



May 25, 2006

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EQUITIES	Close	Change	% +/-	P/E '06	YTD
ISEQ	7452	↓ -59	-0.79%	11.0	1.19%
FTSE 100	5587	↓ -92	-1.61%	13.5	-0.56%
DAX 30	5587	↓ -91	-1.61%	15.0	3.31%
DOW	11117	↑ 19	0.17%	19.5	3.10%
NASDAQ	2169	↑ 10	0.48%	15.6	-1.64%
S&P	1259	↑ 2	0.16%	21.0	1.09%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2763	0.6830	143.8900
Dollar	1.2763	1.0000	1.8678	112.7600
Sterling	0.6830	1.8678	1.0000	210.6500
Yen	143.8900	112.7600	210.6500	1.0000
Oil (Nymex)	69.8600			

## This Week's Research

Kerry Group  
British Land  
Anglo Irish Bank

## Today's Research

Kingspan

## Today's Recommendation

### Kingspan (€13.20) Strong AGM statement Stuart Draper

- Trading update : This morning, Kingspan released a trading statement ahead of its AGM, which takes place later today at 11am. The statement confirmed that trading in the year to date has been strong, and that the group's core markets are anticipated to remain robust for the foreseeable future.
- Earnings upgrade : As a result, Kingspan is confident that operating profit and earnings per share will be "well ahead of 2005, and barring unexpected circumstances, should exceed current market expectations for the year as a whole." This should facilitate an upgrade of c.3% to the current consensus 2006 eps forecast, from 73c to 75c. This would represent 13% growth on the 2005 result of 66.4c.
- Fairly valued : Our current forecast is for further 15% earnings growth in 2007, to generate a full year eps of 86.4c, and our price target of €13 was based on 15x 2007 eps of 86.4c. In March, Kingspan reported profit before tax and earnings per share of €134.997m and 66.4c respectively for the year ended 31/12/05, year on year increases of 40% and 41%.
- Insulation growth : Such strong growth was driven by the insulated panels business, the insulated boards business and the structural business, including Century Homes. The increasing importance of energy conservation is driving strong sales growth at the insulated panels business. The increasingly tight regulatory environment is driving strong sales growth at the insulation boards business, with new regulations applying to UK planning permissions from April 2006 expected to further boost demand from 2007. With the UK government planning to build 84,000 affordable houses in the next two years, Kingspan's award winning £60,000 2 bedroom energy efficient home design unveiled this week provides another growth driver.
- Recommendation downgrade : However, now that our €13 price target has been achieved, we downgrade our recommendation from BUY to NEUTRAL, recommending a SWITCH into Independent News & Media (€2.28) as providing more value at current levels in the Irish market. Higher input costs within the building materials' sector driven by higher commodity prices may also limit the potential for further earnings upgrades over the coming months. Kingspan's share price has risen by 36% since our BUY note of 26/10/05 : NEUTRAL.

## Breaking News

### Barclays reports strong Q1 results, Barclaycard concerns

Barclays said it saw "very strong profit momentum" in the first quarter as its UK retail bank improved and its investment bank beat peers, but weakness in the UK unsecured debt market weighed on Barclaycard. Barclays said it expected 2006 income, impairment and expenses to be significantly ahead of consensus for the full year, with the rate of income growth "broadly in line" with the rate of expense growth. The bank said its Barclays Capital arm, which represents roughly a quarter of earnings, delivered "excellent growth" in income and profit. But the bank said last year's trends continued at Barclaycard, with strong income growth offset by higher impairment charges in UK credit cards, consumer loans and investment in the business. Barclays said in the same quarter a year ago that bad debts were rising ahead of previous guidance.

### C&W results miss forecasts & ends share buyback programme

Cable & Wireless reported lower-than-expected full year profits, as the telecoms group continues to struggle with fierce competition in its domestic market. EBITDA fell to £411m in the 12 months to the end of March, down from £424m last year and below the £419m consensus forecast. The group, which recently split into international and domestic units as part of another phase of restructuring, said turnover rose to £3.23 bn over the period, up from £2.948 bn. The company also announced that its £250m share buyback programme has been stopped.

### Trinity Biotech acquires bioMérieux PDT line for for \$51.9m

Trinity Biotech today announced that it has signed a binding agreement to acquire the Coagulation product line of bioMérieux for a total consideration of up to \$51.9m. Trinity will pay \$40m on closing together with a maximum of \$6.4m after 12 months and a maximum of a further \$5.5m after 24 months. Of these combined deferred payments, an amount of \$5.5m is contingent on the achievement of certain milestones for the product line during the remainder of 2006. The transaction will be funded from a combination of cash and bank debt and is expected to close in late June.

## Business Press

- Trintech reports first-quarter losses of \$2.1m (IT)
- Kelly's eye: Elan (II)
- Turmoil mounts as two IPOs are pulled (FT)

## Investment Press

- Europe's bond traders are feeling a little jumpy - and it is not just the effect of recent market volatility. The European Commission is considering extending new rules on transparency, due to be introduced next year under the Markets in Financial Instruments Directive (Mifid), to include the bond market.



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