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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6846 ↑	35	0.51%	11.0	10.46%
FTSE 100	5517 ↑	19	0.35%	13.5	14.61%
DAX 30	5175 ↑	4	0.08%	15.0	21.59%
DOW	10871 ↑	51	0.47%	19.5	0.82%
NASDAQ	2254 ↑	12	0.53%	15.6	7.88%
S&P	1261 ↑	6	0.51%	21.0	4.06%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.1825	0.6861	140.2000
Dollar	1.1825	1.0000	1.7165	118.5500
Sterling	0.6861	1.7165	1.0000	204.3300
Yen	140.2000	118.5500	204.3300	1.0000
Oil (Nymex)	58.8400			

**This Week's Research**  
British Land  
Greencore

**Today's Research**  
Anglo Irish Bank

## Breaking News

### United Drug FY results

United Drug has reported FY figures in line with expectations. Pre-tax profits of €49.2m for the year to the end of September, up 16% on the previous year, while turnover was up by 6% to €1.3 billion. EPS & DPS both increased by 15% to 18.13 cent and 5.5 cent respectively. The company said its wholesale division in the Republic again increased profits and turnover. It said an ageing and expanding population was underpinning growth, while the increase in 'doctor only' medical cards would drive demand for drugs in the years ahead.

### Trintech Q3 results

Trintech Group today announced third quarter revenues of \$11.4 million and a net loss for the quarter of \$387,000, in line with expectations. Loss per share for the quarter ended October 31, 2005 was (\$0.02), compared with earnings per share of \$0.03 for the corresponding quarter last year. Revenue was down 25% from the \$15.1 million in Q3 last year. As announced in August, revenue was negatively impacted in the quarter by technical issues associated with certain hardware products. The company said that these issues have been resolved and sales of these products recommenced towards the end of the quarter. Gross margin amounted to \$7.5 million in Q3, representing 66% of revenue.

### AIB & Aviva announce joint venture

Aviva announced yesterday that its Irish subsidiary, Hibernian Group, has formed a joint venture with AIB's Ark Life business. The new venture will sell life and pensions policies through Hibernian's existing independent financial advisor network, and through AIB's 280 branches across Ireland. Under the deal, Hibernian will own 75 percent of the combined group, with AIB taking the remaining 25 percent. The deal should help to strengthen AIB's position in the Irish life & pensions market.

## Business Press

- Tele2 puts Irish arm up for sale (IT)
- UK insulation rules to help Kingspan (IT)
- Century plans R&D revamp (II)
- EU bid to sweeten bitter sugar pill (II)

## Anglo (€11.35) Full year results announced Stuart Draper

- Results announced : This morning, Anglo Irish Bank announced its results for the year ended 30/09/05. Profit before tax and earnings per share of €685.2m and 73.2c respectively were ahead of consensus forecasts of €659m and 71c, and were year on year increases of 36% and 28%. The very strong earnings growth was driven by Anglo's usual combination of strong loan growth, largely stable margins and robust credit quality.
- Pipeline update : The key work in progress figure for new lending was a very strong €6 bn, representing 22% growth on the H1 level of €4.9 bn. This figure indicates that strong group loan growth is set to continue in 2006.
- Loan repayments : However, the level of loan repayments accelerated in H2, particularly in the UK, following the interest rate increases there in recent years. The bank also indicated today that the rate of overhead increase (33% in these results) would also continue as the bank recruits more staff to expand further in the UK.
- Rate risk : Given Anglo's high investment property exposure, another factor which could cause a slowing in the rate of Irish loan growth in 2006 is ECB interest rate increases, which are expected to start on 1st December. Ireland accounted for 58% of Anglo's profits in these results.
- Increased competition : With Bank of Ireland having formed a new business banking division earlier this year to focus on Irish small and medium-sized enterprises, and the other competition in the Irish market having also recently intensified, Anglo's margins could be under greater pressure in 2006 and 2007 than they have been in recent years.
- IFRS impact : The introduction of the new IFRS accounting standards, starting in H1 2006, will also reduce Anglo's eps by c.4%, largely as a result of loan arrangement fees being spread of the life of loans rather than being recognised up front as they were previously accounted.
- Fairly valued : Therefore, if the rate of earnings growth does slow over the next 12 months from 28% in these results to between 15% and 20%, because of the bank's high investment property exposure, then the shares may ultimately prove quite fairly valued at 14x (c.40% premium to UK sector average) post IFRS upgraded 2006 eps of 85c, or €11.90 per share. The 5% upside to this level is insufficient further upside for us to upgrade our recommendation to BUY today : **NEUTRAL**.

## Investment Press— Lex

- Scottish Power/Eon: Surprise and disappointment must be unfamiliar feelings for Wulf Bernotat, chief executive of Eon. But that was how Scottish Power's rejection of the German utility's 570p per share takeover offer left him feeling on Tuesday.



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