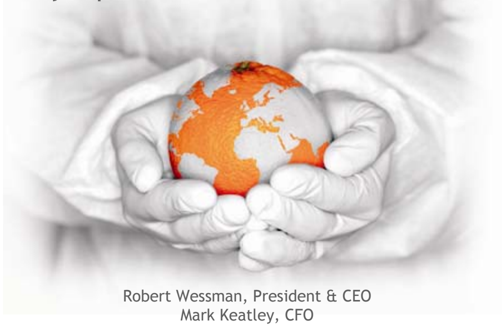
Third quarter financial results

Analyst presentation 10 November 2006



Robert Wessman, President & CEO
Mark Keatley, CFO
Sigurdur Oli Olafsson, President of North America sales

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

Robert Wessman
President & CEO

Mark Keatley
Executive CFO

Sigurdur O Olafsson
President of N-America Sales

Agenda

1. Third 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 and path forward
5. Q&A

Quarterly highlights

Thousands of Euro	Three Months ended 30 September 3Q 2006	3Q 2005	% change
Total revenue	323,806	160,938	101.2%
Total expenses	(277,261)	(124,385)	122.9%
EBITDA	65,702	48,302	36.0%
EBITDA/revenue	20.3%	30.0%	(9.7%)
Underlying net income	28,878	23,204	24.5%
Net Pliva effect (after tax)	(20,675)	-	N/A
Net income	8,203	23,204	(64.6%)
Underlying diluted earnings per share	0.00561	0.00679	(17.4%)
Diluted earnings per share	(0.00072)	0.00679	(110.6%)

- EBITDA margin and profits in line with management expectations
- Revenues in line with management expectation
  - Strong performance CEEA divisions
  - Sales as expected in North America
  - Continued pricing pressure in Germany, impacting sales in WEMEA and Third Party division
- 65 product and market launches in 3Q and 262 in 9M
- 20.8% stake in PLIVA divested on 20 October, EUR20.7 million net impact after tax

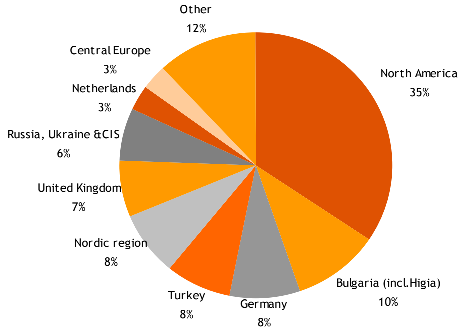
- Calculation of diluted EPS is in euros and takes full account of preferred shares and their dividend payments.

Distribution outsourced to UPS in the US

- The Central Distribution Centre in Baltimore (CDC) will be closed as of April 2007
  - **All US distribution outsourced to UPS Supply Chain Solutions**
- Customers will experience improved processing times and more rapid deliveries
  - **Impacts 80 employees**
  - **Delivering cost savings of approx EUR2 million on annual basis**

Well placed in key markets

EUR976.3 million in 9M

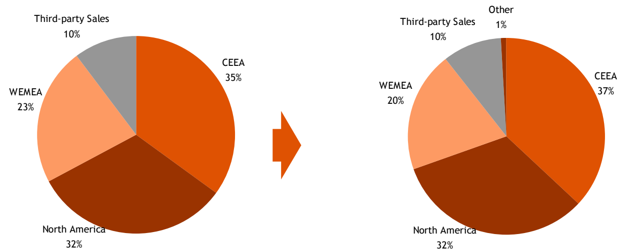


- Breakdown of sales includes sales and distribution of finished goods
- Revenues in Bulgaria include the distribution business of Higia, acquired in 2005

Financial highlights 9M

EUR1029.7million

9M 2005 Revenue by segments **9M 2006**



For the first nine months in 2005, pro forma comparison includes sales from acquired businesses
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
CEEA: Central Eastern Europe and Asia

Cooperation solution for independent pharmacies

Pharma EXPERT® - cooperation solution for independent pharmacies

Description

Pharma EXPERT®

- Actavis has developed a know-how for implementation of an effective and mutually beneficial strategic cooperation alliance between Actavis-Higia an the independent pharmacies in Bulgaria, which represent ca.60-70% of the pharmacy segment
- Pharmacies are offered a package of services, business tools and commercial incentives aimed to increase their competitiveness and improve the quality of the services offered to customers
- Pharmacies receive the whole package under the franchised brand Pharma EXPERT®
- 81 Pharmacies - launched - Sep 15

API development

New Set Up - India

- Actavis API Research Center in Bangalore
  - Will be fully operational in 4Q 2006
- Staff of 50 people
  - 30 organic chemists
  - 10 analytical chemists
  - 10 support and administration
- Analytical, QC and stability support from Lotus laboratories

Financial highlights

Financial highlights 3Q

	Three Months ended 30 September		
Thousands of Euro	**3Q 2006**	**3Q 2005**	**% change**
Total revenue................................	323,806	160,938	101.2%
Total expenses...............................	(277,261)	(124,385)	122.9%
EBITDA..	65,702	48,302	36.0%
EBITDA %.....................................	20.3%	30.0%	(9.7%)
Underlying net income......................	28,878	23,204	24.5%
Net Pliva effect (after tax)................	(20,675)		N/A
Net income	8,203	23,204	(64.6%)
Pro-forma underlying revenue growth ...	(3.4%)		N/A
Underlying diluted earnings per share....	0.00561	0.00679	(17.4%)
Diluted earnings per share.................	(0.00072)	0.00679	(110.6%)

- 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.
- Pro forma underlying growth, excludes one of impact of exclusivity of Gabapentin in the US
- Calculation of diluted EPS is in euros and takes full account of preferred shares and their dividend payments.

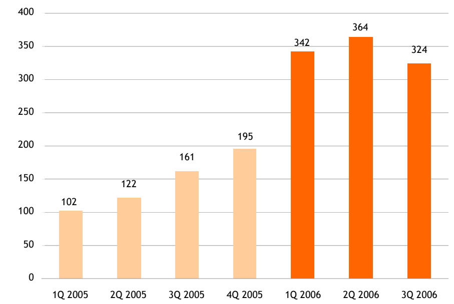
Financial highlights 9M

Thousands of Euro	9M 2006	9M 2005	% change
	Nine Months ended 30 September		
Total revenue................................	1,029,738	384,717	167.7%
Total expenses................................	(877,736)	(312,715)	180.7%
EBITDA..	217,586	96,312	125.9%
EBITDA %......................................	21.1%	25.0%	(3.9%)
Underlying net income......................	90,824	45,587	99.2%
Net Pliva effect (after tax).................	(20,675)		N/A
Net income	70,149	45,587	53.9%
Pro-forma underlying revenue growth ...	7.1%		N/A
Underlying diluted earnings per share....	0.01749	0.01464	19.5%
Diluted earnings per share..................	0.01123	0.01464	(23.2%)

- 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. Pro forma underlying
- Growth, excludes one of impact of exclusivity of Gabapentin in the US
- Calculation of diluted EPS is in euros and takes full account of preferred shares and their dividend payments.

Revenue by quarter

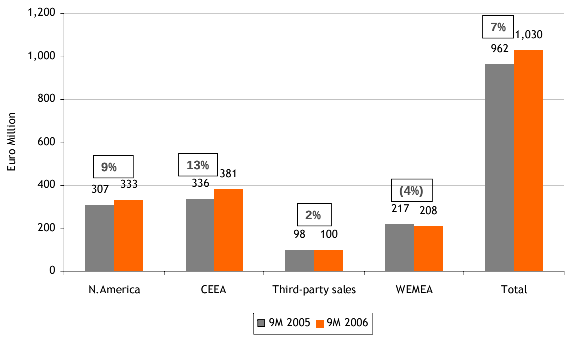
EUR million



3Q Pro-forma underlying growth (3.4%)

Underlying growth

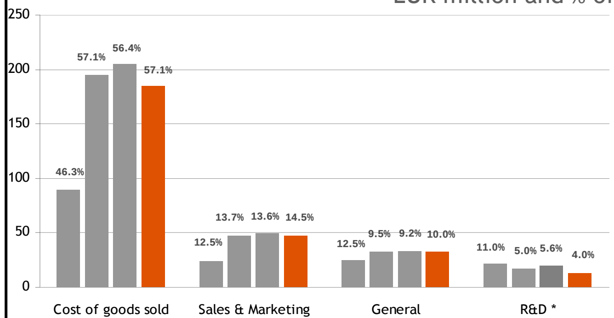
9M 2006



*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. Pro forma underlying growth, excludes one of impact of exclusivity of Gabapentin in the US

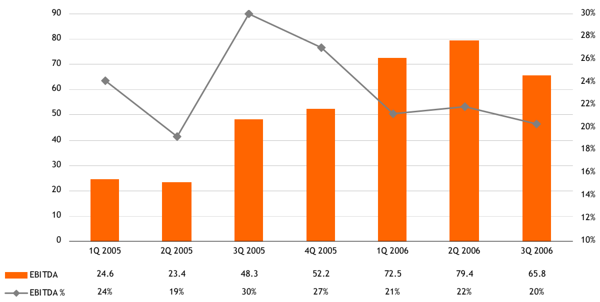
Cost ratio trend

EUR million and % of revenue



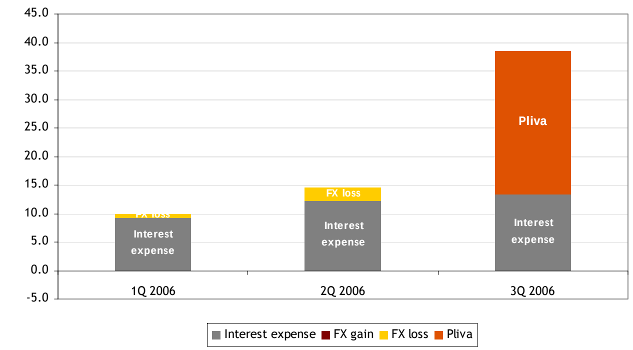
	Cost of goods sold	Sales & Marketing	General	R&D *	
Q4 2005	90.0	24.3	24.3	21.5	160.0
Q1 2006	195.4	47.0	32.4	17.1	291.8
Q2 2006	205.4	49.5	33.5	20.3	308.6
Q3 2006	185.0	46.8	32.4	13.0	277.3

EBITDA margin
EUR million



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

Financial expenses
EUR million



On 20 October Actavis announced that it had divested its 20.8% stake in PLIVA that it controlled through direct and indirect ownership and options. The capital gain realized from the sale was used to offset the majority of the advisory costs incurred from Actavis' attempted acquisition of PLIVA. The net negative impact on the Group's P&L is EUR20,7 million after tax in the third quarter.

Research and development
Euro million

Profit and loss charge

	1H 2006	3Q 2006	9M 2006
Total spending..	38.5	20.0	58.5
Capitalised..	(19.0)	(13.30)	(32.3)
Expensed..	19.5	6.7	26.2
Amortisation of internal intangibles................	3.2	2.1	5.3
Amortisation of purchased intangibles............	14.7	4.2	18.9
Total P&L...	37.4	13.0	50.4

CAPEX
Euro million

Sites	9M 2006 Actual
US..................................	22.0
Malta..............................	5.5
Iceland............................	12.9
Eastern Europe...................	17.5
India...............................	2.2
Other..............................	3.9
	64.0

Capital expenditure is expected to reach EUR90 million for full year

Sources of cash flow
Euro million

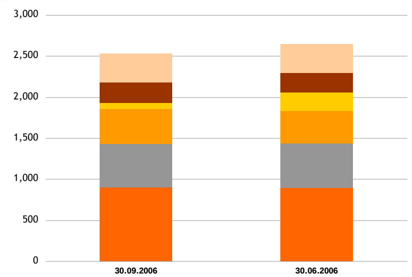
	1Q 2006	2Q 2006	3Q 2006	9M 2006
Profit for the period....................................	31.9	30.0	8.2	70.1
Depreciation and amortisation.....................	22.4	24.0	19.2	65.6
Other adjustments...................................	(2.2)	(14.1)	29.1	12.8
Working capital from operating activities.........	**52.1**	**39.9**	**56.5**	**148.5**
Changes in operating assets and liabilities..........				
Receivables	(38.2)	(30.4)	18.1	(50.5)
Inventories..	(9.1)	(6.2)	(6.4)	(21.7)
Payables..	(9.5)	30.9	(15.2)	6.2
Net change in operating assets and libilities......	**(56.8)**	**(5.7)**	**(3.5)**	**(66.0)**
Net Cash provided by operating activities.........	**(4.7)**	**34.2**	**53.0**	**82.5**

Uses of cash flow
Euro million

	1Q 2006	2Q 2006	3Q 2006	9M 2006
Net Cash provided by operating activities.........	**(4.7)**	**34.2**	**53.0**	**82.5**
Investment in property,plant and equipment	(20.2)	(20.3)	(23.6)	(64.1)
Increase in intangibles	(12.3)	(11.5)	(13.4)	(37.2)
Net free cash flow.....................................	**(37.2)**	**2.4**	**16.0**	**(18.8)**
Acquisitions...	(147.7)	5.8	(43.0)	(184.9)
Net cash used...	**(180.2)**	**(26.0)**	**(80.0)**	**(286.2)**
Changes in net debt....................................	212.9	(46.8)	16.3	182.4
Changes in capital stock...............................	14.4	(23.5)	0.0	(9.1)
Net financing...	**227.3**	**(70.3)**	**16.3**	**173.3**
Net change in cash and cash equivalents.........	**42.4**	**(62.1)**	**(10.7)**	**(30.4)**
Effects of foreign exchange adjustments...........	(1.5)	(1.6)	1.9	(1.2)
Cash and cash equivalents at beginning of period.	99.3	140.2	76.5	99.3
Cash and cash equivalents at end of period.......	**140.2**	**76.5**	**67.7**	**67.7**

Balance sheet
Assets

EUR million

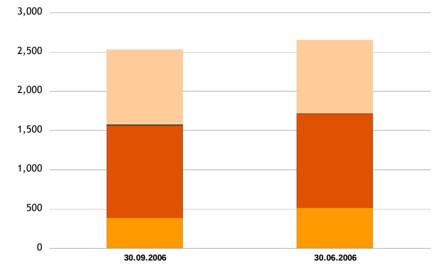


	30.09.2006	30.06.2006
Receivables	350.2	352.1
Inventories	250.2	237.7
Other Current assets	70.1	229.4
Other Fixed assets	421.9	399.5
Other Intangibles	536.0	539.2
Goodwill	903.0	894.1
TOTAL ASSETS	**2,531.4**	**2,652.0**

Balance sheet
Equity & liabilities

Net Debt = €1,066m
Net Debt : Equity = 53:47
Net Debt : EBITDA (12 month rolling) = 3.7 x

EUR million



	30.09.2006	30.06.2006
Stockholders' equity	949.8	926.4
Minority interest	11.6	10.9
Non-current liabilites	1,189.4	1,199.4
Current liabilites	380.6	515.3
Total Shareholder's Equity	**2,531.4**	**2,652.0**

Financial guidance

- Management expecting to meet EUR1,39 billion in revenues for full year
- EBITDA margin expected to be in the range of 20-21% for full year, according to current guidance
- Fourth quarter:
  - Continued strong growth expected in N-America and CEEA division
  - Continued market pressure in Germany impacting WEMA and Third-party division in 4Q

Sales performance

Divisional overview

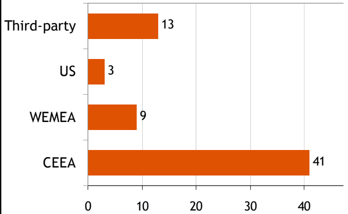
- Sales & marketing, international (Own-label)
  - Own-label products either developed by Actavis or in-licensed from other companies
  - Key markets include Turkey, Bulgaria, Russia, Serbia and Scandinavia
  - Acquisition of Alpharma included as of 19 December
- Sales & marketing, Third-party global
  - Sales of products developed by Actavis to third parties
  - Key markets include Germany, Austria, the Netherlands, Spain and France
- North America division
  - Presence established in the market following acquisitions of Amide Pharmaceuticals and the Human Generics Business of Alpharma in 2005
  - Sales of Own-label products

Highest selling products in 3Q & 9M

€ million

Product name	Originator (Company)	Therapeutic group	Divison	Sales in 3Q	Sales in 9M 2006
Gabapentin	Neurontin (Pfizer)	CNS	N-America	12.0	39.5
Diltiazem	Cardizem (Biovail)	Cardiovascular	N-America	8.5	35.6
Oxycodone	Roxicodone (Xanodyne)	CNS	N-America	6.8	30.7
Ramipril	Altace (Aventis)	Cardiovascular	T-party & WEMEA	7.5	18.2
Cravit® (levofloxacin)	Tavanic (Sanofi Aventis)	Anti-infective	CEEA	6.5	17.5
Pentalong®	Pentaeritrityl tetranitrate	Cardiovascular	WEMEA	5.6	15.3
Lovastatin	Mevacor (Merck)	Cardiovascular	N-America	5.0	15.1
Citalopram	Celexa (Lundbeck)	CNS	T-party & WEMEA	5.0	14.4
Troxevasin®	Troxevasin (Balkanpharma)	Cardiovascular	CEEA	4.7	12.6
Quinaretic	Accuretic (Pfizer)	Cardiovascular	N-America	4.2	12.4
Top 10 as a percentage of total revenue for 9M					**23.2%**

Significant launch activity in 9M



Launches in 3Q

A total of 65 product launches

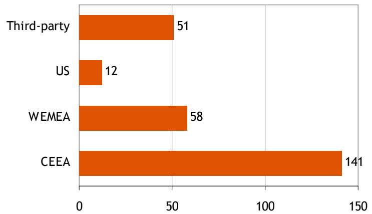
Thereof 10 launches where Actavis was first to market

A total of 49* different compounds /molecules

28 from Actavis R&D

21 from in-licensing

* Overlap of four products



Launches in first 9M

A total of 262 product launches

Thereof 44 launches where Actavis was first to market

A total of 120* different compounds /molecules

69 from Actavis R&D

58 from in-licensing

* Overlap of seven 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-licencing and co-development
ANDA: Abbreviated New Drug Applications

Development status

	EU	US	ROW	Total
Development projects	156	137	18	281
Molecules/products	87	126	10	223
Ongoing registrations	14	35		49

Early Development	Full Development	Biostudy / Stability	Registration
133	101	47	49

Total pipeline: 330 projects

Total number of products to new markets YTD 262

Central, Eastern Europe & Asia sales

Highlights 3Q

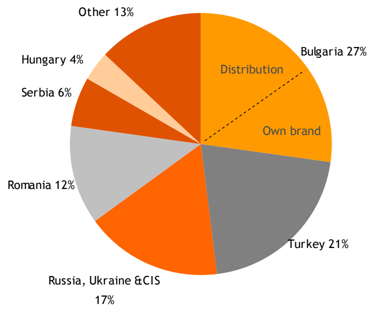
EUR million

	1Q 2006	2Q 2006	3Q 2006	3Q 2005	Var.
Sales	116.5	139.9	125.0	117.2	7.8
% of Group revenues	34.1%	38.4%	38.6%	35.0%	3.7%
Underlying growth	18.7%	13.5%	6.3		

- Strong performance of Romania, Russia, Ukraine and the CIS
- Sales in Turkey and Bulgaria under expectations
- 2006: CEEA – 41 products launched to new markets in 3Q thereof nine where the division was first to market
- Key launches include:
  - Gabapentin, Lamotrigin, Paroxetine and Rhemacox
- Solid platform for growth has been established for growth in Central Europe

Sales by market

EUR380.9 million in 9M 2006



•Revenues in Bulgaria include the distribution business of Higia, acquired in 2005.

Key markets

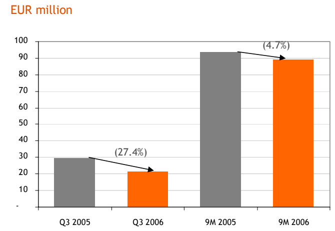
3Q highlights

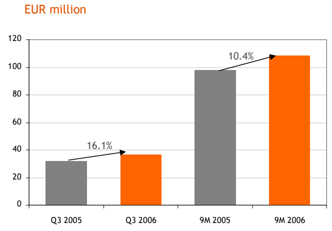
Turkey – 17% of divisional sales

- Sales down by 27.4% to EUR21.6 million
- Increased pricing pressure and unfavorable exchange rates
- Four new products launch during 3Q

Bulgaria 29% of the divisional sales

- Total sales of EUR36.6 million
- €12.6 million from finished products
- €24.0 from distribution (Higia)





Key markets

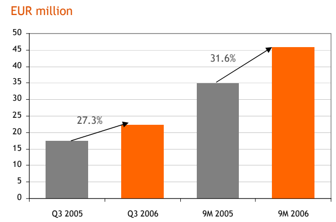
3Q highlights

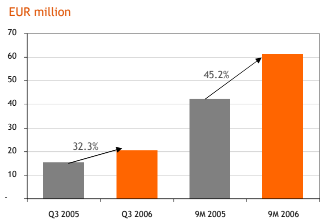
Romania 19% of divisional sales

- Strong growth EUR22.2 million
- Growth driven by Sindan
- Three new products launched

Russia, Ukraine & CIS 17% of divisional sales

- Strong growth of 32.3% to EUR20.8 million
- Effective promotion of older branded products and introduction of numerous new products in the region





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

North America sales

North America sales

EUR333.2 million in 9M

	1Q 2006	2Q 2006	3Q 2006	3Q 2005	Var.
Sales	113.0	117.4	102.8	109.3	(6.6)
% of Group revenues	33.1%	32.3%	31.7%	32.6%	(0.9%)
Underlying growth	14.0%	20.3%	(6.0%)		

Highlights

- Strong performance with sales of EUR103 million in 3Q and EUR333 million in 9M
- Underlying growth on pro-forma basis -6% in 3Q and 9% in 9M
- Strong contribution from core products, incl. Diltiazem, Gabapentin, Quinapril HCT and Lovastatin

Western Europe, Middle East & Africa sales

Highlights 3Q

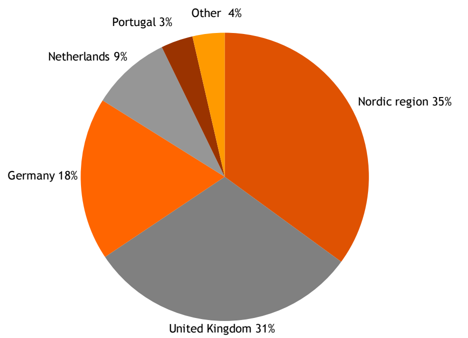
	1Q 2006	2Q 2006	3Q 2006	3Q 2005	Var.
Sales	71.9	70.3	65.5	68.5	(2.9)
% of Group revenues	21.0%	19.3%	20.2%	20.4%	(0.2%)
Underlying growth	2.4%	(9.7%)	(4.3%)		

- Negative underlying growth of (4%) in 3Q and (4%) for 9M
- Performance influenced by government price capping in Germany and general price erosion above expectations in UK & Nordic
- Nine new products launched including Epirubicin in UK, Sumatriptan in the Netherlands and Fosinopril in the Netherlands.

Pro forma sales include sales from the European business of Alpharma in addition to Actavis' sales prior to the combination of the businesses in the end of December 2005 in Denmark and Sweden

Sales by market

EUR207.7 million in 9M 2006



Revenue split is based on sales of finished products

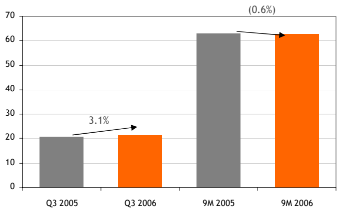
Key markets

3Q highlights

United Kingdom 33% of divisional sales

- Increase of 3.1% to EUR21.5 million
- Second largest generic company in the market

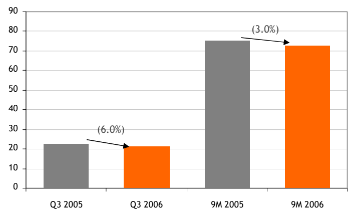
EUR million



Nordic region 32% of divisional sales

- Decrease by 6% to EUR21.3 million
- Price erosion on key products

EUR million



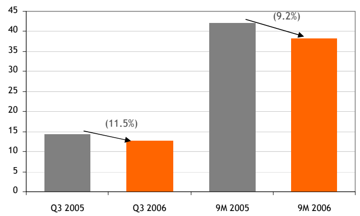
Key markets

3Q highlights

Germany 19% of divisional sales

- Decline of 11.5% to EUR 12.7 million
- Negative effect from recent pharmaceutical legislation

EUR million



Third-party sales

Highlights 3Q

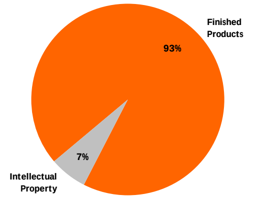
	1Q 2006	2Q 2006	3Q 2006	3Q 2005	Var.
Sales	38.9	33.0	28.6	42.6	(14.0)
% of Group revenues	11.4%	9.1%	8.8%	12.7%	(3.9%)
Underlying growth	48.6%	(0.7%)	(32.9%)		

- 3Q considerably lower than 2005 but up 2.4% for 9M
- Performance in line with management expectations
- Highest contribution from Ramipril, Citalopram and Ciprofloxacin
- Germany, Netherlands and France biggest markets
- Continued price pressure in Germany
- Two new products launched in 3Q, Losartan and Venlafaxin Retard, both in Portugal

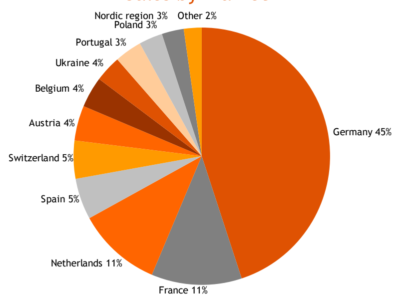
Sales by segments and markets

EUR100.5 million in 9M

Sales by segments



Sales by market



Intellectual Property

- EUR6.4 million, down 37% from 9M 2005
- Revenue from 68 products

Finished products

- EUR92.7 million, up 4% from 9M 2005
- Revenue from 46 products

Key markets

3Q highlights

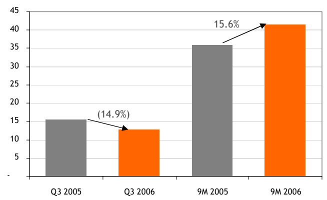
Germany

- Sales EUR12.8 million in 3Q
- New pharmaceutical legislation has caused an overall price decrease of 20%
- Ramipril prices gone down by 52% since 1 May 2006
- Price decreases partly compensated with increased volume

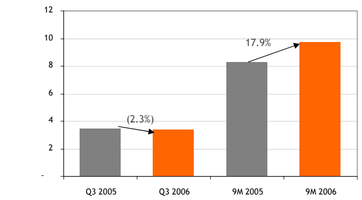
Netherlands

- Sales EUR3.4 million in 3Q, increase of 17.9% from 9M 2005
- Price competition remains fierce
- Main products Citalopram, Fosinopril and Ciprofloxacin

EUR million



EUR million



Our view on the industry and future growth

Our view on the industry

- Continued consolidation
  - Industry controlled by 5-7 global generic players
- US market trend towards commodity market
  - Low profitability from block busters
  - Fewer areas of niches going forward
- West European trend towards commodity market
  - Low profitability
  - Wholesalers gaining strength
- Key growth drivers for CEE markets
  - Product branding important for the coming years
  - Trend towards commodity markets in the long term
  - Further consolidation on retail and distribution level

Key to success in the competitive marketplace..

..is to have...

- Strong pipeline
- Well diverse product portfolio, covering all key therapeutic areas
- Low cost production and infrastructure
- Strong alliances with the wholesalers-retailers
- At least top 5 position in all key markets

Defined and focused M&A strategy

Achieve critical mass	• Build top-5 position in all key markets • Balanced presence across major markets (US, Western Europe, Eastern Europe)
Extend our geographical reach	• Maximize leverage on broad product portfolio and R&D efforts • Strengthen our position in current markets and enter into South Europe and Asia
Enter attractive market segments	• High-value products, e.g. oncology • Sindan acquisition—basis for global oncology franchise
Backward integration to secure lower-cost manufacturing	• Reduce production cost with own API development • Improve strategic control

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Thank you