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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	8376 ↓	-51	-0.60%	14.1	-10.97%
FTSE 100	6109 ↓	-34	-0.56%	13.2	-1.79%
DAX 30	7446 ↑	21	0.28%	14.2	12.87%
DOW	12861 ↓	-167	-1.29%	15.2	3.19%
NASDAQ	2459 ↓	-40	-1.61%	26.1	1.80%
S&P	1407 ↓	-20	-1.39%	15.9	-0.82%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3411	0.6766	155.4000
Dollar	1.3411	1.0000	1.9842	115.6300
Sterling	0.6766	1.9842	1.0000	229.8200
Interest Rates (%)	4.0000	5.2500	5.7500	0.5000
Oil (Nymex)	73.3300			

This Week's Research
 British Land
 Grafton Group
 Kingspan

Today's Research
 British Land

Breaking News

British Land (£12.14) Q1 results announced Stuart Draper
Target : £17.50 (11/01/07; previously £17, issued 21/11/06)

- Results announced : This morning, British Land (BL) announced its results for the 3 months ended 30/06/07. Net asset value (NAV) per share of £17.30 was c.1% ahead of the consensus forecast of £17.16, and was 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.
- NAV growth : The quarterly dividend was increased to 8.75p, implying a full year dividend per share of 35p, and representing a yield of 2.9% on the current share price. The result keeps the group on target to achieve full year NAV per share growth of 9% to £18.33 as at 31/03/08. The results' announcement also provided some important reassurance that the UK office property market remains buoyant currently, and that the UK retail property market also remains solid.
- Buyback resumption : Following today's results' announcement, BL will now be able to resume its share buyback programme, with a further c.£200m worth of its shares currently expected to be bought back over the next 12 months. The £1 bn of asset sales completed over the 3 months ended 30/06/07 create the potential for an increase in this buyback programme should the group's share price remain at its current c.30% 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. BL is also committed to accelerating its portfolio repositioning under the new REIT legislation. Further such activity over the rest of 2007 should help expose the significant discount to NAV at which the shares are now 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.
- Major upside : 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 9% NAV per share growth over the next 12 months to £18.33 as at 31/03/08. As a result, our current 12 month target price remains £17.50 (44% upside), which is based on a 5% discount to year end NAV per share of £18.33 : **BUY**.

Breaking News

Ryanair add 6 new routes

Ryanair reported yesterday it would attract an extra million passengers a year at its Dublin base by adding new routes and planes and more flights. Europe's largest budget carrier announced six new European routes and said it would increase frequencies on a further 12 routes to the United Kingdom and Europe. With these new routes and additional flights, Ryanair expects to carry a record 10m passengers through Dublin airport in 2008. Three of these routes are currently been serviced by Aer Lingus. Ryanair said it would deploy two additional new Boeing 737-800 aircraft worth \$140m at list prices. The airline had 171 of the planes on back order as of the end of May. Deputy CEO Michael Cawley also reiterated the firm expected a 10 percent rise in net profit in the year to March 2008.

Falling energy prices eases US inflation

US consumer prices softened last month on falling energy prices while clothing and medical care posted sharper gains, suggesting the recent disinflationary trend may have come to an end with underlying inflation near the high end of the Federal Reserve's comfort area. The consumer price index (CPI), a key inflation gauge rose 0.1% in July, compared to June's 0.2% rise. The core CPI, which excludes volatile food and energy prices, advanced 0.2%, matching June's increase. Year on year, the core CPI held at 2.2% for a third straight month.

Greencore move to pre planning phase in Mallow

According to press reports Greencore is moving to a pre-planning phase with their c.400 acre, €500m redevelopment plan for the former sugar factory site in Mallow, which includes proposals for the creation of 1,000 jobs. Greencore's design team in consultation with county council officials in the coming months will complete the master plan. In related news CFO Patrick Coveney purchased 6,000 shares in the company at €4.73 a share yesterday.

Business Press

- Northern Rock acts on funding fears (FT)
- Nestle unwraps buy-backs on stellar results (FT)
- Builders gain amid hopes of an end to interest rate rises (FT)
- Smurfit falls back despite rise to €260m in profits (IT)

Investment Press

- Credit ratings agencies: The flawed ratings accorded to US subprime mortgages and the fragile tower of securities built on top of them raise questions about the reigning triumvirate.

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