



First quarter financial results

Analyst presentation 9 May 2007



Robert Wessman, President & CEO
Mark Keatley, CFO
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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. First quarter highlights
2. Financial highlights
3. Sales performance
 - Own-label
 - North America
 - Central, Eastern Europe & Asia (CEEA)
 - West Europe, Middle East and Africa (WEMEA)
 - Third-party sales
4. Q&A



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Financial highlights 1Q

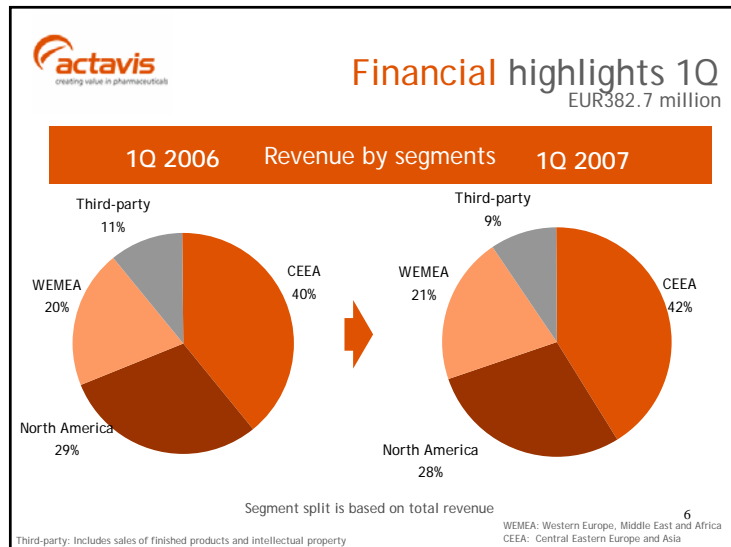
In EUR millions

Three months ended 31 March

Euro millions	1Q 2007	1Q 2006	% change
Total revenue.....	382.7	341.9	11.9%
Total operating expenses.....	329.2	291.8	(12.8%)
EBITDA.....	79.3	72.5	9.4%
EBITDA %.....	20.7%	21.2%	(0.5%)
Underlying net income.....	32.4	35.2	(7.8%)
PPA adjustments.....	5.4	3.3	(63.6%)
Net profit after PPA.....	27.0	31.9	(15.3%)

Underlying net profit has been calculated prior to the amortisation of purchased intangibles

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- ## 1Q and post quarter highlights
- Contract with German health insurance providers
 - Comprehensive marketing campaign in Germany
 - 180 day exclusivity in the US for Ranitidine Syrup
 - First product in Austria launched, products launched in Italy and Switzerland in 2Q
 - Floxapen® acquired from GSK
 - Sindan rebranded to Actavis in Romania
 - Abrika and ZiO Zdorovje acquisitions completed
 - Interest in Merck generics business withdrawn
 - Representative office in Vietnam opened
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Financial highlights 1Q 2007

In EUR millions

Three months ended 31 March

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Net profit after PPA.....	27.0	31.9	(15.3%)
Underlying diluted earnings per share....	0.00660	0.00685	(3.6%)
Reported diluted earnings per share.....	0.00491	0.00587	(16.3%)

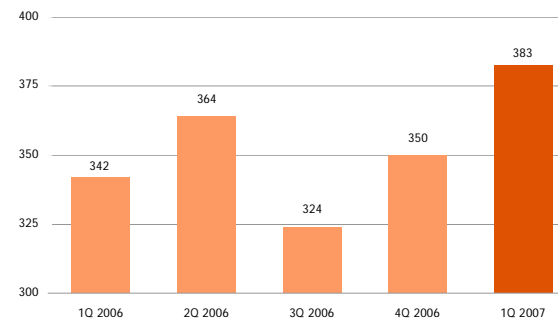
- Underlying net profit has been calculated prior to the amortisation of purchased intangibles
- Calculation of diluted EPS is in euros and takes full account of preferred shares and their dividend payments.

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Revenue by quarter

EUR million

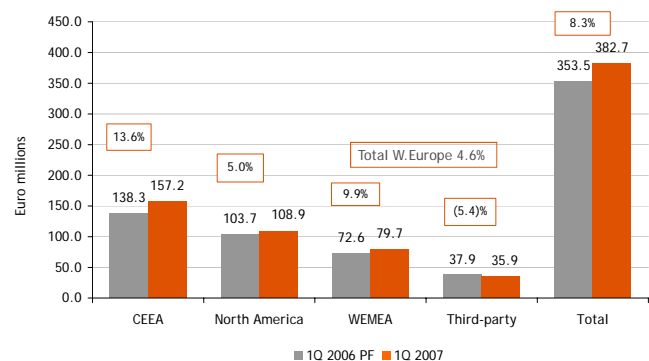


1Q underlying growth 8.3% at constant exchange rates



Underlying growth

1Q 2007



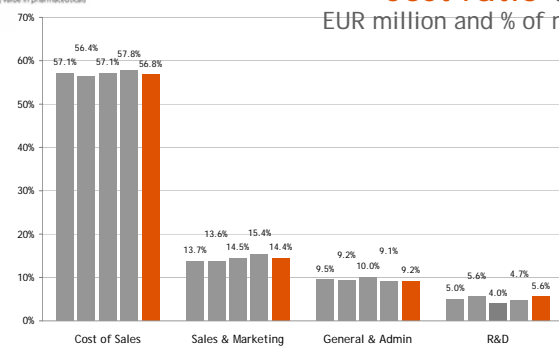
*Pro forma underlying growth, includes underlying growth from businesses acquired in 2006 to reflect the growth of the business as it is today, at constant exchange rates.

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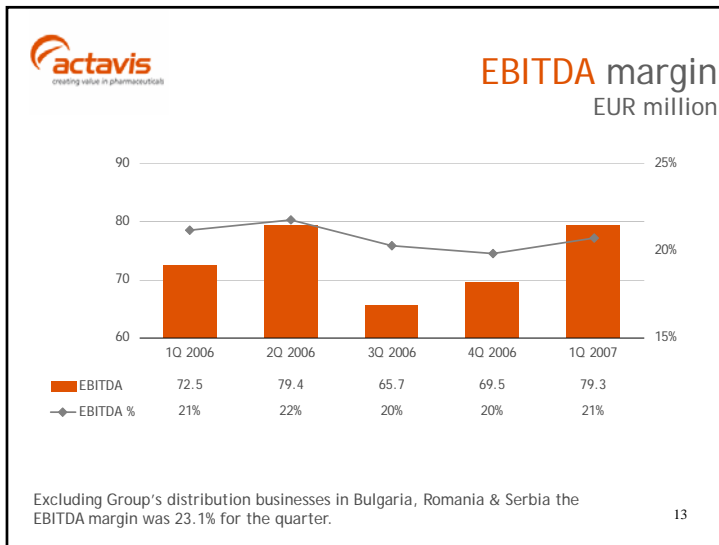


Cost ratio trend

EUR million and % of revenue



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
1Q 2007	217.5	55.3	35.0	21.4	329.2



EBITDA to Net Profit

Q1 2007 v Q4 2006 & Q1 2006

	Q1 2007	Q4 2006	Q1 2006	v Q4 06	v Q1 06
EBITDA	79.3	69.5	72.5	9.8	6.8
D&A Internal	(17.7)	(17.6)	(17.3)	(0.1)	(0.4)
PPA	(8.1)	(6.4)	(5.2)	(1.7)	(3.0)
EBIT	53.5	45.6	50.0	8.0	3.5
Net Interest	(17.2)	(15.6)	(10.2)	(1.6)	(7.0)
Exchange Rate/Other	(1.6)	8.1	0.2	(9.8)	(1.8)
Profit Before Tax	34.7	38.1	40.0	(3.5)	(5.3)
Tax	(7.7)	(5.6)	(8.2)	(2.1)	0.5
Net Profit	27.0	32.5	31.9	(5.5)	(4.9)

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Effective tax rate

EUR million

	1Q 2007	1Q 2006
Profit before tax.....	34.7	40.0
Tax charge.....	(7.7)	(8.2)
Profit after tax.....	27.0	31.9
Effective tax rate.....	22%	20%

- Tax rate in line with management expectations
- Effective rate reflects a mix of profits by country

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Research and development

Euro million

	1Q 2007
Total spending.....	32.4
Capitalised.....	(19.8)
Expensed.....	12.6
Amortisation of internal intangibles.....	2.6
Amortisation of purchased intangibles.....	6.2
Total P&L.....	21.4

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CAPEX
Euro million

	1Q 2007 Actual
Sites	
US.....	7.6
Malta.....	1.0
Iceland.....	3.6
Eastern Europe.....	11.0
India.....	1.2
Other.....	0.9
	25.3

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Sources of cash flow
Euro million

	1Q 2007
Profit for the period.....	27.0
Depreciation and amortisation.....	25.8
Other adjustments.....	(16.6)
Working capital from operating activities.....	36.2
Changes in operating assets and liabilities.....	
Receivables	(47.2)
Inventories.....	0.3
Payables.....	17.2
Net change in operating assets and liabilities.....	(29.7)
Net Cash provided by operating activities.....	6.4

Average trade receivables	64 days
Inventory turns	3 x

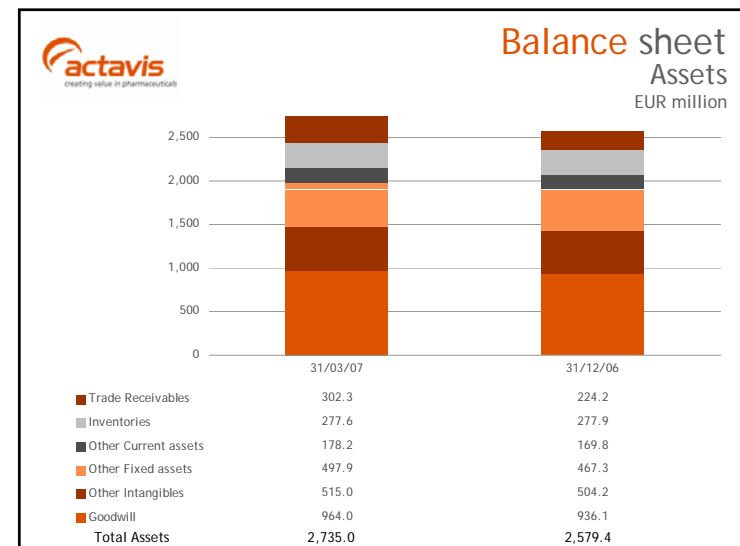
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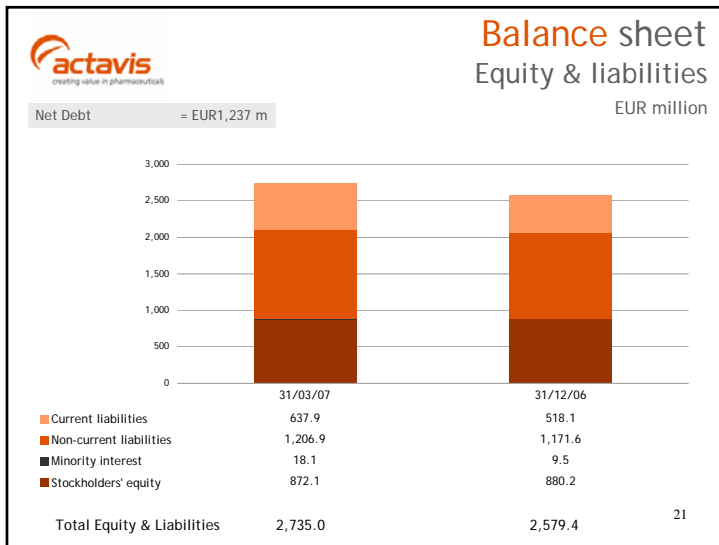
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Uses of cash flow
Euro million

	1Q 2007
Net Cash provided by operating activities.....	6.4
Investment in property, plant and equipment (net)	(22.5)
Increase in intangibles	(20.2)
Net free cash flow.....	(36.2)
Acquisitions.....	(40.3)
Net cash used.....	(82.9)
Changes in net debt.....	87.6
Changes in capital stock.....	(0.0)
Net financing.....	87.6
Net change in cash and cash equivalents.....	11.2
Effects of foreign exchange adjustments.....	(0.8)
Cash and cash equivalents at beginning of period.....	78.3
Cash and cash equivalents at end of period.....	88.7

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- ## 2007 Guidance
- **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
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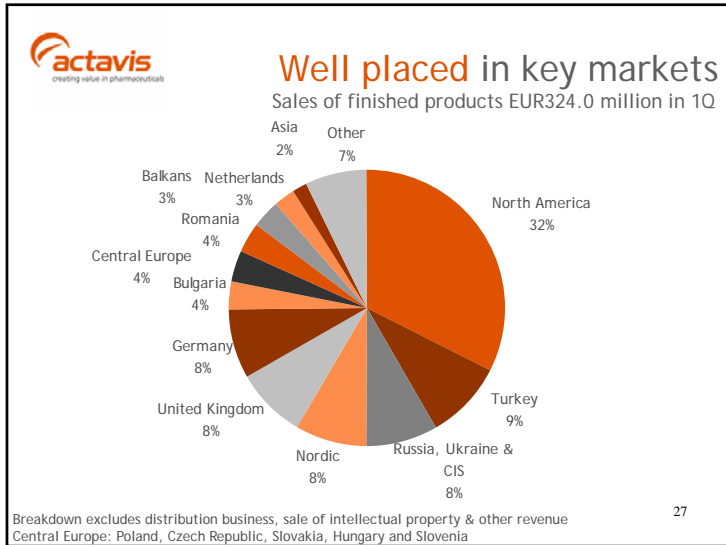
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- ## Financial targets 2007-2009
- Over **EUR1.9 billion** in revenues by end of 2009
 - Improving COGS by **3% points** from 2006 to 2009
 - EBITDA margin growing from 20.8% in 2006 to **25%** by end of 2009
 - **20%+** annual growth in diluted EPS in 2007-2009
 - Gaining **top 5 position** in key markets by end of 2009
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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, Russia, Bulgaria & Romania
- **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, France and the Netherlands
- **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

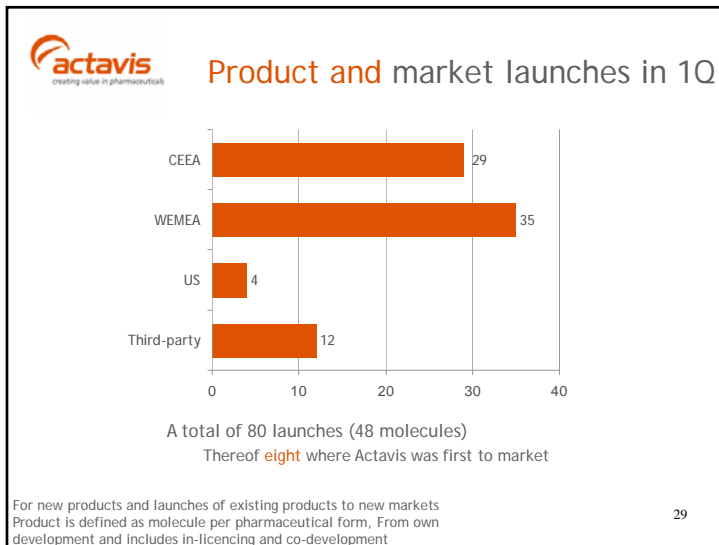


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Highest selling products in 1Q

EUR million

Product name	Originator (Company)	Therapeutic group	Division	Sales in 1Q 2007
Gabapentin	Neurontin (Pfizer)	CNS	USA, WEMEA	9.9
Diltiazem	Cardizem (Biovail)	Cardiovascular	USA, CEEA, WEMEA	8.8
Oxycodone	Roxicodone (Xanodyne)	CNS	USA	8.4
Ramipril	Altace (Aventis)	Cardiovascular	TP, CEEA, WEMEA	8.3
Phezam ®	Actavis	CNS	CEEA	5.9
Lovastatin	Mevacor (Merck)	Cardiovascular	USA, CEEA, WEMEA	6.1
Troxevasin ®	Actavis	Cardiovascular	CEEA	4.8
Carbidopa/Levodopa	Sinamet (Merck)	CNS	USA, CEEA	5.4
Cravit ® (Levofloxacin)	Tavanic (Sanofi Aventis)	Anti-infective	CEEA	4.4
Citalopram	Celexa (Lundbeck)	CNS	TP, CEEA, WEMEA	5.4
Top 10 as a percentage of total revenue				17.6%



North America sales

EUR108.9 million in 1Q

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	1Q 2007	1Q Var
Sales	113.0	117.4	102.8	92.0	425.2	108.9	(4.1)
% of Group Revenues	33%	32%	32%	26%	31%	28%	
Underlying Growth	14%	20%	(6%)	29%	13%	5%	

Highlights:

- Underlying growth of 5% in the quarter
- Slightly ahead of management expectations
- Strong contribution from Ranitidine Syrup, with 180 day marketing exclusivity
- Strong sales of primary products
- Four new products launched

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CEEA highlights 1Q

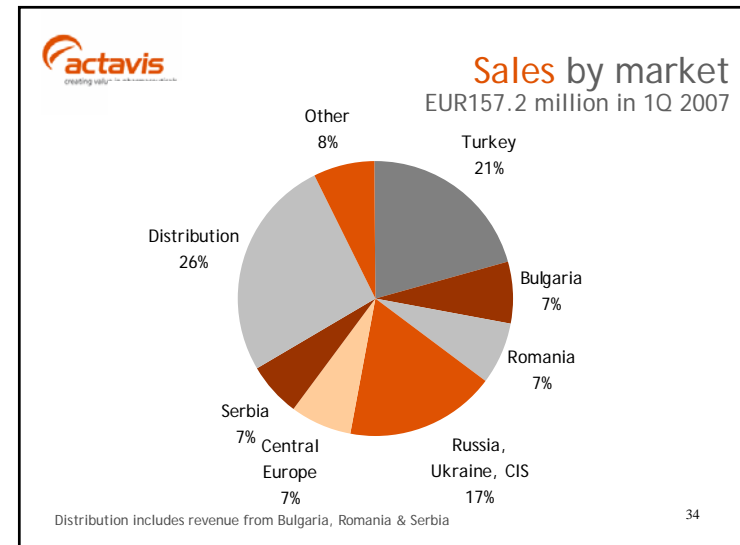
EUR million

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	1Q 2007	1Q Var
Sales	116.5	139.9	124.5	148.6	529.5	157.2	40.7
% of Group Revenues	34%	38%	38%	42%	38%	42%	
Underlying Growth	26%	13%	6%	31%	18%	14%	

Highlights:

- Underlying growth of 13.6% to EUR157.2 million
- Good growth in key markets incl. Russia, Ukraine, Romania & Central Europe
- Distribution business 26% of revenue with good growth
- 29 product and market launches (29 molecules).
- Highest contributing products, Troxevasin®, Phezam®, Cravit® and Enalapril

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West Europe, Middle East and Africa

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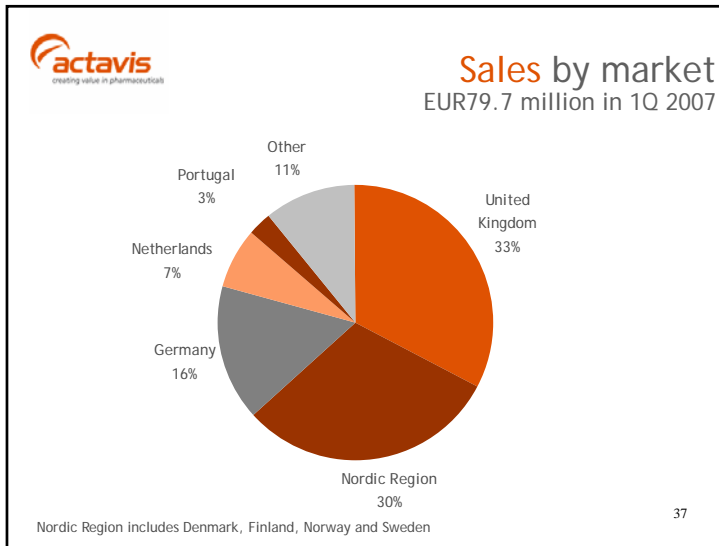
WEMEA highlights 1Q

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	1Q 2007	1Q Var
Sales	71.9	70.3	65.5	76.9	284.6	79.7	7.8
% of Group Revenues	21%	19%	20%	22%	21%	21%	
Underlying Growth	2%	(10%)	(4%)	13%	0%	10%	

Highlights:

- Underlying growth of 10%, sales of EUR79.7 million
- In line with management expectations and above market growth rate in the region
- Major marketing campaign following partnership agreements with large insurance funds in Germany
- Moved to second largest generic player in the UK
- Actavis entering into new markets in the region
- 35 product and market launches (27 molecules), thereof eight OTC products

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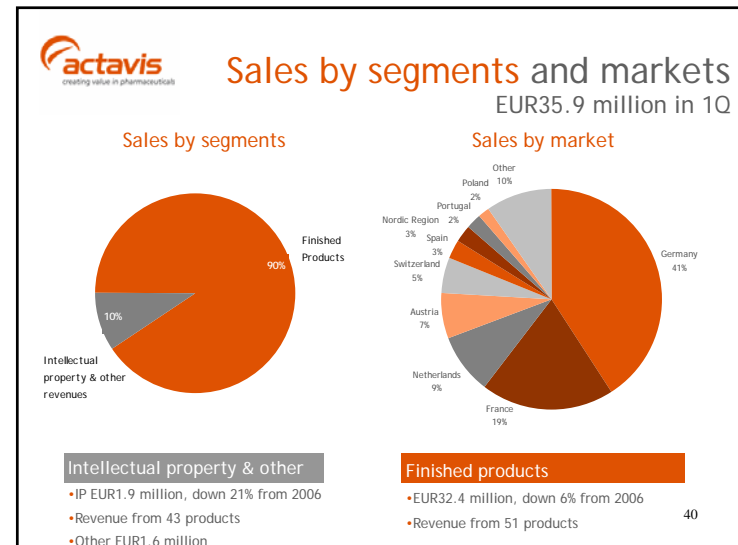
Third-party highlights 1Q

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	FY 2006	1Q 2007	1Q Var
Sales	38.9	33.0	28.6	33.8	134.3	35.9	(3.0)
% of Group Revenues	11%	9%	9%	10%	10%	9%	
Underlying Growth	49%	(1%)	(33%)	(26%)	(6%)	(5%)	

Highlights:

- Sales slightly below management expectations at EUR35.9 million
- Performance impacted by a delay in the launch of Mirtazapine soluble tablets in a few markets and lower than expected sales of Sertraline
- Significant volume increase offset by price erosion and different product mix
- Sales in France continue to increase - biggest quarter ever
- 12 product & market launches in the quarter

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Thank you

