MORNING NOTE

KBC Securities

7 March 2013

Healthcare Conference in Brussels, 19 March 2013. Click here to register.

CONTENTS

Company / Sector	Comment	Recommendation	Price	Target Price
Agfa	Feedback analyst meeting	Accumulate	1.55	1.70
ASMI	No major new insights post the CC	Hold	31.30	31.00
BAM Group	A touch light	Hold	3.08	2.80
Delhaize	Clearly focusing on FCF and revenue growth	Buy	36.74	40.00
GBL	Strategy clarified in 1st ever analyst meeting	Hold	61.97	64.00
Miko	Goes were coffee consumption per capita is highest	Accumulate	53.50	56.50
Option	2H12 impacted by one-offs, no news on conv. bond	Sell	0.28	0.20
Pharming	FY12 results: no elements to change views	Hold	0.14	0.01
Quest for Growth	End-of-February NAV rises 2%	Buy	6.75	7.30
Spector	SmartPhoto, Smart4Q!	Accumulate	0.43	0.60
UCB	Launches 7-year 3.75% fixed rate retail bonds	Buy	48.14	48.00

CHANGES IN RECOMMENDATION

Company	From	To
Spector	Hold	Accumulate

CHANGES IN TARGET PRICE

Company	From	To
ASMI	30.00	31.00
Spector	0.50	0.60

KEY FIGURES

(at close)	Price	1D	1M	12M
AEX	347.4	0.3%	0.4%	9.4%
BEL20	2,592.5	-0.1%	3.5%	16.8%
CAC40	3,773.8	-0.4%	3.6%	12.2%
DAX30	7,919.3	0.6%	4.5%	19.4%
FTSE100	6,427.6	-0.1%	2.1%	11.5%
EUROSTOXX50	2,679.9	-0.1%	2.4%	9.7%
STOXX50	2,676.5	-0.2%	2.8%	9.8%
DJIA	14,296.2	0.3%	2.2%	12.1%
S&P500	1,541.5	0.1%	1.9%	14.8%
NASDAQ Comp	2,951.2	0.0%	0.0%	1.4%
USD/EUR	0.7675	0.0%	3.7%	0.9%
GBP/EUR	1.1565	-0.6%	-0.2%	-3.7%
Bel govt	2.31%	1.0bps	-19.0bps	-139.0bps
French govt	2.13%	0.0bps	-16.0bps	-87.0bps
Dutch govt	1.76%	0.0bps	-15.0bps	-50.0bps

Source: KBC Securities

CHANGES IN EPS FORECAST

Company	From		To	
	2013	2014	2013	2014
Agfa (€)	0.36	0.54	0.32	0.51
ASMI (€)	1.08	2.32	1.27	2.62

CORPORATE CALENDAR

Date	Company	Event
07.03.13	BAM Group	Results FY12
	Delhaize	Results FY12
	Option	Results FY12
	Pharming	Results FY12
	Spector	Results FY12
08.03.13	Atenor	Results FY12
	Beter Bed Holding	Results FY12
	Fugro	Results FY12
	Galapagos	Results FY12
11.03.13	Brederode	Results FY12
12.03.13	Jensen-Group	Results FY12
	Tigenix	Results FY12
14.03.13	Boskalis	Results FY12
	Thrombogenics	Results FY12
18.03.13	IBA	Results FY12
	Resilux	Results FY12
	Roularta	Results FY12
20.03.13	Fluxys Belgium	Results FY12
21.03.13	IRIS	Analyst Meeting
		Results FY12
	Quest for Growth	General Assembly
22.03.13	Zetes	Results FY12
25.03.13	TNT Express	Investor Day
27.03.13	Hal Trust	Results FY12
28.03.13	Nutreco	General Assembly
	Randstad	General Assembly

ROADSHOW CALENDAR

Date	Company	Place
07.03.13	DSM	Paris
12.03.13	Heineken	Edinburgh
	Mobistar	Brussels
13.03.13	Bekaert	Paris
	Brunel International	Brussels
18.03.13	Ackermans	London
21.03.13	Agfa	London
27.03.13	GDF Suez	Brussels
28.03.13	Umicore	Frankfurt
16.04.13	Galapagos	Stockholm
18.04.13	IBA	Paris
03.05.13	Ahold	Paris
14.05.13	Beter Bed Holding	Brussels
15.05.13	IBA	Stockholm
22.05.13	IBA	The Netherlands
28.05.13	Kinepolis	Paris

For an overview of our upcoming events, please click here.

PUBLICATION OVERVIEW

Date	Company / Sector	Title report	Recommendation	Target Price
06.03.13	BAM Group	Preview FY12	Hold	2.80
	D'Ieteren	Taken by surprise	Hold	33.00
	Fugro	Preview FY12	Hold	44.00
	USG People	Awaiting strategic update in 3 months	Buy	9.00
04.03.13	AB InBev	4Q: weak volumes, strong pricing, solid EBITDA	Hold	71.00
	Brunel International	Scenario revised, Buy opportunity	Buy	40.00
	EVS	New market-focused strategy and vision	Buy	54.00
	UCB	Transition accomplished, structured for growth	Buy	48.00
01.03.13	Delhaize	22% decline in REBIT in 4Q12E	Buy	40.00
	Tessenderlo	After last year's drought, a rainy outlook	Hold	25.00
28.02.13	Bekaert	Impressive debt reduction	Hold	22.00
27.02.13	Banimmo	The roar of the engines heralds a harvesting period	Buy	13.00
	Etex Group	A solid shelter in the storm		
	Recticel	2H/FY12 results preview	Accumulate	7.50
26.02.13	Tessenderlo	4Q12 results preview	Hold	25.00
	Van de Velde	Many challenges ahead	Hold	35.00
	Wessanen	Mixed bag of performances	Hold	2.40
25.02.13	AB InBev	4Q results preview	Hold	71.00
	Bekaert	A year dominated by one-off items	Hold	22.00
	UCB	FY12 results preview	Buy	48.00
22.02.13	Ahold	Flat REBITA in 4Q12E	Accumulate	11.50

KBC Securities

7 March 2013

AGFA

Feedback analyst meeting

GENERAL INDUSTRIES	CURRENT PRICE	€ 1.55	ACCUMULATE
BELGIUM	TARGET PRICE	€ 1.70	RATING UNCHANGED

Source: Thomson Reuters Datastream

Bloomberg	AGFB BB
Reuters	AGFB.BR
www.agfa.com	
Market Cap	€ 266.4m
Shares outst.	167.8m
Volume (daily)	€ 406,631
Free float	97.6%
Next corporate event	

(€ m)	2012	2013E	2014E
Sales	3,091.0	3,126.4	3,160.9
REBITDA	225.0	266.2	285.1
Net earnings	-41.0	31.4	62.7
Adj. EPS (€)	-0.24	0.32	0.51
P/E (x)		4.8	3.1
EV/REBITDA	4.1	6.1	5.5
FCF Yield	-5.7%	277.5%	35.6%
Dividend yield	0.0%	0.0%	0.0%

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Yesterday Agfa hosted an analyst meeting. Both Agfa Graphics and Agfa HealthCare business groups contributed to the growth. In the emerging markets,Agfa achieved double digit revenue growth while the gross profit margin improved thanks to efficiency improvements, volume increases and price effects. REBIT of € 57m was a good performance mainly thanks to Agfa HealthCare.

- In **Graphics** CtP volumes slightly increased versus 4Q11 and CtF revenues remained stable due to normalization of film volumes. In Industrial Inkjet, the impact of the adverse economic conditions was more severe than in the earliest quarters of the year. Agfa Graphics performed well in the emerging markets, with particularly strong growth in Latin America. Agfa highlighted that business was slow in the mature markets, in particular in the South of Europe. 4Q12 gross profit was supported by operational improvements and Agfa expect this to continue into FY13.
- In Agfa **HealthCare**, in the '*Imaging segment'* the digital radiography business continued to grow but in the '*IT segment*' sales were lower than in the exceptionally strong 4Q11. Agfa HealthCare achieved strong double-digit revenue growth in the emerging markets, whereas business in the mature markets suffered from the adverse economic conditions. REBIT of € 38.7m (11.5% REBIT margin) was above our expectations as the gross profit improved vs. last year, continuing the trend of the past quarters.
- In Speciality products, contrary to previous quarters, revenue remained stable, with good performances of Orgacon, Synaps and certain classic film products. Agfa and Eastman Park Micrographics (EPM) announced in January that they have signed a worldwide, long-term supply agreement for microfilm products. Agfa will manufacture microfilm and related photochemicals for EPM and EPM will distribute these products worldwide under its own brand name Imagelink. The parties expect the new product arrangement will become operational in mid to late spring, 2013. The higher microfilm turnover of Agfa will support the continuous utilization of its film manufacturing facilities. Agfa uses a '*last man standing*'-strategy for its relatively old technologies such as the specialty film products where money can be made as long as you one of the few remaining providers.

Important to mention is also that the net debt of € 291m was higher than we expected but this number was impacted by a € 40m cash out (in 4Q12) from a payment of an old claim (related to AgfaPhoto). But because there were enough provisions made there was no impact on the P&L. There are now two remaining claims but Agfa has rejected all of the claims as unsubstantiated and without merit.

Conclusion:

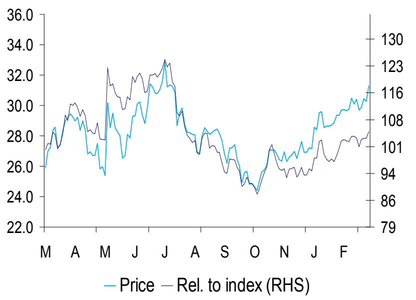
We expect that next to the '*last man standing*'-strategy for some older products, Agfa's growth engines –industrial inkjet and healthcare IT –will continue to perform well. Efforts to improve operational efficiency should enable further improvements to the gross margin and REBIT. We will update our model but reiterate for now our ACCUMULATE rating and € 1,7 Target Price.

7 March 2013

ASMI

No major new insights post the CC

TECHNOLOGY HARDWARE & EQUIPMENT	CURRENT PRICE	€ 31.30		**HOLD**
NETHERLANDS	TARGET PRICE	€ 31.00		RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	ASM NA
Reuters	ASMI.AS
www.asm.com	
Market Cap	€ 1,973.7m
Shares outst.	63.1m
Volume (daily)	€ 7,836,911
Free float	81.9%

Next corporate event

General Assembly 12: 16 May 2013

(€ m)	2012	2013E	2014E
Sales	1,418.1	1,530.0	1,710.0
REBITDA	146.2	204.7	368.9
Net earnings	7.1	81.3	167.1
Adj. EPS (€)	0.13	1.27	2.62
P/E (x)	216.5	24.6	11.9
EV/REBITDA	22.4	17.4	9.4
FCF Yield	-1.5%	4.8%	10.3%
Dividend yield	1.8%	1.6%	1.6%

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Surprising trends in 4Q12 explained:
At the end of October, management still guided for a double-digit sequential decline in FE sales, which eventually turned out to be flat (FX-adjusted). They explained that orders came in better than expected (mix, ASP, etc), which could be billed. We always had the impression that lead-times were long due to which orders today would be billed next quarter. Anyway, things fell in the right place apparently which was a pleasant surprise. They also hinted that the mix improved due to technology buys, which we believe have premium margins, thus explaining the strong gross margin in FE. BE on the other hand disappointed strongly on the gross margin, and ASM PT's own press release showed why. Leadframes sales were +8% in FY 2012m, SPE was -23%, and SMT was -22%. Leadframes margins are by far inferior to those of equipment margins, thus explaining a much weaker mix over 2012.

Gross margin of 40% is still a target:
This is now in fact a goal for both divisions, as BE seems to have been in decline over the past two years compared to its shiny past (2011: 33.8%, 2012: 30.2%). Both FE and BE have programs in place to improve gross margins going forward, including restructuring to remove inefficiencies, and initiatives to improve flexibility. No comment on when the 40% should be reached. FE had a € 0.9m restructuring charge in 4Q12 and there should be another € 2m in 1H13.

No comment on the quality of the backlog:
Since product mix (margin-wise) and client mix (discount-wise) can have such a strong impact on gross margins from quarter to quarter, we can imagine that management has a good view on the quality of the backlog. Hence, we were curious to learn how the 4Q12 backlog compared to the 3Q12 backlog, to understand the gross margin potential for 1Q13. Unfortunately they did not wish to comment on that.

SPE market forecasts have risen recently:
Based on capex plans laid out by semiconductor producers, estimates for the SPE market for 2013 are now between flat and a decline of 5% y/y compared to previous forecasts of a decline of between 5-15%. Given FE's promising ALD technology, which makes up for a significant yet not quantified share of sales, we consider it likely that FE can once again grow faster than the market. Management indicated that demand for ALD products should be able to double over a period of 3-4 years. Judging by 4Q12 and the outlook for 1Q13 and 2Q13, it seems that the trough is delayed by one quarter to 1Q13, after which the recovery should kick in as from 2Q13, while the tone of voice on the potential recovery was more positive than a quarter ago.

No noteworthy comments on the study!

Change in estimates and small tweak to TP:
After the strong cut in our EPS estimates post 3Q12, we partly reverse this by a low single-digit raise in our estimates. We have also lifted our target price to € 31 (from € 30), while we maintain our Hold rating.

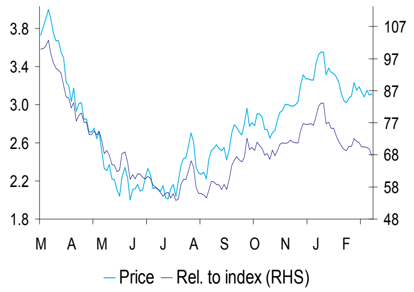
KBC Securities

7 March 2013

BAM GROUP

A touch light

CONSTRUCTION & MATERIALS	CURRENT PRICE	€ 3.08	**HOLD**
NETHERLANDS	TARGET PRICE	€ 2.80	RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	BAMNB NA
Reuters	BAMN.AS
www.bam.nl	
Market Cap	€ 718.1m
Shares outst.	247.5m
Volume (daily)	€ 3,665,572
Free float	74.5%

Next corporate event

General Assembly 12: 24 April 2013

(€ m)	2012E	2013E	2014E
Sales	7,170.5	7,134.3	7,242.0
REBITDA	207.6	200.2	204.7
Net earnings	-198.3	82.7	86.9
Adj. EPS (€)	0.37	0.35	0.36
P/E (x)	8.4	8.9	8.6
EV/REBITDA	5.3	5.4	5.2
FCF Yield	0.4%	4.5%	6.1%
Dividend yield	5.2%	5.2%	5.2%

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FY12 earnings distorted by one-offs, seem a touch light:
Sales were € 7,404m (kbc: 7,171, css: 7,320), EBIT was € -293m (kbc: -282, css: -257), PBT was € -291m (kbc: -282, css -257), and the net loss was € -187m (kbc: -198, css: -202). Operating profit included a € 150m impairment and a € 247m write down, and net profit also included a € 64.5m gain on the sale of Tebodin. PBT before exceptionals was € 107m which compares to guidance of € >100m; it was just below our estimate of € 115m and css of € 111m. Clean PBT dropped from € 143m in 2011, partly due to absence of Tebodin (divested), higher restructuring costs y/y, and margin pressure.

Operational result from the divisions was below expectations:
The operational result from operations was € 118m, which was below our estimate of € 130m and css of € 126m. The composition: Construction & TS (48 vs. kbc 55 and css 53). Property Development (-1 vs. -10 and -10), Civil Engineering (58 vs. 75 and 71), PFI (14 vs. 10 and 11), and Overhead (-11 vs. -14 and -15). Outperformers vs. expectations were the divisions whose results can be volatile from time-to-time due to large transactions (Property, PFI), and the underperformers were the divisions that should generate profits from normal business (Construction, Civil), which is not reassuring. Management commented that market conditions remain tough.

CF and BS, the usual large swings:
CF from operations (ex PFIs) was € -16m (kbc: 40). It was € -348m including PFIs vs. the 9M-12 figure of € -578m. Capex of € -76m was in line. WC was € 283m vs. € 621m a year ago and our estimate of € 345m. Obviously, the property write downs played a role. The book value of the property positions was not disclosed so we can not yet consider the underlying trend in WC. Cash flow from WC was € -58m. Net debt was € 1,138m (THX?) vs. our estimate of € 1,036m but those numbers are meaningless because BAM's covenant ratio's are based on recourse debt and earnings. On a recourse basis, BAM was € 154m net cash at end-2012.

Backlog +6% y/y:
The backlog was € 11bn (+6 %y/y), or 149% of sales, which exceeds the 135% over 2011. There was 11% growth in Civil Engineering while the other divisions were flat to slightly down y/y.

Guidance for 2013:
Management says it is too early to provide a quantified outlook for 2013 in view of tough market conditions. However, they see no reason why the operational results should differ significantly from those over 2012. Our current 2013 estimate for clean PBT is € 110m and css is € 117m, which compares to € 107m over 2012. As such, estimates could perhaps come down a bit, which is never good for sentiment. As such, we believe the share price could react negatively.

Analyst meeting at 11.30 CET. Webcast available via www.bam.nl

7 March 2013

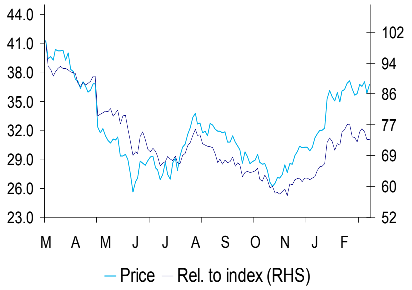
DELHAIZE

Clearly focusing on FCF and revenue growth

FOOD & DRUG RETAILERS
BELGIUM

CURRENT PRICE € 36.74
TARGET PRICE € 40.00

BUY
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	DELB BB
Reuters	DELB.BR
www.delhaizegroup.com	
Market Cap	€ 3,743.5m
Shares outst.	101.9m
Volume (daily)	€ 19,364,973
Free float	100.0%

Next corporate event

Results 1Q13: 8 May 2013

(€ m)	2012E	2013E	2014E
Sales	22,737.0	23,060.6	23,828.6
REBITDA	1,505.4	1,489.4	1,601.0
Net earnings	161.1	347.3	483.1
Adj. EPS (€)	4.24	4.08	4.78
P/E (x)	8.7	9.0	7.7
EV/REBITDA	3.9	3.8	3.3
FCF Yield	17.0%	13.7%	13.0%
Dividend yield	4.8%	4.8%	4.9%

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The group's underlying operating profits declined by 17.5% at identical exchange rates in 2012. This is in line with the indication that was given on 17 January. The 4Q12 underlying margin came out slightly lower than expected in the US but this was offset by a better than anticipated performance in Belgium and SE Europe and Asia. The gross DPS is being cut from € 1.76 to € 1.40. This does not come as a surprise. The group is clearly focused on maintaining its financial strength. Free cash flow generation rose from € 343m in 2011 to € 542m excluding non-recurring items in 2012. Management aims at an average free cash flow of € 500m over 2013-2015. We maintain our BUY rating. The stock is currently trading at 7.4x its free cash flow target for the coming years. We are comforted by the fact that the improving US sales trend continues in 1Q13.

Group: Revenues rose by 0.3% at identical exchange rates in 4Q12 and organic revenue growth reached 2.5% Note that the sales figures were already released on 17 January. The underlying operating margin fell from 4.8% in 4Q11 to 3.5% (CSS 3.6%, KBCS 3.7%) in 4Q12. One-off charges (€ 254m) came out below expectations because some of them were recorded under discontinued operations. The group realized a € 50m EBIT loss in 4Q12 compared to a € 147m profit in 4Q11. Net financial charges rose from € 39m in 4Q11 to € 77m in 4Q12. It included € 19m non-recurring charges related to debt refinancing. The group realized a net loss of € 151m from continuing operations due to previously announced portfolio optimization and impairment charges.

USA: Sales fell by 2.1% (in $) in 4Q12 but rose by 1.4% excluding revenues from the 126 stores that were closed. Volume growth was positive thanks to Food Lion's, continued price investments at Hannaford and the expansion of Bottom Dollar Food. The underlying operating margin fell from 5.1% in 4Q11 to 3.3% (mean CSS 3.6%, KBCS 3.9%) in 4Q12. Price investments reached 200bps in 4Q12. This compares with 150bps in 3Q12, 120bps in 2Q12 and 60bps in 1Q12. The improved sales trend continues in 1Q13. For 2013, management expects the decline in underlying operating margin to moderate as a result of the sales uplift and cost savings. Following the Phase 4 (180 stores in Baltimore, Washington DC) repositioning of the Food Lion stores in 2Q13, only 20% of the Food Lion stores will be left to be repositioned.

Belgium: 4Q12 sales rose by 2.4% thanks to good year-end sales. Underlying operating profit margin fell from 4.9% in 4Q11 to 4.0% (CSS 3.8% and KBCS 3.7%) in 4Q12 due to price investments, higher promotional activity and salary indexation. 2012 was a challenging year as discounters gain market share. This trend is likely to continue. Delhaize will continue to increase its price competiveness while reinforcing its historical strengths (quality, health, assortment).

SE Europe and Asia: Revenues rose by 7.3% at identical exchange rates in 4Q12. The underlying operating margin increased from 5.0% to 5.2% (CSS 4.6% and KBCS 3.7%) mainly driven by Romania and Serbia.

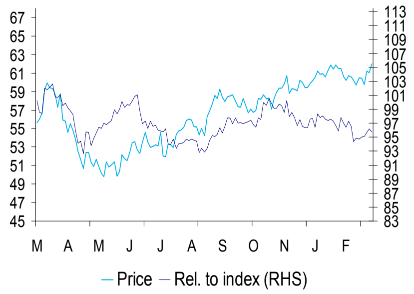
MORNING NOTE

7 March 2013

GBL

Strategy clarified in 1st ever analyst meeting

EQUITY INVESTMENT INSTRUMENTS	CURRENT PRICE	€ 61.97	**HOLD**
BELGIUM	TARGET PRICE	€ 64.00	RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	GBLB BB
Reuters	GBLB.BR
www.gbl.be	
Market Cap	€ 9,999.4m
Shares outst.	161.4m
Volume (daily)	€ 7,691,566
Free float	52.6%

Next corporate event

General Assembly 12: 23 April 2013

(€ m)	2009	2010	2011
Net result	429.9	669.5	472.5
Adj. net result	612.1	565.0	522.3
Basic EPS (€)	11.53	1.95	-6.83
ROE	3.2%	4.5%	3.2%
Adj. eq. value	94.25	89.52	89.52
Premium/disc.	29.9%	29.7%	29.7%
DPS (€)	2.42	2.54	2.60
Dividend yield	3.7%	4.0%	4.1%

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Summary:

GBL gave a clear insight into the strategy going forward than had hitherto been communicated. CEO Gallienne elaborated at length on how the high-level approach to molding into a modern investment company (as communicated last year) has crystallised into a much clearer and more focussed strategy. GBL's aims to hike cash earnings and create long-term shareholder value via boosting the intrinsic value of the portfolio has remained unaltered. But the portfolio rotation should increase, especially when it comes to mature and well-priced assets. We've already seen proof via the partial sale of Pernod, the sale of Arkema and the issue of convertible bonds that could prompt the exit out part of Suez and Suez Environnement. This more dynamic approach to managing the € 14bn portfolio should result in an increased sector and geographical focus, whereas this over the past decade has centred on energy & oil, construction & materials and utilities.

Exactly how the portfolio will look like in the future is an uncertainty. In the short run, GBL is dividing its investment portfolio into three pillars:

- Strategic participations: the current listed portfolio that could hold up to 7 or 8 holdings in listed cpies totalling 75%/80% of NAV (approx. € 10bn).
- Incubator stakes: quoted and non-quoted stakes of smaller size (€ 100m to € 500m per line), which could represent approx. 10% of NAV.
- Financial pillar: the current Private Equity portfolio as well as other funds. GBL will act as an anchor or seed investors to provide assistance in the field of strategy, governance and development. (~10% of NAV).

The key challenge is transform the current portfolio, while safeguarding the dividend income and subsequent payment. Hence, the new strategy must be implemented gradually, since the desire to grow the dividend on an annual basis clearly stands out (though the policy in itself isn't yet clear). We remind that GBL is already paying out roughly 84% of its cash earnings and though the 100% threshold could be breached temporarily, this leaves but a bit of leeway in terms of divesting core, cash-generating assets in order to execute on the new strategy. A boost in cash earnings could result from higher dividend income out of the strategic portfolio (we expect only a limited increase), while the "financial pillar" could have a cash generating capacity of ~€ 100m (consisting of cap gains, fees, dividends and carried interest). We think this is ambitious, but wouldn't label it as impossible.

Will the portfolio effectively evolve along the pathway set out in the new strategy? One of the key constraints is obviously clear: landing the sweet deals that it targets, while fending off an abundant amount of both Private Equity and industrial parties. GBL has to demonstrate that it has an edge to doing the deals from which it derived both its fame and equity. The short-term might already bring one of more deal in the "incubator pillar", bit nor the timing neither the success rate can be estimated. All options are open. Management did, however, announce the launch of a new GBL managed debt fund (targeting especially secondary debt, but also primary, mezz, etc ..

GBL is relatively cheaply valued (in terms of underlying valuation multiples), generates a handsome (4.3%) gross yield but doesn't have a lot of "surprise upside potential". Even if the new strategy will be rolled out, we're at least 2-3 years away from incrementally higher returns. Hold rating maintained.

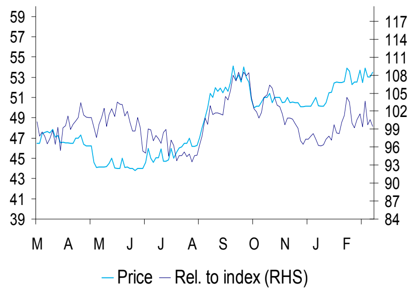
KBC Securities

7 March 2013

MIKO

Goes were coffee consumption per capita is highest

FOOD PRODUCERS	CURRENT PRICE	€ 53.50		ACCUMULATE
BELGIUM	TARGET PRICE	€ 56.50		RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	MIKO BB
Reuters	MIKK.BR
www.miko.be	
Market Cap	€ 66.4m
Shares outst.	1.2m
Volume (daily)	€ 12,600
Free float	44.6%

Next corporate event

(€ m)	2012E	2013E	2014E
Sales	138.0	143.4	149.0
REBITDA	16.9	20.0	23.3
Net earnings	6.5	8.7	11.0
Adj. EPS (€)	5.27	7.01	8.88
P/E (x)	10.2	7.6	6.0
EV/REBITDA	4.6	3.7	2.9
FCF Yield	-2.0%	7.7%	11.0%
Dividend yield	1.9%	2.0%	2.1%

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Miko acquired the Gotenburg (Sweden) based coffee service company Kaffekompaniet. Koffekompaniet (created in 1988) achieves with 23 people a turnover of approximately € 6m. No financial details were provided. Kaffekompaniet focuses in particular on the office market. It leases small and medium-sized vending machines to these customers. Kaffekompaniet also provides next to coffie also technical service and supplies as sugar, milk, tea and hot chocolate. Koffekompaniet is currently setting up warehouses in the two other major cities in Sweden, Stockholm and Malmö.

Miko highlighted that they have been involved for almost two years in a quest for a suitable takeover in the Scandinavian region. The Scandinavian region is one which continues to perform relatively well economically.

Conclusion:

Kaffekompaniet is a Swedish coffee service operator which, just like Miko, focuses on providing coffee service to the out-of-home market, such as in offices, the hospitality sector and institutions. Scandinavians are some of the biggest coffee drinkers in the world. Although more coffee is consumed in volume by coffee drinkers in Brazil and America, Scandinavia still tops the charts in terms of per capita consumption. We welcome Miko's quest for acquisitions in the Nordics as consumption in Europe (5 kg consumption per capita) varies from around 10 kg per capita per year in the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) to around 3 kg in the United Kingdom and most of Eastern Europe.

This takeover also fits in perfectly with Miko's long-term strategy of building up separate coffee service organisations via its own subsidiaries in various countries. In Europe Miko is now active in Belgium, the Netherlands, France, Germany, the UK, Poland, the Czech Republic, Slovakia and Sweden.

This is the second acquisition in a few months as Miko recently purchased Corporate Coffee Solutions (CCS), a coffee service operator located in Melbourne, Australia. CCS focuses exclusively on the office market and generated a turnover of around AUD 1.5m (€ 1.2m).

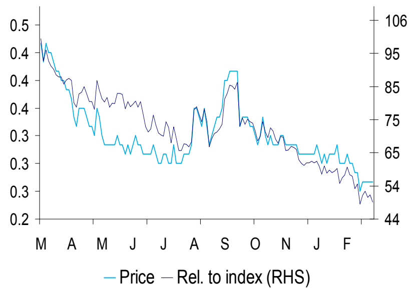
We maintain our Accumulate rating and € 56.5 target price. This target price is supported by a DCF-value of € 58.7 per share based on a top-line growth to € 160m by 2016.

7 March 2013

OPTION

2H12 impacted by one-offs, no news on conv. bond

TECHNOLOGY HARDWARE & EQUIPMENT	CURRENT PRICE	€ 0.28	SELL
BELGIUM	TARGET PRICE	€ 0.20	RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	OPTI BB
Reuters	OPIN.BR
www.option.com	
Market Cap	€ 23.1m
Shares outst.	82.5m
Volume (daily)	€ 45,133
Free float	91.5%

Next corporate event

Trading update 1Q13: 25 April 2013

(€ th)	2012E	2013E	2014E
Sales	49,403	24,325	27,122
REBITDA	4,697	-15,419	-16,961
Net earnings	-4,951	-25,110	-26,721
Adj. EPS (€)	-0.06	-0.30	-0.32
P/E (x)			
EV/REBITDA	4.2		
FCF Yield	-159.3%	-168.0%	48.1%
Dividend yield	0.0%	0.0%	0.0%

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Total revenues for 2H12 were a weak € 17.6m (€ 24.1m in 2H11). Product related revenues decreased to € 6.8m (€ 7.7m in 2H11), while software and license revenues decreased in 2H12 to € 10.8m (€ 16.4m in 2H11). The decrease was expected by the fact that the license agreement with Huawei (€ 10.6 m in 2H12 came out of licenses) has ceased in the course of 4Q12. As a result, FY12 revenues ended at € 40.8m (-18.2% compared to € 49.9m in 2011), while we were estimating € 49.4m. Software and license revenues decreased in 2012 to € 28.2m (€ 30.7m in 2011) while product related revenues decreased from to € 12.6m (€ 19.2m in 2011), due to the phasing out of the old products and the fact that the sales of new products did not compensate this decline. In Software and license € 27.0 m out of the € 28.2m came out of licenses.

2H12 gross margin 47.3% (69.1% in 2H11) was negatively affected by less important license revenues and by an inventory write off of € 3.7m. Option has assessed its inventory and has revalued some of its products leading to this extraordinary write off.

2H12 Opex decreased to € 8.2m (€ 16.8m in 2H11) as a result of the cost control but also impacted by a negative impairment on capitalized R&D for € 3.6 m and a positive effect by lowering the IPR (intellectual property rights) accrual for € 6.7m. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier. Option reassessed its outstanding payables regarding IPR obligations and they decided to decrease the outstanding payables with an amount of € 6.7m. As a result of the write-offs the inventory levels decreased from € 6.8m to € 4.0m. The trade and other payable position decreased to EUR € 11.9m from € 18.1m) impacted by lowering the IPR accrual. We will ask more clarification on this during the conference call.

As a result, FY12 gross profit was € 25.9m (€ 30.7m in 2011) and FY12 gross margin was 63.4% (61.6% in 2011). FY12 inventory write offs amounted to € 4.3m. FY12 Opex decreased to € 22.3m (€ 34.3m in 2011).

2H12 EBIT ended at € 0.1m (€ –0.1m in 2H11). FY12 EBIT was € 3.6m (8.8% EBIT-margin) compared with € –3.6m or –7.2% EBIT-margin in 2011. 2H12 result before taxes amounted to € 0.02m (€ 0.06m in 2H11). As a result, full year 2012 net result was € 3.6m (€ 0.044 EPS) compared with a net result of € –2.9m (€ -0.035 EPS) in 2011.

On Option's balance sheet there is still € 3.1m in cash (€ 25.2m at the end of 2011). Option confirms its intention to raise the amount of minimum € 9m via the issue of a convertible bond. As announced in January Option expects that this transaction will be concluded before the end of 1Q13. In order to bridge potential cash requirements until the completion of the transaction, Option came to an agreement with Mondo NV, controlled by CEO Jan Callewaert, on a mid term loan facility up to a maximum amount of € 5m.

Option highlighted that it continues to focus on cost reductions and they anticipate that these exercises will have a positive impact on the cost base in 2H13. The restructuring exercise leaded to a reduction of the net equity position. As the net equity of Option falls below the threshold of one half of its share capital, Option is required to organise a Special General Meeting of Shareholders to vote on the continuity of the company.

Conclusion :

We maintain our Sell rating and € 0.2 Target Price.

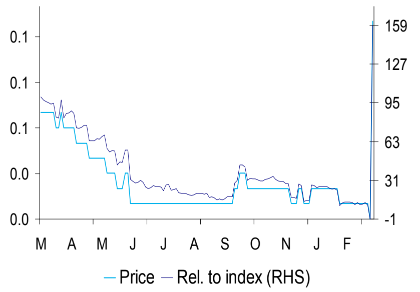
KBC Securities

7 March 2013

PHARMING

FY12 results: no elements to change views

PHARMACEUTICALS & BIOTECHNOLOGY	CURRENT PRICE	€ 0.14	**HOLD**
NETHERLANDS	TARGET PRICE	€ 0.01	RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	PHARM NA
Reuters	PHAR.AS
www.pharming.com	
Market Cap	€ 144.0m
Shares outst.	1,007.1m
Volume (daily)	€ 2,143,637
Free float	96.1%

Next corporate event

General Assembly 13: 15 May 2013

(€ m)	2012E	2013E	2014E
Sales	-0.2	4.0	5.8
REBITDA	-20.7	-10.8	-9.2
Net earnings	-32.8	-11.8	-10.2
Adj. EPS (€)	-0.04	-0.02	-0.01
P/E (x)			
EV/REBITDA			
FCF Yield	-23.4%	-7.6%	-7.2%
Dividend yield			

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News:
Pharming reported its FY12 results which provided no new elements to change our views on the (lack of) investment opportunities.

Our View:

Revenues increased to € 11m (from € 3m following the 4Q12 receipt of € 8m from US partner Santarus following the successful completion of the US phase III Ruconest study. The remainder is upfront recognition and limited European product sales.

Operating costs and net loss increased to € 24m versus € 18m in 2011 as a result of € 6m non-cash charge related to financing activities and impairment charges of € 1m in relation to the closure of the US-based cattle operations.

Net operating cash outflows came down to € 10m versus € 17m in 2011 with net cash inflows from financing activities amounting to € 12m (including € 8m from the issue of convertible bonds in 2012. Cash at YE12 was € 6m. The negative equity moved to € 8m at YE12 (from € 1m at YE11).

Operationally, Pharming admits that the roll-out of Rhucin by Sobi is going slower than hoped-for, something we had always warned for given the dynamics and competition of the European market. Despite good ambitions from Pharming and Sobi, we expect limited change on the short term. The downsizing of the Dutch facility will be finalized by 1H13. However, we expect the cash burn not to decrease substantially as anticipation to the US market entry in 2014 will require investments in inventory and working capital.

Conclusion:

We remain sceptical on Pharming's long term potential and its lead product Ruconest in the US, given the competitive environment. The company's short term convertible bond of € 16.35m should be seen as a bridge financing towards the next milestone, which is the acceptance of the Ruconest BLA file by the FDA in 2H13, triggering another $ 5m payment from Santarus.

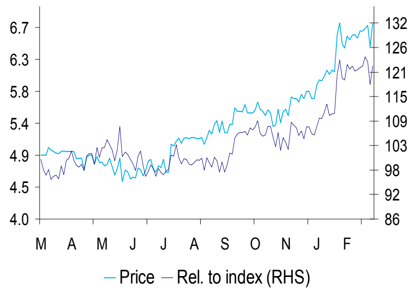
We will revise our target price and rating once there is clarity on the final number of shares post the reverse share split action.

7 March 2013

QUEST FOR GROWTH

End-of-February NAV rises 2%

EQUITY INVESTMENT INSTRUMENTS	CURRENT PRICE	€ 6.75	**BUY**
BELGIUM	TARGET PRICE	€ 7.30	RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	QFG BB
Reuters	QUFG.BR
www.questforgrowth.com	
Market Cap	€ 79.6m
Shares outst.	11.8m
Volume (daily)	€ 35,927
Free float	90.6%

Next corporate event

General Assembly 12: 21 March 2013

(€ m)	2010	2011	2012
Net result	20.6	-13.3	15.7
Adj. net result	20.6	-13.3	0.0
Basic EPS (€)	1.74	-1.15	1.36
ROE	24.1%	-12.6%	17.2%
Adj. eq. value	8.99	7.88	9.26
Premium/disc.	42.9%	39.7%	38.4%
DPS (€)	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%

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Summary:

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 100k 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%.

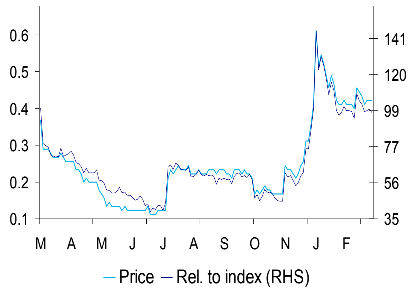
7 March 2013

SPECTOR

SmartPhoto, Smart4Q!

CONSUMER GOODS | CURRENT PRICE € 0.43 | **ACCUMULATE**

BELGIUM | TARGET PRICE € 0.60 | RATING UPGRADED



Source: Thomson Reuters Datastream

Bloomberg	SPEC BB
Reuters	SPET.BR
www.spectorphotogroup.com	
Market Cap	€ 15.7m
Shares outst.	36.6m
Volume (daily)	€ 31,122
Free float	61.3%

Next corporate event

Trading update 1Q13: 8 May 2013

(€ m)	2012E	2013E	2014E
Sales	108.8	55.3	57.5
REBITDA	-0.1	3.4	4.5
Net earnings	-3.9	0.6	1.3
Adj. EPS (€)	-0.11	0.02	0.04
P/E (x)		24.4	11.3
EV/REBITDA		5.8	4.1
FCF Yield	51.9%	9.2%	9.8%
Dividend yield	0.0%	0.0%	0.0%

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Spector 2.0 realised in FY12 on € 55.0m sales (-2.1%) REBITDA of € 4.16m and REBIT of 1.66m. We have to compare this with the Imaging Group in FY11 were REBITDA of € 4.16m and REBIT of € 0.83m was reached on € 56.2m sales. These numbers did beat our expectations (53.2m sales and € 2.5m REBITDA) as Spector performed very well in the last quarter of 2012. In 4Q12 on € 19.5m sales no less than € 4.4m REBITDA was realised (22.5% REBITDA-margin). In 4Q11, REBITDA was € 2.6m € 18.2m sales (14.2% REBITDA-margin).

We welcome the fact that Spector is now splitting its reporting of the old Imaging Group in the business groups ‘E-Commerce’ and ‘Wholesale’.

- The **E-commerce** activities include all the activities aiming at the end consumer. The revenue decreased with 4.7%, mainly due to the decline of the analogue and digital prints that was not fully compensated by the increase in the other product categories. The analogue operations represent only 3% of the revenue (6% in 2011). REBITDA increased by 13.5% to € 4.07m (3.59m in 2011) due to the change in product mix towards products with a higher added value. The digital operations saw an increase of 4% in 4Q12, partly due to the launch of new products. Also in 2013, new products will be added to the range of photo gifts. The photo books, cards, calendars and photo gifts also saw growth of more than 10% in 2012.
- The **Wholesale** operations aim at companies or independent traders, with a mix of hardware sales and photo products. Despite the difficult economic conditions, revenue increased by 0.3% to € 22.92m. As a result of margin pressure, there was a decrease of REBITDA to € 0.29m (0.49m in 2011).

A loss of € -3.85m was realised 2012 (€ -2.87m in 2011). The decrease in the result by € 0.98m can be explained by 1) an operating result improvement by € 0.76m; 2) a decrease in financial result of € 2.15m; an increase in taxes by € 4.20m and 4) the discontinued operations saw an improvement of € 4.62 million, mainly due to the positive effect from the derecognition of the companies of the Retail Group from the consolidation scope.

Conclusion:

Spector’s activities are increasingly shifting into the last quarter, due to a greater focus on higher-margin products, such as photo books, photo cards, and photo gifts. The decline in sales for digital and analogue prints reinforces this phenomenon. Given the difficult economic climate, Spector believed at the moment of the 3Q12 results that stabilising revenues while retaining profitability would be difficult to achieve over the full year. The FY12 results proofed that 4Q12 was very strong with 22.5% REBITDA-margin. A key component of our valuation is that net financial debt at end-2012 was € 1.41m, compared to € 32.14 m at end-2011. The debt of the Retail Group (€ 31.36m) and was end-September 2012 already booked under ‘assets and liabilities held for sale’. In January 2013 we lowered our rating to HOLD as the share price of Spector Photo Group surpassed our Target Price of€ 0.5 at that time. The strong share price performance was also triggered by the declaration of Etienne Kaesteker (e5-mode, Shop-invest) who surpassed the 5% threshold. We increase our TP to € 0.6 and our rating to ACCUMULATE.

7 March 2013

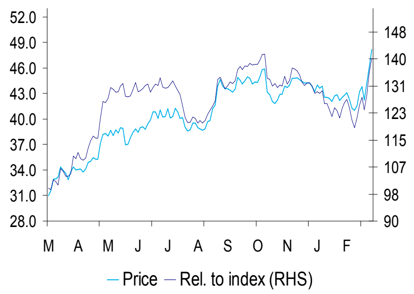
UCB

Launches 7-year 3.75% fixed rate retail bonds

PHARMACEUTICALS & BIOTECHNOLOGY
BELGIUM

CURRENT PRICE € 48.14
TARGET PRICE € 48.00

BUY
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg	UCB BB
Reuters	UCB.BR
www.ucb-group.com	
Market Cap	€ 8,826.1m
Shares outst.	183.4m
Volume (daily)	€ 12,096,329
Free float	54.1%

Next corporate event

Trading update 1Q13: 25 April 2013

(€ m)	2012	2013E	2014E
Sales	3,462.0	3,527.7	3,702.3
REBITDA	655.0	696.3	799.8
Net earnings	252.0	249.8	347.5
Adj. EPS (€)	1.45	1.31	1.85
P/E (x)	26.5	36.6	26.1
EV/REBITDA	14.0	15.6	13.4
FCF Yield	0.2%	3.1%	4.1%
Dividend yield	2.7%	2.2%	2.2%

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News:

UCB announced that it will offer a minimum of € 100m bonds and a maximum of € 250m bonds, in the form of a retail public offering in Belgium under its newly established EMTN program.

With this issuance, UCB intends to benefit from the favourable market conditions in terms of interest rate and liquidity. The net proceeds from the issue of the retail bonds will be used by UCB for general corporate purposes, including the refinancing of currently outstanding loans and other debt, of which a certain part was borrowed with tenors lower than one year.

Details:

The issue price is set at 101.875% of the nominal value of each Retail Bond with a coupon of 3.75% per year leading to a gross yield of 3.444% per year if retail bonds are not early redeemed and kept until the scheduled maturity in 2020.

The Retail Bonds are available in denominations of € 1,000 and the subscription period will run from March 11, 2013, 9 a.m. (CET) to March 22, 2013, 4 p.m. (CET), subject to early closing.

KBC Bank, together with banks, acts as joint lead manager and joint bookrunner for this transaction.

The retail bonds will be issued by UCB and are expected to be listed on the regulated market of NYSE Euronext Brussels. The retail bonds are being offered and sold to non-US persons outside the US pursuant to Regulation S under the US securities Act 1933, as amended. The relevant selling restrictions are included in the final terms of the Retail Bonds in English dated March 6, 2013, to be read in conjunction with the base prospectus documenting the newly established EMTN program in English dated March 6, 2013.

7 March 2013

The company disclosures can be consulted on our website http://www.kbcsecurities.com/disclosures.

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