8 May 2007

Actavis reports net profit of EUR27 million in 1Q

- Improved performance in Germany and UK drives underlying revenue growth of 8.3% -

Reykjavik, Iceland 8 May 2007 - Actavis Group (OMX: ACT), the international generic pharmaceuticals company, today announced results for the first quarter ending 31 March 2007.

1Q Highlights

- Reported revenue increased by 11.9 % to EUR382.7 million (1Q 2006: EUR341.9 million)
- Underlying revenue increased by 8.3% (1Q 2006 pro forma: EUR353.5 million), reflecting strong performance in the UK, Germany and Russia
- On a divisional basis:
    - Pro-forma sales in Central & Eastern Europe and Asia (CEEA) increased to EUR157.2 million (1Q 2006 pro forma: EUR138.3 million). Underlying growth was 13.6%
    - Pro-forma sales in North America increased to EUR108.9 million (1Q 2006 pro-forma: EUR103.7 million), representing underlying growth of 5.0%
    - Sales in Western Europe, Middle East and Africa increased by 9.9% on a pro-forma basis to EUR79.7 million (1Q 2006 pro forma: EUR72.6 million)
    - Third Party sales declined 5.4% to EUR35.9 million (1Q 2006 pro forma EUR37.9 million)
- EBITDA margin of 20.7% for the quarter, excluding distribution business. EBITDA margin is 23.1%
- Net profit down by 15.3% to EUR27.0 million, underlying net profit (excluding purchase price amortisation), down 7.8% to EUR32.4 million
- Underlying diluted earnings per share down 3.6% to EUR0.00660
- 80 product and market launches (48 molecules), including 180 day exclusivity on Ranitidine oral solution in the US
- Partnership agreements signed with large German insurance funds, to support further growth

	Three months ended 31 March		
Thousands of Euro	**1Q 2007**	**1Q 2006**	**% Change**
Total Revenues	382,694	341,878	11.9%
Total expense	-329,160	-291,837	12.8%
EBITDA	79,311	72,497	9.4%
EBITDA %	20.7%	21.2%	-0.5%
Profit before tax	34,664	40,009	-13.4%
Underlying net profit	32,425	35,176	-7.8%
Net profit	27,000	31,859	-15.3%
Underlying diluted earnings per share	0.00660	0.00685	-3.6%
Diluted earnings per share	0.00491	0.00587	-16.3%

Actavis President & CEO, Robert Wessman, commented:
"Actavis has a good start to the year, in line with our expectations. We continue to benefit from the diversity of our global business as well as the strength of our product pipeline, which has resulted in a significant product launch activity. It is particularly encouraging to see good improvement in Western Europe, supported by continued strong performance in the US and Russia. Continued underlying growth combined with the impact of recent acquisitions means that we remain on track to meet our targets for the full year."

1Q financial results

Revenue
Reported revenue increased to EUR382.7 million in the first quarter (1Q 2006: EUR341.9 million), which represents a record quarter for the Group in revenue. This represents an underlying revenue increase in the first quarter (based on pro-forma numbers from 2006) of 8.3% at constant exchange rates and 11.9% reported revenue growth. The 1Q revenue included a contribution of EUR1.2 million from ZiO Zdorovje, the Russian company in which Actavis acquired a controlling 51% stake at the end of January. The acquisition of Abrika in the US closed in mid-April and will be consolidated with effect from 2Q.

- **Sales in Central & Eastern Europe and Asia (Iceland and Malta included)** were EUR157.2 million in the quarter (1Q 2006 pro forma: EUR138.3 million). This represented 13.6% underlying growth. During the quarter, there were 29 product and market launches (29 molecules) across CEEA markets. The division saw strong revenue growth in key markets, including Russia, Ukraine and Romania.

- **Sales in North America** increased by 5.0% to EUR108.9 million for the quarter (1Q 2006 pro forma: EUR103.7 million). Price erosion of nearly 13% compared to 2006 was more than offset by volume growth of over 18%. Four products were launched in the quarter, out of the 18-20 expected for the year as a whole.

- **Sales in Western Europe, Middle East and Africa** division were EUR79.7 million (1Q 2006 pro forma: EUR72.6 million), an increase of 9.9% from the first quarter of 2006. Growth was driven principally by good growth in the UK and Germany also had a good performance. 35 product and market launches (27 molecules) were made in the quarter and important contracts were signed with health insurance funds in Germany, to support growth in the market.

- **Third-party sales** were EUR35.9 million, 5.4% below the first quarter in 2006 (pro forma: EUR37.9 million). The severe price erosion experienced in the German market in the second half of 2006, continues to impact price levels, but was largely offset by increased volume and strong performance in France.

Operating expenses
Operating expenses in the first quarter were EUR329.2 million (1Q 2006: EUR291.8 million). As a percentage of revenues, operating expenses were 86% compared to 87% in 4Q 2006.

- **Cost of sales as** a percentage of total revenue was 56.8% for the first quarter, an improvement of 1.0 percentage point from previous quarter, and 0.3% from 1Q 2006. The Company continues to make progress in its efforts to improve gross margins through purchasing savings and plant efficiencies.

- **Sales and marketing expenses a**s a percentage of revenue was 14.4% in the quarter, compared to 15.4% in the previous quarter, and 13.7% in 1Q 2006.

- **General and administrative expenses** was equivalent to 9.2% of revenues, compared to 9.1% in previous quarter and 9.5% in 1Q 2006. Included in these expenses was a EUR1.5 million in due diligence costs to support the company's bid for the generics division of Merck kGA.

- **R&D expenses** charged to the P&L were EUR21.4 million (5.6% of total revenues) in the quarter, which includes cash spending and amortisation of intangible assets that were internally generated or acquired. Total spending on R&D was EUR32.4 million; out of this, EUR12.6 million was expensed and EUR19.8 million capitalised in line with IFRS standards.

	Three months ended 31 March		
Thousands of Euro	**1Q 2007**	**1Q 2006**	**% Change**
Total Revenues	382,694	341,878	11.9%
Costs of Goods Sold	217,511	195,362	11.3%
Sales and Marketing Expenses	55,260	46,995	17.6%
Research and Development Expenses	21,369	17,115	24.9%
General and Administrative Expenses	35,020	32,365	8.2%
Total Operating Expenses	**329,160**	**291,837**	**12.8%**

EBITDA & EBIT
Earnings before interest, tax, exceptional items, depreciation and goodwill amortisation ("EBITDA") increased by 9.4% to EUR79.3 million for the quarter (1Q 2006: EUR72.5 million). The EBITDA margin was 20.7% in the quarter, in line with 2006. For the year as a whole, EBITDA margin is expected to be 21-22% and by end of 2009. Excluding distribution businesses in Bulgaria, Romania and Serbia, the EBITDA margin is 23.1%. EBIT was 14% of revenues and increased to EUR53.5 million for the quarter, up 7.0% from 1Q 2006. Excluding the amortisation of purchased intangibles, EBIT was 16.1% of revenues.

Net interest and other financial results
Financial expenses totalled EUR18.9 million in the quarter (1Q 2006: EUR10.0 million). The main item in financial expenses is the interest expense on the Group's net debt. Net interest expense was EUR17.2 million, up from EUR15.6 million in the previous quarter, reflecting the increase in group borrowing for the acquisition of the controlling stake in ZiO Zdorovje and investments in manufacturing facilities in India. The average borrowing rate for the Group was approximately 5.5% on the net debt level of EUR 1,237.0 million. Global interest rate benchmarks have risen by over 100 basic points during the last 12 months, which increased net interest expense by over EUR3 million compared with Q1 2006.

Profits and return on equity
Net profit was EUR27.0 million in the quarter (1Q 2006: EUR31.9 million), down 15.3%. When excluding EUR5.4 million purchase price amortisation in the quarter, the underlying profit was EUR32.4 million (1Q 2006: EUR35.2 million). Net profit was affected negatively by the increase in net interest expense and by a higher depreciation charge resulting from the Group's investments in 2006. Diluted earnings per share (EPS) was EUR0.00491 (1Q 2006: EUR0.00587) in the quarter and underlying diluted earnings per share was EUR0.00660 in the quarter (1Q 2006: EUR0.00685). The calculation of underlying diluted earnings per share takes full account of the preferred shares (issued in December 2005) and their dividend entitlements.

Reported return on equity in the first quarter was 11.8% (1Q 2006: 14.3%).

Tax
The Group's tax charge was EUR7.7 million in the quarter and the effective tax rate 22.1%, in line with management guidance for the year as a whole.

Working capital
Working capital provided by operating activities was EUR36.2 million in the quarter (1Q 2006: EUR52.1 million). Operating assets/liabilities increased by a net EUR29.7 million in the quarter (1Q 2006: EUR56.8 million). Average trade receivables as of 31 March were equivalent to 64 days, from 60 days at the end of 2006. Trade receivables increased in the US, due primarily to the strong sales in the month of March, and in Turkey and Romania for seasonal reasons, but were in line with the average position throughout the last 12 months. For the Group as a whole, the number is expected to stabilize during the year 2007. Inventory turns were around 3 times, in line with previous quarters.

Capital expenditure
The total of capital expenditure for the quarter (including R&D) totalled EUR45.4 million (1Q 2006: EUR 32.7 million). Investments in fixed assets were EUR25.3 million in the quarter (1Q 2006: EUR20.4 million), with key investments in Bulgarian factories and offices (EUR9.3 million), strategic projects in the US (EUR7.6 million), and in Iceland (EUR3.6 million). Investments in development projects and other intangibles amounted to EUR20.2 million during the quarter (1Q 2006: EUR12.3 million).

Cash flow
Total investment activity outflow during the quarter net of sale proceeds was EUR82.9 million in relation to acquisitions of new companies and investments in manufacturing plants and R&D. Financing flows during the quarter included outflows of EUR14.3 million for payments of long-term debt and inflows of EUR102.9 million from new loans and increases in bank borrowings. The Group's closing cash balance was EUR88.7 million.

The Group had a net free cash outflow of EUR36.2 million in the quarter (1Q 2006: outflow EUR37.2 million).

Balance Sheet
The Russian pharmaceuticals manufacturer ZiO Zdorovje was integrated into the Group accounts in February 2007, as were the manufacturing plant acquired from Grandix in India and the API division of Sanmar in India. The assets and liabilities of these entities have been classified within the appropriate

headings in the balance sheet. The acquisition of Abrika Pharmaceuticals, in Florida, was closed on 18 April and will therefore be integrated in Group accounts in the second quarter.

As of 31 March, total debt was EUR1,325.7 million, equivalent to EUR1,237.0 million net of cash

1Q and Recent Developments

Contract with German health insurance provider
Actavis was selected as the preferred partner by the largest health insurance provider in Germany, Allgemeine Ortskrankenkassen ("AOK") in March. This exciting initiative is the largest partnership in the market. Recently, Actavis signed a further contract with the German VdAK / AEV association. The association represents seven health insurance funds in Germany that provide coverage for around 8.7 million people across the country.

180 day exclusivity in the US
Actavis received FDA approval to market Ranitidine Oral Solution USP. Due to the company's first-to-file status, the FDA granted Actavis a 180-day marketing exclusivity. Ranitidine Syrup, generic equivalent of GSK's Zantac®, is used to treat and prevent ulcers of the stomach.

Floxapen acquired
In May Actavis acquired Floxapen® from GlaxoSmithKline (GSK) for Europe. Floxapen® capsules, syrup and injection contain the active ingredient flucloxacillin, which is used to treat various infections. Floxapen® has been on the market since early 1970s and has experienced consistent sales growth since then. Sales are expected to be around EUR12.0 million for full year 2007.

Sindan rebranded
Following the acquisition of Sindan in March 2006, the business was rebranded as Actavis in April. This development marks the end of a successful integration process. Since being acquired by Actavis, Sindan has continued to experience strong growth, both in new registrations around the world for oncology products and for own label sales in the Romanian market.

Abrika acquisition completed
Actavis completed the acquisition of Abrika Pharmaceuticals and the Company will be consolidated into Group accounts from mid April 2007. Abrika's development expertise and infrastructure will enable Actavis to utilize its existing CR technology and accelerate growth in the niche CR market. Actavis will also seek opportunities to register Abrika's products in Actavis European markets. Full year revenues of Abrika are expected to be EUR20 million and two new products are expected to be launched in the year 2007 and 5-6 in the year 2008.

Representative office in Vietnam
Actavis has opened a representative office in Ho Chi Minh City, Vietnam. The pharmaceutical market in Vietnam has an estimated value of US$700 million with a growth rate of more than 20% in 2006.

Interest in Merck generics business withdrawn
At the beginning of May Actavis withdrew its interest to acquire the generics division of Merck KGaA. Actavis had performed extensive due diligence on the division and identified significant potential synergies with its own operations. However, the price levels that Actavis understood were being offered for the division by other bidders meant that the board considered the transaction would not produce value for Actavis' shareholders.

CEO on the board of directors
Robert Wessman, President & CEO of Actavis, joined the Group's Board of directors at the Annual General Meeting in April. He replaces Karl Wernersson on the board. Baldur Gudnason was elected as reserve board member.

Sales and marketing report

The sales and marketing function is split into four divisions: Own-label sales are divided geographically between Central & Eastern Europe and Asia (CEEA); Western Europe, the Middle East and Africa (WEMEA); and North America. The Group's Third-party Global sales division forms the fourth business

stream. The Group's distribution business in Bulgaria, Romania and Serbia has been excluded in the market and product analysis and reported separately.
Total revenues for finished products amounted to EUR324.0 million, revenue from distribution businesses in Bulgaria, Romania and Serbia were EUR41.4 million.

The Group's largest markets (based on total sales of finished products) are North America (32%), Turkey (9%), the United Kingdom (8%) and Germany (8%). As the table below illustrates, Actavis' geographic reach means that the Group has significant diversity and is not dependent on any one single market.

Actavis key markets covering both own label and third party sales include:

At constant exchange rates	Q1 2007	Q1 2006	Change %
	EUR millions		
USA	105.1	100.8	4.3%
Bulgaria	11.4	11.3	0.5%
Germany	26.0	28.5	(8.5%)
Turkey	29.9	28.2	6.1%
United Kingdom	26.5	20.7	28.1%
Russia, Ukraine & CIS	27.4	20.5	33.8%
Scandinavia	26.7	28.6	(6.6%)
Romania	11.6	9.8	17.4%
Central Europe	12.0	10.2	17.8%
Netherlands	8.7	7.9	9.3%
Other	38.7	36.3	6.6%
Total Products	324.0	302.8	7.0%

Actavis has in recent years managed to build one of the broadest pipelines in the generics industry and the Group's top 10 products, now only account for 17,6% of total product sales, compared to 21.9% in 1Q 2006 and 24,6% in 1Q 2005, underlining the positive impact of Actavis' broad product portfolio.

During the quarter, the Group had 80 product and market launches (48 molecules), thereof 8 which were first to market. Key Group product launches in first quarter include Ranitidine oral solution and Sertraline tablets in the US and Fentanyl patch in the UK.

Highest selling products in the 1Q (EUR million):

Product name	Originator (Company)	Therapeutic group	Division	Sales in Q1 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 division –28% of 1Q total revenue

Sales grew by 5%, ahead of management expectations, to EUR108.9 million, (1Q 2006 at constant exchange rates: EUR103.7 million). Growth was mainly driven by the launch of Ranitidine Oral Suspension in March, which Actavis launched as a First-to-File, with 180 days marketing exclusivity. The region continued to benefit from the strong sales of primary products including Gabapentin (CNS) tablets and capsules, Diltiazem (cardiovascular), Lovastatin (cholesterol lowering), Carbidopa/Levodopa (anti-Parkinson), Oxycodone (analgesic), and Quinaretic® (cardiovascular). Actavis's market share of major

products remained stable and Actavis now has over 170 products in the US, with further 180 projects in the pipeline.
Actavis introduced and successfully launched the first customer-friendly compliance package for Diltiazem CD in partnership with Wal-Mart during the quarter.

In addition to Ranitidine, the North America division launched three new products in the quarter: Sertraline (anti-depressant), Alprazolam ER (anxiolytic) and Hydrochlorothiazide 12.5mg tablets (cardiovascular). The division also received final approval for Finasteride 5mg (benign prostate enlargement), which it expects to launch in 2Q. The division remains on track to achieve its target of 18-20 product launches for 2007. Six new ANDA applications were filed during the quarter and further 60 were pending at the end of 1Q.

Central & Eastern Europe and Asia, 42% of revenue in 1Q 2007

First quarter reported sales grew by 13.6% to EUR157.2 million (1Q 2006 pro forma: EUR138.3[1] million). Key markets experienced good growth, including Russia, Ukraine, Romania and Central European markets. In March 2007 Actavis opened a new representative office in Vietnam, which is now fully operational. The division launched 29 products (29 molecules) in the quarter. The highest selling products in 1Q included Troxevasin® (anti-varicosis), Phezam® (CNS), Cravit® (anti-infective), Enalapril (cardiovascular) and Cefaclor (anti-infective).

Turkey – 21% of divisional revenue
Turkey delivered reported revenues of EUR32.8 million in 1Q 2007, which is a decline of 10.0% from 1Q 2006 (1Q 2006:EUR36.4 million). Growth at constant exchange rates was 3.9% in the quarter. This deviation is mainly due to political instability resulting in slower reimbursement approvals and increased pricing pressure from authorities. Six products are expected to be launched in Turkey during 2007.

Russia, Ukraine & the CIS – 17% of divisional revenue
Russia, Ukraine & the CIS markets had an increase in reported revenue of 22.4% to EUR27.2 million (1Q 2006: EUR22.2 million). Growth at constant exchange rates was 33.4% in the quarter. Russia continued to perform strongly in the quarter with EUR16.1 million in sales, 17% growth from 1Q 2006. The main growth drivers were well established brands. Betahistin (anti-vertigo), which was recently launched, had good sales in 1Q 2007. Ukraine achieved strong performance with sales of EUR8.2 million in 1Q 2007, with 37% growth over 1Q 2006 and the CIS markets with sales of EUR2.9 million were 19% ahead of 1Q 2006.

Romania - 7% of divisional revenue (only sales of finished products, not distribution)
First quarter reported sales were EUR11.6 million a 25% increase above the pro forma revenue in 1Q 2006. Good performance is largely as a result of strong contribution from oncology products, such as Paclitaxel and Epirubicin, in addition to products distributed through third-parties. In 2007, 15 new Actavis products will be launched in Romania, supporting growth of both oncology products and other therapeutic classes from the Group pipeline.

Bulgaria – 7% of divisional revenue (only sales of finished products, not distribution)
Reported revenue was EUR11.2 million, slightly below the previous year (1Q 2006: EUR11.7 million). The highest selling products were the cardiovascular products Enalapril and Indapamide in addition to Lamotrigine (antiepileptic). Following Bulgaria's admission to the European Union, Actavis is anticipating more pressure for health care savings with a greater emphasis on generic pharmaceuticals.

Central Europe (Poland, Hungary, Czech Republic, Slovakia and Slovenia) – 7% of divisional revenue
Reported revenue in 1Q 2007 was EUR11.4 million, 38% above the pro forma revenue of 1Q 2006. The fastest growing country in the region in was Poland with 98% growth, followed by Slovakia with 47% growth, and Hungary with 18% growth. The main contributing markets in the region were Hungary and Poland. The performance in the region was influenced by good sales within the existing portfolio and seven successful product launches. A successful sales and marketing strategy was balanced by the negative impact of new tax and reimbursement regulations.

Serbia - 6% of the divisional revenue (only sales of finished products, not distribution)
Reported revenues were EUR8.9 million (1Q 2006: EUR8.6 million), representing a 3% reported growth. Serbia showed a good performance despite a complex political and economic situation. In 2007, Actavis will introduce more new products from the strong Group pipeline.

[1] Includes revenue from Sindan and ZiO Zdorovje for 1Q 2006

Distribution of finished products, 26% of divisional revenue
Actavis' distribution businesses in the region, including revenues from Bulgaria, Romania and Serbia, delivered revenues of EUR41.4 million in 1Q 2007. Revenues from the Bulgarian distributor Higia increased by 30% to EUR24.2 million (1Q 2006 EUR19.8 million). A strong contribution also came from the Romanian distribution business, specialising in the distribution of oncology products, with revenues of EUR15.8 million (1Q 2006 pro forma EUR10.7 million). These businesses operate at significantly lower margins than other business units, but are important in supporting revenue growth in these important markets.

WEMEA - Western Europe, Middle East and Africa – 21% of 1Q revenue

Sales in the first quarter grew by 10% to EUR79.7 million compared to the same quarter last year (1Q 2006 at constant exchange rates: EUR72.6 million). This is in line with management expectations and above the general market growth rates for the region. The growth was achieved through a number of new product launches in key markets, resulting in increased market shares in several markets.

The division's main markets are the UK, Germany, the Netherlands, the Nordic countries and Portugal. In the quarter 35 products (27 molecules) were launched, eight of which were OTC (over-the-counter) products.

UK – 33 % of the divisional revenue in 1Q
UK sales grew 31% for the first quarter to EUR26.0 million (1Q 2006: EUR19.8 million). Actavis has recently become the number two player in the generics market in the UK. In the quarter telemarketing efforts have been doubled, preparation for outsourcing of distribution and OTC efforts increased. The highest contributing products in the quarter were Prednisolone (glucocorticosteroide), Dihydrocodeine (for cough and cold) and Cyglogest (hormone). Eight new products were launched and the market is expected to continue to show growth during 2007.

Germany - 16 % of divisional revenue in 1Q
Sales in Germany were at the same level as for the quarter last year equal to EUR12.8 million (1Q 2006: EUR12.8 million). This performance was achieved despite significant price erosion in the market in the range of 15-20% for the last 12 months. The highest contributing products in the year were the cardiovascular products Pentalong®, Propranolol, Flecainide and Bisoprolol.

The German field force has been increased to over 130 people and recent partnership agreements with a large German insurance fund, are expected to support growth in the market in 2007. Actavis has in this connection launched a major marketing campaign towards 30,000 General Practitioners and 10,000 pharmacists in order to promote these partnership agreements

The Netherlands - 7 % of divisional revenue in 1Q.
Sales were steady in the quarter with EUR5.8 million (1Q 2006: EUR5.8 million) and Actavis is seeing the first sign of a more positive development in one of the heaviest discount driven market in Europe. A new account management structure has been established to strengthen the front end of the business.

Nordic - 30% of divisional revenue in 1Q 2007
The Nordic markets, a highly competitive region, produced a solid performance with sales of EUR23.8 million (1Q 2006: EUR25.3million), slightly below last year due to a major new launch activity with OTC products in 1Q 2006. Sales are in line with expectations and benefiting from the broad in-house portfolio and pipeline. Simvastatin (cholesterol lowering) was the largest selling product in the region.

New markets
Management is actively seeking to enter into new markets and has recently opened offices in Austria, Switzerland and Italy. The first product, Finasteride tablets 5mg (benign prostate enlargement), was launched in Austria in April and first products will be launched into Italy and Switzerland in the second quarter. Over 40 product launches are expected in these three markets in the year 2007.

Third-party sales 9% of total revenue in 1Q

This division handles sales of intellectual property developed by Actavis and sales of finished products to third-parties. The division's sales during the quarter were slightly below management expectations and reached EUR35.9 million, (1Q 2006 EUR37.9 million).

Performance was impacted by delays to the launch of Mirtazapine soluble tablets (antidepressant) in few markets and lower than expected sales of Sertraline (antidepressant).

Key markets for this division during the period include Germany, France, the Netherlands, Austria, UK and Switzerland. Significantly higher volumes were sold during this quarter as compared with 1Q 2006. The sales however were not increased proportionally as a consequence of price erosion in many key markets and a different product mix.

Actavis' Third-Party sales division launched one new product during the quarter, Fosinopril HCT (cardiovascular) in Germany. Including launches of existing products to new markets the division had a total of 12 product launches in the quarter. Over 60 product and market launches are expected into the division's key markets, resulting in a strong double digit growth for the year as a whole, compared to 2006.

Germany - *41% of division's product sales in 1Q*
Sales declined by 15% to EUR13.3 million compared to EUR15.6 million in 1Q 2006. The most important products are Ramipril tablets (cardiovascular), Ramipril HCT and Lisinopril HCT (cardiovascular). The market has experienced severe price erosion, caused by changes in the reimbursement of pharmaceuticals in Germany.

France – 19% of division's product sales in 1Q
Sales in France amounted to EUR6.3 million, up 65% from 1Q 2006 (EUR3.8 million). The highest selling products during the first quarter were Ramipril, Sertraline (antidepressant) and Ciprofloxacin (anti-infective).

Netherlands - *9% of division's product sales in 1Q*
The Netherlands is an important market for the division, even though it is very price competitive. Sales during the quarter amounted to EUR2.9 million, up 35% from 1Q 2006. The most important products were Ciprofloxacin, followed by Fosinopril (cardiovascular) and Citalopram (antidepressant).

Management guidance

In the year 2007, management expects revenue to total EUR1.6 billion, representing an underlying growth of 13% over 2006, with an average EBITDA margin for the year of 21-22%. Sales in Central and Eastern Europe and Asia (CEEA), Third Party sales and sales in West Europe, Middle East and Africa, are all expected to register double-digit underlying growth, while the sales in North America will grow at low single-digit rates. Furthermore, over 500 product and market launches are expected during the year 2007, thereof 18-20 in the US market.

Revenue and EBITDA are expected to be higher in the second half of 2007 than in the first half, as the Group will realize the benefits in the second half from the active launch schedule and marketing campaigns in the first half.

Method of consolidation

The consolidated financial statements comprise the financial statements of Actavis Group and its subsidiaries.

The Group's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Group companies are those companies in which the parent company has a controlling financial interest through direct and indirect ownership of a majority voting interest or effective managerial and contractual control. The subsidiaries held or acquired exclusively with a view to subsequent resale are excluded from consolidation and are included as available-for-sale investments and measured at fair value where this can be reliably measured or at cost less impairment losses where fair value cannot be reliably measured. All material intra-group balances, transactions and any unrealised gains from intra-group transactions have been eliminated in consolidation. The equity and net income attributable to minority interests are shown as separate items in the consolidated financial statements.

Actavis' financial calendar

2Q results	9 August 2007
3Q results	8 November 2007
Q4 and annual results	6 March 2008
1Q 2008 results	8 May 2008

Financial calendar is also available on the Actavis' website, www.actavis.com

Presentation of financial results

An open meeting for investors, analysts and shareholders will be held at the Nordica Hotel in Reykjavik, Iceland, at 08:30 GMT on 9 May 2007. A copy of the presentation will be available on www.actavis.com following the meeting.

Live conference call for analysts and investors:
Actavis will host a conference call on Wednesday 9 May at 13.30 GMT/ 14.30 BST/ 09.30 ET for European and US investors to discuss earnings.

Conference call for analysts and investors, the details of which are as follows:

Conference call for European and US investors

Time of call	13.30 GMT/ 14.30 BST/ 09.30 ET
UK dial in	+ 44 (0)20 7806 1960
US / Canada dial in	+ 1 718 354 1390
Password/conf ID	Actavis 1Q Results

A presentation accompanying the conference call will be available on Actavis' website at www.actavis.com, in the investor relations section, one hour before the call.

Replay:
A replay of the conference call will be available on Actavis' website until 15 May.

Footnotes:

1 *Pro forma underlying growth* has been calculated on the basis that the Actavis Group in 1Q 2006 looked as it did in 1Q 2007.This calculation therefore includes revenues in 1Q 2006 for acquired businesses before they became part of the Actavis Group. The calculation adjusts for revenues in 1Q 2006 between Actavis companies and acquired companies and prior to those companies joining the Actavis Group. Pro forma comparisons are at constant 1Q 2007 exchange rates.
2 *Underlying net profit* has been calculated prior to the impact of the amortisation of purchased intangibles.
3 *Underlying EPS* has been calculated prior to the impact of the amortisation of purchased intangibles. The calculation of underlying diluted earnings per share takes full account of the dividend entitlements on the preferred shares.

Consolidated statements of income for the first quarter 2007

Financial statements are in accordance with IFRS

Income Statement	1Q 2007		1Q 2006	
Net sales	371,729	100.0%	333,056	100.0%
Cost of goods sold	(217,511)	-58.5%	(195,362)	-58.7%
Gross profit	**154,218**	**41.5%**	**137,694**	**41.3%**
Other income	10,965	2.9%	8,822	2.6%
Sales and marketing expenses	(55,260)	-14.9%	(46,995)	-14.1%
Research and development expenses	(21,369)	-5.7%	(17,115)	-5.1%
General and administrative expenses	(35,020)	-9.4%	(32,365)	-9.7%
	(100,684)	-27.1%	(87,653)	-26.3%
Profit from operations (EBIT)	**53,534**	**14.4%**	**50,041**	**15.0%**
Financial income/(expenses)	(18,870)	-5.1%	(10,032)	-3.0%
Profit before tax	**34,664**	**9.3%**	**40,009**	**12.0%**
Income tax	(7,664)	-2.1%	(8,150)	-2.4%
Net profit	**27,000**	**7.3%**	**31,859**	**9.6%**
Attributable to:				
Equity holders of the Company	26,932	7.2%	31,320	9.4%
Minority interest	68	0.0%	539	0.2%
Profit for the period	**27,000**	**7.3%**	**31,859**	**9.6%**

Balance sheet	31/03/2007	31/12/2006
Non-current assets	1,976,951	1,907,482
Current assets	758,091	671,880
Total Assets	2,735,042	2,579,362
Stockholders' equity	872,107	880,199
Minority interest	18,066	9,457
Non-current liabilities	1,206,949	1,171,615
Current liabilites	637,920	518,091
Total equity and liabilities	2,735,042	2,579,362

Cash flow	1Q 2007	1Q 2006
Working capital from operating activities	36,151	52,141
Net cash provided by operating activites	6,443	(4,686)

79,311

Key ratios	1Q 2007	1Q 2006
EBITDA	79,311	72,497
EBITDA/revenues	20.7%	21.2%
EBIT/revenues	14.0%	14.6%
Diluted earnings per share (EPS)	0.00491	0.00587
Profit to sale	7.1%	9.3%
Return on equity (ROE)	11.8%	14.3%
Equity ratio	0.33	0.34
Current ratio	1.19	1.30