



October 19, 2005

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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6606	↓ -26	-0.40%	11.0	6.58%
FTSE 100	5264	↓ -23	-0.43%	13.5	9.35%
DAX 30	4947	↓ -32	-0.64%	15.0	16.24%
DOW	10285	↓ -63	-0.61%	19.5	-4.62%
NASDAQ	2056	↓ -14	-0.69%	15.6	-1.58%
S&P	1178	↓ -12	-1.00%	21.0	-2.79%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.1886	0.6810	137.6000
Dollar	1.1886	1.0000	1.7456	115.9300
Sterling	0.6810	1.7456	1.0000	200.3800
Yen	137.6000	115.9300	200.3800	1.0000
Oil (Nymex)	63.2000			

This Week's Research
British Land
Greencore

Today's Research
Deutsche Bank

Breaking News

BOI buys Paris offices for €285m

Bank of Ireland Private Banking has agreed to buy a Paris office complex from a French property firm for around €285 million. The Cité du Retiro complex, which has 21,000sq m of modern office space, is in the 8th arrondissement - Paris's central business district. Currently, Cité du Retiro is almost entirely let to Cartier International. Peter Collins of BoI said the bank's current advice to clients looking to add to their property portfolios has been to favour European locations over the traditional UK markets. He said that he believes Paris offers an excellent opportunity and at the moment vacancy rates in Paris's Central Business District are 5.4%.

Danone ends C&C's distribution deal

C&C announced on Tuesday that French food group Danone had terminated the group's contract to distribute Volvic and Evian brands in Ireland with effect from November 30. "While this termination will impact the profitability of the Soft Drinks & Snacks division, where it accounts for turnover of approximately €12m per annum, it is not expected to impact upon the group's overall financial performance for the full 2005/6 fiscal year," C&C said in a statement.

Merrill Lynch posts record profits

Merrill Lynch said Tuesday a third-quarter jump in its global markets business helped lift earnings past analyst estimates to a record \$1.38 billion. Merrill earned \$1.38 billion, or \$1.40 a share in the quarter, on revenue of \$6.7 billion. Earnings per share were 51% ahead of year-ago levels and well ahead of analysts' average estimate of \$1.18. Merrill's global markets and investment banking business revenues rose 63% to \$3.6 billion from a year ago. Merrill said pre-tax profit at the unit climbed 67% to \$1.3 billion. Within the unit, global markets net revenues rose 73%. Debt markets net revenues rose 57%, gains the firm credited to particular strength in principal investing, commodities and credit products. The firm's equity markets revenue shot up 104% over the prior-year quarter.

Business Press

- Getmobile shares lose one-third of value (IT)
- Diageo brands see sales fall in Ireland (IT)
- Aminex to drill in Madagascar (IT)
- Rival's profit fears hit Paddy Power shares hard (II)

Deutsche Bank (€76.16) Acquisition in China Stuart Draper

- Acquisition announced : Deutsche Bank (DB) has announced the acquisition of a 14% stake in Chinese Bank, Hua Xia Bank, in co-operation with Sal. Oppenheim (SO), for €272m. DB is acquiring a 9.9% stake and SO is acquiring a 4.1% stake.
- Retail deal : As a result, DB will enter into wide-ranging co-operation with Xia Hua, mainly in the areas of cash management, credit cards and investment products, with SO's participation purely that of an investor. This means that the deal is largely a play on the growth prospects of China's retail banking market, even though there is a high probability of a future Chinese acquisition by DB in the investment banking area.
- Nationwide network : Hua Xia is one of only 5 nationwide joint-stock banks in China, and floated on the Shanghai Stock Exchange in 2003. It has 8m retail customers.
- High growth : The deal gives DB, often criticised in the past for missing growth opportunities, some exciting growth prospects in a high growth market. Even though the deal appears a little expensive on an earnings basis, at 18x 2005 earnings, it appears quite cheap on an asset basis, at 1.9x book value.
- Recent results : DB recently reported net profit of €947m for the 3 months ended 30/06/05, significantly ahead of the consensus forecast of €803m, and a year on year increase of 44%. These results confirmed that the bank remains on track to achieve its 2005 pre-tax return on equity target of 25%.
- Attractive yield : Deutsche also stated that it had accrued €700m for dividend payments in H1 2005, resulting in the consensus 2005 and 2006 dividend per share forecasts increasing to €2.18 (2.9% yield) and €2.50 respectively. This substantial increase in the 2005 dividend indicates that the recent improvements in the bank's businesses are sustainable.
- Improving record : Given some of the earnings disappointments of recent years as a result of some of the group's problem businesses, the earnings record put together in recent quarters has shown a significant improvement.
- Cost savings : The major restructuring program announced in September 2004 included a 9% reduction in total staff numbers. The cost savings from this restructuring program will help drive further earnings growth in 2006.
- Further upside : Our new 12 month price target of €82 (8% further upside) is based on 10.5x consensus 2006 eps of €7.80. Deutsche Bank's share price has risen by 8% since our last BUY note of 18/08/05 : BUY.

Investment Press— Lex

- Novartis: There is a reason why Novartis shares are at a three-year high. In the accident-prone pharmaceutical sector, the Basel-based group is delivering growth as reliably as a Swiss watch keeps time.



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