



TUESDAY 20th NOVEMBER 2007

DAILY COMPANY NOTE - Hewlett-Packard See page 2 for full details

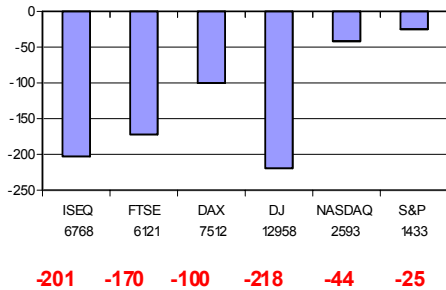
Daily Market Comment

Yesterday's Summary : Different day, same result. Once again the financials dragged the ISEQ lower after a report by Goldman Sachs said that Citigroup may be in line to write down \$15bn over the next 6 months. Northern Rock's situation didn't help with news that the bids for the bank were materially below Friday's closing price. Construction was also weak with CRH, Kingspan and Grafton all closing the day down over 3%.

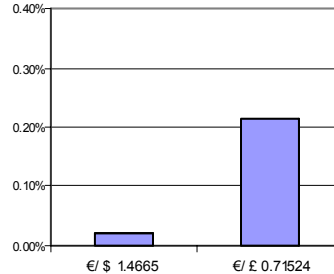
Overnight News : Stock markets across Asia recouped most of their early losses in late trade, led by Japan after a press report said the US Federal Reserve will publish upbeat economic forecasts for the US when it releases the minutes from its October meeting later today.

Breaking News : EasyJet reported that pre-tax profit grew 56% to £202m in the year to September 30, compared with the same period a year earlier. Group revenue rose 11% to £1.797bn as passenger numbers climbed by 13% to 37.2m people. The company also stated that it expects a 20% increase in pre tax profit for 2008

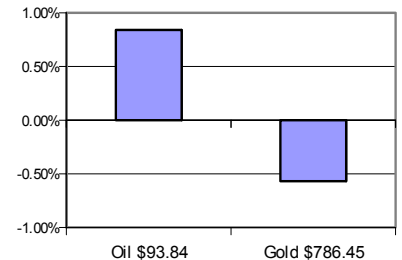
Equity Index's change on day



Currency daily % change



Oil/Gold daily % change



Paper Headlines

- "Friends First seeks ISTC assurance " - **ISTC** - (Irish Times)
- "Ovoca to raise funds for a silver mine " - **Ovoca Gold** - (Irish Independent)
- "Italians drop Burren offer and shares fall by 20pc" - **Burren Energy** - (Irish Independent)
- "Aer Lingus bids to break from Ryanair " - **Ryanair** - (Irish Examiner)

Market Themes and Movers

How much further can the Dollar go? : The dollar has slipped to a fresh all-time low against the euro, as currency markets are gripped by concern over continuing financial market turmoil and dollar sentiment is deteriorating further. The euro surged by over two cents to hit \$1.4798 in European trading, with dollar selling by Asian accounts eyed as a trigger by London traders. Newly resurgent concerns over long-running stress in the credit markets and banking sector, and rumbles over whether currencies that are currently pegged to the dollar might alter their regimes, have been chipping away at the greenback for several days.

Oil up ahead of US data : Oil prices recovered this morning from an early dip as the US dollar hit a new low against the euro, making oil futures attractive to investors using other currencies. Prices fell to \$93.99 a barrel in New York on the belief that US crude supplies rose last week, offsetting concerns that OPEC would not increase output. Distillate stockpiles, which include heating oil and diesel fuel, are seen falling 400,000 barrels, and gasoline inventories are seen growing 700,000 barrels. Refinery use is expected to grow 0.4 percentage point to 88.1% of capacity.

Weak dollar pushes gold higher : Gold rallied in Europe this morning, bouncing off near-one month lows, as the dollar slid to a record trough versus the euro and raised the metal's appeal for non-U.S. investors. Analysts said the market was also benefiting from its status as a safe-haven as talk swirled on foreign exchange markets of the prospect of an imminent U.S. Federal Reserve rate cut.

Dolmen Squawk Box

- The ISEQ index of Irish shares had a dismal morning falling 143.49 points to 6624.98. The negative trend spread throughout all sectors with the financial heavyweights some of the worst hit. Sound familiar, it should do as this was written this day 5 years ago. As Mark Twain said "history doesn't repeat itself, but it does."



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

Hewlett-Packard

Target (20/11/07)	\$60.00
Previous (01/11/07)	\$58.00
Current	\$49.68

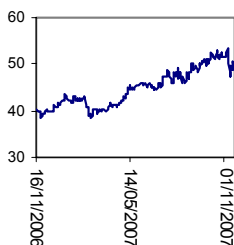
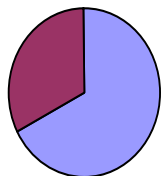
Dow Jones
Computers
Company Profile

Hewlett-Packard is a technology company that operates in more than 170 countries around the world. The company provides imaging and printing systems, computing systems, and information technology services for business and home. The group's products include laser and inkjet printers, scanners, copiers, faxes, personal computers, workstations and storage solutions.

Results announced : Last night, Hewlett-Packard (HP) reported a strong set of fourth quarter results and guidance for 2008 that came in ahead of analyst expectations. EPS rose by 27% to \$0.86 on revenue that increased by 15% to \$28.3bn, beating consensus estimates of \$0.82 and \$27.4bn, respectively. HP's gross margin was also strong at 24.7% an increase of 4 basis points on the same period last year. The group also issued a strong outlook for 2008 and expects EPS to be in the range of \$3.32-\$3.37 on revenue of \$111.5bn ahead of consensus estimates of \$3.26 and \$109.8bn, respectively. The results mark the 11th straight quarter that HP has posted results that beat analyst expectations. On the conference call, CEO Mark Hurd commented that the group does not have a large exposure to the financial services industry, while he also noted that he saw no change in spending from financial services companies during the quarter. HP's results continue the trend of large cap technology stocks such as Microsoft and Intel to post results that have beaten expectations.

International exposure : Hewlett-Packard continues to benefit from strong international exposure with revenue outside of the US representing 67% of group sales during the fourth quarter. While the company is benefitting from the weak US dollar it is growth at the group's emerging markets business that will drive earnings going forward. Revenue at the group's BRIC countries geography (Brazil, Russia, India and China) grew by 37% over the prior period and now represents 9% of total revenue. Revenue rose by 19% in Europe, the Middle East and Africa to \$11.6bn, while revenue in the Asia Pacific region grew by 20% to \$4.8bn.

Product diversification : HP is not only well diversified geographically but also with regards to its product range. Revenue at the group's largest division, technology solutions (servers and systems), rose by 12% to \$10.2bn, driven by a particularly strong performance in software where revenue doubled to \$698m. Revenue at the group's second largest division, personal systems (PCs and notebooks) had a particularly strong performance rising by 30% to \$10.1bn boosted by strong demand for PCs and notebooks from emerging markets.

Statistics
Price Performance

Operating Profit


■ International 67%
■ US 33%

Target upgrade : Hewlett-Packard's strong results demonstrate the strength of management at the group and ability of CEO, Mark Hurd, to execute HP's international expansion. In light of HP's growth prospects through its global foot print and diversified product range and the fact the HP expects to grow earnings by 15% during 2008, we believe that a price to earnings multiple of 18x is justified, which is still at a 7% discount to its closest peer Dell . As a result, this generates our new price target of \$60 based on 18x 2008 EPS of \$3.35.

Major Shareholders	%	Peer Group Multiples.			
		Company name	P/E 08	P/E 09	EPS Growth 08-09
Fidelity	5.58%	Hewlett-Packard	14.8	13.0	14.63%
Barclays	4.69%	Dell	19.2	15.9	17.99%
State Street	4.23%	IBM	14.6	12.8	14.79%

Shares Outstanding 2,587m

Share Data	Financial Data	2007a	2008e	2009e	
Current Price (\$)	Revenue (\$m)	104,286	111,500	117,000	
Mkt Cap (\$m)	PBT (\$m)	10,020	11,000	12,680	
Reuters	EPS (\$)	2.93	3.35	3.84	
Bloomberg	HPQ US	P/E(x)	17.0	14.8	13.0
Sector	Computers	DPS(\$)	0.32	0.34	0.36
CEO	Mark Hurd	Yield	0.64%	0.68%	0.72%
CFO	Catherine Lesjak				
Website	www.hp.com				





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