

Elan up 9pc after Tysabri survey

PHARMACEUTICALS

Ailish O'Hora

ELAN finished up over 9pc in Dublin last night after a survey showed two cases of a deadly brain infection linked to the Tysabri multiple sclerosis treatment probably won't wipe out sales of the drug.

The drugmaker closed at €7.89. Sanford C Bernstein analysts told investors that sales of Tysabri were "unlikely to substantially decline" after the

cases were reported on July 31. The analysts based their comments on a physician survey they conducted.

Elan and its research partner Biogen said during the summer that two people taking Tysabri as their sole medicine for MS developed the rare brain infection. The drug was withdrawn from the market in 2005 after three patients developed the brain infection known as progressive multifocal leukoencephalopathy (PML).

It returned to the market in 2006 with warnings after the US Food and Drug Administra-

tion decided MS patients willing to accept the risks should be able to have access to the drug's potential benefits.

The product's label warns that 1 in 1,000 users can be expected to develop the disorder.

"Use is unlikely to substantially decline and may continue growing at a slower rate," the analysts said in the note.

"What we do not anticipate, at this stage, is a wholesale drop-off in use of Tysabri."

The survey responses "indicate that physicians are relatively comfortable with two

cases, and could be comfortable with up to five or six cases, at least as far as their use in current patients goes," the analysts said.

Goodbody Stockbrokers analyst Ian Hunter said that the general nature of the statement gave no indication of whether this increase was primarily in the US, Europe or across the board.

He added that there was also no indication if it was a result of continued development over the period since June or a strong July followed by weak August.

Elan and Biogen said more



Elan chief Kelly Martin

than 31,800 patients were being treated with Tysabri as of the end of June and second-quarter sales totalled \$200m. (Additional reporting Bloomberg)

In Brief

Alitalia is waiting for the axe to fall

AIRLINES

ALITALIA, Italy's troubled national airline, was still flying yesterday but the carrier now faces liquidation in a matter of days after a rescue plan collapsed.

Italy's civil aviation authority ENAC will ground Alitalia flights in 7 to 10 days if the special administrator does not present a new rescue plan to them next Monday, according to reports.

O2 parent likely to exceed profit goal

TELECOMS

O2 PARENT, Telefonica SA will probably exceed its full-year operating profit goal and increase its share buyback plan, Deutsche Bank said.

The Spanish company may increase its 2008 forecast for operating income before depreciation and amortization, said David Wright, a London-based analyst at Deutsche Bank. He reiterated his "buy" rating and raised his share-price estimate to €21.80 (\$30.87) from €21.50.

Spanish firm to build hospital

CONSTRUCTION

SPANISH construction company, Fomento de Construcciones y Contratas (FCC) said a consortium it heads has been picked as preferred bidder on a £267m contract to build and maintain a hospital in Northern Ireland.

Northern Ireland Health Group, in which FCC has a majority 39pc stake, was chosen to design, build, finance and operate the new hospital in Fermanagh.

Objections to sale of Lehman unit

BANKING

LEHMAN Brothers, the US investment bank holding company that filed the largest bankruptcy in history, faced objections to a proposed \$1.75bn sale of its broker-dealer unit to Barclays. Hedge fund Harbinger Capital Partners asked a US bankruptcy judge to block the sale unless Lehman immediately disclosed cash transfers it made just prior to its bankruptcy. (Bloomberg)

Savings and loans firm rallies back

FINANCE

WASHINGTON Mutual, the savings and loan firm seeking a buyer after its stock price tumbled, rallied in New York on reports four potential bidders were interested and as the government announced plans to halt the credit-market seizure and crack down on short-sellers.

WaMu rose as much as 63pc. Banks including JPMorgan Chase & Co, Citigroup Inc, and Wells Fargo & Co may bid for WaMu, sources said yesterday.

High-skill workers don't fear job loss

EMPLOYMENT

Róisín Burke

"THERE may be job losses but it won't happen to me" appears to be the attitude reflected among middle and high earners, a recent survey of job market sentiment showed.

The research was conducted up to Wednesday, September 12, just predating the apocalyptic events of the past week.

"It surveys the educated workforce in R&D sectors such as pharma - the kind of people IDA-supported companies are pursuing and people with mid-to high-range salaries from €30,000-€100,000," said Fergal Brosnan, the director of Berkley Recruitment Group, who carried out the survey.

Some 89pc of respondents expected job losses or significant job losses in the low-skilled construction and manufactur-

89pc

Expect job losses in low skilled areas

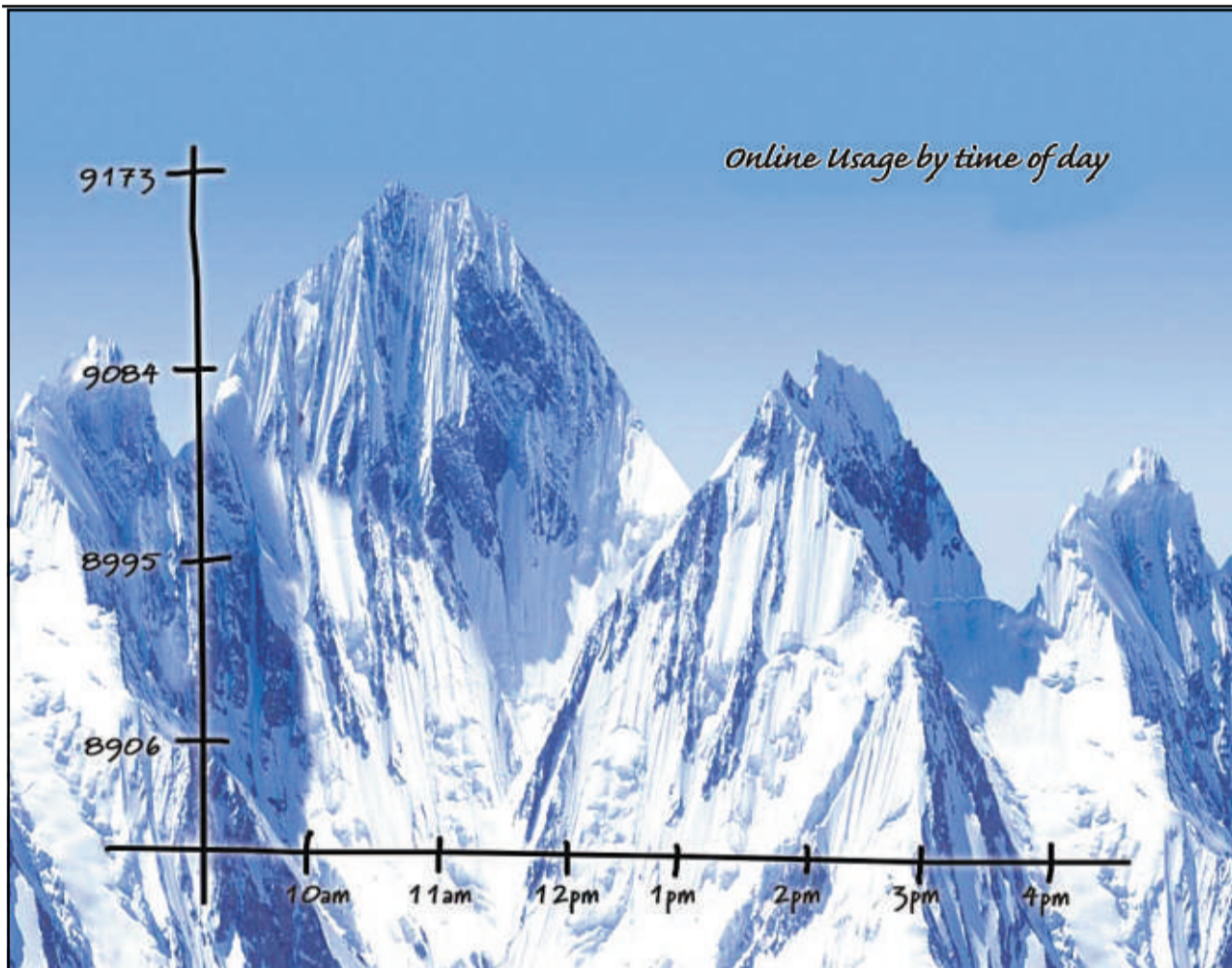
ing sectors; but only 5pc expected 'significant job losses' in the high-skilled R&D sector, with 32pc expecting 'some job losses' in this area.

Most (59pc) would not be put off looking for new employment despite the global economic climate and close to half those surveyed (48pc) were impressed by the Irish economy's resilience to the global downturn.

When asked to compare their company's business performance now to 12 months ago, 68pc saw it as being better or the same.

A sense of job security held fairly steady, as 36pc claimed to be less worried about their jobs, down from 39pc in the last quarter; and 57pc said they worried about it - a rise of 6pc.

Over half (53pc) saw the opportunities in the jobs marketplace as "steady".



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