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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6667 ↑	23	0.34%	11.0	7.56%
FTSE 100	5228 ↑	0	0.00%	13.5	8.60%
DAX 30	4812 ↑	28	0.59%	15.0	13.07%
DOW	10463 ↑	66	0.63%	19.5	-2.97%
NASDAQ	2138 ↑	17	0.80%	15.6	2.33%
S&P	1212 ↑	7	0.60%	21.0	0.02%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2215	0.6812	135.5600
Dollar	1.2215	1.0000	1.7932	110.9600
Sterling	0.6812	1.7932	1.0000	199.0000
Yen	135.5600	110.9600	199.0000	1.0000
Oil (Nymex)	68.1800			

## This Week's Research Kerry Group

## Today's Research CRH

### Breaking News

#### Kerry H1 profits up 12.8%

Kerry Group this morning reported a 12.8 percent rise in first-half profit and said it expected to make further progress in the second half and to meet market expectations for the year. Kerry posted pre-tax profit of €130.9m for the six months to the end of June amid what it described as challenging trading conditions. EPS rose 7 percent to 53.8c, while revenues were up 8.3 percent to 2.1 billion. Trading profit increased 6.2 percent to €160m. "In a highly competitive trading environment, exacerbated by energy and raw material cost increases and adverse currency movements, the group performed well in the first half of 2005," Chief Executive Hugh Friel said in a statement. The also said that ongoing consolidation in the ingredients and foods sector would continue to provide further bolt-on buying opportunities.

#### Eircom announces details of rights issue

Eircom has announced that it will raise around €423m through a 5-for-12 rights issue to fund its takeover of Meteor. The group will sell some 313 million new shares at €1.35 each to existing investors to finance the Meteor deal. The subscription price represents a 24 percent discount to yesterday's €1.78 closing price. The dividend yield will stay approximately constant at the theoretical ex-rights price, according to Eircom.

#### Jurys Doyle update

Precinct is reported to have secured new funding from Halifax Bank of Scotland for its €17.50 per share proposal. This follows Anglo Irish Bank's withdrawal of proposed financing last week and a subsequent statement from the Jurys board that it was no longer supporting the Precinct proposal.

### Business Press

- Pressure builds on Precinct to make firm bid for Jurys (IT)
- Banks can handle bad debts—report (IT)
- Greencore selling UK sugar stakes (II)
- British house prices continue to decline (IE)

### CRH (€22.28) H1 results announced Stuart Draper

- Results announced : This morning, CRH announced results for the 6 months ended 30/06/05. Profit before tax and earnings per share of €383m and 56c respectively were largely in line with consensus forecasts of €380m and 56c, and were year on year increases of 20% and 17%.
- US growth : The main drivers of this strong growth were the group's US materials division and its US products & distribution division. The profitability of the US materials division was driven by volume and price increases, and the US products & distribution division continued to be supported by the very buoyant US housing market. Crucially, CRH is still forecasting no year on year deterioration in its 2005 margin.
- Dollar strengthening : The strengthening of the US dollar versus the Euro this year may also provide the potential for some earnings upgrades over the course of H2 2005, with almost 50% of group earnings US dollar denominated. The ongoing consolidation within the cement sector also provides a support for the CRH share price over the next 12 months.
- H2 outlook : Concerning the more important second half of the year, CRH is expecting to continue to benefit from strong markets at its US operations and price increases, offset to some extent by higher energy costs. Including the Stradal acquisition, CRH has spent €190m on acquisitions since the end of June and continues to work actively on opportunities for acquisitions across all its operations.
- European outperformance : Several of CRH's existing European construction markets are also showing healthy growth levels now. Ireland and the Netherlands together account for c.50% of CRH's European profits, with 2005 construction output growth of c.3% forecast for both of these markets.
- Sector consolidation : We continue to be of the view that a multiple of 13x forward earnings is achievable for CRH, given the multiple range of 14x to 16x forward earnings at which deals are continuing to take place in the cement sector, and the group's historic average forward multiple of c.14x.
- Further upside : As a result, we recently raised our 12 month price target for CRH from €24 to €25 (12% further upside), which is based on 13x 2006 eps of €1.92, which we upgraded from €1.86 on the expectation of an increased level of acquisition spending in H2 2005 : BUY.

### Investment Press— Lex

- Hurricane Katrina: The energy markets may be in a febrile state, but the violent price moves in response to Hurricane Katrina's destructive path seem rational. After all, as much as 10 per cent of US oil production and refining capacity has been put on hold.



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