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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6675 ↓	-83	-1.23%	11.0	7.69%
FTSE 100	4989 ↓	-44	-0.88%	13.5	3.62%
DAX 30	4311 ↓	-13	-0.29%	15.0	1.28%
DOW	10674 ↑	63	0.59%	19.5	-1.01%
NASDAQ	2031 ↑	1	0.05%	15.6	-2.76%
S&P	1191 ↑	7	0.56%	21.0	-1.75%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3211	0.6928	138.4300
Dollar	1.3211	1.0000	1.9060	104.8000
Sterling	0.6928	1.9060	1.0000	199.7200
Yen	138.4300	104.8000	199.7200	1.0000

This Week's Research
McInerney
AIB
Paddy Power

Today's Research
RBOS

Today's Recommendations

Breaking News

Cider outperforms in tough debut year for C&C

Irish drinks and snack group, C&C said this morning that it expected underlying turnover for its full year to increase by 4%. This translates to EBITA and EPS outcome that is in line with expectations the company announced in a statement. C&C which produces Bulmers, Magners, Tayto crisps and Ballygowan mineral water posted a 6% rise in first half operating profit in October. Favourable economic conditions for the rest of 2005 will continue to fuel consumer spending. C&C plans to grow the Bulmers brand in Ireland in the higher margin long alcoholic drinks market and is a key beneficiary of the movement in consumers from the on to the off trade. Magners, already a success in Scotland will be selectively rolled out across the UK during 2005. Full year results for the year ended 28th February 2005, will be announced on the 10th May 2005.

Ryanair to order more Boeing

No frills low cost airline, Ryanair is expected to announce that it plans to order an additional 50 Boeing 737's in a deal valued at more than \$3 billion at list prices. The Wall Street Journal quoted sources close to the situation that the announcement will be made at a news conference in London. The average list price for a Boeing single aisle 737 800 is \$65mln, however airlines rarely pay list prices due to the ongoing tug of war between Airbus and Boeing for increased market share. This will be the second time in two years that Ryanair has turned to Boeing Co for a large number of single-aisle 737s. Since 1998, Ryanair has announced commitments for 275 planes, of which 155 are firm orders. The company has taken delivery of 70 planes as of the end of January, the report said.

McInerney benefits from building boom

The group said pre-tax profits reached E40.74m compared to the 2003 result of E28.46m and that basic earnings per share rose by 46% to E1.06.43 compared to 72.83 cent in 2003. McInerney's said that market and trading conditions remained robust across the group's three core regions of Ireland, the UK and Spain. In Ireland, the group said fundamental market conditions for the Irish house building operation were excellent. Strong volume delivery yielded 1,101 private home completions in 2004, compared to 969 in 2003. "The division is well positioned through product match and geographic spread to take best advantage of continuing good demand going forward," it said.

RBOS (£18.11) Strong results announced Stuart Draper

- 2004 results : This morning, Royal Bank of Scotland reported strong results for the year ended 31/12/04. Profit before tax and earnings per share of £8.101 bn and £1.725 respectively, were slightly ahead of consensus forecasts of £7.98 bn and £1.70, and were year on year increases of 15% and 10%.
- Loan growth : The lower earnings per share growth rate was as a result of the greater number of shares in issue now following last year's Charter One acquisition. Continued strong profit growth was driven by strong loan growth, stable margins, robust credit quality and a stable cost/income ratio.
- Overhang resolved : Spanish bank, SCH, recently announced that its remaining 2.6% RBOS shareholding has been placed at £17.20 per share. The fact that the placing was twice oversubscribed indicates that there remains strong institutional demand for the shares. Last September, SCH stated that it would end its commercial cooperation with RBOS following SCH's acquisition of Abbey National. As a result, the disposal of the Spanish bank's remaining RBOS shares was widely expected, and the fact that this overhang has recently been resolved augers well for the RBOS share price over the rest of 2005.
- Merger synergies : However, it is RBOS' \$10.5 bn CF acquisition last summer, which is likely to provide the strongest earnings growth platform for the UK bank in 2005. This merger is likely to generate at least \$185m of cost savings, c.22% of CF's cost base, and is likely to boost its 2003 profit before tax of \$924m by \$407m within 3 years. Given that we estimated a \$120m boost from the effect of RBOS' lower group funding cost alone, such a target appears very achievable.
- Strategic benefits : In addition to the significant organic growth prospects generated by the CF deal, the highly fragmented nature of the Mid West banking market provides numerous fill-in acquisition opportunities for a UK bank with a proven track record of successful acquisition integration.
- Further upside : This gives RBOS strong US growth prospects, as well as a dominant UK market position. As a result, its shares warrant a premium to the UK bank sector average and our current 12 month price target of £20 (10% further upside) is based on 10.5x consensus 2005 eps of £1.89. RBOS' share price has risen by 20 % since our BUY note of 04/08/04 : BUY.

Business Press

- Ardagh raises €125m in loan note sale (IT)
- US expert is firm on Fyffes view (II)
- Trintech on road to recovery with profits rise (IE)
- Marketing drive boosts Unidare (IE)
- Steel companies resist sharp rise in iron ore price (FT)

Investment Press— Lex

Anglo American, trial by jury of your peers supposedly ensures fair judgement. Strong demand from China boosted net income by 59% to \$2.7 bln, management announced a 30% increase in dividend to 70c. And yet, line Anglo up against BHP Billiton and Rio Tinto and the shine dims. Both competitors have posted bigger percentage gains in earnings.....



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