



July 27, 2005

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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6778 ↑	11	0.17%	11.0	9.35%
FTSE 100	5256 ↓	-15	-0.28%	13.5	9.19%
DAX 30	4843 ↑	1	0.02%	15.0	13.80%
DOW	10580 ↑	-17	-0.16%	19.5	-1.88%
NASDAQ	2176 ↑	9	0.43%	15.6	4.16%
S&P	1231 ↑	2	0.17%	21.0	1.58%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.1995	0.6913	135.1300
Dollar	1.1995	1.0000	1.7347	112.6500
Sterling	0.6913	1.7347	1.0000	195.3900
Yen	135.1300	112.6500	195.3900	1.0000
Oil (Nymex)	58.8700			

This Week's Research
CRH
British Land

Today's Research
IL&P

Breaking News

Prudential beats forecasts with 31% profit rise

UK insurer Prudential beat expectations with a 31 percent rise in first-half profit on Wednesday but its new CEO gave little insight into his strategic thinking, saying only that he was reviewing longer term trends. Kicking off the life insurers' earnings season, the UK second largest listed player said operating profit for the six months to June 30 was 834 million pounds (\$1.45 billion) bolstered by strong sales in Asia and the UK, where the company sealed a large corporate annuities deal last month. The average in a Reuters poll of eight analysts was for operating profit of £739 million, with a range of £700 million to £802 million.

Biogen Idec second quarter net profit jumps

Biogen Idec Inc., which in February suspended sales of a multiple sclerosis drug due to safety concerns, on Tuesday posted a stronger than expected quarterly profit on higher demand for an older MS drug and lower costs. Net income rose to \$34.5 million, or 10 cents per share, compared with \$827,000, or less than 1 cent per share, in the year-ago quarter, which included merger related charges. Excluding one time items, Biogen earned 43 cents per share, while Wall Street analysts had been looking for 36 cents, according to Reuters Estimates. The company said it expects to finish evaluating the safety of Tysabri, which has been linked to a sometimes fatal brain infection, by the end of the summer, which was defined as Sept. 21. Biogen said it then plans to begin discussions with US and international regulators on how to resume Tysabri sales.

Ryanair announces new route to Bratislava from Milan

Ryanair yesterday announced a new route from its Milan base to Bratislava starting daily from 10th October 2005. It also announced increased frequency from (1 to 2 daily) on its Brussels and Frankfurt routes from Milan which will take effect from mid-October. This will generate an additional 300,000 passengers and bring the total number of passengers through its Milan Bergamo base to 2 million per annum.

Business Press

- Reuters shares fall 7% on restructuring charge (WSJE)
- 3 Ireland launches fast access mobile service in Ireland (II)
- Jurys has entered Ballsbridge site talks (IT)
- Oil Price rallies to \$59.50 amid volatile trading (IT)

IL&P (€15) Another profit-taking opportunity Stuart Draper

- Barron's speculation : The share price of Irish Life and Permanent (IL&P) has risen by over 4% during the past 6 trading days, driven by 2 pieces of takeover speculation. The first was an article on the European life insurance sector in the influential Barron's magazine noting the potential of Irish Life and Permanent as a takeover target.
- Eureko comments : The second was a comment from the new CEO of privately-owned Dutch financial services group, Eureko, that his group is committed to expansion in Ireland through organic growth and strategic acquisition. Eureko already has a presence in Ireland, through its 100% ownership of Friends First, and was recently reported to have bid €500 million for AIB's life business, Ark Life.
- Premature again : However, even though IL&P's exposure to the fastest-growing life and banking market in Europe will make it an attractive takeover target at some stage, and even though management has made no secret of the fact that it is not wedded to independence, our view is that the latest speculation will once again prove premature because Eureko's estimated valuation of c.€7 bn is likely to be too small to take on a deal the size of IL&P.
- Buoyant trading : IL&P issued a buoyant trading statement for the 6 months ending 30/06/05, stating that the group remains on course to meet full year targets. H1 loan growth of over 20% will be achieved, with the H1 net interest margin falling to within the previously targeted 1.3% to 1.33% range, versus 1.4% for 2004. Current account balances will show high teens growth, with c.34,000 new current accounts opened during H1 2005. Margins at the life business are expected to exceed the full year target of 15%, driven by an improved margin on risk business and a more favourable product mix. Life sales in Ireland are expected to show low teens H1 growth.
- Switching opportunity : However, our view is that these buoyant trading conditions are now once again quite fairly reflected in the current share price. Earlier this year, when our 2005 target of €15 was reached, we downgraded our recommendation from BUY to NEUTRAL, and re-iterate this recommendation now, recommending a SWITCH into Aviva (£6.37) as providing more value at current levels in the European insurance sector. In recent years, we have been correct on several occasions to use IL&P takeover speculation as an opportunity for profit-taking, and can only be wrong once : **NEUTRAL**.

Investment Press— Lex

- Cadbury Schweppes delivers topline growth of 6%. Chewing gums sales and a European confectionery business that is doing well have helped to stabilise the business.



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