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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	7919 ↓	-74	-0.93%	11.0	7.54%
FTSE 100	6026 ↓	-20	-0.32%	13.5	7.25%
DAX 30	5953 ↓	-78	-1.30%	15.0	10.07%
DOW	11120 ↓	-96	-0.86%	19.5	3.13%
NASDAQ	2339 ↓	-22	-0.94%	15.6	6.06%
S&P	1296 ↓	-14	-1.03%	21.0	4.06%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2098	0.6942	142.9700
Dollar	1.2098	1.0000	1.7425	118.1600
Sterling	0.6942	1.7425	1.0000	205.9300
Yen	142.9700	118.1600	205.9300	1.0000
Oil (Nymex)	67.3900			

This Week's Research

Today's Research Fyffes

Today's Recommendation

Breaking News

Horizon announces acquisition

Horizon Technology Group has announced that it has completed the acquisition of 100% of the share capital of Enterprise Process Consulting Group. The consideration for the acquisition will comprise an initial €2.0m plus two further payments determined by results achieved in the next two years. The maximum further consideration is €1.5m. EPC's net tangible assets at completion are estimated at €1.0m, including net cash balances of €0.7m. EPC is complementary with Horizon's Irish enterprise application and consulting business and will add specialist skills in the pharmaceutical, public sector and mobility markets to the division's existing skill sets. Following integration, the combined operation will be the only indigenous mySAP consulting partner in Ireland. This bolt-on acquisition is consistent with Horizon's focus on the enterprise segment of the market and is expected to be EPS enhancing in 2006.

Ferrovial launches £8.75bn bid for BAA

Spanish company Grupo Ferrovial launched an 8.75 billion pound hostile bid for BAA on Friday. BAA rejected the 810-pence-a-share cash offer from Ferrovial's bidding consortium, which was pitched at the same level as a non-binding proposal turned down by BAA last month. Ferrovial, which had until April 24 to announce a firm bid or walk away, said it was keen to talk to BAA to seek a recommended deal.

Friday's Non-Farm Payrolls

Non-farm payrolls data showed that 211,000 new jobs were created in the US in March, while the unemployment rate fell to 4.7 per cent from 4.8 per cent in February. Expectations were for around 190,000 and 4.8 percent respectively. The Labour Department modestly revised down new hiring in February to 225,000 jobs instead of 243,000 reported last month while January new jobs totaled 154,000 instead of 170,000 - a cumulative reduction of 34,000 in the number of jobs created over the two months.

Fyffes (€2.20)

Supreme Court Appeal

Stuart Draper

- SC appeal : Fyffes has announced that it intends to appeal to the Supreme Court, the High Court judgement in its case against DCC. According to the announcement, the decision to appeal follows a "detailed analysis of the judgement by the directors and by the company's counsel."
- Less costly : Even though it is expected that the whole Supreme Court process of submission, response, hearing and judgement could take up to 1 year, the smaller legal teams involved should ensure that the total legal bill for both sides is less than half what it was for the High Court case (c.€9m).
- Minor overhang : Even though the move does create the risk of further legal costs for Fyffes, it is unlikely to act as a significant overhang for the share price as the market has previously factored in a DCC win, and Fyffes' share price achieved its 52 week high of €2.70 last September even with the potentially more costly High Court case still unresolved.
- Hidden value : A much more significant driver of Fyffes' share price this year is likely to be the EGM circular detailing the group's 25 revalued properties. This is now expected to be sent to shareholders within the next week, keeping the Bluestone listing on course for early May, which could be an important catalyst for exposing the group's hidden property value.
- Potential offsets : Our view of the extra tariff costs from the new EU banana market rules is that they are a sector-wide problem rather than a company specific issue, and there may be scope to pass some of them on in the form of price increases. Also, given the fact that both Fresh Del Monte and Chiquita were loss-making in Q4 2005, and that Fresh Del Monte is currently for sale, there is the potential that the new EU regime results in Fyffes and its net cash balance of €160m participating in sector consolidation which results in extra cost efficiencies providing another offset for the extra tariff costs.
- Attractive upside : With Fyffes' net cash per share currently 46c and the 25 of its Irish and UK properties conservatively revalued at 57c per share, even valuing the fruit (not just banana) business at a conservative rating of 8x earnings, the current share price of €2.20 is implying a sustainable eps of 14.6c for this business. A fairer estimate of the sustainable eps of this business is likely to prove to be 18c, where the company's eps should recover to in 2007, giving our current 12 month price target of €2.50 (14% upside) : **BUY**.

Business Press

- Commodity prices look set to spiral even higher (FT)
- Ministers predict strong growth in global economy (IT)
- Construction activity grows (IT)
- Cowen defends State stake in privatised Aer Lingus (IT)

Investment Press

- Compass: Finally a welcome break for shareholders in troubled Compass Group. The world's largest contract caterer sold its travel concession catering business Select Service Partner for £1.82bn, considerably more than expected.



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