM Capital backed out from a € 4.65 p.s. offer in March 2010. In late March 2010, Dutch Investment company NPM Capital offered to take out Punch Graphix for € 4.65 p.s. in cash plus an approx. € 0.17 p.s. payment via the distribution of the Accentis share. But NPM Capital backed out because "a number of necessary conditions were not fulfilled". We see 3 possible scenarios

• The bid grinds to a halt due to a giant red light (for whatever reason). The Punch/Xeikon structure remains unaltered and questions will again be asked why an offer falls through yet again. Stock price will suffer.

• The bid is successful and includes both Xeikon and its 43.74% stake in Accentis. Punch Intl's upon closing will hold cash and a marginal stake in Accentis and shall be liquidated or acquired (to make use of the company's fiscal losses – if any). Punch will quote close to NAV, with an estimated discount of 5%. Euronext's death toll: 2 members.

Historical NAV overview



Stock price evolution quoted participations (-1 year, rebased to 100)



Financial data

Income statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Sales & operating income	248.1	353.3	258.0	433.4	485.3	208.3	155.3	140.4
Result from operating activities	26.1	46.4	28.6	30.3	47.2	-113.1	-6.9	23.8
Result from financing activities	-4.5	-7.5	-8.6	5.2	-9.6	-8.0	-0.2	0.3
Result from extraordinary activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of result of associates	0.1	2.6	7.0	-1.8	0.4	-0.8	-7.9	-7.8
Income taxes	-5.6	-0.6	-6.0	-5.2	5.2	-0.2	-3.4	-4.5
Discontinued activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-2.9	0.0	0.0	3.7	-4.7	4.6	-1.0	-1.7
Share of the group	13.1	40.9	21.1	32.2	38.6	-117.5	-19.3	10.2
Adjusted net result	16.0	40.9	21.1	28.5	38.6	-117.5	-19.3	10.2
Balance sheet (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Intangible assets & goodwill	38.2	36.4	59.1	176.4	164.3	134.4	111.5	114.1
Tangible assets	153.2	119.4	178.2	264.9	89.2	21.8	17.1	12.1
Participations acc. for under equity method	1.5	48.2	53.3	0.0	21.9	20.5	22.5	13.3
Other financial assets	5.1	8.9	15.1	0.0	22.8	20.6	13.1	10.0
Cash & cash equivalents	14.8	20.0	16.4	56.7	32.8	41.2	22.4	22.4
Other assets	122.1	101.5	82.5	190.6	215.9	120.0	85.4	88.0
TOTAL ASSETS	334.9	334.5	404.5	688.6	546.9	358.5	272.0	259.8
Equity attributable to holders of the parent	96.1	141.9	175.2	245.3	222.2	128.7	109.2	120.5
Minorities	4.8	8.9	24.8	70.1	65.6	59.3	47.2	46.7
Financial debt	137.3	88.7	127.6	241.6	133.8	93.7	65.9	53.7
Other liabilities	96.8	94.9	76.9	131.6	125.3	76.9	49.7	39.0
TOTAL LIABILITIES	334.9	334.5	404.5	688.6	546.9	358.5	272.0	259.8
net debt	122.5	68.7	111.2	184.9	101.0	52.4	43.5	31.3
Cash flow statement (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Cash flow from operating activities	33.6	44.5	29.5	118.5	5.7	28.0	-11.4	2.6
Cash flow from investing activities	-38.4	-17.2	-93.1	-188.6	-46.1	-11.3	-4.1	-2.9
Dividends paid (consolidated)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other cash flow from financing	10.9	-22.1	60.0	110.4	-11.5	9.2	-15.7	-11.3
Fx and changes to consolidation scope	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash& equivalents	10.9	-22.1	60.0	40.3	-51.9	25.9	-31.2	-11.6
Per share data	2004	2005	2006	2007	2008	2009	2010	2011
Reference share price (€)	45.0	77.0	88.1	7.5	18.8	2.9	2.9	3.0
Reference market cap (€ m)	94.8	165.5	190.6	17.9	44.6	7.0	35.0	36.2
Weighted average # shares	2,107,492	2,148,795	2,164,238	2,380,661	2,380,661	2,432,840	11,903,305	11,903,305
Weighted average # shares, diluted	2,107,492	2,148,795	2,164,238	2,380,661	2,380,661	2,432,840	11,903,305	11,903,305
Basic EPS (€)	8.10	19.00	9.70	12.60	16.19	-48.28	-1.62	0.85
Diluted EPS (€)	8.10	19.10	9.70	12.60	16.19	-48.28	-1.62	0.85
NBV (€)	45.6	65.6	81.0	103.0	93.3	52.9	9.2	10.1
Adjusted equity value (€)	45.6	65.6	81.0	103.0	39.9	3.2	4.3	4.0
Premium (-) / Discount	1.33%	-14.83%	-8.04%	15.13%	53.05%	11.11%	31.31%	24.38%
Gross dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ratios	2004	2005	2006	2007	2008	2009	2010	2011
Return on Equity (avg)	13.7%	42.6%	14.8%	18.4%	15.7%	-52.9%	-15.0%	9.3%
Total return	63.3%	71.1%	14.4%	-91.4%	148.8%	-84.6%	2.1%	3.4%
Pay-out ratio (adjusted net result)	0.0%	0.0%	0.0%	-9.9%	-7.3%	0.0%	0.0%	0.0%
P/E	5.56	4.05	9.08	0.60	1.16	-0.06	-1.81	3.56
P/NBV	0.99	1.17	1.09	0.07	0.20	0.05	0.32	0.30
Statutory data (€m)	2004	2005	2006	2007	2008	2009	2010	2011
Result from operating activities	0.0	-6.9	-1.1	-2.5	-6.6	-19.2	-1.3	-0.1
Result from financing activities	4.5	0.4	-3.0	-5.5	-4.0	-58.0	-1.5	-1.3
Result from extraordinary activities	1.7	23.7	-8.2	68.4	147.1	-45.9	-21.1	4.8
Income taxes	0.0	0.0	-0.5	0.5	0.0	-0.2	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	6.2	17.2	-12.3	60.3	136.4	-123.1	-23.9	3.4
Dividends paid (statutory)	0.0	0.0	0.0	-2.8	-2.8	0.0	0.0	0.0
Financial assets	86	74	131	270	240	149	110	108
Other assets	34	53	32	9	28	17	9	1
Capital and reserves	70	89	105	158	222	119	95	98
Provisions and deferred taxation	0	0	2	1	2	14	3	2
Liabilities	50	38	57	120	44	33	22	9
TOTAL ASSETS	120	127	164	279	268	166	119	109

Description

RHJ International is transforming itself into a financial services company under the Kleinwort Benson brand and is currently in the process of selling its "legacy" industrial portfolio.

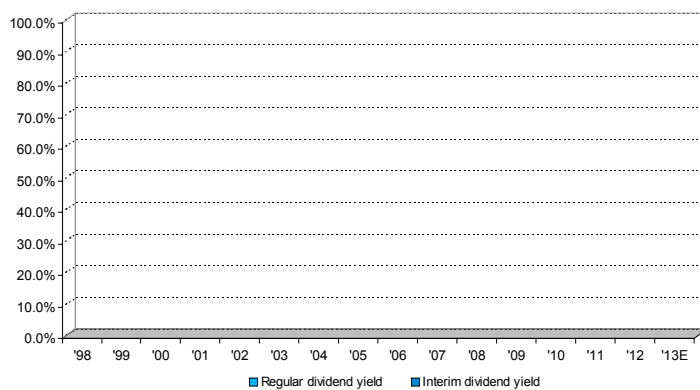
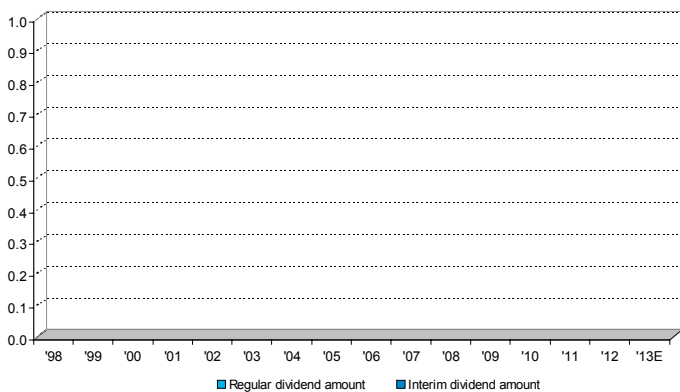
Investment cases

- RHJI sold its stake in Shaklee for a price (JPY500) that is significantly below closing price (JPY825)
- RHJI aims to use its € 245m war chest for boosting its position in the finance sector (BHF-Bank)
- RHJI's discount to NAV reflects uncertainty about the exit value of the remaining industrial portfolio
- RHJI aims to rename into Kleinwort Benson Group and could list in London as a full-fledged merchant bank

Shareholder structure

	# shs	% shs	value (€m)
Franklin Templeton	13,249,064	15.49%	52.20
T. Collins & aff. parties	11,183,654	13.07%	44.06
BlackRock Group	8,002,363	9.35%	31.53
Davis Selected Advisors	4,226,537	4.94%	16.65
EMS Capital	4,298,418	5.02%	16.94
Third Avenue Mgt	3,934,399	4.60%	15.50
Free float	40,651,112	47.52%	160.17

Dividend data



Analyst opinion

Stock price:	€ 3.80
Target price:	€ 4.80
Potential:	26.32%
Rating:	BUY

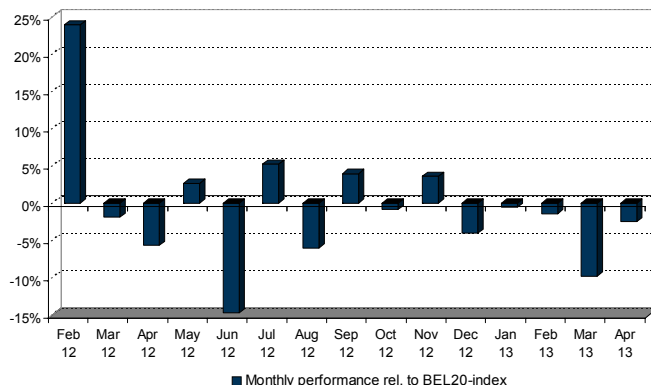
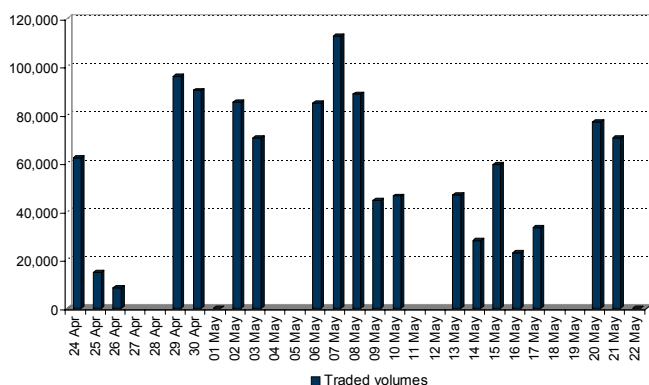
Company specifics

Market cap:	€ 337m
Currency:	EUR
Avg. daily value:	€ 0.20m
Avg. 3M volume:	87,473
% chg 1M:	16.22%
% chg 1Y:	6.49%
52-week hi/lo:	4.47 / 3.34
BB-code:	RHJI BB
Reuters-code:	RHJI.BR
Web:	www.rhji.com

Corporate calendar

15-Nov-2012 Trading update 3Q (A)

Volume and performance data



News flow

15-05-2013: Deep-discounted sale of Shaklee stake

RHJI agreed with Shaklee Global Group to sell a 39% equity stake via a share buyback transaction. As this is done at a disappointingly high discount, the impact on NAV is negative to the tune of € 0.34. Combined with a cash burn related to the operating entities and the still-pending acquisition of BHF Bank, we decided to lower our TP from € 5.6 to € 4.8. News: According to the press release, the sales price of JPY 500 per share is in line with the share price underlying the current carrying value and translates into gross proceeds of € 38.2m. This is below the current carrying value of the Shaklee stake due principally to adverse movements in the exchange rate between the Japanese Yen and the Euro. On closing, the expected gross cash proceeds from the transaction will be € 30.6m, of which withholding taxes will shave off another € 2.7m. The remaining 20% of the gross consideration will be deferred in the form of an interest bearing payment undertaking issued by Shaklee with a maturity of, at most, 3 years. Completion is expected to occur towards the end of the second quarter. Post transaction RHJI will maintain a 1.6% stake in Shaklee. Our View: RHJI was in a poor bargaining position to sell its Shaklee-stake. However, we didn't expect this to be as poor as implied in the willingness to settle for such a steep discount. As a result of the divestment, we fine-tuned our SOTP model and now estimate NAV at € 6.09 per share, down € 0.34 versus previous estimates. This is – needless to say – disappointing, especially since Shaklee's operating metrics have evolved favourably over the past couple of years. Conclusion: After yet another disappointment, all eyes are fixed on the still-pending acquisition of BHF Bank. Here, too, we – as well as all other investors – are seriously disappointed with both the speed and costs of the transaction. We lower our TP from € 5.6 to € 4.8, which reflects both the lower-than-expected Shaklee price and the costs that are borne by both the parent company and the acquisition process. We leave our Buy rating unchanged, as a falling-through of the BHF deal could prompt a huge cash return to shareholders.

20-09-2012: (finally) Agrees with DB on €384m BHF-bank deal

Kleinwort Benson Group (KBG) confirmed that an agreement with Deutsche Bank has been reached to acquire BHF-Bank, one Germany's leading private banks. Details of the transaction: KBG will acquire 100% of BHF-BANK for an agreed consideration of € 384m, which will be paid in cash and is subject to closing purchase price adjustments. In addition to funds provided by RHJI, the associated capital increase in KBG is supported by Fosun Group, AQTON SE (the wholly owned strategic investment company of German entrepreneur Stefan Quandt), entities affiliated with Timothy C. Collins, and individual investment funds managed and/or sub-advised by BlackRock Investment Management. BHF-bank has € 36bn under management and forms a strong strategic fit with KBG. The press release did not specify an exact timing for completion of the transaction, which remains contingent upon BaFin's nod. In case of approval, RHJI will remain a majority shareholder in KBG, with a stake of approximately 60%. Our View: This is the one deal investors have been waiting for: upon closing, the addition of BHF Bank to Kleinwort Benson Group will wrap up a long transformation process away from a traditional Private Equity investor into a full-fledged Merchant Bank. What remains are equity stakes in Shaklee and SigmaXYZ (which we believe should be shed relatively quickly) and Quirin Bank (destination unknown). What also remains are a heap of questions, not in the least the cash amount RHJI is contributing to the capital increase of KBG, the valuation of the latter related to the capital increase, whether or not a quick re-listing will be pursued (UK? Frankfurt?), the exact balance sheet and P&L of BHF Bank, etc. We expect more will be disclosed on today's analyst and investor call, which is scheduled for at 11:00 am (New York) / 4:00 pm (London) / 5:00 pm (Brussels). Conclusion: In terms of valuation, we stick to our € 5.6 p.s TP for now, but note that a valuation multiples for a traditional, highly liquid, well-funded merchant bank the likes of Kleinwort Benson (Close Brothers, Rathbone Brothers, Julius Baer, Vontobel, Bank Sarasin, ...) are way north of RHJI's current 41.3% discount. At equity value, RHJI is worth an estimated € 6.5 p.s.

31-08-2012: 1H12 produces no reason for excitement

RHJI posted another net loss in 1H12. The underlying operations at Kleinwort Benson appear stable, despite its even more conservative investment approach. We reduce our TP from € 6.2 to € 5.6, which aligns the implied discount (now 20%) with a level we deem justified. Buy rating maintained. News: RHJI's conso 1H12 net loss of € 36.2m (1H11 net profit: € 58.2m) is tainted by marking-to-market Shaklee instead of carrying at cost (as we already did in our SOTP model. Negative impact: € 26.2m) and a € 84.7m one-off gain in 1H11. Excluding one-offs, conso operating profit improved from € 25.8m (1H11) to € 22.2m (1H12), as a 23.6% y/y hike in net commission and fee income to € 49.6m outpaced a 3.2% y/y rise in G&A expenses. Kleinwort Benson's 1H12 operating loss of £ 1.3m (down vs. a pro-forma 1H11 loss of € 0.2m) corresponds with a cost/income ratio of 102.9% (YE11: 97.9%, 1H11: 97.2%). items (new business lines, fair value movements and restructuring costs) totalled € 5.7m, producing pre-tax operating income of € 4.4m. AUM increased slightly to £ 5.18bn (YE11: £ 5.16bn, of which 50% consists of discretionary mandates), as positive market effects (£ 74m) outnumbered net outflows of £ 58m). The balance sheet still doesn't depend on wholesale funding and reported a 9% ytd hike in customer deposits (to £ 2.31bn). The 22.4% loan-to-deposit ratio (26.6% at YE11) reflects not having extended maturing loans and leaves ample leverage potential remains untapped. Cash and eligible liquid assets account for 59% of the £ 1.7bn treasury book, which reflects the bank become even more conservative. Risk-weighted assets total £ 862m, producing a Tier-1 ratio of 21.4% (YE11: 26.6%). In all, KB remains a hugely liquid bank with ample potential to lever its balance sheet. For the time being, we stick to our € 254.4m valuation (which equals 1x tangible equity of € 257m at 1H12). Kleinwort Benson investors reported a € 0.1m operating income (cost/income of 98%, vs 110% at YE11), driven by ongoing cost efficiency. AuM increased 4% YTD to £ 2.94bn (here, too, market effects of € 158m outnumbered net outflows of € 43m). We stick to invested assets of € 23.7m for our valuation. Net cash at the holding level came in € 4m below forecasts, mainly due to € 22.4m (€ 16.5m on a continuing basis) in 1H12 operating costs being north of our projections. Management states that it's on track to reduce fixed holding costs to less than € 15m by YE12 (1H12: € 10.7m). Adjusting for these, we estimate net cash at € 222.3m (36.7% of NAV). Conclusion: No comments were given on BHF, while Kleinwort Benson shows little top line growth, but despite lower loan book and € 58m net outflows, fee & commission income remains stable as expenses appear well under control. Holding costs came down, but there is room for more. We decided to lower our TP from € 6.2 to € 5.6, reflecting cash outflow and an alignment with the 20% discount we deem justified for RHJI. We estimate NAV at € 7.08 p.s.

19-07-2012: Insufficient funding structure stalls BHF bid (again)

Germany's financial-market watchdog BaFin yesterday said that RHJ International's financing concept to acquire Deutsche Bank's BHF Bank private-banking unit isn't yet sufficient. A BaFin spokesman added, however, that the review was an informal process and "the door is not closed." We recall that at the beginning of June, RHJI confirmed in a brief press release that it was still in negotiations to acquire Germany-based BHF Bank from Deutsche Bank, a process that started on 7 July 2011 in the form of exclusive negotiations. The press release stated that support from co-investors had been secured and an informal dossier was submitted to German watchdog BaFin. Our view: We haven't been able to procure comments from Deutsche Bank, RHJI or BaFin, leaving us in the dark as to how to correctly interpret what is needed to make the dossier "sufficient" for BaFin. We remind that the BHF pursuit has been running for nearly 12 months now and that RHJI communicated that it secured the support of co-investors to buy BHF in early June. So, does the deal fall through? No, it doesn't. But it does mean that the parties are still not allowed to uncork the champagne. The fact that RHJI has submitted an informal dossier makes that it can amend its proposal to suit BaFin requirements, if – of course – this is a viable option for RHJI. Should

Sum-of-the-parts model

Portfolio	Ticker	Sector/country	% Ownership	Valuation	% of NAV	Stake value EUR (€m)
Private Banking					50.64%	265.02
Kleinwort Benson	QB7 GR	United Kingdom	100.00%	1x TEV	39.20%	205.14
Kleinwort Benson Investors		Ireland	100.00%	Inv. value	4.53%	23.70
Quirin Bank		Germany	27.80%	1.30	2.98%	15.58
Ripplewood Fund LSP		US	13.00%	Inv. value	2.77%	14.50
Arecon		Switzerland	60.00%	Inv. value	1.17%	6.10
Industrial portfolio					2.50%	13.08
Shaklee	8205 JP	Nutrition	1.90%	¥ 1204	0.86%	4.48
SigmaXYZ		ICT consulting	21.80%	Inv. value	1.64%	8.60
Portfolio					53.14%	278.10
Net cash (incl. loans)					46.86%	245.20
Adjusted equity value					100.00%	523.30

Number of shares (outstanding)	85,545,547
Treasury shares (for remuneration purposes, resale, collateral,...)	2.33% 1,992,079
Treasury shares (available for cancellation)	0.00% 0
Number of shares (for per share calculation)	85,545,547

RHJ International last price	3.94
Adjusted equity value p.s.	6.12
Current discount	35.6%

Target prices	
Target equity value	523.30
Target equity value p.s.	6.12
Discount to target equity value	35.6%

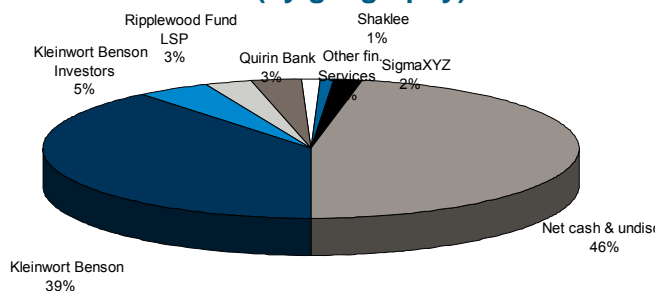
KBCS has a BUY recommendation and a €4.8 target price.

The upside potential versus a stock price of € 3.94 equals 21.83%.

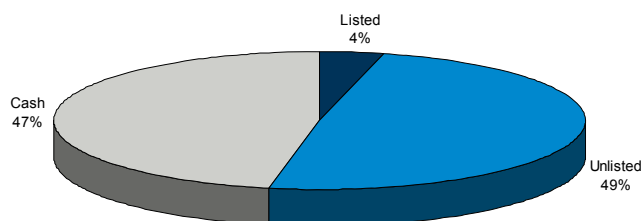
The implied discount of our € 4.8 target price vs. the target equity value is 21.53%.

The NAV model uses exchange rates of 132.46 YEN/EUR and 0.852 EUR/GBP.

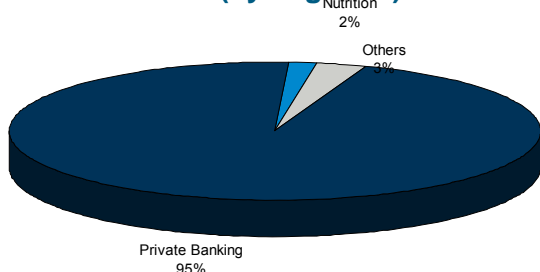
Portfolio breakdown (by geography)



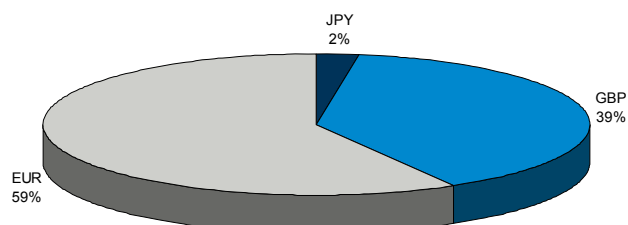
Portfolio breakdown (by asset class)



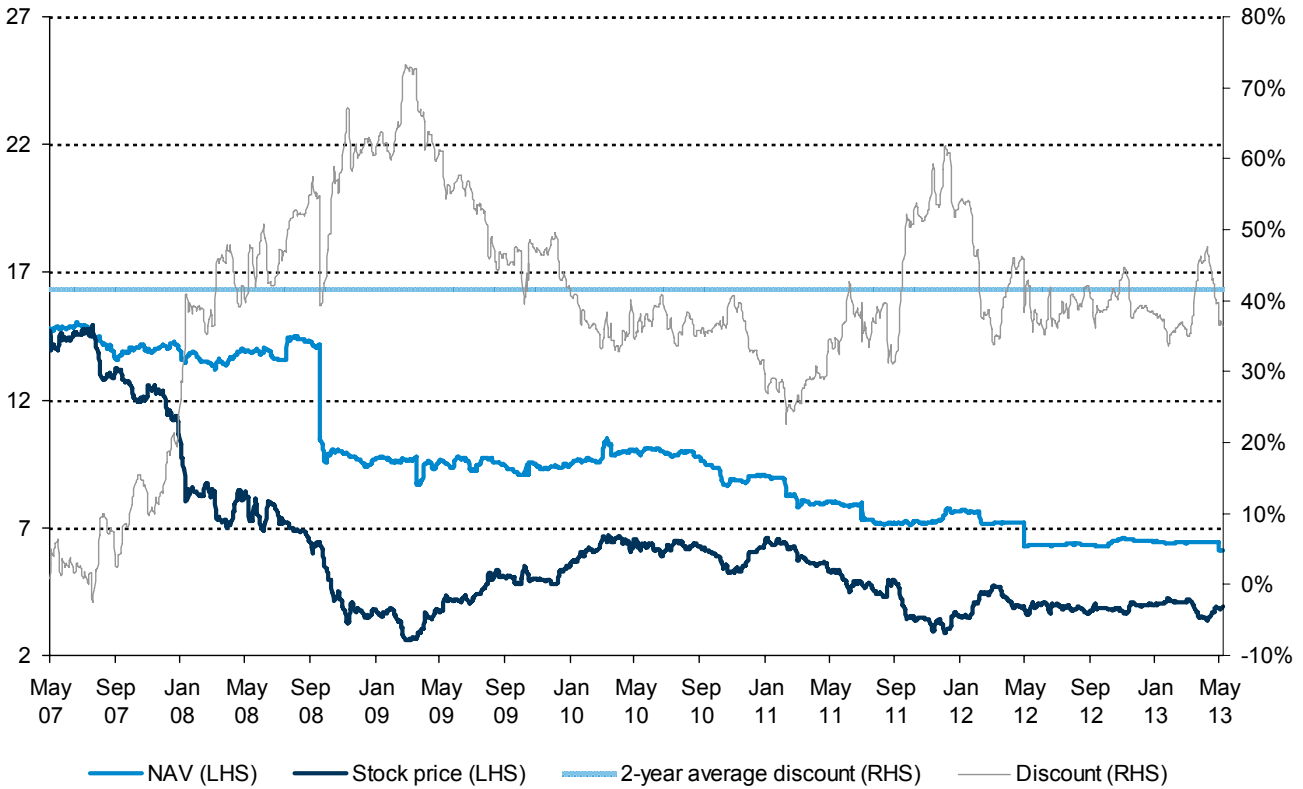
Portfolio breakdown (by segment)



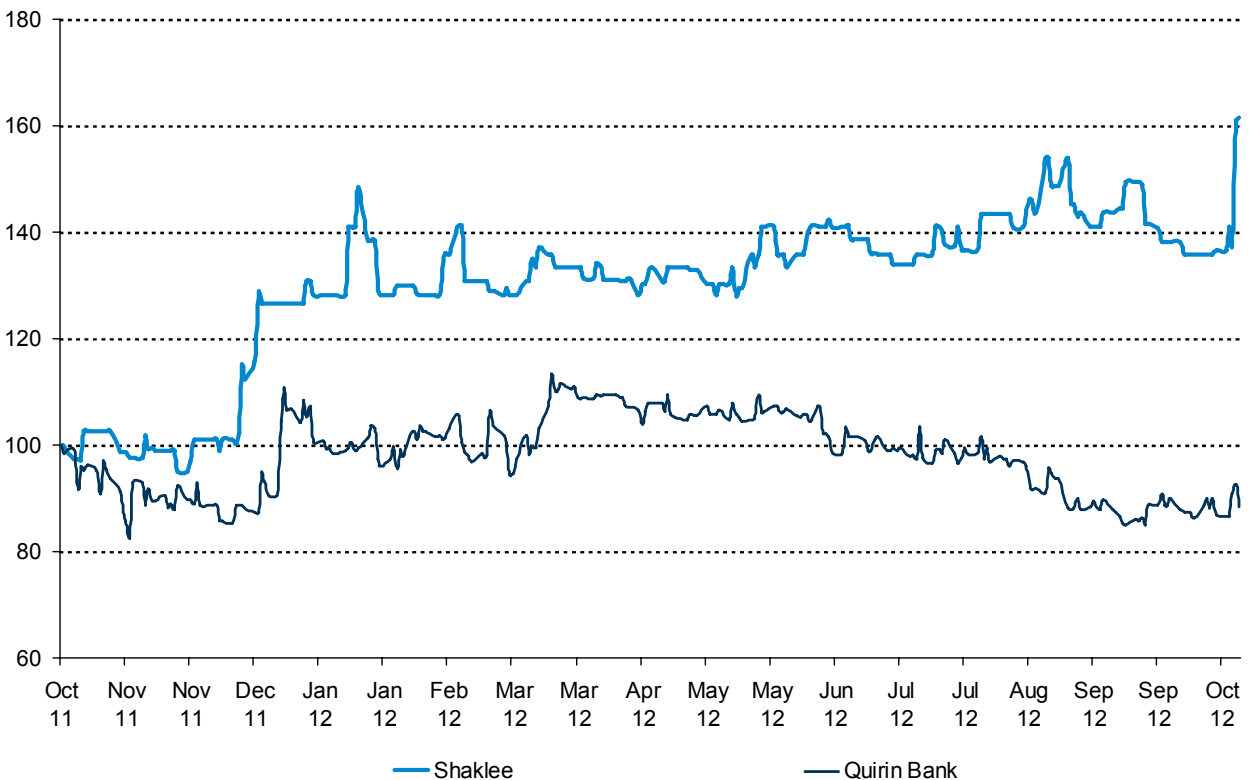
Portfolio breakdown (by FX exposure)



Historical NAV overview



Stock price evolution quoted participations (-1 year, rebased to 100)



Financial data

Income statement (¥ m)	04/05	05/06	06/07	07/08	08/09	09/10	FY10
Sales & operating income	2,538	2,573	2,322	3,495	1,873	553	610
Result from operating activities	-55	-39	-144	-217	-696	-67	-80
Result from financing activities	-44	-22	-31	-172	-85	9	24
Result from extraordinary activities	2	-8	-6	-113	73	-39	0
Share of result of associates	2	3	3	5	-44	9	5
Income taxes	-25	-7	35	1	29	29	-2
Discontinued activities	0	-37	-5	-7	-206	522	-95
Minorities	-31	46	49	178	116	-118	55
Share of the group	-153	-55	-93	-211	-885	384	-92
Adjusted net result	-153	14	62	30	-378	390	-53
Balance sheet (¥ m)	04/05	05/06	06/07	07/08	08/09	09/10	FY10
Intangible assets & goodwill	840	842	1,354	1,024	387	197	57
Tangible assets	1,007	1,037	1,376	1,224	1,087	726	310
Participations acc. for under equity method	95	99	137	142	94	107	109
Other financial assets	31	138	137	181	59	3	627
Cash & cash equivalents	0	21	10	461	552	490	131
Other assets	1,632	1,736	1,805	1,258	529	437	1,792
TOTAL ASSETS	3,604	3,874	4,819	4,290	2,708	1,960	3,026
Equity attributable to holders of the parent	1,339	1,460	1,251	1,060	307	723	643
Minorities	274	267	408	244	54	104	101
Financial debt	938	1,009	1,671	1,449	1,441	517	1,674
Other liabilities	1,053	1,138	1,489	1,523	924	616	609
TOTAL LIABILITIES	3,604	3,874	4,819	4,276	2,727	1,960	3,026
net debt	938	988	1,661	988	890	28	1,543
Cash flow statement (¥ m)	04/05	05/06	06/07	07/08	08/09	09/10	FY10
Cash flow from operating activities	0	67	96	86	-33	-5	-439
Cash flow from investing activities	0	-139	-377	-267	80	10	642
Dividends paid (consolidated)	0	-1	0	0	0	0	0
Other cash flow from financing	478	412	103	-130	-66	-42	-51
Fx and changes to consolidation scope	0	31	1	-4	-23	-17	-16
Change in cash & equivalents	0	-25	-63	-233	24	-38	152
Per share data	04/05	05/06	06/07	07/08	08/09	09/10	FY10
Year-end share price (€)	22.5	19.5	15.0	7.3	2.7	68.0	6.2
Year-end market cap (€ m)	1,751.3	1,527.7	1,283.2	620.2	230.1	5,817.1	530.4
Weighted average # shares	77,835,547	78,183,081	85,545,547	85,545,547	85,545,547	85,545,547	85,545,547
Weighted average # shares, diluted	77,835,547	78,183,081	85,545,547	84,222,034	84,222,034	83,585,628	84,839,242
Basic EPS (JPY)	-1.56	-0.71	-1.09	-2.47	-11.70	4.49	-1.08
Diluted EPS (JPY)	-1.56	-0.71	-1.09	-2.47	-10.51	4.49	-1.08
NBV (€)	17.2	18.7	14.6	12.4	3.6	8.4	7.5
Adjusted equity value (€)	17.1	19.1	16.1	13.5	9.8	10.3	9.1
Premium (-) / Discount to (vs. YE stock price)	-31.35%	-2.41%	6.89%	46.34%	72.44%	-560.19%	31.49%
Gross dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ratios	04/05	05/06	06/07	07/08	08/09	09/10	FY10
Return on Equity (avg)	-11.4%	-3.8%	-7.4%	-19.9%	-287.8%	53.1%	-14.3%
Total return	16.9%	-13.2%	-23.2%	-51.7%	-62.9%	2427.9%	-90.9%
Pay-out ratio (adjusted net result)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
P/E	-14.42	-27.58	-13.80	-2.94	-0.23	15.15	-5.76
P/NBV	1.31	1.05	1.03	0.58	0.75	8.05	0.82
Statutory data (¥ m)	04/05	05/06	06/07	07/08	08/09	09/10	FY10
Result from operating activities	-84.3	-15.5	-19.6	-25.1	-48.3	-29.4	-35.6
Result from financing activities	0.0	37.9	41.2	-10.7	-32.1	-17.6	1.6
Result from extraordinary activities	0.0	-15.4	5.0	-0.1	-600.5	3.7	-134.3
Income taxes	0.0	0.0	-0.1	-0.1	-0.2	0.0	0.0
PROFIT/LOSS FOR THE PERIOD	-84.3	7.0	26.6	-35.9	-681.0	-43.3	-168.3
Dividends paid (statutory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	1,373	1,534	1,372	1,330	920	925	743
Other assets	0	26	10	12	8	8	8
Capital and reserves	1,339	1,533	1,374	1,333	917	919	750
Provisions and deferred taxation	0	0	0	0	0	0	0
Liabilities	35	28	8	9	11	16	21
TOTAL ASSETS	1,374	1,561	1,382	1,342	928	934	771

Analyst certification: The analysts identified in this report each certify, with respect to the companies or securities that the individual analyses that (i) the views expressed in this publication reflect his or her personal views about the subject companies and securities, and (ii) he or she receives compensation that is based upon various factors, including his or her employer's total revenues, a portion of which are generated by his or her employer's investment banking activities, but not in exchange for expressing the specific recommendation(s) in this report.

This publication has been prepared by KBC Securities NV which is regulated by FSMA (Financial Services and Markets Authority) or one of its European subsidiaries (together "KBC Securities"). This publication is provided for informational purposes only and is not intended to be an offer, or the solicitation of any offer, to buy or sell the securities referred to herein. No part of this publication may be reproduced in any manner without the prior written consent of KBC Securities.

The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but neither KBC Securities nor its affiliates represent that it is accurate or complete, and it should not be relied upon as such. All opinions, forecasts, and estimates herein reflect our judgement on the date of this publication and are subject to change without notice.

From time to time, KBC Securities, its principals or employees may have a position in the securities referred to herein or hold options, warrants or rights with respect thereto or other securities of such issuers and may make a market or otherwise act as principal in transactions in any of these securities. Any such persons may have purchased securities referred to herein for their own account in advance of the release of this publication. KBC Securities and principals or employees of KBC Securities may from time to time provide investment banking or consulting services to, or serve as a director of a company being reported on herein.

This publication is provided solely for the information and use of professional investors who are expected to make their own investment decisions without undue reliance on this publication. Investors must make their own determination of the appropriateness of an investment in any securities referred to herein based on the merits and risks involved, their own investment strategy and their legal, fiscal and financial position. Past performance is no guarantee for future results. By virtue of this publication, none of KBC Securities or any of its employees shall be responsible for any investment decision.

KBC Securities has implemented certain in-house procedures known as Chinese walls that aim to prevent the inappropriate dissemination of inside information. E.g. a Chinese wall surrounds the corporate finance department within KBC Securities. Further measures have been taken with regard to the separation of certain activities that could lead to conflicts of interest with other activities within KBC Securities.

In the United States this publication is being distributed to U.S. Persons by KBC Securities USA, Inc., which accepts responsibility for its contents. Orders in any securities referred to herein by any U.S. investor should be placed with KBC Securities USA, Inc. and not with any of its foreign affiliates. KBC Securities USA, Inc. and/or its affiliates may own 1% or more of the subject company's common equity securities. KBC Securities USA, Inc. or its affiliates may have managed or co-managed a public offering of the subject company's securities in the past 12 months, or received compensation for investment banking services from the subject company in the past 12 months, or expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Any U.S. recipient of this report that is not a bank or broker-dealer and that wishes to receive further information regarding, or to effect any transaction in, any security discussed in this report, should contact and place orders with KBC Securities USA, Inc. This report is being distributed in the United States solely to investors that are (i) "major U.S. institutional investors" (within the meaning of SEC Rule 15a-6 and applicable interpretations relating thereto) that are also "qualified institutional buyers" (QIBs) within the meaning of SEC Rule 144A promulgated by the United States Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act") or (ii) investors that are not "U.S. Persons" within the meaning of Regulation S under the Securities Act and applicable interpretations relating thereto. The offer or sale of certain securities in the United States may be made to QIBs in reliance on Rule 144A. Such securities may include those offered and sold outside the United States in transactions intended to be exempt from registration pursuant to Regulation S. This report does not constitute in any way an offer or a solicitation of interest in any securities to be offered or sold pursuant to Regulation S. Any such securities may not be offered or sold to U.S. Persons at this time and may be resold to U.S. Persons only if such securities are registered under the Securities Act of 1933, as amended, and applicable state securities laws, or pursuant to an exemption from registration. The products sold by KBC Securities USA, Inc or any affiliate thereof, including KBC Securities, are not insured by the FDIC, are not obligations of or guaranteed by KBC Bank NV or its affiliates, and are subject to investment risks, including possible loss of the entire amount invested.

This publication is for distribution in or from the United Kingdom only to persons who are authorised persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom or any order made thereunder or to investment professionals as defined in Section 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and is not intended to be distributed or passed on, directly or indirectly, to any other class of persons.

This publication is for distribution in Canada only to pension funds, mutual funds, banks, asset managers and insurance companies.

The distribution of this publication in other jurisdictions may be restricted by law, and persons into whose possession this publication comes should inform themselves about, and observe, any such restrictions. In particular this publication may not be sent into or distributed, directly or indirectly, in Japan or to any resident thereof.