



Tuesday 1st April 2008

DAILY COMPANY NOTE — IFG Group See page 2 for full details

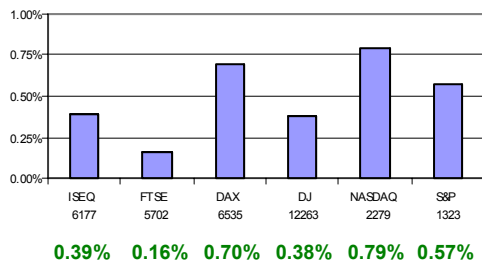
Daily Market Comment

Yesterday's Summary : The ISEQ finished its last trading session of the first quarter in positive territory yesterday, closing up 0.39% at 6177.05. Over the three months the ISEQ has shed over 10% of its value, which means it has outperformed the broader European market. Despite releasing a noon trading statement which reiterated its mid-February earnings guidance, Bank of Ireland closed 0.8% lower yesterday, at €9.42. It was a better day for AIB and Irish Life & Permanent, who gained 1.9% to €13.50 and 0.6% to €12.38 respectively. IN&M continued its recent rally, adding another 5% to close at €2.08.

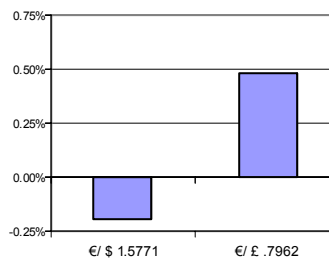
Overnight News : Asian markets traded mixed overnight, with Japan's Nikkei ending 1 % higher at 12,656.42, on expectations that fresh funds will flow into the market now that the new fiscal year has begun, offsetting the negative impact of the Bank of Japan's latest Tankan survey of business sentiment. In China, the benchmark Shanghai Composite Index closed down 4.13% at 3,329.16, after comments by the central bank gave rise to fresh worries over monetary policy tightening.

Breaking News : Deutsche Bank now anticipates further write-downs in the region of €2.5bn for the first quarter of 2008, due to leveraged loans and loans commitments, commercial real estate and residential mortgaged backed securities. Despite these losses, Deutsche Bank expects a BIS Tier 1 capital ratio at the end of the first quarter of between 8 and 9%, consistent with the banks original forecasts. Lehman Brothers has announced it is looking to raise at least \$3bn from a convertible preferred share sale, which the bank feels would dampen fears that the bank is struggling from a shortage of capital. UBS have said Chairman Marcel Ospel will step down, after the bank announced additional write downs of \$19bn and a first quarter loss.

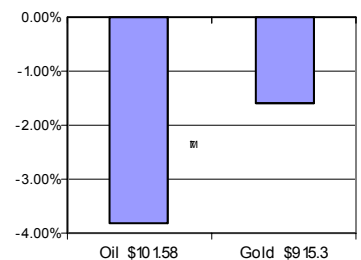
Equity Indices change on day



Currency daily % change



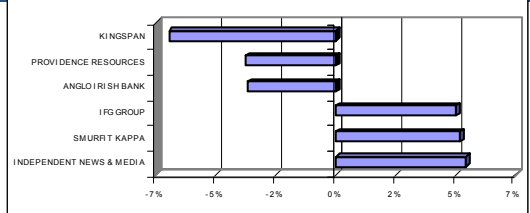
Oil/Gold daily % change



News

- “Eurozone inflation highest in 16 years”-(The Irish Times)
- “Bank of Ireland maintains earnings growth forecast”-**B.O.I**-(The Irish Times)
- “S&N investors toast takeover by drinks giant”-**S&N**-(Irish Independent)
- “Mortgage lending growth hits 14-year low”-(Irish Examiner)
- “Gloomy growth forecasts from ECB”-(Irish Examiner)

ISEQ Performers/Losers 31/03/08



Market Themes and Movers

Oil Declines : Oil has fallen toward \$101 a barrel on Tuesday triggered by an unexpected recovery in Iraqi crude exports, but a forecast of lower US gasoline stocks has limited the decline. Prices of crude had originally surged as a week of heavy fighting in Iraq's oil port city of Basra had threatened the delivery of crude. However Iraqi officials have now predicted an end to the violence earlier than expected. Prices have not fallen as much as they may have as reports suggest that gasoline inventories in the US have fallen for a third consecutive week.

European unemployment rate : European unemployment rate for the month of February has remained at a record low of 1.7% as unemployment declined in Germany, the euro zone's biggest economy. The 7.1% compares with 7.6% a year earlier and is said to be the result of three year export led boom for hiring. This figure may heighten ECB's concerns that there will be more pressure on wage increases as inflation accelerates.



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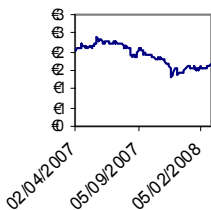
IFG Group

Target
€2.20
Current
€1.90
ISEQ
Financial Services
Company Profile

The Group's principal activities are providing financial advisory services and international corporate and trustee services. It operates in Ireland, the United Kingdom, Isle of Man, Jersey, Cyprus and Switzerland. It operates in two business segments, Financial Services and Trustee and Corporate Services.

Fundamental view : On Thursday week, 10th April, IFG Group will announce its results for the year ended 31/12/07. We are forecasting EBITDA and eps of €20m and 18c respectively, representing year on year increases of 25% and 21%. The growth will have been primarily driven by the contribution of the Langtry Trust and Gestinor acquisitions at the International Trustee and Corporate Services division, where increasing regulatory requirements are driving strong demand for offshore corporate trust services. The UK pensioner trustee and UK financial services businesses are also expected to have generated strong organic growth. In Ireland, solid performances from the non-conforming and title insurance businesses will have helped offset the slowdown in conforming mortgage lending. Further progress is also expected to have been made in reducing the group's net debt of €24.4m as at 30/06/07 to c.€19m as at 31/12/07. In the absence of further acquisitions this year, IFG would now appear on course to reduce its net debt to c.€10m as at 31/12/08 and to be debt free by 31/12/09.

Next catalyst : As a result of the group's title insurance, non-conforming and conforming mortgage businesses in Ireland contributing less than 25% to group earnings on a combined basis, we are forecasting further 11% eps growth in both 2008 and 2009 to 20c and 22c respectively. As a result of IFG Group not taking balance sheet risk and having a high level of recurring income, a UK pension broker such as Mattioli Woods is a more relevant peer than a specialty financial such as Paragon. As Mattioli Woods is currently trading at 16.5x consensus forward earnings, our new 12 month share price target for IFG of €2.20 (16% upside) is based on 10x 2009 eps of 22c. With such a share price target providing attractive upside from current levels, we now upgrade our IFG Group recommendation from NEUTRAL to BUY ahead of next week's full year results' announcement. With One51, Joe Moran and Richard Hayes each owning c.8% of the company, the shares also have above average MBO potential.

Statistics
Price Performance

Chart view: IFG Group

Support Primary: €1.75

Support Secondary: €1.67

Resistance Primary: €2.03

Resistance Secondary: €2.15

Despite recent price action which has been disappointing the chart outlook remains positive. Important gains this year have been on significant volume. Stock is well supported and any downside should be limited. Considerable upside potential.

Revenue by Region


■ Financial Services 61%

■ Corporate & Trustee Services 38%

Major Shareholders	%	Peer Group Multiples			
TS Capital	8.00%	Company name	P/E 07	P/E 08	EPS Growth 07-08
ONE51 PLC	8.00%	IFG Group	10.56	9.50	11.11%
Patrick Joseph Moran	7.52%	Mattioli Woods	21.5	19.8	6.91%
Richard Hayes	7.44%				
Nordea Bank	7.17%				
Shares Outstanding	69.67m				

Share Data	Financial Data	2006	2007e	2008e	
Current Price (€)	1.90	Revenue (€'000)	107222	125,767	134330
Mkt Cap (£m)	126.44m	Profit Before Tax (£m)	12,282	15,700	18,543
Reuters	IFG.I	EPS (p)	0.16	0.18	0.20
Bloomberg	IFG ID	P/E(x)	11.88	10.56	9.50
Sector	Telecom	DPS (p)	0.03	0.03	0.04
CEO	Mark Bourke	Dividend Yield %	1.58%	1.58%	2.11%
Chairman	John Moran				
Website	www.ifggroup.com				





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