KBC Securities

Flash

Sapec

4 October 2007

Another wind acquisition

Diversified Industrials

Belgium

Performance over	1m	3m	12m
Absolute	-1%	-6%	18%
Rel. BEL20	-1%	0%	10%

12m Hi/Lo	€ 113.90/85.55
Reuters	SAPEC.BR
Bloomberg	SAP BB
Market Cap	€ 140m
Next corporate event	
Results FY07: 31 March 2008	

Current price € 103.00

Target price € 130.00

Buy

Rating Unchanged

FY/e 31.12	2006	2007E	2008E	2009E
Sales (€ m)	518.0	548.8	565.6	581.1
REBITDA (€ m)	26.2	30.9	34.3	35.4
Net earnings (€ m)	7.5	7.4	11.4	11.7
Diluted adj. EPS (€)	5.50	5.48	8.43	8.66
Dividend (€)	2.10	2.15	2.11	2.17
P/E	16.3	18.8	12.2	11.9
EV/REBITDA	12.8	8.3	7.2	6.8
Free cash flow yield	-20.2%	4.7%	8.0%	8.2%
Dividend yield	2.0%	2.1%	2.0%	2.1%

Source: KBC Securities

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Description: Sapec is a holding company with a leading position in a number of niche sectors in Iberia : crop protection, crop nutrition, chemical products distribution, logistics, agrocommodities and renewable activities,the latter also in Northamerica

Investment arguments

- The company's activities offer a good mix between more stable businesses and more growth oriented activities
- The company's crop nutrition division focuses on emerging markets, where crop nutrition is not widespread yet
- With its 1,800 MW wind project portfolio in North America, Sapec has exposure to the renewables sector
- Sapec is currently developing industrial land near the port of Setubal. This process could unlock value

- **Sapec published a decent set of 1H07 results with revenues increasing by 7.5% y/y and REBITDA (including holding costs & capital gains on real estate) up by an even stronger 26.1% y/y.**
- **Most of Sapec's six core businesses reported good results. The most remarkable performance came from the agro-commodities division, which anticipated well on higher cereal prices. Only the crop protection business disappointed with substantially lower margins. To a large extent, this should be a temporary phenomenon. Some of Sapec's competitors offered substantial discounts on crop protection products that will become unsellable in the future since they are not included in the product catalogue of the European Commission.**
- **Sapec (via Naturener) bought West Windeau, another Canadian wind developer with a project portfolio of 700MW. The acquisition price was € 10.5m (including a success fee of 70%).**
- **We updated our valuation model and included more detail on the company's non-operational real estate assets. We upgraded our target price from € 120 to € 130, while maintaining our Buy rating. Favourable news flow on the company's Northamerican wind projects would help to close the valuation gap.**

1H07 results

Sapec published a very decent set of 1H07 results, with revenues up by 7.75% y/y and REBITDA of the six core divisions (ex holding costs and capital gains on real estate) up by 45.4% y/y. It should be noted however that 2005 and 2006 were rather weak base years for the company. In 2005-2006, Sapec's agriculture-related divisions (crop nutrition and crop protection) suffered from unusually dry weather, while also the poor state of the Portuguese economy weighed on results.

Lower lines of the P&L showed more moderate increases as there were less non-recurring profits than in 1H06. In 1H07, Sapec did for instance not sell any new lots of its industrial development near the port of Setubal. In spite of that, REBITDA (including holding costs and capital gains on real estate) was still up by a healthy +26.12% y/y. Contrary to our expectations, Sapec did not book any earn-out profit from last year's sale of wind projects to Iberdrola. This is however merely a question of timing. Sapec announced in its press release that it will book an earn-out profit of €3m in 2H07, while additional gains will probably be booked in later years (€ 6m in 2008 and € 6m in 2009/2010).

The company's financial result was slightly more negative than expected. This was due to a combination of higher net debt and higher interest rates. Also taxes were slightly higher than in 1H06. This was mainly due to a geographic mix effect. The corporate tax level in Spain (i.e. 32.5%) is somewhat higher than in Portugal and Sapec proportionally made more profits in Spain this time. Note however that corporate taxes in Spain will gradually fall to 30% in the coming years.

Sapec: 1H07 P&L

	1H06	1H07	1H07 KBC E	y/y
Revenues	**245,290**	**264,310**	**258,911**	**7.75%**
Total REBITDA (ex holding, real estate)	**13,337**	**19,389**	**17,771**	**45.38%**
Total REBITDA (including holding, real estate)	**12,793**	**16,134**	**15,476**	**26.12%**
Non-recurring	1,714	148	2,000	
EBITDA	**14,507**	**16,282**	**17,476**	**12.24%**
Depreciation	-7,280	-5,702	-6,202	
EBIT	7,227	10,580	11,274	46.40%
Financial result	-2,070	-4,860	-3,616	
PBT	5,157	5,720	7,658	10.92%
Taxes	-1,161	-2,130	-2,144	
PAT	3,996	3,590	5,514	-10.16%
Minorities	-1,159	-400	-1,101	
PAT group share	**2,837**	**3,190**	**4,413**	**12.44%**
NOSH	1,355	1,355	1,355	
EPS	2.09	2.35	3.26	12.44%

Source: KBC Securities, Sapec

Divisional breakdown

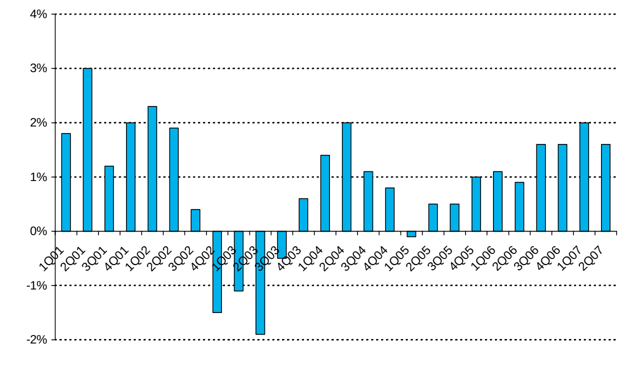
Most of Sapec's business units delivered a decent performance, with the exception of the crop protection division, which had to report substantially lower margins. A strong performance came from the agro-commodities division, while the logistics division showed signs of recovery.

The agro-commodities division is mainly a trading business. Sapec buys commodities (cereals, maize, …) on the international commodity markets and ships these to its end customers primarily in Iberia. In the first six months of 2007, Sapec anticipated well on rising cereal prices, while it was also able to lock in attractive shipping rates. The rise of cereal prices was related to the increasing popularity of biofuels and the poor crop in Eastern Europe and Ukraine (traditionally an export region which was in the past few months sometimes even obliged to import cereals).

The sales increase of 7.7% y/y was roughly in line with our expectations, but the REBITDA-margin of 3.55% was clearly better than expected. In general, we consider normal REBITDA-margins to be between 2.5 and 3%.

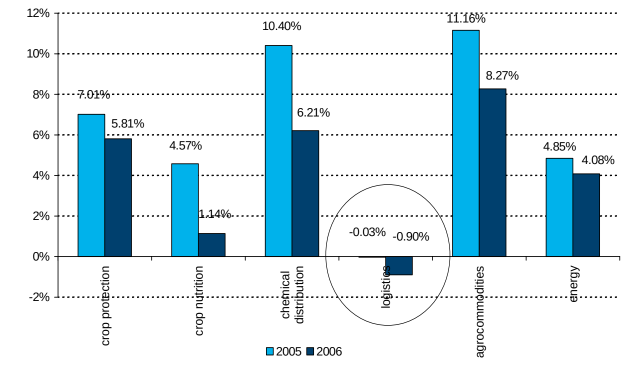
Also Sapec's logistics division (which contains both multi-modal platforms on land and port services) performed better than expected. Revenues were up by 35% y/y and also margins improved to roughly 26.75%. Note however that the logistics division is a very capital-intensive activity. Traditionally, the results of the logistics business are closely linked to the state of the Portuguese economy. In the past few quarters, the Portuguese economy showed cautious signs of improvement (see chart below).

Portugal: GDP growth 2001-2007



Source: KBC Securities, Instituto Nacional de Estatist

Sapec: Divisional RoCE's (post-tax) 2005-2006



Source: KBC Securities, Sapec annual report (segment reporting)

The multi-modal platforms (in Setubal, Lisbon and Valongo) showed a revenue increase of roughly 14% y/y and EBIT was less negative than in 1H06 (ca. € 0.2m better than in 1H06). These somewhat better margins are the result of a number of factors (higher quality customers paying higher fees, positive effect of the "profit improvement program", end of start-up costs in Valongo).

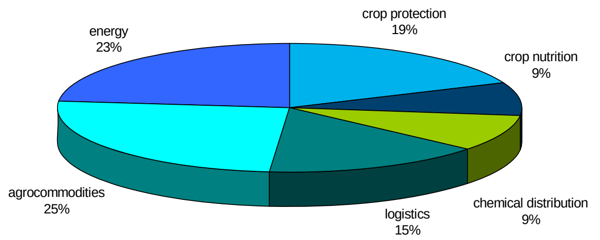
Also the port services activities (mainly in Setubal) performed well, with good volumes in clinkers and sugar. If Sapec is able to sell more industrial land in Setubal, this could also bring new clients to its port activities.

We feel that the logistics business has more restructuring potential. The company's segment reporting indicated that RoCE (after tax) in this division was far too low in the past few years (see chart above). We understand that Sapec is trying to improve its margins, while at the same time trying to make this business less capital intensive. In order to reduce capital employed, the company might consider for instance a sale and lease back of (some of) its warehouses.

The traditional crop protection businesses disappointed a bit. Volumes were okay (up by 12% y/y), but margins showed an important decline (10.5% REBITDA-margin vs. more than 12% in 1H06).

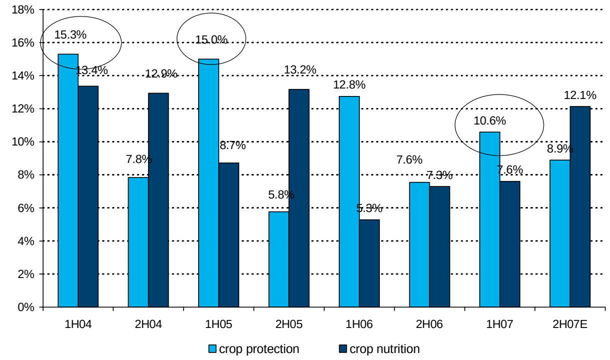
Reasons for the volume increase are twofold. After the drought-related problems in 2005 and 2006, the market recovered somewhat and at the same time, Sapec has been able to gain some market share. In Portugal, Sapec has already a leading market position (roughly one third of the market), but in Spain the company is still much smaller (market share of 6-7%). While Sapec's expansion room in Portugal is rather limited, the company still has opportunities to grow in Spain. The fact that generic crop protection products (i.e. Sapec's main expertise) are gaining popularity is definitely an advantage for Sapec. In 2006, Sapec's Spanish crop protection sales surpassed for the first time Sapec's Portuguese sales (€ 30.7m vs. € 30m). In 1H07, Sapec's Spanish subsidiaries showed again revenue increases above 25%, which illustrates that volume growth is still healthy in Spain.

Sapec: Capital Employed breakdown



Source: KBC Securities, Sapec annual report (segment reporting)

Crop protection & crop nutrition EBITDA-margin



Source: KBC Securities, Sapec annual report (segment reporting)

The REBITDA-margin in the crop protection division was however not satisfactory. Sapec's crop protection REBITDA-margin came in at 10.6%, down from more than 12% in 1H06. In 1H04 and 1H05, Sapec's crop protection business even realised REBITDA-margins above 15% (see chart above). Apparently, the negative margin evolution was most outspoken in Spain. Sapec's press release indicates Portuguese gross margins were 'slightly' down, due to a different mix effect. At the same time, Sapec indicates that its gross margin in Spain was down by 2.4% y/y, which implies that the decline in the EBITDA-margin was probably even steeper. This was however due to a regulatory problem, which should be temporary. In the coming months, Spanish crop protection distributors will no longer be allowed to sell a number of products that are not included in the catalogue of the European Commission. Some distributors and suppliers still had some of these products on their shelves and they decided to sell these products at discount prices. This obviously had negative spill-over effects for the rest of the market.

The crop nutrition business is clearly in better shape now, but the seasonality effect is somewhat stronger than we anticipated. While costs are spread relatively evenly over the year, sales are tilted towards the second half of the year. The general picture however looks okay. The Iberian citrus fruit sector (which was hard hit by North African newcomers entering the market), seems to be recovering and Sapec's operational problems in Brazil have apparently been sorted out.

The outlook for the agriculture related businesses (crop nutrition and crop protection) seems relatively good. Sapec's customers are currently making good money since prices for most agricultural products have risen substantially. In such an environment, Sapec's margins should remain well underpinned and at the same time, the company might also be able to reduce its working capital somewhat. In 2006, operational working capital in the crop protection division increased from € 29m to € 39m (mainly on the back of higher accounts receivable).

Sapec's chemical distribution did not really recover with revenues and REBITDA both up by 5% y/y. This illustrates that a number of Portuguese SME's (in e.g. textiles, shoes, paper, …) are still having tough times. Sapec has tried to diversify to the waste management sector and this seems succesful. Sapec's subsidiary CITRI owns a number of industrial landfill sites destined for non-toxic waste and now Sapec has also plans to enter the toxic waste sector (via a 35% stake in CIRVER). CIRVER started to build its toxic waste centre in July 2007.

The profits realised in Sapec's energy division mainly come from a number of small hydro plants (55MW, all located in Spain). These hydro plants have been able to benefit from high hydro levels, which means volumes sold were pretty strong. At the same time, prices came down somewhat from last year's exceptionally high levels (-14% y/y), but the balance was still clearly positive. Both revenues and REBITDA increased by more than 30% y/y.

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Sapec: Divisional analysis				
	1H06	**1H07**	**y/y**	**1H07E**
Crop protection				
revenues	35,207	39,374	11.84%	37,322
REBITDA	4,419	4,168	-5.68%	4,754
REBITDA-margin	12.6%	10.6%	-15.66%	
Crop nutrition				
revenues	10,184	12,288	20.66%	12,503
REBITDA	567	935	64.90%	1,875
REBITDA-margin	5.6%	7.6%		
Chemical distribution				
revenues	17,753	18,739	5.55%	18,085
REBITDA	1,997	2,113	5.81%	2,442
REBITDA-margin	11.2%	11.3%		
Agrocommodities				
revenues	167,585	180,531	7.73%	177,150
REBITDA	2,778	6,403	130.49%	4,429
REBITDA-margin	1.7%	3.5%		
Logistics				
revenues	6,345	8,576	35.16%	7,119
REBITDA	916	2,294	150.44%	1,068
REBITDA-margin	14.4%	26.7%		
Energy				
revenues	4,569	6,004	31.41%	4,731
REBITDA	2,660	3,476	30.68%	3,203
REBITDA-margin	58.2%	57.9%		
Total REBITDA (ex holding costs & real estate)	**13,337**	**19,389**	**45.38%**	**17,771**
REBITDA holding costs & real estate	-544	-3,255		
Total REBITDA	**12,793**	**16,134**	**26.12%**	**15,476**
Non-recurring items	1,714	148		2,000
EBITDA	14,507	16,282	12.24%	17,476

Source: KBC Securities

Update renewable plans

Sapec provided little new information on its existing wind portfolio in the US and Canada. Via its subsidiary Naturener (in which Sapec holds a stake of 52.45%), Sapec has been active in the wind development sector in Spain for years. Other important partners in Naturener include Caja Castilla La Mancha and a large private US investor. In November 2006, Sapec announced that it had shifted its attention to North America with a portfolio of 1,800MW of early stage projects acquired from wind development companies Energy Logics and Great Plains Wind & Energy. Taken into account a normal hit percentage of 60%, we think Naturener should be able to develop roughly 1,100MW of this portfolio. Naturener's new US and Canadian projects are mainly situated in Montana (US) and Alberta (Canada) and will be able to benefit from excellent wind conditions near the Rocky Mountains.

In the past few months, Sapec placed orders for 200 turbines with a total capacity of 300MW. This seems to indicate that part of the wind portfolio is moving to ‘secured’ status. We understand that one of the first projects could potentially be the Mc Cormick wind farm in Montana (300MW, with construction potentially starting in the course of 2008). At this stage, the most important problem seems to be the interconnection to the transmission grid. A private company (“Tornbridge Power”) has reasonably advanced plans to construct a 300MW high voltage line (the so-called “Montana-Alberta Tie” (MATL)) to interconnect Montana and Alberta. The 300MW MATL-line could probably even unlock 600MW in wind farms, since most projects in the region are situated around the mid-point of this line. If this transmission line would be ready, this would probably be the preferred interconnection route for the Mc Cormick wind farm. If not, Naturener will have to look for alternatives (like e.g. an interconnection to the Montana grid, which is exploited by Northwestern Corporation).

Sapec decided to further strengthen its presence in the Northamerican wind sector with the acquisition of the Canadian wind developer West Windeau (based in Southeast Alberta). Naturener paid € 10.5m (30% upfront and 70% success fee) for a project portfolio of 700MW. This translates into a multiple of € 15,000 per MW planned, which seems reasonable to us. West Windeau has one relatively advanced 200MW project (the “Wild Rose” wind farm), for which construction may start in 2009. There are also two other projects of respectively 200MW and 300MW, which have a longer planning horizon (respectively 2012 and 2013/2014). This new acquisition has two important advantages for Naturener. The company’s wind plans will now be better spread over time (roughly 200/300MW in development per annum), which implies that the company’s development teams are used in a more optimal way. At the same time, Naturener also acquires another experienced local management team, which should help to gain expertise in the local wind sector.

We think Sapec has a number of alternatives to finance its wind plans.

- Maximize financing potential of Naturener by renegotiating debt;
- Reinvest cash coming from sale of Spanish wind farms from Iberdrola (cf. earn-out);
- Sale of non-core assets (e.g. 6,000 ha of eucalyptus wood, 100 ha of land near Lousal);
- Open up the capital of Naturener to other selected private investors (probably a private transaction and not an IPO).

Sapec is also well on its way to realise a 10MW solar project in Albacete (Spain), which will require an investment of € 75m-€ 80m (probably around 10% equity financed). The company has found non-recourse project finance and has also contacted an engineering company, which will build a turnkey installation.

Valuation

Our DCF uses a risk-free rate of 4.5% and a risk premium of 3.5%. We also used a levered beta of 1.4 and a debt risk premium of 1%. Like this, we obtain a cost of equity of 9.4% and a cost of debt (before tax) of 5.5%, which leads to a WACC of 6.7% (assuming a target debt/total capital ratio of 50%).

We calculated the enterprise value of the company’s six core divisions (including holding costs) and then included a separate valuation for the company’s wind assets and its non-operational real estate.

We fine-tuned our valuation for Sapec’s non-operational real estate assets. Sapec is still developing industrial land near the port of Setubal and the company also owns 6,000 ha of eucalyptus wood. The 2006 annual report revealed however that Sapec also owns 100 ha of land in Lousal (100km south of Lisbon) and the company is trying to work out an urban development project to unlock the value of this land. Since the end destination of this land is not clear yet, we preferred to use a conservative estimate of € 30/m^2 (after development costs and capital gains taxes).

Sapec: DCF Model

	2007	2008	2009	2010	2011	2012	2013	2014	2015
REBITDA (ex real estate)	30,868	34,346	35,357	36,616	37,656	38,728	39,563	40,416	41,288
Operational taxes	-5,102	-5,976	-6,152	-6,399	-6,586	-6,785	-6,921	-7,064	-7,216
Delta working capital	-2,401	-947	-1,029	-2,144	-2,596	-3,087	-2,943	-3,003	-3,065
Capex	-12,645	-13,004	-13,387	-13,764	-14,133	-14,494	-14,846	-15,187	-15,517
FCFF	10,719	14,419	14,790	14,310	14,341	14,361	14,853	15,161	15,491
Total FCFF (incl. terminal value)	10,719	14,419	14,790	14,310	14,341	14,361	14,853	15,161	334,027
Discount factor	0.94	0.88	0.82	0.77	0.72	0.68	0.64	0.60	0.56
Discounted FCFF	10,046	12,666	12,175	11,041	10,370	9,733	9,434	9,026	186,366

Enterprise value	**270,858**	
Financial assets	2,981	BV end 06
Expected cash earn-out Spanish wind farms (@100%)	11,068	DCF
1,100 MW North American wind farms (@100%)	24,462	equivalent to €13,600/MW
Value real estate Setubal	18,083	DCF
Value 6,000 ha of eucalyptus wood	15,000	€ 0.25 per m^2
Value 100ha to be developed in Lousal	30,000	€ 30 per m^2
Deferred taxes	-3,060	BV end 06
Net debt	-171,046	Adjusted BV end 06
Minorities	-32,357	Estimated market value
Provisions	-4,212	BV end 06
Equity value	**161,777**	
NOSH	1,355,000	
Equity value at 1/1/2007	119.4	
Equity value at 1/1/2008	**130.7**	

Source: KBC Securities

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Financial data

Income statement (€ m)	2006	2007E	2008E	2009E	2010E
Sales	518.0	548.8	565.6	581.1	595.9
Gross profit	101.6	108.3	116.8	119.7	122.8
EBIT	15.2	19.1	25.8	26.2	26.8
Pre-tax earnings	14.7	12.3	16.2	16.7	17.5
Net earnings	7.5	7.4	11.4	11.7	12.2
EBITDA	27.6	31.8	38.8	39.6	40.6
REBITDA	26.2	30.9	34.3	35.4	36.6
REBITA	14.6	18.2	21.3	22.0	22.9

Balance sheet (€ m)	2006	2007E	2008E	2009E	2010E
Intangible assets	36.2	36.2	36.2	36.2	36.2
Tangible assets	149.7	149.7	149.7	149.7	149.7
Financial assets	1.7	1.7	1.7	1.7	1.7
Net other assets & liabilities	-18.0	-18.0	-18.0	-18.0	-18.0
Net working capital	130.9	133.3	134.2	135.3	137.4
Net debt	167.2	163.6	155.2	146.7	138.9
Provisions	4.2	4.2	4.2	4.2	4.2
Minorities	15.2	16.7	17.5	18.2	19.0
Equity	113.9	118.4	127.0	135.8	145.0
Capital employed	323.7	326.1	327.0	328.1	330.2
TOTAL ASSETS	405.2	412.0	421.2	431.2	441.9

Cash flow statement (€ m)	2006	2007E	2008E	2009E	2010E
Cash flow from operations	-3.4	19.2	24.2	24.8	24.6
Net capital expenditure	-25.5	-12.6	-13.0	-13.4	-13.8
Free cash-flow	-28.8	6.6	11.2	11.5	10.9
Acquisitions / disposals	11.5	0.0	0.0	0.0	0.0
Dividend payments	-2.9	-2.9	-2.9	-2.9	-3.1
Shares issues	-0.1	0.0	0.0	0.0	0.0
New borrowings / reimbursements	24.0	0.0	0.0	0.0	0.0
Other	-1.5	0.0	0.0	0.0	0.0
CHANGE IN CASH & EQUIVALENTS	2.1	3.7	8.3	8.5	7.8

Performance criteria	2006	2007E	2008E	2009E	2010E
Sales growth	-	6.0%	3.1%	2.7%	2.6%
Gross margin	19.6%	19.7%	20.7%	20.6%	20.6%
REBITDA margin	5.1%	5.6%	6.1%	6.1%	6.1%
REBITA margin	2.8%	3.3%	3.8%	3.8%	3.8%
EBIT margin	2.9%	3.5%	4.6%	4.5%	4.5%
Net debt / Equity + Minorities	129.5%	121.0%	107.4%	95.2%	84.7%
Net debt / EBITDA	6.07	5.14	4.00	3.71	3.42
EBITDA / net interest	3.21	3.23	4.02	4.17	4.34
Pay-out ratio	-	-	-	-	-
= Return on Equity (avg)	-	6.4%	9.3%	8.9%	8.7%
Return on Capital Employed (avg)	-	4.2%	5.7%	5.8%	5.9%

Per share data (€)	2006	2007E	2008E	2009E	2010E
weighted average # shares, diluted	1,355,000	1,355,000	1,355,000	1,355,000	1,355,000
Basic EPS	5.53	5.48	8.43	8.66	9.03
Diluted EPS	5.53	5.48	8.43	8.66	9.03
Diluted, adjusted EPS	5.50	5.48	8.43	8.66	9.03
Net book value / share	84.07	87.40	93.72	100.22	106.99
Free cash flow / share	-21.28	4.85	8.26	8.46	8.02
Dividend (€)	2.10	2.15	2.11	2.17	2.26

Valuation data	2006	2007E	2008E	2009E	2010E
Reference share price (€)	90.00	103.00	103.00	103.00	103.00
Reference market capitalisation (€)	121.5	139.6	139.6	139.6	139.6
Enterprise value (€ m)	314.2	256.0	248.4	240.6	233.6
P/E	16.3	18.8	12.2	11.9	11.4
EV/sales	0.6	0.5	0.4	0.4	0.4
EV/EBITDA	12.2	8.1	6.4	6.1	5.8
EV/Capital employed	1.0	0.8	0.8	0.7	0.7
P/ NBV	1.3	1.2	1.1	1.0	1.0
Free cash flow yield	-20.2%	4.7%	8.0%	8.2%	7.8%
Dividend yield	2.0%	2.1%	2.0%	2.1%	2.2%

Source: KBC Securities

*Historic valuation data are based on historic prices

Disclosure & Disclaimers section

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

KBC Securities uses an absolute rating system including terms such as Buy, Accumulate, Reduce and Sell (see definitions below).

Stock rating	Definition
BUY	Expected total return (including dividends) of 10% or more over a 6-month period
ACCUMULATE	Expected total return (including dividends) between 0% and 10% over a 6-month period
REDUCE	Expected total return (including dividends) between –10% and 0% over a 6-month period
SELL	Expected total return (including dividends) of -10% or worse over a 6-month period

Due to external factors and in exceptional cases, KBC Securities allows the use of ratings such as Accept the Offer, Black Out, No Recommendation or Suspended.
Our analysts assign one of those ratings based on their investment outlook and valuation for the concerned stock. The valuation can be based on different methodologies such as DCF (discounted cash flow), absolute multiples, peer group multiples, sum-of-parts or NAV (Net Asset Value). The valuation is reflected in a 6-month target price. Occasionally, the expected total return may fall outside of these ranges because of price movement and/or volatility. Such deviations will be permitted but will be closely monitored. Investors should carefully read the definitions of all ratings used in each research report. In addition, since the report contains more complete information concerning the analyst's view, investors should carefully read the entire report and not infer its contents from the rating alone. KBC Securities discloses the recommendations of its reports to the issuers before their dissemination. In case the recommendation has been amended following this disclosure, such amendments will be indicated in the concerned report.

Stock rating	% of covered universe	% of covered universe with investment banking relationship during last year
BUY	48.10%	50.00%
ACCUMULATE	45.00%	50.00%
REDUCE	3.80%	0.00%
SELL	3.10%	0.00%

Sapec is a holding company with a leading position in a number of niche sectors in Iberia : crop protection, crop nutrition, chemical products distribution, logistics, agrocommodities and renewable activities,the latter also in Northamerica
The price target for Sapec is based on following parameters: Discounted Cash Flow (DCF), Absolute Multiples, Sum of Parts
The risks which may impede the achievement of our price target are: * The Portuguese economy could remain slow
* The company has a lot of exposure to the agricultural sector, which could lead to volatility
* Renewable projects could go wrong for a number of reasons (legal procedures, no permits,...)
Any reference made to a DCF valuation for Sapec is based on the following parameters: a forecast period from 2007 until 2015, a perpetual growth rate of 2% and a calculated WACC of 6.3%.

Below is an overview of the stock ratings and target price history in the last 12 months for the stock described in this report.

Date	Rating	Target price
03-OCT-07	Buy	€ 130.00
15-FEB-07	Buy	€ 120.00

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