Company update
17 April 2014

Aalberts Industries

Recovery on the way for one-third of business

Aalberts Industries' share price has gone through our previous €23.5 TP and we believe it has further to go, as we estimate that as much as 33% of the company's total business is derived from typically late-cyclical markets. This includes AI's EU construction-related Flow Control business, but also US Flow Control, which is exposed to commercial buildings, as well as part of the Climate Control business; these all sell products to markets that have not yet shown any real signs of improvement. When we also account for the many efficiency programmes AI launched in recent years and its high capex, we believe the company has more up its sleeve, despite the firm valuation levels. We raise our TP to €29.25 and maintain our BUY recommendation.

A good start to the year. Aalberts Industries' (AI) 1Q14 trading update highlighted that most of its business segments experienced higher YoY order intake, revenue and results than in 1Q13. This more or less confirms the improved macroeconomic outlook for a majority of its end markets. AI's organic revenue growth over the first three months of 2014 was similar to or slightly above the organic growth seen over 2H13. We feel comfortable with our 2014F top-line forecast of 5.6% (organic 5.1%). Unsurprisingly, the market conditions in the European construction Flow Control (FC) business remain challenging, explained by the late-cyclical nature of this business. This is also partly true for the FC Climate Control business and part of the US construction FC business exposed to the commercial real estate market. That said, in the current economic environment, which has been steadily improving, this provides additional upside to our 2014-15F forecasts.

We maintain our BUY. Clearly, wider equity markets started a significant valuation multiple re-rating, which clearly also took place at AI. This implies that the single most important driver for AI's further share price performance is earnings momentum. Based on our current 2014-15F EBITDA forecasts and applying a target 2015F EV/EBITDA of 9.0x, we arrive at a fair value of €27.25. That said, we look at: (1) the potential for additional earnings momentum if the US and European construction market recoveries accelerate in 2015F; (2) the potential additional margin expansion from the numerous efficiency programmes management initiated in the past couple of years; and (3) the sizable war chest of €150-200m, and add €2.0 to the fair value to arrive at our new €29.25 target price. Our target multiple reflects a c.15% premium to the stock's historical mid-cycle multiple, which is appropriate, in our view, given the stage of the economic recovery cycle.

Forecasts and ratios

Year end Dec (€m)	2012	2013	2014F	2015F	2016F
Revenues	2,025	2,040	2,155	2,329	2,399
Normalised EBITDA	296	305	335	368	382
Normalised net profit	152	152	175	198	209
Normalised EPS (€)	1.40	1.38	1.59	1.79	1.90
Normalised PER (x)	17.5	17.7	15.3	13.6	12.9
EV/normalised EBITDA (x)	10.9	10.4	9.3	8.1	7.5
FCF yield (%)	3.7	3.4	5.2	5.5	6.4
Dividend yield (%)	1.4	1.7	1.9	2.0	2.1
Price/book (x)	2.7	2.6	2.4	2.1	1.9
Normalised ROE (%)	16.6	15.0	16.1	16.4	15.5

Source: Company data, ING estimates

Buy (maintained)

Price (16/04/14)
€24.43

Target price (12-mth)
€29.25 (previously €23.50)

Forecast total return
21.6%

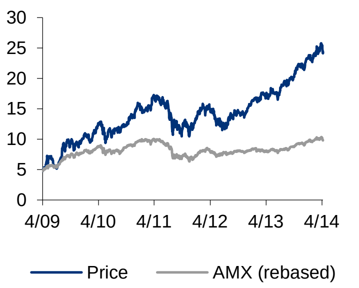
Industrial Goods & Services
Netherlands
Bloomberg: AALB NA
Reuters: AALB.AS

Share data

Avg daily volume (3-mth)	168,032
Free float (%)	76.5
Market cap (€m)	2,689.2
Net debt (1F, €m)	400
Enterprise value (1F, €m)	3,101
Dividend yield (1F, %)	1.9

Source: Company data, ING estimates

Share price performance

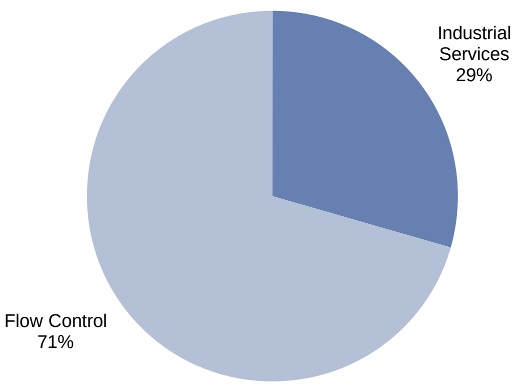


Source: ING

Tijs Hollestelle
Amsterdam +31 20 563 8789
tijs.hollestelle@ing.com

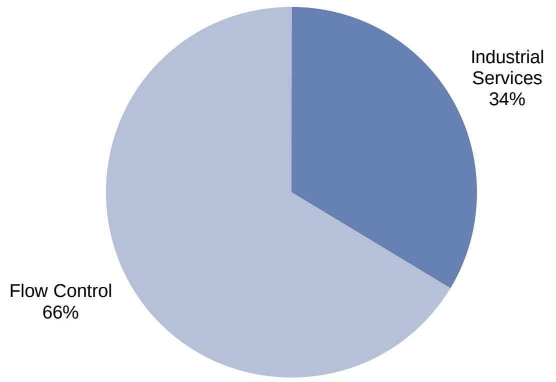
Aalberts in six charts

Fig 1 Revenue: Divisional breakdown for 2013 (%)



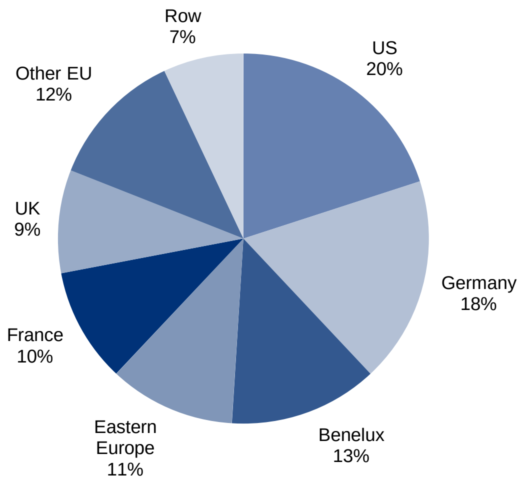
Source: Company data

Fig 2 EBITA: Divisional breakdown for 2013 (%)



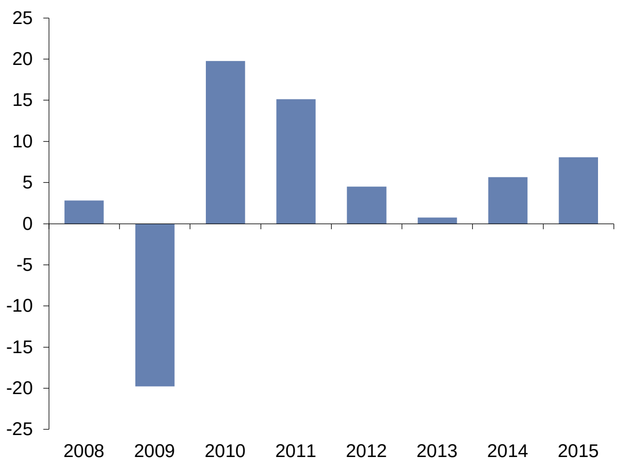
Source: Company data

Fig 3 Revenue: Geographical breakdown for 2013 (%)



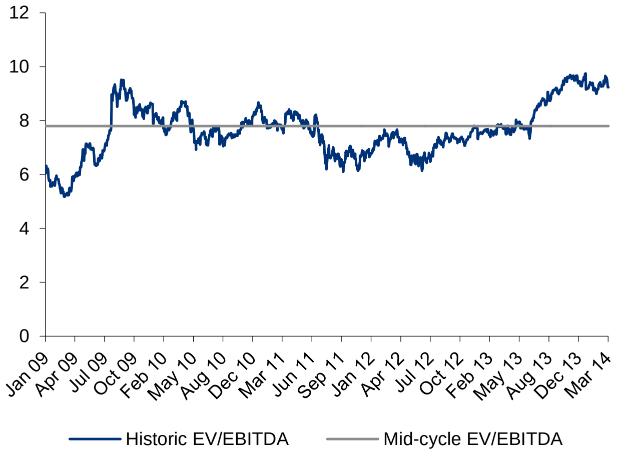
Source: Company data, ING estimates

Fig 4 Revenue growth for 2008-15F (%)



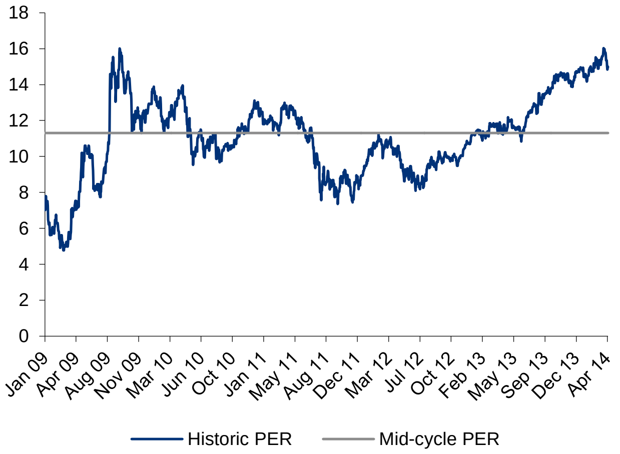
Source: Company data, ING estimates

Fig 5 Historical and mid-cycle EV/EBITDA (x)



Source: Bloomberg

Fig 6 Historical and mid-cycle PER (x)



Source: Bloomberg

New forecasts

Figure 7 shows our new divisional forecasts.

Fig 7 Aalberts: Divisional revenue and EBITA forecasts (€m)

	2007	2008	2009	2010	2011	2012	2013	2014F	2015F	2016F
Industrial Services										
Revenue	**506.0**	**515.2**	**361.0**	**464.8**	**579.2**	**595.2**	**601.3**	**640.4**	**704.4**	**725.6**
Revenue growth (%)	12.6	1.8	-29.9	28.8	24.6	2.8	1.0	6.5	10.0	3.0
EBITA	**58.3**	**42.4**	**(6.4)**	**58.1**	**79.8**	**79.6**	**75.6**	**87.1**	**97.6**	**101.2**
EBITA margin (%)	11.5	8.2	-1.8	12.5	13.8	13.4	12.6	13.6	13.9	14.0
Flow Control										
Revenue	**1,196.5**	**1,235.6**	**1,043.9**	**1,218.0**	**1,358.2**	**1,429.3**	**1,438.7**	**1,514.7**	**1,624.5**	**1,673.2**
% of total sales	20.8	3.3	-15.5	16.7	11.5	5.2	0.7	5.3	7.2	3.0
EBITA	**135.0**	**139.1**	**105.3**	**121.8**	**129.1**	**129.1**	**149.0**	**163.7**	**179.6**	**186.7**
EBITA margin (%)	11.3	11.3	10.1	10.0	9.5	9.0	10.4	10.8	11.1	11.2

Source: Company data, ING estimates

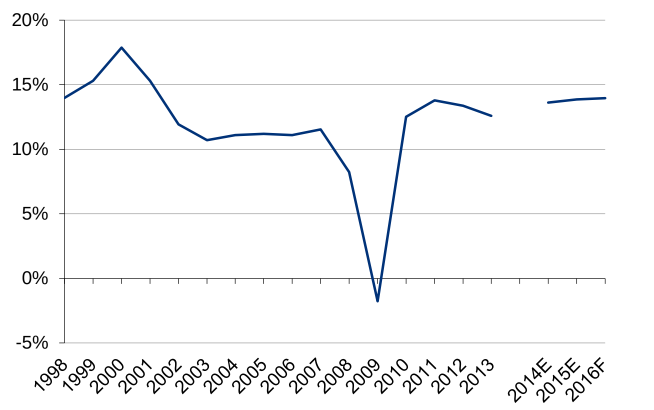
Eurozone recovery an important growth driver for IS

In Industrial Services (IS), we expect 6.5% revenue growth for 2014F, driven by a further gradual Eurozone recovery. AI has many Tier 1 clients (in sectors such as automotive, aerospace, semis and German machine building) that have a global footprint and also benefit from strong export demand from emerging markets and the US. Operating leverage is strong in the IS business (we use 25% of revenue as a proxy for cost of goods sold). Currently, we do not know how much the internal efficiency programmes will contribute, but they could lead to additional EBITA margin expansion in a growth environment. In the past few years, the IS business has substantially invested (capex) in new capacity and new production locations, which could further drive growth in the coming years.

Several FC end markets still to recover, construction exposure typically late cyclical

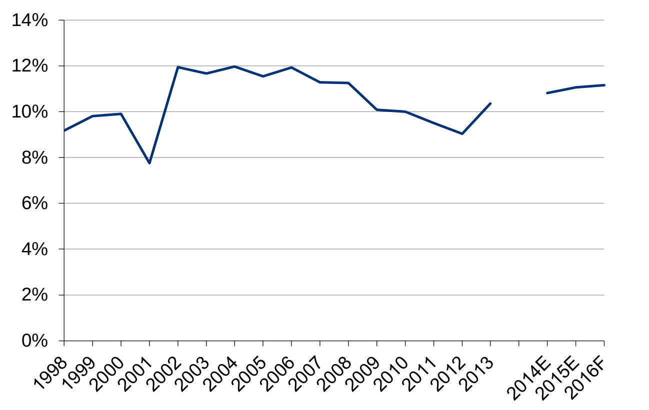
For Flow Control (FC), it is important to note that the EU construction markets remain challenging, which is stressed by the 1Q14 trading update and is in line with our expectations given construction's late-cyclical nature. In the US construction market, the FC business started to see a demand pick-up in 3Q13, mainly driven by the new and MRO residential market. It is noteworthy that FC US has sizable exposure to US commercial buildings, a market that has not yet started to recover. Commercial buildings are late-cyclical within the late-cyclical construction market, which could provide additional tailwinds in 2H14F or 2015F. These dynamics also play a role in the Climate Control unit, which is exposed to both the US and Europe. We expect steady growth in the FC Oil & Gas business. On top of this, the acquisition of Nexus Valve could add c.0.8% growth in 2014F and 0.25% in 2015F. We expect margins to improve alongside the top-line increase and the efficiency programmes.

Fig 8 EBITA margin: Industrial Services (%)



Source: Company data

Fig 9 EBITA margin: Flow Control (%)



Source: Company data

Above-consensus growth forecasts

General macroeconomic growth picture looks good for 2014F and 2015F

We expect 2014F revenue to increase 5.6% YoY to €2.16bn, of which 5.1% will be organic and 0.55% will be due to the consolidation effect of the Nexus Valve acquisition. Figure 10 shows the ING macroeconomic department's GDP growth forecasts for several AI end markets. The US, Germany and the Benelux, which together accounted for 51% of AI's 2013 revenue, provide a weighted growth expectation of 1.1% (versus 0.4% implied for 2013). Refer to Figure 3 for AI's geographical revenue breakdown.

Fig 10 GDP growth forecasts: US, Germany and Benelux (%)

	2013	2014F	2015F
US	1.9	3.1	3.1
Germany	0.5	1.8	1.6
Netherlands	-0.8	0.7	1.2
Belgium	0.2	1.3	1.7
Weighted 51% of AI total revenue	**0.4**	**1.1**	**1.1**

Source: Company data, ING estimates

If we also consider France and the UK, this captures 70% of AI's total 2013 geographical revenue exposure.

Fig 11 GDP growth forecasts: France and UK (%)

	2013	2014F	2015F
France	0.3	1.1	1.4
UK	1.8	3.0	2.8
France and UK 19% of revenue	**0.2**	**0.38**	**0.4**
Weighted 70% of AI 2013 revenue	**0.6**	**1.4**	**1.5**

Source: Company data, ING estimates

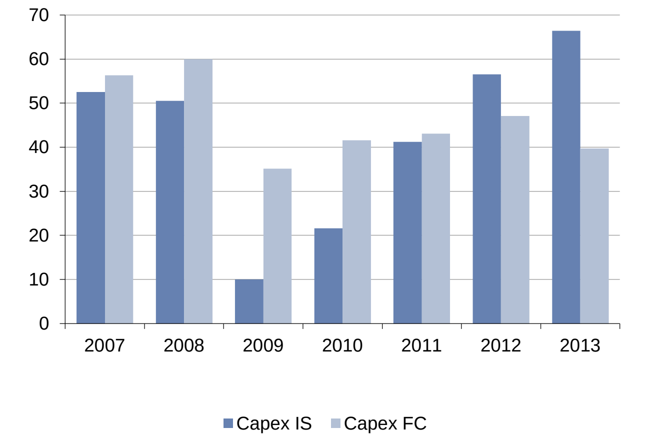
When we perform a similar analysis on AI's other country exposure, Eastern Europe represents 10% of 2013 revenue and the average 2014F GDP growth forecast for seven Eastern European countries is 2.1% (versus 0.9% in 2013F). For Spain, Sweden, Norway and the rest of Europe and the World, the blended and weighted GDP forecast for AI's relevant end-market exposure is 2.12% for 2014F versus 0.98% for 2013F. In general, the macroeconomic growth outlook for AI's relevant end markets looks promising.

Cash flow and balance sheet

In recent years, AI's strategy has shifted somewhat from acquisitions more towards a focus on organic growth and internal efficiency improvements. Figure 12 shows the capex levels of the IS and FC divisions over 2007-13. Despite the volatile and unstable economic circumstances in the past couple of years, AI kept its capex budgets at high levels.

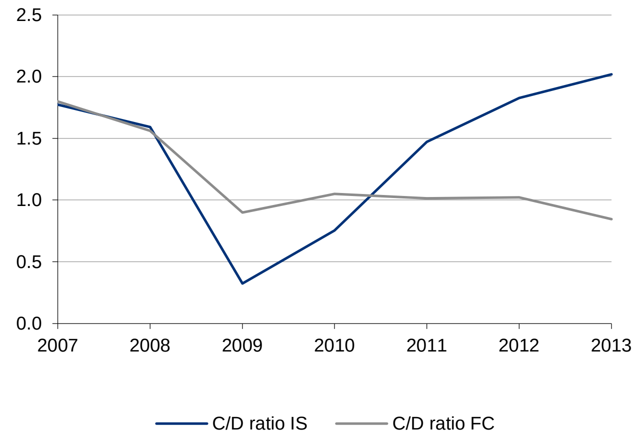
In the IS division, AI expanded its sales force, as well as its engineering capabilities, new technologies, products and processes. On top of this, the company started greenfield projects in China, India and Poland. Meanwhile, it increased production at existing locations in Poland and the Czech Republic.

Fig 12 Aalberts: Capex per division (€m)



Source: Company data

Fig 13 Aalberts: Capex/depreciation per division (x)

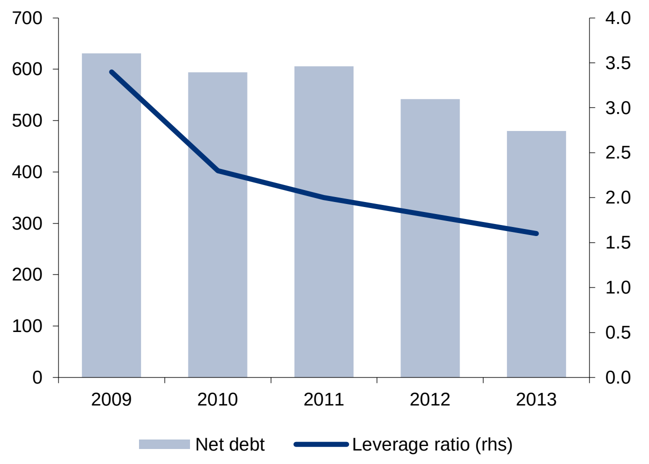


Source: Company data

AI's reported NWC arrived at €373m, reflecting 18.3% of revenue, which compares with 18.3% of revenue in 2012. Operating cash flow remained stable YoY excluding cash taxes and cash interest payments and a change in the debt position. Operating cash flow came in at €151.0m in 2013 versus €149.7m in 2012. There were no major changes in the various line items.

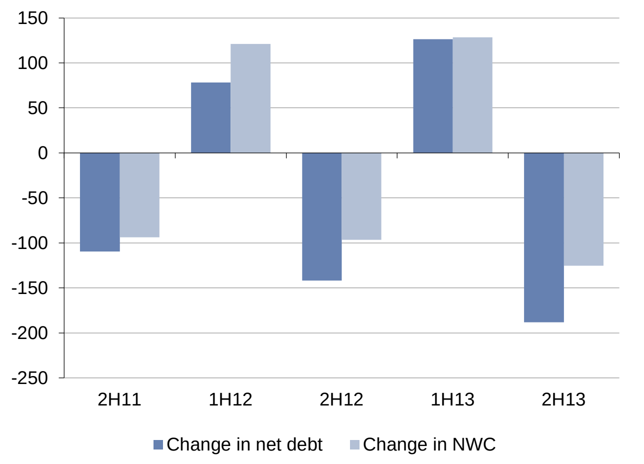
Reported net debt at end-2013 came in at €480m versus €542m at end-2012 and €668.3m at the end-June 2013. The 2013 leverage ratio stood at 1.6x. Assuming a maximum leverage ratio of 2.5x, we estimate AI's war chest is at c.€150-170m (depending on how much EBITDA is acquired, and the quality of this to-be-acquired EBITDA). This also takes into account a seasonal rise in NWC (and hence net debt throughout the year). The financial position is healthy and provides sufficient room to either acquire new technologies or positions in new end markets and/or fill in geographical blank spots. Note that the change in net debt from 1H12 to 2H12 was €126m lower at the year-end, while the change from 1H13 to 2H13 was €188m lower at the year-end. This was mainly explained by €97m lower NWC at end-2012 versus mid-2012 and €126m lower NWC at end-2013 versus end-1H13.

Fig 14 Net debt (€m) and leverage ratio (x)



Source: Company data

Fig 15 Change in six-month net debt and NWC (€m)



Source: Company data

Investment thesis

We maintain our BUY and raise our target price to €29.25

The stock performed strongly on the back of the wider equity market multiple rerating that took place, largely during 2013. This implied equity market re-rating incorporates an implicit increase in risk, as the main driver for additional share price performance is earnings momentum. Our current 2014-15F forecasts include a recovery in both revenue growth and operating margin expansion. Based on these forecasts, we arrive at a fair value of €27.25, with a target 2015F EV/EBITDA of 9.0x. This target multiple is a c.15% premium to the historical mid-cycle EV/EBITDA multiple, which is appropriate, in our view, given the recovery mode in a lion share of the company's end markets. When we add the 2014F dividend yield of 1.9%, the total return is 22%.

Having said this, the combination of: (1) an accelerated recovery in the construction markets in 2014-15F potentially leading to additional EBITDA of c.€30m in FC; (2) efficiency improvements across the various business potentially delivering above-average margins, adding c.€12m of additional EBITDA (+0.5% EBIITDA margin); (3) AI maintaining a war chest of €150-200m, which we believe could lead to an additional €28m of EBITDA, could add a further €4.10 to the value per share in 2015F.

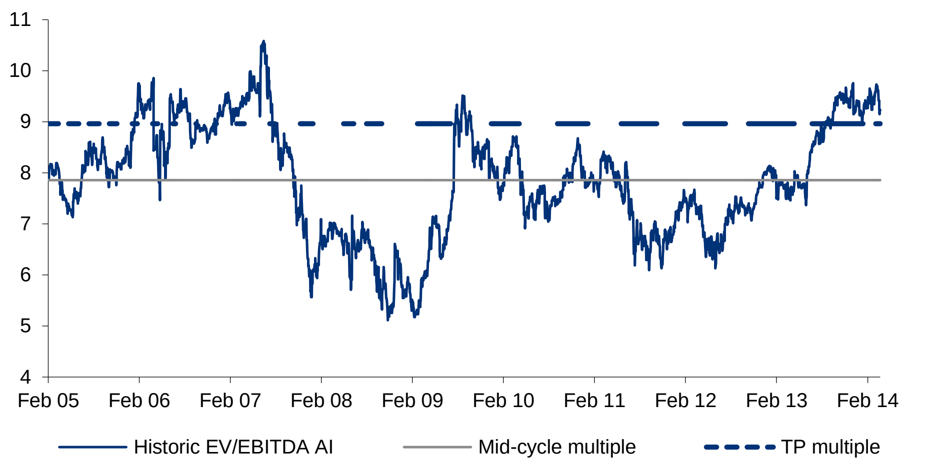
We set our TP at €29.25, which includes a target 2015F EV/EBITDA of 9.0x, and add €2.00 per share for the likelihood that the business performance exceeds expectations and attractive selective M&A takes place.

Fig 16 Aalberts: EV/EBITDA-based valuation framework (€m)

		2012	2013	2014F	2015F	2016F
EBITDA		285.7	304.5	335.3	368.5	381.9
Net debt		530.4	480.2	399.6	289.3	159.6
Shares outstanding (m)		109.3	110.6	110.6	110.6	110.6
	EV/EBITDA (x)	**2012**	**2013**	**2014F**	**2015F**	**2016F**
Recorded peak multiple	**10.6**	22.8	24.8	28.5	32.6	35.1
Best-case	**10.1**	21.5	23.4	26.9	30.9	33.3
Positive economic outlook	**9**	**18.6**	**20.3**	**23.6**	**27.2**	**29.5**
Mid-cycle	**7.9**	**15.7**	**17.3**	**20.2**	**23.6**	**25.7**
Negative economic outlook	**6.8**	12.8	14.2	16.9	19.9	21.9
Worst-case	**5.6**	9.9	11.2	13.5	16.2	18.1
Recorded through multiple	**5.1**	8.5	9.7	11.9	14.4	16.2

Source: Company data, ING estimates

Fig 17 Aalberts: Historical EV/EBITDA (x)



Source: Bloomberg

Risks

Although AI has very diversified end-market exposure, in terms of both industries and geographies, a majority of these end markets are cyclical in nature, and general GDP growth expectations determine the growth trends for most client categories. Hence, lower GDP growth forecasts could harm our EPS forecasts. AI's strong position in wider global industry supply has been achieved through economies of scale and a high level of innovation and use of technology in its product and service offerings, which require constant development and therefore investment in order to protect the company's position as a supplier.

Financials

Year end Dec (€m)	2009	2010	2011	2012	2013	2014F	2015F	2016F
Income statement								
Revenues	1,405	1,683	1,937	2,025	2,040	2,155	2,329	2,399
Cost of goods sold	(577)	(679)	(792)	(827)	(817)	(862)	(932)	(960)
Gross profit	**828**	**1,004**	**1,146**	**1,197**	**1,223**	**1,293**	**1,397**	**1,439**
Operating costs	(659)	(756)	(867)	(901)	(919)	(958)	(1,029)	(1,057)
EBITDA	**169**	**248**	**279**	**296**	**305**	**335**	**368**	**382**
Depreciation & amortisation	(83)	(81)	(85)	(94)	(97)	(102)	(109)	(112)
Impairments	0	0	0	0	0	0	0	0
EBIT	**86**	**167**	**195**	**202**	**207**	**233**	**260**	**270**
Net interest	(35)	(28)	(27)	(20)	(21)	(17)	(14)	(10)
Associates	0	0	0	0	0	0	0	0
Other pre-tax items	0	0	0	0	0	0	0	0
Pre-tax profit	**51**	**140**	**168**	**182**	**186**	**216**	**246**	**261**
Tax	(10)	(33)	(36)	(46)	(50)	(58)	(65)	(69)
Minorities	(0.5)	(2)	(0.2)	(0.9)	(2)	(0.5)	(0.5)	(0.5)
Other post-tax items	0	0	0	0	0	0	0	0
Net profit	**41**	**104**	**131**	**135**	**134**	**158**	**180**	**191**
Normalised EBITDA	**169**	**248**	**279**	**296**	**305**	**335**	**368**	**382**
Normalised EBIT	**86**	**167**	**195**	**202**	**207**	**233**	**260**	**270**
Normalised net profit	**54**	**117**	**146**	**152**	**152**	**175**	**198**	**209**
Balance sheet								
Tangible fixed assets	494	530	565	592	616	635	656	679
Intangible fixed assets	500	592	701	686	691	673	656	638
Other non-current assets	20	21	17	14	20	20	20	20
Cash & equivalents	0.1	0.1	0.1	0	0	0	0	0
Other current assets	564	635	648	663	669	700	754	775
Total assets	**1,578**	**1,778**	**1,932**	**1,955**	**1,996**	**2,028**	**2,086**	**2,114**
Short-term debt	162	179	221	266	321	210	288	157
Other current liabilities	249	339	342	328	319	337	363	374
Long-term debt	468	415	384	265	159	190	1	2
Other long-term liabilities	72	99	125	106	143	143	143	143
Total liabilities	**951**	**1,032**	**1,074**	**964**	**942**	**879**	**795**	**676**
Total equity	627	746	859	991	1,054	1,150	1,291	1,437
Total liabilities & equity	**1,578**	**1,778**	**1,932**	**1,955**	**1,996**	**2,028**	**2,086**	**2,114**
Capital employed	1,257	1,340	1,464	1,522	1,535	1,549	1,580	1,597
Net working capital	316	304	320	345	358	371	398	409
Net debt (cash)	631	594	606	530	480	400	289	160
Cash flow								
Cash flow EBITDA	169	248	279	296	305	335	368	382
Change in working capital	58	(55)	(33)	(26)	(12)	(14)	(27)	(11)
Other non-cash items	0	0	0	0	0	0	0	0
Operating cash flow	**226**	**193**	**246**	**270**	**292**	**322**	**341**	**371**
Cash interest paid	(35)	(28)	(27)	(20)	(21)	(17)	(14)	(10)
Cash taxes paid	(10)	(33)	(36)	(46)	(50)	(58)	(65)	(69)
Net cash from operating activities	**182**	**133**	**183**	**204**	**221**	**247**	**262**	**292**
Capex	(54)	(96)	(237)	(106)	(133)	(103)	(112)	(118)
Net acquisitions	0	0	0	0	0	0	0	0
Other net investing cash flows	0	0	0	0	0	0	0	0
Cash from investing activities	**(54)**	**(96)**	**(237)**	**(106)**	**(133)**	**(103)**	**(112)**	**(118)**
Increase (decrease) in equity	0	0	0	0	0	0	1	2
Increase (decrease) in debt	(135)	(38)	12	(134)	(68)	(177)	(189)	2
Dividends & minority distribution	(10)	(6)	(31)	(32)	(32)	(34)	(39)	(45)
Other financing cash flow	5	35	35	(19)	(9)	0	0	0
Cash from financing activities	**(140)**	**(9)**	**16**	**(185)**	**(109)**	**(211)**	**(227)**	**(41)**
Forex & discontinued operations	0	0	0	0	0	0	0	0
Net change in cash & equivalents	**(12)**	**27**	**(38)**	**(87)**	**(21)**	**(67)**	**(77)**	**134**
FCF	163	64	(27)	119	110	161	164	184

Normalised earnings (eg, EBITDA, EBIT, net income and other sector-specific line items) are in the opinion of the analyst the best representation of a company's underlying and sustainable earnings derived from its regular operating activities.

Source: Company data, ING estimates

Valuation, ratios and metrics

Year end Dec	2009	2010	2011	2012	2013	2014F	2015F	2016F
Performance & returns								
Revenue growth (%)	-19.8	19.8	15.1	4.5	0.77	5.6	8.1	3.0
Normalised EBITDA growth (%)	-32.9	47.0	12.6	6.0	2.8	10.1	9.9	3.7
Normalised EBIT growth (%)	-49.1	94.0	16.5	3.9	2.5	12.6	11.3	4.1
Normalised EPS growth (%)	-49.6	115.3	23.2	3.1	-1.5	15.5	12.7	5.6
Gross margin (%)	58.9	59.7	59.1	59.1	60.0	60.0	60.0	60.0
Normalised EBITDA margin (%)	12.0	14.7	14.4	14.6	14.9	15.6	15.8	15.9
Normalised EBIT margin (%)	6.1	9.9	10.0	10.0	10.2	10.8	11.2	11.3
Reported net margin (%)	3.0	6.2	6.8	6.7	6.6	7.3	7.7	8.0
Reported ROE (%)	7.0	15.5	16.6	14.8	13.3	14.5	14.9	14.2
Normalised ROA (%)	5.2	10.0	10.5	10.4	10.5	11.6	12.6	12.9
ROAIC (%)	5.6	9.7	10.4	9.7	9.5	10.4	11.4	11.6
ROACE (%)	6.6	12.9	13.9	13.5	13.6	15.1	16.6	17.0
ROACE - WACC (%)	-1.4	4.9	5.9	5.5	5.6	7.1	8.6	9.0
Leverage & solvency								
Working capital as % of sales	22.5	18.1	16.5	17.1	17.5	17.2	17.1	17.1
Net debt (cash)/EBITDA (x)	3.7	2.4	2.2	1.8	1.6	1.2	0.79	0.42
Net debt (cash)/equity (%)	100.6	79.6	70.5	53.5	45.5	34.8	22.4	11.1
EBITDA net interest coverage (x)	4.9	9.0	10.5	14.7	14.2	19.5	26.4	39.9
Current ratio (x)	1.4	1.2	1.2	1.1	1.0	1.3	1.2	1.5
Dividend cover (cash flow) (x)	13.0	6.4	n/a	4.0	3.8	5.3	4.8	4.9
Valuation								
EV/revenue (x)	2.4	2.0	1.7	1.6	1.6	1.4	1.3	1.2
EV/normalised EBITDA (x)	19.7	13.3	11.8	10.9	10.4	9.3	8.1	7.5
EV/normalised EBIT (x)	38.7	19.7	17.0	16.0	15.4	13.3	11.5	10.6
EV/capital employed (x)	2.6	2.5	2.3	2.1	2.1	2.0	1.9	1.8
EV/invested capital (x)	2.5	2.3	2.1	2.0	1.9	1.8	1.7	1.6
Normalised PER (x)	47.7	22.2	18.0	17.5	17.7	15.3	13.6	12.9
Price/book (x)	4.2	3.6	3.1	2.7	2.6	2.4	2.1	1.9
Dividend yield (%)	0.52	1.1	1.4	1.4	1.7	1.9	2.0	2.1
FCF yield (%)	4.9	1.9	n/a	3.7	3.4	5.2	5.5	6.4
Per share data								
Reported EPS (€)	0.39	0.98	1.22	1.24	1.22	1.43	1.64	1.74
Normalised EPS (€)	0.51	1.10	1.36	1.40	1.38	1.59	1.79	1.90
Dividend per share (€)	0.13	0.28	0.34	0.35	0.41	0.46	0.50	0.52
Equity FCFPS (€)	1.21	0.34	(0.50)	0.90	0.80	1.30	1.36	1.59
BV/share (€)	5.80	6.87	7.85	8.97	9.42	10.28	11.55	12.87

Source: Company data, ING estimates

Company profile

Aalberts Industries has two core activities: Flow Control (63% of EBITDA in 2012), which supplies products for controlling liquids and gases; and Industrial Services (37%), which supplies parts and services to several end-markets. Its main markets are the US (19% of revenue in 2012), Germany (18%), Benelux (14%), France (11%) and the UK (10%). Aalberts' EPS has recovered at a CAGR of 40% since the downturn in 2009.

Disclosures Appendix

ANALYST CERTIFICATION

The analyst(s) who prepared this report hereby certifies that the views expressed in this report accurately reflect his/her personal views about the subject securities or issuers and no part of his/her compensation was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this report.

IMPORTANT DISCLOSURES

For disclosures on companies other than the subject companies of this report visit our disclosures page at http://research.ing.com or write to The Compliance Department, ING Financial Markets LLC, 1325 Avenue of the Americas, New York, USA, 10019.

US regulatory disclosures

- The following subject company/ies of this report are or have been a client of ING Financial Markets LLC or an affiliate within the last 12 months and have received investment banking services: Aalberts Industries NV

Valuation & risks: For details of the methodologies used to determine our price targets and risks related to the achievement of these targets refer to main body of report and/or the most recent equity company report at http://research.ing.com.

Research analyst(s): The research analyst(s) for this report may not be registered/qualified as a research analyst with the NYSE and/or NASD. The research analyst(s) for this report may not be an associated person of ING Financial Markets LLC and therefore may not be subject to Rule 2711 restrictions on communications with a subject company, public appearances and trading securities held by the research analyst's account.

European regulatory disclosures

- The following subject company/ies of this report are or have been party to an investment banking agreement with one or more members of ING Group over the last 12 months: Aalberts Industries NV

The *remuneration of research analysts* is not tied to specific investment banking transactions performed by ING Group although it is based in part on overall revenues, to which investment banking contribute.

Financial interests: One of more members of ING Group may hold financial interests in the companies covered in this report other than those disclosed above.

Securities prices: Prices are taken as of the previous day's close on the home market unless otherwise stated.

Job titles. The functional job title of the person/s responsible for the recommendations contained in this report is equity research analyst unless otherwise stated. Corporate titles may differ from functional job titles.

Conflicts of interest policy. ING manages conflicts of interest arising as a result of the preparation and publication of research through its use of internal databases, notifications by the relevant employees and Chinese walls as monitored by ING Compliance. For further details see our research policies page at http://research.ing.com.

Other disclosures

Target prices, where included, are based on reasonable assumptions supported by objective data. Unless otherwise stated, neither historic share price performance data nor ING projections on potential share price performance reflect the impact of commissions, fees and charges. Past performance is not indicative of future results. Forecasts are not a reliable indicator of future performance.

FOREIGN AFFILIATES DISCLOSURES

Each ING legal entity which produces research is a subsidiary, branch or affiliate of ING Bank N.V. See back page for the addresses and primary securities regulator for each of these entities.

RATING DISTRIBUTION (as of end 1Q14)

	Equity coverage	Investment Banking clients*
Buy	49%	53%
Hold	40%	54%
Sell	11%	63%
	100%	

* Percentage of companies in each rating category that are Investment Banking clients of ING Financial Markets LLC or an affiliate.

RATING DEFINITIONS

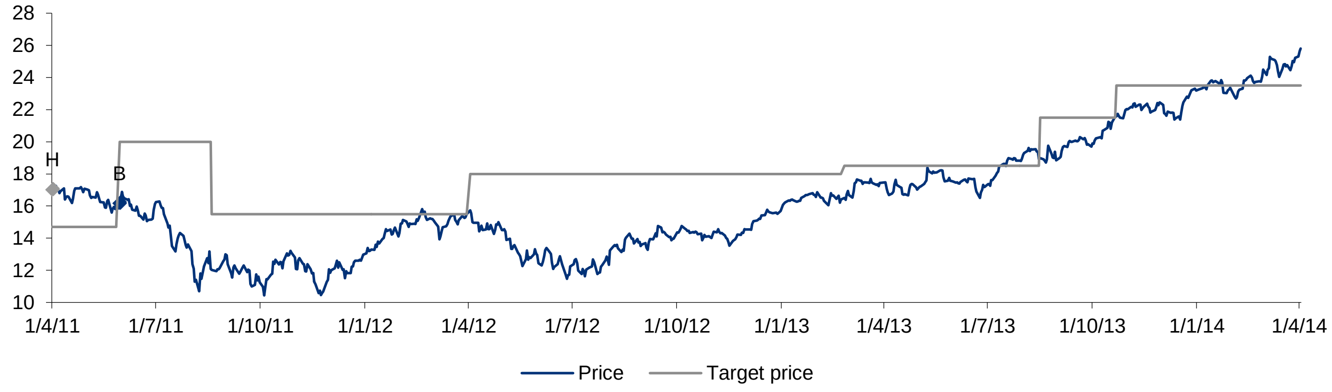
Buy: Forecast 12-mth absolute total return greater than +15%

Hold: Forecast 12-mth absolute total return of +15% to -5%

Sell: Forecast 12-mth absolute total return less than -5%

Total return: forecast share price appreciation to target price plus forecast annual dividend. Price volatility and our preference for not changing recommendations too frequently means forecast returns may fall outside of the above ranges at times.

PRICE & RATINGS HISTORY TO 02/04/14: AALBERTS INDUSTRIES (AALB.AS)



B = Buy; H = Hold; S = Sell; NR = Not Rated; R = Restricted

Chart shows ING coverage: current analyst may or may not have covered the stock for the entire period shown

Where ING coverage is longer than three years, chart shows recommendation current at start of the share price history

Source: ING

ING

AMSTERDAM	**BRUSSELS**	**LONDON**	**NEW YORK**	**SINGAPORE**
Tel: 31 20 563 8758	Tel: 32 2 547 7534	Tel: 44 20 7767 1000	Tel: 1 646 424 6000	Tel: 65 6535 3688
Bratislava	**Frankfurt**	**Madrid**	**Paris**	**Sofia**
Tel: 421 2 5934 6111	Tel: 49 69 75936 519	Tel: 34 91 789 8880	Tel: 33 1 56 39 32 84	Tel: 359 2 917 6400
Bucharest	**Geneva**	**Manila**	**Prague**	**Taipei**
Tel: 40 21 222 1600	Tel: 41 22 592 3079	Tel: 63 2 479 8888	Tel: 420 257 474 111	Tel: 886 2 8729 7600
Budapest	**Hong Kong**	**Mexico City**	**Sao Paulo**	**Tokyo**
Tel: 36 1 235 8800	Tel: 852 2848 8488	Tel: 52 55 5258 2000	Tel: 55 11 4504 6000	Tel: 81 3 3217 0301
Buenos Aires	**Istanbul**	**Milan**	**Seoul**	**Warsaw**
Tel: 54 11 4310 4700	Tel: 90 212 329 0752	Tel: 39 02 89629 3610	Tel: 82 2 317 1800	Tel: 48 22 820 5018
Dublin	**Kiev**	**Moscow**	**Shanghai**	
Tel: 353 1 638 4000	Tel: 380 44 230 3030	Tel: 7 495 755 5400	Tel: 86 21 2020 2000	

Research offices: legal entity/address/*primary securities regulator*

Amsterdam	ING Bank N.V., Foppingadreef 7, Amsterdam, Netherlands, 1102BD. *Netherlands Authority for the Financial Markets*
Brussels	ING Belgium S.A./N.V., Avenue Marnix 24, Brussels, Belgium, B-1000. *Financial Services and Market Authority (FSMA)*
Bucharest	ING Bank N.V. Amsterdam - Bucharest Branch, 48 Lancu de Hunedoara Bd., 011745, Bucharest 1, Romania. *Romanian National Securities and Exchange Commission, Romanian National Bank*
Budapest	ING Bank N.V. Hungary Branch, Dozsa Gyorgy ut 84\B, H - 1068 Budapest, Hungary. *Hungarian Financial Supervisory Authority*
Istanbul	ING Bank A.S., ING Bank Headquarters, Resitpasa Mahallesi Eski Buyukdere Cad. No: 8, 34467 Sariyer, Istanbul , Turkey. *Capital Markets Board*
London	ING Bank N.V. London Branch, 60 London Wall, London EC2M 5TQ, United Kingdom. *Authorised by the Dutch Central Bank*
Manila	ING Bank N.V., Manila Branch, 20/F Tower One, Ayala Triangle, Ayala Avenue, 1226 Makati City, Philippines. *Philippine Securities and Exchange Commission*
Milan	ING Bank N.V. Milano, Via Paleocapa, 5, Milano, Italy, 20121. *Commissione Nazionale per le Società e la Borsa*
Moscow	ING BANK (EURASIA) ZAO, 36, Krasnoproletarskaya ulitsa, 127473 Moscow, Russia. *Federal Financial Markets Service*
Mumbai	ING Vysya Bank Limited, Plot C-12, Block-G, 7th Floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, India. *Securities and Exchange Board of India*
New York	ING Financial Markets LLC, 1325 Avenue of the Americas, New York, United States,10019. *Securities and Exchange Commission*
Singapore	ING Bank N.V. Singapore Branch, 19/F Republic Plaza, 9 Raffles Place, #19-02, Singapore, 048619. *Monetary Authority of Singapore*
Warsaw	ING Securities S.A, Ul. Pulawska 2, Warsaw, Poland, 02-566. *Polish Financial Supervision Authority*

Disclaimer