DOLMEN DAILY

March 8, 2007

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EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	9306 ↑	120	1.31%	11.0	-1.09%
FTSE 100	6157 ↑	18	0.29%	12.4	-1.03%
DAX 30	6618 ↑	23	0.34%	15.0	0.32%
DOW	12192 ↓	-15	-0.12%	19.5	-2.17%
NASDAQ	2375 ↓	-11	-0.44%	15.6	-1.68%
S&P	1392 ↓	-3	-0.25%	21.0	-1.86%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3164	0.6812	153.5800
Dollar	1.3164	1.0000	1.9321	116.6800
Sterling	0.6812	1.9321	1.0000	225.4200
Interest Rates (%)	3.5000	5.2500	5.2500	0.4800
Oil (Nymex)	61.8200			

This Week's Research

Kingspan
CRH & AIB
FBD

Today's Research

Anglo

Breaking News

ICG announce MBO approach

ICG announced today that on February 8 it received an approach from Eamonn Rothwell and other senior members of management of the company, which may or may not lead to an offer being made for the company at €18.50 per Irish Continental unit. The company has set up an independent committee of the board of directors comprising John McGuckian, Bernard Somers and Peter Crowley. If a firm offer is made at €18.50 per unit, these directors said they would recommend shareholders to accept. The company said talks with the management team are at a very advanced stage but there can be no certainty that an offer will ultimately be forthcoming. ICG also reported a pretax profit for the year to December 31 2006 of €33.3m, up from a loss of €15.0m the prior year.

Royal & Sun Alliance post a 5% increase in profit

Royal & Sun Alliance turned in a 5% increase in profit, helped by cost controls and a reduction in weather-related damage claims, and hiked its dividend by 35%. RSA said its operating result for the year to December 31 2006 came in at £780m, up from £743m the previous year. Analysts had expected an operating result of £764m, according to a consensus forecast supplied by the company. Including £499m in asset write-downs and trading losses from the group's troubled US operation, which it sold earlier this week, RSA had a post-tax loss of £20m.

Indo's titles lead market according to survey

On the 6th of March the Joint National Readership Survey (JNSR) showed that Irish Independent remains Ireland's best-read daily newspaper with c.30% more readers than its nearest rival the Daily star that has 401,000 readers. The survey shows that in the broadsheet market the Irish Times now has 336,000 readers, while the Irish Examiner is read by 249,000 people each day. In the Sunday market, the Sunday Independent holds onto its title as Ireland's best-read newspaper with just over 1.05m readers, while the Sunday World comes in second place with 796,000. The survey also found that 89% of the Irish population, or more than 3m adults, now regularly read 'any' newspaper.

Today's Recommendation

Anglo (€15.41) Trading statement released Stuart Draper
Target : €18 (08/03/07 ; previously €17.50, issued 02/02/07)

- Statement released : This morning, Anglo Irish Bank released a pre-close period trading statement for the 6 months ending 31/03/07. Even though the group effectively raised guidance as recently as 1st February in conjunction with its 5% placing, this morning's statement that eps for the 6 months ending 31/03/07 would be "close to 40%" ahead of the same period last year will facilitate further upgrades to consensus forecasts.
- Loan growth : The trading statement confirmed that the group generated net loan growth of €7.3 bn over the 5 months ended 28/02/07, with asset quality remaining robust and lending margins remaining stable. Prior to this morning's trading statement, the consensus current year eps forecast was €1.15, with an expected H1 : H2 split of 54c : 61c. Today's guidance for 40% growth implies a H1 eps of 58.66c, significantly ahead of the previous H1 consensus forecast of 54c.
- Earnings upgrades : As a result, the current consensus full year eps forecast of €1.15 is likely to be increased by c.4% to €1.20. This would represent full year eps growth of 28% on the prior year comparative of 93.7c. Such continued stronger than sector average earnings growth warrants a premium rating of c.20%, and as a result our current 12 month price target is based on 13x forward eps.
- Target upgrade : Given today's upgraded guidance, it is also appropriate to increase our forward eps forecast from €1.38 to €1.39, and to raise our 12 month price target from €17.50 to €18 (17% further upside), based on 13x forward eps of €1.39. Given the size of the bank's growth opportunity in both the UK and US markets, sustainable average earnings growth of 15% per annum appears achievable over the next 5 years, which is significantly stronger than the European bank sector average as a result of Anglo's unique niche business model. Such sustainably strong earnings growth means that Anglo deserves such a premium rating of 13x forward earnings : **BUY**.

Business Press

- Dragon sees 70% surge in profits (II)
- Growing Glanbia posts 8% advance (II)
- BA ready to profit from 'open skies' agreement (FT)

Investment Press

- High yield debt: Could high-yield be next? The subprime melt-down roiling corners of the credit market has yet to infect high-yield bonds. True, spreads widened a touch.

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