



Friday 11th April 2008

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

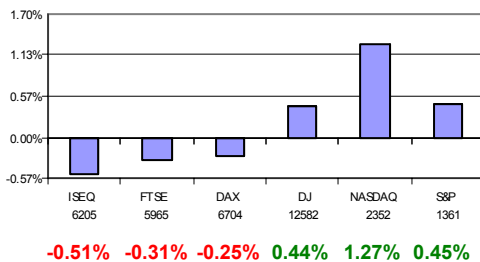
Daily Market Comment

Yesterday's Summary : With the ECB president Jean-Claude Trichet announcing that inflation still remains a concern and that the current credit turmoil may effect economic growth more than expected, the ISEQ had a relatively strong performance yesterday, closing just 0.51% lower at 6,205.31. AIB was the worst performer of the financials, shedding 2% to €13.40. Bank of Ireland fell 0.8% to €9.32, while Irish Life & Permanent lost 1.9% to €11.80. After releasing a strong set of full year results, IFG added 2% to close at €1.99. IN&M continued its recent resilient performance, finishing up 1.2% at €2.11.

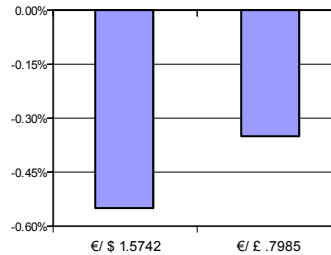
Overnight News : In Japan, the Nikkei closed 2.9% higher at 13,323.73, as investors, relieved by the rebound on Wall Street overnight and a weaker yen, bought back stocks after the market's three day fall. In China, The benchmark Shanghai Composite Index closed up 0.69% at 3,492.89, as investors continued to pick up oversold stocks and welcomed government plans to better regulate the flow of state owned shares onto the market. Australia's S&P/ASX 200 closed down 0.1% at 5,439.3.

Breaking News : Ryanair has announced this morning that it has bought back 6.5 million shares at a average price of €2.85. Meanwhile AerLingus has said it has approved the purchase of 12 Airbus aircraft ordered last June, although Ryanair, which owns a 29% stake in the company, voted against it. Bank of Ireland has suspended its mortgage products in Britain for eight days to allow repricing of the home loans in operation. A spokeswoman announced that the short term withdrawal is to deal with the backlog of new applications. HBOS, the UK's largest mortgage lender has bought a 40% stake in Tulloch homes group for £27.5 million, with the aim of expanding its operations in the north of Scotland.

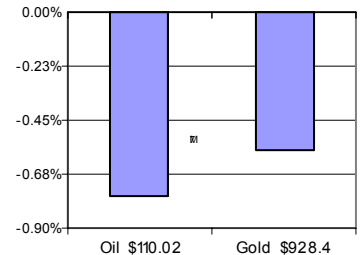
Equity Indices change on day



Currency daily % change



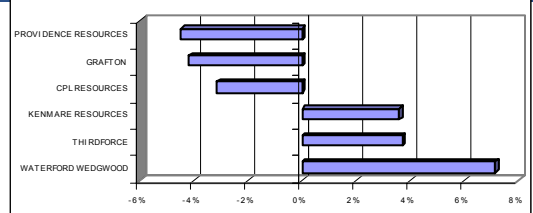
Oil/Gold daily % change



News

- "US software firm lines up Horizon deal"-**Horizon**-(Irish Independent)
- "Federal Reserve blames the rating agencies"-(Irish Independent)
- "Waterford's aid plea akin to UK bailout"-**Waterford Wedgwood**-(Irish Times)
- "ECB warns of broader impact of financial turmoil"-(The Irish Times)
- "IFG beats market expectations"-**IFG**-(Irish Examiner)

ISEQ Performers/Losers 10/04/08



Market Themes and Movers

Oil prices rise again : After reaching a new high on Wednesday of \$112.21 a barrel amid unexpected declines in U.S crude and gasoline inventories, oil tumbled to \$109.41 a barrel yesterday evening on news that major exporter Saudi Arabia insisted markets were well supplied at these levels. However there was more price volatility in this morning's trading as oil prices rose to near mid \$110 a barrel as a stronger dollar prompted investors to book profits.

Michigan index of consumer sentiment : The University of Michigan index of consumer confidence will be released today and economist's expectations are for a fall from 69.5 to 69 in March. This projected figure would be the lowest reading since February 1992 as the U.S labour market continues to weaken and gasoline prices rise. Economists have suggested that the U.S consumers are in a consolidation phase as they continue to be concerned about the weakening economy and more cautious about future purchases.



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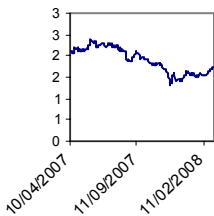
IFG Group

Stuart Draper BUY
Current €1.95
Target €2.20
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 : This week, IFG Group announced very strong results for the year ended 31/12/07. Underlying eps, after adjusting for exceptionals and the amortisation of intangibles, of 20.3c, was largely in line with the consensus forecast of c.20c, and was a year on year increase of 36%. The main driver of the growth was the group's Trustee & Corporate Services division, which generated 54% profit before tax growth to €9.7m, split 21% : 33% between organic growth and acquisition growth. Increasing regulatory requirements are helping to drive strong growth for the offshore corporate trust services of this division. The group's UK Financial Services division also generated strong growth, with its profit before tax increasing to €3.8m, from €1.4m for 2006. Despite Irish gross mortgage lending falling by 15% during the period, the Irish division generated profit before tax growth of 11% to €5.2m, helped by a strong performance from the Irish title insurance business. The dividend per share was increased by 10% to 3.63c, in line with expectations. IFG is targeting to maintain the 2007 profitability of its Irish division by a change in its product mix.

Next catalyst : IFG is well placed to make further acquisitions this year, most likely in the UK, Cypress or Switzerland, particularly in the areas of fund administration and family office advisory services, and the announcement of same could act as positive catalysts for the share price. As a result of its title insurance, non-conforming and conforming mortgage businesses in Ireland contributing less than 25% to group earnings on a combined basis, we are still forecasting further 5% eps growth in both 2008 and 2009 to 21.3c and 22.4c respectively, despite the negative year on year Sterling / Euro translation effect from c.80% of profits being Sterling denominated. As a result of the company 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 c.15x consensus forward earnings, our current 12 month share price target for IFG of €2.20 (11% upside) is based on 10x 2009 eps of 22c. With such a share price target providing attractive upside from current levels, we re-iterate our current BUY recommendation for IFG Group. With One51, Joe Moran and Richard Hayes each owning c.8% of the company, the shares also have above average MBO potential if they are not re-rated in line with such peers

Statistics
Price Performance

Chart view: IFG Group

Support Primary: €1.75
Support Secondary: €1.70
Resistance Primary: €2.03
Resistance Secondary: €2.15

Chart outlook is positive and a break of €2.03 will suggest there is significant upside to follow. However, the size of recent gains suggests that some consolidation is needed before this move up can be sustained. Stock is well supported and any downside should be limited. Watch €2.03.

Profit by Region


- International 44%
- UK 34%
- Ireland 22%

Major Shareholders	%	Peer Group Multiples.			
TS Capital	8.00%	Company name	P/E 08	P/E 09	EPS Growth 08-09
One51	8.00%	IAWS	9.15	8.71	5.16%
Patrick Joseph Moran	7.52%	Mattioli Woods	20.0	16.6	21.42%
Richard Hayes	7.44%				
Nordea Bank	7.17%				
Shares Outstanding		69.67m			

Share Data	Financial Data	2007	2008e	2009e	
Current Price (€)	1.95	Revenue (€m)	128.829	125.767	134.663
Mkt Cap (€m)	135.85	Profit Before Tax (€m)	17	16	19
Reuters	IFG.I	EPS (c)	0.20	0.21	0.22
Bloomberg	IFG ID	P/E(x)	9.61	9.15	8.71
Sector	Financial Services	DPS (c)	0.04	0.04	0.04
Chairman	Joe Moran	Dividend Yield %	1.86%	1.90%	2.05%
CEO	Mark Bourke				
Website	www.ifgroup.com				





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