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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	8900	↓ -5	-0.06%	11.0	20.85%
FTSE 100	6140	↓ -20	-0.33%	12.4	9.28%
DAX 30	6475	↓ -1	-0.01%	15.0	19.73%
DOW	12327	↑ 5	0.04%	19.5	14.32%
NASDAQ	2466	↑ 11	0.45%	15.6	11.82%
S&P	1406	↑ 3	0.23%	21.0	12.93%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2955	0.6760	150.7500
Dollar	1.2955	1.0000	1.9161	116.3500
Sterling	0.6760	1.9161	1.0000	222.8800
Interest Rates (%)	3.2500	5.2500	4.7500	0.4800
Oil (Nymex)	#N/A	ND		

This Week's Research
Anglo Irish Bank
British Land
United Drug

RBS

Today's Research
Blackrock

Breaking News

Blackrock (38c) Another €37.5m investment Stuart Draper

- Office buildings : Blackrock International Land has announced its 6th property acquisition since May, with the acquisition of 3 office buildings in the Milton Keynes area of the UK for a total consideration of €37.5m. The properties are a 3 storey 1,570 sq m office building, a 5 storey 3,630 sq m office building, and a 3 storey 5,330 sq m office building on a 6.5 acre site which offers significant development potential.
- Distribution facility : This brings to €95.5m the group's total investment expenditure since May, increasing gross property assets by 48%. Blackrock recently announced a €10m investment in a distribution facility in Santry, north Dublin, comprising a 6,190 sq m distribution facility and 1,210 sq m of office accommodation on a 3.35 acre site, which also has redevelopment potential.
- Income generating : The 3 new properties are currently fully-let, each to single, internationally-recognised publicly-quoted companies, with unexpired lease terms of 5 to 8 years. They generate a combined annual rent of €2.335m, representing an initial yield of 6.2%, which is expected to increase to 6.6% on completion of rent reviews in 2007.
- Attractive upside : With investment expenditure of €100m targeted for both this year and for 2007, and a number of transactions being actively pursued currently, there is attractive upside potential over the next 2 years from further synergistic bolt-on acquisitions, combined with more efficient utilisation of the group's existing sites.
- Limited downside : Blackrock's most recently reported NAV per share of 37c also limits downside risk for the share price. This NAV per share was made up of properties worth €215.5m (after net cash of c.€11m and a deferred tax liability of €10m), divided by the 583.26m Blackrock shares in issue.
- NAV growth : Our BUY recommendation is based on a 2 year investment horizon as a result of the lengthy time periods required by the planning process. Our view is that Blackrock's current NAV per share of 37c has the potential to grow by 20% per annum over the next 2 years to 53c. Given that the UK property sector average currently trades at a 5% discount to NAV and that the UK property sector historical average discount to NAV over the past 25 years has been c.10%, our current 2 year price target of 48c (26% upside) is based on a 10% discount to NAV per share of 53c as at 30/06/08 : **BUY**.

Breaking News

IN&M proposed offer for APN cancelled

IN&M has today informed APN that the proposed Consortium (comprising IN&M and certain private equity associates) has been unable to finalise its own terms that would have enabled the Consortium to have met its desired timetable, culminating with a formal offer to APN shareholders. As a result, the current discussions between the proposed Consortium members have been terminated at this time. IN&M in conjunction with APN will, however continue to actively examine the many opportunities in the Australian market.

IFG close to acquiring corporate service firm

IFG announced yesterday that it is in advanced discussions, which may or may not lead to the acquisition of a specialist corporate services company offering trust and company administration services and structures, similar to those provided by IFG's international division. The total consideration being contemplated is in the region of £10.5m including earn-out. The acquisition if completed, will be funded from the group's existing resources and by the proceeds of a placing of new IFG ordinary shares. Shares in financial services group rose more than 4% after the announcement yesterday.

Axeon lowers 2006 revenue outlook

Axeon which provides green energy and advanced control systems to the automotive and industrial markets, announced today that its 2006 revenue will be between £2.8-3.0m, lower than originally anticipated, adding that it believes 2007 revenue will be more than double that of 2006. In a trading update, the company also said it has won a £1.3m order to supply Modec with the first 50 battery packs commissioned for the latter's zero emissions vehicle. Modec has chosen Axeon as its exclusive supplier of battery packs and has indicated it will produce 700 vehicles in 2007. Axeon also announced 'successful' initial trials of the Lithium-ion battery system Modec contracted it to develop. It added that the system would be ready for production towards the end of the second quarter of 2007.

Business Press

- Adidas and Nike fuel rivalry among sportswear retailers (FT)
- Fidelity fuels speculation over ITV (FT)
- Cheaper oil lifts transport stocks (IT)

Investment Press

NYSE/LSE: Shares in the LSE are pricing in a higher bid than Nasdaq's hostile "final" cash offer. With the LSE refusing to enter talks, the implication must be that a competing buyer will emerge. And there is an obvious candidate - Nasdaq's main rival, the NYSE.

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