DOLMEN DAILY

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EQUITIES	Close		Change	% +/-	P/E '06	YTD
ISEQ	7833	↑	4	0.05%	11.0	6.37%
FTSE 100	6081	↓	-8	-0.14%	13.5	8.23%
DAX 30	6063	↑	70	1.16%	15.0	12.11%
DOW	11343	↑	64	0.57%	19.5	5.19%
NASDAQ	2363	↓	-8	-0.35%	15.6	7.13%
S&P	1311	↑	2	0.12%	21.0	5.34%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2265	0.6904	144.4500
Dollar	1.2265	1.0000	1.7761	117.7300
Sterling	0.6904	1.7761	1.0000	209.0500
Yen	144.4500	117.7300	209.0500	1.0000
Oil (Nymex)	71.9500			

This Week's Research
Adidas
Petroceltic
Apple

Today's Research
BHP Billiton

Breaking News

Iona Q2 results

Revenue of \$16.9m is c.\$1m better than consensus (the guided range was \$15m to \$16m). As a result, adjusted eps of 2c (excluding the share options charge of \$1.5m) was slightly better than the expected underlying loss per share of 1c. However its guidance for Q2 was less inspiring (revenue of \$16-17m and expenses of \$17.8-18.3m). Also, even though the company talks about 99% year on year growth in Artix revenues, this still only brings Artix revenues to \$3.2m (19% of total revenues), which is only in line with consensus forecasts.

Nokia results beat expectations

Yesterday Nokia posted stronger-than-expected earnings, including a 21-percent rise in profits for the first quarter owing to strong sales, in particular in the United States. Net profit soared to €1.0bn in the first three months of the year, up from €863m in the same period a year ago, as the company saw sales grow in emerging markets as well as North America and Western Europe. Earnings per share jumped by 32 percent to 25c, up from 19c a year earlier and higher than the 22c consensus forecast. The group confirmed that it was winning market share from its rivals, saying its share had grown to 35 percent at the end of March from 34 percent at the end of 2005 and 31 percent at the end of the first quarter last year.

Google reports 60% jump in Q1 profits

Google reported overnight that its first-quarter profit rose 60% as the comapny saw strong growth to advertisements on its own properties and overseas operations. Google reported net income of \$592 million, or \$1.95 a share, up from \$369 million, or \$1.29 a share, a year earlier. Markets had been expecting Google to earn \$1.75 a share. Revenue grew 79% to \$2.25 billion. Excluding the payments Google makes to its content distribution partners, sales leaped 92% to \$1.53 billion, above analyst expectations of \$1.47 billion.

Today's Recommendation

BHP (£11.49) Further upside as production expands Stuart Draper

- Correction yesterday : Following the correction yesterday amongst base and precious metal prices, and some knock-on share price weakness amongst the UK mining stocks, we are this morning re-iterating BHP Billiton as our top pick within the sector, with an upgraded 12 month price target of £12.50, based on 12x forward eps of £1.04.
- Production increases : All of yesterday's weakness would appear to have been driven purely by profit-taking rather than by any fundamental reasons, and BHP expects to increase production by c.35% over the next 5 years. This will be achieved by its US\$14.4 bn sector leading project pipeline coming on stream.
- Product mix : BHP is also the most diversified of the UK mining stocks with no single division contributing more than a third of group operating profit. The c.20% of group operating profit contributed by the petroleum division gives the group a natural hedge against higher energy prices, with the steel and base metal divisions contributing 33% and 28% respectively of group operating profit.
- Earnings surprises : Continued record high base metal and oil prices resulted in better than expected results for the 6 months ended 31/12/05 from the group's base metal and petroleum divisions, and the buoyant global outlook for commodity prices is likely to help generate further positive earnings surprises over the next 12 months. Our view is that BHP can generate earnings per share of £1.04 for the 12 months ending 30/06/07, which is c.9% better than current consensus forecasts.
- Further upside : As a result, our new 12 month price target of £12.50 (9% further upside) is based on 12x forward eps of £1.04, and when combined with a dividend yield of c.2% provides a sufficient total return to justify a BUY recommendation at current levels. The company's \$2 bn share buyback programme provides a further support for the share price : **BUY**.

Business Press
- €5.2m loss for AGI Therapeutics (IT)
- Healy quietly confident on NIB's offering (IT)
- BA cuts short-haul fares (FT)

Investment Press
- Nokia: Two years ago, it appeared Nokia might suffer the fate of Japanese makers of radios and toasters. In 2005 the spectre of commoditisation was routed.

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