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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	6451	↓ -46	-0.71%	11.0	4.09%
FTSE 100	4813	↑ 9	0.19%	13.5	-0.03%
DAX 30	4202	↓ -12	-0.28%	15.0	-1.27%
DOW	10369	↓ -24	-0.23%	19.5	-3.84%
NASDAQ	2009	↓ -26	-1.26%	15.6	-3.84%
S&P	1164	↓ -4	-0.35%	21.0	-3.98%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.3041	0.6942	134.4900
Dollar	1.3041	1.0000	1.8777	103.1400
Sterling	0.6942	1.8777	1.0000	193.6800
Yen	134.4900	103.1400	193.6800	1.0000

This Week's Research
Elan

Today's Research
Aviva

Today's Recommendations

Breaking News

Marconi Corporation selects Iona's Artix

Iona Technologies yesterday announced that Marconi Corporation plc, a global provider of telecommunications equipment and services, has selected Artix, Iona's extensible Enterprise Service Bus (ESB), to enable Web services-based integration in the company's various products and solutions. Marconi chose Artix for its ability to make the company's network devices and applications compatible with the existing and emerging standards that drive the telecommunications industry.

Minco announces Mexican deal

Minco PLC has announced that it has agreed to buy a 50 percent stake in Minera Sisa, which owns high grade gold and silver mining properties in the Sierra Madre Mountains in Mexico, for \$2.4 million. Under the agreement, AIM-listed Minco is committed to invest a further \$2.0 million into the exploration and development of the property and will also gain immediate control of the board of Sisa. The mine is not currently in production and studies to assess the economics of reopening it and potentially expanding output will be undertaken, Minco said. Minco says an independent assessment of the sites indicated a potential of 10 million tonnes of gold, silver and copper.

Oil prices firm ahead of Opec meeting

Oil prices continue to hover around the 50 dollars a barrel level this week in the wake of freezing weather in the US northeast, and ahead of an Opec meeting and Iraq's elections. Cold weather in the US Northeast, which is forecast to continue through Friday, is likely to continue supporting crude and heating oil prices. Opec will meet on Jan. 30 to decide whether another production cut is necessary. Some oil experts believe that Opec will be reluctant to cut production while the price of oil remains at current levels. Oil traders are also bracing themselves ahead of Sunday's elections in Iraq.

Aviva (£6.20) 2004 sales announced Stuart Draper

- 2004 sales : This morning, Aviva reported its sales results for the year ended 31/12/04. Sales of £ 2.550bn were at the top end of the forecast range of £2.453 bn to £2.521 bn, and were a year on year increase of 7.3%.
- UK recovery : The results showed that the recovery in UK life sales, which started last year, has continued strongly in recent months, with other distribution agreements now being established as a result of the UK market's recent depolarisation.
- French bancassurance : Aviva's bancassurance agreement with Credit du Nord of France, which commenced in October, was also an important driver of the group's Q4 sales growth.
- Deposit switching : Such bancassurance distribution agreements are particularly useful in a low interest rate environment as deposits can be relatively easily switched into medium term investment products.
- Pensions recovery : There is also plenty of scope for further sales growth over the next 12 months as individuals top up their pension contributions to make up for the equity market weakness of recent years.
- Quality flight : As the largest European provider of life and pensions products, Aviva continues to win market share, as insurers that exhibit strong financial strength enjoy new business and market share gains.
- Life margin : Aviva's H1 2004 results also showed a strengthening in the group margin for life and pension sales from 24.5% to 26.5% as a result of the increased focus on higher margin products.
- Further upside : Aviva's embedded value per share has now grown to £4.66, which given the current return on equity of its life business (c.two thirds of earnings) of 16%, and the current return on equity of its non-life business of 14%, can be quite conservatively valued at 1.5x, giving our new 12 month price target for Aviva of £7 (13% further upside). Aviva's share price has now risen by 61% since our BUY note of 26/02/03 : BUY.

Business Press

- Boots to generate £300m in sale and leaseback (FT)
- Infineon sees demand fall (FT)
- AWD deny buying Chase de Vere (IE)
- Dollar recovery set o continue (IE)
- Smart awarded broadband contract (IE)

Investment Press— Lex

- Central Bank Reserves: Drip by drip, the diversification of central bank reserves away from US assets is becoming a reality. A survey of 65 central banks with up to \$250bn each under management, shows an increase in exposure to the euro over the last two years, mainly at the expense of the US dollar.



DOLMEN SECURITIES

DOLMEN SECURITIES → Website : www.dolmensecurities.com

Dolmen House, 4 Earlsfort Terrace, Dublin 2, Ireland.
45 South Mall, Cork, Ireland.

• Tel : +353 1 633 3800
• Tel : +353 21 422 2122

• Fax : +353 1 677 7044
• Fax : +353 21 422 2123

• Email : info@dbb.ie
• Email : cork@dbb.ie

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