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IRISH PAPERS TODAY

- Banking crisis claims top three directors at AIB
(The Irish Times)
- IN&M seeks 'standstill agreement' from holders of €200m bond
(The Irish Times)
- European shares surge in sign that worst may be over
(Irish Independent)

INTERNATIONAL PAPERS TODAY

- Recovery hopes fuel bull run on FTSE
(Financial Times)
- D Telekom faces sale pressure
(Financial Times)

DOLMEN DOZEN

Company	1-day %	YTD %
Aryzta	0.7%	-4.0%
BP	-1.4%	-7.5%
CRH	6.6%	16.5%
DCC	-1.2%	31.0%
E.ON	4.0%	-9.8%
HPQ	-1.3%	-0.9%
IL&P	2.7%	20.6%
INM *	3.1%	-37.0%
J&J	2.6%	-12.5%
JPMorgan	-4.3%	4.7%
Microsoft	0.0%	4.2%
Vodafone	-0.1%	-10.1%

Market View

Analyst : Stephen Taylor

Today is a quiet trading day with the majority of European bourses closed for the May Day bank holiday. US equity markets closed broadly flat last night giving back their earlier gains as Chrysler filed for protective bankruptcy and signed an alliance with Fiat. The US Federal Reserve has also postponed the release of stress test results on the largest US banks while executives debate the preliminary findings with examiners. The results, originally scheduled for publication on May 4th now may not be revealed until toward the end of next week. Regulators and bank executives are concerned about how the disclosure is handled because weaker institutions could suffer a collapse in share prices. Equity markets next week will be primarily focussed on the results of the stress tests and the banks that need to raise extra capital. Press reports over this week indicated that both Citigroup and Bank of America are in need of more capital. As for today, economic data out of the UK and US will be the main focus. In the UK, mortgage approvals and manufacturing data will be closely watched for any signs of the continuing improvement in recent figures. In the US the main focus will be on ISM manufacturing which is expected to show its fourth monthly increase in a row.

AIB : Neutral **Current Price (€0.92)** **Price Target (€0.95)** **Analyst : Oliver Gilvarry**

AIB announced board changes yesterday evening with three members of the board announcing their plans to retire. Eugene Sheehy, CEO of AIB Group, informed the board of his intention to retire and he will continue as CEO until his successor is appointed. AIB's Group finance Director, John O'Donnell, will also retire from the company in August. The chairman Dermot Gleeson will stand down in July and will be replaced by Dan O'Connor. Dan O'Connor is a former President and CEO of GE Consumer Finance Europe. A new post of Deputy Chairman has been created and David Pritchard has been appointed to the role. David Pritchard is a former Group Treasurer and Executive Director of Lloyds TSB. He also worked for two years with the Financial Services Authority (FSA) while seconded from Lloyds TSB. With the departure of Eugene Sheehy, the last CEO of the listed Irish banks in place prior to the guarantee is gone. Comments this morning on national radio indicate the reasons for the changes on the board were due to a number of large institutional shareholders indicating they would abstain on the vote to re-appoint directors at the AGM on the 13th May.

Barclays : Exchange upper tier 2 bonds **Current Price (£2.72)** **Analyst : Oliver Gilvarry**

Barclays have announced a tender to exchange upper tier 2 bank debt, a form of hybrid bank capital, for lower tier 2 bonds. The bank has offered to exchange £3.44bn of upper tier 2 bonds for senior debt at an average price of circa 76p. Details on the maturity date, price and spread over mid-swaps on the new lower tier 2 bonds will be released on the 6th of May. The final deadline for eligible bonds holders to take part in the tender is the 13th of May. Assuming all of the eligible bonds are exchanged at an average price of 76p, the gain before tax to Barclays is c.£834m and this would increase equity tier 1 capital by roughly 20bps. This is another step for Barclays to increase its equity capital to levels more in line with its peers without government involvement.

Glanbia : Profit Warning **Current Price (€2.20)** **Analyst : Oliver Gilvarry**

Glanbia released an up-date yesterday lowering guidance for the forthcoming year. Management are now guiding adjusted EPS between 30 to 32c compared to previous market estimates of 36 to 37c. For comparison EPS in 2008 was 35.86c. The reason for the earnings revision is due to the weakness in global dairy markets. This has impacted on Food Ingredients Ireland and the statement implies this division will be loss making for this year, despite the recent decrease in the price paid for milk from farmers to 20c/l announced in April. The statement has guided that even this price is not enough for the unit to breakeven, but the group believes dairy markets have reached a bottom and anticipate a recovery in late 2009. With farm incomes lower due to higher taxes and lower milk prices, the Agribusiness unit will have lower sales and profitability this year. Combined with Food Ingredients this is the reason for the lowering of earnings expectations. The other business areas are performing well. Food ingredients USA is experiencing good demand and continues to perform in line with expectations. Consumer foods according to management continue to "deliver a reasonable performance in very challenging market circumstances." Dairy markets will continue to be under pressure this year due to falling demand and excess capacity, resulting in a very difficult operating environment for Glanbia due to its large exposure to raw milk prices. We expect the US operation and the Nigerian JV to perform in line this year, the drag from lower milk prices and pressure on consumer foods division will off-set their performances. We continue to prefer Kerry in the sector due to its more diversified business lines compared to Glanbia.

Ryanair : Sell **Current Price (€3.30)** **Price Target (€2.85)** **Analyst : David Dunk**

easyJet plc announced this morning that Jeff Carr, Group Finance Director, has notified the Board of his intention to resign from the Company. He is leaving to takeover as Finance Director of FirstGroup plc, the London-listed transport company. A departure date has not yet been confirmed. The search for his replacement will begin immediately. Separately, Warwick Brady will join easyJet as Procurement Director from the 6th May. Mr. Brady will report to CEO Andy Harrison, and will be a member of the Airline Management Board.

Petroceltic

Buy

Current Price : £0.09

Price Target : £0.13



DOLMEN STOCKBROKERS

Analyst: **David Dunk**

Friday 1st May 2009

Petroceltic announced its annual results yesterday. The company had \$43.4m in cash and equivalents at the end of 2008. In addition \$5.6m of the upcoming drilling campaign is already funded. The company experienced an increase in operating loss of \$3.7m, due to higher administration charges. Revenue increased 75% to \$962,000, as a result of higher gas prices.

In addition, Petroceltic also announced a \$40m (£27.5) placing to existing and new institutional shareholders. The placing consists of 392,464,000 ordinary shares, at a price of 7p each. The new issuance will compromise 28.9% of the equity share of the enlarged capital base of the company. The money raised is intended to fund the drilling programme in Algeria, as well as drilling operations in Italy in 2010. Strategic investor, Iberdrola, has 21 days to decide if it will exercise its right to avoid dilution, and partake in the equity placing.

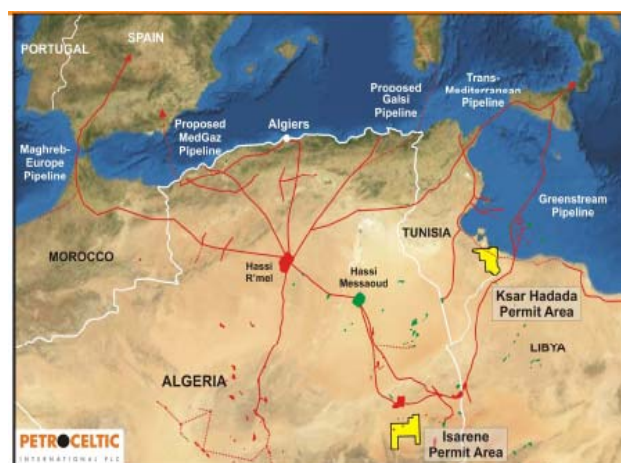
Currently, Petroceltic has \$56.3m in cash to fund operations, taking into account the \$7.3m option payment from Iberdrola, and the \$5.6m drilling prepayments. A 7 well drilling programme would result in a cash burn of \$64m for 2009. If Iberdrola's option for a 49% stake in any of Petroceltic's licenses were to be exercised, Petroceltic would receive \$55m. However, the uncertainty of this payment, in terms of execution, and timing, has prompted the equity placing. In addition, the additional funds raised, will allow a drilling programme on the Italian licenses, in 2010.

Drilling will commence on the Algerian campaign in the middle of May, a fortnight later than expected due to regulatory delays. The campaign, which will run into 2010, will likely consist of 5-7 wells. Although the planned drilling may change, the first drill will be located in Issaouane Sud, followed by 2 wells in the Ain Tsila prospect to the East. The focus will then move to the South, to the previously undrilled El Biod (oil) prospect, before a further 2 wells in the Issa prospects, and a third well on the Ain Tsila ridge.

The Issa wells are all shallow wells, taking approximately 10 days to drill, with 20-30 days drilling time required for the other wells. Petroceltic will use different teams for drilling and testing, as a result, the first drilling results will be from Ain Tsila prospect, expected late August, early September. Due to discoveries by previous operators, the Issa wells are considered appraisal wells, while the Ain Tsila and El Biod wells are exploratory wells. The objective of the drilling is to prove up resources in commercial quantities for future production. In particular an oil ring around Issa Sud, which could be brought into production significantly faster than gas reservoirs.

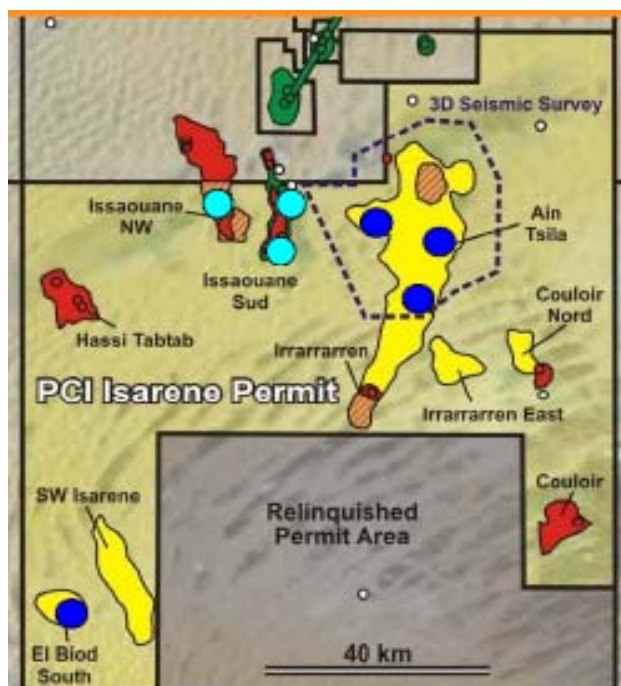
Our price target remains unchanged at 13p per share. While the recent placing dilutes equity holders, we take into account, money raised from the equity sale. We have also slightly reduced the risk on our NAV estimates, based on recent discoveries in the area. We see potential for value in Petroceltic at levels significantly greater than 13p per share, but we are looking for further de-risking of its Algerian drilling operations first. Also, we note that Petroceltic is a high risk investment.

Petroceltic's African Licenses



Petroceltic licenses - Yellow shaded area

Algerian Isarene Permit



Planned shallow wells - Yellow shaded

Planned deep wells - Yellow shaded



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	2,622	4.3%	11.9%
FTSE	4,244	1.3%	-4.3%
Dow Jones	8,168	-0.2%	-6.9%
S&P	873	-0.1%	-3.4%
Nikkei	8,977	1.7%	1.3%
Stoxx 50	2,375	0.0%	-3.0%

Sector Performances

Sector	Index	1-Day	YTD
Construction	222	0.0%	8.9%
Technology	171	0.0%	11.4%
Oil & Gas	277	0.0%	3.8%
Financials	168	0.0%	11.5%
Retail	205	0.0%	12.0%
Food & Drink	216	0.0%	-6.9%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	51.1	0.3%	-4.4%
Copper	204.8	2.1%	44.5%
Gold	888.2	-1.1%	0.1%
Silver	12.3	-3.5%	8.5%
Wheat	536.5	0.8%	-14.4%
Cattle	82.5	-0.5%	-4.7%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.323	-0.3%	-5.2%
€/£	0.894	-0.4%	-6.4%
£/\$	1.479	0.1%	1.1%
\$/JPY	98.63	1.0%	8.7%
€/JPY	130.51	0.7%	3.9%
€/SFR	1.509	0.1%	1.2%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	160.9	-6.3%	-11.8%
High Yield	950.9	-2.1%	-7.7%
Financials	147.7	-3.1%	22.5%
BoI	369.2	-1.8%	50.4%
AIB	367.7	-3.0%	79.1%
RBS	189.9	-3.9%	41.4%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.5%	0.4%	0.2%
3-Month	1.4%	1.5%	1.0%
1-Year	1.6%	1.5%	1.1%
2-Year	1.8%	2.0%	1.5%
5-Year	2.7%	3.0%	2.6%
10-Year	3.4%	3.7%	3.2%

Date	Company	Region	Event
01/05/2009	Allergan	US	Q1
01/05/2009	Allergan	US	Q1
01/05/2009	Chevron	US	Q1
01/05/2009	MasterCard Inc.	US	Q1
01/05/2009	The Washington Post C	US	Q1
01/05/2009	Rentokil Initial Plc	GB	Q1 TRADE
04/05/2009	TNT N V	NL	Q1
04/05/2009	Loews Corp.	US	Q1
04/05/2009	Vulcan Materials	US	Q1
04/05/2009	Tyson Foods	US	Q2
04/05/2009	The Estée Lauder Co. Ir	US	Q3
05/05/2009	Danske Bank A/S	DK	Q1
05/05/2009	Alstom SA	FR	PRELIM
05/05/2009	Air Berlin PLC	DE	TRAFFIC
05/05/2009	Deutsche Postbank AG	DE	Q1
05/05/2009	adidas AG	DE	Q1
05/05/2009	Hypo Real Estate Holdir	DE	Q1
05/05/2009	Swiss Life Holding AG	CH	Q1 TRADE
05/05/2009	UBS AG	CH	Q1
05/05/2009	Aberdeen Asset Manag	GB	INTERIM
05/05/2009	Xstrata Plc	CH	AGM
05/05/2009	Allegheny Energy, Inc.	US	Q1

Date	Event	Region	Estimate
01/05/2009	Retail Sales(Volume) (MoM)	IE	--
01/05/2009	Net Consumer Credit	UK	0.1B
01/05/2009	PMI Manufacturing	UK	40.2
01/05/2009	Mortgage Approvals	UK	40K
01/05/2009	M4 Money Supply (MoM)	UK	--
01/05/2009	U. of Michigan Confidence	US	61.5
01/05/2009	ISM Manufacturing	US	37.8
01/05/2009	Factory Orders	US	-0.70%
04/05/2009	PMI Manufacturing	GE	--
04/05/2009	PMI Manufacturing	EC	--
04/05/2009	Sentix Investor Confidence	EC	--
04/05/2009	Pending Home Sales MoM	US	--
04/05/2009	Construction Spending MoM	US	--
05/05/2009	PMI Construction	UK	--
05/05/2009	Euro-Zone PPI (MoM)	EC	--
05/05/2009	ISM Non-Manf. Composite	US	--
05/05/2009	ABC Consumer Confidence	US	--
06/05/2009	Nationwide Consumer Confic	UK	--
06/05/2009	PMI Services	GE	--
06/05/2009	PMI Services	EC	--
06/05/2009	PMI Services	UK	--
06/05/2009	Euro-Zone Retail Sales (MoM)	EC	--

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