



## Realising our vision

Becoming a global leader  
in generic pharmaceuticals



Corporate presentation March 2007



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## Our vision

Our vision is to be a leading company in the development, manufacture and sales of first-class generic pharmaceuticals in the international market



## A remarkable growth story

### Actavis in 1999

- 146 employees
- Present in 1 country
- EUR57 million in sales

### Actavis today

- About 11,000 employees
- Present in 32 countries
- EUR1.4 billion in sales
- 650 products on the market
- 330 projects in pipeline
- 24 billion tablets/capsules capacity and strong access to low-cost manufacturing





## A global business in just seven years



- Actavis is an international generic pharmaceutical company - established in 1956
- Focused solely on Icelandic market pre-1999
- Clear strategy
  - Solid organic growth
  - Focused acquisition strategy - over 20 acquisitions



## Major acquisitions milestones

	1999 Balkanpharma Bulgaria		2002 Zdravlje Serbia		2005 Lotus Labs India		2006 Sindan Romania
	2001 Pharmamed Malta		2002 UNP Denmark		2005 Amide USA		2006 ZIO Zdorovje Russia
	2002 Pharmaco & Delta merger		2004 Fako Turkey		2005 Higia Bulgaria		2006 Abrika USA
	2002 Omega Farma Iceland		2004 Biovena Poland		2005 Alphaarma		2006/7 Grandix & Sanmar India



## Our track record

Over 20 acquisitions in 7 years  
12 acquisitions last 18 months  
11.000 employees integrated since 1999

- Profitability enhanced
- Sales increased - pipeline enhanced
- Cost reduced
- Organisations right sized
- Customer and employee retention high
- Integration plans on track
- Flexibility and motivation to adjust to surprises



## Major achievements 2006

More than doubled revenue and profits, stock price rose 28.5%



Record number of product launches

- ✓ 376 launches
- ✓ Submitted a total of 669 MAs, 38 ANDAs and in licensed 34 products

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## Major achievements 2006 - cont.

Four acquisitions:  
 ✓ Sindan, Grandix, Abrika, 51% in Zio Zdorovje

Forward integration  
 ✓ Higia, 159 Pharmacies

Strengthened platform in India  
 ✓ Own API development, own CRO, partnership agreements



Successful integration of acquired companies  
**EUR40 million in synergies**

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## Major achievements 2006 - cont.

The Group received a total of **14 awards** in different countries and different categories.



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## Analyst comments on Actavis

**Merrill Lynch**

**Actavis is almost perfect**

Actavis almost fits the model of our 'perfect' company. It has a good regional spread, strong R&D capabilities and the chance to optimise production. Actavis has a well-balanced regional presence with around 29% of group sales in the US, 29% in Western Europe and 42% in Eastern Europe. Although there are still some weak spots, for example, under representation (in terms of own brand sales) in some markets such as Germany or France, these can be resolved through acquisitions or by boosting the sales force. And these acquisitions should be expected, as it is Actavis' stated strategy to gain a top 5 position in each relevant market.

**ABN-AMRO**

**The world is not enough**

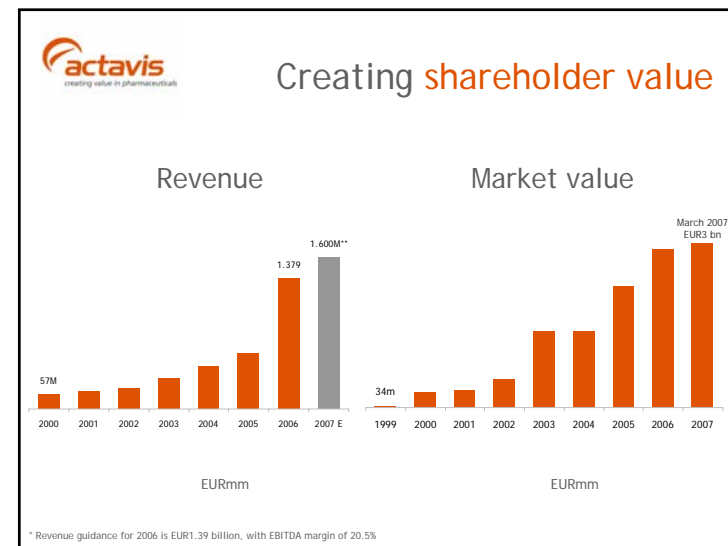
Actavis deserves a premium rating given its superior EPS growth potential **and attractive business model**. In our view, Material share price outperformance would require Actavis to deliver more synergies than our base-case forecasts currently discount.

**CAZENOVE**

Actavis' strategy to date has been to target underperforming assets, which has been possible at some point in the past. It has the potential to take the company to the next level.

**CREDIT SUISSE**

**Our view:** In our view, Actavis is one of the most exciting and strategically well-aligned stories in the European generics space. We believe the company has developed **exactly the right business model** for the future European generics space with a level of scale (in terms of both markets and products) that few competitors can currently match. Our concern is that the speed of evolution towards a truly

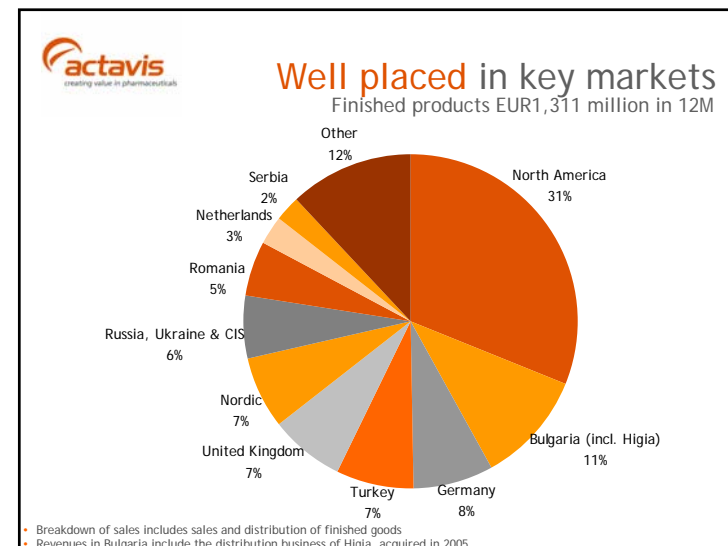


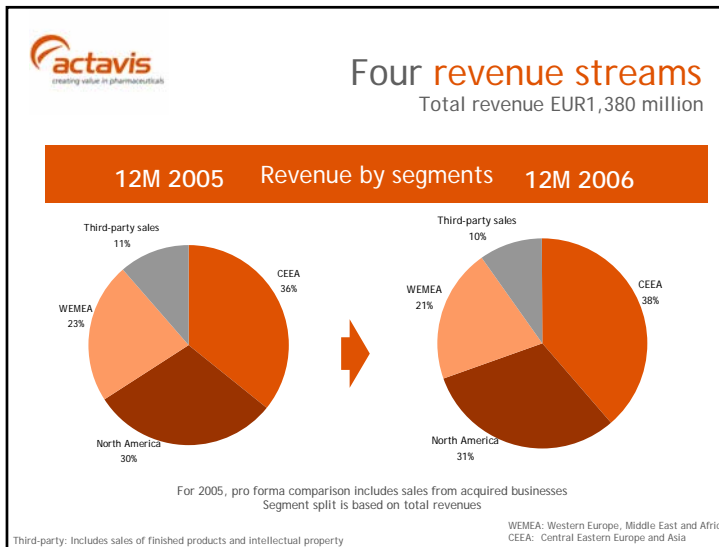


**Another strong year for Actavis**

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.





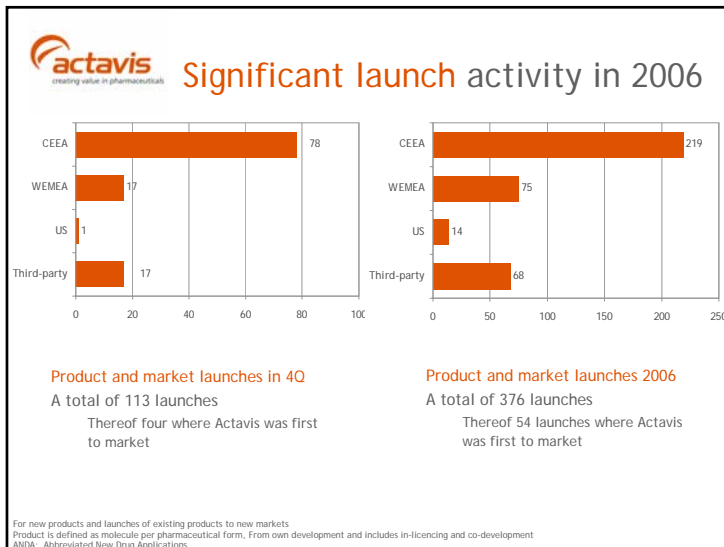
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## Highest selling products in 4Q & 12M

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%





**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

Early Development	Full Development	Biostudy / Stability	Registration
96	133	45	81

**Total pipeline: 355 projects**



**We will become the champions of first-class generics by...**

- ... adopting a **challenger mindset**
- ... bringing a **broad product line** to market faster
- ... using an aggressive approach to **battle costs**
- ... utilising global power and **local know-how**



## 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



## 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
- Sildenafil acquisition—basis for global oncology franchise

Backward integration to secure lower-cost manufacturing



- Reduce production cost with own API development
- Improve strategic control



Thank you!

