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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6668	↑ 24	0.36%	11.0	7.58%
FTSE 100	5007	↑ 35	0.70%	13.5	4.00%
DAX 30	4349	↑ 44	1.03%	15.0	2.18%
DOW	10842	↑ 93	0.86%	19.5	0.54%
NASDAQ	2065	↑ 14	0.67%	15.6	-1.13%
S&P	1211	↑ 11	0.93%	21.0	-0.05%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3264	0.6899	138.6600
Dollar	1.3264	1.0000	1.9220	104.5100
Sterling	0.6899	1.9220	1.0000	200.8100
Yen	138.6600	104.5100	200.8100	1.0000

This Week's Research

Today's Research CRH

Breaking News

Persimmon year profit rises 33 percent

Persimmon PLC, the UK's largest housebuilder said it is seeing a marked upturn in demand in 2005 after it reported results in line with expectations for 2004. Profit before tax for the year to Dec 31 2004 was up 33 percent to 470.4 million pounds from 352.5 million in 2003. Analysts had forecast profits of 465-485 million. The board raised the full year dividend by 50 pct to 27.5 pence from 18.3 pence as a result of continued 'excellent' profit growth and strong confidence in the future. The group completed the sale of 12,360 homes, up from 12,163 a year earlier, producing turnover of 2.13 billion pound, up from 1.88 billion. Chairman Duncan Davidson said the group has 'seen a marked up-turn in demand for our homes since early 2005 and have currently sold circa 1 bln stg homes for 2005.' Davidson said Persimmon is in a strong position to maintain good sales volumes during 2005, whilst continuing to deliver on its strategy of focusing on margin and return on capital employed. He concluded: 'The group is well positioned for the coming year and I am confident that we will continue to move forward successfully.'

Brandes reveals 4.9% holding Greencore

Greencore announced on Friday that it had received a notification from Brandes Investment Partners LLC, a U.S. investment advisor, dated 24th February 2005, that Brandes has a notifiable interest in 9,452,482 (4.9%) ordinary shares in the issued ordinary share capital of Greencore. The shares are held on behalf of a range of clients of Brandes.

HSBC profit up 37 percent

HSBC says 2004 profit rose 37 percent, towards the low end of market expectations, as revenue rose and bad debts were muted. Pretax profit for the year ended December 31 rose to \$17.61 billion from \$12.82 billion a year earlier, HSBC, the world's second-biggest bank by market capitalisation said in a statement today. Revenue rose 23 percent to \$50.59 billion, the same rate as operating costs, which increased to \$25.88 billion. Bad debts rose to \$6.36 billion from \$6.09 billion a year earlier. Analysts had forecast pretax profit of about \$17.83 billion, according to a Reuters poll of 10 analysts with a range of \$17.20 billion to \$18.92 billion.

Business Press

- Shell signs \$7bn Qataragas deal (FT)
- Grocers due for a markup (WSJE)
- Is the Dublin stock market a buy or sell at its present level (II)
- M&S slashes prices in bid to boost spring sales (II)
- Kerry turnover set to hit €4bn (IE)

Today's Recommendations

CRH (€21)

Attractive entry level

Stuart Draper

- Results preview : Tomorrow, CRH will report results for the year ended 31/12/04. We are forecasting profit before tax and earnings per share of €1.015 bn and €1.59 respectively, both year on year increases of 17%. Such strong growth would be in line with last month's trading statement and will have been driven by an upturn last year in CRH's main markets, particularly the US and the UK.
- Outlook statement : A buoyant outlook statement indicating improving prospects for organic growth, particularly on mainland Europe, could act as a positive catalyst for the share price from current levels. In January, CRH indicated that markets for its European products and distribution business were subdued in 2004.
- Earnings upgrades : As a result of higher energy costs, any indications that the company has succeeded in passing on some price increases could result in some earnings upgrades. Another potential driver of such upgrades would be the announcement of a major €1 bn 2005 acquisition spend.
- Infrastructure proposal : As part of its 2006 budget proposals, the Bush administration is now proposing a total spend on transport infrastructure of \$284 bn between 2006 and 2009, a significant \$28 bn increase on its previous proposal, with \$228.6 bn being allocated to highways under the plan.
- 2007 boost : Even though the new highway proposal is very back-end weighted, the increased spend will have a significant impact from 2007, with federal spending on highways increasing by 3.9% in 2007, 7% in 2008 and 15.2% in 2009. The American Road and Transportation Builders Association's most recent quarterly update also stated that prices for highway and street construction increased by 8.7% in 2004, indicating some recovery of the higher input costs.
- US growth : The US residential market remains very strong, infrastructural demand there is stable and the slowdown experienced over the last number of years in the non-residential market is expected to improve in 2005. CRH will also benefit from the increased US federal infrastructure spending programme mentioned above.
- Further upside : We view CRH as a core portfolio play for 2005, with a current 12 month price target of €24 (14% further upside), which is based on 13x consensus 2006 earnings per share of €1.828. CRH's share price has risen by 11% since our BUY note of 31/08/04 : BUY.

Investment Press— Lex

- Return on Equity: According to Joseph Schumpeter, capitalism will eventually be destroyed by its own success, notably the rise of monopolistic giants. If consensus forecasts in the global equity markets are to be believed, the end must be drawing nigh.



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