

Actavis Reports Record Fourth Quarter and Full Year 2005 Results

Strong first time contribution from North American business

Reykjavik, Iceland, 7 March, 2006 - Actavis Group (ICEX: ACT; 'Actavis'), the international generic pharmaceuticals company, today announced results for the fourth quarter and full year ended 31 December, 2005.

The full year results include a first time contribution from the Group's North American business which is made up of Amide Pharmaceuticals ('Amide') and the human generics division of Alpharma Inc. ('Alpharma'). Amide was incorporated into Group accounts from 1 July 2005 and Alpharma from 19 December 2005.

Full Year and Q4 Highlights

- Reported revenue for the full year was EUR579.3 million, up 27.8% over 2004
 - Own-label division reported sales of EUR294.1m for 2005, up 22.5% over 2004
 - Third-party division reported sales of EUR149.7m, down 9.1% as anticipated following the exceptional performance in 2004
 - North America division reported sales of EUR62.9m, following the incorporation of Amide into Group's accounts from 1 July 2005
- Reported revenue for Q4 was EUR194.5 million, up 73.0% over 2004
- Record EBITDA margins of 25.4% for full year and 26.1% in Q4; 26.6% and 30.0% before consolidating the Alpharma results from mid-December
- Net profit for Q4 was EUR35.4 million, up 94.8% over Q4 of 2004
- Net profit for full year was EUR81.0 million, up 26.0% over 2004
- Significantly strengthened position in Europe and strong presence achieved in the key US market through eight strategic acquisitions during the year
- Underlying growth of 4.3% in revenues for full year and 17.3% in Q4
- Group successfully raised over EUR2 billion of financing during the year, to support EUR1 billion of acquisitions and to refinance previous debt on more attractive terms

Thousands of Euro	Three months ended 31 December			Twelve months ended 31 December		
	Q4 2005	Q4 2004	% Change	12M 2005	12M 2004	% Change
Total revenues.....	194,547	112,428	73.0%	579,264	453,212	27.8%
Total expenses.....	(160,038)	(94,807)	68.8%	(472,752)	(364,746)	29.6%
EBITDA.....	52,159	27,005	93.1%	148,471	113,759	30.5%
EBITDA/revenues.....	26.8%	24.0%		25.6%	25.1%	
Profit before tax (PBT).....	36,648	17,269	112.2%	91,479	74,990	22.0%
Net profit.....	35,416	18,179	94.8%	81,003	64,282	26.0%
Basic Earnings per Share.....	0.01038	0.00586	77.2%	0.02551	0.02162	18.0%
Diluted Earnings per Share.....	0.01036	0.00586	76.9%	0.02548	0.02159	18.0%

Actavis President & CEO, Robert Wessman, commented:

"This has been a year of tremendous growth for Actavis. We have established a strong foothold in the important US market through our acquisitions of Amide and the human generics business of Alpharma. At the same time, we have continued to strengthen our presence in key strategic markets across Europe, supported by several acquisitions, so that today Actavis is one of the five largest generic pharmaceuticals businesses in the world. Our outstanding financial results for the quarter and full year reflect the significant leverage that exists within our business, and the successful execution of our growth strategy.

"Going forward, we are confident that we can continue to take share in the majority of our Own-label and Third-party markets, through the introduction of new products and our strong pipeline in 2006. We are well positioned to drive future growth and anticipate another strong performance in the year ahead."

In the following analysis, the impact from the human generics business of Alpharma is excluded, except otherwise stated.

2005 Fourth Quarter Results

Revenue for the fourth quarter increased 61.5% to EUR181.5 million (Q4 2004: EUR112.4 million). Own-label sales increased 22.8% to EUR84.2 million in the quarter (2004 Q4: EUR 68.6 million), reflecting good performance in Turkey, Russia, Ukraine and new markets in Central Europe. Third-party sales grew 37.9% to EUR46.0 million (2004 Q4: EUR33.4 million) driven by a strong performance in France, where a number of new products were launched, and Germany. Actavis' North America division had sales of EUR30.4 million, showing growth of 29.1% over 2005. Underlying growth in revenues was 17.3% in the quarter, excluding contribution from acquisitions and currency fluctuations.

	Actavis	Alpharma	Enlarged Group
Thousands of Euro	Q4 2005	Q4 2005	Q4 2005
Total revenues	181,525	13,022	194,547
EBITDA	54,390	-2,231	52,159
EBITDA %	30.0%	-17.1%	26.8%
Net profit	37,288	-1,872	35,416

Operating expenses in the fourth quarter were EUR142.8 million, 78.6% of total revenues. Cost of goods sold as a percentage of revenues decreased to 43.9% of total revenues for the quarter, from 45.3% in the third quarter, mainly due to higher margins from the North America operation, cost savings from transfers of Third-party sales products from Iceland to Malta and an improved performance in Actavis Nordic operations. Sales and marketing expenses decreased as a percent of revenues to 11.8% in the quarter (Q3 2005: 13.8%), which can partly be explained by higher sales, where cost did not grow at the same rate as the revenues. General and administrative expenses (G&A) were above trend in absolute terms and as a percent of revenue (12.2% in Q4 2005 vs. 9.2% in Q3 2005). This is because of EUR2.2 million of cost related to acquisitions, as well as EUR2.5 million of integration and restructuring costs related to the acquired companies. Total R&D spending was EUR33.2 million in Q4, EUR19.3 million expensed and EUR13.9 million capitalised in the period. One off charges of EUR3.1 million were incurred as a result of rationalization to discontinue some of the development projects (Citalopram), which are already marketed by Alpharma, and a reassessment of the commercial prospects of some other programs.

	Actavis	Alpharma	Enlarged Group
Thousands of Euro	Q4 2005	Q4 2005	Q4 2005
Cost of goods sold	79,734	10,237	89,970
Sales and marketing expenses	21,511	2,800	24,311
Research and development expenses	19,296	2,177	21,472
General and administrative expenses	22,212	2,072	24,284
Total operating expenses	142,752	17,286	160,038

Earnings before interest, tax, exceptional items, depreciation and goodwill amortisation ("EBITDA") increased 101.4% to EUR54.4 million for the fourth quarter (Q4 2004: EUR27.0 million). A record EBITDA margin was reported of 30.0% in the quarter. The strong performance in the fourth quarter was principally driven by a continued strong contribution from the North America division, good performances in Own-label markets, and the higher volume being produced at lower supply cost from the Maltese manufacturing site.

Net interest expense was EUR8.7 million. Financial items also included: the write-off of EUR4.6 million of fees relating to the syndicated loan that was refinanced as part of the Alpharma acquisition; favourable FX movements of EUR12.2 million, and the write-down of EUR1.7 million of investments in unquoted companies.

The Group's tax charge for the 2005 fourth quarter was EUR2.4 million and the effective tax rate was 6.1%. The tax charge was reduced by an increase of EUR6.9 million in deferred tax assets mainly as a result of the Group's continued investment in Malta.

Profit before tax increased 129.9% to EUR39.7 million in the quarter (Q4 2004: EUR17.3 million). Net profit was EUR37.3 million in the quarter, up 105.1% from the previous year. Increased profit in the fourth quarter was driven by strong margins for the quarter along with positive financial items and lower tax charges. After-tax earnings per share ("EPS") were EUR0.01093 in the 2005 fourth quarter (Q4 2004: EUR0.00586), up 86.5% over 2004.

The Company consolidated the financial results of Alpharma's human generics business from December 19, 2005. During those 12 days, the business acquired from Alpharma recorded a loss of EUR1.7 million after tax (negative EBITDA of EUR3.5 million), due to seasonally low sales and the preparation of new marketing programs for the first quarter.

Net cash flow from operating activities in the fourth quarter was EUR24.9 million, down 27.9% from the fourth quarter of 2004. Capital expenditure for the fourth quarter totalled EUR33.3 million, up from EUR26.9 million for the third quarter. Net investments in development projects amounted to EUR 13.9 million during the fourth quarter (Q3 2005: EUR15.6m). Investments in fixed assets were EUR19.4 million (Q3 2005: EUR 11.3 million). After investments in development and in-licensed drugs and fixed assets the Group had a net free cash outflow of EUR5.0 million (inflow of EUR13.4m in Q3).

During Q4, the Group drew down new debt facilities of EUR808 million equivalent to finance the Alpharma acquisition (EUR675 million) and refinance long-term debt.

2005 Full Year Results

For the full year, revenues increased 24.9% to EUR556.2 million (FY 2004: EUR453.2 million). Own-label sales increased 22.5% to EUR294.1 million in 2005 (FY 2004: EUR 240.2 million). Third-party sales decreased by 9.1% to EUR149.7 million (FY 2004: EUR 164.8 million) following a strong 2004 performance when the launches of the cardiovascular product Ramipril occurred in the first quarter of the year. Underlying growth in revenues was 4.3%, excluding contribution from acquisitions and currency fluctuations.

	Actavis Stand-alone	Alpharma units	Enlarged Actavis Group	Actavis Group Pro-forma
Thousands of Euro	12M 2005	From 19/12	12M 2005	12M 2005
Total Revenues	566,242	13,022	579,264	1,271,739
EBITDA	150,702	(2,231)	148,471	272,135
EBITDA %	26.6%	-17.1%	25.6%	21.4%
Net profit	82,875	(1,872)	81,003	133,859

*Pro-forma numbers include Amide and Alpharma for the full year of 2005

Operating expenses for 2005 increased 24.9% to EUR455.5 million, 80.4% of total revenues compared to 80.5% in 2004. Cash expenses (excluding depreciation and amortisation charges), expenses increased by only 22.4% resulting in an increased EBITDA margin of 1.5% between 2004 and 2005.

The average gross margin was 50.5% but was 47.0% in 2004. Cost of goods sold as a percentage of total revenues was 47.0%, down from 49.6% in 2004, as a result of the consolidation of Amide's higher margin products and the impact of increased manufacturing output from the Maltese manufacturing plant. Sales and marketing expenses decreased as a percentage of revenues to 13.9% for the full year. General and administrative expenses increased as a percentage of revenue to 10.3% for 2005 (FY 2004: 8.7%), included expenses of EUR5.0 million, related to acquisitions, as well as EUR2.5 million of integration and restructuring costs related to the acquired companies.

R&D expenses increased as a percentage of revenues to 9.2% for 2005 (FY 2004: 7.1%), to EUR52.1 million. Higher R&D expenses in 2005 were mainly due to the amortisation of intangibles assets that were allocated from the goodwill of acquired companies. Total R&D spending was EUR92.1 million for the full year, EUR52.1 million expensed and EUR40.0 million capitalised.

	Actavis	Alpharma	Enlarged Group
Thousands of Euro	12M 2005	12M 2005	12M 2005
Cost of goods sold	266,234	10,237	276,470
Sales and marketing expenses	78,573	2,800	81,374
Research and development expenses	52,113	2,176	54,289
General and administrative expenses	58,547	2,072	60,618
Total operating expenses	455,467	17,285	472,752

EBITDA for the 2005 full year was EUR150.7 million (FY 2004: EUR113.8 million), representing a record EBITDA margin of 26.6% for the full year (FY 2004: 25.1%).

Net Interest Expense was EUR19.2 million. Financial items also included: the write-off of EUR4.6 million of fees relating to the syndicated loan that was refinanced as part of the Alpharma acquisition; favourable FX movements of EUR7.7 million, and the write-down of EUR1.7 million of investments in unquoted companies.

For the 2005 full year, the Group's tax charge was EUR11.7 million and the effective tax rate was 12.3% (FY 2004: 14.3%). The Group's effective tax rate in 2005 decreased slightly from the previous year, as a result of increased revenues generated in Malta that were subject to a lower tax rate. The tax charge was further reduced by an increase of EUR11.9million in deferred tax assets in Malta as a result of the Group's continued investment there.

Profit before tax was EUR94.5 million for the full year, an increase of 26.1% from 2004. Net profit for 2005 increased 28.9% to EUR82.9 million (FY 2004: EUR64.3 million) in the prior year. After-tax earnings per share ("EPS") increased 20.8% to EUR0.02612 in 2005 (FY 2004: EUR0.02162).

Net cash flow from operating activities in 2005 was EUR103.0 million, an increase of 120% from 2004. Capital expenditures ('CAPEX') for the full year totalled EUR98.7 million, including reflecting investments in development projects and in-licensing of EUR40.0 million and in fixed assets of EUR58.7 million. The major fixed asset investments were in Bulgaria, Iceland, Malta and the US. The Group had a net free cash flow for the year of EUR4.6 million.

For the whole Group (including the consolidation of Alpharma), Stockholders' equity increased during the year to EUR997 million (from EUR 281 million at year-end 2004) as a result of increase in retained earnings and the issuance of EUR259 million of ordinary shares and EUR368 million in preferred shares in connection with the acquisition of Amide and Alpharma respectively. Total debt increased to EUR907 million (from EUR300 million at year-end 2004) as a result of new facilities to finance the acquisitions.

Divisional Review

Sales & Marketing, International Division-Own-label sales, 52% of total revenues 2005 (excl. Alpharma)

The division sells products developed by Actavis and those that have been in-licensed from other companies. Key markets include Turkey, Russia, Ukraine & CIS, Bulgaria, the Nordic region & Serbia.

The Group's acquisition of Alpharma includes their sales and marketing operations across Europe and US. Principal markets include Nordic Region, Germany, UK, Portugal and the Netherlands.

In the fourth quarter reported sales grew 22.8% in the quarter to EUR84.2 million (Q4 2004: EUR68.6 million). Full year 2005 revenues grew by 22.5%, amounting to EUR294.1 (FY 2004: EUR240.2 million). The revenue increase in the quarter was mainly due to strong sales performance in Turkey, Russia and Ukraine. The division had 63 new product and market launches during the year.

Own-label sales by markets (EUR '000)

Market	4Q 2005	4Q 2004	% Change	12M 2005	12M 2004	% Change
Turkey	30,027	23,687	26.8%	107,864	82,371	30.9%
Bulgaria	11,125	13,871	-19.8%	49,912	49,657	0.5%
Russia, Ukraine & CIS	16,035	13,672	17.3%	58,100	47,759	21.7%
Nordic Region	10,232	8,632	18.5%	34,827	29,339	18.7%
Serbia	6,699	7,406	-9.6%	26,904	24,547	9.6%
CEE	6,359	0	N/A	10,551	0	N/A
Other	3,767	1,333	182.6%	5,974	6,514	-8.3%
Total Own Label	84,243	68,601	22.8%	294,132	240,188	22.5%

* Other Revenue includes sales in Malta, Middle East etc

Turkey - 37% of Own-label sales 2005

Fourth quarter sales grew by 26.8% to EUR30.0 million (Q4 2004: EUR23.7 million). Full year sales grew 30.9% from 2004, to EUR108.0 million. Exchange rate positively effected the results but the underlying growth was 13.8% despite mandatory price decreases in the Turkish market (11% price decrease in January and 9% in Q2). There was a good volume growth across most products, notably from Cravit (Levofloxacin) and Oraceftin (Cefuroxime). Furthermore, the Company filed 16 registrations in 2005 and launched 5 new products.

Russia, Ukraine and the CIS - 20% of Own-label sales 2005

Russia, Ukraine and the CIS markets continued to perform strongly with total sales of EUR58.1 million growing by 21.7% in 2005 compared to 2004. Actavis has predominantly focused on increased promotion and branding activities in all three markets. The main growth drivers were strong sales of brands such as Phezam (Cinnarizine/Piractam) Troxevasin (Troxeutin), Sedalgin-Neo (analgesic combination), Adrianol (Adrianol) and Benalgin (analgesic combination).

Actavis filed 59 registrations and launched five products in the region during 2005.

Bulgaria - 17% of Own-label sales 2005

While sales for the year were up 0.5% compared to 2004, fourth quarter sales were down 19.8% to EUR 11.1 million. Sales in the quarter declined, which can mainly be explained by reduced stock with wholesalers and the integration of our wholesale distribution business Higia during the period. Actavis introduced nine new products to the market and obtained eight new marketing authorizations.

North European Region & the Baltic countries - 12% of Own-label sales 2005

Sales in this region increased by 18.5% in Q4 2005 compared to 2004 and totalled EUR10.2 million (Q4 2004: EUR8.6 million). For full year 2005, sales increased by 18.7% and were EUR34.8 million (2004: 29.3 million).

Serbia - 9% of Own-label sales 2005

Fourth quarter sales were EUR6.7 million (Q4 2004: EUR7.4 million), delivering a negative 9.6% growth over 2004. However, the growth in local currency was 14% over 4Q 2004. Full year sales 2005 were EUR26.9 million (2004: EUR24.5 million) and grew 9.6% from the previous year. The Company continued to gain ground in 2005 with increased market share and sales in line with management expectations. Actavis is currently the third largest generic company in Serbia with around 15% market share. The highest selling products were Enalapril (Enalapril), Ranisan (Ranitidine) and Omeprazol (Omeprazol).

Central Europe - 4% of Own-label sales 2005

The Central European region includes Hungary, Poland, Slovak and Czech Republic and had sales in Q4 of EUR6.4 million. Meramyl (Ramipril) was successfully launched in Hungary in Q4 with good results. 13 new products were introduced to the market and obtained 24 new marketing authorizations.

Third-Party Sales- Global Division, 26% of total revenues 2005

This division handles sales of intellectual property developed by Actavis and sales of finished products to third-parties. Key markets for this division include Germany, the United Kingdom, the Netherlands, France and Austria.

Sales in the fourth quarter were up 37.9% to EUR46.0 million (Q4 2004: EUR33.4 million), while a decrease of 9.1% was experienced for the year, resulting in EUR149.7 million sales (2004: EUR164.8 million). Performance of the division was in line with expectations. The year 2004 was exceptional in the division's history, due to the successful launch of the three Ramipril products, although towards the end of the year, lower sales were experienced in the German market which continued into the first half of 2005. The German market has shown good improvements and furthermore sales in France are growing as well, due to new patent expiries and new product launches in that market.

Actavis' Third-party sales division launched three new products during the quarter, representing an important addition to the portfolio: the anti-depressant Sertraline capsules, in France, the anti-diabetic product Glimepiride, which was launched into several markets including Germany, Denmark and Finland, in addition to the cardiovascular product Benazepril in Germany.

Third-party product sales by markets (EUR '000)

Market	4Q 2005	4Q 2004	% Change	12M 2005	12M 2004	% Change
Germany	17.347	8.948	93,9%	53.272	68.669	-22,4%
UK	2.080	2.471	-15,8%	11.989	20.563	-41,7%
Netherlands	3.563	1.788	99,3%	11.825	11.722	0,9%
Austria	2.506	1.166	114,9%	7.618	9.478	-19,6%
France	5.769	3.462	66,6%	10.795	7.437	45,1%
Other	12.660	9.711	30,4%	41.985	33.763	24,4%
Total Third Party	43.924	27.546	59,5%	137.484	151.632	-9,3%

Germany - 39% of Third-party product sales (FY)

While sales were up 94% compared to Q4 2004, sales for the full year were down 22.4% to EUR53.3 million, with Ramipril tablets, Ramipril HCT and Lisinopril HCT, being the most important products. The reduction from 2004 is mainly due to lower sales of Lisinopril, as anticipated (expiry of supply agreements) and Ramipril, although Ramipril and Ramipril HCT sales picked up in the second half of the year.

Netherlands - 9% of Third-party product sales (FY)

The Dutch market is of growing importance for the division, even though it is a very price competitive market. Sales during the quarter amounted to EUR3.6 million, up 99% from 2004. Sales for the full year amounted to EUR11.8 million, marginally up from the EUR11.7 million reported last year. The most important products were Ciprofloxacin, followed by Fosinopril and Ketoconazole.

UK - 9% of Third-party product sales

The UK market remains extremely competitive, with sales during the quarter of EUR2.1 million, down 16% from last year. Sales for the full year amounted to EUR12.0 million, down 42% from last year. The main reason for this reduction in sales is Ramipril capsules, which experienced great price erosion during the year. Citalopram, followed by Paroxetine, Ramipril capsules and Lamotrigine were the most important products.

France - 8% of Third-party product sales (FY)

In the fourth quarter France was the second largest market, with sales of EUR5.8 million, up 67% from Q4 2004. For the full year, sales in France were EUR10.8 million or 45% up from the previous year. There were a number of new products launched in 2005, the most important being Sertraline (capsules and tablets). Market conditions in France remain competitive, and there are government initiatives in place to cut drug spending and increase the penetration of generic drugs.

Austria - 6% of Third-party product sales

Sales to Austria amounted to EUR2.5 million in the quarter, up 115% from last year. For the full year sales were EUR7.7 million, down 19.6% from 2004. Citalopram remains the most important product on the market, even though sales have reduced from last year due to price erosion. Other important products for Austria are Lisinopril HCT and Lamotrigine.

Intellectual property - 8% of division sales

Sale of intellectual property was in line with expectations, both for 4Q 2005 and the full year. For the year, sales amounted to EUR12.3 million, down 6.9% from EUR13.2 million last year. The strongest contributors to sales of intellectual property are Ramipril tablets and capsules, Ramipril Hydrochlorothiazide (HTC) tablets, Glimepiride tablets, Terbinafine tablets and Sertraline. Revenue

based on intellectual property was generated on 35 different products during 4Q 2005 and 54 different products during the full year.

North America division - 11% of total revenues 2005 and 17% in Q4 (excl. Alparma)

The North American division comprised of Amide Pharmaceuticals Inc., from 1 July 2005 and the US division of the Human Generic Business of Alparma, from 19 December 2005.

The division's fourth quarter sales of EUR30.4 million exceeded management expectations and do justice to the Group's decision to expand into the key US market. The full year's sales for the division were EUR62.9 million, which only represents Amide's sales from July 1 2005, showing 45.7% growth over 2004.

Alparma US contributed additionally EUR5.3 million in revenue, since its incorporation into Group accounts.

The growing US market is expected to play an important role in the Group's growth in coming years, representing around one third of Group's sales in 2006.

The division expects to launch 15 new products and file 30 ANDAs on the market in 2006.

Distribution business in Bulgaria

In November 2005, Higia AD, the largest pharmaceutical distributor in Bulgaria, became wholly owned by Actavis. Actavis' strong portfolio and manufacturing capabilities will combine with Higia's strategically important foothold in the distribution of pharmaceuticals in Bulgaria and is expected to generate good opportunities to drive Actavis' revenue growth in this important market.

Higia's distribution network covers over 2000 pharmacies and has a significant share of pharmacy and hospital sales in the Bulgarian market. Sales from Higia totalled EUR8.3 million in 2005, all in the month of December, which is the month sales were consolidated into the Group accounts.

Guidance

In 2006, Actavis is targeting revenue of EUR1.3 billion and an EBITDA margin of approximately 19 - 20%. We expect to achieve growth in both our North America and Own-label sales divisions as we continue to integrate recent acquisitions and leverage our strong pipeline of new products. We expect our Third-party sales division to deliver low single digit growth over 2005.

Method of Consolidation

The consolidated financial statements comprise the financial statements of Actavis Group hf. and its subsidiaries.

The Group's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The Group's financial statements have previously been prepared in accordance with the Financial Statements Act and generally accepted accounting principles in Iceland. The changes in the Group's stockholder's equity 1 January 2005 as a result of the implementation of IFRS, is an increase amounting to EUR5.9 million.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Group companies are those companies in which the parent company has a controlling financial interest through direct and indirect ownership of a majority voting interest or effective managerial and contractual control. The subsidiaries held or acquired exclusively with a view to subsequent resale are excluded from consolidation and are included as available-for-sale investments and measured at fair value where this can be reliably measured or at cost less impairment losses where fair value cannot be reliably measured. All material intra-group balances, transactions and any unrealised gains from intra-group transactions have been eliminated in consolidation. The equity and net income attributable to minority interests are shown as separate items in the consolidated financial statements.

Annual General Meeting and Annual Report

The annual general meeting will be held 28 March at Hotel Nordica, Iceland at 17.00 o'clock. The annual report will be published in the last week of March.

Dividend Payments

No dividend will be paid to shareholders for the financial year 2005. On 2 December 2005, at a meeting of shareholders, a resolution was passed to the effect that dividend would not be paid until the Class B Share had been fully redeemed, cf. article 2.03.4 of the Company's Articles of Association.

Auditing

The annual accounts have been audited by the Group's auditors, KPMG.

Presentation of Financial Results

An open meeting for investors, analysts and shareholders will be held at the Nordica Hotel in Reykjavik, Iceland, at 08:15 GMT on 8 March 2006. A copy of the presentation will be available on www.actavis.com following the meeting.

Actavis' Financial Calendar

Q1 results	2 May 2006
Q2 results	1 August 2006
Q3 results	31 October 2006
Q4 results	27 February 2007

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About Actavis

Actavis Group is an international generic pharmaceutical company, founded in 1956, specialising in the development, manufacture and sale of generic pharmaceuticals. Headquartered in Iceland, Actavis has development and manufacturing facilities in Iceland, Bulgaria, Turkey, Malta, Serbia and the USA. Actavis' intellectual property has resulted in Actavis being first to market with generic products when patents expire. Actavis' recent conditional acquisition of Alpharma's generics business places the company among the five leading companies in the generic pharmaceuticals market. Subject to the closing of the acquisition Actavis will have operations in 32 countries with about 10 thousand employees.

Forward Looking Statements

This press release contains forward-looking statements with respect to the financial condition, results of operations and businesses of Actavis. By their nature, forward-looking statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from that expressed or implied by these forward-looking statements. These factors include, among other things, exchange rate fluctuations, the risk that research and development will not yield new products that achieve commercial success, the impact of competition, price controls and price reductions, the risk of loss or expiration of patents or trade marks, difficulties of obtaining and maintaining governmental approvals for products, the risk of substantial product liability claims and exposure to environmental liability.

Total Actavis Group (including consolidation of Alphanova)

Income Statement	Q4 2005	Q4 2004	12M 2005	12M 2004
Net sales.....	185,316	106,237	551,384	424,596
Cost of goods sold.....	(89,970)	(54,007)	(276,470)	(225,007)
Gross profit.....	95,345	52,230	274,913	199,589
Other income.....	9,231	6,191	27,880	28,616
Sales and marketing expenses.....	(24,311)	(21,799)	(81,374)	(64,892)
Research and development expenses.....	(21,472)	(7,239)	(54,289)	(32,269)
General and administrative expenses.....	(24,284)	(8,634)	(60,618)	(39,450)
Impairment of goodwill.....	0	(3,128)	0	(3,128)
	<u>(60,835)</u>	<u>(34,610)</u>	<u>(168,401)</u>	<u>(111,123)</u>
Profit from operations (EBIT).....	34,510	17,620	106,512	88,466
Income / (Loss) from associates.....	(1,015)	(285)	(1,816)	(1,129)
Financial income/(expenses).....	3,153	(66)	(13,216)	(12,347)
	<u>36,648</u>	<u>17,269</u>	<u>91,479</u>	<u>74,990</u>
Profit before tax.....	36,648	17,269	91,479	74,990
Income tax.....	(1,232)	910	(10,477)	(10,708)
	<u>35,416</u>	<u>18,179</u>	<u>81,003</u>	<u>64,282</u>
Net profit.....	35,416	18,179	81,003	64,282
Attributable to:				
Equity holders of the Company.....	34,511	16,360	78,007	60,286
Minority interest.....	905	1,819	2,995	3,996
Profit for the period.....	35,416	18,179	81,003	64,282

Balance sheet	31/12/2005	31.12.2004	31/12/2005	31.12.2004
Non-current assets.....	1,734,232	442,085	1,734,232	442,085
Current assets.....	634,622	242,081	634,622	242,081
Total Assets	2,368,854	684,166	2,368,854	684,166
Stockholders' equity.....	997,334	281,822	997,334	281,822
Minority interest.....	10,695	9,853	10,695	9,853
Non-current liabilities.....	973,969	183,123	973,969	183,123
Current liabilities.....	386,855	209,367	386,855	209,367
Total equity and liabilities	2,368,854	684,166	2,368,854	684,166

Cash flow	Q4 2005	Q4 2004	12M 2005	12M 2004
Working capital from operating activities.....	27,933	27,055	109,079	92,116
Net cash provided by operating activities.....	24,877	34,485	103,004	46,710

Key ratios	Q4 2005	Q4 2004	12M 2005	12M 2004
EBITDA.....	52,159	27,005	148,471	113,759
EBITDA/revenues.....	26.8%	24.0%	25.6%	25.1%
EBIT/revenues.....	17.7%	15.7%	18.4%	19.5%
Basic Earnings per Share.....	0.01038	0.00586	0.02551	0.02162
Diluted Earnings per Share.....	0.01036	0.00586	0.02548	0.02159
Profit to sale.....	18.2%	16.2%	14.0%	14.2%
Return on equity (ROE).....	19.6%	26.5%	19.6%	27.8%
Equity ratio.....	0.43	0.43	0.43	0.43
Current ratio.....	1.64	1.16	1.64	1.16