



First quarter financial results

Analyst presentation 9 May 2007



Robert Wessman, President & CEO
Mark Keatley, CFO
Sigurdur Oli Olafsson, Deputy CEO



Forward looking statement

Any statement contained in this presentation that refers to Actavis' estimated or anticipated future results or future activities are forward-looking statements which reflect the Company's current analysis of existing trends, information and plans. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially depending on factors such as the availability of resources, the timing and effect of regulatory actions, the success of new products, the strength of competition, the success of research and development issues, unexpected contract breaches or terminations, exposure to product liability and other lawsuits, the effect of currency fluctuations and other factors. Actavis does not undertake the obligation to update or alter these forward-looking statements beyond its duties as an issuer of listed securities on the Iceland Stock Exchange.

2



Today's speakers



Robert Wessman
President & CEO



Mark Keatley
Executive CFO



Sigurdur O Olafsson
Deputy CEO

3



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



Financial highlights 1Q

In EUR millions

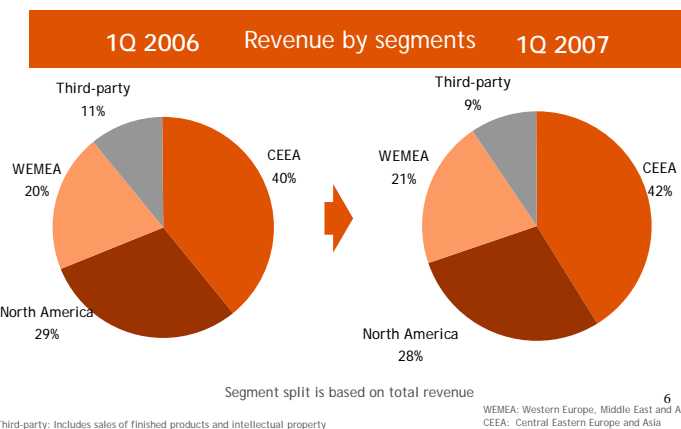
	Three months ended 31 March		
Euro millions	1Q 2007	1Q 2006	% change
Total revenue.....	382.7	341.9	11.9%
Total operating expenses.....	329.2	291.8	(12.8%)
EBITDA.....	79.3	72.5	9.4%
EBITDA %.....	20.7%	21.2%	(0.5%)
Underlying net income.....	32.4	35.2	(7.8%)
PPA adjustments.....	5.4	3.3	(63.6%)
Net profit after PPA.....	27.0	31.9	(15.3%)

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

5

Financial highlights 1Q

EUR382.7 million



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



7

Financial highlights



Financial highlights 1Q 2007

In EUR millions

Three months ended 31 March

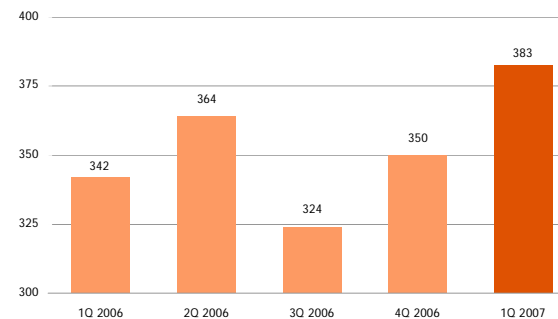
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Underlying diluted earnings per share....	0.00660	0.00685	(3.6%)
Reported diluted earnings per share.....	0.00491	0.00587	(16.3%)

- 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.

9

Revenue by quarter

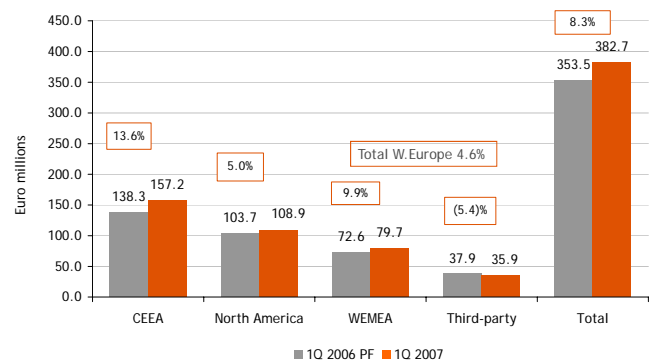
EUR million



1Q underlying growth 8.3% at constant exchange rates

Underlying growth

1Q 2007

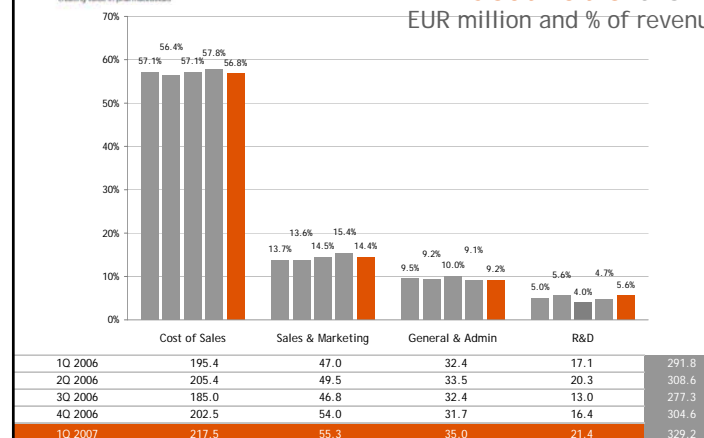


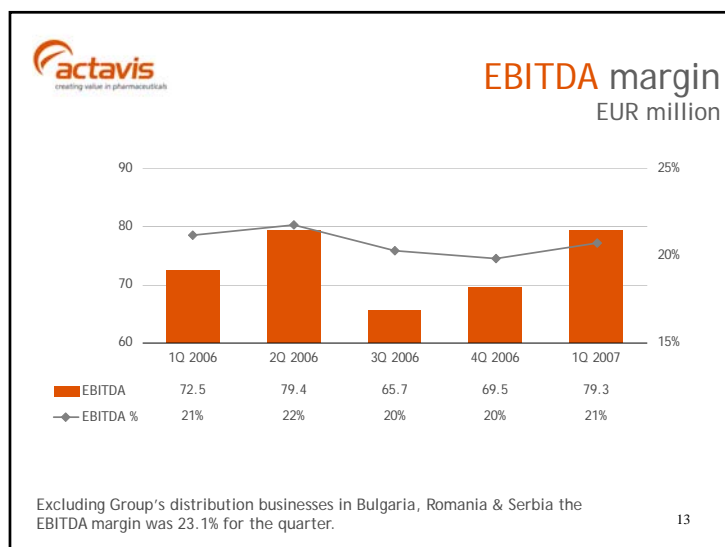
*Pro forma underlying growth, includes underlying growth from businesses acquired in 2006 to reflect the growth of the business as it is today, at constant exchange rates.

11

Cost ratio trend

EUR million and % of revenue





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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)	(8.9)	(17.3)	(8.8)	(0.4)
PPA	(8.1)	(15.1)	(5.2)	6.9	(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)

14

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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

15

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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

16

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

17

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

18

Uses of cash flow

Euro million

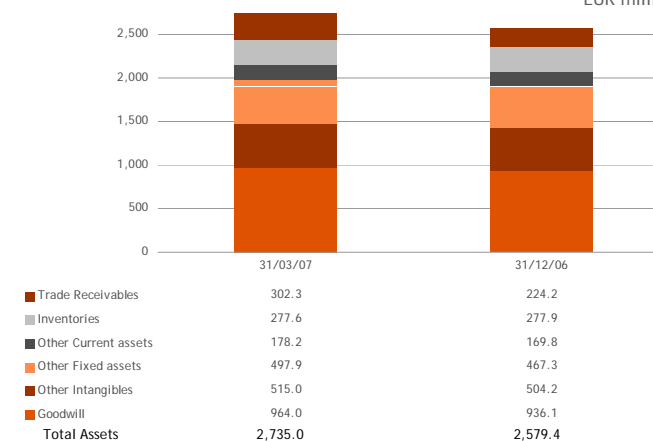
1Q 2007

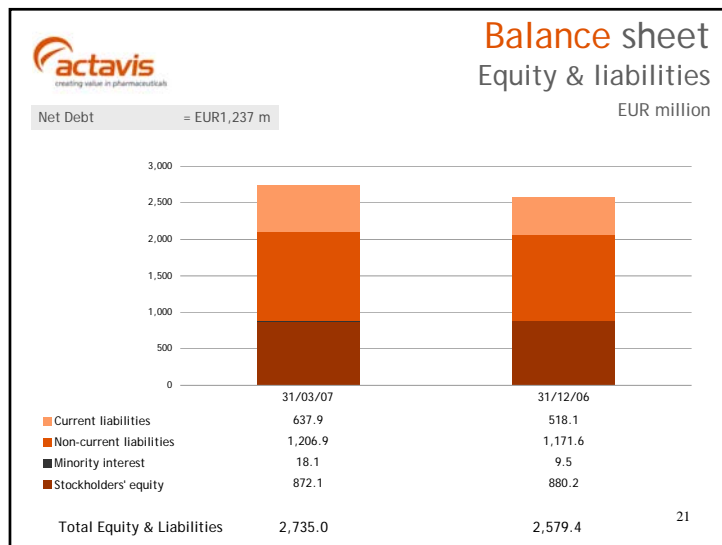
Net Cash provided by operating activities.....	6.4
Investment in property, plant and equipment (net)	(22.5)
Increase in intangibles	(20.2)
Net free cash flow.....	(36.2)
Acquisitions.....	(40.3)
Net cash used.....	(82.9)
Changes in net debt.....	87.6
Changes in capital stock.....	(0.0)
Net financing.....	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

19

Balance sheet

Assets
EUR million





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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

23

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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

24

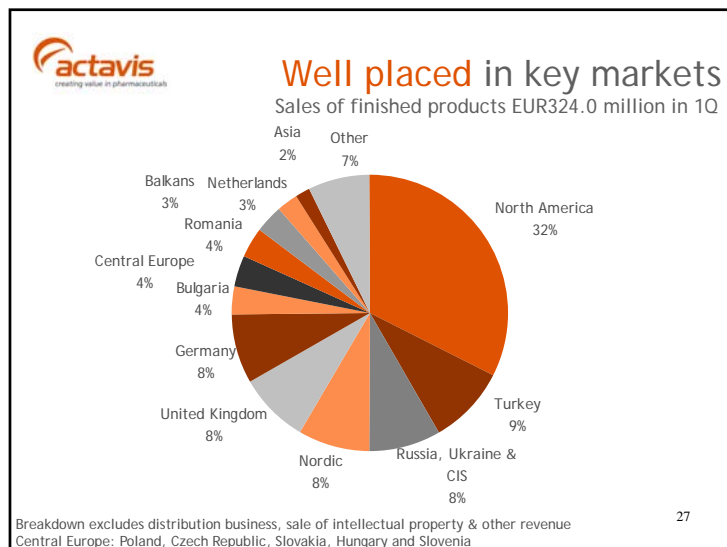


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Divisional overview

- **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

26



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Highest selling products in 1Q

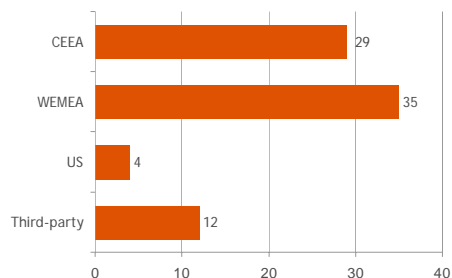
EUR million

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%

28



Product and market launches in 1Q



A total of 80 launches (48 molecules)
 Thereof **eight** where Actavis was first to market

For new products and launches of existing products to new markets
 Product is defined as molecule per pharmaceutical form. From own development and includes in-licencing and co-development

29

North America sales



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



31



Central, Eastern Europe & Asia sales





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:

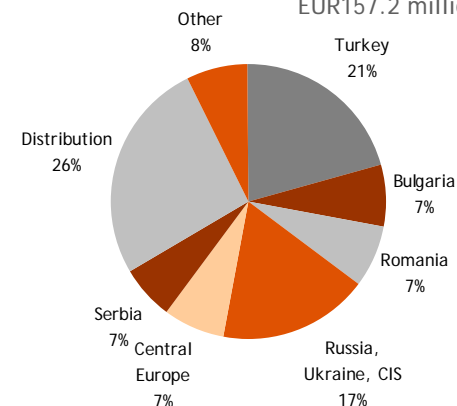
- Underlying growth of 13.6% to EUR157.2 million
- Good growth in key markets incl. Russia, Ukraine, Romania & Central Europe
- Distribution business 26% of revenue with good growth
- 29 product and market launches (29 molecules).
- Highest contributing products, Troxevasin®, Phezam®, Cravit® and Enalapril

33



Sales by market

EUR157.2 million in 1Q 2007



Distribution includes revenue from Bulgaria, Romania & Serbia

34



West Europe, Middle East and Africa



35



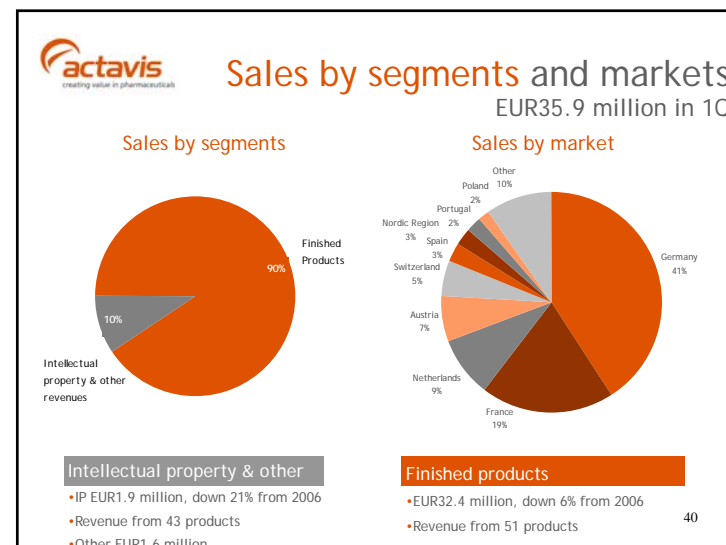
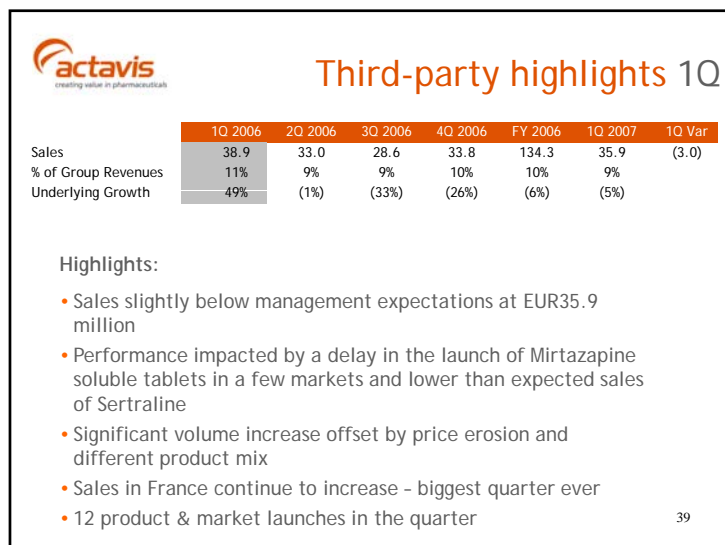
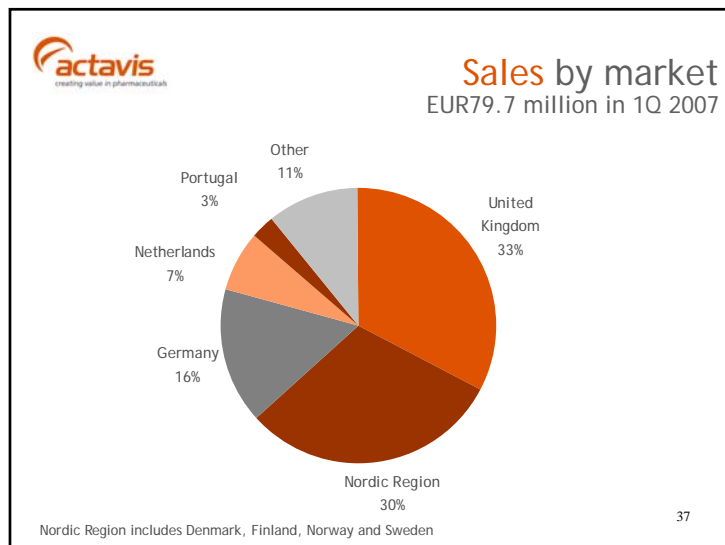
WEMEA highlights 1Q

	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

36



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