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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	9660	↑ 155	1.63%	14.1	2.67%
FTSE 100	6732	↑ 83	1.24%	13.2	8.22%
DAX 30	8031	↑ 181	2.31%	14.2	21.73%
DOW	13639	↑ 86	0.63%	15.2	9.44%
NASDAQ	2627	↑ 27	1.05%	26.1	8.75%
S&P	1533	↑ 10	0.65%	15.9	8.08%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3397	0.6762	165.5500
Dollar	1.3397	1.0000	1.9702	123.5400
Sterling	0.6762	1.9702	1.0000	242.4200
Interest Rates (%)	3.7500	5.2500	5.5000	0.4800
Oil (Nymex)	68.0000			

This Week's Research

Today's Research

Today's Recommendation

Glanbia (€3.70) Post Management meeting update Stuart Draper

- **Management meeting:** Today Deputy Group Managing Director Geoff Meagher visited our offices to give a detailed analysis of each of the company's divisions and their prospects. He also re-iterated recent guidance of double digit eps growth for 2007 inline with the its recent AGM statement.
- **Food Ingredients:** The company's food ingredients division is involved in the process of cheese and nutritional solutions based around Whey protein which is a by-product of cheese making process. This is seen as a high growth area with Glanbia the current market leader. To capitalize on this Glanbia recently made 3 acquisitions; Kortus in Germany, Pro-fibre in the UK and Seltzer in the US. All three business are involved in the nutritional sector and are seen as good strategic fits.
- **Agribusiness division:** This is the company's traditional core business and is involved in the supply of feed and fertilizer to farmers. It currently generates c.€12m free cash per annum and this is likely to continue for the foreseeable future.
- **Property value:** The property business was set up in 2005 to create a strategic focus on the group's property portfolio. Glanbia has identified a number of potential transactions and expects to generate €4 to €5m in disposals each year for the next 5 years. These properties do not include the c.300 acres outside Waterford or the Waterford city center site. We have valued the 300 acres at €100,00 an acre and the city centre site at c.€15m. This works out at c€0.15 for each of the 290m shares in issue.
- **Glanbia's JVs:** Glanbia currently has 3 international joint ventures. These are Glanbia Cheese in the UK, Southwest cheese in the US and Nutricima in Nigeria. These JV's added €263m in revenue in 2006 and are expected to increase significantly this year as the Southwest factory comes on line and the Nigerian JV is expected to increase sales by 15-20%.
- **Food value:** Our view is that Glanbia deserves to trade in line with its peers due to its potential for double digit earnings growth. Therefore we value the company at 15x 2007 eps forecast of €0.26 per share giving a fair value of €3.90
- **Further upside:** Including the €0.15 per share of property value explained above, provides the basis for our 12 month price target of €4.05(9% further upside). Including the groups c1.5% dividend this generates a sufficient further total return from current levels to issue a buy recommendation: **BUY**

Breaking News

Tullow Oil announces significant oil discovery offshore Ghana

Tullow Oil has announced that the high impact Mahogany-1 exploration well drilled on the West Cape Three Points licence offshore Ghana has discovered a significant light oil accumulation based on the results of drilling, wireline logs and samples of reservoir fluid. The well drilled in water 1,320 meters deep found an oil column of 270 meters. The Mahogany block straddles two exploration licences in Ghana, West Cape Three Points and Deepwater Tano, in which Tullow owns 22.9% and 49.95% respectively. Tullow's Exploration Director Angus McCoss commented that the discovery holds 250m to 600m barrels. Tullow's previous reserves estimate for Mahogany, based on a 50% probability, was 250m barrels.

ThirdForce shareholders back purchase of MindLeaders for \$18m
 Shareholders of ThirdForce have approved its proposed \$18m purchase of MindLeaders. The company also said that its placing of ordinary shares to partly fund the acquisition announced on May 21st has been fully subscribed up to the maximum level of 68,421,052 ordinary shares at the proposed placing price of €0.19 per share. The company said that in addition and due to the substantial interest shown by potential investors in the placing that it has also decided to issue a further 12,338,997 ordinary shares at the placing price of €0.19 per share.

Metro Baltic acquires two development properties

Metro Baltic has announced that it has entered into agreements to acquire two development properties in Riga, Latvia and Tallinn, Estonia. The gross development cost of the projects, including acquisition, construction and finance is approx €130m. The property in Latvia is situated 5kms from Riga Old Town and is well suited for modern office development. Planning permission has been granted for the construction for c.50,000 sqm of gross office space. The property in Estonia is a c.2,200 sqm land plot located on a high profile square in the centre of Tallinn, an area that currently commands some of the highest rents in the city.

Business Press

- ISE introduces new stock weighting method. (IT)
- Cadbury plans to cut 5000 jobs. (II)
- ICI rejects takeover bid from Dutch (II)
- New house building to drop 13%. (IE)

Investment Press

- **Losing ABN Amro-** The ups and downs in Barclays' and Royal Bank of Scotland's share prices send a simple message: winning the current bid battle for ABN Amro would be bad news for either bank.

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