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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6792	↓ -32	-0.46%	11.0	9.58%
FTSE 100	5375	↑ 12	0.23%	13.5	11.64%
DAX 30	5023	↑ 15	0.30%	15.0	18.02%
DOW	10239	↓ -54	-0.52%	19.5	-5.05%
NASDAQ	2079	↓ -11	-0.55%	15.6	-0.48%
S&P	1187	↓ -9	-0.72%	21.0	-2.04%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2125	0.6890	137.8700
Dollar	1.2125	1.0000	1.7599	113.7000
Sterling	0.6890	1.7599	1.0000	200.0900
Yen	137.8700	113.7000	200.0900	1.0000
Oil (Nymex)	61.8000			

This Week's Research
Tullow Oil

Today's Research
C&C Group

Breaking News

Petroceltic—grant of option over Tunisia license

Petroceltic, the AIM listed Irish oil and gas explorer has announced the sale of an option which if exercised will result in the farm out of 38% of the company's interest in the Ksar Hadada PSC in onshore Tunisia. The option is with Independent Resources plc, with the option contingent on the receipt of a \$400,000 which has been received. Petroceltic drilled the prospect last year and will revisit the acreage. Petroceltic will retain a 57% stake and remain operator whilst Independent Resources will pay 40% of all future seismic and drilling costs on the Tunisian license.

Good grades and prices boost Minco in Limerick zinc hunt

Minco has stepped up the pace of exploration work on its Pallasgreen zinc prospect in Co. Limerick after favourable results and rise in zinc prices. The rise, with zinc price levels at their highest for 8 years has encouraged Minco and its Canadian partner Noranda/Falconbridge to bring a fourth drilling rig onto the site. Zinc grades of up to 15% have been encountered and the site has the potential to be Ireland's newest zinc mine. The recent rise in prices has been due to a lack of exploration over recent years due to the low zinc price, however Chinese and US demand for raw materials.

Altima to invest €8.3 million in Celtic Resources

Celtic Resources said yesterday that 2 hedge fund owned by Altima had agreed to buy 2.8 million new shares for \$10 million. Celtic will use the funds for general working capital as well as expanding production at its Suzdal mine in Kazakhstan. The shares represent 6.35% of the enlarged company

Bourses close positive as bid news lifts tech stocks

European stocks had moved firmly higher by the close of trade on Monday as oil prices stabilised below \$62 a barrel, while bid speculation enlivened the technology sector and record copper prices lifted London-listed miners. The FTSE Eurofirst 300 was up 0.3% to 1,210.80 in closing exchanges. In Paris, the CAC 40 gained 0.2% to close at 4,536.22 and London's FTSE 100 climbed 0.2% to 5,374.5. Frankfurt's Xetra Dax added 0.3% to 5,022.79, outperforming other indices on news Angela Merkel would be named chancellor after three week's of political wrangling.

Business Press

- Online gaming groups take a hit (FT)
- Eircom shares fall by 5% as buyer revealed (IT)
- Metro owners distribute 53000 copies of first edition (IT)
- GameAccount set to float on London market (IE)
- Marconi shares rise sharply after Ericsson report (II)

C&C Group (€5.15)

H1 results announced

Stuart Draper

- Results announced : This morning, C&C announced results for the 6 months ended 30/06/05. Earnings per share of 16.2c was largely in line with the consensus forecast of 16c, and was a year on year increase of 14%. C&C had raised its 2005 earnings outlook in August to moderate growth from flat growth as a result of the strong launch of Magners in London.
- Other businesses : This morning's earnings growth was entirely driven by the group's cider business as the market for fizzy drinks and snacks continues to decline, and as margins at the group's water business continue to decline from increased competition. C&C's Carolans cream liqueur also reported a decline in sales, keeping sales growth largely flat at the group's international spirits and liqueurs' business.
- Cider strong : However, strong turnover growth was achieved at the cider division, largely as a result of a doubling of sales of Magners in the UK, particularly in London and Scotland, helped by the warm weather of H1 2005.
- Further growth : The potential expansion of the brand to Birmingham and Manchester, as well as the recent launch of Magners into the off-trade, provides the potential for further strong Magners' sales growth. Interestingly, Magners' pint bottle is priced 20% higher in London than in Scotland.
- Capital expenditure : To facilitate this Magners' expansion, C&C last week announced plans to bring forward €25m of capital expenditure on a new pint bottle plant at its Clonmel site. This new plant will increase cider bottling capacity by 70% and double the capacity to bottle pint bottled product. However, such increased total group capital expenditure of €30m reduces the free cashflow available to shareholders this year.
- Fairly valued : Therefore, even though double digit eps growth to 29c could be generated this year, versus 26.4c for the year ended 28/02/05, given the capacity constraints over the next 12 months, further high single digit eps growth to 31c is a more likely outcome next year than further double digit growth. With the shares now trading at 16.6x forward eps of 31c, our view is that such an earnings growth outlook is now quite fairly reflected in the current share price : **NEUTRAL**.

Investment Press— Lex

The usual suspects are circling around Aegis. French corporate raider Vincent Bolloré has raised his stake in the media buying group to 14%. After an indicative offer of 140p a share offer from Publicis, the ever acquisitive Sir Martin Sorrell, WPP's chief executive has teamed up with private equity group Hellman & Friedman to look at the books.



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