

ELAN CORP PLC
Form SC 13G
February 04, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment NO.)*

Elan Corporation, plc

(Name of Issuer)

Par Value €0.05 each (Ordinary Shares) Ordinary Shares

(Title of Class of Securities)

284131208[1]

(CUSIP Number)

December 31, 2010

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d 1(b)

Rule 13d 1(c)

Rule 13d 1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. NAMES OF REPORTING PERSONS.

Franklin Resources, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

(See Item 4)

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

(See Item 4)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

29,365,241₁

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.0%

12. TYPE OF REPORTING PERSON

HC, CO (See Item 4)

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1. NAMES OF REPORTING PERSONS.

Charles B. Johnson

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

(See Item 4)

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

(See Item 4)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

29,365,241

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.0%

12. TYPE OF REPORTING PERSON

HC, IN (See Item 4)

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1. NAMES OF REPORTING PERSONS.

Rupert H. Johnson, Jr.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

(See Item 4)

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

(See Item 4)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

29,365,241

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.0%

12. TYPE OF REPORTING PERSON

HC, IN (See Item 4)

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Item 1.

(a) Name of Issuer

Elan Corporation, plc

(b) Address of Issuer's Principal Executive Offices

Treasury Building

Lower Grand Canal Street

Dublin 2, Ireland

Item 2.

(a) Name of Person Filing

(i): Franklin Resources, Inc.

(ii): Charles B. Johnson

(iii): Rupert H. Johnson, Jr.

(b) Address of Principal Business Office or, if none, Residence

(i), (ii), and (iii):

One Franklin Parkway

San Mateo, CA 94403 1906

(c) Citizenship

(i): Delaware

(ii) and (iii): USA

(d) Title of Class of Securities

Par Value €0.05 each (Ordinary Shares) Ordinary Shares

(e) CUSIP Number

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Item 3. If this statement is filed pursuant to §§240.13d 1(b) or 240.13d 2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a 8).
- (e) An investment adviser in accordance with §240.13d 1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with §240.13d 1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with §240.13d 1(b)(1)(ii)(G);
- (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c) (14) of the Investment Company Act of 1940 (15 U.S.C. 80a 3);
- (j) A non U.S. institution in accordance with §240.13d 1(b)(ii)(J);
- (k) Group, in accordance with §240.13d 1(b)(1)(ii)(K).

If filing as a non U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J), please specify the type of institution:

Item 4. Ownership

The securities reported herein (the "Securities") are beneficially owned by one or more open or closed end investment

companies or other managed accounts that are investment management clients of investment managers that are direct and

indirect subsidiaries (each, an "Investment Management Subsidiary" and, collectively, the "Investment Management

Subsidiaries") of Franklin Resources, Inc. ("FRI"), including the Investment Management Subsidiaries listed in Item 7.

Investment management contracts grant to the Investment Management Subsidiaries all investment and/or voting power

over the securities owned by such investment management clients, unless otherwise noted in this Item 4. Therefore, for

purposes of Rule 13d-3 under the Act, the Investment Management Subsidiaries may be deemed to be the beneficial

owners of the Securities.

Beneficial ownership by investment management subsidiaries and other affiliates of FRI is being reported in conformity with

the guidelines articulated by the SEC staff in Release No. 34-39538 (January 12, 1998) relating to organizations, such as

FRI, where related entities exercise voting and investment powers over the securities being reported independently from

each other. The voting and investment powers held by Franklin Mutual Advisers, LLC ("FMA"), an indirect wholly owned

Investment Management Subsidiary, are exercised independently from FRI and from all other Investment Management

Subsidiaries (FRI, its affiliates and the Investment Management Subsidiaries other than FMA are collectively, "FRI

affiliates"). Furthermore, internal policies and procedures of FMA and FRI establish informational barriers that prevent the

flow between FMA and the FRI affiliates of information that relates to the voting and investment powers over the securities

owned by their respective investment management clients. Consequently, FMA and the FRI affiliates report the securities

over which they hold investment and voting power separately from each other for purposes of Section 13 of the Act.

Charles B. Johnson and Rupert H. Johnson, Jr. (the "Principal Shareholders") each own in excess of 10% of the

outstanding common stock of FRI and are the principal stockholders of FRI. FRI and the Principal Shareholders may be

deemed to be, for purposes of Rule 13d-3 under the Act, the beneficial owners of securities held by persons and entities for

whom or for which FRI subsidiaries provide investment management services. The number of shares that may be deemed

to be beneficially owned and the percentage of the class of which such shares are a part are reported in Items 9 and 11 of

the cover pages for FRI and each of the Principal Shareholders. FRI, the Principal Shareholders and each of the

Investment Management Subsidiaries disclaim any pecuniary interest in any of the Securities. In addition, the filing of this

Schedule 13G on behalf of the Principal Shareholders, FRI and FRI affiliates, as applicable, should not be construed as an

admission that any of them is, and each disclaims that it is, the beneficial owner, as defined in Rule 13d-3, of any of the

Securities.

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FRI, the Principal Shareholders, and each of the Investment Management Subsidiaries believe that they are not a “group”

within the meaning of Rule 13d 5 under the Act and that they are not otherwise required to attribute to each other the

beneficial ownership of the Securities held by any of them or by any persons or entities for whom or for which the

Investment Management Subsidiaries provide investment management services.

(a)	Amount beneficially owned:	
		29,365,241
(b)	Percent of class:	
		5.0%
(c)	Number of shares as to which the person has:	
(i)	Sole power to vote or to direct the vote	
	Franklin Resources, Inc.:	0
	Charles B. Johnson:	0
	Rupert H. Johnson, Jr.:	0
	Templeton Global Advisors Limited:	7,810,640
	Franklin Templeton Investments Corp.:	7,787,934
	Franklin Templeton Investment Management Limited:	3,837,890
	Templeton Investment Counsel, LLC:	3,739,100

	Franklin Templeton Investments (Asia) Ltd.:	6,520
	Fiduciary Trust Company International:	3,400
(ii)	Shared power to vote or to direct the vote	
	Templeton Global Advisors Limited:	44,440
(iii)	Sole power to dispose or to direct the disposition of	
	Franklin Resources, Inc.:	0
	Charles B. Johnson:	0
	Rupert H. Johnson, Jr.:	0
	Templeton Global Advisors Limited:	8,036,930
	Franklin Templeton Investments Corp.:	7,787,934
	Franklin Templeton Investment Management Limited:	6,986,207
	Templeton Investment Counsel, LLC:	5,369,270
	Franklin Templeton Investments (Asia) Ltd.:	6,520
	Fiduciary Trust Company International:	3,400

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(iv) Shared power to dispose or to direct the disposition of [2]

Templeton Global Advisors Limited:

580,960

- WE ARE ONE OF THE COMPANIES THAT MAKE UP THE UNDERLYING — We are one of the companies that make up the Underlying. To our knowledge, we are not currently affiliated with any of the other companies the equity securities of which are represented in the Underlying. As a result, we will have no ability to control the actions of such other companies, including actions that could affect the value of the equity securities composing the Underlying, or your BUyS. None of the other companies represented in the Underlying will be involved in the offering of the BUyS in any way. Neither they nor we will have any obligation to consider your interests as a holder of the BUyS in taking any corporate actions that might affect the value of your BUyS.

• THE UNDERLYING RETURN WILL NOT BE ADJUSTED FOR CHANGES IN THE EURO RELATIVE TO THE U.S. DOLLAR — The Underlying is composed of stocks denominated in, and the level of the Underlying is calculated in, Euros. Because the level of the Underlying is calculated in Euros and not in U.S. dollars, the performance of the Underlying will not be adjusted for exchange rate fluctuations between the U.S. dollar and the Euro. Therefore, if the Euro strengthens or weakens relative to the U.S. dollar over the term of the BUyS, you will not receive any additional payment or incur any reduction in your return, if any, at maturity.

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IF THE LEVEL OF THE UNDERLYING CHANGES, THE VALUE OF YOUR BUYS MAY NOT CHANGE IN THE SAME MANNER — Your BUyS may trade quite differently from the Underlying. Changes in the level of the Underlying may not result in a comparable change in the value of your BUyS.

PAST PERFORMANCE OF THE UNDERLYING IS NO GUIDE TO FUTURE PERFORMANCE — The actual performance of the Underlying over the term of the BUyS may bear little relation to the historical closing levels of the Underlying and may bear little relation to the hypothetical return examples set forth elsewhere in this term sheet. We cannot predict the future performance of the Underlying or whether the performance of the Underlying will result in the return of any of your investment.

ASSUMING NO CHANGES IN MARKET CONDITIONS AND OTHER RELEVANT FACTORS, THE PRICE YOU MAY RECEIVE FOR YOUR BUYS IN SECONDARY MARKET TRANSACTIONS WOULD GENERALLY BE LOWER THAN BOTH THE ISSUE PRICE AND THE ISSUER'S ESTIMATED VALUE OF THE BUYS ON THE TRADE DATE — While the payment(s) on the BUyS described in this term sheet is based on the full Face Amount of your BUyS, the Issuer's estimated value of the BUyS on the Trade Date (as disclosed on the cover of this term sheet) is less than the Issue Price of the BUyS. The Issuer's estimated value of the BUyS on the Trade Date does not represent the price at which we or any of our affiliates would be willing to purchase your BUyS in the secondary market at any time. Assuming no changes in market conditions or our creditworthiness and other relevant factors, the price, if any, at which we or our affiliates would be willing to purchase the BUyS from you in secondary market transactions, if at all, would generally be lower than both the Issue Price and the Issuer's estimated value of the BUyS on the Trade Date. Our purchase price, if any, in secondary market transactions would be based on the estimated value of the BUyS determined by reference to (i) the then-prevailing internal funding rate (adjusted by a spread) or another appropriate measure of our cost of funds and (ii) our pricing models at that time, less a bid spread determined after taking into account the size of the repurchase, the nature of the assets underlying the BUyS and then-prevailing market conditions. The price we report to financial reporting services and to distributors of our BUyS for use on customer account statements would generally be determined on the same basis. However, during the period of approximately six months beginning from the Trade Date, we or our affiliates may, in our sole discretion, increase the purchase price determined as described above by an amount equal to the declining differential between the Issue Price and the Issuer's estimated value of the BUyS on the Trade Date, prorated over such period on a straight-line basis, for transactions that are individually and in the aggregate of the expected size for ordinary secondary market repurchases.

In addition to the factors discussed above, the value of the BUyS and our purchase price in secondary market transactions after the Trade Date, if any, will vary based on many economic market factors, including our creditworthiness, and cannot be predicted with accuracy. These changes may adversely affect the value of your BUyS, including the price you may receive in any secondary market transactions. Any sale prior to the Maturity Date could result in a substantial loss to you. The BUyS are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your BUyS to maturity.

THE BUYS WILL NOT BE LISTED AND THERE WILL LIKELY BE LIMITED LIQUIDITY — The BUyS will not be listed on any securities exchange. There may be little or no secondary market for the BUyS. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the BUyS when you wish to do so or at a price advantageous to you. We and our affiliates intend to act as market makers for the BUyS but are not required to do so. Because we do not expect that other market makers will participate significantly in the secondary market for the BUyS, the price at which you may be able to trade your BUyS is likely to depend on the price, if any, at which we or our affiliates are willing to buy the BUyS. If, at any time, we or our affiliates do not act as market makers, it is likely that there would be little or no secondary market for the BUyS.

•

MANY ECONOMIC AND MARKET FACTORS WILL AFFECT THE VALUE OF THE BUYS — While we expect that, generally, the level of the Underlying will affect the value of the BUyS more than any other single factor, the value of the BUyS will also be affected by a number of other factors that may either offset or magnify each other, including:

- the expected volatility of the Underlying;
- the composition of the Underlying;
- the time remaining to the maturity of the BUyS;

the market prices of and dividend rates on the stocks composing the Underlying and changes that affect those stocks and their issuers;

- interest rates and yields in the market generally;

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geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the Underlying or markets generally;

- supply and demand for the BUyS; and
- our creditworthiness, including actual or anticipated downgrades in our credit ratings.

TRADING AND OTHER TRANSACTIONS BY US OR OUR AFFILIATES IN THE EQUITY AND EQUITY DERIVATIVE MARKETS MAY AFFECT THE VALUE OF THE BUYS — We or one or more of our affiliates expect to hedge our exposure from the BUyS by entering into equity and equity derivative transactions, such as over-the-counter options or exchange-traded instruments. Such trading and hedging activities may affect the Underlying and make it less likely that you will receive a positive return on your investment in the BUyS. It is possible that we or our affiliates could receive substantial returns from these hedging activities while the value of the BUyS declines. We or our affiliates may also engage in trading in instruments linked to the Underlying on a regular basis as part of our general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. We or our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to the Underlying. By introducing competing products into the marketplace in this manner, we or our affiliates could adversely affect the value of the BUyS. Any of the foregoing activities described in this paragraph may reflect trading strategies that differ from, or are in direct opposition to, investors' trading and investment strategies related to the BUyS. Furthermore, because Deutsche Bank Securities Inc. ("DBSI") or its affiliates expects to conduct trading and hedging activities for us in connection with the BUyS, DBSI or its affiliates will likely profit in connection with such trading and hedging activities. You should be aware that the potential to earn a profit in connection with hedging activities may create an incentive for DBSI to sell the BUyS to you.

WE, OUR AFFILIATES OR OUR AGENTS MAY PUBLISH RESEARCH, EXPRESS OPINIONS OR PROVIDE RECOMMENDATIONS THAT ARE INCONSISTENT WITH INVESTING IN OR HOLDING THE BUYS. ANY SUCH RESEARCH, OPINIONS OR RECOMMENDATIONS COULD ADVERSELY AFFECT THE LEVEL OF THE UNDERLYING TO WHICH THE BUYS ARE LINKED OR THE VALUE OF THE BUYS — We, our affiliates or our agents may publish research from time to time on financial markets and other matters that could adversely affect the value of the BUyS, or express opinions or provide recommendations that are inconsistent with purchasing or holding the BUyS. Any research, opinions or recommendations expressed by us, our affiliates or our agents may not be consistent with each other and may be modified from time to time without notice. You should make your own independent investigation of the merits of investing in the BUyS and the Underlying to which the BUyS are linked.

POTENTIAL CONFLICTS — We and our affiliates play a variety of roles in connection with the issuance of the BUyS, including acting as calculation agent, hedging our obligations under the BUyS and determining the Issuer's estimated value of the BUyS on the Trade Date and the price, if any, at which we or our affiliates would be willing to purchase the BUyS from you in secondary market transactions. In performing these duties, our economic interests and those of our affiliates are potentially adverse to your interests as an investor in the BUyS. The calculation agent will determine, among other things, the amount that we will pay you at maturity. The calculation agent will also be responsible for determining whether a market disruption event has occurred. The determination of a market disruption event by the calculation agent could adversely affect the amount payable at maturity.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE BUYS ARE UNCERTAIN — There is no direct legal authority regarding the proper U.S. federal income tax treatment of the BUyS, and we do not plan to request a ruling from the IRS. Consequently, significant aspects of the tax treatment of the BUyS are uncertain, and the IRS or a court might not agree with the treatment of the BUyS as prepaid financial contracts that are not debt. If the IRS were successful in asserting an alternative treatment for the BUyS, the tax

consequences of ownership and disposition of the BUyS could be materially and adversely affected. In addition, as described above under “Tax Consequences,” in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the BUyS, possibly with retroactive effect. You should review carefully the section of the accompanying product supplement entitled “U.S. Federal Income Tax Consequences,” and consult your tax adviser regarding the U.S. federal tax consequences of an investment in the BUyS (including possible alternative treatments and the issues presented by the 2007 notice), as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

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The BUyS may be suitable for you if:

- You seek an investment with a return linked to the performance of the Underlying as described herein;
- You are willing to invest in the BUyS based on the Upside Leverage Factor, the Downside Participation Factor and the Buffer Amount;
 - You are willing to lose up to 100% of your initial investment;
 - You are willing and able to hold the BUyS to maturity;
 - You are willing to accept our credit risk;
 - You do not seek current income from this investment; and
- You do not seek an investment for which there will be an active secondary market.

The BUyS may not be suitable for you if:

- You do not seek an investment with a return linked to the performance of the Underlying as described herein;
- You seek an investment that is protected against the loss of your initial investment;
- You are unwilling or unable to hold the BUyS to maturity;
- You are not willing to be exposed to our credit risk;
- You seek current income from your investments; or
- You seek an investment for which there will be an active secondary market.

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Historical Information

The following graph sets forth the historical performance of the Underlying based on the daily closing levels of the Underlying from December 24, 2009 through December 24, 2014. The closing level of the EURO STOXX 50® Index on December 24, 2014 was 3,184.66. We obtained the historical closing levels of the Underlying below from Bloomberg, and we have not participated in the preparation of, or verified, such information. The historical closing levels of the Underlying should not be taken as an indication of future performance, and no assurance can be given as to the closing level of the Underlying on the Final Valuation Date. We cannot give you assurance that the performance of the Underlying will result in the return of any of your initial investment.

Supplemental Underwriting Information (Conflicts of Interest)

DBSI, acting as agent for Deutsche Bank AG, will receive a selling concession of up to 0.55% or \$5.50 per \$1,000 Face Amount of BUyS in connection with the sale of the BUyS. DBSI may pay custodial fees of up to 0.25% or \$2.50 per \$1,000 Face Amount of BUyS to certain other broker-dealers. See “Underwriting (Conflicts of Interest)” in the accompanying product supplement.

DBSI, the agent for this offering, is our affiliate. Because DBSI is both our affiliate and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), the underwriting arrangement for this offering must comply with the requirements of FINRA Rule 5121 regarding a FINRA member firm’s distribution of the securities of an affiliate and related conflicts of interest. In accordance with FINRA Rule 5121, DBSI may not make sales in offerings of the BUyS to any of its discretionary accounts without the prior written approval of the customer. See “Underwriting (Conflicts of Interest)” in the accompanying product supplement.

Settlement

We expect to deliver the BUyS against payment for the BUyS on the Settlement Date indicated above, which may be a date that is greater than three business days following the Trade Date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, if the Settlement Date is more than three business days after the Trade Date, purchasers who wish to transact in the BUyS more than three business days prior to the Settlement Date will be required to specify alternative settlement arrangements to prevent a failed settlement.

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