

Fourth quarter financial results

Analyst presentation 1 March 2007



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Forward looking statement

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Today's speakers



Robert Wessman
President & CEO



Mark Keatley
Executive CFO



Sigurdur O Olafsson
Deputy CEO

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Agenda

1. Fourth 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



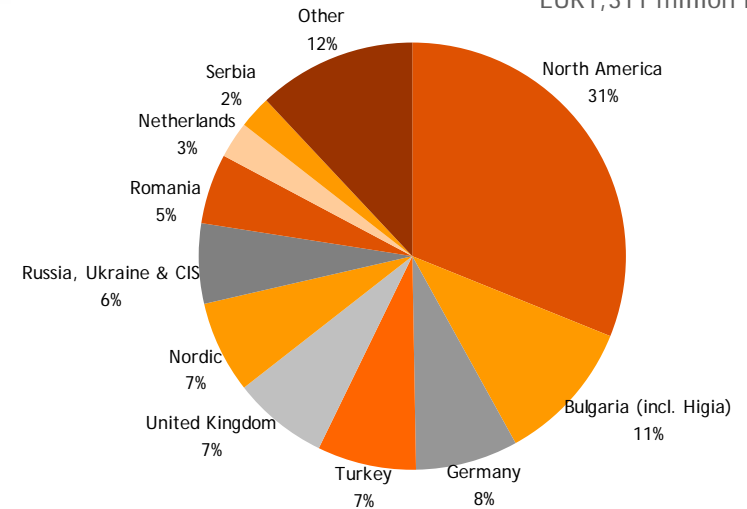
Another strong year for Actavis

Thousands of Euro	Twelve Months ended 31 December		
	12M 2006	12M 2005	% change
Total revenue.....	1,379,921	579,264	138.2%
EBITDA.....	287,134	148,471	93.4%
EBITDA %.....	20.8%	25.6%	(4.8%)
Underlying net income.....	148,819	86,679	71.7%
Net income after PPA & Pliva effect.....	102,689	81,003	26.8%
Pro-forma underlying revenue growth.....	9.4%		
Underlying diluted earnings per share.....	0.03190	0.02734	16.7%

- Underlying net income has been calculated prior to the impact of costs related to the Pliva transaction and to the amortisation of purchased intangibles
- 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.
- Calculation of diluted EPS is in euros and takes full account of preferred shares and their dividend payments.

Well placed in key markets

EUR1,311 million in 12M

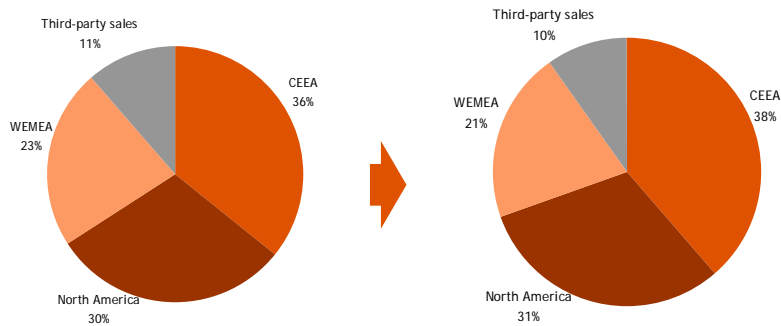


- Breakdown of sales includes sales and distribution of finished goods
- Revenues in Bulgaria include the distribution business of Higia, acquired in 2005

Financial highlights 12M

EUR1,380 million

12M 2005 Revenue by segments 12M 2006



For 2005, pro forma comparison includes sales from acquired businesses
Segment split is based on total revenues

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

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

Major achievements 2006



Sindan Romania ZIO Zdorovje Russia Abrika USA Grandix India

- Four strategic acquisitions
- 376 product launches, 38 ANDA filings in US
- Investment of EUR70 million in expansion and upgrades of factories in USA Bulgaria, Iceland and Malta
- Divestment of manufacturing plant in Lier in Norway
- Distribution outsourced in the US
- Baltimore facility to be closed in 2008, delivering strong synergies
- PharmaExpert in Bulgaria - forward integration
- Foundation for full backward integration in India
- Significant synergies achieved through Alpharma integration

FDA grants 180 day exclusivity

Ranitidine syrup for the US market

- Approval received from FDA - first-to-file status
- Annual brand sales of US\$121 million (IMS Health data, end of 2006)
- Expected to be among key products in the US market



AOK contract

Germany's largest health insurance provider

- 16 Actavis products selected by AOK
- Represents about one-third of all health insurance policy holders in Germany, 25 million people
- Actavis granted highest number of products



Financial highlights



Financial highlights 12M

Thousands of Euro	Twelve Months ended 31 December		
	12M 2006	12M 2005	% change
Total revenue.....	1,379,921	579,264	138.2%
Total operating expenses.....	1,182,337	472,751	(150.1%)
EBITDA.....	287,134	148,471	93.4%
EBITDA %.....	20.8%	25.6%	(4.8%)
Underlying net income.....	148,819	86,679	71.7%
PPA adjustments.....	23,706	5,676	(317.7%)
Net income after PPA.....	125,113	81,003	54.5%
Net Pliva effect (after tax).....	22,424		
Net income after PPA & Pliva effect.....	102,689	81,003	26.8%
Underlying diluted earnings per share.....	0.03190	0.02734	16.7%
Reported diluted earnings per share.....	0.01804	0.02548	(29.2%)

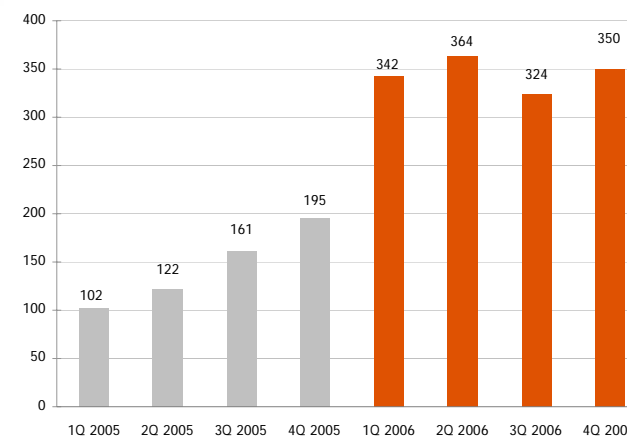
- Underlying net income has been calculated prior to the impact of costs related to the Pliva transaction and to the amortisation of purchased intangibles
- Calculation of diluted EPS is in euros and takes full account of preferred shares and their dividend payments.

Financial highlights 4Q

Thousands of Euro	Three Months ended 31 December		
	4Q 2006	4Q 2005	% change
Total revenue.....	350,183	194,547	80.0%
Total operating expenses.....	304,601	160,037	(90.3%)
EBITDA.....	69,548	52,156	33.3%
EBITDA/revenue.....	19.9%	26.8%	(6.9%)
Underlying net income.....	38,827	38,254	1.5%
PPA adjustments.....	6,287	2,838	(121.5%)
Net income.....	32,540	35,416	(8.1%)
Underlying diluted earnings per share.....	0.00892	0.01121	(20.4%)
Diluted earnings per share.....	0.00700	0.01036	(32.5%)

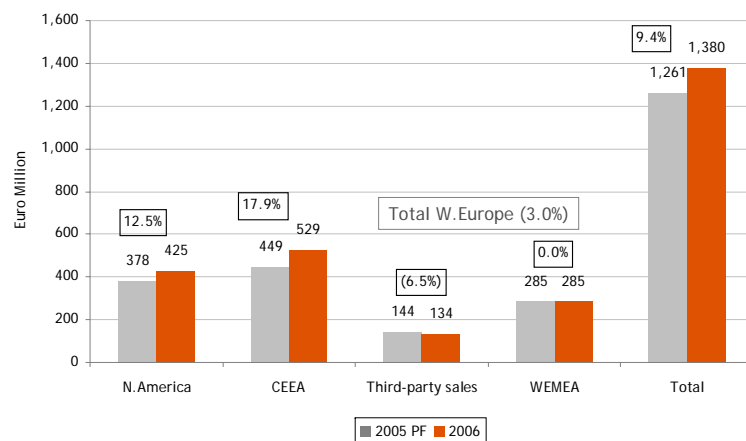
- Underlying net income has been calculated prior to the impact of costs related to the Pliva transaction and to the amortisation of purchased intangibles
- Calculation of diluted EPS is in euros and takes full account of preferred shares and their dividend payments.

Revenue by quarter EUR million



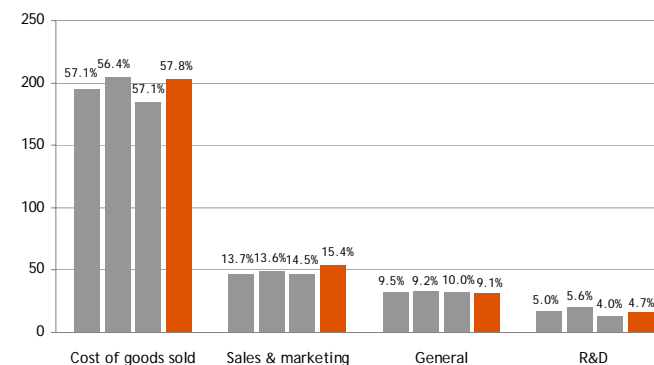
4Q pro-forma underlying growth 17.1%

Underlying growth 12M 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-off impact of exclusivity of Gabapentin in the US

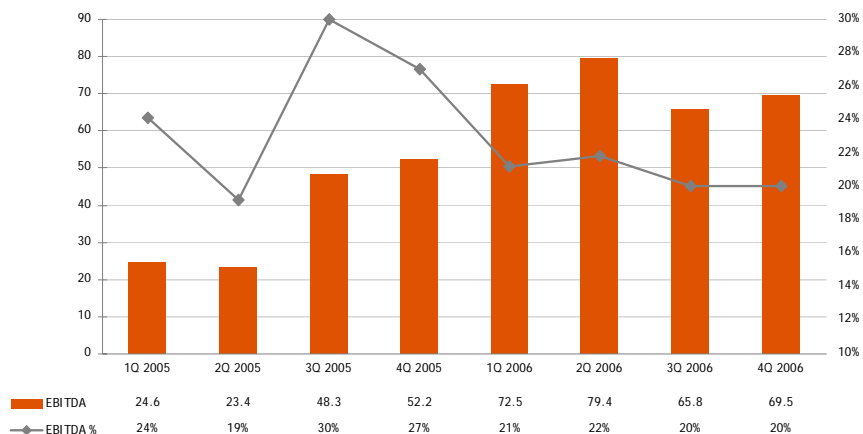
Cost ratio trend EUR million and % of revenue



Quarter	Cost of goods sold (EUR million)	Sales & marketing (EUR million)	General (EUR million)	R&D (EUR million)	Total (EUR million)
1Q 2006	195.4	47.0	32.4	17.1	291.8
2Q 2006	205.4	49.5	33.5	20.3	308.6
3Q 2006	185.0	46.8	32.4	13.0	277.3
4Q 2006	202.5	54.0	31.7	16.4	304.6

EBITDA margin

EUR million



In 1Q 2006 the Human Generics Business of Alpharma was integrated into Group accounts with lower EBITDA margin. Excluding distribution in Bulgaria, the EBITDA margin was 21.7% for the quarter and 22.3% for the year.

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Effective tax rate

EUR million

	2006	2005
Profit before tax.....	127.3	91.5
Tax charge.....	(24.6)	(10.5)
Profit after tax.....	102.7	81.0
Effective tax rate.....	19%	11%

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Research and development

Euro million

Profit and loss charge

	FY 2006
Total spending.....	90.7
Capitalised.....	(50.1)
Expensed.....	40.6
Amortisation of internal intangibles.....	7.7
Amortisation of purchased intangibles.....	18.5
Total P&L.....	66.8

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CAPEX

Euro million

	FY 2006 Actual
US.....	29.0
Malta.....	7.5
Iceland.....	18.5
Eastern Europe.....	32.2
India.....	4.1
Other.....	5.5
	<u>96.8</u>

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Sources of cash flow

Euro million

	12M 2006
Profit for the period.....	102.7
Depreciation and amortisation.....	89.6
Other adjustments.....	11.9
Working capital from operating activities.....	204.1
Changes in operating assets and liabilities.....	
Receivables.....	(6.4)
Inventories.....	(52.0)
Payables.....	16.2
Net change in operating assets and liabilities.....	(42.2)
Net Cash provided by operating activities.....	161.9

Year end trade receivables < 60 days
Inventory turns 3 x

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Uses of cash flow

Euro million

	12M 2006
Net Cash provided by operating activities.....	161.9
Investment in property, plant and equipment	(96.8)
Proceeds from sale of fixed assets	17.0
Net Increase in intangibles	(64.6)
Net free cash flow.....	17.5
Acquisitions.....	(187.0)
Net cash used.....	(331.4)
Changes in net debt.....	249.9
Changes in capital stock.....	(98.5)
Net financing.....	151.4
Net change in cash and cash equivalents.....	(18.0)
Effects of foreign exchange adjustments.....	(3.0)
Cash and cash equivalents at beginning of period.....	99.3
Cash and cash equivalents at end of period.....	78.3

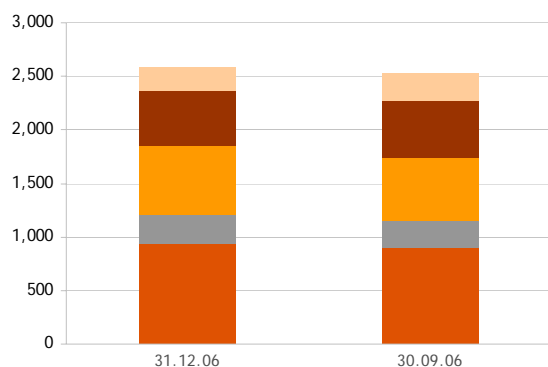
EUR95 m treasury stock purchased in 4Q

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Balance sheet

Assets

EUR million



Trade receivables	224.2	255.5
Other intangibles	504.2	535.6
Other fixed assets	467.3	422.8
Other current assets	169.8	164.8
Inventories	277.9	250.2
Goodwill	936.1	902.6
Total Assets	2,579.4	2,531.4

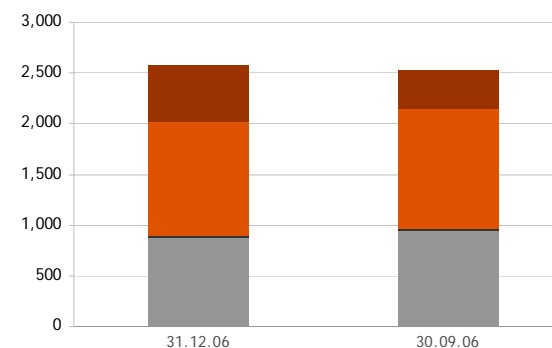
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Balance sheet

Equity & liabilities

EUR million

Net Debt = EUR1,151m
Net Debt : EBITDA (12 month rolling) = 3.96 x



Current liabilities	564.6	380.6
Non-current liabilities	1,125.1	1,189.4
Minority interest	9.5	11.6
Stockholders' equity	880.2	949.8
Total shareholder equity	2,579.4	2,531.4

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Financial guidance



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- **EUR1.6 billion** in revenues
 - Underlying growth of 13%
 - Double digit growth in CEEA, Third-party and WEMEA
- **EBITDA margin** of 21-22%
- Over 500 product and market launches
- **40-45 ANDA filings** in 2007 for the US market
- Revenue and EBITDA higher in second half than in first half
 - Active launch schedule and marketing campaigns in first half
 - Growing contribution from Abrika and Zio Zdorovje



Financial targets 2007-2009

- Over **EUR1.9 billion** in revenues by end of 2009
- Improving COGS by **3% points** from 2006 to 2009
- EBITDA margin growing from 20.8% in 2006 to **25%** by end of 2009
- **20%+** annual growth in diluted EPS in 2007-2009
- Gaining **top 5 position** in key markets by end of 2009



Sales performance



Divisional overview

- **Sales & marketing, Central & Eastern Europe and Asia (CEEA)**
 - Own-label products either developed by Actavis or in-licensed from other companies
 - Key markets include Turkey, Bulgaria, Romania and Russia
- **Sales & marketing, Western Europe, Middle East and Africa (WEMEA)**
 - Own-label products either developed by Actavis or in-licensed from other companies
 - Key markets include UK, Germany, Holland, the Nordic countries and Portugal
- **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

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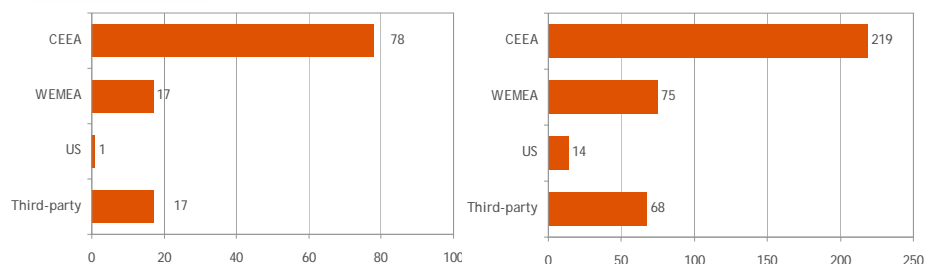
Highest selling products in 4Q & 12M

EUR million

Product name	Originator(Company)	Therapeutic group	Division	Sales in 4Q	Sales in 12M 2006
Gabapentin	Neurontin (Pfizer)	CNS	N-America	7.7	47.3
Diltiazem	Cardizem (Biovail)	Cardiovascular	N-America	6.7	41.8
Oxycodone	Roxicodone (Xanodyne)	CNS	N-America	7.4	38.2
Ramipril	Altace (Aventis)	Cardiovascular	T-Party & WEMEA	5.8	23.9
Cravit® (levofloxacin)	Tavanic (Sanofi Aventis)	Anti-infective	CEEA	2.5	20.1
Pentalong®	Pentaeritryl tetranitrate	Cardiovascular	WEMEA	6.1	21.4
Lovastatin	Mevacor (Merck)	Cardiovascular	N-America	4.8	19.8
Citalopram	Celexa (Lundbeck)	CNS	T-Party & WEMEA	4.7	19.1
Troxevasin®	Troxevasin (Balkanpharma)	Cardiovascular	CEEA	3.4	16.0
Quinaretic	Accuretic (Pfizer)	Cardiovascular	N-America	4.6	17.0
Top 10 as a percentage of total product revenue for 12M					20.2%

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Significant launch activity in 2006



Product and market launches in 4Q

A total of 113 launches

Thereof four where Actavis was first to market

Product and market launches 2006

A total of 376 launches

Thereof 54 launches where Actavis was first to market

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Dynamic pipeline

End of 2006

	EU	US	ROW	Total
Development projects	121	134	19	274
Molecules	76	103	7	186
Ongoing registrations	26	55		81



Total pipeline: 355 projects

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North America sales



North America sales

EUR425.2 million in 12M

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	4Q 2005	Var.
Sales	113.0	117.4	102.8	92.0	425.2	71.4	20.6
% of Group revenues	33.1%	32.3%	31.7%	26.3%	30.8%	23.9%	2.4%
Underlying growth	14.0%	20.3%	(6.0%)	28.9%	12.5%		

Highlights:

- Underlying growth of 28.9% for 4Q and 12.5% for 12M
- In line with management expectations in spite of negative effect due to unfavorable exchange rate
- Strong contribution from Carbidopa/Levodopa, Lovastatin and Glipizide ER
- 15 ANDA submissions in 4Q
 - Total 38 ANDA submission and 14 new product launches 2006



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US overview

- **Acquisition of Abrika Pharmaceuticals**
 - Strong track record of developing and marketing controlled release products
 - Engaged in the formulation and commercialization of both controlled release ("CR") and other technically difficult pharmaceutical products.
- **Glipizide ER acquired from Andrx Pharmaceuticals**
 - Controlled release formulation of Glucotrol XL® (Pfizer)
- **Launch of Sertraline and Alprazolam ER in 1Q 2007**
 - Two new product launches in February
- **Ranitidine syrup - 180 days exclusivity**
 - Annual brand sales of US\$121 million

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Central, Eastern Europe & Asia sales



Highlights 4Q

EUR million

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	4Q 2005	Var.
Sales	116.5	139.9	124.5	148.6	529.5	113.2	35.4
% of Group revenues	34.1%	38.4%	38.5%	42.4%	38.4%	37.8%	4.6%
Underlying growth	18.7%	13.5%	6.3%	31.3%	17.9%		

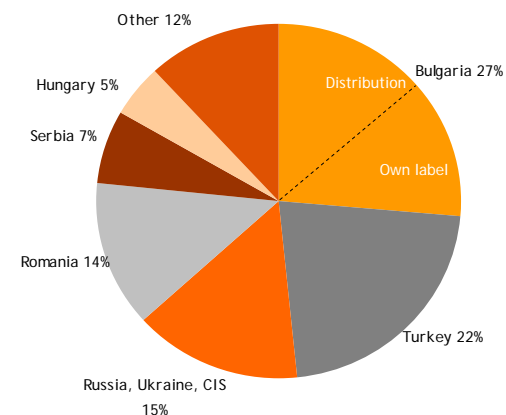
Highlights:

- Underlying growth of 31.3% for 4Q and 17.9% for 12M
 - Growth of over 30% in Central Europe, Ukraine and Russia for 12M
- Successful integration of Sindan
- 78 new product and market launches in 4Q
 - Total 219 products and market launches 2006

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Sales by market

EUR529.5 million in 12M 2006



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

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West Europe, Middle East and Africa



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Highlights 4Q

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	4Q 2005	Var.
Sales	71.9	70.3	65.5	76.9	284.6	68.0	8.9
% of Group revenues	21.0%	19.3%	20.2%	22.0%	20.6%	22.7%	(0.8%)
Underlying growth	2.4%	(9.7%)	(4.3%)	13.1%	0.0%		

Highlights:

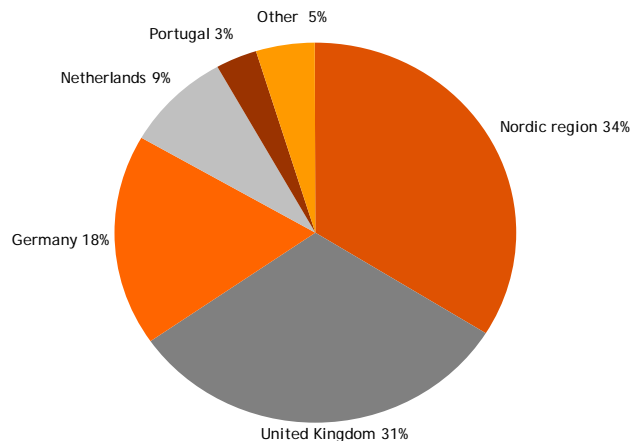
- 4Q the strongest quarter of the year
 - Underlying growth of 13.1% for 4Q and flat over 12M
- Integration and re-branding of Alphanorma into Actavis
- Price erosion in Germany and UK
- 17 new product and market launches in 4Q
 - Total 75 product and market launches 2006

Pro forma sales include sales from the European business of Alphanorma in addition to Actavis' sales prior to the combination of the businesses in the end of December 2005 in Scandinavia

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Sales by market

EUR284.6 million in 12M 2006



Revenue split is based on sales of finished products

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Third party sales



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Highlights 4Q

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	4Q 2005	Var.
Sales	38.9	33.0	28.6	33.8	134.3	45.5	(11.6)
% of Group revenues	11.4%	9.1%	8.8%	9.7%	9.7%	15.2%	(5.5%)
Underlying growth	48.6%	(0.7%)	(32.9%)	(25.5%)	(6.5%)		

Highlights:

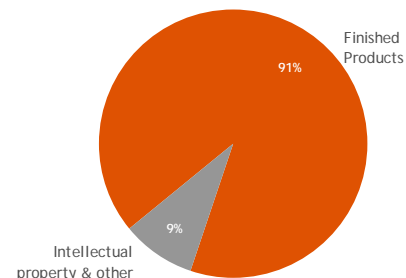
- Revenue down from 2005, due to key customers being acquired by Actavis and severe price erosion in Germany
- 3 new product and market launches in 4Q
 - Total of 17 product launches 2006, thereof 8 new product launches, the most important being Losartan, Granisetron and Finasteride
- Biggest growth seen in France and Portugal

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Sales by segments and markets

EUR134.3 million in 12M

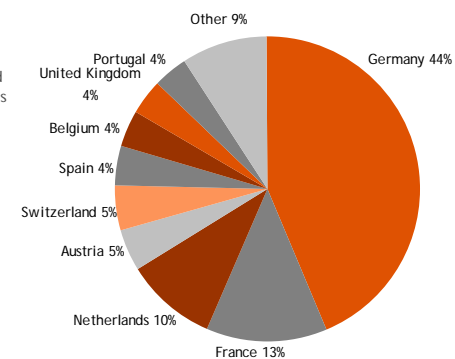
Sales by segments



Intellectual property & other

- IP EUR8.2 million, down 23% from 2006
- Revenue from 80 products
- Other EUR3.6 million

Sales by market



Finished products

- EUR122.5 million, down 3% from 2006
- Revenue from 53 products

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Thank you

