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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	8631 ↑	87	1.01%	11.0	17.20%
FTSE 100	6225 ↑	76	1.24%	12.4	10.78%
DAX 30	6331 ↑	90	1.43%	15.0	17.06%
DOW	12106 ↑	120	1.00%	19.5	12.27%
NASDAQ	2366 ↑	35	1.51%	15.6	7.28%
S&P	1380 ↑	15	1.13%	21.0	10.83%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2753	0.6696	150.2200
Dollar	1.2753	1.0000	1.9037	117.7800
Sterling	0.6696	1.9037	1.0000	224.2100
Interest Rates (%)	3.2500	5.2500	4.7500	0.4800
Oil (Nymex)	60.0200			

This Week's Research
Ryanair

Today's Research
Blackrock

Today's Recommendation

Blackrock (39c) Another €10m investment Stuart Draper

- Distribution facility : Blackrock International Land has announced its 5th property acquisition since May, with a €10m investment in a distribution facility in Santry, north Dublin. The property comprises a 6,190 sq m distribution facility and 1,210 sq m of office accommodation on a 3.35 acre site, which also has redevelopment potential. This brings to €38.5m the total group investment expenditure since May, increasing the group's gross property assets by c.20%.
- Well located : The building, in Woodford Business Park, is well located, 7 km from Dublin City, 2 km from Dublin airport and in close proximity to Dublin Port Tunnel, the M50 and the M1. As a result, the property should be a strong income generator, in addition to offering longer-term redevelopment potential.
- Attractive upside : With investment expenditure of €100m targeted in each of the next 2 years, and a number of transactions being actively pursued at this time, there is attractive upside potential over the next 2 years from further synergistic bolt-on acquisitions, combined with more efficient utilisation of the company's existing sites.
- Buoyant markets : Blackrock's property portfolio would appear to have significant upside potential from the April 2006 valuation reports compiled by Lisney, BTW Shiels and Lambert Smith Hampton. These valuations are contained in Blackrock's prospectus dated 13/04/06, and the buoyancy of the Irish, Northern Ireland and UK property markets continues to result in achieved market prices significantly exceeding valuations contained in such reports.
- Limited downside : Blackrock's most recently reported NAV per share of 37c also limits downside risk for the share price. This NAV per share was made up of properties worth €215.5m (after net cash of c.€11m and a deferred tax liability of €10m), divided by the 583.26m Blackrock shares in issue.
- NAV growth : Our recommendation is based on a 2 year investment horizon as a result of the lengthy time periods required by the planning process. Our view is that Blackrock's current NAV per share of 37c has the potential to grow by 20% per annum over the next 2 years to 53c. Given that the UK property sector average currently trades at a 10% discount to NAV and that the UK property sector historical average discount to NAV over the past 25 years has been c.10%, our current 2 year price target of 48c (23% upside) is based on a 10% discount to NAV per share of 53c as at 30/06/08 : **BUY**.

Breaking News

Marks & Spencer posts 32% jump in H1 profits

Marks & Spencer met the top end of analyst expectations today with a 32% jump in H1 profit as Chief Executive Stuart Rose's turnaround of the British retailer gained momentum. Marks & Spencer, the UK's leading clothing retailer, said its adjusted profit before tax rose to £405.1m on group sales of £3.9bn. Also announced was a deal with BP to roll out its upmarket self-branded Simply food stores. Marks & Spencer said it aimed to increase total group space by as much as 20% over the next five years and open 15 international stores in the second half of this year alone. International sales grew fastest in the first half, rising nearly 18% compared with 10.5% growth in Britain. Marks & Spencer's shares have risen more than 50% in the past year.

CRH peer beats analysts' expectations

German building materials group HeidelbergCement one of CRH's peers posted a net profit after minorities of €345m for Q3 of 2006, up from €274m a year earlier. HeidelbergCement net profit came up slightly above analysts' expectations of €339m. EBIT rose to €523m from €453m but stood below the analysts' forecast of €563m. The company generated a turnover of €2.58bn up from €2.25bn, slightly exceeding the analysts' forecast of €2.57bn. HeidelbergCement expects double-digit profit and turnover growth for full year 2006. The company growth, however, is expected to slow down a bit due to the cooling of the US real estate market.

Kingspan withdraws from proposed acquisition

Kingspan announced yesterday it had withdrawn from its proposed acquisition of insulation board manufacturer Xtratherm. Kingspan, maker of energy-efficient building materials, agreed in June to buy Ireland and UK-based Hytherm/Xtratherm for €87m but last month was refused clearance by the Competition Authority. The company said then it was consulting with the vendors over the authority's decision and would consider whether to appeal to the High Court. However, yesterday Kingspan said that they have agreed not to proceed with the proposed acquisition.

Business Press

- High stocks see oil dip below \$59 (IT)
- Tullow upbeat on Ugandan well (IT)
- Unions seeking link to Greencore payout case (II)

Investment Press

- Four Seasons: Bill Gates and Saudi Prince Alwaleed bin Talal would both struggle to blow their wealth on lavish hotel bills. But they may have found another way to make a dent.



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