



TUESDAY 12th DECEMBER 2007

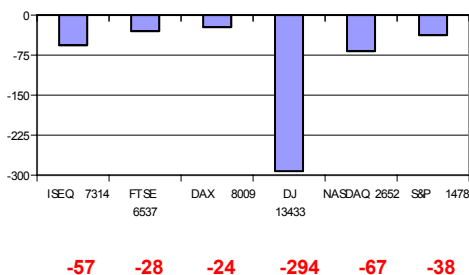
Daily Market Comment

Yesterday's Summary : The ISEQ finished weaker yesterday on lower than average volumes as the market awaited the announcement from the Fed, after the close. The ISEQ closed 0.75% lower with all the financials underperforming, AIB was down 1.3% and Irish Life down 3.5% ahead of tomorrow's trading statement Thursday. The financial sector also weighed on the FTSE which finished down 0.4% with RBS, Northern Rock, Barclays and HBOS all finishing lower. The major US indexes fell over 2% yesterday after the Fed rate cut fell short of market expectations.

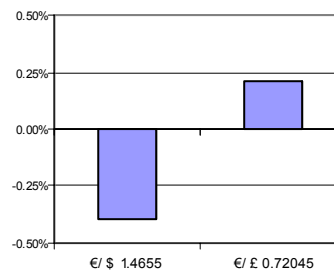
Overnight News : Stock markets across Asia retreated over night, with the Hong Kong benchmark shedding 2.4% as investors digested the latest Fed decision to cut interest rates by just a quarter point, disappointing the market and sending Wall Street plunging overnight. The Hang Seng ended down 2.4% at 28,521.06, with China stocks and properties weighed down by profit-taking. In Tokyo, the Nikkei closed down 0.7% at 15,932.26, with positive economic indicators released by Japan's Ministry of Finance failing to lift the market's mood.

Breaking News : Denis O'Brien increased his stake in Independent News and Media plc to 14.5% up from 12.2%. O'Brien has said that the CEO, Tony O'Reilly should retire from the company. Ryanair have announced 5 new routes from Brussels, and that a 5th aircraft will be based in the Belgian capital from March 5th. UK gaming group, Rank, has scrapped its final dividend, but insists that they are not in breach of banking covenants.

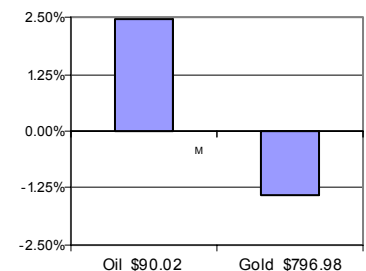
Equity Index's change on day



Currency daily % change



Oil/Gold daily % change



Paper Headlines

- "Fed cuts interest rate to 4.25 per cent" - (Irish Times)
- "Ryanair adds new routes at its Belgian hub" - **Ryanair** - (Irish Independent)
- "Ice-storm and Fed rate cut blamed for oil price hike" - (Irish Independent)
- "O'Brien ups INM stake to 14.5%" - **Independent News and Media** - (Irish Examiner)
- "Ospel admits UBS units failed to understand subprime positions" - **UBS** - (Financial Times)

Market Themes and Movers

Fed rate cut disappoints: European and Asian share prices slumped today, following Wall Street into the red on fears that the latest cut to US interest rates may not be big enough to avoid a US recession. While the US central bank's decision to trim its key federal funds interest rate by 25 basis points to 4.25 percent was in line with market expectations, some investors had been hoping for a more aggressive cut. Global stocks had enjoyed a strong rally since the start of the month on hopes of another US rate cut and a White House plan to help struggling American homeowners to meet their mortgage repayments. With the rate cut out of the way, investors moved to lock in some of those recent gains amid jitters that the fallout from the US subprime loan crisis has yet to fully run its course.

Fed to ease liquidity crunch: After stock markets reacted with dismay to the Federal Reserve's rate cuts, the central bank is now working on steps, which could be announced in days, to help banks lend more easily to each other. The Wall Street Journal reported, that Fed officials continue to consider ways of using various tools to combat banks' unwillingness to lend even to each other, which they view as a threat to economic growth. A variety of steps, widely discussed in the markets, are likely to be on the table. These include, another cut in the discount rate, longer-term loans to money-market dealers and easier collateral rules for loans from the Fed. This would allow the Fed to provide liquidity directly to a large number of financial institutions against a wide range of collateral without the stigma of its existing discount window loans.

Dolmen Squawk Box

This day 5 years ago, heavyweight oil and financial stocks pushed forward to help the FTSE 100 Index end an eight-day losing streak.



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



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 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.

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, Carl Bourke and Stephen Taylor are responsible for the production of this report. Stuart Draper is Head of Research and Carl Bourke & 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