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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	7758 ↑	41	0.53%	11.0	5.35%
FTSE 100	5897 ↓	-1	-0.02%	12.4	4.94%
DAX 30	5813 ↑	36	0.63%	15.0	7.48%
DOW	11327 ↑	97	0.86%	19.5	5.05%
NASDAQ	2150 ↑	35	1.63%	15.6	-2.53%
S&P	1295 ↑	10	0.77%	21.0	4.05%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2843	0.6773	148.5000
Dollar	1.2843	1.0000	1.8959	115.6100
Sterling	0.6773	1.8959	1.0000	219.1100
Interest Rates (%)	3.0000	5.2500	4.7500	0.4800
Oil (Nymex)	71.8900			

**This Week's Research**  
McInerney  
British Land  
BHP Billiton

**Today's Research**  
CRH

**Today's Recommendation**

CRH (€25.42) BUY ahead of results Stuart Draper  
Target : €30 (05/07/06 ; previously €27, issued 19/05/06)

- Results preview : On Tuesday week, 29th August, CRH will announce its results for the 6 months ended 30/06/06. Profit before tax growth of 33% to €509m is expected to be announced, in line with the company's H1 2006 trading statement. However, the announcement of further acquisitions in conjunction with the H1 results' announcement creates the potential for further earnings upgrades and significant share price upside over the coming months.
- Acquisition update : Due diligence is continuing to be carried out on the \$1.5 bn acquisition of Ashland Paving and Construction (APAC). Even excluding APAC, CRH has completed €1.9 bn of acquisitions during the 12 months ended 30/06/06, which should ensure that the group achieves double digit earnings growth in both 2006 and 2007.
- US diversity : Even though US residential demand is moderating from the high levels of recent years, both non-residential (industrial and commercial), and infrastructure demand remain strong and growing. Peer results of recent weeks have also shown that higher energy prices are continuing to be successfully passed on in the form of higher cement prices.
- European recovery : Recent peer results have also shown that a significant year on year recovery is currently taking place at several of the group's European businesses. For the first 6 months of 2006, CRH's European Materials business is expected to report a "broad-based improvement", its European Products business is expected to report a "much improved first half", and its European Distribution business is expected to show a "strong improvement" on 2005.
- Earnings upgrades : CRH's acquisition spend so far in 2006 has totalled €801m, almost 4 times the level of H1 2005. When combined with the upbeat trading statement released last month, this has resulted in the consensus 2006 eps forecast being raised by c.2.5% from €2.10 to €2.15, and the consensus 2007 eps forecast being raised by c.2% from €2.28 to €2.32.
- Attractive upside : As a result, we recently upgraded our 12 month price target from €27 to €30 (18% further upside), which is based on 13x 2007 eps of €2.32. Our view remains that a multiple of 13x forward earnings is a fair rating for CRH, given the multiple range of 14x to 16x forward earnings at which deals have recently taken place in the cement sector, and given CRH's continued double digit earnings growth : BUY.

## Breaking News

### IN&M to raise stake in Jagran Prakashan

Jagran Prakashan has revealed that Independent News & Media has approached the Indian market regulator to up its stake in the Indian firm by up to 3 percent. The application to the Securities & Exchange Board of India to buy 1 to 3 percent in the Indian firm from the open market was made by IN&M. Independent now owns just over 20 percent in the Indian company. Foreign firms can hold up to 26 percent in an Indian newspaper. IN&M want to take the maximum possible within the 26 percent limit, while the price at which the shares will be purchased is not known.

### BHP Billiton: Union lowers demands

Striking workers at the world's largest copper mine, Chile's Escondida, said yesterday they lowered their wage demands as they negotiate with the company to end the current strike, has resulted in a 90 percent reduction in regular output. The union said it was asking for a 10-per-cent raise, down from a previous demand of 13 per cent. Escondida, majority owned by global miner BHP Billiton, is considering the modified demands.

### BP shareholders file lawsuit

BP shareholders have filed a lawsuit against senior executives following the partial shutdown of its oil field in Alaska. The investors say they have been let down by failures to repair the pipe in the Prudhoe Bay oilfield, which has been partially closed after a leak. The closure has significantly cut the field's 400,000 barrels per day output. BP chief executive Lord Browne of Madingley and a number of other senior executives now face legal action after shareholders alleged the company knew about the pipeline corrosion for years. The shareholders claim BP took no substantial steps to properly monitor and repair the pipes.

## Business Press

- Open skies delay to hit Aer Lingus sale (IT)
- Chadwick set to take over marina in €18m deal (IT)
- Cloudy now but clearer skies ahead for Ryanair (II)

## Investment Press

- US inflation: Round one to Ben Bernanke. The early data following the Federal Reserve's controversial interest rate pause could hardly have been friendlier.



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