



Wednesday 7th May 2008

DAILY COMPANY NOTE — Anglo Irish Bank See page 2 for full details

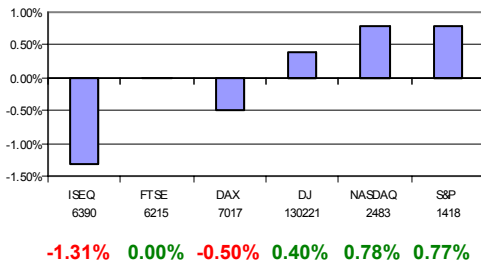
Daily Market Comment

Yesterday's Summary : With UBS announcing a first quarter net loss and record oil prices continuing to weigh heavily on investor sentiment, the ISEQ closed down lower yesterday, falling 1.31% to 6390.09. It was mixed day for financials as AIB and Bank of Ireland shed 0.5% to €13.93 and 1.4% to €8.99 respectively., while Anglo Irish, ahead of its Interim results announcement this morning, climbed 0.87% to €9.23. Tullow Oil was the star performer on the day, soaring 25% to €12.10 amid news its Mahony-2 well offshore Ghana has hit a significant column of light oil. IN&M climbed 2.1% to €1.99 following news of Carlos Slim's, the second richest man in the world, stake building. After releasing disappointing April load factors , Ryanair shed 5.5% to close at €2.97.

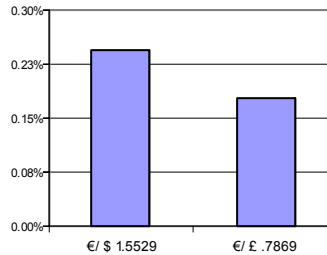
Overnight News : In Japan, the Nikkei 225 Stock Average ended up 0.4% at 14,102.48, with investors finding support on overnight gains on Wall Street and a stable yen. In China, the benchmark Shanghai Composite Index closed down 4.13% at 3,579.15, as more bank stocks emerge from holding periods, threaten to worsen the share supply situation for the overall market.

Breaking News : CRH released an Interim Management Statement this morning and it said that CRH's profitability and cash flow remain well underpinned by its geographic, sectoral and product balance. EasyJet have reported a first half pretax loss of £57.5m compared with a loss of £17.1m a year earlier, citing higher fuel prices and continued pressure on costs. Cisco Systems have posted a 10.4% increase in third quarter revenue to \$9.8bn. Disney has also reported better than expected results, posting a 22% rise in profit and a second quarter net income of \$1.1bn, compared with \$931m for the same period last year. Metro Baltic Horizons have reported their full year results which reveal a NAV of £1.27, up 35% since Admission on the 11th of December 2007.

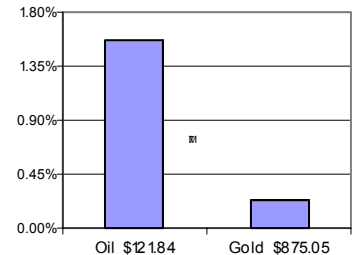
Equity Indices change on day



Currency daily % change



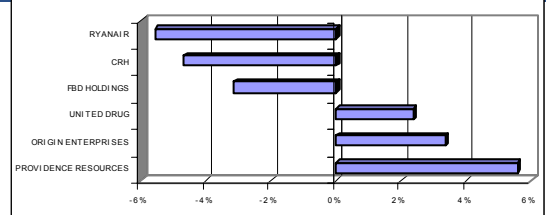
Oil/Gold daily % change



News

- "O'Brien welcomes Slim's interest in IN&M"-**IN&M**-(The Irish Times)
- "Tullow shares up 25% on oil find off Ghana"-**Tullow Oil**-(The Irish Times)
- "Magners sales slide for a fourth month across UK stores"-**C&C**-(I.I)
- "United Drug's profits up by 15%"-**United Drug**-(Irish Examiner)
- "Fannie Mae to raise capital in wake of loss"-(The Wall Street Journal)

ISEQ Performers/Losers 06/05/08



Market Themes and Movers

Dollar Rises : The dollar has strengthened against the euro and yen this morning, as the Federal Reserve Bank of Kansas City President Thomas Hoenig has said that "serious" inflation pressures may force the central bank to raise interest rates. The dollar climbed to \$1.5496 against the euro in early trading, as these comments from Hoenig will reinforce the view that the Fed has significantly less room for cutting interest rates going forward. The dollar has now rebounded 3.3% versus the euro since April 22, when it sank to a record low of \$1.6019.

UK Consumer Confidence & Manufacturing : According to Britain's fourth largest mortgage lender Nationwide, UK consumer confidence has fallen to its lowest level in four years in April, as rising prices and declining house values have depressed consumer activity. UK home values had their first annual decline since 1996 last month, as tighter mortgage lending policies have dampened demand. Meanwhile, UK manufacturing production unexpectedly fell in March according to the Office for National Statistics in the UK. Factory output fell 0.5%, compared with a 0.4% gain in February and below economists forecasts for a flat reading.



Dolmen Securities
 75 St. Stephen's Green, Dublin 2, Ireland.
 45 South Mall, Cork, Ireland
 Theatre Court, Mallow St, Limerick, Ireland.

Website : www.dolmenstockbrokers.ie
 Tel : +353 1 633 3800/1890 400 300
 Tel : +353 21 422 2122
 Tel : +353 61 436 500

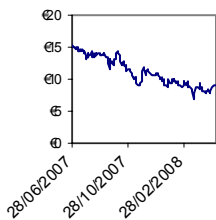
E-mail: info@dsl.ie
 E-mail: cork@dsl.ie
 E-mail: Limerick@dsl.ie

Anglo Irish Bank

Stuart Draper
BUY
Target
€12
Previous (16/01/08)

€15
Current
€9.23
ISEQ
Bank
Company Profile

The Group's principal activity is providing banking services. The Group's three core areas are Business Lending, Treasury and Wealth Management. Business lending focuses on lending primarily to proven operators on transactions that are supported by secure cash flows and strong collateral.

Statistics
Price Performance


Fundamental view : This morning, Anglo Irish Bank reported another set of excellent results for the 6 months ended 31/03/08. Profit before tax and underlying earnings per share of €667m and 69.7c respectively were largely in line with our forecasts of €670m and 70c, and were year on year increases of 16% and 15%. The bank's strong capital position, with its core equity ratio increasing by 0.6% over the period to 5.6% through internal capital generation, facilitated a 20% year on year increase in the H1 dividend to 7.78c per share. Anglo maintained its full year guidance for net loan growth of €10 bn, based on current lending work-in-progress of €6.8 bn, and full year eps growth of 15%, keeping it on track for our current year eps forecast of €1.51. However, the area where most London analysts are starting to be proven wrong is in relation to credit quality, with the H1 specific bad debts charge post the bank's April loan review, only 0.1% of average loans, versus consensus expectations for c.0.13%. This brings the total specific provision to €129m, which when added to the collective provision of €144m, implies that 76% of the bank's total non performing loans of €358m have been fully provided for. The 10% loan growth to €69 bn was primarily driven by 11% growth in customer deposits to €5.6 bn, and the bank's net interest margin expanded by 0.02% to 2.44%.

Next catalyst : The post results' analyst meeting also confirmed that credit market conditions have started to improve in recent weeks, in line with the recent opinions expressed by the Bank of England, the US Treasury Secretary and Warren Buffett, that the worst of the crisis is now behind us. Improving credit market conditions, combined with the effect of further Bank of England interest rate cuts, could kick start a recovery in the UK commercial property market in H2 2008, which would act as a further potential positive catalyst for the share price. Current year eps growth of 15% implies a 2008 eps of €1.51, and the current consensus forecast is for further 5% eps growth in 2009 to €1.59. Even though such growth rates are slower than previous years, they are still significantly stronger than sector average because of Anglo's unique niche business model and the size of its remaining opportunities in both the UK and US markets. As a result, at least a sector average rating is deserved, and so our current 12 month share price target remains €12 (29% further upside), which is based on 8x 2008 eps of €1.51.

Chart View: Anglo Irish Bank

Support Primary: €8.77

Support Secondary: €8.00

Resistance Primary: €9.69

Resistance Secondary: €10.41

Stock is approaching an area of resistance where it has failed on several occasions since the year began. A move towards the €9.75-€10.00 area is hence likely to be met by some profit taking and this may limit the upside potential in the short-term. €8.00 is a level that will provide solid support on a medium-term basis. Stock looks set to trade sideways in the short-term.

Revenue by Region


- Republic of Ireland 66%
- UK and Isle of Man 25%
- United States 8%
- Rest of World 1%

Major Shareholders	%	Peer Group Multiples			
		Company name	P/E 08	P/E 09	EPS Growth 08-09
Invesco	5.02%	Anglo Irish Bank	6.1	5.8	5.30%
Schroder Invst. Mgt.	3.21%	Bank of Ireland	6.3	6.3	5.09%
AIM Trimark Investments	2.79%	Allied Irish Bank	6.2	6.2	1.52%
Janus Capital Mgt.	2.23%				
Fidelity Mgt. & Research	1.73%				
Shares Outstanding		759.32m			

Share Data	Financial Data	2007	2008e	2009e
Current Price (€)	Revenue (€m)	1727	2029	2213
Mkt Cap (€m)	PBT (€m)	1,221	1,525	1,601
Reuters	EPS (€)	1.31	1.51	1.59
Bloomberg	P/E(x)	7.05	6.11	5.81
Sector	DPS (c)	0.19	0.23	0.27
Chairman	Dividend Yield	2.06%	2.49%	2.93%
CEO				
Website				


DOLMEN SECURITIES LTD



Disclosures

This report has been prepared by Dolmen Stockbrokers ('Dolmen') for information purposes only to assist investors to make their own investment decisions and is not intended to and does not constitute personal recommendations nor provide the sole basis for any evaluation of the securities discussed. Specifically the information contained in this report should not be taken as an offer or solicitation of investment advice or, encourage the purchase or sale of any particular security, option, future or other derivative investment. Not all recommendations are necessarily suitable for all investors and Dolmen recommend that specific advice should always be sought prior to investment, based on the particular circumstances of the investor.

Although the information in this report has been obtained from sources, which Dolmen believes to be reliable and all reasonable efforts are made to present accurate information Dolmen give no warranty or guarantee as to, and do not accept responsibility for, the correctness, completeness, timeliness or accuracy of the information provided or its transmission. Nor shall Dolmen, or any of its employees, directors or agents, be liable to for any losses, damages, costs, claims, demands or expenses of any kind whatsoever, whether direct or indirect, suffered or incurred in consequence of any use of, or reliance upon, the information. Any person acting on the information contained in this report does so entirely at his or her own risk.

All estimates, views and opinions included in this report constitute Dolmen's judgment as of the date of the report but may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

Unless specifically indicated to the contrary this report has not been disclosed to the covered issuers(s) in advance of publication.

Past performance is not necessarily a guide to future returns. The value of investments and the income from them can fall as well as rise. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse affect on the value of the investments, sale proceeds, and on dividend or interest income. Investors may not necessarily recoup the full value of their original investment. Investors should be aware that forwarding looking statements and forecasts may not be realised.

This report may not be reproduced (in whole or in part) altered, transmitted or made available to any other person without the prior written permission of Dolmen.

Dolmen Securities Limited is regulated by the Financial Regulator. Dolmen Securities Limited is a member firm of the London Stock Exchange. Dolmen Stockbrokers is regulated by the Financial Regulator. Dolmen Stockbrokers Limited is a member firm of the Irish Stock Exchange and the London Stock Exchange.

Conflicts of Interest & Share Ownership Policy

Dolmen, its employees, directors or related companies, may have a shareholding in the securities (or related investments/ derivatives) of certain companies covered in this report, or may provide/ solicit investment banking or other services to/ from them.

It is noted that research analysts' compensation is impacted upon by overall firm profitability and accordingly may be affected to some extent by revenues arising other Dolmen business units including Corporate Finance, Fund Management and Stockbroking. Revenues in these business units may derive in part from the recommendations or views in this report. Notwithstanding, Dolmen is satisfied that the objectivity of views and recommendations contained in this report has not been compromised.

Dolmen permits research analysts to own shares and/ or derivative positions in issuers they publish research, views and recommendations on and accordingly analysts involved in the production of this report may own stocks in a company covered in it. Any own account staff trading is undertaken in strict compliance with Dolmen's own account internal rules and therefore Dolmen is satisfied that the impartiality of research, views and recommendations remains assured.

Analyst Certification

Each research analyst responsible for the content of this report, in whole or in part, certifies that: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report. Stuart Draper, David Dunk and Stephen Taylor are responsible for the production of this report. Stuart Draper is Head of Research and David Dunk & Stephen Taylor are equity analysts.

For US Persons Only

This report is only provided in the US to major institutional investors as defined by s. 15 a-6 of the Securities Exchange Act, 1934 as amended. A US recipient of this report shall not distribute or provide this report or any part thereof to any other person.



DOLMEN SECURITIES LTD