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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6028 ↓	-7	-0.12%	11.0	-2.74%
FTSE 100	4887 ↓	-7	-0.14%	13.5	1.51%
DAX 30	4276 ↑	9	0.20%	15.0	0.46%
DOW	10140 ↓	-49	-0.48%	19.5	-5.96%
NASDAQ	1977 ↑	13	0.66%	15.6	-5.37%
S&P	1154 ↓	-5	-0.46%	21.0	-4.78%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2590	0.6832	135.6100
Dollar	1.2590	1.0000	1.8423	107.6900
Sterling	0.6832	1.8423	1.0000	198.3800
Yen	135.6100	107.6900	198.3800	1.0000

## This Week's Research

## Today's Research DCC

## Today's Recommendations

## Breaking News

### C&C share placing

Private equity firm BC Partners sold over a third of its stake in C&C on Friday. Citigroup said on Friday it had sold 38 million shares in C&C on behalf of BC Partners and other investors at a price of 3.30 euros each, a deal worth 125 million euros. Citigroup had attempted to sell 50 million shares in C&C but could not find buyers for all of the stock.

### BOI asset covered security issue

Bank of Ireland announced on Friday that its wholly owned subsidiary, Bank of Ireland Mortgage Bank has mandated Barclays Capital, Dresdner Bank, IXIS CIB and Davy to lead manage its second Asset Covered Security issue. This is subject to board approvals, documentation and market conditions. The launch will follow investor meetings, which are intended to occur in the beginning of June 2005.

### William Hill announces purchase of Stanley Leisure Betting shops

In a joint statement released this morning it was revealed that William Hill has agreed to buy the bookmaking operations of Stanley Leisure for 504 million pounds, making William Hill the UK's biggest bookmaker. William Hill said it expects to achieve 13 million pounds in synergies as a result of the acquisition. It said the acquisition will be earning enhancing from 2006. William Hill also said it will not now proceed with its return of capital announced on March 2.

### DCC (€16.99) Full year results announced Stuart Draper

- Results announced : This morning, DCC announced results for the year ended 31/03/05. Earnings per share of 137.25c was largely in line with the consensus forecast of 137c, and was a year on year increase of 12.6%. This growth was driven by DCC's usual combination of organic improvements and acquisitions.
- H2 growth : Organic improvements were achieved in the healthcare, homebuilding and IT divisions, with the strong growth of the food & beverage and energy divisions being largely acquisition driven. However, with H1 growth of 17% achieved, the growth rate appears to have slowed in H2.
- IT trading : The weakest growth rate was delivered by the IT division, and the current difficult markets which this division faces in the UK and Continental Europe could slow the group earnings growth rate over the next 12 months.
- Legal risk : DCC also incurred an exceptional charge of €16m in these results. This charge relates to the closure of the loss-making Dublin facility of Sercom Solutions and the consolidation of its activity at the Limerick site, some rationalisation charges in relation to the integration of Shell Direct UK, as well as legal costs in relation to the ongoing Fyffes' case. With this case still not settled, there is a significant risk of further legal costs being incurred.
- Fairly valued : Therefore, with the group growth rate likely to slow to c.12% over the next 12 months and the business also at risk from the Fyffes court case, we re-iterate our current NEUTRAL recommendation for DCC. Our current 12 month price target of €18.50, based on 12x forward earnings per share of €1.55, offers limited further share price upside from current levels. As a result, we recommend a SWITCH into Grafton Group (€8.44) as providing more value currently on the Irish market (See Dolmen Daily of 13/05/'05) : NEUTRAL.

## Business Press

- United deal upsets Centrica chief (FT)
- Profits fall at Boots Irish division (IT)
- Up to 500 customers per week are switching banks (IT)
- IAWS in Oxigen talks (II)

## Investment Press— Lex

- Initial public offerings: Less of a bang, more of a whimper. Investors in US initial public offerings were spoilt by the dramatic first day 'pops' of the boom years. But so far this year, the gains have averaged just 8 per cent, the lowest since 1990.



DOLMEN SECURITIES

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