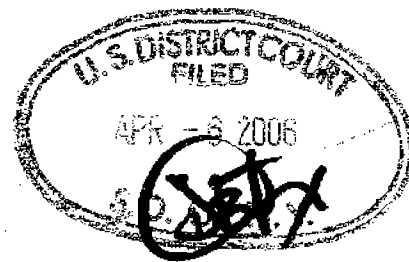




UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

03 # 152



In re: ELAN CORPORATION SECURITIES
LITIGATION

NO. 02-CIV-0865(RMB)(FM)

**ORDER FOR DISTRIBUTION OF
SETTLEMENT FUND**

This document relates to:

ALL ACTIONS

Whereas, by order dated April 19, 2005, the Court approved the settlement of this securities fraud class action for \$75,000,000 plus interest (the "Settlement Fund"); approved the Plan of Allocation of the Settlement Fund; and awarded attorneys fees and expenses;

Whereas, the SEC has transferred the \$15 million plus interest that it recovered in its action against Elan Corp to the Settlement Fund;

Whereas, claims on the Settlement Fund in this case were due March 15, 2005 from members of the class, defined as:

all persons or entities who purchased or otherwise acquired the publicly traded ADSs of Elan Corporation, plc. ("Elan") from February 7, 2000 to July 1, 2002, inclusive and were damaged thereby (the "Class"), including without limitation, two subclasses consisting of: (1) all persons who acquired Elan ADSs as a result of the merger with The Liposome Company, Inc. on or about May 12, 2000 (the "Liposome Merger Subclass"); and (2) all persons who acquired Elan ADSs as a result of the merger with Dura Pharmaceuticals, Inc. on or about November 9, 2000 (the "Dura Merger Sub-Class"). Excluded from the Settlement Class are Defendants, officers and directors of the Company, as well as their families; members of the immediate family of each of the individual Defendants; any entity in which any Defendant has or had a controlling interest; the legal representatives, heirs, executors, successors or assigns of any such excluded party; and those members of the class that timely and validly exclude themselves from the Settlement Class.

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Whereas, as evidenced by the February 27, 2006 affidavit of Michael Rosenbaum (the "Rosenbaum Affidavit") on behalf of the Claims Administrator, Berdon Claims Administration LLC ("Berdon"), (the "Rosenbaum Affidavit") over 95,000 claims were filed in response to the over 400,000 notices mailed to identified members of the Class. A significant portion of these claims had deficiencies. Berdon undertook to notify each such deficient claimant, who was thereupon given ample opportunity to cure the defects;

Whereas, Berdon has determined that 84,016 claims were properly documented. Recognized Losses under the Court-approved Plan of Allocation for these claims total \$463,164,844.55.

Whereas Berdon determined that additional claims were inadequately documented, or otherwise failed to qualify for distribution;

Whereas, as set forth in the Rosenbaum Affidavit, Berdon expended approximately 13,000 hours in administering this settlement (including preparing the Notice and its publication, processing of all the claims, and communications with deficient claimants). Berdon's fee for these services is \$1,022,935.00 based upon the previously negotiated fee schedule set forth as Exhibit II to the Rosenbaum Affidavit. In addition, Berdon incurred, or anticipates that it will incur, \$93,553.38 in unreimbursed out of pocket expenses (Exhibit H to Rosenbaum Affidavit).

Whereas, as of February 3, 2006, the Settlement Fund currently had \$81,892,287.15.

IT IS HEREBY ORDERED THAT:

1. The claims set forth in Exhibit C to the Rosenbaum Affidavit are hereby allowed in the amounts set forth therein.
2. The claims set forth in Exhibits E of the Rosenbaum Affidavit are hereby rejected.

3. The Court hereby awards Berdon \$1,022,935 in fees and \$93,553.38 in expenses to be paid from the Settlement Fund.

4. The Court hereby authorizes Berdon to compute each eligible claimant's pro rata share of the remaining Settlement Fund, and issue checks in said amounts to the claimants immediately.

Dated:

4/6/06



Hon. Richard M. Berman