

Second quarter financial results



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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.

Agenda

1. Second quarter highlights
2. Financial highlights
3. Sales performance
 - Own-label
 - Central, Eastern Europe & Asia (CEEA)
 - West Europe, Middle East and Africa (WEMEA)
 - North America
 - Third-party sales
4. Outlook
5. Q&A



Quarterly highlights

Thousands of Euro	Three Months ended 30 June		
	2Q 2006	2Q 2005	% change
Total revenue.....	364,054	121,989	198.4%
EBITDA.....	79,386	23,445	238.6%
EBITDA %.....	21.8%	19.2%	13.5%
Net profit (excl. minorities).....	30,088	11,291	166.5%
Earnings per share (EPS).....	0.00588	0.00354	66.1%

- Strong underlying growth of 8% in the quarter and 12% for 1H
 - North-America underlying growth of 17% for 1H
 - CEEA underlying growth of 16% for 1H
 - WEMEA underlying growth of -4% for 1H
 - Third-party underlying growth of 21% for 1H
- EBITDA margin above management expectations
- Strong performance of North America and CEEA divisions
- Record number of product and market launches (107 in the quarter and 197 for 1H)

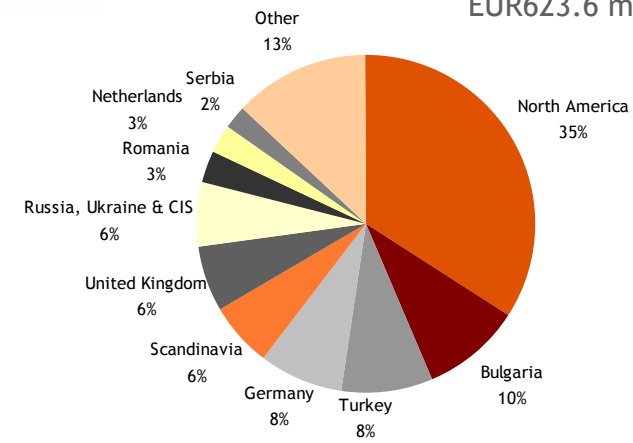
Update on integration

- Consolidation of US supply chain
 - Unified distribution
 - Closure of Baltimore
 - All SSL production in Lincolnton
 - EUR14 million annual savings after 2008
- Streamlining of Serbian operation
 - 17% voluntary reduction in workforce
 - EUR3 million in annual savings from 2007
- Re-branding of product launches
 - New products launched under the Actavis brand
- Hospital business unit established
 - Scott Richards from Mayne Pharma appointed as VP



Well placed in key markets

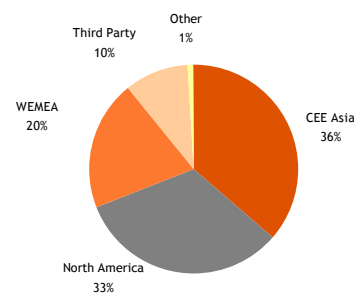
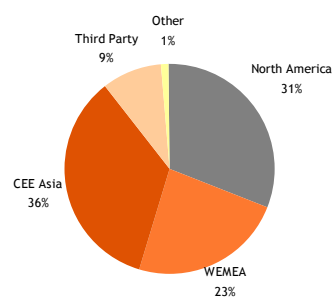
EUR623.6 million in 1H



- Revenues in Bulgaria include the distribution business of Higia, acquired in 2005, with revenues of EUR49 million in 1H
- Breakdown of sales includes sales and distribution of finished goods

Financial highlights 1H

EUR705.9million



For first half 2005, revenue from the European business of Alpharma are included on a pro forma basis
Segment split is based on total revenues

API: Active pharmaceutical ingredients
Other: Revenues from Lotus, India

Third-party: Includes sales of finished products and intellectual property

WEMEA: Western Europe, Middle East and Africa
CEE: Central Eastern Europe and Asia

Financial highlights



Financial highlights 2Q

Thousands of Euro	Three Months ended 30 June		
	2Q 2006	2Q 2005	% change
Total revenue.....	364,054	121,989	198.4%
Total expenses.....	(308,638)	(105,409)	192.8%
EBITDA.....	79,386	23,445	238.6%
EBITDA/revenue.....	21.8%	19.2%	13.5%
Net profit	30,088	11,291	166.5%
Pro-forma underlying growth	8.3%		
Earnings per share (EPS).....	0.00588	0.00354	66.1%

*Pro forma underlying growth, includes underlying growth from businesses acquired in 2005 to reflect the growth of the business as it is today, at constant exchange rates.

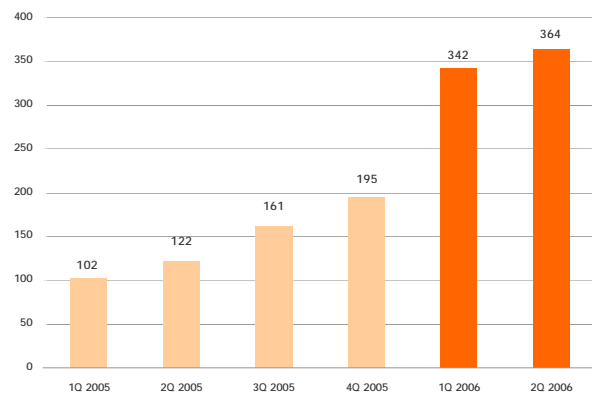
Financial highlights 1H

Thousands of Euro	Six months ended 30 June		
	1H 2006	1H 2005	% change
Total revenue.....	705,933	223,779	215.5%
Total expenses.....	(600,476)	(188,328)	218.8%
EBITDA.....	151,884	48,010	216.4%
EBITDA/revenue.....	21.5%	21.5%	0.3%
Net profit	61,946	22,384	176.7%
Pro-forma underlying growth	11.6%		
Earnings per share (EPS).....	0.01193	0.00725	64.6%

*Pro forma underlying growth, includes underlying growth from businesses acquired in 2005 to reflect the growth of the business as it is today, at constant exchange rates.

Revenue by quarter

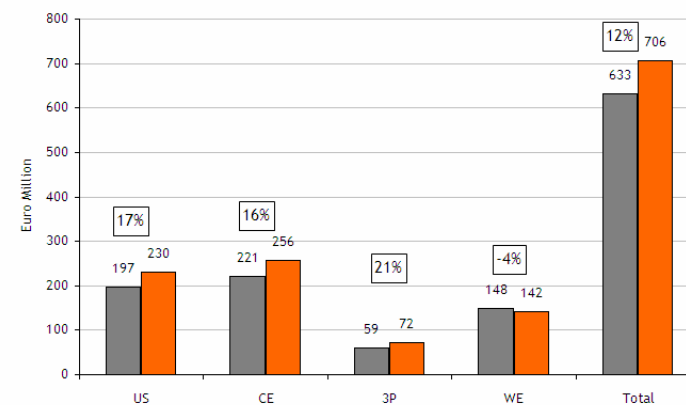
EUR million



2Q Pro-forma underlying growth 8.3%

Underlying growth

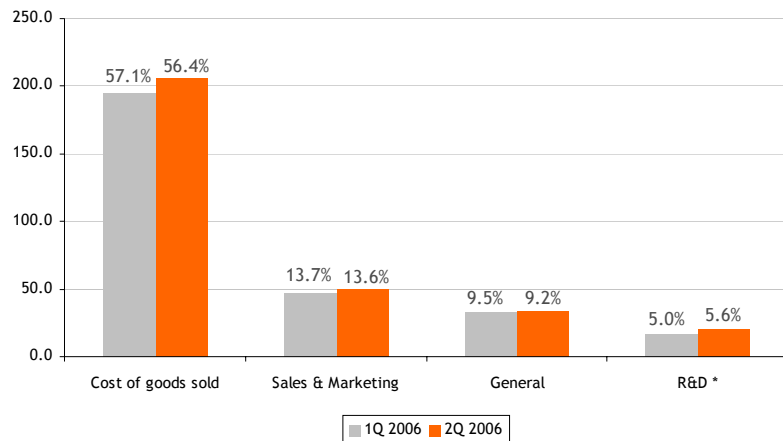
1H 2006



- Base numbers include prior year effect of all acquisitions
- At constant exchange rates
- US base excludes effect of Gabapentin exclusivity

Cost ratio trend

EUR million and % of revenue



€1.5m included in 2Q COGS for voluntary severance program in Serbia

Research and development

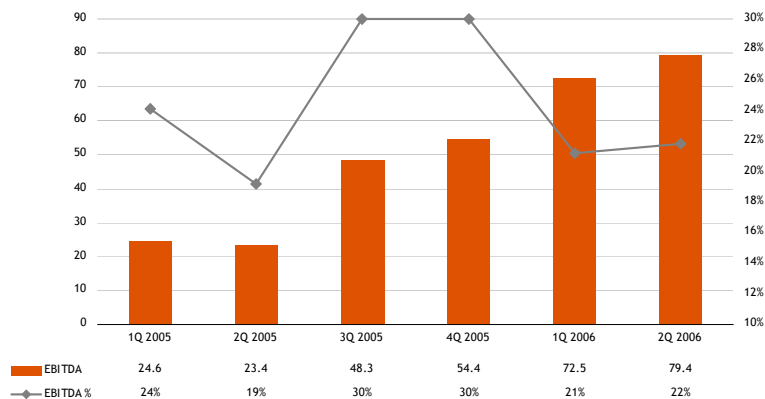
First Half 2006 - Euro million

Profit and loss charge

Total spending	38.5
Capitalised	<u>(19.0)</u>
Expensed	19.5
Amortisation of internal intangibles	3.2
Amortisation of purchased intangibles	<u>14.7</u>
Total P&L charge	<u>37.4</u>

EBITDA margin

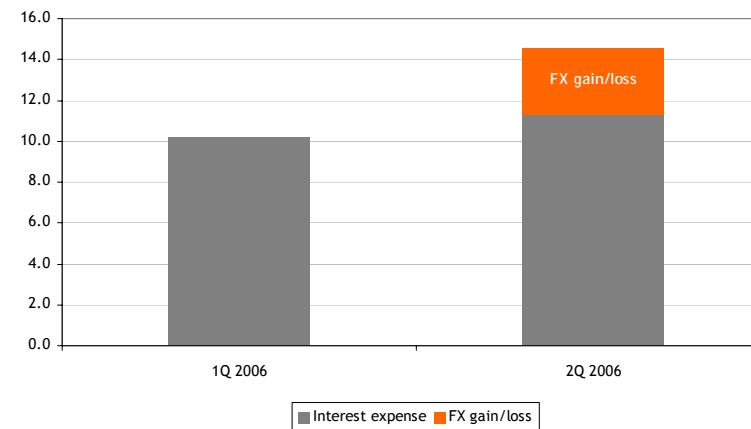
EUR million



In 1Q 2006 the Human Generics Business of Alparma was integrated into Group accounts with lower EBITDA margin

Financial expenses

EUR million



Sources of cash flow

Euro Million

	1Q 2006	2Q 2006	1H 2006
Profit for the period.....	31.9	30.0	61.9
Depreciation and amortisation.....	22.4	24.0	46.4
Other adjustments.....	(2.2)	(14.1)	(16.3)
Working capital from operating activities	52.1	39.9	92.0
Changes in operating assets and liabilities.....			
Receivables	(38.2)	(30.4)	(68.6)
Inventories.....	(9.1)	(6.2)	(15.3)
Payables.....	(9.5)	30.9	21.4
Net change in operating assets and liabilities	(56.8)	(5.7)	(62.5)
Net Cash provided by operating activities	(4.7)	34.2	29.5

Uses of Cash flow

Euro Million

	1Q 2006	2Q 2006	1H 2006
Net Cash provided by operating activities	(4.7)	34.2	29.5
Investment in property, plant and equipment	(20.3)	(20.2)	(40.5)
Increase in intangibles	(12.3)	(11.5)	(23.8)
Net free cash flow.....	(37.3)	2.5	(34.8)
Acquisitions.....	(147.7)	5.8	(141.9)
Net cash used.....	(180.3)	(25.9)	(206.2)
Changes in net debt.....	212.9	(46.8)	166.1
Changes in capital stock.....	14.4	(23.5)	(9.1)
Net financing	227.3	(70.3)	157.0
Net change in cash and cash equivalents	42.3	(62.0)	(19.7)
Effects of foreign exchange adjustments.....	(1.5)	(1.6)	(3.1)
Cash and cash equivalents at beginning of period..	99.3	140.1	99.3
Cash and cash equivalents at end of period	140.1	76.5	76.5

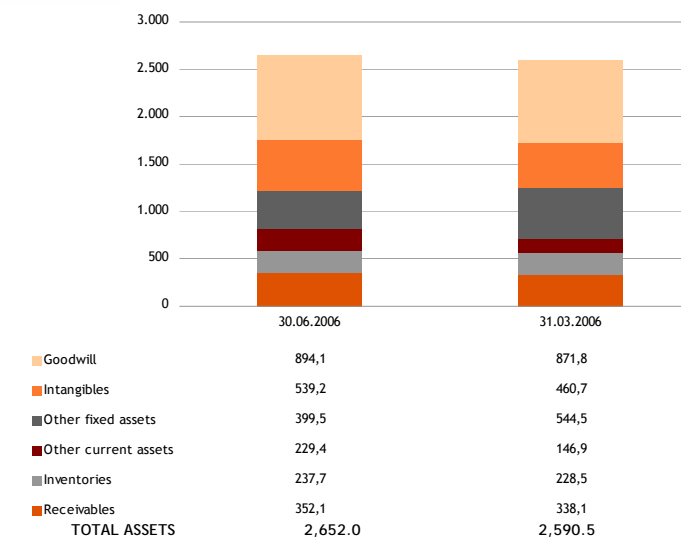
CAPEX

Euro million

	1H Actual	FY Forecast
US		
Totowa	7,6	15,0
Lincolnton	3,3	8,4
Other	2,9	7,2
Total US	13,8	30,6
Malta	3,6	8,0
Iceland	5,3	8,4
Eastern Europe total	6,3	20,6
Other	11,6	12,4
Total	40,5	80,0

Balance sheet

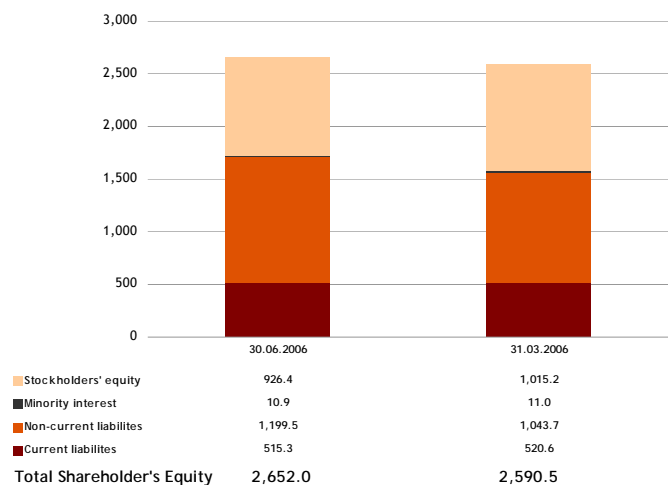
Assets
EUR million



Balance sheet Equity & liabilities

EUR million

Net Debt = €1046m
 Net Debt : Equity = 53:47
 Net Debt : EBITDA (12 month rolling) = 3:1



Financial guidance

- Revenue target of EUR685 million in 2H and EBITDA margin averaging 20%
- Third-quarter expected to be lower than 4Q in sales and EBITDA
- Continued strong growth in N-America and CEEA division
- Continued market pressure in Germany impacting WEMA and Third-party division in 2H
- Underlying pro forma revenue growth of 10% over 2005

Sales performance



Quarterly highlights

- Pro forma underlying growth in revenues 8% in 2Q and 12% in 1H
- Strong performance of N-America division and CEEA (Central, Eastern Europe and Asia) division
- Third-party sales on par with 2005
- WEMEA (Western Europe, Middle East and Africa) division performance below management expectations
- Record number of 107 product launches

Highest selling products in 1H

Product name	Originator (Company)	Therapeutic group	Divison
Gabapentin	Neurontin (Pfizer)	CNS	N-America
Diltiazem	Cardizem (Biovail)	Cardiovascular	N-America
Oxycodone	Roxicodone (Xanodyne)	CNS	N-America
Ramipril	Altace (Aventis)	Cardiovascular	T-party & WEMEA
Cravit® (levofloxacin)	Tavanic (Sanofi Aventis)	Anti-infective	CEEA
Nitrolong® (Pentaeritryl tetranitrate)	Pentaeritryl tetranitrate	Cardiovascular	WEMEA
Citalopram	Celexa (Lundbeck)	CNS	T-party & WEMEA
Paracetamol	Panadol (GSK)	Analgesic	WEMEA
Lovastatin	Mevacor (Merck)	Cardiovascular	N-America
Quinaretic® (Quinapril HCTZ)	Accuretic (Pfizer)	Cardiovascular	N-America

Top 10 products account for 23% of total revenue

*CNS: Central Nervous Systems

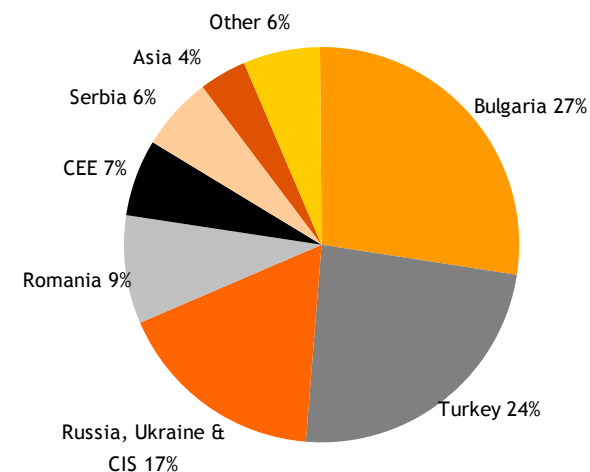
Central, Eastern Europe & Asia sales



Highlights 2Q

- Sales of EUR139.9 million in 2Q (2Q 2005:EUR81.2 million)
- Sales of EUR256.4 million in 1H (1H 2005: EUR152.4 million)
- Pro forma underlying growth of 13.5% in 2Q and 15.8% in 1H
- First time contribution from Sindan
- Most rapidly growing markets are Ukraine (80% growth), Central Europe (95%) and the Baltics (62%)
- 70 products launched into new markets (42 molecules) incl. Citalopram, Cetirizine, Risperidone, Tamsulosin and Sertraline

Sales by market EUR256.4 million in 1H 2006



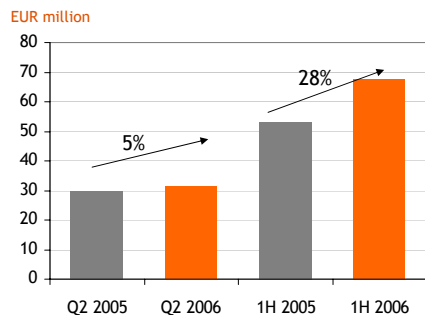
Revenues in Bulgaria include the distribution business of Higia, acquired in 2005, with revenues of EUR49 million in 1H

Key markets

2Q highlights

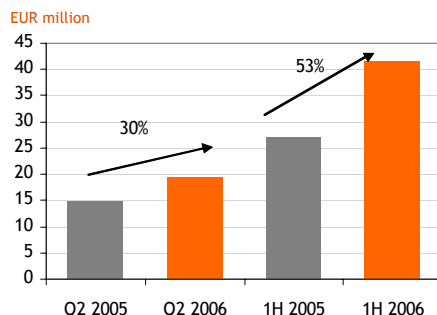
Turkey

- Sales grew by 4.6% to EUR31.4 million
- Good volume growth on most products
- Price increases offset negative exchange rate



Russia, Ukraine & CIS

- Strong growth of 30.4% up to EUR19.3 million
- Effective promotion of branded products
- Successful launch of new products



Key markets

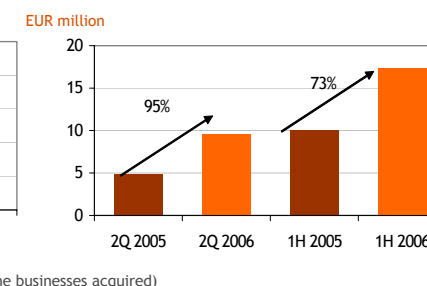
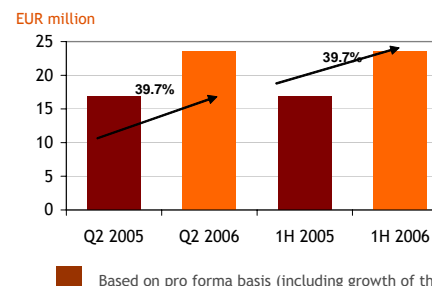
2Q highlights

Romania

- First time contribution from the oncology business of Sindan in 2Q
- Sindan reports 39.7% underlying growth over 2005 on pro-forma basis
- Growth driven by strong sales of Paclitaxel and Epirubicin

Central Europe

- Revenue increase of 95% from last year to EUR10.0 million in 2Q
- Growth driven by successful launches of new products
- Successful re-launch of Antabus in Czech Republic



■ Based on pro forma basis (including growth of the businesses acquired)

Western Europe, Middle East & Africa sales



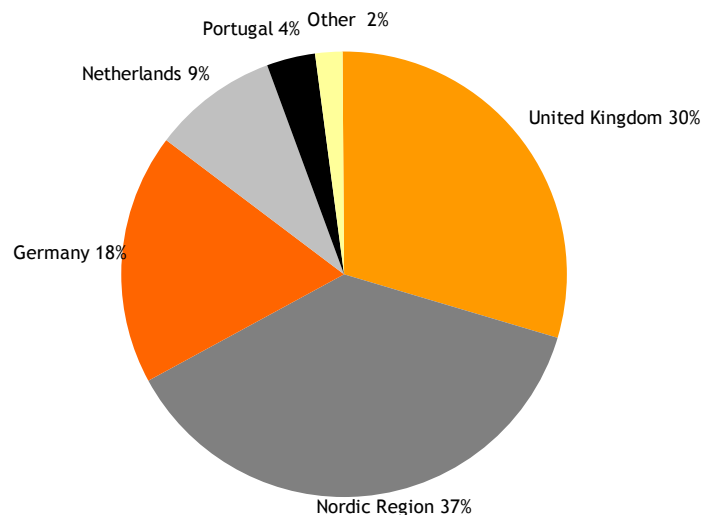
Highlights 2Q

- Sales of EUR70.3 million in 2Q (pro forma* sales of EUR77.9 in 2Q 2005)
- Sales of EUR142.2 million in 1H
- Negative underlying growth of (-9.7%) in 2Q and (-4.0%) in 1H
- Performance influenced by government induced price reductions in Germany and lower inventory levels by wholesalers in anticipation of new legislation changes
- 20 products launched into new markets (18 molecules) incl. Terbinafine, Amlodipine and Tamsulosin

* Pro forma sales include sales from the European business of Alpharma in addition to Actavis' sales in Denmark and Sweden

Sales by market

EUR142.2 million in 1H 2006



Key markets*

2Q highlights

UK

- Sales EUR21.7 million in 2Q
- Market shares maintained despite price erosion
- Actavis rank in market has moved from third to second place

Germany

- Sales EUR13.1 million in 2Q,
- Performance influenced by government induced price decreases and reduced stock levels on wholesale level

Nordic region

- Sales EUR26.7 million in 2Q,
- Growth contributed to 14 new product launches
- Market enjoying high growth rates in the OTC sector, specially in skin care

Third-party sales



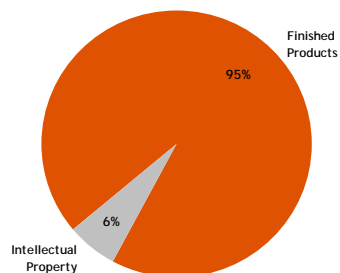
Highlights 2Q

- Sales of EUR33.0 million in 2Q (2Q 2005: EUR33.3 million)
- 2Q on par with 2005 and up 21.0% for 1H
- Performance in line with management expectations
- Highest contribution from products such as Ramipril, Citalopram and Ciprofloxacin
- Four new molecules/compounds launched in 2Q
- 13 product launches thereof six first to market in 2Q

Sales by segments and markets

EUR71.9 million in 1H

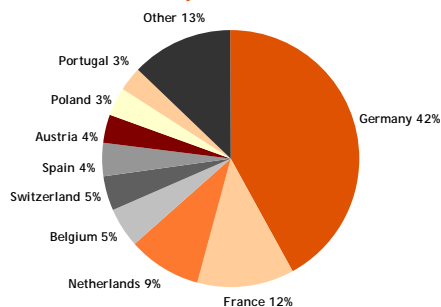
Sales by segments



Intellectual Property

- EUR4.8 million, down 23.7% from 1H 2005
- Revenue from 54 products

Sales by market



Finished products

- EUR67.1 million, up 24.7% from 2H 2005
- Revenue from 41 products

Key markets

2Q highlights

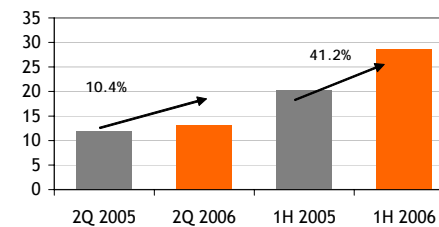
Germany

- Sales EUR13.1 million in 2Q
- New pharmaceutical legislation expected to have negative effect
- Price decreases partly compensated with volume increases

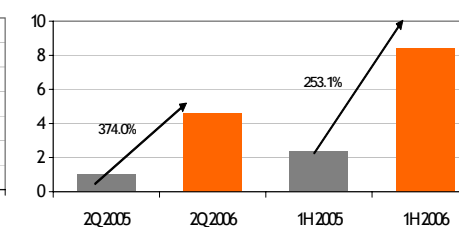
France

- Sales EUR4.6 million in 2Q, increase of 374% from 2Q 2005
- Main products from Ramipril, Paroxetin and Enalapril

EUR million



EUR million



North America sales



North America sales

EUR230.3 million in 1H

Highlights

- Strong performance with sales of EUR117.4 million in 2Q and EUR230.4 million in 1H
- Underlying growth on pro-forma basis 20.3% in 2Q and 17.1% in 1H
- Strong contribution from core products, incl. Gabapentin, Diltiazem, Quinaretic and Lovastatin
- Four new products launched in the quarter

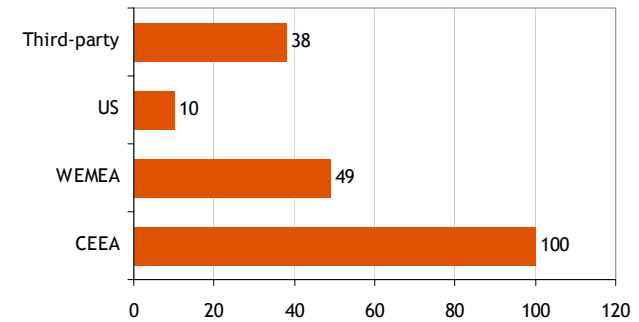


Sales exclude impact from Alphaarma acquisition

Research & development



Significant launch activity in 1H



A total of 197 product launches
 Thereof 34 launches where
 Actavis was first to market

A total of 92* different compounds
 /molecules
 54 from Actavis R&D
 41 from in-licensing

* Overlap of three products

For new products and launches of existing products on new markets
 Product is defined as molecule per pharmaceutical form, From own development and includes in-licensing and co-development
 ANDA: Abbreviated New Drug Applications



Path forward



Well positioned for future growth

Pipeline expansion

- 300 products (US and Europe) in development and registration - one of the strongest pipelines in the industry
- Aiming to file over 30 ANDA's in 2006 for the US market
- Further strengthen pipeline with OTC, oncology and new dosage forms

Cost efficiency

- Increased utilisation of current low cost manufacturing sites
- Low cost production in India and China
- Own development of API - backward integration

Financial

- Healthy balance sheet
- Strong financial control

Market reach

- Geographical strength in Europe and US - geographical diversity
- Build up a pan-European hospital marketing unit
- Target markets with growing generic penetration

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