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EQUITIES	Close	Change	% +/-	P/E '06	YTD
ISEQ	7842	↓ -85	-1.07%	11.0	6.49%
FTSE 100	6017	↓ -51	-0.83%	13.5	7.08%
DAX 30	5908	↓ -95	-1.58%	15.0	9.25%
DOW	11090	↓ -52	-0.46%	19.5	2.84%
NASDAQ	2310	↓ -23	-0.98%	15.6	4.76%
S&P	1287	↓ -10	-0.77%	21.0	3.34%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2144	0.6940	143.5400
Dollar	1.2144	1.0000	1.7499	118.2300
Sterling	0.6940	1.7499	1.0000	206.9200
Yen	143.5400	118.2300	206.9200	1.0000
Oil (Nymex)	68.9800			

**This Week's Research**  
Fyffes  
Horizon

**Today's Research**  
IFG Group

**Today's Recommendation**

## Breaking News

### Kerry announces two acquisitions

Kerry said yesterday it had acquired two North American food ingredients businesses for a total of \$83 million. Kerry said in a statement it had bought sweet ingredients maker Custom Industries, which has operations in the United States and Canada, and Minnesota-based Nuvex Ingredients, which specialises in high-protein and fibre ingredients. The two businesses have combined annual sales of \$83.7 million, it said. Kerry, which has spent over €900m on acquisitions in the last two years, said in February it planned to focus on acquisitions in the health and nutrition sectors.

### BOI appoints new UK Head of Leveraged Syndications

Yesterday Bank of Ireland announced that it had appointed Peter Mullen as the new UK Head of Leveraged Syndications. Mullen was recruited from Societe Generale in the UK where he was Director of Loan Syndications. Tom Hayes, Chief Executive, Bank of Ireland Corporate Banking commenting on the establishment of the Leveraged Syndications team said his appointment represents a significant stage in the strategic development of the bank's Acquisition Finance business.

### Axa dismisses Prudential speculation

French insurer Axa dismissed market speculation it could bid for rival Prudential, saying it was not in talks with Britain's second-largest life insurer. Prudential has said it believes it has an independent future and declines to comment on rumours of takeover bids. Axa's expansion plans have been the object of market rumours after Chief Executive Henri de Castries told a German newspaper this month that the company wanted to play part in consolidation in the insurance sector but had no plans to buy a bank.

### IFG Group (€2.12) 2005 results announced Stuart Draper

- Results announced : This morning, IFG Group announced results for the year ended 31/12/05. Underlying earnings per share and dividend per share of 12.58c and 3c respectively were largely in line with consensus forecasts of 12c and 3c, and were year on year increases of 68% and 25%.
- Growth resumes : The earnings growth was driven by further strong performances from the group's 3 core businesses, International Trustee, Irish Mortgages and UK Actuarial, not being wiped out by losses at the group's other UK operations, as was the case in 2004. The main driver of the growth at the International Trustee business was its offshore corporate trust activities, helped by increasing regulatory requirements.
- Irish mortgages : The group's Irish mortgage business continues to perform well, helped by growth from the group's non-conforming GE product and by increased demand for title insurance. With the re-mortgage market expected to account for 40% of the mortgage market in 3 years time from 25% currently, as more Irish consumers re-mortgage to consolidate their debt at lower interest rates, the growth prospects for this business remain strong. Helped by the closure of loss-making businesses and some restructuring, the performance of the IFG's UK division is continuing to improve.
- Debt reduction : Further progress was made in reducing the group's net debt to €29.6m as at 31/12/05 from €36.7m as at 31/12/04. Such progress provides a further engine of earnings growth from the associated lower interest charge, as well as reducing the company's risk profile.
- Recommendation downgrade : However, with the share price having risen by 57% (v1.35) since our last BUY note of 29/09/05, our view is that this improved earnings growth outlook is now quite fairly reflected in the current share price trading at 14.1x 2006 eps of 15c. Therefore, with the share price having reached our current fair value estimate of €2.15, which is based on 12x 2007 eps of 18c, we now downgrade our recommendation from BUY to NEUTRAL, recommending a SWITCH into Bank of Ireland (€14.80), as providing more value at current levels amongst the Irish financials : NEUTRAL.

## Business Press

- Alltracel moves into the black for first time (II)
- Botswana loses sparkle Irish firm African Diamonds (II)
- AIB sees growth of 5.7% next year as jobs to rise (II)
- Nasdaq pays £448m for key LSE stake (FT)

## Investment Press

- Marks & Spencer: Fuller figures were on show at M&S after it unveiled better-than-expected sales in the three months to April. Shares in the UK retailer, up over 70 per cent since April 2005, rose 4 per cent, and customer store visits are 18m higher than last year.



DOLMEN SECURITIES

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