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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6619	↑ 16	0.24%	11.0	6.79%
FTSE 100	4980	↑ 38	0.78%	13.5	3.44%
DAX 30	4366	↑ 27	0.62%	15.0	2.59%
DOW	10716	0	0.00%	19.5	-0.62%
NASDAQ	2082	↓ -5	-0.22%	15.6	-0.33%
S&P	1202	↓ -1	-0.11%	21.0	-0.85%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2766	0.6875	134.2700
Dollar	1.2766	1.0000	1.8566	105.1600
Sterling	0.6875	1.8566	1.0000	195.2700
Yen	134.2700	105.1600	195.2700	1.0000

This Week's Research
ABN AMRO

Today's Research
Elan

Today's Recommendations

Breaking News

BP reports record profits

BP reported strong fourth-quarter and record full-year profits on Tuesday thanks to high oil prices and strong refining margins. BP said fourth-quarter profit rose to \$3.646 billion from \$2.887 billion a year earlier, beating consensus forecasts of \$3.13 billion. BP said it was confident on future prospects, and raised its fourth quarter dividend by 26 percent to 8.5 cents. The company also said it would continue share buybacks. "Our strategy is on track and unchanged, our operations are in line with our previous indications, and we have a strong base of material assets and markets for a sustainable future," said Chief Executive John Browne. However, BP disappointed on reserves. Its SEC reserves replacement ratio was 89 percent, below the 100 percent figure which denotes that a company has found more oil than it pumped.

Eircom Q3 in line with forecasts

Eircom reported a 3 percent rise in third-quarter core earnings this morning and said it now had 117,000 broadband customers, exceeding its target of 100,000 broadband users. The group aims to secure 500,000 broadband connections by Dec 2007. The company said it is making 'solid progress' in its three main goals, re-entering the mobile market, growing broadband and protecting its core business. Eircom reported core earnings of €155m in the three months to December 31, against €150m in the same period a year earlier. Turnover for the period was flat at €401m.

Smart Telecom unveils broadband package

Yesterday Smart Telecom unveiled a new broadband service for residential customers after successfully raising €20m to finance the operation. The company said the service is four times faster and substantially cheaper than the current standard offerings in the Irish market. The new service will have no monthly line rental for the first 100,000 customers and a fixed monthly cost of €35 for 2MB. Smart Telecom will deliver the service by unbundling the local loop between local telephone exchanges and residential homes. Smart Telecom will begin the national roll-out of its broadband service to customers in the week commencing Feb. 14, 2005.

Elan (\$28) Tysabri launch details announced Stuart Draper

- Results announced : This morning, Elan reported its results for the 3 months ended 31/12/04. Total sales and loss per share of \$123.8m and \$0.22, were ahead of the consensus forecasts of \$109.1m and \$0.29, and compared with prior year comparative sales of \$138.2m and a loss per share of \$0.82.
- Tysabri launch : However, the more important information in the results' announcement were the early details with regard to Tysabri's US launch. This is because with industry data not accurately measuring Tysabri's prescriptions as a result of its speciality distribution channels, the only sources of information available are updates from Elan and Biogen Idec.
- Expectations exceeded : As at 31/01/05, the no. of patients infused with the drug were between 2,000 and 3,000. This level of take-up was not expected until the end of Q1 2005, so the consensus 2005 sales estimate for Tysabri is likely to be increased from c.\$200m to c.\$250m, based on 30,000 patients on the therapy by year end. Reimbursement issues appear not to have been a problem, and combination use of the drug, particularly with Avonex, has also exceeded expectations.
- Novartis competition : Novartis recently announced that its oral MS therapy, FTY720, had shown excellent multiple efficacy in a phase II study. Data from the study showed a more than 50% reduction in the relapse rate and a more than 50% reduction in the number of brain lesions detected by MRI scan, as well as a longer time to first relapse. Tysabri's phase II data showed a 55% reduction in the relapse rate.
- Serono competition : Further evidence that Tysabri will not have the MS market all to itself, was the 33% Q4 sales growth to \$310m reported by Serono's MS drug, Rebif, last week, with the company re-iterating its goal of MS market leadership in 2006. Tysabri will also face competition from Biogen's Avonex, Schering's Betaferon and Teva's Copaxone. We had previously assumed a 30% share of the MS market for the drug, as well as growth in the market of 30% as a result of Tysabri's launch.
- Trading opportunities : However, Tysabri has got off to a strong start and given Elan's sensitivity to newsflow, and the vast amount of newsflow likely to be announced over the remainder of 2005, the shares are likely to continue to provide attractive short term trading opportunities : **NEUTRAL**.

Business Press

- Vodafone revamps Japanese arm (FT)
- EMI share price drops 16% on profits alert (FT)
- Tobacco ruling brings Altria break-up closer (FT)
- Oil prices slump to three-week lows (IT)
- BIAM appointments (IE)

Investment Press— Lex

- Vodafone: Vodafone's handsets may be the best in the world, but that does not mean they are best suited for local tastes in every market. After the net loss of almost 59,000 Japanese customers in January, Vodafone, belatedly, may be realising as much.



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