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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6106 ↑	44	0.73%	11.0	-1.49%
FTSE 100	5000 ↑	25	0.51%	13.5	3.87%
DAX 30	4388 ↑	20	0.47%	15.0	3.09%
DOW	10745 ↓	-59	-0.55%	19.5	-0.35%
NASDAQ	2035 ↓	-16	-0.78%	15.6	-2.59%
S&P	1198 ↓	-9	-0.75%	21.0	-1.18%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3352	0.6950	139.2700
Dollar	1.3352	1.0000	1.9205	104.3200
Sterling	0.6950	1.9205	1.0000	200.3400
Yen	139.2700	104.3200	200.3400	1.0000

This Week's Research
Waterford Wedgwood
Ryanair

Today's Research
INWS

Today's Recommendations

INWS (€2.28) 2004 results announced Stuart Draper

- Results announced : This morning, Independent News & Media reported results for the year ended 31/12/04. Earnings per share of 14.15c was largely in line with the consensus forecast of 14c, and was a year on year increase of 12%. APN News & Media, in which INWS owns a 39.7% shareholding, recently reported a 26% increase in net profit to A\$130.2m, and stated that it expects to match current consensus forecasts for 2005.
- Advertising revenue : INWS' growth was driven by almost 10% circulation growth, helped by the launch of "tabsheet" editions in the UK and Ireland, as well as over 10% growth in advertising revenue. The results showed that circulation gains are a positive lead indicator for advertising revenue.
- London Independent : However, despite the major circulation gains made by the London Independent, its profitability only improved modestly. Also, with the consensus forecast already expecting further 15% earnings per share growth in 2005 to 16.1c, there may be limited scope for upgrades in the aftermath of these results.
- FX effect : The strengthening of the FX rates for the Australian and New Zealand dollars, and the South African Rand, versus the Euro, over the course of 2004, also helped these results, but such a translation boost from these commodity currencies is unlikely to be repeated in 2005.
- Indian acquisition : In December 2004, INWS announced the €25.5m acquisition of a 26% stake in Indian newspaper publisher, Jagran Prakashan Ltd., which publishes the Hindi-language daily, Dinik Jagran, India's largest selling daily newspaper with 16.4m readers daily. The deal follows recent changes to India's foreign ownership legislation in the media sector, which now enables foreign companies to acquire up to 26% of Indian publications. The acquisition will be financed from Independent's existing cash balances and should be modestly earnings enhancing in 2005.
- Target achieved : When our target price of €2.30 was recently achieved, we downgraded our recommendation from BUY to NEUTRAL. With the shares still trading at 14.2x consensus 2005 earnings per share of 16.1c, we re-iterate this recommendation as the group's earnings growth rate may now start to slow. INWS' share price had risen by 33% since our BUY note of 03/10/03 : **NEUTRAL**.

Breaking News

Schroeder reveals 9.76% holding in Iona

In an announcement to the Irish Stock Exchange last Friday it was revealed that Schroeder Investment Management International Limited currently holds 3,389,090 shares in Iona Technologies Plc. This constitutes 9.76% of Iona's issued share capital.

CNG Travel Group secures Best Western deal

CNG Travel Group yesterday unveiled a major expansion of its private rate hotel program inventory. The company has added Best Western, one of the world's largest hotel chains with more than 4,100 hotels, after signing a new preferred distribution agreement. "The agreement reinforces CNG's market position, establishing it as one of the world's largest private rate hotel booking programmes with over 25,000 participating hotels," CNG said. CNG founder and Chief Executive Finbarr Power said the deal "adds further significant volume, choice and revenue potential to CNG's private rate hotel programme." "We hope to announce further agreements in the coming months as we continue to build our hotel reservations programme," he added.

Kerry Group director share purchase

Kerry Group has announced that its deputy chief executive Denis Cregan bought 20,000 shares in the company at 17.915 euros each on Monday. This transaction gives him a holding of 282,500 ordinary shares, equivalent to a 0.15 percent stake in the company.

Business Press

- OPEC set to raise oil flow after pressure from US (FT)
- 888.com float planned (FT)
- Ex-WorldCom CEO found guilty of accounting fraud (WSJE)
- Grafton chief sells stock worth €1.1m (IT)
- S&P lowers Waterford's credit rating (IT)

Investment Press— Lex

- Lehman Brothers: A year ago, investors wondered whether Lehman Brothers' record first quarter earnings were the best it could do. Resoundingly, they were not.



DOLMEN SECURITIES

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