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Contact Details:

Email : research@dsl.ie
info@dsl.ie

Tel : +353 1 633 3800
Fax : +353 1 677 4708

EQUITIES	Close	Change	% +/-	P/E '06	YTD
ISEQ	7769	↓ -118	-1.50%	11.0	5.50%
FTSE 100	5912	↓ -130	-2.15%	13.5	5.22%
DAX 30	5916	↓ -138	-2.29%	15.0	9.39%
DOW	11381	↓ -120	-1.04%	19.5	5.55%
NASDAQ	2244	↓ -29	-1.27%	15.6	1.74%
S&P	1291	↓ -15	-1.12%	21.0	3.71%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2906	0.6817	141.6600
Dollar	1.2906	1.0000	1.8561	109.7400
Sterling	0.6817	1.8561	1.0000	206.3200
Yen	141.6600	109.7400	206.3200	1.0000
Oil (Nymex)	72.0400			

This Week's Research

Today's Research DCC

Today's Recommendation

Breaking News

Eircom reports 1 percent drop in earnings

Eircom has reported a 1 percent drop in full-year underlying profits. The group said EBITDA fell to €601m in the 12 months to the end of March as competition pushed up down revenues and increased sales and marketing costs. Turnover for the period rose to €1.693bn, compared to €1.598bn last year, boosted by the recent takeover of mobile operator Meteor. Eircom said talks with Babcock & Brown and the ESOT were on-going, and that a further announcement would be made in due course.

DCC announces acquisition

This morning DCC also revealed details of a €24m acquisition. DCC said it has bought a 50% stake in the William Tracey group for a consideration, net of share of cash acquired, of €23.9 million, which was satisfied in cash. Jim Flavin, Chief Executive/Deputy Chairman of DCC said: "DCC has been keen to expand its environmental services business into Britain and also into the non-hazardous waste sector. The acquisition of a 50% shareholding in the William Tracey Group achieves both of these objectives and also increases the scale and technical expertise of DCC Environmental. DCC looks forward to working in partnership with Michael Tracey in the further expansion of the William Tracey Group and of DCC Environmental."

Ormonde Mining to raise £3.04m through share placing

Ormonde Mining said it will raise £3.04m through a placing of 15.2 million shares in the company at 20 pence each, which will be used to fund its gold mining business in Spain. The Company intends to use the net proceeds of the placing to further its strategy of building a gold mining business in Spain. In particular, proceeds will be used to conduct the Feasibility Study on the La Zarza Copper-Gold Project and advance the Company's gold-tungsten interests in Salamanca. This work will include drilling of the newly-identified gold targets and full assessment of the tungsten tailings project. Remaining funds will be used for general corporate and working capital purposes.

DCC (€19.40) Full year results announced Stuart Draper

- Results announced : This morning, DCC announced results for the year ended 31/03/06. Earnings per share before exceptional items and goodwill of €1.537 was 3% percent ahead of the consensus forecast of €1.49, and was a year on year increase of 14.6%. The double digit growth was achieved by the sale of some development land by Manor Park on the final day of the group's financial year, 31st March. Excluding this deal, which generated a profit of c.€18m, group earnings growth would have been c.6%.
- Energy acquisitions : The other main growth driver was the energy division, which contributed more than 50% of the group's H2 operating profit. This division's contribution was boosted by the acquisitions of UK fuel card company, Dyneley Holdings, and Shell's UK heating oil distribution business.
- IT weakness : However, the group's IT division reported a decline in operating profit, and with this division facing continued price deflation, it is likely to continue to act as a drag on group earnings growth. When combined with a decline in Manor Park's operating profit, group earnings is unlikely to show any meaningful growth over the next 12 months.
- Slowing growth : With minimal group earnings growth likely to be generated over the next 12 months, our current 12 month price target of €20 is based on 13x earnings per share of €1.54 for the year ending 31/03/07. Therefore, with limited further upside to our price target, we re-iterate our current NEUTRAL recommendation and continue to see stronger earnings growth and greater share price upside elsewhere from current levels on the Irish market.
- Fairly valued : Our view is that following the 30% rise in the DCC share price since our BUY note of 25/10/05, that further acquisitions or share buybacks are now necessary to generate significant further upside potential from current levels. Fyffes' decision to appeal its legal case against DCC to the Supreme Court also creates an element of uncertainty for the DCC share price over the coming months : **NEUTRAL**.

Business Press

- Circulation down 15% at 'Daily Mail' (IT)
- Flotation of Aer Lingus to be delayed (IT)
- Eircom split is unlikely to be on menu for Atrulians (II)

Investment Press

- NYSE: The NYSE was seriously late to the table. For weeks, its \$1.5bn secondary offering barred it from pursuing the London Stock Exchange. Rival Nasdaq took ad vantage - purchasing 24 per cent of the LSE, at increasingly aggressive prices. Now the NYSE is free to play, are the cards stacked too heavily against it?



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DOLMEN SECURITIES → Website : www.dolmenstockbrokers.ie

Dolmen House, 4 Earlsfort Terrace, Dublin 2, Ireland.
45 South Mall, Cork, Ireland.

• Tel : +353 1 633 3800
• Tel : +353 21 422 2122

• Fax : +353 1 677 7044
• Fax : +353 21 422 2123

• Email : info@dsl.ie
• Email : cork@dsl.ie

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