



March 8, 2006

Contact Details:

Email : research@dsl.ie
info@dsl.ie

Tel : +353 1 633 3800
Fax : +353 1 677 4708

EQUITIES	Close	Change	% +/-	P/E '06	YTD
ISEQ	7832	↓ -39	-0.50%	11.0	6.35%
FTSE 100	5857	↓ -40	-0.69%	13.5	4.25%
DAX 30	5739	↓ -15	-0.26%	15.0	6.12%
DOW	10981	↑ 22	0.20%	19.5	1.83%
NASDAQ	2268	↓ -18	-0.77%	15.6	2.86%
S&P	1276	↓ -2	-0.19%	21.0	2.48%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.1922	0.6854	140.5400
Dollar	1.1922	1.0000	1.7395	117.8600
Sterling	0.6854	1.7395	1.0000	205.0400
Yen	140.5400	117.8600	205.0400	1.0000
Oil (Nymex)	61.5800			

This Week's Research
Kingspan
CRH

Today's Research
IL&P

Today's Recommendation

IL&P (€18.05) 2005 results announced Stuart Draper

- Results announced : This morning, Irish Life and Permanent announced its results for the year ended 31/12/05. Operating profit before tax and earnings per share of €420m and 135c respectively were ahead of consensus forecasts of €407m and 128.7c, and were both year on year increases of 9%. The main area of positive surprise was a particularly strong December for retail pension and bond sales, which given the higher margin nature of these products and the fact that most of the bond sales took place through the group's bank branch network, helped achieve a higher than expected group life margin.
- Bancassurance distribution : This overall group life margin increased to 20.4% from 14.9% for 2004, and the 26% growth in bancassurance sales (the group's highest margin distribution channel) was a key factor in helping to achieve this margin expansion. The group's leading share (c.27%) of the Irish life and pensions market leaves it well positioned to profit from the continued growth and ageing of the Irish working population.
- Mortgages stronger : Recent data for Irish mortgage lending points to that market remaining stronger for longer, which should help achieve an acceleration in group earnings growth in 2006. We are currently forecasting 10% eps growth in 2006 to €1.49. Slightly higher interest rates and current account market share gains should also help to offset some of the margin pressure at the banking business.
- Allianz value : Valuing the group's bank business at 12x upgraded 2006 earnings to reflect its continued strong growth gives a per share value of €6.53, valuing the group's life business at 1.8x embedded value per share of €6.26 to reflect its above average future growth prospects gives a per share value of €11.27, and valuing the group's 30% interest in Allianz Ireland at 10x 2006 earnings (a discount to FBD's current 12x), gives a per share value of €1.67.
- Further upside : Summing these 3 different parts gives a per share value for the group on a stand-alone basis of €19.47. Therefore, we upgrade our 12 month price target from €19 to €19.50 (8% further upside), and when combined with a current year dividend yield of c.3.4%, provides sufficient further upside to justify re-iterating our BUY recommendation at current levels. Approximately 70% of this dividend (42.8c per share, representing a yield of 2.4%) will be paid to shareholders holding the shares on 26th April : **BUY**.

Breaking News

FBD operating profit up 30 percent

Insurer FBD Holdings reported a better-than-expected 40% increase in pre-tax profits, boosted by a strong performance in the group's underwriting business. Pre-tax profits rose to €185.2m for the year to the end of December from €132m in the previous year. Operating profit climbed 30% to €162.6m in 2005 from €124.8m in 2004, while operating earnings per share was up 42% at 363.54 cents from 256.18 cents in 2004. The insurer's total income rose to €404.5m last year, up from €355m in 2004. The group's non-underwriting activities include property developments/leisure, financial services and the investment of non-allocated capital. The contribution to operating profit from these interests amounted to €27.7m, up from €18.1m in 2004.

Travis Perkins posted flat profits for 2005

British building materials firm Travis Perkins posted flat profits for 2005 on Wednesday and said it expected trading to remain tough in the first half of 2006. The firm's home improvement chain and core business for builders has suffered from a downturn in the UK housing market. Profit before tax was £206.7m in 2005, compared with 206.5m in 2004. Travis Perkins proposed a dividend of 34 pence a share for 2005, up 11.5 percent on the year before.

Ryanair receives 100th Aircraft Delivery from Boeing

Ryanair, Europe's largest low fares airline, celebrated the arrival of its 100th Boeing 737-800 series aircraft yesterday. Ryanair now has an all Boeing 737-800 fleet with an average age of just 2 years. This makes Ryanair's fleet the youngest of any major airline in Europe. Ryanair will receive a further 139 new Boeing 737-800 over the next 6 years, bringing the total fleet to 239 aircraft and enabling 70 million passengers to travel on the low cost airline.

Business Press

- CRH records record profits (IT)
- Dragon Oil shares fall over pipe blockage (IT)
- NTR to invest €120m in bio-energy division (II)
- ELAN proposes limits on Tysabri use (II)

Investment Press

Vodafone chairman could stay on to avert clash

- Lord Maclaurin, who steps down as chairman of Vodafone in July, could stay on in an advisory capacity to sidestep a clash with investors in the UK-based mobile phone operator over a planned £500,000 retirement bonus.



Disclaimer: The information in this document has been obtained from sources, which we believe to be reliable. We cannot guarantee its accuracy or completeness. It does not constitute a solicitation for the purchase or sale of any investment. Any person acting on the information contained in this document does so at their own risk. Recommendations in this document may not be suitable for all investors. Individual circumstances should be considered before a decision to invest is taken. Investors should note the following: Past experience is not necessarily a guide to future performance. The value of investments may fall or rise against investors' interests. Income levels from investments may fluctuate. Changes in exchange rates may have an adverse effect on the value of, or income from, investments denominated in foreign currencies. Dolmen Securities is a Member Firm of the London Stock Exchange, and is authorised by the Financial Regulator under the Investment Intermediaries Act 1995. Dolmen Stockbrokers is a Member Firm of The Irish Stock Exchange, The London Stock Exchange, and is authorised by the Financial Regulator under the Stock Exchange Act 1995. Dolmen Stockbrokers is regulated by the Financial Regulator as a Mortgage Intermediary.