

## Record year in growth and profits

Annual General Meeting

28 March 2006



## Forward looking statement

*Any statement contained in this presentation that refers to Actavis' estimated or anticipated future results or future activities are forward-looking statements which reflect the Company's current analysis of existing trends, information and plans. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially depending on factors such as the availability of resources, the timing and effect of regulatory actions, the success of new products, the strength of competition, the success of research and development issues, unexpected contract breaches or terminations, exposure to product liability and other lawsuits, the effect of currency fluctuations and other factors. Actavis does not undertake the obligation to update or alter these forward-looking statements beyond its duties as an issuer of listed securities on the Iceland Stock Exchange.*

## Today's speakers



Thor Bjorgolfsson  
Chairman



Robert Wessman  
President & CEO

## Chairman's report



Bjorgolfur Thor Bjorgolfsson  
Chairman of the Board



Robert Wessman  
President & CEO

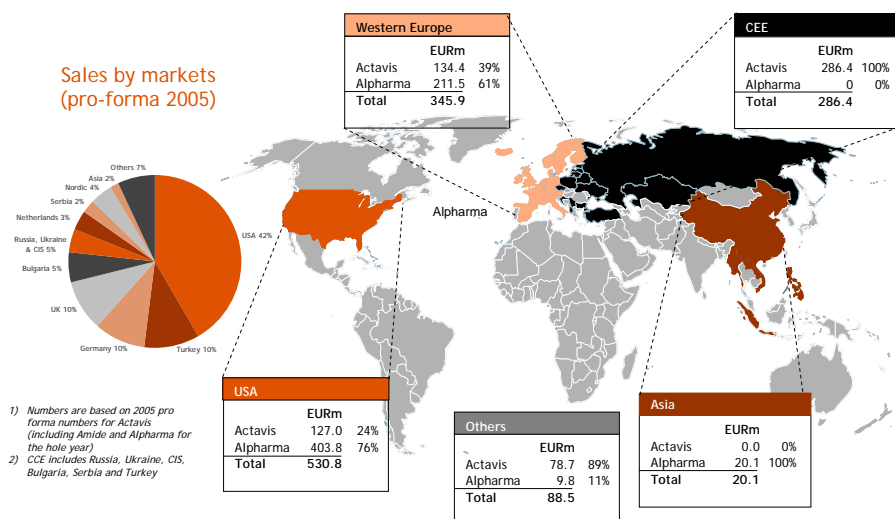
## Record year in growth and profits

Thousands of Euro	Actavis Stand-alone	Alpharma units	Enlarged Actavis	Actavis	
	12M 2005	From 19/12	12M 2005	12M 2004	% Change
Total Revenues	566.242	13.022	579.264	453.212	27,8%
EBITDA	150.702	(2.231)	148.471	113.759	30,5%
EBITDA %	26,6%	-17,1%	25,6%	25,1%	
Net profit	82.875	(1.873)	81.003	64.282	26,0%

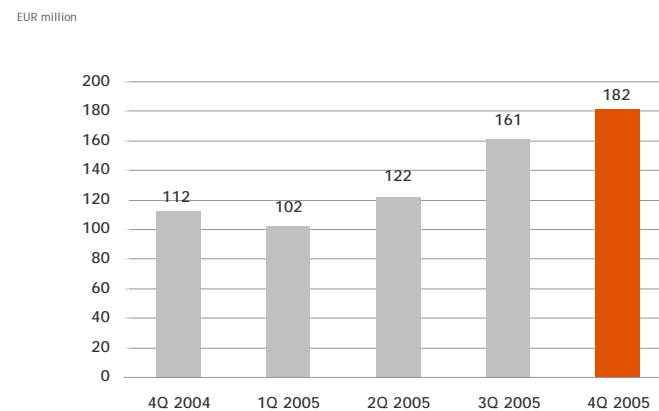
- Record performance
  - Revenue 2005 up 27.8% to EUR579.3 million
  - Record EBITDA margin of 25.6%, 26.6% before Alpharma
  - Profit up 26%
  - Underlying growth of 4.3%
- Over 100 new product launches
- 200 products in the pipeline and over 200 new regulatory submissions
  - New development center in India

Presentation will focus on Actavis Stand-alone numbers except otherwise stated

## Global reach

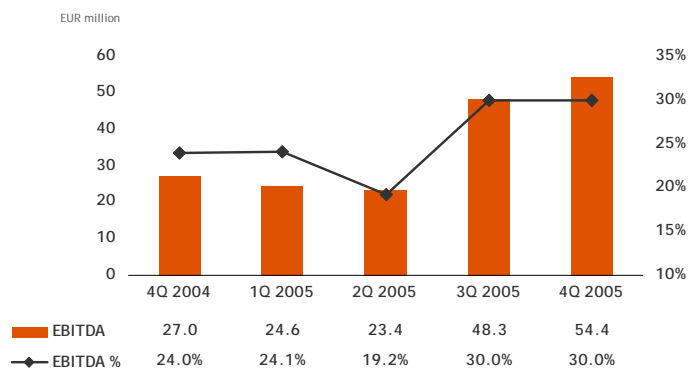


## Revenue by quarter



Underlying growth 4.3% over 2005 for full year, 17.2% for Q4

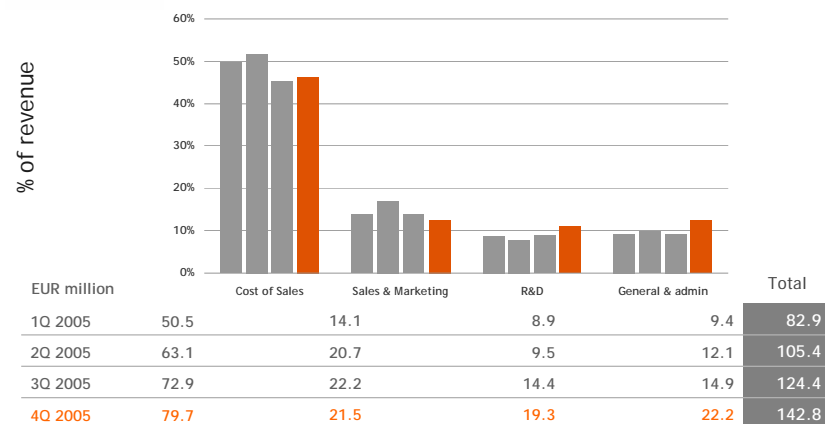
## EBITDA margin



Figures before acquisition of Alpha

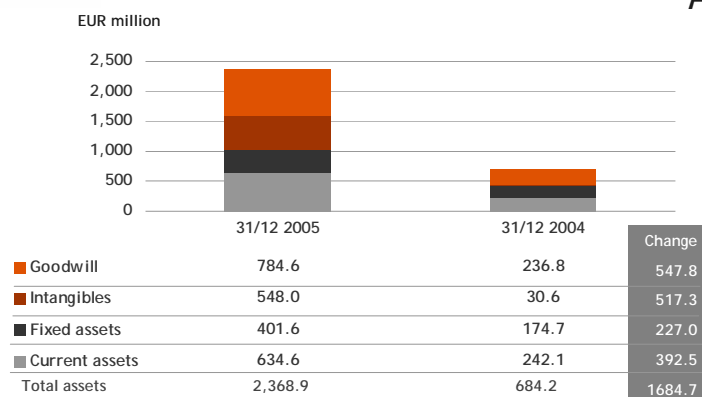
## Cost ratio trend

(excluding Alpha business from Dec 05)  
EUR million



- Increased R&D Expenses in Q4, mainly due to one off charges for rationalisation & writedown of development projects
- Increase in G & A Expenses in Q4, due to M&A activities (EUR 2.2 mm) and integration & restructuring costs (EUR 2.5 mm)

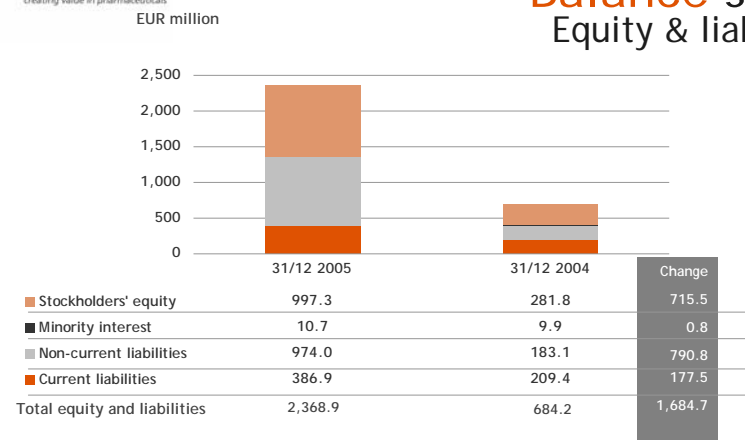
## Balance sheet Assets



- Increases mostly due to the acquisitions of Amide and Alpha
- Fair values (Fixed assets & Intangibles) and Goodwill values have been independently assessed by outside experts

Including Alpha

## Balance sheet Equity & liabilities



- Stockholders' equity increased mainly due to issuance of ordinary shares (EUR 259 mm) and preferred shares (EUR 368 mm) in relation to the Amide and Alpha acquisitions
- Non-current liabilities increased due to increase in Debt by EUR 609 mm in relation to the financing of the acquisitions

Including Alpha

## Cash Flow

EUR '000

	12M 2005	12M 2004
Working capital from operating activities .....	109,079	92,116
Net Cash provided by operating activities .....	103,004	46,710
R&D .....	-39,762	-13,790
CAPEX .....	-58,679	-41,431
Acquisitions .....	-880,787	-8,374
Other investments .....	18,001	451
Investing activities total .....	-961,227	-63,144
Issue of Ordinary Shares (net) .....	247,379	-768
Issue of Preference Shares (net) .....	356,498	0
Increase in debt (net) .....	334,375	6,035
Other .....	-471	0
Financing activities total .....	937,780	5,267
Net change in cash and cash equivalents .....	79,557	-11,167
Effects of foreign exchange adjustments .....	2,426	-1,475
Cash and cash equivalents at beginning of period .....	17,325	29,967
Cash and cash equivalents at end of period .....	99,308	17,325

Including Alphaarma

## Financial guidance

### Guidance for 2006

- Full year revenue target of EUR1.3 billion
- Continued strong growth
- EBITDA margin in range of 19-20%
- Q1 expected to be on track



## Well positioned for further growth



## We will realise our vision by.....

- .. persistently delivering **new products** from our strong pipeline
- .. **penetrating new markets** and leveraging our strong position in current markets
- .. having an aggressive approach to **battling cost**
- .. using global strength and **local know-how**



## A strong global player



## Acquisition of Sindan

Oncology - New therapeutic area for Actavis



## Transaction summary

- **Business acquired** Sindan - Romanian generic company specialising in Oncology
- **Acquisition price** EUR147.5 million fully paid in cash on debt free basis  
The company has cash balance of EUR14 million
- **Completion** Completed
- **Financing** Committed credit facility
- **Financial advisor** JPMorgan
- **Trading multiples:** EV/EBITDA 2005 = 8

## Acquisition rationale

- **Dedication and expertise in the oncology field**
  - New therapeutic area for Actavis
  - Opportunity to register and sell oncology product in Actavis markets
- **Platform to sell current Actavis products in Romania**
  - One of the fastest growing markets
  - Largest hospital supplier in Romania and few competitors in the international markets
- **Strong growth potential**
  - Fast growing Romania market
  - Export of Oncology products
- **Highly profitable business model and sound balance sheet**

## Overview of Sindan



## Sindan's history

1991

Foundation of Sindan

1997 - 1999

Sindan focused on a state-of-the-art production of oncology generics and implemented a strong distribution network in Romania

2000 - 2004

Sindan enters into the supply and distribution of oncology generics in foreign markets. First sales recorded in Poland, Slovakia and Bulgaria

2005

Currently, Sindan has 8 products registered in 6 countries and filed for approval of its products in 7 other countries.

## Strong pipeline

- Sindan has 31 own products on the market in Romania and 10 different products registered outside Romania
- Sindan has more than 10 products in its development pipeline
  - Focus on both injectables and solid oral dose products
- Sindan has 8 product in registration internationally
  - Key market: UK, Italy, Germany, Spain, Japan, US and Canada
- Sindan aims for 6 new filings outside Romania during 2006
- A number of patent application have been filed by Sindan

## Sindan financials

- Debt free
- Cash balance of EUR14 million
- Forecast going forward
  - 2006
    - Net sale USD 100 million
    - EBITDA 21%
  - 2007
    - Net sale USD 120 million
    - EBITDA 23%

USD mm	2004	2005
Net Sales	68	82
% growth		21%
EBITDA	11	20
% margin	16%	24%

## Conclusion

- Actavis will immediately have a position in the rapidly growing oncology industry
  - Fastest growing pharma segment over the next years
- Actavis becomes leading hospital player in the Romanian market
  - Fast growing market
  - Platform for Actavis products in Rumania
- No portfolio overlap between the two companies
- Following the acquisition, Actavis will have one of the broadest portfolios in the generics sector

## AGM Proposals



## Tillögur/Proposals

### Greiðsla arðs

- Á hluthafafundi félagsins sem haldinn var 2. desember 2005 voru samþykktar breytingar á samþykktum félagsins þess efnis að ekki skyldi greiða arð til hlutahafa í A-flokki fyrr en hlutir í B-flokki hafa verið innleystir að fullu, sbr. grein 2.03.4 í samþykktum félagsins. Stjórn félagsins leggur því til að ekki verðu greiddur arður af hagnaði félagsins árið 2005.

### Payment of dividend

- The general meeting of Actavis Group hf., convened on 28 March 2006, passes a motion to the effect that the Company's board of directors is authorised, on behalf of the company, to purchase shares in the company, up to the maximum of 10% of share capital, at a purchasing price which is restricted to +/-5% of the registered sales exchange value of shares on the day of purchase. This authorisation remains valid for 18 months from the day it is passed.

## Tillögur/Proposals

### Tillaga um stjórn

Fráfarandi stjórn leggur til að eftirtaldir aðilar skipi næstu stjórn

- Andri Sveinsson
- Björgólfur Thor Björgólfsson
- Karl Wernersson
- Sindri Sindrason
- Magnús Þorsteinsson

### Proposal for election of Members of the Board

A proposal for the company's Board of Directors. The proposal is presented by the retiring Board.

- Andri Sveinsson
- Bjorgolfur Thor Bjorgolfsson
- Karl Wernersson
- Sindri Sindrason
- Magnus Thorsteinsson

## Tillögur/Proposals

### Tillaga um laun stjórnar

- Laun hvers stjórnarmanns verði kr. 150.000 á mánuði.
- Formaður fái greitt tvöfalt.

### Proposal on fees to the Members of the Board of Directors

- Each member of the the Board of Directors receives ISK150,000 per month.
- The Chairman is paid double

## Tillögur/Proposals

### Tillaga um endurskoðanda

- KPMG endurskoðun
  - Alexander Eðvarðsson

### Proposal: Election of Auditors

- KPMG
  - Alexander Edvardsson

## Tillögur/Proposals

### Tillaga um heimild til kaupa á eigin hlutum

- Aðalfundur Actavis Group hf., sem haldinn er 28. mars 2006 samþykkir að heimila stjórn félagsins, fyrir þess hönd, að kaupa hlutafé í félaginu, allt að 10% af heildarhlutafé félagsins, á kaupverði sem takmarkist af +/- 5% skráðs sölugengis hluta á kaupdegi. Heimild þessi gildir í 18 mánuði frá samþykkt hennar.

### Proposal for an authorisation to purchase own shares

- It is proposed that the company's board of directors will be authorised, on behalf of the company, to purchase shares in the company, up to the maximum of 10% of share capital during the next 18 months, at a purchasing price which is restricted to +/-5% of the registered sales exchange value of shares on the day of purchase.

Thank you!





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