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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	7255	↑ 96	1.34%	11.0	17.05%
FTSE 100	5532	↑ 36	0.66%	13.5	14.91%
DAX 30	5354	↑ 58	1.09%	15.0	25.79%
DOW	10876	↓ -6	-0.06%	19.5	0.86%
NASDAQ	2252	↓ -8	-0.36%	15.6	7.83%
S&P	1267	↓ -4	-0.28%	21.0	4.56%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2012	0.6792	139.7400
Dollar	1.2012	1.0000	1.7683	116.3300
Sterling	0.6792	1.7683	1.0000	205.7100
Yen	139.7400	116.3300	205.7100	1.0000
Oil (Nymex)	58.0600			

## This Week's Research

## Today's Research British Land

## Breaking News

### Ryanair to carry 1m passengers over Christmas

On Friday Ryanair confirmed it will carry over 1 million passengers over the Christmas period, a 25% increase on the same period last year. Commenting today, Ryanair's Head of Communications, Peter Sherrard said: "This year will be our busiest Christmas ever, with over 1 million people saving over €100M by choosing Ryanair's low fares, no fuel surcharge guarantee and No. 1 punctuality in 22 countries.

### BOI launches SSIA service

Bank of Ireland has launched a special SSIA advice service ahead of the maturing of accounts in the New Year. The bank said it has appointed a dedicated SSIA advisor in every branch to provide advice on options available and has set up a new website which will also include an SSIA calculator to show what each account holder will receive on maturity.

### BOI cuts stake in Paddy Power

It was announced on Friday that Bank of Ireland has significantly reduced its holding in Paddy Power. A statement to the Stock Exchange showed that on 6 December BOI sold 2,370,549 shares or 4.70% of the total shares outstanding. BOI now holds just 164,254 shares or 0.33% of the company.

### Minco drilling report

Exploration company Minco on Friday said that the latest drilling results from its Pallas Green project in Limerick indicate a possibility of two zinc deposits. Minco owns 23.6% of the joint venture project with Falconbridge. Minco's Terence McKillen described the results as 'very positive', adding that more drilling work would be carried out next year.

## British Land (£10.30) Upgrading to BUY Stuart Draper

- Recommendation upgrade : This morning, we are upgrading our British Land recommendation from NEUTRAL to BUY again. The main reason for the upgrade is the publication of draft proposals for a new UK-REIT structure, which are to be effective for UK property companies from January 2007.
- REIT re-rating : The new UK REIT legislation, even though only in draft form at this stage, will result in some important tax benefits for the UK property sector. As currently drafted, UK property companies will no longer be liable for CGT on property sales, with the distribution of these gains only liable to UK withholding tax at 22%. They will also be able to distribute 95% of their net profits after capital allowances, which should significantly boost dividend yields paid.
- H1 results : British Land recently reported a net asset value (NAV) per share of €12.56 as at 30/09/05, a year on year increase of 18.5%. This was stronger than the consensus forecast of €12.10, and represented an 11.3% increase on the NAV per share of €11.28 as at 31/03/05.
- Strategic review : We see the potential to achieve further NAV growth over the next 12 months from the sale of some of the group's high street retail properties. Following a recent strategic review of its property portfolio, British Land has started selling some of its high street retail properties as a result of the buoyant market for such properties.
- NAV premium : The recent sale of 9 retail properties from its High Street portfolio for a total of £52.25m was for a price above their combined book value, and in September 2005, the group's interest in 2-16 Baker Street, London W1, was sold for £57.2m, which was also above its book value.
- NAV discount : Over the next 12 months, a conservative assumption is that the group's NAV per share will grow by a further 7% to £13.44. Over the past 25 years, the historical average discount to NAV for both British Land and the UK property sector has been c.10%, and the current UK property sector discount to NAV is 10%.
- Attractive upside : As a result, our current 12 month price target of £12 (17% further upside) is based on a 10% discount to a forecast NAV per share for the group of £13.44 as at 30/09/06. Therefore, despite the strong performance of the share price in H2 2005, we upgrade our recommendation once again from NEUTRAL to BUY.

## Business Press

- Ryanair weighs up licensing (IT)
- Ulster Bank predicts 0.5% interest rate rise (IT)
- Rank and William Hill 'hold talks' on gaming link-up (II)
- BAA in £1.35bn Budapest deal (FT)

## Investment Press— Lex

- US Consumers: One of the troubles with monetary activism, Milton Friedman observed, is the existence of long and variable time lags. You rarely know exactly what you are going to get until it is too late. That is particularly true when a central bank has high-spenders in its sights.



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