

Actavis Group hf.
Consolidated interim financial statements
Three months ended 31 March 2005
Euro

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Endorsement by the board of directors and the president and CEO

The consolidated interim financial statements are stated in thousands of euro's and include the consolidated interim financial statements of Actavis Group hf. and its subsidiaries (the Group).

Net profit for the period amounted to EUR11.1 million for the Group, according to the income statement. Total equity amounted to EUR315.2 million at the end of the period according to the balance sheet. Changes in total equity and appropriation of net profits are further explained in the financial statements. Two stockholders owned more than 10% share in the Company at the end of the period, Amber international Ltd. with 32,9% ownership and Landsbanki Luxemburg S.A. with 10,8% share.

At the beginning of April the company acquired the Indian company Lotus and the Czech company Pharma Avalanche. Lotus is specialised in reasearch and development and Pharma Avalance in the marketing of generics. The income statement of the Group was not affected by this agreement during the period.

In May the Group acquired the American company Amide Pharmaceutical Inc., which specialises in developing, manufacturing and marketing pharmaceuticals.

The accompanying financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) for the first time. The Group's financial statements have previously been prepared in accordance with the Financial Statements Act and generally accepted accounting principles in Iceland. The changes in the stockholder's equity 1 January 2005 as a result of the implementation of IFRS is an increase of EUR5.8 million.

The board of directors and the managing director of Actavis Group hf. hereby confirm the Group's consolidated interim financial statements for the three months ended 31 March 2005 with their signatures.

Hafnarfjordur, 26 May 2005.

Chairman of the board of directors:

Bjorgolfur Thor Bjorgolfsson

Board of directors:

Andri Sveinsson
Karl Wernerson
Magnus Thorsteinsson
Sindri Sindrason

President and CEO:

Robert Wessman

Auditors' report

Board of directors and shareholders of Actavis Group hf.

We have compiled the interim consolidated balance sheet of Actavis Group hf. and its subsidiaries as of 31 March 2005 and the related consolidated income statement and consolidated statement of cash flow for the three months then ended. All information included in these interim consolidated financial statements is the representation of the management of Actavis Group hf.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have neither audited nor reviewed the accompanying interim consolidated financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Reykjavik, 26 May 2005

Alexander G. Edvardsson
Audur Thorisdottir

KPMG Endurskodun hf.

Consolidated interim income statement for three months ended 31 March 2005

	Notes	YTD 2005	YTD 2004
Operating revenues			
Net sales		96.958	117.472
Cost of goods sold		<u>(50.546)</u>	<u>(65.437)</u>
Gross profit		46.413	52.035
Other income		4.832	11.787
Sales and marketing expenses		(14.122)	(14.189)
Research and development expenses		(8.877)	(8.401)
General and administrative expenses		<u>(9.374)</u>	<u>(11.021)</u>
		<u>(27.540)</u>	<u>(21.824)</u>
Profit from operations		18.872	30.211
Income / (loss) from associates		0	(282)
Financial income/(expenses)	5	<u>(7.199)</u>	<u>(2.290)</u>
Profit before tax		11.674	27.639
Income tax		<u>(579)</u>	<u>(5.815)</u>
Profit for the period		11.095	21.824
Attributable to:			
Equity holders of the Company		10.381	21.332
Minority interest		714	492
Profit for the period		<u>11.095</u>	<u>21.824</u>
Earnings per Share			
	6		
Basic Earnings per Share (EUR)		<u>0,00372</u>	<u>0,00751</u>
Diluted Earnings per Share (EUR)		<u>0,00372</u>	<u>0,00749</u>

Consolidated interim balance sheet at 31 March 2005

Assets

	Notes	31.3.2005	31.12.2004
Goodwill	7	243.319	236.801
Other intangible assets	8	34.109	30.622
Property, plant and equipment	9	161.641	145.228
Investment in associated companies		2.223	2.032
Other investments		20.886	6.155
Deferred tax assets		21.616	21.247
Non-current assets		<u>483.795</u>	<u>442.084</u>
Inventories	11	79.496	71.572
Trading investments		8.435	0
Trade receivables		122.149	113.974
Other receivables		42.160	39.210
Cash and cash equivalents		27.644	17.325
Current assets		<u>279.884</u>	<u>242.080</u>
Total assets		<u><u>763.679</u></u>	<u><u>684.164</u></u>

Equity and liabilities

Capital stock		36.181	36.181
Share premium and statutory reserve		98.332	98.332
Other reserves		(8.884)	(23.410)
Retained earnings		178.926	170.720
Stockholders' equity		<u>304.555</u>	<u>281.823</u>
Minority interest		10.658	9.853
Total equity		<u>315.213</u>	<u>291.676</u>
Interest bearing loans	14	161.712	162.983
Retirement benefit obligation		6.283	5.753
Obligations under finance leases	15	4.617	4.894
Deferred income tax liabilities		10.520	9.493
Non-current liabilities		<u>183.133</u>	<u>183.122</u>
Interest bearing loans		171.411	129.868
Account payable and other liabilities		88.696	73.379
Obligations under finance leases	15	1.578	2.158
Short term provisions	16	3.648	3.961
Current liabilities		<u>265.333</u>	<u>209.366</u>
Total liabilities		<u>448.466</u>	<u>392.488</u>
Total equity and liabilities		<u><u>763.679</u></u>	<u><u>684.164</u></u>

Consolidated interim statements of cash flow for the period January to March 2005

	Notes	YTD 2005	YTD 2004
Cash flows from operating activities			
Profit for the period		11.095	21.824
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation, amortization and impairment of fixed assets	9	4.052	3.098
Amortization / impairment of intangible assets	8	1.640	1.746
Currency fluctuations and indexation		8.089	(2.959)
Changes in deferred taxes		699	2.034
Other changes		(816)	3.963
Working capital provided by operating activities		<u>24.759</u>	<u>29.706</u>
Changes in operating assets and liabilities:			
Inventories, (increase) decrease		(4.124)	4.833
Receivables, decrease (increase)		476	(43.730)
Short-term liabilities, increase		3.644	15.049
Changes in operating assets and liabilities		<u>(4)</u>	<u>(23.848)</u>
Net cash provided by operating activities		<u>24.755</u>	<u>5.858</u>
Cash flows to investing activities			
Increase in intangible assets		(4.497)	(4.132)
Investment in property and equipment ..		(15.608)	(8.003)
Proceeds from sale of property and equipment		66	49
Investments in other companies net of cash acquired		(25.998)	(3.584)
Proceeds from sale of investments in other companies		3.584	0
Securities, change		1.187	1.711
Net cash used in investing activities		<u>(41.266)</u>	<u>(13.959)</u>
Cash flows from financing activities			
Proceeds from long-term borrowings		0	58
Payments of long-term debt		(10.834)	(1.059)
Bank loans, increase		37.193	2.853
Net cash used in financing activities		<u>26.359</u>	<u>1.852</u>
Net change in cash and cash equivalents		9.848	(6.249)
Effects of foreign exchange adjustments		471	344
Cash and cash equivalents at beginning of period		<u>17.325</u>	<u>29.968</u>
Cash and cash equivalents at end of period		<u><u>27.644</u></u>	<u><u>24.063</u></u>
Other information			
Paid interest		(3.908)	(3.314)
Paid income tax		(2.037)	(2.632)

Changes in total equity for the period ended 31 March 2005

	Share capital	Share premium	Other reserves	Retained earnings	Shareholder's equity	Minority interest	Total equity
Balance at 1 January 2004.....	36.113	99.447	(21.252)	113.609	227.917	7.316	235.233
Translation difference.....			(2.158)		(2.158)		(2.158)
Purchases of treasury stock.....	(59)	(2.391)			(2.450)		(2.450)
Sales of treasury stock.....	127	1.276			1.403		1.403
Net profit for the year.....				60.286	60.286	3.996	64.282
Change in minority interest.....						(1.459)	(1.459)
Dividends.....				(3.175)	(3.175)		(3.175)
Balance at 31 December 2004.....	36.181	98.332	(23.410)	170.720	281.823	9.853	291.676
Change due to implementation of IAS 39.....				1.387	1.387		1.387
Adjusted equity at 1 January 2005.....	36.181	98.332	(23.410)	172.107	283.210	9.853	293.063
Translation difference.....			14.526		14.526		14.526
Net profit for the period.....				10.381	10.381	714	11.095
Dividends.....				(3.562)	(3.562)		(3.562)
Balance at 31 March 2005.....	36.181	98.332	(8.884)	178.926	304.555	10.658	315.213

Notes to the Interim Financial Statements

1. General Information

Actavis Group hf. (The Group), is a limited liability company domiciled in Iceland. The Group specialises in the development, manufacture and sale of generic pharmaceuticals for international markets. It is financially strong and has experienced rapid growth in recent years.

The Group operates across five continents and has its headquarters in Iceland. Principal markets include Germany, Turkey, Bulgaria, Serbia, Russia and the Nordic Countries. Teams of pharmacists, chemists and other scientific professionals help to make up a total workforce of around 7,000. The Group has modern manufacturing facilities in Bulgaria, Malta, Turkey and Iceland that are EU-GMP** approved. Additional manufacturing in Serbia currently services domestic and other markets for own-label products outside the EU. The plants produce a variety of medicines in different formulations including tablets, capsules, injectables, suspensions, suppositories, creams and ointments.

An extensive network of sales and marketing offices enables effective market penetration. Strategic acquisitions, the opening of new sales offices and intensive investment in the development of generic pharmaceuticals are fuelling the growth of the Group and have positioned it to take advantage of future opportunities.

These interim financial statements are presented in thousands of euros rounded to the nearest thousand, being the currency of the primary economic environment in which the group operates.

** Good manufacturing practice (GMP) is a system for ensuring that products are consistently produced and controlled according to quality standards.

2. Significant Accounting Policies

Basis of Accounting

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for the first time. The disclosures required by IFRS 1 concerning the transition from IS GAAP to IFRSs are given in note 37.

The consolidated interim financial statements have been prepared on historical cost basis, except for the revaluation of certain properties and financial instruments. The principal accounting policies adopted are set out below.

Basis of Preparation

The consolidated interim financial statements have been prepared on the basis of stable platform of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) to be applied by the first-time adopters.

The IFRS financial information has been prepared on the basis of all IFRS and Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the IASB effective for 2005 reporting.

The preparation of the interim financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Notes to the Interim Financial Statements

Background

- The IFRS project

In June 2002, the Council of the European Union adopted a Regulation requiring listed companies in its Member States to prepare their consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) from 2005. The first Annual Report for the Group prepared under IFRS will be that for the year ending 31st December 2005. The first financial results announcement prepared in accordance with IFRS will be that for the first quarter of 2005.

The Group's project to convert its financial reporting from IS GAAP to IFRS has now been completed. A training program has been completed, rolled out to all finance staff worldwide and the adjusted historical data, which provides the comparative information under IFRS in 2005, has been prepared.

As 2003 will be the earliest year for which full IFRS financial statements will be presented in the Annual Report 2005, the transition date to IFRS for the Group is 1st January 2003. Normally accounting changes of this nature would require full retrospective application, but under the IFRS transitional rules, certain adjustments only have to be applied with effect from the transition date of 1st January 2003.

- IFRS 1 exemptions

IFRS 1, First-Time Adoption of International Financial Reporting Standards, permits those companies adopting IFRS for the first time to take some exemptions from the full requirements of IFRS in the transition period. The Group intends to take the following key exemptions:

- Business combinations: Business combinations prior to the transition date (1st January 2003) have not been restated an IFRS basis.
- Fair value or revaluation as deemed cost: An entity may elect to use fair value or a previous GAAP revaluation at the date of the opening balance sheet date as deemed cost. Carrying amount of property, plant and equipment is not recalculated.
- Share-based payments: A first-time adopter has an option not to apply IFRS 2 retrospectively to equity instruments granted on or before 7 November 2002. This exemption is taken since it is not allowed to disclose the fair value of those equity instruments which was not disclosed as determined at the measurement date.
- Financial instruments: Financial instruments in the Annual Report are recorded on the existing IS GAAP basis, rather than in accordance with IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement'.

The Group adopts IAS 39 in full on 1st January 2005. One of the exemptions available under IFRS 1 relaxes the requirement to comply with IAS 32 and IAS 39 until that time. The Group intends to take advantage of this exemption, and so, in 2003 and 2004, financial instruments are accounted for and presented on a Icelandic GAAP basis. On 1st January 2005 an adjustment to the opening balance sheet are made to reflect the movements from the IS GAAP carrying values to the IAS 32 and IAS 39 values, which for many financial instruments is fair value.

The IFRS financial information has been prepared on the basis of taking these exemptions.

Notes to the Interim Financial Statements

Basis of consolidation

-Subsidiaries

The consolidated interim financial statements incorporate the interim financial statements of the Group and enterprises controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The consolidated interim financial statements have been prepared using the purchase method of consolidation accounting. When ownership in subsidiaries is less than 100%, the minority interest in the subsidiaries' income or loss and stockholders equity is accounted for in the calculation of the consolidated income or loss and the consolidated stockholders equity.

The results of subsidiaries acquired or disposed of during the period are included in the interim consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Consolidation.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

-Associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in these interim financial statements using the equity method of accounting. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the group's interest in those associates are not recognised.

Where a group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

-Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous IS GAAP amounts subject to being tested for impairment at that date. Goodwill written off to reserves under IS GAAP prior to 2003 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Notes to the Interim Financial Statements

Revenue recognition

Revenue is recognised in the income statement when goods or services are supplied or made available to external customers against orders received and when title and risk of loss passes to the customer.

Revenue is recognised as follows for the different activities of the business after deductions for discounts and returns.

- Revenue from sales of pharmaceutical products is recognised on delivery to the customer, at which point the risk and rewards of ownership pass to the customer.
- Revenue from dossier sales is recognised in accordance with contractual milestones, upon confirmation of acceptance of the completion of the milestones by customers.
- Payments received from customers in advance of performance of the groups obligations are included as deferred revenue, and not recognised as income until the group performs its obligations.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at their cost value at the date of acquisition and are depreciated on a basis consistent with similar owned assets or the lease term if shorter. The corresponding liability to the lessor is included in the balance sheet as an obligation under finance leases.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Foreign currencies

Transactions in foreign currencies other than euro are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

The interim financial statements of foreign subsidiaries that report in the currency of a hyperinflationary economy are restated in terms of the measuring unit current at the balance sheet date before they are translated into euros.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Notes to the Interim Financial Statements

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss.

Post retirement benefit

- Defined contribution scheme

The Group's contributions to defined contribution plans are charged to the income statement as incurred.

- Employee termination indemnity

In accordance with the existing social legislation in Turkey, companies are required to make certain lump-sum payments to employees on retirement or on termination for reasons other than resignation or misconduct. These payments are calculated based on a pre-determined formula and are subject to certain upper limits. The accrued liability is based on the present value of the future obligation of the Group that may arise from the retirement of the employees.

- Post retirement payment scheme

Government legislation in Bulgaria requires employers to pay retirement benefits based on an employees final salary and years of service to the Group. A calculation is performed annually by a qualified actuary to determine the Groups obligation in respect of this scheme.

Taxation

The tax expense comprises tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. [Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible]. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Notes to the Interim Financial Statements

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future benefits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Intangible assets

-Research and development

Research and development costs comprise costs relating to the Group's research and development activities, including clinical studies, amortisation and depreciation, and labour costs which are directly or indirectly attributable to the Group's research and development activities. Research costs are recognised into the income statement as incurred.

An internally-generated intangible asset arising from the Group's clinical development is recognised if all of the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives, generally five years.

-Other intangible assets

Other intangible assets separately acquired or acquired as part of a business combination are amortised over their estimated useful lives from the time they are available for use. Other intangible assets consist of purchased software and dossiers. The amortization charge for each period is recognised as an expense. The useful life applied to other intangible assets is five years.

Notes to the Interim Financial Statements

Property, plant and equipment

Property, plant, and equipment is carried at acquisition or manufacturing cost, less depreciation and impairment losses. Subsequent acquisition costs are capitalized. The manufacturing cost of self-constructed property, plant, and equipment is calculated on the basis of the directly attributable unit costs as well as an appropriate share of overheads, including depreciation and impairment losses. In the case of acquisitions denominated in foreign currencies, subsequent exchange rate movements do not affect recognition of the asset at the original acquisition or manufacturing cost.

The depreciable amount of the asset is allocated on a straight-line basis over its useful life. The useful life is regularly reviewed and adjusted to the expected life. Impairment losses are charged where required in accordance with IAS 36, and these are subsequently reversed if the original grounds for the write-down no longer apply. The depreciation charge for each year is recognised as an expense, on the following bases:

Property and plant.....	2-8%
Equipment.....	10-33%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or the lease term if shorter.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount if no impairment loss has been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. An impairment loss in respect of goodwill is not reversed.

Notes to the Interim Financial Statements

Cash and Cash equivalents

Bank balances and cash comprise cash and short-term deposits held by the Consolidation treasury function. The carrying amount of these assets approximates their fair value.

Trade receivables

Trade receivables do not carry any accrued interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Accounts receivable in other currencies than euro, are valued at the exchange rates prevailing on the balance sheet date.

Investments

Investments in other companies are valued at acquisition cost less provisions for estimated impairment losses on certain investments.

Securities which the company has the expressed intention and ability to hold to maturity are valued at cost, less an allowance for estimated irrecoverable amounts.

Financial Liability and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the profit and loss account using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Notes to the Interim Financial Statements

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost comprises direct materials and, where applicable, direct labor costs and those overhead expenses that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less the estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and are presented as a reduction of net equity. Possible gains or losses on purchase or sale of treasury shares are not reported in the income statement.

Provisions

Provision is recognised when an enterprise has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions for restructuring costs are recognised when the company has a detailed formal plan for the restructuring which has been notified to affected parties.

Share-based Payments

On 1 January 2003, Actavis Group hf. applied the requirement of IFRS 2 Share-based Payments. In accordance with the transition provisions, IFRS 2 will be applied to all options granted after 7 November 2002 that were unvested as of 1 January 2003. All options in Actavis Group hf. were granted prior to 7 November 2002.

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Notes to the Interim Financial Statements

Interest-bearing borrowings

Interest-bearing borrowings are recorded initially at fair value less attributable transaction cost. Subsequent to initial recognition, interest bearing borrowings are started at amortised cost with any difference between cost and redemption value recognised in profit or loss over the period of the borrowings on an effective interest basis.

Accounts payable

Accounts payable are valued at nominal value and accounts payable in other currencies than euro have been booked at the exchange rates prevailing on the balance sheet date.

Earnings per share

Earnings per share is the ratio between profit and weighted average number of shares for the period and reveals net profit per share. The nominal value of each share amounts to one ISK. Calculation of diluted earnings per share takes into consideration stock options made with the Groups' employees and the prospective deliverance of shares related to those options.

3. Segment reporting

The consolidation uses geographical markets as its primary segments. Segment information according to location of assets for YTD 2005:

	West Europe	East Europe	Others	Eliminations	Total
Segment revenue.....	68.061	68.040	0	(34.310)	101.790
Segment results.....	13.665	11.845	(74)	(15.055)	10.381

Notes to the Interim Financial Statements

4. Salaries

Salaries and related expenses paid by the consolidation are specified as follows in thousands of euro:

	YTD 2005	YTD 2004
Salaries	22.933	22.889
Related expenses	4.051	2.617
	26.984	25.506

Number of employees at end of period.....	6.935	5.192
Average number of positions.....	6.923	5.149

Allocation of salaries to items of income statement:

	YTD 2005	YTD 2004
Cost of goods sold	9.554	8.919
Sales and marketing	6.338	6.287
Research and development.....	5.075	4.366
General and administrative.....	5.027	4.711
	25.994	24.283

Allocation of salaries to items of balance statement:

Development	903	1.201
Pharmaceutical know - how.....	39	0
Allocation to intangible asset.....	47	22
	990	1.223

Notes to the Interim Financial Statements

5. Financial income / (expenses)

	YTD 2005	YTD 2004
Net financial income and expenses		
Interest income.....	1.199	788
Interest expenses.....	(3.070)	(4.574)
Currency fluctuations.....	(5.327)	1.496
	(7.199)	(2.290)

6. Earnings per share

The calculation of Earnings per Share is based on the following data:

	YTD 2005	YTD 2004
Net profit.....	10.381	21.332
Total average number of shares outstanding during the period.....	2.791	2.839
Total average number of shares including potential shares (in thousands).....	2.794	2.849
Basic Earnings per Share (EUR).....	0,00372	0,00751
Diluted Earnings per Share (EUR).....	0,00372	0,00749

7. Goodwill

	YTD 2005
At 1 January 2005.....	236.801
Currency adjustments during period	1.205
Recognised on acquisition of a subsidiary	5.313
At 31 March 2005.....	243.319

Notes to the Interim Financial Statements

8. Other intangible assets

	Development- cost	Others intangibles	Total
Cost			
At 1 January 2005.....	34.345	13.385	47.730
Currency adjustments during period	(288)	325	37
Additions due to merger	640	469	1.109
Additions during period	3.830	952	4.782
Revaluation of assets	0	(19)	(19)
Disposals during period	(23)	(9)	(32)
At 31 March 2005.....	<u>38.504</u>	<u>15.105</u>	<u>53.608</u>
Amortization			
At 1 January 2005.....	9.736	7.372	17.108
Currency adjustments during period	242	318	560
Additions due to merger	0	191	191
Sales during period	0	0	0
Disposals during period	0	0	0
Amortised of asset disposals	0	0	0
Impairment during period	0	0	0
Amortised during period	1.357	283	1.640
At 31 March 2005.....	<u>11.335</u>	<u>8.164</u>	<u>19.499</u>
Net book amounts	<u>27.168</u>	<u>6.941</u>	<u>34.109</u>

The amortization of other intangible assets, classified by operational category, is specified as follows:

	YTD 2005	YTD 2004
Cost of sales.....	168	200
Sales and marketing expenses.....	13	6
Administration.....	49	129
Research and development.....	1.410	1.411
	<u>1.640</u>	<u>1.746</u>

Notes to the Interim Financial Statements

9. Property, plant and equipment

	Property and plant	Machinery and equipment	Total
Cost			
At 1 January 2005.....	86.242	168.253	254.495
Currency adjustments during period	3.199	5.886	9.085
Additions due to merger	599	1.842	2.441
Additions during period	2.230	12.214	14.444
Sales during period	0	(25)	(25)
Disposals during period	0	(1.680)	(1.680)
At 31 March 2005.....	<u>92.270</u>	<u>186.490</u>	<u>278.760</u>
Accumulated depreciation			
At 1 January 2005.....	28.142	81.125	109.267
Currency adjustments during period	1.001	3.092	4.093
Additions due to merger	17	974	992
Disposals during period	0	(1.286)	(1.286)
Depreciation during period	574	3.478	4.052
At 31 March 2005.....	<u>29.735</u>	<u>87.384</u>	<u>117.118</u>
Net book amounts	<u>62.535</u>	<u>99.106</u>	<u>161.641</u>

Depreciation, classified by operational category, is shown in the following schedule:

	YTD 2005	YTD 2004
Cost of goods sold	2.454	1.798
Sales and marketing expenses	491	340
Administration	455	479
Research and development	651	481
	<u>4.052</u>	<u>3.098</u>

Notes to the Interim Financial Statements

10. The Consolidation

At the end of the period the Group owned sixteen subsidiaries that are all included in the consolidation. The subsidiaries owned twenty-one subsidiaries at the end of the period. The companies are as follows:

Name of subsidiary	Place of registration and operation	Ownership %	Principal activity
Actavis hf. (Delta hf.)	Iceland	100%	Production, Sales and Marketing
Actavis BV (Medis Holland BV)	Netherlands	100%	Holding company
Actavis Ltd. (Pharmamed Ltd)	Malta	100%	Productions
Actavis Trading Ltd	Malta	100%	Trading
Actavis Ltd.	Cyprus	100%	Holding company
Balkanpharma Healthcare Int.	Cyprus	100%	Sales and Marketing
MM Pharma LLC	USA	100%	Sales and Marketing
Verben S.A.	Uruguay	50%	Production, Sales and Marketing
Actavis AD (Balkanpharma AD)	Bulgaria	100%	Holding company/S&M
Balkanpharma Dubnitsa AD	Bulgaria	95%	Production
Balkanpharma Troyan AD	Bulgaria	98%	Production
Balkanpharma Razgrad AD	Bulgaria	94%	Production
Balkanpharma Security AD	Bulgaria	100%	Security services
Balkanpharma Macedonia	Macedonia	100%	Production
Balkanpharma OOO	Russia	100%	Sales and Marketing
Actavis OOO	Russia	90%	Sales and Marketing
Actavis UK Ltd.	UK	100%	Administration
Actavis Inc. (Pharmaco Inc.)	USA	100%	Business Development
Actavis Nordic A/S	Denmark	100%	Business Support
Actavis AS	Denmark	100%	Sales and Marketing
Nordisk Ibu-Pharma ApS	Denmark	100%	Sales and Marketing
Actavis OY	Finland	100%	Sales and Marketing
Actavis A/S	Norway	100%	Sales and Marketing
Actavis A/B (UNP Sweden AB)	Sweden	100%	Sales and Marketing
Biovena Pharma Sp.	Polland	100%	Sales and Marketing
Colotech AS,	Denmark	86%	Research and Development
Fako İlaçları AŞ	Turkey	89%	Production, S&M and R&D
Medis GmbH	Germany	60%	Sales and Marketing
Medis Ltd.	Isle of Man	100%	Sales and Marketing
Medis ehf.	Iceland	100%	Third party sales
Medis Danmark AS	Denmark	100%	Third party sales
NM Pharma ehf.	Iceland	100%	Sales and Marketing
Omega Farma ehf.	Iceland	100%	Production
Zenara Pharma Ltd.	UK	50%	Joint venture
Zdravlje AD	Serbia	73%	Production, S&M and R&D
Zdravlje T Trade Ltd.	Serbia	100%	Sales and Marketing
Zdravlje ITR.	Serbia	100%	Distribution

In the beginning of February, the Group acquired 100% of the issued share capital of Biovena Pharma Sp. Biovena Pharma Sp. specialises in sales and marketing of generic pharmaceuticals.

Notes to the Interim Financial Statements

11. Inventories

	YTD 2005	2004
Raw material.....	31.364	32.361
Work in progress.....	16.636	14.348
Finished goods	30.000	24.415
Other inventories.....	1.497	448
	79.496	71.572

12. Share capital

Capital stock is as follows in thousands of shares and EUR thousands, the nominal value of each share is one Icelandic krona.

	Shares	Ratio	EUR
Outstanding capital stock at the end of the period.....	2.791.162	93,2%	36.181
Treasury shares at the end of the period.....	202.618	6,8%	2.340
Total capital stock issued.....	2.993.780	100,0%	38.521

13. Risk management

The principal objective of risk management is to reduce financial risk in the Group and to increase its financial stability. The Group's risk management policy constitutes a framework of guidelines and rules covering areas such as foreign exchange, interest, and use of derivatives, as well as liquidity and credit risk. The Group's treasury and risk management function is centralised and supports this objective by identifying, evaluating and hedging financial risk. The Group's Treasury guarantees cost-efficient funding and acts as an internal bank for the subsidiaries.

- Market risk

Foreign exchange risk, transaction and translation exposure. The Group operates internationally and is exposed to foreign exchange risk from various currencies. The underlying net foreign exchange transaction exposure is hedged with derivatives, mainly foreign exchange contracts. These instruments all have maturity of less than one year. The Group only hedges foreign exchange currency cash flow forecast of less than 12 months. Translational risk arises as a result of converting the Group's financial results to the functional currency. Translational risk is not hedged.

- Interest rate risk

Fluctuations in interest rates have a direct impact on earnings. The interest rates used in the Group's budget are based on forward rates and the Group policy is to have the majority of funding on floating interest rates.

- Credit risk

The Group has no significant credit risk. To minimise credit risk it focuses on ensuring that customers have an appropriate credit history and various guarantees are given. There is an active monitoring.

- Liquidity and refinancing risk

The Group has uncommitted and committed credit lines in place to maintain sufficient liquidity and a flexibility in funding. The parent company is a net borrower and surplus liquidity is used to repay external debts.

Notes to the Interim Financial Statements

14. Interest bearing loans

Interest bearing loans are specified as follows in thousands of EUR:

	YTD 2005	2004
Loans in USD	31.869	31.003
Loans in EUR	125.793	133.257
Loans in CHF	13.882	12.209
Loans in DKK	0	527
Loans in GBP	2.932	2.301
Loans in JPY	12.557	11.923
Loans in SEK	2.005	1.442
Loans in MTL	8.226	8.272
Loans in BGL	3.153	3.268
Loans in ISK	814	230
Loans denominated in other currencies	129	0
	<u>201.361</u>	<u>204.432</u>
Current maturities, included in interest bearing loans	(39.649)	(41.448)
Interest bearing loans	<u>161.712</u>	<u>162.984</u>

Aggregated annual maturities are as follows:

On demand or within 12 months	39.649	41.448
Within 24 months	18.088	30.027
Within 36 months	33.865	23.346
Within 48 months	83.287	82.407
Within 60 months	6.561	6.421
Subsequent years	19.913	20.783
	<u>201.361</u>	<u>204.432</u>

Notes to the Interim Financial Statements

15. Obligation under finance leases

Accounts payable under finance leases:	Minimum lease payments YTD 2005	Minimum lease payments YTD 2004	Remaining balances YTD 2005	Remaining balances YTD 2004
Obligation under finance leases	7.150	8.092	6.195	7.052
Current maturities	<u>(1.584)</u>	<u>(2.507)</u>	<u>(1.578)</u>	<u>(2.158)</u>
Long term obligation under finance leases	5.566	5.585	4.617	4.894

Aggregated annual maturities are as follows:

In 2005	1.584	2.507	1.578	2.158
In 2006	1.473	2.203	1.351	1.907
In 2007	1.089	919	958	820
In 2008	769	681	684	516
Later	2.235	1.782	1.624	1.651
	<u>7.150</u>	<u>8.092</u>	<u>6.195</u>	<u>7.052</u>
Less: future finance charges	<u>(955)</u>	<u>(1.040)</u>		
Remaining balances	<u><u>6.195</u></u>	<u><u>7.052</u></u>		

The management estimates that the fair value of the consolidated lease obligations approximates their carrying amount.

The obligations under finance leases are pledged by the lessor's charge over the leased assets.

Notes to the Interim Financial Statements

16. Provisions

	Restructuring provisions
At 1 January 2005.....	3.961
Additional provision in the year	3.237
Utilisation of provision	(3.550)
At 31 March 2005.....	<u>3.648</u>

The restructuring provision represents an employee termination indemnity due to the Turkish subsidiaries. In accordance with the existing social legislation in Turkey, companies are required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments which are calculated on the basis of an agreed formula, are subject to certain upper limits and are recognized in the accompanying financial statements as accrued. The reserve has been calculated by estimating the present value of the future obligation of the Group that may arise from the retirement of the employees in accordance with international accounting standards.

17. Commitments

The Company is committed to increase the share capital of its subsidiary, Colotech AS by EUR2.5 million. The payments will be made by five installments during the next three years.

The Company is committed on behalf of its subsidiary Zdravlje to invest EUR11.4 million in Serbia during the next three years.

The Company is committed to increase the share capital of its subsidiary, DLF by EUR671 thousand.

The Company has guaranteed a loan granted to its subsidiary, Fako, amounting to EUR12.0 million.

According to the purchase agreement of Amide there is an earnout clause of up to EUR79 million subject to certain conditions.

According to the purchase agreement of Biovena there is an earnout clause of up to EUR5 million subject to certain conditions.

Notes to the Interim Financial Statements

18. Explanation of Transition to IFRSs

As stated in note 2, these are the Group's first interim financial statements prepared in accordance with IFRS. The Accounting policies in note 2 have been applied in preparing the consolidated interim financial statements for the three months ended 31 March 2005, the comparative information for three months ended 31 March 2004, the financial statements for the year ended 31 December 2004 and 2003 and the preparation of an opening IFRS balance sheet at 1 January 2003 (the Group's date of transition).

In preparing its opening balance sheet, comparative information for the three months ended 31 March 2004 and financial statements for the year ended 31 December 2004, the Group has adjusted amounts previously reported in financial statements prepared in accordance with previous GAAP.

An explanation of how the transition from previous GAAP to IFRSs has effected Groups financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity at 31 December 2004

Note	Previous GAAP	Effect of 1.1.2004 transition to IFRSs	Effect of 2004 transition to IFRSs	IFRSs
9. Property, plant and equipment	142.523	1.502	1.203	145.228
7. Goodwill	229.126	6.995	680	236.801
8. Intangible Assets	32.905	(993)	(1.290)	30.622
Deferred tax asset	21.217	12	18	21.247
Financial Assets	10.002	(688)	(1.127)	8.187
Total non-current assets	435.773	6.828	(516)	442.085
Trade receivables	113.974	0		113.974
11. Inventories	71.572	2.469	(2.469)	71.572
Other receivables	39.850	0	(640)	39.210
Cash and cash equivalents	17.325	0	0	17.325
Total current assets	242.721	2.469	(3.109)	242.081
Total assets	678.494	9.297	(3.625)	684.166
14. Interest bearing loans	297.561	(4.753)	45	292.852
Trade and other payables	78.029	(5.769)	1.119	73.379
Employee benefits	5.753	0	0	5.753
Restructuring provision	0	5.071	(1.110)	3.961
15. Obligation under finance leases	0	6.661	391	7.052
Deferred tax liability	9.578	621	(706)	9.493
Total liabilities	390.921	1.831	(261)	392.490
Total assets less total liabilities	287.573	7.466	(3.364)	291.676
Outstanding capital stock	135.297	(503)	(281)	134.513
Accrued stock option	47	(281)	234	0
Other reserves	(29.250)	6.432	(593)	(23.410)
Retained earnings	171.286	1.797	(2.364)	170.720
Stockholders equity	277.380	7.445	(3.004)	281.823
Minority interest	10.193	21	(361)	9.853
Total equity	287.573	7.466	(3.365)	291.676

Notes to the Interim Financial Statements

18. Explanation of Transition to IFRSs, *continued*

Reconciliation of income statement for YTD 2004

	YTD 2004 Previous GAAP	Effect of transition to IFRSs	YTD 2004 IFRSs
Revenue.....	117.472	0	117.472
Cost of sales	(60.069)	(5.368)	(65.437)
Gross Profit	<u>57.403</u>	<u>(5.368)</u>	<u>52.035</u>
Other revenue.....	8.378	3.409	11.787
Sales and marketing expenses.....	(12.822)	(1.367)	(14.189)
Research and development expenses.....	0	(8.401)	(8.401)
General and administrative expenses.....	(10.487)	(534)	(11.021)
Other operating expenses.....	(6.706)	6.706	0
Depreciation and amortisation.....	(4.942)	4.942	0
Income / (Loss) from associates.....	0	(282)	(282)
Finance income (expenses).....	(3.113)	823	(2.290)
	<u>(29.692)</u>	<u>5.296</u>	<u>(24.396)</u>
Profit before tax.....	27.711	(72)	27.639
Tax expense.....	(6.813)	998	(5.815)
Minority interest.....	(729)	237	(492)
Net profit (loss).....	<u>20.169</u>	<u>1.163</u>	<u>21.332</u>

Presentation

Depreciation of fixed assets is now allocated to appropriate line items in the income statement such as cost of goods sold, sale and marketing, research and development and general and administrative instead of presenting it in a separate line as previously. Impairment of goodwill is presented as a separate line in the income statement. Previously the impairment was included in the line depreciation and amortization.

Balance sheet items have been reclassified to be in conformity with newly applied IFRS rules.

Investment in subsidiaries

In March 2004 the International Accounting Standards Board issued revised rules on business combinations. The Group's accounting methods concerning acquisition of subsidiaries have been adjusted to the new regulations

All business combinations are accounted for by applying the purchase method. Goodwill has been recognized in acquisitions of subsidiaries and represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortized but is tested annually for impairment.

Notes to the Interim Financial Statements

18. Explanation of Transition to IFRSs, *continued*

Negative goodwill arising on an acquisition is recognized directly in the income statement.

The effect of applying IFRS to business combinations concerning subsidiaries is an increase in net equity at year-end 2004 by the amount of EUR12.7 million. The effect on the income statement for the year 2004 is an increase in net earnings of EUR48 thousand.

Development expenses

According to IFRS companies that undertake product development should capitalise such cost if an entity can demonstrate that the projects meet certain conditions and it can be demonstrated that future economic benefit will flow to companies. The Group has capitalised development cost that meets such conditions.

The Group hired specialists to assist in reviewing the Group's compliance with IFRS concerning capitalised development expenses. The specialists submitted a detailed report on the matter which was used as a guide when the accounting methods concerning capitalisation of development cost were established.

The changes made to the capitalised development expenses resulted in a reduction of EUR4.2 million at year-end 2004. The effect on the operation in the year 2004 is a reduction in net earnings amounting to EUR1.6 million.

Associates

The accounting methods applied to investment in associates has been changed to IFRS. Investment in associates is accounted for using the equity method. The difference between the purchase price and the share in net equity of the associate at the date of acquisition is allocated to identifiable assets and treated accordingly. The difference between the cost of the acquisition and the fair value of the net identifiable assets acquired is treated as goodwill and stated at cost less any accumulated impairment losses. Goodwill is not amortized but is tested annually for impairment.

The effect of new accounting methods concerning associates results in a reduction of net equity in the amount of EUR2.2 million. Net earnings for the year 2004 is reduced by EUR1.1 million by this change.

Translation reserve

Accumulated foreign exchange difference arising on the translation of financial statements of foreign subsidiaries to the Group's reporting currency is eliminated as of 1 January 2003. Other changes in the translation reserve relate to the changes made to the financial statements of the subsidiaries when applying IFRS.

Changes in translation differences in the Group's stockholder's equity due to the implementation of IFRS by foreign subsidiaries is a reduction of EUR2.8 million.

Other changes

Other changes made to the Group's financial statements on the implementation of IFRS relate to the recognition of leased assets, changes in depreciation of fixed assets and share based payments.

The total increase in the Group's stockholders' equity at year-end 2004 due to other changes amounts to EUR0.9 million. Net earnings for the year 2004 are reduced by EUR0.4 million due to these other changes.

The Group applied IAS 39 as of 1 January 2005. The application results in a recognition of derivatives which are recognized at fair value and interest-bearing loans are stated at amortized cost with any difference between cost and redemption value recognized in profit or loss over the period of the borrowings on an effective interest rate. The effect of applying IAS 39 is an increase in net equity at 1 January 2005 amounting to EUR1.3 million.

Notes to the Interim Financial Statements

19. Events after the balance sheet date

-Business combination

In May the Group acquired Amide Pharmaceutical Inc., a company specialising in developing, manufacturing and marketing pharmaceuticals, for an initial gross consideration of EUR386million in cash with up to an additional EUR77 million payable over two years subject to performance. The acquisition will be financed partially through a pre-emptive placing in Iceland of its own treasury shares (6,6%) and an issue of new shares to raise a total of EUR250 in market value. The balance of the consideration for the acquisition will be financed with a new 5-year syndicated credit facility of EUR500 million which will partly be used to refinance Actavis' existing short- and long-term liabilities.

20. Financial ratios

The main financial ratios for the Group are as follows:

	<u>YTD 2005</u>	<u>YTD 2004</u>
Equity ratio.....	0,40	0,41
Current ratio.....	1,05	1,16
Return on equity.....	14,72%	37,61%
Internal value of shares.....	8,42	7,79
EBITDA.....	24.565	35.055
EBITDA as a percentage of revenues.....	24,1%	27,1%
Working capital provided by operating activities.....	24.759	29.706