DOLMEN DAILY

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EQUITIES	Close		Change	% +/-	P/E '05	YTD
ISEQ	6871	↓	-23	-0.33%	11.0	10.86%
FTSE 100	5491	↑	14	0.25%	13.5	14.06%
DAX 30	5199	↑	23	0.44%	15.0	22.17%
DOW	10888	↓	-3	-0.02%	19.5	0.98%
NASDAQ	2233	↓	-7	-0.30%	15.6	6.88%
S&P	1257		0	0.00%	21.0	3.75%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.1788	0.6842	140.8900
Dollar	1.1788	1.0000	1.7224	119.5000
Sterling	0.6842	1.7224	1.0000	205.8300
Yen	140.8900	119.5000	205.8300	1.0000
Oil (Nymex)	56.5000			

This Week's Research

Fyffes
IL&P

Today's Research

Fyffes

Breaking News

Swisscom in talks with government

Swisscom has launched "intense discussions" with the Swiss government, its controlling shareholder, which last week said it would block any foreign acquisitions by the Swiss telecommunications company. Swisscom, said it would inform the general public next week, at the earliest, what action it intends to take. TDC, the Danish telecom group that Swisscom was believed to be looking at, was bought yesterday by a group of private equity firms. This move will increase speculation of the potential for a private equity deal for Eircom.

Kingfisher Q3 results

Kingfisher revealed a 53 percent fall in profits at its core UK chain B&Q that dragged down overall third-quarter results, and said the market continues to weaken. B&Q's retail profit sank to 50.3 million pounds from 106.7 million this time last year. That dragged group retail profit down 21 percent to 157.1 million pounds in the 13 weeks to October 29, compared with forecasts of 138-161 million pounds. B&Q's like-for-like sales were down 8.4 percent and gross margins were 2 percentage points lower, reflecting aggressive price cutting as the company tries to boost flagging sales. Kingfisher added that if current market conditions persist, retail profit margins will fall further in the fourth quarter. Competitors are becoming increasingly desperate and prices are being slashed.

Gold above $500 an ounce

Gold spiked above $500 an ounce for the first time in 18 years on Tuesday as investment funds increased their exposure in commodities. The World Gold Council said this month that global demand for gold in the third quarter totaled 838 tonnes, a rise of 7 percent from the same quarter a year ago, as surging investment demand helped offset a slowdown from the jewelry sector. The latest weekly Commitments of Traders report issued by the Commodity Futures Trading Commission on Monday showed the speculative net long position in New York's COMEX gold were closer to record high levels.

Fyffes (€2.05) Potential €50m property surplus Stuart Draper

- Development activity : Following Fyffes' statement on Monday, that it has "a property portfolio which should generate significant incremental value for shareholders in the near to medium term", it is worth noting the 3 main sites where the company is currently active in property development and the potential surplus which could accrue to shareholders as a result of their upcoming revaluation.
- Edinburgh site : Fyffes owns an 8.5 acre site at the fruit market in Edinburgh, estimated to be worth £2m per acre as it has planning permission for 470 apartments. The company is currently planning to redevelop this site and move its fruit operations there to an out of town location.
- Belfast site : Fyffes also has a similar plan for its 10 acre site in Belfast, estimated to be worth £1m per acre. Even though it has no planning permission yet, given its proximity to DIY and motor distributors, it is expected to be suitable for commercial rather than residential development. Given that the combined cost price of these 2 fruit market sites is estimated to be only c.€15m, this shows that there could be a €25m revaluation surplus generated from these 2 properties alone.
- Gateway site : Fyffes also has a further €20m of investment property, relating to the former Gateway campus near the airport and the portion of the Xerox campus at Dundalk which it owns. These were acquired during 2004 and were estimated to be worth €20m as at 31/12/04.
- Beresford site : Even though the company is not active at any of its other sites, it is worth noting that its 1.2 acre site at Beresford Street, Dublin 7, could be worth up to €30m, versus its estimated balance sheet cost price of only c.€5m. This would generate a further €25m revaluation surplus, giving a total revaluation surplus of €50m. This would boost the group's current NAV per share of €1.26 to €1.40. The results of this revaluation of its properties will be announced at the latest at the time of the full year results' announcement in early March, but it may even be announced before Christmas.
- Limited downside : Our view is that while the removal of the current quota regime, if ultimately sanctioned by the WTO, could result in some further near term share price weakness, much of the likely margin squeeze from such a potential supply increase may now be largely reflected in the current share price following its 22% fall over the past 2 months. Even if the supply increase reduced the group's 2006 banana profits by 20%, the 2006 group eps would only fall by c.9% to 21c : **BUY**.

Business Press

- Sale of C&C stake earns equity group €115m (IT)
- State to issue €3bn in bonds (IT)
- Eurozone money supply grows (II)
- AIB says' sorry' to 27,000 customers for overcharge (II)

Investment Press— Lex

- Swisscom: The Swiss are meant to be boring. The alpine republic's government is doing its best to replace this label with "gratuitously incompetent". Last week it said that it would prevent Swisscom from making any overseas acquisitions. This came as a shock.

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