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Contact Details:

Email : [research@dsl.ie](mailto:research@dsl.ie)

Tel : +353 1 633 3800  
info@dsl.ie Fax : +353 1 677 4708

EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	8050 ↓	-139	-1.69%	14.1	-14.44%
FTSE 100	6134 ↓	-57	-0.92%	13.2	-1.39%
DAX 30	7375 ↓	-61	-0.82%	14.2	11.80%
DOW	13128 ↑	14	0.11%	15.2	5.33%
NASDAQ	2559 ↓	-7	-0.26%	26.1	5.95%
S&P	1452 ↓	-2	-0.13%	15.9	2.35%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3790	0.6808	156.5800
Dollar	1.3790	1.0000	2.0252	113.5500
Sterling	0.6808	2.0252	1.0000	229.9000
Interest Rates (%)	4.0000	5.2500	5.7500	0.5000
Oil (Nymex)	77.4900			

This Week's Research  
SAP

Today's Research  
British Land

Breaking News

## Breaking News

### CPL reports 81% rise in full-year profit

CPL Resources has reported fiscal full-year pre-tax profit that rose by 82% to €19.3m while revenue increased to €195.5m from €148m in the previous year. This is the group's third consecutive year of delivering profit before tax growth of over 80%. CPL raised its dividend to €0.04 from €0.029 last year. The company commented that it had been an excellent year as it expanded its business in every sector and continued its international expansion. The group's net acquisition spend for the year amounted to €4.9m. CPL noted that it sees great opportunity for growth in its international business and that it has sufficient financial and operational flexibility to respond to the needs of the market place as they arise.

### Redrow reports flat full-year profit

UK homebuilder Redrow reported fiscal full-year 2007 net profit of €84.4m, in line with the previous year. Revenue rose by 3.3% to €795.7m. The group's average selling price fell by 1% as it sold more debut-brand starter homes which sell for an average price of €80,000. Redrow pointed out that completions rose to 4,823 from 4,735 during the year, while its order backlog increased by 6.4% to 2,148. The group said that the market is 'stable but competitive' following successive interest rate rises from the Bank of England. Redrow also reiterated that the planning regime continues to be inefficient resulting in delays in bringing new outlets on stream.

### Intel raises third quarter revenue guidance

Intel has raised its third quarter revenue guidance range to \$9.4bn-\$9.8bn from \$9.0bn-\$9.6bn previously. Intel said that the boost came from 'stronger than expected worldwide demand' and did not provide specifics on what is driving the gains. Intel also said that it expects its gross margin for the third quarter to be in the upper half of its previous range of 52% plus or minus a couple of points. Intel, which makes 70% of the world's PC processors, has been boosted by strong sales from surging demand in emerging markets such as China. Intel is due to report its third quarter results on October 16<sup>th</sup>.

**British Land (£11.87) Office park sold for £161m Stuart Draper Target : £17.50 (11/01/07; previously £17, issued 21/11/06)**

- **Property disposal** : British Land (BL) has announced the sale of Blythe Valley Park office park, Solihull, to Doughty Hanson & Co Real Estate and US based REIT, Liberty Property Trust, for £161m. The 257 acre site currently provides c.500,000 sq ft of existing office accommodation within 97 acres of undeveloped land. Late last year, outline planning consent was secured for a major extension to the park bringing the total consented area up to 2m sq ft of office accommodation, with the office park's current tenants including Logica, Regus, Virgin and Oracle.
- **Portfolio repositioning** : The disposal is in line with the UK property group's stated strategy of tightening its sector focus on its core markets of London Offices and Out of Town retail, where it has leading market positions. BL is committed to accelerating its portfolio repositioning under the new REIT legislation, and further such activity over the rest of 2007 should help expose the significant discount to NAV at which its shares are currently trading. The value of BL's office properties showed a 13.6% increase for the year ended 31/03/07 and the value of its retail properties showed a 7.6% increase.
- **NAV growth** : Last month, BL announced net asset value (NAV) per share of £17.30 as at 30/06/07, an increase of 2.9% on the £16.82 as at 31/03/07. The growth was driven by a 1.3% valuation uplift together with a 1.6% gain on property disposals. The quarterly dividend was increased to 8.75p, implying a full year dividend of 35p, representing a yield of c.3% on the current share price. Such disposals also generate further funding for the group's share buyback programme, should the group's share price remain at its current 31% discount to NAV.
- **NAV discount** : Such a discount to NAV would appear excessive, given that the historical UK property sector average over the past 25 years has been 10% to account for CGT, and given that a lower NAV discount is now justified as a result of the elimination of this tax through REIT conversion. With c.3 msf of office development projects delivering over the next 2 years, the vast majority of which is located in the fast-improving London City area, we are still forecasting further 6% NAV per share growth over the next 9 months to £18.33 as at 31/03/08. As a result, our current 12 month target price remains £17.50 (47% upside), which is based on a 5% discount to year end NAV per share of £18.33 : **BUY**.

## Business Press

- Apple reaches 1m mark in iPhone sales (IT)
- ECB to monitor impact of 'hectic' volatility (IT)
- Primark margins hit by increased competition (II)
- Banks' housing woe hits market (II)

## Investment Press

**Financing ABN**: While the consortium led by Royal Bank of Scotland is in pole position to win the bid battle for Dutch bank ABN Amro, raising the capital is looking trickier by the day.

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75 St. Stephen's Green, Dublin 2, Ireland.  
45 South Mall, Cork, Ireland.  
Theatre Court, Mallow Street, Limerick, Ireland

• Tel : +353 1 633 3800  
• Tel : +353 21 422 2122  
• Tel : +353 61 436 500

• Fax : +353 1 677 7044  
• Fax : +353 21 422 2123  
• Fax : +353 61 436 599

• Email : [info@dsl.ie](mailto:info@dsl.ie)  
• Email : [cork@dsl.ie](mailto:cork@dsl.ie)  
• Email : [limerick@dsl.ie](mailto:limerick@dsl.ie)



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