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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6732	↑ 70	1.05%	11.0	8.61%
FTSE 100	5044	↑ 44	0.88%	13.5	4.78%
DAX 30	4388	↑ 46	1.05%	15.0	3.10%
DOW	10796	↑ 46	0.43%	19.5	0.12%
NASDAQ	2077	↑ 24	1.15%	15.6	-0.59%
S&P	1205	↑ 8	0.69%	21.0	-0.55%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2933	0.6891	135.6500
Dollar	1.2933	1.0000	1.8763	104.9100
Sterling	0.6891	1.8763	1.0000	197.3900
Yen	135.6500	104.9100	197.3900	1.0000

## This Week's Research

## Today's Research CRH

## Today's Recommendations

### Breaking News

#### Bank of Ireland hires UK media finance team

Bank of Ireland said on Friday its corporate division had recruited a new media finance team in Britain to boost its growth plans in the sector. The five-strong team, led by Bill Greaves and based in London, have been headhunted from Barclays, the bank said, and will focus on media sub-sectors including publishing, broadcasting, radio and TV production. "Bill and his colleagues have a proven track record and will greatly enhance our product offering," said Bank of Ireland's head of specialised finance, Tom Hayes. "This is a significant development for our corporate business in the UK market and is in line with our strategy to continue to add further sector specialist teams for our customers."

#### Irish exports to China to triple

Enterprise Ireland predicts that Irish exports to China will triple by 2010. Gerry Murphy, chief executive director of international sales at Enterprise Ireland said that on current trends, China is likely to be the second largest economy in the world in the next decade. He said that Irish companies should be making plans now to participate in the economic growth of China. Murphy said that the increase will come from information and communications technologies, education services, health care products and services and the specialist electronics sectors. Ireland currently exports less than €100 million of goods to China every year.

#### Irish Broadband extends services

Irish Broadband has won seven further licences from the Commission for Communications Regulation to supply internet services to Irish homes and businesses. The company will extend its reach to cover Tralee, Killarney, Navan, Sligo, Celbridge, Wicklow and Bray. The rollout will bring Irish Broadband's coverage to 23 cities and towns. New services in Limerick, Waterford, Galway, Drogheda and Dundalk will begin operations before the middle of next month. Packages start from €29.99 per month.

#### CRH (€22)

#### Increased US highway spend

#### Stuart Draper

- Infrastructure proposal : As part of its 2006 budget proposals, the Bush administration is now proposing a total spend on transport infrastructure of \$284 bn between 2006 and 2009, a significant \$28 bn increase on its previous proposal, with \$228.6 bn being allocated to highways under the plan.
- 2007 boost : Even though the new highway proposal is very back-end weighted, the increased spend will have a significant impact from 2007, with federal spending on highways increasing by 3.9% in 2007, 7% in 2008 and 15.2% in 2009. The American Road and Transportation Builders Association's most recent quarterly update last week also stated that prices for highway and street construction increased by 8.7% in 2004, indicating some recovery of the higher input costs.
- Upcoming results : CRH will report its full year results for 2004 on Tuesday, 1st March, with profit before tax of €1.084 bn expected, a year on year increase of 25%. Such strong underlying growth is being driven by an upturn in CRH's main markets, particularly the US and the UK.
- US growth : The US residential market remains very strong, infrastructural demand there is stable and the slowdown experienced over the last number of years in the non-residential market is expected to improve in 2005. CRH will also benefit from the increased US federal infrastructure spending programme mentioned above.
- European recovery : European construction markets have also started to recover, with the European divisions of CRH posting excellent performances in H1 2004. Organic growth was strong in both the Materials and Products & Distribution divisions. The performance of the Materials division was principally driven by the cost cutting implemented over the past 2 years. Acquisitions added to performance at the Products & Distribution division, particularly Cementbouw, which contributed €42m to earnings before interest and tax. European demand is expected to continue to improve through 2005 and 2006.
- Further upside : We view CRH as a core portfolio play for 2005, with a new 12 month price target of €24 (9% further upside), which is based on 13x consensus 2006 earnings per share of €1.828. CRH's share price has now risen by 16% since our BUY note of 31/08/04 : BUY.

### Business Press

- GM pays Fiat €1.55bn to end joint ventures (FT)
- Abbey mortgage rules get down to petty cash (FT)
- Fyffes case 'could run until June' and cost over €5m (II)
- Asda to test the water in Ireland (IE)
- Can Bush really cut the budget deficit? (IE)

### Investment Press— Lex

- Hewlett-Packard: The architect of the Hewlett-Packard/Compaq merger is gone. Should Carly Fiorina's successor dismantle the house she built? The key lies in the imaging and printing business.



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