



February 17, 2005

Contact Details:

Email : research@dbb.ie
info@dbb.ie

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

EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6769	↓ -14	-0.21%	11.0	9.21%
FTSE 100	5053	↓ -6	-0.11%	13.5	4.97%
DAX 30	4369	↓ -33	-0.76%	15.0	2.65%
DOW	10835	↓ -2	-0.02%	19.5	0.48%
NASDAQ	2087	↓ -2	-0.09%	15.6	-0.08%
S&P	1210	0	0.02%	21.0	-0.14%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3055	0.6918	137.4200
Dollar	1.3055	1.0000	1.8870	105.2200
Sterling	0.6918	1.8870	1.0000	198.5800
Yen	137.4200	105.2200	198.5800	1.0000

This Week's Research

CRH
RSA
RBOS

Today's Research

Fyffes

Today's Recommendations

Fyffes (€2.18) No longer relatively cheap Stuart Draper

- Price move : Following the 16% rise in Fyffes' share price over the past 7 weeks, its shares are no longer cheap by comparison with international peers, Chiquita and Fresh Del Monte, which trade at an average pe ratio of 11.9x 2005 earnings. Fyffes is now trading at 11.5x consensus 2005 eps of 19c. Chiquita particularly is currently trading at only 10.5x consensus 2005 earnings per share of \$2.15.
- Upcoming results : Fyffes will report results for the year ended 31/12/04 this day fortnight, Thursday 3rd March, and we are forecasting earnings per share of 18.1c, a year on year increase of 21%. However, this growth rate is expected to fall to c.5% this year. In contrast, Chiquita is expected to generate earnings per share growth of 18% in 2005.
- FX support : One driver of Fyffes' 2004 earnings growth will have been the strength of the Euro versus the US dollar, which helped Fyffes' overall H1 group margin remain unchanged at 4%, as stronger margins at its continental European operations offset weaker UK margins as a result of the competitive retail environment there.
- Everfresh acquisition : In May, Fyffes announced the acquisition of 60% of Everfresh, a leading distributor of fresh produce in Sweden, for an initial consideration of €28.7m, with the balancing 40% to be acquired in 2007. The total consideration payable for the entire shareholding was 6.25 times the average net profit before tax and goodwill of Everfresh during the 3 years ending 31/12/06, subject to a maximum of €77.6m.
- Earnings enhancing : This deal is likely to boost Fyffes' 2004 eps by between 3% and 9% from 2007, depending on what level of profitability Everfresh reaches. Everfresh has strong market positions in the multiple-retail and wholesale sectors in Sweden, and so the acquisition gives Fyffes a leading position in the Swedish market. Everfresh reported turnover of €300m for 2003 and has 315 employees.
- Fairly valued : As a result of the Everfresh acquisition being earnings enhancing by at least 3% from 2007, we had previously upgraded our Fyffes' price target. However, at current levels, our view is that this earnings boost is now fairly reflected in the current share price. As a result, we will be reviewing our Fyffes' recommendation following the announcement of the company's upcoming full year results.

Breaking News

AIB sees BZ WBK's profits, market share rising

Allied Irish Bank hopes to raise its Polish unit's profitability and market share, the head of AIB Poland on Wednesday, confirming that the bank remains committed to its investment in Poland. Gerry Byrne said AIB has no plans to leave Poland despite the predictions of banking analysts. He added that AIB would seriously consider increasing its presence in Poland if an opportunity came up, and that BZ WBK could increase its market to 10 percent from the current 6 percent over the next five years. Byrne also said that the bank is hoping to see its unit raise return on equity to 20 percent, in line with the other top lenders in Poland.

Elan say MS drug trial meets endpoint

Elan and Biogen Idec have announced that a Phase III monotherapy trial for Tysabri achieved the two-year primary endpoint of slowing the progression of disability in patients with relapsing forms of multiple sclerosis (MS). Tysabri treatment led to a 42 percent reduction in the risk of disability progression relative to placebo, the companies said in a statement. 'These data also demonstrated a 67 percent reduction in the rate of clinical relapses over two years, which was sustained and consistent with the previously reported one-year results,' they said.

Total posts record Q4 profit

Total SA reported on Thursday that net adjusted profits reached 9.04 billion euros in the full year 2004, a 23 percent increase from the previous year and broadly in line with analyst forecasts. The surge in profits was fuelled by runaway oil prices and strong refining margins. The world's fourth-biggest oil group said it planned to increase its 2004 dividend by 15 percent to 5.40 euros per share, ahead of market expectations of a dividend of 5.2 euros per share. Quarterly net profit rose to 2.37 billion euros from 1.75 billion in the year-ago quarter. The reserve replacement rate for 2002-2004 based on U.S. SEC rules was 120 percent for consolidated subsidiaries and 106 percent for the group. Most oil firms are struggling to hit the 100 percent reserve replacement rate, which shows a company is finding as much oil as it pumps.

Business Press

- Greenspan sees interest rates climbing further (WSJE)
- Reuters plans life after revamp (FT)
- Coke chief does not see full recovery this year (FT)
- Flavin asks broker not to talk to Fyffes-Davys tape (IT)
- United Drug sees strong results (II)

Investment Press— Lex

- BHP Billiton: During the technology bubble, some analysts would preface their questions on management conference calls by saying "great quarter, guys!". Similar eulogies are becoming a feature of mining company results.



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 Stockbrokers is a Member of the Irish Stock Exchange, the London Stock Exchange, and is authorised by the IFSRA. Dolmen Stockbrokers is regulated by the IFSRA as a Mortgage Intermediary.