



DAILY COMPANY NOTE — Apple See page 2 for full details

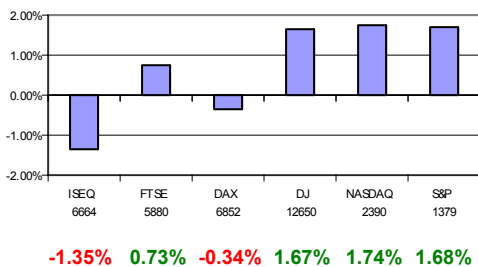
Daily Market Comment

Yesterday's Summary : The ISEQ failed to rally yesterday afternoon, unlike the FTSE, finishing down 91 points for the day. Anglo Irish Bank and Irish Life were out of favour finishing down 1.4% and 3.7% respectively, ahead of Anglo's AGM this morning. Tullow got a strong boost from the announcement of its sale of its interest in a Congo oil field, with the stock closing 28 pence higher. C&C performed well, up just under 8%, albeit on low volumes. The real market mover yesterday was MBIA's announcement that they expect to keep their AAA credit rating, worries that the bond insurers would set off a second round of turbulence in credit markets if they were downgraded has weighed heavily on markets.

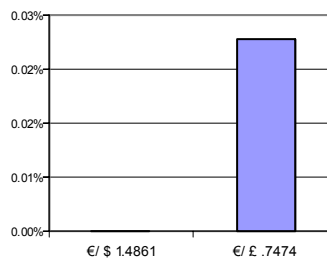
Overnight News : The Nikkei-225 index dropped 95.31 points to finish at 13,497.16 in overnight trading after major Japanese banks announced greater than expected subprime related writedowns. Shanghai stocks slumped 1.43%, as a winter cold snap continued to cause transport chaos at the cusp of the Chinese New Year holiday. Taiwan stocks jumped 2.03% ahead of the long Lunar New Year break, boosted by a strong finish on Wall Street. The Australian market took its lead from Wall Street and jumps in metal prices, finishing up 3.3%.

Breaking News: British Airways reported a 28.5% rise in operating profit for the first nine months of their fiscal year. Aer Lingus have announced a strategic partnership with US low cost carrier Jet Blue, the groundbreaking agreement paves the way for cheaper flights from Europe to 40 US cities. Vinci, peer of CRH, has announced fourth quarter sales increase of 20% and have issued a positive outlook. Tullow Oil have sold their stake in a Congo oil field for \$435m.

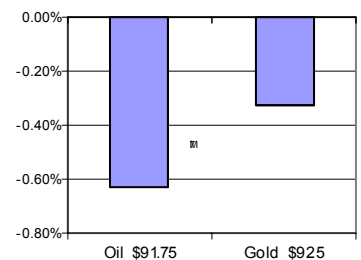
Equity Index's change on day



Currency daily % change



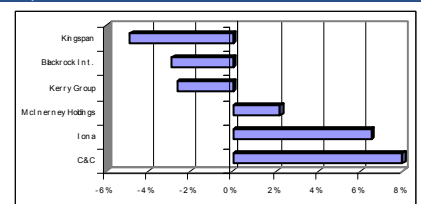
Oil/Gold daily % change



Paper Headlines

- "BNP Paribas considers bid on troubled French bank" – **SocGen** -(Irish Independent)
- "Rising inflation makes ECB reluctant to cut interest rates" -(Irish Independent)
- "Google results trail estimates" – **google**- (Irish Examiner)
- "Output warning takes gloss off Shell profits" – **Shell** -(Financial Times)
- "Tullow shares up 5% on oil field deal" – **Tullow** -(Irish Times)

ISEQ Performers/Losers



Market Themes and Movers

Key US data: Two key market indicators are due from the US today, the US Labour Department will announce January's non-farm payrolls, a key indicator of the health of the US economy, while the Institute for Supply Manufacturing will also be released. Traders will be keen to see if the data shows a deteriorating economy and will seek to determine the likelihood of further easing on the part of the US Federal Reserve, which has cut its benchmark Fed funds rate by a cumulative 125 basis points in January to 3.00 pct. Following the forecast from the ADP payrolls firm earlier this week, the improvement in payrolls is expected to be better than initially thought, with expectations of 70,000 new jobs added to US economy.

More precious than gold? : Platinum futures surged to a record high as more electricity blackouts in South Africa sparked buying on supply concerns. Investors believe there are more disruptions to come after fresh electricity supply problems dented expectations in the mining sector for an early return to full production after a five-day hiatus. State utility Eskom had agreed to increase supply to the country's diamond, platinum, gold, coal and other mines to 90% by Thursday, after a power shortage impacted production over the last few days. Platinum, which is used to make jewellery and clear car exhaust fumes, has jumped over 14% this year.

Dolmen Squawk Box

This day three years ago, the ISEQ closed just shy of the 6,500 mark, up 85 points, after a flurry of positive Irish economic news .



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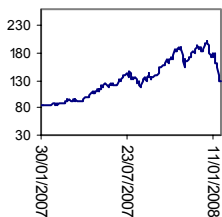
Apple

Target	\$154.00
Current	\$134.13

Nasdaq
Technology
Company Profile

The Group's principal activities are to design, manufacture and market personal computers and related software, peripherals and personal computing and communicating solutions. It offers a range of personal computing products including desktop and notebook personal computers, related devices and peripherals, networking and connectivity products.

Fundamental view : Shares in Apple have fallen by 34% since its all time high of \$202.96 at the end of 2007 on concerns that the downturn in economic activity, in particular in the US where the company generates the majority of its sales (45%) will affect profits. While Apple's fiscal first quarter results on 22/01/2008 were strong, it was its cautious guidance that led to a further decline in its share price. For the first quarter, Apple reported a 39% rise in EPS to \$1.76 with revenue increasing by 35% to \$9.61bn, both of which were broadly in line with market expectations. Apple's gross margin also showed good improvement rising to 34.7% from 31.2% last year. Apple's outlook for its second quarter however was a disappointment to the market. The company said it expects to report EPS of \$0.94 on revenue of \$6.8bn, which was below market expectations of \$1.09 and \$7bn, respectively. Apple has a history of giving conservative guidance, however this guidance was unusually below consensus estimates and indicates that the consumer is clearly tightening spending on luxury goods. Sales of Apple PCs continue to thrive as it shipped 2.3m Macintosh computers during the quarter, an increase of 44% for the same period last year. Sales of the group's iPod during the quarter were disappointing however with an increase of 5% to 22.1m units, missing analyst expectations for as much as 25m units. Apple also pointed out that it expects sales of its iPod to slow further in the second quarter. The group's newest product the iPhone, which is seen as a key indicator of future growth and profitability for the company, has now sold more than 4m units since its launch last summer. Prior to Apple's first quarter earnings report, on 15/01/08, the company hosted its MacWorld conference where it unveiled its newest product offerings in the form of a slim Macintosh notebook, an online movie rental service and an updated television set-top box. The main product was the slim notebook and will be the world's thinnest computer entitled MacBook Air. MacBook Air is only about three quarters of an inch thick and weighs three pounds. The notebook will retail at \$1,799 and expectations are that Apple will sell up to 2 million units this year which should help drive profitability for the group.

Statistics
Price Performance


Next catalyst : The next major catalyst for Apple will not be until April when the company is due to report its second quarter results. While on a long-term view we like the Apple story, in the short-term there could be some further weakness in the group's share price given its recent cautious outlook and the slowdown in the global economy. In light of Apple's growth prospects we do believe that it deserves to trade at a 20% premium to its peer group at 30x forward earnings which generates our 12-month price target of \$154 based on 30x 2008 EPS of \$5.13. However, in the short-term we believe that Apple could trade down to the \$128 level which would leave it trading in line with its peer group and we would see this as a good entry level.

Chart view: Apple

Support Primary: \$126.50
 Support Secondary: \$108.50
 Resistance Primary: \$140.70
 Resistance Secondary: \$146.00

Chart outlook is negative with stock gapping lower in recent sessions. Outlook only becomes positive on a close above \$146.00. If stock breaks support at \$126.50 area then downside risks are significant. Caution required.

Profit breakdown


- Americas 45%
- Europe 25%
- Japan 4%
- Retail 18%
- Other 8%

Major Shareholders	%	Peer Group Multiples			
Fidelity Management	5.50%	Company name	P/E 08	P/E 09	EPS Growth 08-09
Axa	3.84%	Apple	26.1	21.4	22.42%
Barclays	3.68%	Research in Motion	42.1	27.1	54.59%
State Street	2.95%	Dell	14.9	12.9	15.40%
		Google	35.2	26.4	30.00%

Shares Outstanding 878.63m

Share Data	Financial Data	2007a	2008e	2009e	
Current Price (\$)	134.13	Revenue (\$m)	24,006	31,749	38,495
Mkt Cap (\$)	117,859m	PBT (\$m)	5,008	6,835	8,532
Reuters	AAPL.O	EPS (\$)	3.93	5.13	6.28
Bloomberg	AAPL US	P/E(x)	34.1	26.1	21.36
Sector	Technology	DPS(\$)	n/a	n/a	n/a
CEO	Steve Jobs				
CFO	Peter Oppenheimer				
Website	www.apple.com				





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