

BELGIAN SHARES: INVESTMENT OPINIONS

PINGUINLUTOSA <i>ACCUMULATE</i>	€9.39	3Q10 sales were in line (vegetables BU) or slightly better (potatoes BU), mainly thanks to strong volumes and notwithstanding weaker prices. The D'Aucy deal will provide the needed scale to compete in a continued difficult market. The PinguinLutosa share is not expensive on normalised earnings. However, visibility remains limited. TP of €11.
<i>Since 21-Apr-10 at €9.25</i>		
QUEST FOR GROWTH <i>BUY</i>	€5.42	In 3Q10 QfG realised a net profit of €11.8m (€ 1.00/share), mainly thank to the take-over bid at €19/Movetis share made by Shire. The YTD and QTD NAV evolution was outstanding and moreover discount is still excessive at -39.0%. We consider the temporarily stock overhang due to reduction of QfG-stake by Laxey Partners as a buying opportunity.
<i>Since 14-Oct-10 at €4.62</i>		
REALDOLMEN <i>ACCUMULATE</i>	€14.76	All in all, the quality of RealDolmen's 1H10/11 results was not as good as expected. Though we believe the approximately €50m tax asset is not well reflected in RealDolmen's share price. In addition we believe that the currently valuation is not demanding, hence we do reiterate our Accumulate rating.
<i>Since 13-Aug-07 at €40.00</i>		
RECTICEL <i>ACCUMULATE</i>	€7.40	Good 3Q10, with sales up 6% y-o-y, but raw material price increases remained at the agenda putting pressures on the margins. The share is not expensive, but the recent inspection of the European Commission covering the sector of polyurethane foam manufacturers is a concern and is likely to weight on the share until more clarifications are disclosed
<i>Since 31-Aug-09 at €5.50</i>		
RHJ INTERNATIONAL <i>BUY</i>	€5.44	It is encouraging that RHJI management plans to divest at least one industrial "legacy asset" before the end of the year and it is working actively to dispose of the other industrial assets by 2012. Recent bankruptcy of Honsel (€50m) was a negative surprise. Discount to NAV remains attractive at around 40%.
<i>Since 6-May-10 at €6.15</i>		
ROULARTA <i>BUY</i>	€25.74	We have a Buy rating on the stock. Our DCF valuation points to a TP of € 31 per share. This target is based on a scenario that is not discounting the peak margins the company used to realize in the pre-crisis years. Based on peer multiples the company quotes against a discount of > 40%.
<i>Since 11-Aug-10 at €16.73</i>		
RTL GROUP <i>ACCUMULATE</i>	€65.99	RTL group reported sales and EBITA figures (incl. Five) ahead of expectations. In its outlook RTL said it will achieve significantly better full-year results, though visibility for the important 4Q10 quarter remains very low. We reiterate our Accumulate rating and TP of €65.
<i>Since 10-Nov-09 at €43.46</i>		
SIPEF <i>ACCUMULATE</i>	€63.27	Given the strong 3Q10 production Sipef now expects that the adjusted profits will be in line or slightly above the recurrent result of FY09, which is what we computed in our model. We stick to the target price of € 62 and maintain the rating at Accumulate given the positive trading environment.
<i>Since 18-Aug-10 at €48.03</i>		

Underlining denotes rating change since last week.

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SOLVAY <i>ACCUMULATE</i>	€77.55	Solvay released a 3Q10 Rebit of € 149m, in line with our estimate but 6% below consensus. The guidance for the chemicals activities was raised, which is good news. We will revise slightly our Rebit estimates for this year. The reinvestment of the pharma proceeds remains the main trigger for Solvay. We stick to our Accumulate rating and TP of €88.
<i>Since 28-Sep-09 at €74.73</i>		
TELENET <i>HOLD</i>	€29.42	Telenet has been one of the best performing Telecom stocks in Europe for months now, driven by the excellent execution of its operational plan and its attentive shareholder remuneration policy. The recent publication provided solid confirmation on both elements TP: €25.5.
<i>Since 20-Jul-10 at €23.88</i>		
TER BEKE <i>HOLD</i>	€62.50	3Q10 was fair with sales growth guidance in line with expectations and confirmation of previous bottom line guidance (we anticipated an upwards revision, though). We fine-tuned our FY10 scenario and reiterate our Hold reco & €66 TP. The ready meals BU is investigating expansion to CEE which could become a major share price trigger at mid term.
<i>Since 12-Oct-10 at €63.40</i>		
TESSENDERLO <i>ACCUMULATE</i>	€26.42	We stick to our Accumulate rating on the share. Although the key trigger for the share remains the strategic portfolio reshuffle, 3Q10 results were encouraging and the positive trend on the fertilisers markets are good omen for FY11. We increase our TP on Tessenderlo to € 27, from € 26.0, which is derived from our DCF/SOP models.
<i>Since 27-May-10 at €22.47</i>		
UCB <i>BUY</i>	€25.845	UCB faces the patent expiration of Keppra in the US since November 2008 and in Europe in 2H10. In the meantime the market launches of Cimzia, Neupro, Vimpat and Tovias will progressively offset these expirations. Moreover, those new drugs will offer sales and earnings growth until 2020 at least. TP: €36.
<i>Since 26-Mar-07 at €44.87</i>		
UMICORE <i>HOLD</i>	€39.02	The messages disclosed at the occasion of the Investors' day highlighted the organics growth opportunity and the progress made in key areas like in UHT (start-up of pilot plant in mid 2011), in HDD (a significant market share is expected as from 2014 on) or in the NMC that prove the technological expertise of the cy. TP was raised to 40.
<i>Since 28-Apr-09 at €16.85</i>		
VAN DE VELDE <i>ACCUMULATE</i>	€39.10	We raised our estimates on the strong 3Q10 trading update. Management raised its guidance to 6.5% organic growth from 5.0%, and Intimacy (the US retail format) turns out better profits than what we were anticipating. We are now expecting 7.0 organic revenue growth and 25% higher profit than FY09. TP: €43.
<i>Since 12-Jan-09 at €25.90</i>		
WDP <i>REDUCE</i>	€36.56	WDP published a good Q3 increasing its occupancy to 95.3% and putting a limit on the vacancy risk in FY11 (only 4% of contracts face a break option). After noticing tax leakage in the Netherlands WDP now obtained the Dutch REIT status. WDP maintained its DPS guidance at €2.94 (8.0% dividend yield). Reduce. TP €35.5.
<i>Since 21-Sep-10 at €35.58</i>		

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ZETES	€16.95	Zetes published a solid set of results. In addition the company surprised on the positive side with a very upbeat FY10 outlook. Goods ID is recovering, while the People ID pipeline looks very well. Since we downgraded the stock to Hold late June, it lost about 11%. We now decided to increase our rating to Accumulate and our TP from €18.0 to €18.25.
<u>ACCUMULATE</u>		

Since 31-Aug-10 at €15.10

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