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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6766	↑ -32	-0.46%	11.0	9.17%
FTSE 100	5271	↓ 29	0.55%	13.5	9.49%
DAX 30	4843	↑ 6	0.12%	15.0	13.79%
DOW	10596	↑ -55	-0.51%	19.5	-1.73%
NASDAQ	2167	↑ -13	-0.60%	15.6	3.72%
S&P	1229	↑ -5	-0.38%	21.0	1.41%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2043	0.6908	134.6300
Dollar	1.2043	1.0000	1.7425	111.7700
Sterling	0.6908	1.7425	1.0000	194.7900
Yen	134.6300	111.7700	194.7900	1.0000
Oil (Nymex)	58.6500			

This Week's Research CRH

Today's Research British Land

Breaking News

BP's Q2 profit soars on oil price

BP said on Tuesday that replacement cost net profit for the second quarter was \$4.981 billion versus \$3.873 billion in the same period last year. It would have been a record but for non-operational charge of \$826 million, which included \$700 million in respect of fatality and personal injury compensation claims associated with the Texas City explosion, which killed 15 people. The "clean" result, which ignores one-off events and is the measure most watched by investors and analysts, was a record, at \$5.807 billion, compared with a Reuters poll of 10 analysts which gave an average forecast of \$5.656 billion. This was up from a "clean" \$4.071 billion in the same period of last year.

Reuters sets buyback, growth plan as revenue rises

News and information provider Reuters Group Plc said on Tuesday it would return 1 billion pounds (\$1.74 billion) to shareholders as it reported its first rise in quarterly underlying revenues since late 2001 and unveiled a new growth strategy. The company said it expected to increase revenue by an extra 1 percentage point a year through 2008 by widening the market to which it sells, on top of a projected 2 to 4 percent long-term growth rate for core products. Reuters also detailed a 1 billion capital return to shareholders, including \$1 billion of proceeds from the sale of its electronic trading subsidiary Instinet (INGP.O), with a two year programme to buy back shares.

Iona's Artix Selected by Sentenial

Iona Technologies (NASDAQ: Iona), a world leader in high-performance integration solutions for mission-critical IT environments, today announced that Sentenial, a leading provider of payment processing solutions, has selected Artix (TM), Iona's extensible Enterprise Service Bus (ESB). "With Artix, we can achieve seamless, non-invasive Web service enablement of our payment technologies together with the critical levels of security and high performance required by our customers," said Brian Hanrahan, Business Development Director, Sentenial.

Business Press

- Eircom aims to increase mobile cost by 20% (IT)
- Xerox announces 2600 job cuts worldwide (IT)
- Kenmare confirms Moma plant is well ahead of schedule (II)

British Land (£8.56) Attractive entry level Stuart Draper

- **Buying opportunity** : The 4% correction in the British Land share price over the past 2 weeks has created an attractive entry level for investors. Some of the recent weakness will have been triggered by the shares going ex dividend last week, but the 40p per share sell off during the period has more than discounted this 10.9p per share dividend.
- **Infrastructure boost** : What has not been discounted by the British Land share price in recent weeks is the additional infrastructure spend of £10 bn and 70,000 jobs forecast for the London area over the next 7 years in the lead up to the 2012 Olympics, which will improve the outlook for the value of the company's extensive portfolio of London property.
- **Growth focus** : British Land recently announced the acquisition of Pillar Property for £811m in cash. Pillar's property is primarily out-of-town retail warehousing, a sector with strong growth potential as a result of restrictions on planning consents for such developments. The move is part of the strategy of the company's new CEO to reshape the portfolio towards growth property and intensify the company's asset management activity. As a result, some property disposals could also be on the way, which could further boost the share price.
- **Recent results** : A NAV per share of £11.11 was recently reported for the year ending 31/03/05, representing 15% year on year growth, and 8% profit before tax growth to £201.8m was also achieved. These results showed that British Land continues to trade at an excessive discount (23%) to its NAV per share, when compared with the current sector average discount to NAV of 10%.
- **Lease length** : Our view is that such a NAV discount is excessive because British Land's average lease length of c.16 years is longer than any of the other UK commercial property majors. This means that there is a very low risk to cashflow, with a spread of high quality office and retail tenants.
- **Potential catalyst** : British Land's funding mix is also low risk, with 87% of its debt fixed or hedged, and with an average maturity of a lengthy 17 years. Our house view is also that there will be no further increases in the UK cost of borrowing, with UK interest rates likely to start to be cut next month.
- **Attractive upside** : Our current 12 month price target for British Land of £10 (17% further upside) is based on a sector average discount of 10% to the company's NAV per share of £11.11 as at 31/03/05 : **BUY**.

Investment Press— Lex

- Greenspan and Yuan revaluation prompt a sell off in the US bond markets with yields rising 15 basis points.



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