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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6545 ↑	21	0.32%	11.0	5.59%
FTSE 100	5230 ↑	40	0.76%	13.5	8.63%
DAX 30	4615 ↑	12	0.26%	15.0	8.45%
DOW	10271 ↓	-101	-0.97%	19.5	-4.75%
NASDAQ	2069 ↓	-10	-0.49%	15.6	-0.97%
S&P	1195 ↓	-10	-0.83%	21.0	-1.41%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.1933	0.6810	133.8500
Dollar	1.1933	1.0000	1.7520	112.1700
Sterling	0.6810	1.7520	1.0000	196.5300
Yen	133.8500	112.1700	196.5300	1.0000
Oil (Nymex)	61.5100			

This Week's Research
Iona
CRH
Grafton Group

Today's Research
British Land

Breaking News

EasyJet June passenger numbers up 15.4 percent

EasyJet has announced that its passenger numbers rose 15.4 percent in June from a year earlier to 2.59 million, as it further expanded its range of European routes. However the airline said its load factor fell 0.4 percentage points year on year to 85.6 percent. "We experienced a more favourable revenue environment during the month, but this has been balanced by an unfavourable movement in the spot price of jet fuel," Chief Executive Ray Webster said in a statement, adding that profit guidance remained unchanged. Annual total revenue per seat was expected to be slightly ahead of last year, it said.

Bank of Ireland comfortable with FY estimates

Bank of Ireland announced at its AGM yesterday further details of its Strategic Transformation Programme, which Governor Laurence Crowley said was designed to allow it to take advantage of 'significant growth opportunities' in its core markets of the UK and Ireland. Bank of Ireland also said it was "generally comfortable" with analysts' forecasts for its performance this financial year. Consensus estimates indicate that Bank of Ireland will make a profit before tax of 1.342 billion euros in the year ended March 2006, up from 1.321 billion the year before. Richard Burrows succeeded Crowley as governor at the close of the meeting.

Positive outlook for Irish economy

Jim Power, Chief Economist at Friends First has predicted that employment in Ireland will grow by 55,000 in the next year, despite a decline in domestic manufacturing. Other good news for the Irish economy was that GDP is to be revised upwards to 5.5% and GNP upwards to 5.2%, while global growth has eased in first half of 2005. Irish exports are expected to deliver growth of 5.8% in the "most challenging investment environment in the last decade". Increased costs for manufacturing companies in Ireland and sustained competitive pressure from China and India have contributed towards a decline in manufacturing in the Irish market.

British Land (£8.93) Surprise Olympic win Stuart Draper

- **Olympic win** : Even though it is likely to be several years before the actual economic benefits of yesterday's surprise IOC decision are felt, equity market valuations have already started to discount some modest upside for the companies that are ultimately likely to profit.
- **Infrastructure expenditure** : One such company is British Land, as a result of its extensive portfolio of London property. With 70,000 additional jobs and additional infrastructure expenditure of £10 bn already forecast for the London area over the next 7 years, the outlook for such property values is improved.
- **Growth focus** : British Land recently announced the acquisition of Pillar Property for £811m in cash. Pillar's property is primarily out-of-town retail warehousing, a sector with strong growth potential as a result of restrictions on planning consents for such developments. The move is part of the strategy of the company's new CEO to reshape the portfolio towards growth property and intensify the company's asset management activity. As a result, some property disposals could also be on the way, which could further boost the share price.
- **Recent results** : British Land appointed its new CEO, Stephen Hester, last July, when it split its CEO and Chairman roles, with John Ritblat remaining Chairman. It recently reported 15% year on year growth in NAV per share to £11.11 as at 31/03/05, and 8% profit before tax growth to £201.8m for the year ending 31/03/05,
- **Lease length** : These results showed that British Land continues to trade at an excessive discount (20%) to its NAV per share, when compared with the current sector average discount to NAV of 10%. Our view is that such a NAV discount is excessive because British Land's average lease length of c.16 years is longer than any of the other UK commercial property majors. This means that there is a very low risk to cashflow, with a spread of high quality office and retail tenants.
- **Debt fixed** : British Land's funding mix is also low risk, with 87% of its debt fixed or hedged, and with an average maturity of a lengthy 17 years. Our house view is also that there will be no further increase in the UK cost of borrowing, with interest rates likely to peak at current levels.
- **Further upside** : Our current 12 month price target for British Land of £10 (12% further upside) is based on a sector average discount of 10% to the company's NAV per share of £11.11 as at 31/03/05. British Land's share price has risen by 9% since our BUY note of 11/04/05 : **BUY**.

Business Press

- Accounting standards to cut ICG profit by €2.3m (IT)
- Elan rises on drug system approval (IT)
- DCC will have to claim stock market was blinkered, says Fyffes (IE)
- Saudis warn on shortfall in oil output (FT)

Investment Press— Lex

- **ABN Amro**: While ABN Amro has extended its €7.6bn bid for Banca Antonveneta to July 22, Rijkman Groenink, chief executive, admitted that "our future doesn't depend on this acquisition".



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