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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6549	↑ 16	0.25%	11.0	5.66%
FTSE 100	5228	↑ 46	0.88%	13.5	8.60%
DAX 30	4901	↑ 28	0.57%	15.0	15.15%
DOW	10345	↓ -33	-0.32%	19.5	-4.06%
NASDAQ	2100	↓ -9	-0.45%	15.6	0.53%
S&P	1191	↓ -5	-0.43%	21.0	-1.70%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2091	0.6786	139.6700
Dollar	1.2091	1.0000	1.7815	115.5000
Sterling	0.6786	1.7815	1.0000	205.7500
Yen	139.6700	115.5000	205.7500	1.0000
Oil (Nymex)	60.6600			

This Week's Research
Eircom
DCC
Kingspan

Today's Research
Elan

Breaking News

Aviva Q3 sales

Aviva announced this morning that 9-month sales rose 10 percent, towards the low end of expectations, as strong revenue growth in continental Europe offset a 3 percent fall in Britain. Aviva said sales of life and pensions rose to 16.3 billion pounds from 14.7 billion in the same period last year. Analysts' consensus estimate was 16.4 billion pounds with a range of between 16.5 billion and 16.2 billion. "Aviva's international performance continues to offset a competitive UK market environment. In the UK, we have seen our third consecutive quarter of sales growth and momentum is building for the rest of the year and into 2006," Chief Executive Richard Harvey said in a statement.

Reuters reiterates H2 targets after in-line Q3

Reuters has reiterated its targets for the second half of 2005 after its third-quarter performance met consensus expectations. The group said recurring revenues rose 1.5 percent to 574 million pounds in the three months to the end of September. Total turnover rose to 611 million pounds, slightly higher on last year, on the back of the acquisition of Telerate in June. Looking ahead, Reuters said it still expects underlying recurring revenues to rise by between 1-2 pct in the second half of 2005 following two quarters of consecutive growth. The integration of Telerate was proceeding well, and had boosted revenues by 32 million pounds in its first full quarter since acquisition, said the group.

INWS sells Terenure print works

On Wednesday Independent News & Media said its wholly owned subsidiary, Sunday Newspapers Ltd, has sold its former Sunday World premises in Terenure, Dublin 6, to an undisclosed bidder for over 18.5 million euros. The group said it will use the proceeds for general corporate purposes including investment in product development and marketing. The sale of the 1.2 acre site follows the recent move by the Sunday World staff to new Independent Newspapers offices in Talbot Street.

Elan (\$8.40)

Q3 results announced

Stuart Draper

- Results announced : This morning, Elan announced results for the 3 months ended 30/09/05. The total revenue and net loss per share of \$128.6m and 16c respectively were slightly ahead of the consensus forecasts of \$123.5m and 22c, and were an improvement on the Q3 2004 comparatives of \$101.1m and 28c.
- Cash-burn : The revenue growth was driven by an increased contribution from the group's drug delivery systems business, and the reduced loss per share was also helped by some cost cutting. However, given the limited scope to further reduce costs as a result of the company's reluctance to reduce the Tysabri research and sales teams, cash-burn will once again become a concern for shareholders if the drug is not granted a priority FDA review.
- FDA delays : In this regard, the recently reported postponement of the FDA decision until 26th November at the latest is not good news as it is c.1 month later than previously assumed due to the file being processed under CDER rather than CBER timetables.
- Market share : Following the suspension of Tysabri, Elan's operating cash burn is expected to be c.\$250m in 2005, and 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 only be relevant for c.15% of the MS market.
- \$1 bn + sales : It is also worth noting that even if the drug does return to the market, there is a high risk of it not generating the \$1 bn + of sales implicit in the company's current valuation. There is also a high risk that even if the drug does return to the market, that the regulatory approval process takes much longer than currently expected, as shown by the delay in the initial FDA priority review decision.
- Net debt : As a result, there is still a risk that Elan will have difficulty in repaying the debt of \$1.1 bn due to be repaid in 2008. Therefore, our current NEUTRAL recommendation remains in place until the FDA Tysabri review is completed and until there is better visibility with regard to Tysabri's revenues. Our view is that following the major equity market weakness of recent weeks, several other company's now offer similar share price upside potential to Elan from current levels for taking much less risk : **NEUTRAL**.

Business Press

- African Diamonds shine brighter (II)
- €3.7m UK buy for Calyx (II)
- O'Leary criticises Swedish air tax (IT)
- Eircom told it must open network to competitors (IT)

Investment Press— Lex

- Anglo American: Tony Trahar, chief executive of Anglo American, is not known for his choreography skills. Even so, his performance when announcing the outcome of Anglo's latest strategic review, was a regular dance of the seven veils.



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