DOLMEN DAILY

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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	7505 ↓	-316	-4.04%	14.1	-20.23%
FTSE 100	6183 ↓	-106	-1.69%	13.2	-0.61%
DAX 30	7480 ↓	-18	-0.24%	14.2	13.39%
DOW	13403 ↓	-40	-0.30%	15.2	7.54%
NASDAQ	2582 ↓	-20	-0.77%	26.1	6.90%
S&P	1477 ↓	-7	-0.47%	15.9	4.14%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3982	0.6937	162.0000
Dollar	1.3982	1.0000	2.0161	115.8300
Sterling	0.6937	2.0161	1.0000	233.5500
Interest Rates (%)	4.0000	5.2500	5.7500	0.5000
Oil (Nymex)	81.5100			

This Week's Research
Bank of Ireland

Today's Research
Independent News & Media

Breaking News

Tullow announce they won't flow test Kudu-5 well

Tullow Oil announced today that the Kudu-8 appraisal well has been drilled to a total depth of 4,355m and, following the results of logging operations, will not now be flow tested. The well was designed to test the potential for additional reserves within the Greater Kudu field area, thereby broadening the range of development and commercialisation opportunities available. The well encountered the targeted gas bearing reservoir sands at 4,299 million, consistent with the results from the nearby Kudu-5 well drilled in 1998. These sands were thicker and of a better quality than those in Kudu-5; however, the reservoir permeability was lower at this location. The results of the logging programme showed that any production from this well would not exceed the 19mmscfd rate recorded at Kudu-5.

Alliance & Leicester issues statement to ease investor concerns

Alliance & Leicester stated yesterday it was successfully funding itself and had not sought any assistance from the Bank of England, after its shares plunged over 30% on fears it could face some of the problems that have hit rival mortgage lender Northern Rock. But A&L dismissed concerns and said it had no funding trouble and hadn't sought central bank assistance. It added that it saw no reason for the sharp fall in the share price. It reiterated that the current conditions in the funding and liquidity markets have had no material impact on profit or franchise growth.

UK & Saudi Governments sign deal for 72 Eurofighter jets

Saudi Arabia and Britain announced a multi-billion-pound deal for 72 Eurofighter Typhoon combat jets yesterday. The initial deal agreed is for £4.43bn, however over the life of the contract this could be worth up to £20bn to prime contractor BAE Systems and firms spread across Europe as well as in Saudi Arabia on weapons, training and maintenance are included. Details are expected when King Abdullah pays a state visit to Britain at the end of October. The latest Eurofighter deal took shape with a preliminary agreement in December 2005 but stalled as a probe by the UK's Serious Fraud Office into BAE's past Saudi deals angered the Saudi government.

Breaking News

INWS (€3.07) H1 results announced Stuart Draper
Target : €3.35 (21/03/07 ; previously €3.10, issued 20/12/06)

- Results announced : This morning, Independent News & Media (INWS) announced its results for the 6 months ended 30/06/07. Revenue and earnings per share of €815.5m and 8.03c respectively were largely in line with consensus forecasts of €817m and 8.1c, and were year on year increases of 2.4% and 8.1%. The group stated that over 450 of the 579 forecasted headcount reductions in 2007 in Australasia, Ireland and the UK have been achieved, with the remainder expected to be completed by year end.
- Margin expansion : This strong cost control was a major factor in driving margin expansion of 1.44% to 24.7% at the group's Irish division, which drove 4.7% operating profit growth on flat revenues, and 9% operating profit growth at the group's South African division on revenues that were 4% lower. With over 20% of group profits now generated by the South African division, the group also stands to profit from a 2008 recovery in the South African Rand versus the Euro.
- UK recovering : The group's UK division also delivered 19.7% operating profit growth, helped by a more stable advertising market. However, with no acquisitions or potential acquisitions mentioned in conjunction with the results' announcement, there are unlikely to be any significant upgrades to current consensus forecasts. As a result, we maintain our current 2007 and 2008 eps forecasts for INWS at 19.6c and 21.5c respectively, representing year on year growth of 12% and 10%.
- Attractive yield : INWS' stronger than sector average earnings growth also warrants a premium valuation, even though at 14.3x consensus 2008 eps of 21.5c, the shares continue to trade in line with the current European newspaper sector average of c.14x. Our current 12 month share price target of €3.35 (9% upside) is based on 15.5x 2008 eps of 21.5c, and rates the shares at a deserved c.10% premium to the current sector average. When combined with a current year dividend yield of c.4.4%, this provides a sufficient additional 12 month total return from current levels to justify maintaining our current BUY recommendation : **BUY**.

Business Press

- Aer Lingus reject EGM demand (IE)
- €4.5bn lost in another black day for Irish shares (IE)
- CRH moves for record Mexican deal (IE)
- CRH poised for a record €3.25bn overseas swoop (II)

Investment Press

- Microsoft ruling: Microsoft's bruising nine-year battle with the European Commission has ended in stinging defeat, and the ruling appears to cement Brussels' position as regulator-in-chief of the global technology industry .

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