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EQUITIES	Close	Change	% +/-	P/E '06	YTD
ISEQ	7821	↓ -67	-0.84%	11.0	6.20%
FTSE 100	5859	↓ 26	0.44%	13.5	4.27%
DAX 30	5721	↓ -62	-1.07%	15.0	5.79%
DOW	11022	↓ -4	-0.04%	19.5	2.21%
NASDAQ	2303	↓ -9	-0.37%	15.6	4.41%
S&P	1287	↓ -2	-0.15%	21.0	3.39%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2015	0.6855	139.9700
Dollar	1.2015	1.0000	1.7525	116.4600
Sterling	0.6855	1.7525	1.0000	204.1000
Yen	139.9700	116.4600	204.1000	1.0000
Oil (Nymex)	63.6700			

This Week's Research

Today's Research Kingspan

Today's Recommendation

Breaking News

HSBC reveals record £11.9 billion profit

HSBC has smashed the record for annual profits by a UK bank by unveiling a surplus of £11.91bn for 2005. The group said the figure was 11% higher than last year driven by "robust performances" from the core businesses in the UK, US and Hong Kong. City analysts had been forecasting a figure of around £11.7bn - well up on the previous year's £10.8bn. The figures are expected to lead to criticism that Britain's big High Street banks are still cashing in at the expense of customers. HSBC's results come a week after Royal Bank of Scotland unveiled profits of £8.25bn before accounting for one-off items. Lloyds TSB and Barclays have also cheered the City with bumper earnings. HSBC's charges for bad loans rose by £914.9m during the year. This came against a backdrop of rising personal bankruptcies in the UK, which generates around one-fifth of its earnings. However, HSBC said action taken to tackle bad debts in the UK began to have a positive effect during the final six months of 2005.

BOC accepts 1600p from Linde AG

Industrial gases group BOC has agreed a recommended cash offer from German suitor Linde. Linde is paying 1,600p in cash for each BOC Share valuing the entire existing issued share capital at about £8.2bn. The offer price represents a premium of around 40% to the average closing price of 1,143 pence per share during the three months up to the last day before BOC announced it had received an approach from Linde. German chemicals giant Linde confirmed that it had made an all cash approach for BOC at 1,500p per share back in January.

Ryanair February traffic up 22%

Ryanair, Europe's largest no-frills airline, said it carried 2.59 mln passengers in February, a rise of 22% on the same month last year. Load factor -- passengers as a proportion of the number of seats available -- was 78 pct, down 1 pct on February 2005. For the rolling 12 months to Feb 28, passengers carried totaled 34.4 mln, while load factor was 83%.

Kingspan (€11.75) 2005 results show 40% growth Stuart Draper

- Results announced : This morning, Kingspan announced results for the year ended 31/12/05. Profit before tax and earnings per share of €134.997m and 66.4c were largely in line with consensus forecasts of €134.3m and 65.4c, and were year on year increases of 40% and 41%.
- Insulation growth : Such strong growth was driven by the group's insulated panels business, its insulated boards business and its structural business, which includes Century Homes. The increasing importance of energy conservation because of high energy prices is driving strong sales growth at the insulated panels business. The increasingly tight regulatory environment is driving strong sales growth at the insulation boards business, with new regulations applying to UK planning permissions from April 2006 expected to further boost demand from 2007. Kingspan has established leading positions in several European insulation markets.
- Acquisition growth : The inclusion of Century Homes, acquired in April 2005, also helped to drive very strong growth at the group's structural business. Given Kingspan's strong capital position, with interest cover of c.14x, there is the potential for further such acquisitions in 2006 resulting in earnings upgrades. With the group's raised access floor business remaining weak in recent years, there is also the potential for group growth to be further enhanced in 2006 and 2007 as this business starts to recover.
- Margin expansion : In addition to strong sales growth, Kingspan is also achieving some margin expansion currently, an increasingly rare combination in the building materials' sector. Its H1 2005 results showed higher input costs being successfully passed on, and manufacturing efficiencies helping to increase the group's H1 2005 gross margin to 30.3%, from 29.5% for full year 2004. Kingpan's H1 2005 EBITA margin also increased to 11.5% from 9.9% for H1 2004.
- Further upside : As a result, our view is that further strong average earnings growth of 16% can be achieved over the 2006 / 2007 period. Such strong growth justifies a premium rating and so our current 12 month share price target of €13 (11% further upside) is based on 15x 2007 eps of 86.4c. Kingspan's share price has risen by 21% since our BUY note of 26/10/05 : BUY.

Business Press

- Aer Lingus float up in the air as Cullen wobbles (IT)
- AT&T in \$66 bln deal to buy BellSouth (IT)
- DAA picks builder for €100 million Pier D (II)
- Vodafone shareholders in line for record dividend over subsidiary sale (IE)

Investment Press

As investment bankers slug it out to bring China's next big bank to market, investors are having second thoughts on the sector. Shares in China's two internationally listed banks, China Construction Bank and Bank of Communications slipped last week. True this follows a fabulous run, CCB is up nearly 60% since its \$9 bln listing last October— FT Lex



DOLMEN SECURITIES

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