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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	8685	↓ -6	-0.07%	11.0	17.94%
FTSE 100	6208	↓ -23	-0.37%	12.4	10.49%
DAX 30	6358	↓ -1	-0.01%	15.0	17.56%
DOW	12108	↑ 5	0.04%	19.5	12.29%
NASDAQ	2390	↑ 14	0.58%	15.6	8.36%
S&P	1381	↑ 3	0.19%	21.0	10.92%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2859	0.6726	150.9500
Dollar	1.2859	1.0000	1.9118	117.3500
Sterling	0.6726	1.9118	1.0000	224.4000
Interest Rates (%)	3.2500	5.2500	4.7500	0.4800
Oil (Nymex)	59.5900			

This Week's Research

Today's Research DCC

Breaking News

Fyffes issue demerger circular to clients

Fyffes issued a circular to shareholders on Friday giving details of the planned split and said that its new general produce and distribution business would be called Total Produce. Assuming approval of the proposals at the EGM on December 5 shareholders will receive one new share in Total Produce for each existing Fyffes share held. Total Produce will be listed on the smaller IEX index and the UK equivalent AIM, which have less onerous listing requirements than the main boards if the demerger is approved. Fyffes has agreed to transfer the entire interest of Everfresh to Total Produce who will assume the obligation to pay the final consideration to purchase the remaining 40% of the Everfresh group by May 2007 subject to a max payment of €49.6m. As of June 6, Fyffes had accrued €35m in this regard.

Magners loses market share in UK market

On Friday drinks group C&C saw its share price fall by 7%. The fall came on the back of new figures showing the performance of its Magners cider in Britain was not quite as strong as previously hoped. The data showed that Magners' market share in August and September was slightly down after a sharp rise in July. Last week, Scottish & Newcastle announced a €30 million advertising campaign for their Bulmers and Strongbow brands in Britain. Strongbow is still the leading cider brand over there, despite Magners incredible performance of cornering 2.4% of the British beer market.

Petrofac deals is positive news for Petroceltic

On November 9 Petrofac announced it had acquired a 45% interest in the Chergui concession in Tunisia. Petrofac is buying the stake from the Tunisian state oil company, which holds the remaining 55% interest. The gas field has preliminary reserves estimates of about 50bcf under the anticipated development programme. This values the gas at circa \$2.20 per mcf. Applying these prices to Petroceltics gas reserves in Algeria derives a potential share price of over 40p per share.

Business Press

- Deutsche Telekom chief Riche resigns (IT)
- Wachovia is set to enter the Irish market (II)
- NTL to canvass ITV investors (FT)

Breaking News

DCC (€23.20) H1 results announced Stuart Draper

- Results announced : This morning, DCC announced results for the 6 months ended 31/03/05. Underlying earnings per share of 48.95c was c.9% ahead of the consensus forecast of 44.95c, and was a year on year increase of 10%, as strong earnings growth from the company's Energy, Sercom and Environmental divisions more than offset slight declines from the Food & Beverage and Healthcare divisions, as well as the previously flagged timing-related profit decline at Manor Park.
- Guidance upgraded : As a result, DCC has upgraded its full year earnings guidance by c.5%, now expecting full year adjusted earnings per share to be "close to that achieved in the year to 31 March 2006". H2 is the seasonally more important half of the group's financial year, contributing c.70% of full year profit.
- Waste acquisition : In conjunction with the results' announcement, DCC also announced the acquisition of a second waste recycling business in the UK. It has acquired a 90% shareholding in Realpower Limited, the holding company of Wastecycle Limited, which is a Nottingham-based recycling and non-hazardous waste management business.
- Attractive price : DCC is paying €8.7m up-front, including net debt acquired, with a further maximum of €8m payable based on profits in each of the 3 financial years to 31/03/10. With Wastecycle on course to generate operating profit (EBIT) of €2.2m for the year ended 31/12/06, the maximum amount payable of €16.7m would represent the attractive EV / EBIT acquisition multiple of 7.6x.
- Fairly valued : The acquisition should boost group eps by c.1% in a full year, moving our eps forecast for the year ending 31/03/08 to €1.75, representing 13% growth on the current year eps of €1.55 for the year ending 31/03/07. However, with the shares currently trading at 15x current year earnings, this solid growth outlook may now be quite fairly reflected in the current share price. As a result, we recommend a SWITCH into CRH (€27.50) as providing more value at current levels on the Irish market : **NEUTRAL**.

Investment Press

- Private equity: The private equity industry is going global. Just as investment banks raced to grab a share of overseas markets in the 1990s - the big private equity firms are setting up new offices around the world



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