



April 28, 2005

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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	5834 ↓	-96	-1.61%	11.0	-5.88%
FTSE 100	4789 ↓	-56	-1.16%	13.5	-0.51%
DAX 30	4189 ↓	-45	-1.06%	15.0	-1.57%
DOW	10199 ↑	48	0.47%	19.5	-5.42%
NASDAQ	1930 ↑	3	0.16%	15.6	-7.59%
S&P	1156 ↑	5	0.40%	21.0	-4.59%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2919	0.6785	136.8100
Dollar	1.2919	1.0000	1.9034	105.8200
Sterling	0.6785	1.9034	1.0000	201.4400
Yen	136.8100	105.8200	201.4400	1.0000

This Week's Research
CRH
Barclays
Standard Chartered

Today's Research
Elan

Today's Recommendations

Breaking News

Shell Q1 profits beat consensus forecasts

Royal Dutch/Shell, the world's third-largest oil group, has reported a 28 percent rise in first-quarter profits that beat consensus forecasts, helped by surging oil prices. Shell said current cost of supply (CCS) earnings rose to \$5.548 billion, including \$220 million one-off gains mainly from divestments. Shell Transport & Trading announced a first-quarter dividend of 4.55 pence, while Royal Dutch's first-quarter dividend was 0.46 euros. Analysts had forecast of \$4.698 billion for current cost of supply (CCS) net income, which excludes rises in the value of inventories, the measure most watched by the market.

Aviva delivers strong Q1 sales

Aviva PLC, the UK's biggest insurer, turned in first quarter sales ahead of market expectations, buoyed by continued strong growth in continental Europe. The company said worldwide life and pensions sales for the three months to March came in at 5.7 bn pounds, up 17 percent on the same period last year, and ahead of the 4.9-5.5 bn pounds range pencilled in by analysts. Total worldwide new business sales, including investment sales, stood at 6.1 bn pounds, also up 17 pct on last year. Aviva said profit contribution from the first-quarter sales was up 18 percent from the same period last year and the profit margin was 3.5 percent, up from 3.4 percent last year. In a statement, Chief Executive Richard Harvey highlighted Aviva's 31 percent revenue growth in continental Europe, which accounted for nearly 60 percent of total sales, and overshadowed a 9 percent growth in UK revenue.

Independent News & Media sells iTouch stake

Independent News & Media has revealed that it has sold its 37.4 percent stake in iTouch plc to For-side.com Co. Ltd. for about 100 million euros in cash. "This price represents a 26.6 percent premium to iTouch plc's closing middle market share price on 27 April 2005 and delivers a return for INM of over 300 percent on its original cash investment in iTouch plc," Independent News said in a statement. Independent said it would use the proceeds from the sale of the non-core asset for general corporate purposes and to enhance its publishing brands.

Business Press

- Property gloom hits consumer spending (FT)
- Constellation in possible counter-offer for Allied (FT)
- Kerry Group directors paid €4.1m (IE)
- German bonds rise as confidence low (IE)
- AIB congratulates itself amid AGM protests (IT)

Elan (\$4.25) Q1 results announced Stuart Draper

- Results announced : This morning, Elan announced its results for the 3 months ended 31/03/05. The loss per share of \$0.29 was slightly better than the consensus forecast for a loss per share of \$0.32, but was a major worsening on the company's Q1 2004 loss per share of \$0.16.
- Tysabri update : There was little new news disclosed in relation to the crucial Tysabri safety review MRI's, except that Elan is working closely with the regulatory authorities to complete the patient evaluations.
- Cash burn : Following the suspension of Tysabri, Elan has taken action to reduce its operating cash burn by \$100m to c. \$250m in 2005. It is now targeting break-even on an EBITDA basis by the end of 2005. However, despite Tysabri's continued strong efficacy data, until the very serious PML safety concerns are clearly defined, there remains a significant risk that the drug will not be commercially viable.
- Disability progression : Tysabri's recent 2 year data showed a 42% reduction in disability progression compared with placebo. Only 17% of Tysabri patients progressed versus 29% for placebo. The best reduction in disability progression previously achieved by a competitor product was Avonex's 37%.
- Relapse rate : At the two year stage, Tysabri also showed a 67% reduction in the rate of clinical relapses relative to placebo, consistent with its one-year data, rather than falling as noted in trials of other MS drugs.
- Immunosuppressant theory : There is still the possibility that as the latest PML patient was treated with immunosuppressants before and during Tysabri treatment, and as Avonex is an immunosuppressant, that it is Tysabri's reaction with immunosuppressants in general that causes PML.
- Steroid theory : As the most recent PML patient had previously been treated with steroids, like the previous 2 cases, it is also still possible that it is Tysabri's use following steroid therapy that causes PML.
- Net debt : The consensus fair value estimate for Elan without Tysabri is c.\$4 per share. However, such valuation support could be undermined by further liquidity concerns if Tysabri turns out to have no commercial future as Elan has debt of \$1.1 bn due to be repaid in 2008. Therefore, our current NEUTRAL recommendation remains in place until the review of the Tysabri clinical trial patients for PML is completed.

Investment Press— Lex

- Kingfisher: Kingfisher's trading statement on Wednesday was a reminder that Gordon Brown has primed the economy almost to perfection. Days before the general election, it reminded the market that "higher taxes, debt costs and inflation" are finally denting the spending impulses of UK consumers.



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