



April 11, 2007

Contact Details:

Email : [research@dsl.ie](mailto:research@dsl.ie)

Tel : +353 1 633 3800  
[info@dsl.ie](mailto:info@dsl.ie) Fax : +353 1 677 4708

EQUITIES	Close	Change	% +/-	P/E '07	YTD
ISEQ	9532	↑ 175	1.87%	11.0	1.31%
FTSE 100	6418	↑ 53	0.83%	12.4	3.17%
DAX 30	7167	↑ 93	1.31%	15.0	8.64%
DOW	12574	↑ 5	0.04%	19.5	0.89%
NASDAQ	2478	↑ 8	0.34%	15.6	2.58%
S&P	1448	↑ 4	0.26%	21.0	2.12%

CURRENCIES & RATES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3427	0.6784	160.0200
Dollar	1.3427	1.0000	1.9791	119.1200
Sterling	0.6784	1.9791	1.0000	235.8300
Interest Rates (%)	3.7500	5.2500	5.2500	0.4800
Oil (Nymex)	61.8900			

**This Week's Research**  
Ladbroses

**Today's Research**  
ICG

**Today's Recommendation**

**Breaking News**

**IL&P launches telephone and internet personal loans provider**

Irish Life & Permanent has launched a telephone and internet personal loans provider called Bluecubeloans. The new lender will offer unsecured personal loans from €5,000 up to €35,000. Interest rates will rise from a variable 7.9% APR up to 16.9% APR and loans can be repaid over seven years. The company is also offering payment protection policies for the loans, underwritten by Irish Life and Cigna Europe Insurance Co. The policies will cost about 5.2% of a customer's monthly repayment. The financial services group said that applications would be open to those with impaired credit histories, although these people will pay a higher rate of interest. Credit scoring will be used to determine applications.

**INWS plan to outsource jobs rejected by NUJ members**

NUJ members at Independent News & Media have narrowly rejected the company's plan to outsource some editorial jobs by 102 votes to 99. Under the plan unveiled in February, Independent News proposed to cut 34 jobs through voluntary redundancies. The unions secretary, Seamus Dooley, acknowledged that the company's voluntary redundancy package of eight weeks pay per year of service up to a maximum of €250,000 was generous, however commented that the outsourcing of highly skilled editorial jobs was unacceptable. The company pointed out that several employees had already accepted severances packages.

**Providence Resources to raise €25.8m through share placing**

Providence Resources is to raise €25.8m after agreeing to sell 368.2m new shares to 10 new institutional investors. Providence said the money would be used to fund exploration, including appraisal drilling, off the Irish and Nigerian coasts and to invest in the Singleton onshore field in Britain which is already producing oil. The company said it may also invest in potential oil and gas developments in the Gulf of Mexico.

**Business Press**

- Citigroup boost for Magners US exports (II)
- ISE share deals soar to record €48bn total (II)
- Sainsbury tumbles as takeover consortium looks set to unravel (FT)

**ICG (€20.75) Further upside may now be limited** Stuart Draper

- Peer deals : MBO's in the ferry sector in recent years show that deals appear to have taken place within an EV (enterprise value)/EBITDA range of 8x to 10x. The MBO of Isle of Man Steam Packet Co in 2003 took place at an EV/EBITDA of 10x, the MBO of The Commodore Group in 2002 took place at 7.5x and the MBO of Red Funnel Ferries in 2001 took place at 8x.
- Enterprise value : ICG is forecast to generate EBITDA of c.€65m for the year ended 31/12/07, and to have a total net debt of €105m as at 31/12/07. Using the midpoint of the EV/EBITDA range of 8x to 10x explained above, implies an EV of €585m, based on 9x 2007 EBITDA of €65m. Deducting net debt of €105m and dividing by the 23.35m ICG shares in issue, gives a per share value of €20.56, in line with the €20.50 price at which 3% of the company changed hands last Thursday (05/04/07).
- €20.50 bid : As a result of this price having been paid, any competing bid from the One Fifty One / Doyle Group consortium, will now have to be at least €20.50 per share. This group has just started its due diligence process, which is expected to last several weeks.
- Property value : ICG owns 33 acres at Dublin port, currently valued in the group's accounts at €17.6m (€0.53m per acre). This adds a further €0.75 per share to the group's potential takeover value. However, even doubling this value to €1.06m per acre, in adding a further €1.50 per share in value to give a total value of €22 per share, implies insufficient further upside from current levels to justify a BUY recommendation.
- Relocation costs : Given that the land is currently filled by container terminals, cranes and offices, implying substantial site clean up and re-location costs, it may be difficult for any buyer to justify paying anymore than €1.06m per acre and still generate a sufficient redevelopment return. An ultimate successful bid at €22 per share would represent a 19% premium to the initial €18.50 MBO level, which ICG's independent directors recommended shareholders to accept.
- Risk / return : Therefore, with limited further upside potential from current levels in the event of further competing bids and a significant risk of no bid in excess of €20.50 per share being made, the investment case is too speculative to recommend buying the shares at current levels : **NEUTRAL**.

**Investment Press**

- PPR and Puma: Feeding a fetish for the latest sports shoes can be one of modern life's more expensive habits. PPR presumably had this in mind when it made its takeover offer for Puma on Tuesday.

Disclaimer: The information in this document has been obtained from sources, which we believe to be reliable. We cannot guarantee its accuracy or completeness. It does not constitute a solicitation for the purchase or sale of any investment. Any person acting on the information contained in this document does so at their own risk. Recommendations in this document may not be suitable for all investors. Individual circumstances should be considered before a decision to invest is taken. Investors should note the following: Past experience is not necessarily a guide to future performance. The value of investments may fall or rise against investors' interests. Income levels from investments may fluctuate. Changes in exchange rates may have an adverse effect on the value of, or income from, investments denominated in foreign currencies. Dolmen Securities is a Member Firm of the London Stock Exchange, and is authorised by the Financial Regulator under the Investment Intermediaries Act 1995. Dolmen Stockbrokers is a Member Firm of The Irish Stock Exchange, The London Stock Exchange, and is authorised by the Financial Regulator under the Stock Exchange Act 1995. Dolmen Stockbrokers is regulated by the Financial Regulator as a Mortgage Intermediary.

**DOLMEN SECURITIES** → Website : [www.dolmenstockbrokers.ie](http://www.dolmenstockbrokers.ie)  
 75 St. Stephen's Green, Dublin 2, Ireland.  
 45 South Mall, Cork, Ireland.  
 Theatre Court, Mallow Street, Limerick, Ireland

• Tel : +353 1 633 3800  
 • Tel : +353 21 422 2122  
 • Tel : +353 61 436 500

• Fax : +353 1 677 7044  
 • Fax : +353 21 422 2123  
 • Fax : +353 61 436 599

• Email : [info@dsl.ie](mailto:info@dsl.ie)  
 • Email : [cork@dsl.ie](mailto:cork@dsl.ie)  
 • Email : [limerick@dsl.ie](mailto:limerick@dsl.ie)



**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 judgement 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 is a Member Firm of the London Stock Exchange, and is authorised by the Financial Regulator under the Investment Intermediaries Act 1995. Dolmen Stockbrokers is a Member Firm of The Irish Stock Exchange, The London Stock Exchange, and is authorised by the Financial Regulator under the Stock Exchange Act 1995. Dolmen Stockbrokers is regulated by the Financial Regulator as a Mortgage Intermediary.

**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 and Owen Turner are responsible for the production of this report. Stuart Draper is Head of Research and Owen Turner is an equity analyst.

**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.