FOREST LABORATORIES INC
Form 425
May 30, 2014

Filed by Actavis plc

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

of the Securities Exchange Act of 1934

Subject Company: Forest Laboratories, Inc.

FORM S-4 File No.: 333-19478

THIS PROSPECTUS AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, or the contents of this Prospectus, you are recommended to obtain advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser, who, if you are taking advice in Ireland, is duly authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 or the Investment Intermediaries Act 1995 (as amended), or, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 (as amended) of the United Kingdom or, if you are taking advice elsewhere, from another appropriately authorised independent financial adviser.

Any UK Person who is considering accepting the Offer should first seek appropriate professional advice.

Prospective acquirers of Actavis Ordinary Shares should be aware that the financial information contained in this Prospectus has been prepared, in the case of Actavis and in the case of Forest, in accordance with U.S. GAAP. Prospective acquirers of Actavis Ordinary Shares should conduct their own investigation and analysis of the business, data and transactions described in this Prospectus.

If you sell or have sold or otherwise transferred all of your Forest Common Stock, please send this Prospectus, the accompanying election forms and reply-paid envelope at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. Such documents should not, however, be forwarded, transmitted or distributed in or into or from any Excluded Territory. If you sell or have sold or otherwise transferred only part of your holding of Forest Common Stock, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Actavis and the Actavis directors, whose names are set out at Part III (*Actavis Directors, Secretary and Advisers*) of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of Actavis and the Actavis directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and E.U. law pursuant to the Prospectus Directive.

Such approval relates only to the Actavis Ordinary Shares which are to be offered to the public in the United Kingdom.

No application has been, or is currently intended to be, made for the Actavis Ordinary Shares to be admitted to listing or trading on the regulated market of the Irish Stock Exchange or any other regulated market for the purposes of Directive 2004/39/EC.

This Prospectus has been made available to the public in the United Kingdom in accordance with the Financial Services and Markets Act 2000 by the same being made available, free of charge, in printed form, until the Closing Date, at Latham & Watkins (London) LLP, 99 Bishopsgate, London, EC2M 3XF, U.K. and also in electronic form on Actavis website, www.actavis.com. Actavis has requested that the Central Bank provides a certificate of approval and a copy of this Prospectus to the competent authority, for the purposes of the Prospectus Directive, in the United Kingdom, being the UK Financial Conduct Authority. This Prospectus has not been and will not be submitted for approval to any supervisory authority other than the competent authority of Ireland, the Central Bank. This Prospectus will not be passported into any jurisdiction other than the United Kingdom. Therefore, no steps may be taken that would constitute or result in an offer to the public of Actavis Ordinary Shares outside the United Kingdom. The

distribution of this Prospectus may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Certain terms used in this Prospectus, including technical and other terms, are defined and explained in Part XV (*Definitions and Further Interpretation*).

This Prospectus should be read in its entirety. Prospective holders of Actavis Ordinary Shares should review the risk factors set out in Part II (*Risk Factors*) for a discussion of certain factors that should be considered when deciding on what action to take in relation to the Offer.

Actavis plc

(incorporated in Ireland with limited liability under the Companies Acts, registered number 527629)

PROSPECTUS

relating to the issue by Actavis plc to the stockholders of Forest Laboratories, Inc. of ordinary shares in Actavis plc in exchange for their shares of common stock in Forest Laboratories, Inc.

30 May 2014

No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by Actavis. Neither the delivery of this Prospectus nor any sale, purchase or subscription made on the basis hereof shall, under any circumstances, create any implication that there has been no change in the affairs of Actavis since the date hereof or that the information herein is correct as of any time subsequent to its date.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the jurisdiction in which they are resident. Persons who are resident in any jurisdiction or territory other than the United Kingdom should obtain professional advice and observe any applicable requirements.

The Offer is not being made, directly or indirectly in, into or from any Excluded Territory by the use of mails, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or of any facility of a national, state or other securities exchange of any Excluded Territory and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility from or within any Excluded Territory. Accordingly, copies of this Prospectus are not being, and must not be mailed or otherwise distributed or sent in, into or from any Excluded Territory and persons receiving such documents (including, without limitation, any nominee, trustee or custodian) must not distribute or send them in, into or from any Excluded Territory and doing so may invalidate any purported acceptance of the Offer by persons in any such jurisdiction. Notwithstanding the foregoing restrictions, Actavis reserves the right to permit the Offer to be accepted if, in its sole discretion, it is satisfied that the transaction in question is exempt from or not subject to the legislation or regulation giving rise to the restrictions in question. Failure to comply with the above restrictions may constitute a violation of relevant securities

law.

It is the responsibility of any person not resident in the United States or the United Kingdom to ascertain that the legislation applicable in his/her/its country of residence is complied with, and that all other formalities that may be required are fulfilled, including the payment of all costs and levies.

All Forest stockholders (including, without limitation, any nominee, trustee or custodian) who would otherwise intend to, or who have a contractual or legal obligation to, forward this Prospectus and accompanying election forms to any Excluded Territory should refrain from doing so and seek appropriate professional advice.

In making an investment decision, investors must rely on their own examination of Actavis and/or Forest and the terms of the Mergers, including the merits and risks involved, as described in this Prospectus. Investors should rely only on the information contained in this Prospectus. Actavis has not authorised any other person to provide investors with different information. If anyone provides different or inconsistent information, it should not be relied upon. The information appearing in this Prospectus should be assumed to be accurate as of the date of this Prospectus only. The business, financial condition, results of operations of Actavis and the information set forth in this Prospectus may have changed since that date. Any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus that could materially affect the assessment of the Actavis Ordinary Shares and arises or is noted between the time that approval is obtained and the closing of the Offer shall be mentioned in a supplement to this Prospectus which shall be approved by the Central Bank before it is disseminated. This document shall be published and disseminated in the same manner as this Prospectus. The summary and, as the case may be, any translation thereof shall also be supplemented if necessary to take into account the new information included in the supplement to this Prospectus.

Any summary or description set forth in this Prospectus of legal provisions or contractual relationships is for information purposes only and should not be construed as legal or tax advice as to the interpretation or enforceability of such provisions or relationships. In general, none of the information in this Prospectus should be considered investment, legal or tax advice. Holders of Forest Common Stock should consult their own counsel, accountant and other advisers for legal, tax, business, financial and related advice regarding the Actavis Ordinary Shares.

UNITED STATES

The Actavis Ordinary Shares will be registered under the United States Securities Act of 1933, as amended.

The Actavis Ordinary Shares have not been approved or disapproved by the SEC or by any securities commission or regulatory authority of any State of the United States, nor have any of the foregoing authorities passed on the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

Neither this Prospectus nor the Offer constitutes an offer to any other person or a general offer to the public of, or the general solicitation from the public of, offers to subscribe or purchase any of the Actavis Ordinary Shares in the United States.

Actavis exists under the laws of Ireland. Some of Actavis officers and directors may be residents of jurisdictions outside of the United States. As a result, it may be difficult for an acquirer of Actavis Ordinary Shares to enforce civil liabilities under the United States federal securities laws.

EUROPEAN ECONOMIC AREA

In relation to each member state of the EEA which has implemented the Prospectus Directive other than the United Kingdom (each, a relevant member state), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the relevant implementation date), no Actavis Ordinary Shares have been offered or will be offered pursuant to the Offer in that relevant member state prior to the publication of a prospectus in relation to the Actavis Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that with effect from and including the relevant implementation date, offers of Actavis Ordinary Shares may be made in that relevant

member state at any time:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100, or if the relevant member states has implemented Directive 2010/73/EU, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(iii) in any other circumstances which do not require the publication by Actavis of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of Actavis Ordinary Shares results in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a relevant member state and each person who initially acquires any Actavis Ordinary Shares or to whom any offer is made under the Offer on the basis of (i) above will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive and any measure implementing the Prospectus Directive in that relevant member state.

In the case of any Actavis Ordinary Shares being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Actavis Ordinary Shares subscribed for or acquired by it in the Mergers have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their resale to persons in circumstances which may give rise to an offer of Actavis Ordinary Shares to the public in any relevant member state other than the United Kingdom.

NO INCORPORATION OF WEBSITE INFORMATION

The contents of Actavis website or Forest s website or any other website referred to in this Prospectus do not form part of this Prospectus.

ROUNDING

Percentages in certain tables in this Prospectus have been rounded and accordingly may not add up to 100%. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data.

FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that are, or may be deemed to be, forward-looking statements . These forward-looking statements can be identified by the use of forward-looking terminology, including the terms believes , estimates , plans , anticipates , targets , aims , continues , expects , intends , ma case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding Actavis and/or Forest s intentions, beliefs or current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth strategies and the markets in which Forest operates and in which Actavis will operate following completion of the Mergers.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, but without limitation: conditions in the markets, the market position of Actavis and/or Forest, earnings, financial position, cash flows, return on capital, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the events described herein on Actavis and/or Forest.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Actavis and/or Forest or the markets in which they operate or will operate, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In particular, certain statements in this Prospectus relating to future financial results, plans and expectations regarding Actavis and Forest s business, growth and profitability, as well as the general economic conditions to which Actavis and/or Forest are or may be exposed, are forward-looking in nature and may be

affected by factors including, but not limited to, the Risk Factors identified by Actavis set out in greater detail at Part II (*Risk Factors*) of this Prospectus.

Forward-looking statements contained in this Prospectus based on trends or activities should not be taken as a representation that such trends or activities will continue in the future. Forward-looking statements speak only as of the date of this Prospectus.

Except as required by the Irish Prospectus Regulations or by law, Actavis disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any changes in Actavis expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

PAST PERFORMANCE IS NOT A RELIABLE INDICATION FOR FUTURE PERFORMANCE

Historical facts, information gained from historic experience, present facts, circumstances and information, and assumptions from all or any of these are not a guide to future performance. Aims, targets, plans and intentions referred to herein are no more than that and do not imply forecasts.

THIRD PARTY, INDUSTRY AND MARKET DATA

Information contained in this Prospectus in relation to Forest has been sourced from certain information provided to Actavis by Forest and from publicly available information concerning Forest, including third party financial and accounting data obtained from the publicly available audited consolidated financial statements for each of the three years ended 31 March 2013, 2012 and 2011.

Actavis confirms that the information in this Prospectus obtained from Forest has been accurately reproduced. So far as Actavis is aware and has been able to ascertain from information published by Forest, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Certain statements in this Prospectus regarding Forest s position relative to its competitors and the markets in which Forest operates are not based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the Actavis directors best estimates based on their experience and understanding of the market in which Forest operates. Certain statements in this Prospectus regarding Actavis position relative to its competitors and the markets in which it operates are not based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the Actavis directors best estimates based on their experience and understanding of the market in which Actavis operates. Details of the Actavis directors experience and understanding in this regard are set out in the information relating to the Actavis directors in Part V (*Information on Actavis*) of this Prospectus. The Actavis directors accept responsibility for such statements of opinion as they appear in this Prospectus.

Actavis does not have access to the facts and assumptions underlying the numerical data and other information extracted from publicly available sources.

CONTENTS

Part I

SUMMARY

Summaries are made up of disclosure requirements known as Elements . These Elements are numbered in Sections A E (A.1 E.7). This summary contains all of the elements required to be included in a summary for this type of securities and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of not applicable .

	Section A Introduction and warnings	
A.1	Introduction:	**THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS PROSPECTUS. ANY DECISION TO INVEST IN THE ACTAVIS ORDINARY SHARES SHOULD BE BASED ON CONSIDERATION OF THIS PROSPECTUS AS A WHOLE BY THE INVESTOR, INCLUDING, IN PARTICULAR, THE RISK FACTORS.** **Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the E.U., have to bear the costs of translating this Prospectus before the legal proceedings are initiated.** Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries:	Not applicable; Actavis is not engaging any financial intermediaries for any resale of securities or final placement of securities requiring a prospectus after publication of this Prospectus.
	Section B Issuer	
B.1	Legal and commercial name:	The legal and commercial name of the issuer is Actavis plc.

B.2	Domicile and legal form:	Actavis is incorporated in Ireland with registered number 527629 as a public limited company under the Companies Acts and is domiciled in Ireland.
B.3	Key factors relating to the nature of the issuer s current operations and its principal activities:	Actavis (formerly known as Actavis Limited) was incorporated in Ireland on 16 May 2013 under the Companies Acts as a private limited company and converted into a public limited company on 20 September 2013. Actavis is a leading integrated global speciality pharmaceutical company engaged in the development, manufacturing, marketing, sale and distribution of generic, branded generic, brand name, biosimilar and over-the-counter pharmaceutical products. Actavis also develops and out-licenses generic pharmaceutical products primarily in Europe through its Medis third party business. Actavis has operations in more than 60 countries throughout the United States of America, Canada, Latin America, Europe and MEAAP. The U.S. remains Actavis largest commercial market, representing more than half of total net revenues for each of 2013 and 2012. As of 31 December 2013, Actavis marketed

approximately 250 generic pharmaceutical product families and approximately 45 brand pharmaceutical product families in the U.S. and distributed approximately 12,725 stock-keeping units through its Anda Distribution. Actavis Ordinary Shares are listed on NYSE under the symbol ACT .

The registered office of Actavis is at 1 Grand Canal Square, Docklands, Dublin 2, Ireland.

B.4a A description of the most significant recent trends affecting the issuer and the industries in which it operates:

The pharmaceutical industry is highly competitive. The Actavis Pharma and Actavis Speciality Brands businesses will compete with different companies depending upon product categories, and within each product category, upon dosage strengths and drug delivery systems. Such competitors include the major brand name and generic manufacturers of pharmaceutical products. In addition to product development, other competitive factors in the pharmaceutical industry include product quality and price, reputation and service and access to proprietary and technical information. Recent trends in this industry are toward further market consolidation of large drug companies into a smaller number of very large entities, further concentrating financial, technical and market strength and increasing competitive pressure in the industry.

B.5 Group description:

Actavis is the holding company of the Actavis Group. Actavis subsidiaries are wholly-owned, either directly or indirectly, by Actavis. Actavis significant subsidiaries are Watson Pharma, Inc., Actavis Elizabeth LLC and WCCL. Each of Watson Pharma, Inc. and Actavis Elizabeth LLC is Delaware incorporated. WCCL is a Puerto Rican entity.

B.6 Major shareholders:

The following table sets forth, as of 31 December 2013, the name, address and beneficial ownership of each person (including any group as defined in Section 13(d)(3) of the Exchange Act) known by Actavis to be the beneficial owner of more than 5% of the Actavis Ordinary Shares:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	9,668,151	5.5%
FMR LLC 245 Summer Street Boston, MA 02210	16,695,293	9.6%

All of the Actavis Ordinary Shares have the same voting rights. Actavis is not aware of any person who, directly or indirectly, jointly or severally, exercises or, immediately following completion of the Mergers, could exercise control over Actavis.

B.7 Historical key financial information:

SELECTED HISTORICAL FINANCIAL INFORMATION ON ACTAVIS

Actavis derived the financial information as of and for the fiscal years ended 31 December 2011 through 31 December 2013 from the audited consolidated financial statements of Actavis (and from the audited consolidated financial statements of its predecessor entities, as applicable). The information set forth below is only a summary that should be read together with the historical audited consolidated financial statements of Actavis and the related notes, as well as the section titled *Management s Discussion and Analysis of Financial Condition and Results of Operations* contained in Actavis Annual Report on Form 10-K for the fiscal year ended 31 December 2013 that Actavis previously filed with the SEC and that is incorporated by reference into this Prospectus. Historical results are not necessarily indicative of any results to be expected in the future.

(In millions, except per share amounts)	**2013[1][2][5]**	**2012[5]**	**2011**
Operating Highlights			
Net revenues	$8,677.6	$5,914.9	$4,584.4
Operating (loss)/income	(423.2)	315.7	523.4
Net (loss)/income attributable to common shareholders	(750.4)	97.3	260.9
Basic (loss)/earnings per share	$(5.27)	$0.77	$2.10
Diluted (loss)/earnings per share	$(5.27)	$0.76	$2.06
Weighted average shares outstanding:			
Basic	142.3	125.8	124.5
Diluted	142.3	128.4	126.5

	At 31 December		
	2013[1][2][3][4][5]	**2012[5]**	**2011**
Balance Sheet Highlights:			
Current assets	$4,434.7	$3,838.3	$2,569.7
Working capital, excluding assets and liabilities held for sale	1,115.4	1,089.0	730.2
Total assets	22,725.9	14,114.8	6,698.3
Total debt	9,052.0	6,433.3	1,033.0
Total equity	9,537.1	3,856.4	3,562.5

(1) On 1 October 2013, Actavis completed the Warner Chilcott Acquisition. Warner Chilcott was a leading speciality pharmaceutical company focused on women s healthcare, gastroenterology, urology and dermatology segments of the branded pharmaceuticals market, primarily in North America. Beginning 1 October 2013, the following items were included in Actavis operating results:

- total revenues and related cost of sales for Warner Chilcott products;
- SG&A expenses and R&D expenses;
- amortisation expense for intangible assets acquired; and
- increased interest expense from the senior secured notes assumed and the $2.0 billion aggregate term loan indebtedness assumed, and subsequently refinanced, in connection with the Warner Chilcott Acquisition.

(2) On 1 August 2013, Actavis, Inc. entered into a transaction with Palau to acquire worldwide product rights to develop and commercialise albaconazole for

the treatment of candidiasis. Actavis, Inc. simultaneously entered into a manufacturing and supply agreement with Palau for the supply of clinical and commercial quantities of the products. In connection with the execution of the agreements, Actavis, Inc. paid an upfront non-refundable payment of 10.0 million, or $13.4 million to Palau, which was recorded as R&D expense in the year ended 31 December 2013.

(3) On 11 June 2013, Actavis, Inc. entered into an exclusive licence agreement with Medicines360 to market, sell and distribute Medicines360 LNG20 intrauterine device in the U.S. and in Canada for a payment of approximately $52.3 million. Actavis will also pay Medicines360 certain regulatory and sales based milestone payments totalling up to nearly $125.0 million plus royalties. Medicines360 retains the rights to market the product in the U.S. public sector, including family planning clinics that provide services to low-income women. LNG20, originally developed by Uteron Pharma S.P.R.L. in Belgium (now a subsidiary of Actavis), is designed to deliver 20 mcg of levonorgestrel per day for the indication of long-term contraception, and is currently in Phase III clinical trials in the United States. Pending FDA approval, the LNG20 product could be launched in the U.S. as early as 2014.

(4) On 23 January 2013, Actavis, Inc. completed the Uteron Acquisition. The Uteron Acquisition expanded Actavis speciality brands pipeline of women s health products including two potential near term commercial opportunities in contraception and infertility, and one oral contraceptive project projected to launch by 2018. Several additional products in earlier stages of development are also included in the acquisition.

(5) On 31 October 2012, Watson completed the acquisition of Actavis Group. As of 31 December 2012, the estimated number of shares contingently issuable in connection with the Actavis Group earn-out was calculated to be 3.85 million shares. In the year ended 31 December 2013, the decision was made to award the remaining 1.65 million shares. The 1.65 million additional shares are included in the basic weighted average common shares outstanding for the year ended 31 December 2013 beginning on 28 March 2013. The Actavis Group was a privately held generic pharmaceutical company specialising in the development, manufacture and sale of generic pharmaceuticals. Actavis financial statements included in this report do not include the financial results of the Actavis Group for any of the periods presented prior to 31 October 2012.

The following table presents Actavis results of operations for the three months ended 31 March 2014 and 2013 (in millions, except per share amounts):

	Three Months Ended 31 March (Unaudited)	
	2014	**2013**
Net revenues	$ 2,655.1	$ 1,895.5
Operating expenses:		
Cost of sales (excludes amortisation and impairment of acquired intangibles including product rights)	1,293.0	1,086.6
R&D	171.5	132.1
SG&A	558.9	413.0
Amortisation	424.2	158.4
Loss on asset sales, impairments and contingent consideration adjustment, net	(0.4)	148.0
Total operating expenses	2,447.2	1,938.1
Operating income / (loss)	207.9	(42.6)
Non-operating income (expense):		
Interest income	1.0	0.8
Interest expense	(72.8)	(54.1)
Other income (expense), net	5.0	20.6
Total other income (expense), net	(66.8)	(32.7)
Income / (loss) before income taxes and non-controlling interest	141.1	(75.3)
Provision for income taxes	44.4	28.2
Net income / (loss)	96.7	(103.5)
(Income) / loss attributable to non-controlling interest	(0.2)	0.7
Net income / (loss) attributable to common shareholders	$ 96.5	$ (102.8)
Earnings / (loss) per share attributable to common shareholders:		
Basic	$ 0.56	$ (0.79)
Diluted	$ 0.55	$ (0.79)
Weighted average shares outstanding:		
Basic	173.8	130.2
Diluted	174.9	130.2

The following table presents Actavis Condensed Consolidated Balance Sheets as of 31 March 2014 and 31 December 2013 (in millions).

	31 March 2014	**31 December 2013**
Assets		
Cash and cash equivalents	$ 337.7	$ 329.0
Marketable securities	2.5	2.5
Accounts receivable, net	1,508.7	1,404.9
Inventories, net	1,726.3	1,786.3
Other current assets	670.6	641.0
Assets held for sale	294.9	271.0
Property, plant and equipment, net	1,581.3	1,616.8
Investments and other assets	250.3	242.3

Product rights and other intangibles, net	7,866.8	8,234.5
Goodwill	8,164.8	8,197.6
Total assets	$ 22,403.9	$ 22,725.9
Liabilities & Equity		
Current liabilities	$ 2,797.4	$ 3,048.3
Liabilities held for sale	204.7	246.6
Long-term debt and capital leases	8,452.2	8,517.4
Deferred income taxes and other liabilities	1,321.0	1,376.5
Total equity	9,628.6	9,537.1
Total liabilities and equity	$ 22,403.9	$ 22,725.9

SELECTED HISTORICAL FINANCIAL INFORMATION ON WARNER CHILCOTT

The following table sets forth Warner Chilcott s selected historical consolidated financial data. The selected consolidated financial data as of 31 December 2012 and 2011 in this table have been derived from Warner Chilcott s audited consolidated financial statements and related notes. The selected consolidated financial data set forth below should be read in conjunction with, and is qualified by reference to the section entitled *Management s Discussion and Analysis of Financial Condition and Results of Operations* and the *Notes to the Consolidated Financial Statements* contained in Warner Chilcott s Annual Report on Form 10-K for the fiscal year ended 31 December 2012 that Warner Chilcott previously filed with the SEC and that is incorporated by reference into this Prospectus.

(in millions, except per share amounts)	**2012[1]**	**2011[1]**
Statement of Operations Data:		
Total revenue	$ 2,541	$ 2,728
Costs and expenses:		
Cost of sales (excluding amortisation and impairment of intangible assets)[2]	311	356
SG&A[3]	745	924
Restructuring costs[4]	47	104
R&D	103	108
Amortisation of intangible assets	498	596
Impairment of intangible assets[5]	106	
(Gain) on sale of assets[6]		
Interest expense, net[7][8][9][10]	236	340
Income before taxes	495	300
Provision for income taxes	92	129
Net income / (loss)	$ 403	$ 171
Per Share Data:		
Earnings / (loss) per ordinary share basic	$ 1.62	$ 0.68
Earnings / (loss) per ordinary share diluted	$ 1.61	$ 0.67
Dividends per share[7][10][12]	$ 4.25	$
Weighted average shares outstanding basic	248.3	252.0
Weighted average shares outstanding diluted	250.5	254.3
Balance Sheet Data (at period end):		
Cash and cash equivalents	$ 474	$ 616
Total assets[2][4][5][6][7][8]	4,218	5,030
Total debt[6][7][8][9][10]	3,975	3,863
Shareholders (deficit) / equity[7][10][11][12]	(600)	69

(1) On 30 October 2009, Warner Chilcott acquired PGP for $2,919 million in cash and the assumption of certain liabilities. Under the terms of the purchase agreement, Warner Chilcott acquired PGP s portfolio of branded pharmaceutical products, its prescription drug pipeline, its manufacturing facilities in Manati, Puerto Rico and Germany and a net receivable owed from P&G of approximately $60 million. Warner Chilcott funded the PGP acquisition with the proceeds of

$2,600 million of borrowings made on 30 October 2009 under the Prior Senior Secured Credit Facilities and cash on hand. The incurrence of such indebtedness impacted Warner Chilcott s interest expense during the years ended 31 December 2012 and 2011. The results of operations of PGP have been included in Warner Chilcott s consolidated statement of operations since 30 October 2009. Warner Chilcott recorded adjustments to the fair value of its assets and liabilities as of the date of the PGP acquisition, which resulted in a significant increase to intangible assets. In addition, Warner Chilcott s cost of sales for the years ended 31 December 2010 and 2009 included charges of $106 million and $74 million, respectively, attributable to a purchase accounting adjustment increasing the opening value of the inventories acquired in the PGP acquisition, which were recorded as that inventory was sold during each respective period.

(2) In April 2011, Warner Chilcott announced a plan to repurpose its Manati, Puerto Rico manufacturing facility. As a result of the repurposing, Warner Chilcott recorded charges of $23 million for the write-down of certain property, plant and equipment and severance costs of $8 million in the year ended 31 December 2011. The expenses related to the Manati repurposing were recorded as a component of cost of sales.

(3) Warner Chilcott recorded a gain of $20 million in the year ended 31 December 2012, as reduction of SG&A expenses, based on the determination that it was no longer probable that the contingent milestone payments to Novartis in connection with the U.S. acquisition of rights in ENABLEX would be required to be paid.

(4) In April 2011, Warner Chilcott announced a plan to restructure its operations in Belgium, the Netherlands, France, Germany, Italy, Spain, Switzerland and the United Kingdom. The restructuring did not impact Warner Chilcott s operations at its headquarters in Dublin, Ireland, its facilities in Dundalk, Ireland, Larne, Northern Ireland or Weiterstadt, Germany or its commercial operations in the United Kingdom. Warner Chilcott determined to proceed with the restructuring following the completion of a strategic review of its operations in its Western European markets where its product ACTONEL lost exclusivity in late 2010. ACTONEL accounted for approximately 70% of Warner Chilcott s Western European revenues in the year ended 31 December 2010. In connection with the restructuring, Warner Chilcott moved to a wholesale distribution model in the affected jurisdictions to minimise operational costs going forward. The implementation of the restructuring plan impacted approximately 500 employees.

(5) During the year ended 31 December 2012, Warner Chilcott recorded a non-cash impairment charge relating to its intangible assets of $106 million, $101 million of which was attributable to the impairment of Warner Chilcott s DORYX intangible asset following the 30 April 2012 decision of the U.S. District Court for the District of New Jersey holding that neither Mylan s nor Impax s proposed generic version of its DORYX 150 product infringed the DORYX Patent and Mylan s subsequent introduction of a generic product in early May 2012. During the year ended 31 December 2008, Warner Chilcott recorded a non-cash impairment charge related to the OVCON/FEMCON product family intangible asset as Warner Chilcott s forecast of future cash flows declined compared to prior forecasts.

(6) On 23 September 2009, Warner Chilcott agreed to terminate its exclusive product licensing rights in the United States to distribute LEO s DOVONEX, TACLONEX and all other dermatology products in LEO s development pipeline, and sold the related assets to LEO, for $1,000 million in cash. The LEO Transaction resulted in a gain of $393 million and resulted in reductions of goodwill and intangible assets of $252 million and $220 million, respectively. Warner Chilcott used a portion of the cash proceeds from the LEO Transaction to repay in full its then-outstanding senior secured credit facilities. In connection with the LEO Transaction, Warner Chilcott entered into a distribution agreement with LEO pursuant to which it agreed to, among other things, continue to distribute DOVONEX and TACLONEX for LEO, for a distribution fee, until 23 September 2010. On 30 June 2010, LEO assumed responsibility for its own distribution services.

(7) On 8 September 2010, Warner Chilcott paid the 2010 Special Dividend to Warner Chilcott s shareholders in the amount of $8.50 per share, or $2,144 million

in the aggregate. At the time of the 2010 Special Dividend Warner Chilcott s retained earnings were in a deficit position

and consequently, the 2010 Special Dividend reduced Warner Chilcott s additional paid-in-capital from $2,087 million to zero and increased its accumulated deficit by $57 million. Warner Chilcott funded the 2010 Special Dividend and paid related fees and expenses with the proceeds of $1,500 million of additional term loans borrowed under the Prior Senior Secured Credit Facilities and the issuance of $750 million aggregate principal amount of the 7.75% Notes, in each case on 20 August 2012. The incurrence of such indebtedness impacted Warner Chilcott s interest expense during the years ended 31 December 2012 and 2011.

(8) On 18 October 2010, Warner Chilcott acquired the U.S. rights to ENABLEX from Novartis for an upfront payment of $400 million in cash at closing, plus potential future milestone payments of up to $20 million in the aggregate, subject to the achievement of pre-defined 2011 and 2012 ENABLEX net sales thresholds. At the time of the ENABLEX Acquisition, $420 million was recorded as a component of intangible assets to be amortised on an accelerated basis over the period of the projected cash flows for the product. On 29 September 2010, Warner Chilcott issued an additional $500 million aggregate principal amount of the 7.75% Notes in order to fund the ENABLEX Acquisition and for general corporate purposes. The incurrence of such indebtedness impacted Warner Chilcott s interest expense during the years ended 31 December 2012 and 2011.

(9) On 17 March 2011, Warner Chilcott refinanced the Prior Senior Secured Credit Facilities and paid related fees and expenses and accrued interest with the proceeds of $3,000 million of term loans borrowed under Warner Chilcott s Initial Senior Secured Credit Facilities, as well as approximately $279 million of cash on hand. The refinancing had the effect of extending the maturity profile of Warner Chilcott s senior secured indebtedness and reducing certain LIBOR floors and interest margins, and impacted Warner Chilcott s interest expense during the years ended 31 December 2012 and 2011.

(10) On 10 September 2012, Warner Chilcott paid the 2012 Special Dividend to its shareholders in the amount of $4.00 per share, or $1,002 million in the aggregate. At the time of the 2012 Special Dividend Warner Chilcott s retained earnings were in a deficit position and consequently, the 2012 Special Dividend reduced Warner Chilcott s additional paid-in-capital from $63 million to zero and increased its accumulated deficit by $939 million. Warner Chilcott funded the 2012 Special Dividend and paid related fees and expenses with the proceeds of $600 million of additional term loans borrowed under the Additional Term Loan Facilities on 20 August 2012 and cash on hand.

(11) In the years ended 31 December 2012 and 2011, Warner Chilcott redeemed 1.9 million ordinary shares (for an aggregate cost of $32 million) and 3.7 million shares (for an aggregate cost of $56 million), respectively, pursuant to the Prior Redemption Programme. Following the settlement of such redemptions, Warner Chilcott cancelled all shares redeemed. As a result, Warner Chilcott recorded a decrease in ordinary shares at par value of $0.01 per share, and Warner Chilcott s accumulated deficit/retained earnings was increased/decreased in the years ended 31 December 2012 and 2011, respectively.

(12) On 14 December 2012, Warner Chilcott paid its first semi-annual cash dividend to its shareholders under the dividend policy in the amount of $0.25 per share, or $62 million in the aggregate. The semi-annual dividend reduced Warner Chilcott s additional paid-in-capital from $5 million to zero as of 30 November 2012 and increased its accumulated deficit by $57 million.

8

B.8 Selected key pro forma financial information:

SELECTED UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following selected unaudited pro forma combined financial information (selected pro forma information) gives effect to the acquisition of Forest by Actavis. The selected pro forma information has been prepared using the acquisition method of accounting under U.S. GAAP, under which the assets and liabilities of Forest will be recorded by Actavis at their respective fair values as of the date the Mergers are completed. The selected unaudited pro forma combined balance sheet data as of 31 December 2013 gives effect to the Mergers as if they had occurred on 31 December 2013. The selected unaudited pro forma combined statement of operations data for the year ended 31 December 2013 give effect to the Mergers as if they had occurred on 1 January 2013.

The selected pro forma information has been derived from, and should be read in conjunction with, the more detailed unaudited pro forma combined financial information (pro forma statements) of the Combined Company appearing below in this Prospectus and the accompanying notes to the pro forma statements. In addition, the pro forma statements were based on, and should be read in conjunction with, the historical consolidated financial statements and related notes of each of Actavis, Warner Chilcott, Forest and Aptalis for the applicable periods, which have been incorporated in this Prospectus by reference. The selected pro forma information has been presented for informational purposes only and is not necessarily indicative of what the Combined Company s financial position or results of operations actually would have been had the acquisition been completed as of the dates indicated. In addition, the selected pro forma information does not purport to project the future financial position or operating results of the Combined Company. Due to its nature, the pro forma information addresses a hypothetical situation and does not therefore represent Actavis actual position or results. Also, as explained in more detail in the accompanying notes to the pro forma statements, the preliminary fair values of assets acquired and liabilities assumed reflected in the selected pro forma information are subject to adjustment and may vary significantly from the fair values that will be recorded upon completion of the Mergers.

Selected Unaudited Pro Forma Combined Statement of Operations Data

		For the year ended 31 December 2013
(in millions except for per share data)		**(Unaudited Pro Forma Combined)**
Net Revenues	$	14,518.9
Net loss attributable to ordinary shareholders	$	(1,753.8)
Loss per ordinary share basic	$	(7.60)
Loss per ordinary share diluted	$	(7.60)
Weighted-average number of ordinary shares outstanding basic		230.9
Weighted-average number of ordinary shares outstanding diluted		230.9

Selected Unaudited Pro Forma Combined Balance Sheet Data

	As of 31 December 2013
(in millions)	**(Unaudited Pro Forma Combined)**

Total assets	$	55,310.3
Long-term debt and capital leases, including current portion	$	17,877.6
Total equity	$	28,605.0

B.9 Profit forecast: Not applicable; this Prospectus does not contain profit forecasts or estimates. Neither Actavis nor Forest has published an outstanding profit forecast or estimate.

B.10	A description of the nature of any qualifications in the audit report on the historical financial information:	Not applicable; there are no qualifications in the audit report on the historical financial information.
B.11	Qualified working capital:	Not applicable; Actavis is of the opinion that the working capital available to the Combined Company is sufficient for its present requirements and is sufficient for a period of at least 12 months from the date of this Prospectus. In the event that the Mergers do not complete, Actavis is of the opinion that the working capital available to the Actavis Group is sufficient for its present requirements and is sufficient for a period of at least 12 months from the date of this Prospectus.

Section C Securities

C.1	Type and class of security:	Actavis Ordinary Shares (ISIN No.: IE00BD1NQJ95).
C.2	Currency of the securities issue:	The Actavis Ordinary Shares are denominated in $.
C.3	The number of shares issued:	Based on the number of shares of Forest Common Stock outstanding as of 20 March 2014, the total number of fully paid Actavis Ordinary Shares (par value $0.0001 per share) that is expected to be issued or reserved for issuance pursuant to the Mergers is approximately 99 million.
C.4	A description of the rights attaching to the securities:	The Actavis Ordinary Shares will be issued as fully paid and will rank pari passu in all respects with each other and will rank in full for all dividends and other distributions thereafter declared, made or paid in respect of the Actavis Ordinary Shares.
C.5	Restrictions on the free transferability of the securities:	Actavis articles of association provide that the Actavis directors, in their absolute discretion, and without assigning any reason therefor, may decline to register any transfer of a share which is not fully paid. The Actavis directors may also decline to recognise any instrument of transfer unless: the instrument of transfer is duly stamped (if required by law) and lodged with Actavis, at such place as the Actavis directors appoint for the purpose, accompanied by the certificate for the Actavis Ordinary Shares (if any has been issued) to which it relates, and such other evidence as the Actavis directors may reasonably require to show the right of the transferor to make the transfer; the instrument of transfer is in respect of only one class of share; and the Actavis directors are satisfied that all applicable consents, authorisations, permissions or approvals required to be obtained pursuant to any applicable law or agreement prior to such transfer have been obtained or that no such consents, authorisations, permissions or approvals are required.

If the Actavis directors refuse to register a transfer, they must, within three months after the date on which the transfer was lodged with Actavis, send to the transferee notice of the refusal.

C.6	Admission:	Not applicable; no application has been made, or is currently intended to be made, for the Actavis Ordinary Shares to be admitted to trading on any E.U. regulated market.
C.7	Dividend policy:	Actavis memorandum and articles of association authorise the directors to pay interim dividends to the extent they appear justified by profits without shareholder approval. The board of directors may also recommend a dividend to be approved and declared by the Actavis shareholders at a

general meeting. The board of directors may direct that the payment be made by distribution of assets, shares or cash and no dividend issued may exceed the amount recommended by the directors. Dividends may be declared and paid in the form of cash or non-cash assets and may be paid in U.S. dollars or any other currency. All holders of Actavis Ordinary Shares will participate pro rata in respect of any dividend which may be declared in respect of ordinary shares by Actavis.

The directors of Actavis may deduct from any dividend payable to any shareholder any amounts payable by such shareholder to Actavis in relation to the Actavis Ordinary Shares.

The directors may also authorise Actavis to issue shares with serial preferred rights to participate in dividends declared by Actavis. The holders of serial preferred shares may, depending on their terms, rank senior to the Actavis Ordinary Shares in terms of dividend rights and/or be entitled to claim arrears of a declared dividend out of subsequently declared dividends in priority to ordinary shareholders.

Since Actavis is still a growing company, profits are reinvested back into the business; Actavis does not pay a dividend nor does Actavis have a dividend re-investment programme.

Section D Risks

D.1	Key information on the key risks that are specific to the issuer or its industry:	Prior to investing in the Actavis Ordinary Shares, prospective investors should consider the risks associated therewith. The risks relating to Actavis and/or its industry include the following: Actavis and Forest may fail to realise all of the anticipated benefits of the Mergers or those benefits may take longer to realise than expected. The Combined Company may also encounter significant difficulties in integrating the two businesses. The Mergers may result in adverse tax consequences to Actavis; Combining the businesses of Actavis and Forest may be more difficult, costly or time consuming than expected, which may adversely affect Actavis results and negatively affect the value of Actavis Ordinary Shares following the First Merger; Actavis and Forest will incur direct and indirect costs as a result of the Mergers; Actavis expects that, following the Mergers, Actavis will have significantly less cash on hand than the sum of cash on hand of Actavis and Forest prior to the Mergers this reduced amount of cash could adversely affect Actavis ability to grow; If the First Merger is consummated, Actavis will incur a substantial amount of debt to finance the cash portion of the Merger Consideration, which could restrict its ability to engage in additional transactions or incur additional indebtedness; Actavis and Forest s actual financial positions and results of operations may differ materially from the unaudited pro forma financial information included in this Prospectus; The Mergers may not be accretive and may cause dilution to Actavis earnings per share, which may negatively affect the market price of Actavis Ordinary Shares;

The IRS may not agree that Actavis is a foreign cooperation for U.S. federal tax purposes;

Section 7874 likely will limit Actavis and its U.S. affiliates ability to utilise certain U.S. tax attributes of Forest and its U.S. affiliates to offset certain U.S. taxable income, if any, generated by the Mergers or certain specified transactions for a period of time following the Mergers;

Actavis status as a foreign corporation for U.S. federal tax purposes could be affected by a change in law;

Future changes to U.S. and foreign tax laws could adversely affect Actavis;

If the Mergers do not qualify as a reorganisation under Section 368(a) of the Code or are otherwise taxable to U.S. holders of Forest Common Stock, then such holders may be required to pay substantial U.S. federal income taxes;

Transfers of Actavis Ordinary Shares, other than by means of the transfer of book-entry interests in the DTC, may be subject to Irish stamp duty;

In certain limited circumstances, dividends paid by Actavis may be subject to Irish dividend withholding tax;

Because the market price of Actavis Ordinary Shares will fluctuate, Forest stockholders cannot be sure of the market price of the Actavis Ordinary Shares they will receive;

Forest stockholders may receive a form of consideration different from that which they elect;

The market price for Actavis Ordinary Shares after the Closing Date may be affected by factors different from those that historically have affected Forest Common Stock and Actavis Ordinary Shares;

Actavis and Forest must obtain required approvals and governmental and regulatory consents to consummate the Mergers, which if delayed, not granted or granted with unacceptable conditions, may prevent (for example, if shareholder consent is not obtained), delay or jeopardise the consummation of the Mergers, result in additional expenditures of money and resources and/or reduce the anticipated benefits of the Mergers;

The Merger Agreement may be terminated in accordance with its terms and the Mergers may not be completed;

The Merger Agreement contains provisions that restrict Actavis ability to pursue alternatives to the Mergers and, in specified circumstances, could require Actavis to pay Forest a termination fee of up to $1.175 billion;

The Merger Agreement contains provisions that restrict Forest s ability to pursue alternatives to the First Merger and, in specified circumstances, could require Forest to pay Actavis a termination fee of up to $875 million;

While the First Merger is pending, Actavis and Forest will be subject to business uncertainties that could adversely affect their business;

Forest directors and officers may have interests in the First Merger different from the interests of Forest stockholders and Actavis shareholders;

Forest stockholders will have a reduced ownership and voting interest in Actavis than they currently have in Forest after the First Merger and will exercise less influence over management;

Actavis Ordinary Shares to be received by Forest stockholders as a result of the First Merger will have rights different from the shares of Forest Common Stock;

The opinions of Actavis and Forest s financial advisers will not reflect changes in circumstances between the original signing of the Merger Agreement and the completion of the First Merger;

Irish resident or ordinarily resident holders of Forest Common Stock may be subject to Irish tax on chargeable gains on the cancellation of their shares of Forest Common Stock;

Legal proceedings in connection with the Mergers, the outcomes of which are uncertain, could delay or prevent the completion of the Mergers;

Actavis Ordinary Shares received by means of a gift or inheritance could be subject to Irish capital acquisitions tax;

Failure to consummate the Forest Acquisition could negatively impact Actavis share price and Actavis future business and financial results;

Actavis operating results and financial condition may fluctuate from quarter to quarter and year to year for a number of reasons, including development of new competitive products or generics by others, the timing and receipt of approvals by the FDA and other regulatory authorities, *etc.*;

Actavis substantial debt and other financial obligations could impair Actavis financial condition and Actavis ability to fulfil Actavis debt obligations any refinancing of this substantial debt could be at significantly higher interest rates;

If Actavis does not successfully integrate newly acquired businesses into Actavis business operations, Actavis business could be adversely affected;

Any acquisitions of technologies, products and businesses could adversely affect Actavis relationships with key customers and/or could result in significant charges to earnings;

Actavis is subject to federal and state healthcare fraud and abuse laws which may adversely affect Actavis business;

If Actavis is unable to successfully develop or commercialise new products, Actavis operating results will suffer;

If generic products that compete with any of Actavis branded pharmaceutical products are approved and sold, sales of Actavis products will be adversely affected;

Actavis branded pharmaceutical expenditures may not result in commercially successful products;

Actavis investments in biosimilar products may not result in products that are approved by the FDA or other ex-U.S. regulatory authorities and, even if approved by such authorities, may not result in commercially successful products;

If competitors are successful in limiting competition for certain generic products through their legislative, regulatory and litigation efforts, Actavis sales of certain generic products may suffer;

From time to time Actavis may need to rely on licences to proprietary technologies, which may be difficult or expensive to obtain;

Third parties may claim that Actavis infringes their proprietary rights and may prevent Actavis from manufacturing and selling some of Actavis products;

Actavis Anda Distribution operations are highly dependent upon a primary courier service;

Actavis Anda Distribution operations concentrate on generic products and therefore are subject to the risks of the generic industry;

Actavis Anda Distribution operations compete directly with significant customers of Actavis generic and brand businesses;

If Actavis is unable to obtain sufficient supplies from key manufacturing sites or suppliers that in some cases may be the only source of finished products or raw materials, Actavis ability to deliver Actavis products to the market may be impeded;

Actavis policies regarding returns, allowances and chargebacks, and marketing programmes adopted by wholesalers, may reduce Actavis revenues in future fiscal periods;

The design, development, manufacture and sale of Actavis products involves the risk of product liability claims by consumers and other third parties, and insurance against such potential claims is expensive and may be difficult to obtain;

The loss of Actavis key personnel could cause Actavis business to suffer;

Significant balances of intangible assets, including product rights and goodwill acquired, are subject to impairment testing and may result in impairment charges, which will adversely affect Actavis results of operations and financial condition;

Actavis may need to raise additional funds in the future which may not be available on acceptable terms or at all;

Actavis business could suffer as a result of manufacturing difficulties or delays;

Actavis global operations, particularly following the Actavis Group and Warner Chilcott Acquisitions, expose Actavis to risks and challenges associated with conducting business internationally;

Actavis has exposure to tax liabilities;

Actavis has incurred and will continue to incur significant transaction, integration and restructuring costs in connection with recent transactions, including the Actavis Group and Warner Chilcott acquisitions;

Substantial amounts of Actavis information concerning Actavis products, customers, employees and ongoing business are stored digitally and are subject to threats of theft, tampering, or other intrusion;

A failure of Actavis internal control over financial reporting could materially impact Actavis business or share price;

Forest s major products face generic competition upon patent expiration;

Forest s business depends on intellectual property protection;

Forest s business model currently depends on the successful in-licensing or acquisition of new product opportunities;

Post-approval clinical trials and developments could adversely affect the sales of Forest s products;

Many of Forest s principal products and APIs are only available from a single manufacturing source;

Regulatory compliance issues could materially affect Forest s financial position and results of operations;

Pharmaceutical cost-containment initiatives may negatively affect Forest s net income;

		Forest s business presents risk of product liability claims; Forest s consolidated financial statements may be impacted in future periods based on the accuracy of Forest s valuations of Forest s acquired businesses and other agreements; and Forest could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws.
D.3	Key information on the key risks that are specific to the securities:	The Actavis Ordinary Share price could be subject to significant fluctuations; Future share issues and sales of Actavis Ordinary Shares could result in dilution and reduce the influence of existing holders of Actavis Ordinary Shares; and Actavis Ordinary Shares are subject to certain rights and restrictions which are different to those affecting Forest Common Stock.

Section E Offer

E.1	The total net proceeds and an estimate of the total expenses of the issue:	There will be no proceeds accruing to Actavis under the Offer. Except as otherwise expressly provided in the Merger Agreement, all out-of-pocket expenses (including fees and expenses of counsel, accountants, investment bankers, experts and consultants) incurred by or on behalf of a party to the Merger Agreement in connection with the Merger Agreement and the transactions contemplated thereby will be paid by the party incurring the expense, except that Actavis and Forest will share equally all expenses incurred in connection with (a) printing, filing and mailing the joint proxy statement/prospectus on Form S-4 and this Prospectus, and all SEC and other regulatory filing fees incurred in connection therewith, (b) the exchange agent, and (c) any documentary, sales, use, real property transfer, real property gains, registration, value-added, transfer, stamp, recording and other similar taxes. Actavis currently estimates that, upon the Closing Date, transaction-related costs incurred by the Combined Company, including fees and expenses relating to finance, will be approximately $178.5 million.
E.2a	Reasons for the issue, use of proceeds and estimated net amount of the proceeds:	Actavis Ordinary Shares are being issued pursuant to the Offer as part of the Merger Consideration. There will be no proceeds accruing to Actavis under the Offer.
E.3	A description of the terms and conditions of the issue:	Not applicable; the purpose of this Prospectus is to permit UK persons who are Forest stockholders to accept the Offer in a manner compliant with E.U. prospectus law.
E.4	A description of any interest that is material to the issue/offer including conflicting interests:	Other than as disclosed in Element B.6 above (*i.e.* disclosure of each person known by Actavis to be the beneficial owner of more than 5% of the Actavis Ordinary Shares), there are no other interests, including conflicting interests, that are material to the Offer, although Forest directors and executive officers may have interests in the First Merger that are different from, or in addition to, those of Forest stockholders and Actavis shareholders.

E.5	Name of the person or entity offering to sell the securities and details of any lock-up agreements:	Save for Actavis, there are no entities or persons offering to sell Actavis Ordinary Shares.

E.6	Dilution:	The Mergers may not be accretive and may cause dilution to Actavis earnings per share, which may negatively affect the market price of Actavis Ordinary Shares. Future share issues and sales of Actavis Ordinary Shares could result in dilution and reduce the influence of existing holders of Actavis Ordinary Shares. It is expected that Actavis shareholders and Forest stockholders, in each case as of immediately prior to the First Merger, will hold approximately 65% and 35%, respectively, of the issued and outstanding Actavis Ordinary Shares immediately after completion of the First Merger.
E.7	Estimated expenses charged to the investor by the issuer:	Not applicable; no expenses will be charged to any investor by Actavis in respect of the Offer.

Part II

RISK FACTORS

In addition to the other information set out in this Prospectus, the following specific factors should be considered carefully by Forest stockholders before deciding whether to accept the Offer. The risks associated with holding Actavis Ordinary Shares include the following identifiable risks which, individually or in aggregate, could have a material adverse effect on Actavis and/or its shareholders. The risks discussed below comprise all of the material risks of which the Actavis directors are aware as at the date of this Prospectus.

The risks identified below are those which the Actavis directors believe to be material in the context of Actavis and/or Forest but these risks may not be the only risks faced by Actavis and/or Forest. Additional risks, including those that the Actavis directors are unaware of or currently deem immaterial, may also result in decreased income, increased expenses or other events that could result in a decline in the value of Actavis Ordinary Shares. The headings for each risk factor set out below are not definitive and potential investors should read the entirety of each risk factor.

Following the Mergers, Actavis will be the holding company for the Combined Company and therefore the risk factors relating to Forest set out below will also have the ability to materially impact the business and operations of Actavis.

Statements made in the risk factors below relating to the competitive position of Forest are based on the opinion of the Actavis directors who, in making such statements, have relied on their knowledge of the pharmaceutical market and of the conditions affecting that particular market.

Risks Related to the Mergers

Because the market price of Actavis Ordinary Shares will fluctuate, Forest stockholders cannot be sure of the market price of the Actavis Ordinary Shares they will receive.

As a result of the First Merger, each issued and outstanding share of Forest Common Stock, other than excluded shares and dissenting shares, will be converted into the right to receive the Standard Election Consideration. Alternatively, Forest stockholders will have the right to make either a Cash Election to receive the Cash Election Consideration, or a Stock Election to receive the Stock Election Consideration, for each of their shares of Forest Common Stock. Both the Cash Election and the Stock Election are subject to proration and adjustment procedures to cause the total amount of cash paid, and the total number of Actavis Ordinary Shares issued, in the First Merger to the holders of shares of Forest Common Stock (other than excluded shares and dissenting shares), as a whole, to equal as nearly as practicable the total amount of cash and number of shares that would have been paid and issued if all of such shares of Forest Common Stock were converted into the Standard Election Consideration.

The market price of Actavis Ordinary Shares, which Forest stockholders may receive in the First Merger, will continue to fluctuate from the date of this Prospectus through the closing of the Mergers. Accordingly, at the time of the Forest special meeting, Forest stockholders will not know or be able to determine the market price of the Actavis Ordinary Shares they may receive upon completion of the First Merger. It is possible that, at the closing of the Mergers, the shares of Forest Common Stock held by Forest stockholders may have a greater market value than the cash and the Actavis Ordinary Shares for which they are exchanged.

The market price of Actavis Ordinary Shares on the date of the Forest special meeting may not be indicative of the market price of Actavis Ordinary Shares that Forest stockholders will receive upon completion of the First Merger. The market prices of Actavis Ordinary Shares and Forest Common Stock are subject to general price fluctuations in the market for publicly traded equity securities and have experienced volatility in the past. Stock price changes may

result from a variety of factors, including general market and economic conditions and changes in the respective businesses, operations and prospects, and regulatory considerations of Actavis and Forest.

Market assessments of the benefits of the Mergers and the likelihood that the Mergers will be completed, as well as general and industry specific market and economic conditions, may also impact market prices of Actavis Ordinary Shares and Forest Common Stock. Many of these factors are beyond Actavis and Forest s control. You should obtain current market quotations for shares of Forest Common Stock and for Actavis Ordinary Shares.

Forest stockholders may receive a form of consideration different from that which they elect.

Although each Forest stockholder may elect to receive all cash or all Actavis Ordinary Shares in the First Merger, the pool of cash and the Actavis Ordinary Shares available for all Forest stockholders will be a fixed percentage of the aggregate Merger Consideration at closing, and will not exceed the aggregate number of Actavis Ordinary Shares that would have been issued, and the aggregate amount of cash that would have been paid, to all of the holders of shares of Forest Common Stock had the election to receive 0.3306 of an Actavis Ordinary Share and $26.04 in cash been made with respect to each share of Forest Common Stock (other than excluded shares and dissenting shares). As a result, if the aggregate amount of shares with respect to which either Cash Elections or Stock Elections have been made would otherwise result in payments of cash or stock in excess of the maximum amount of cash or stock available, and a Forest stockholder has chosen the consideration election that exceeds the maximum available, such Forest stockholder will receive consideration in part in a form that such stockholder did not choose. This could result in, among other things, tax consequences that differ from those that would have resulted if such Forest stockholder had received the form of consideration that the stockholder elected (including the potential recognition of gain for federal income tax purposes if the stockholder receives cash).

The market price for Actavis Ordinary Shares after the Closing Date may be affected by factors different from those that historically have affected Forest Common Stock and Actavis Ordinary Shares.

Upon completion of the First Merger, holders of shares of Forest Common Stock (other than those who elect to receive all cash, and who do receive all cash, in the First Merger, and the holders of excluded shares and dissenting shares) will become holders of Actavis Ordinary Shares. Actavis businesses differ from those of Forest, and accordingly the results of operations of Actavis will be affected by some factors that are different from those currently affecting the results of operations of Forest. In addition, upon completion of the First Merger, holders of Actavis Ordinary Shares will become holders of shares in the Combined Company. The results of operation of the Combined Company may also be affected by some factors that are different from those currently affecting Actavis, including:

- the risk that the combination with Forest might not be completed in a timely manner or at all and the attendant adverse consequences for Actavis and Forest s businesses as a result of the pendency of the combination and operational disruption;

- the risk that Forest stockholders might fail to approve the adoption of the Merger Agreement and/or Actavis shareholders fail to approve the share issuance;

- the risk of adverse outcomes of pending or threatened litigation or government investigations with respect to Forest, and the possibility that an adverse judgment for monetary damages could have a material adverse effect on the business or operations of Forest, or of the Combined Company after the combination;

- the restrictions on the conduct of Actavis business prior to the completion of the combination, including the restrictions of acquiring or agreeing to acquire any entity or assets which would reasonably be expected to prevent or materially delay or impede the consummation of the transactions contemplated by the Merger Agreement;

the requirement that Actavis pays Forest a termination fee of either $1.175 billion or $335 million under certain circumstances prompting the termination of the Merger Agreement and that while the Actavis board may change its recommendation, it cannot terminate the Merger Agreement for a superior proposal;

the risks associated with the occurrence of events which may materially and adversely affect the operations or financial condition of Forest and its subsidiaries, which may not entitle Actavis to terminate the Merger Agreement;

the risk that the potential benefits, savings and synergies of the combination may not be fully or partially achieved, or may not be achieved within the expected timeframe;

the challenges and difficulties relating to integrating the operations of Actavis and Forest;

the risk of diverting Actavis management focus and resources from other strategic opportunities and from operational matters while working to implement the transaction with Forest, and other potential disruption associated with combining and integrating Actavis and Forest, and the potential effects of such diversion and disruption on the businesses and customer relationships of Actavis and Forest;

the risk that because the exchange ratio related to the stock portion of the Merger Consideration to be paid to Forest stockholders is fixed, the value of the stock portion of the Merger Consideration to be paid by Actavis could fluctuate between the original signing of the Merger Agreement and the completion of the transactions contemplated by the Merger Agreement;

the possibility that the Combined Company could have lower revenue and growth rates than each of Actavis and Forest experienced historically; and

the effects of general competitive, economic, political and market conditions and fluctuations on Actavis, Forest or the Combined Company.

Actavis and Forest must obtain required approvals and governmental and regulatory consents to consummate the Mergers, which if delayed, not granted or granted with unacceptable conditions, may prevent (for example, if shareholder consent is not obtained), delay or jeopardise the consummation of the Mergers, result in additional expenditures of money and resources and/or reduce the anticipated benefits of the Mergers.

The Mergers are subject to customary closing conditions. These closing conditions include, among others, the receipt of required approvals by the Forest stockholders and the Actavis shareholders, the clearances of the Mergers by certain governmental and regulatory authorities and the expiration or termination of applicable waiting periods under the HSR Act, and the antitrust and competition laws of certain foreign countries under which filings or approvals are or may be required. To the extent required, foreign investment filings will be made, though these are not closing conditions. The governmental agencies from which the parties will make these filings and seek certain of these approvals and consents have broad discretion in administering the governing regulations. Actavis and Forest can provide no assurance that all required approvals and consents will be obtained. Moreover, as a condition to their approval of the transaction, agencies may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of the business of the Combined Company after the closing. These requirements, limitations, costs, divestitures or restrictions could prevent, jeopardise or delay the effective time or reduce the anticipated benefits of the transaction.

Further, no assurance can be given that the required shareholder and stockholder approvals will be obtained or that the required closing conditions will be satisfied, and, if all required consents and approvals are obtained and the closing conditions are satisfied, no assurance can be given as to the terms, conditions and timing of the approvals or clearances.

If Actavis and Forest agree to any material requirements, limitations, costs, divestitures or restrictions in order to obtain any approvals or clearances required to consummate the transaction, these requirements, limitations, costs, divestitures or restrictions could adversely affect the Combined Company s ability to integrate Actavis operations with Forest s operations and/or reduce the anticipated benefits of the transaction. This could result in a failure to consummate the transactions or have a material adverse effect on the business and results of operations of the Combined Company.

The Merger Agreement may be terminated in accordance with its terms and the Mergers may not be completed.

The Merger Agreement contains a number of conditions that must be fulfilled to complete the Mergers. Those conditions include: the approval of the First Merger Proposal by Forest stockholders, approval of the Actavis Share Issuance Proposal by Actavis shareholders, receipt of requisite regulatory and antitrust approvals, absence of orders prohibiting completion of the Mergers, effectiveness of the registration statement on Form S-4, approval of the Actavis Ordinary Shares to be issued to Forest stockholders for listing on NYSE, the continued accuracy of the representations and warranties of both parties subject to specified materiality standards, and the performance by both

parties of their covenants and agreements. These conditions to the closing of the Mergers may not be fulfilled and, accordingly, the Mergers may not be completed. In addition, if the First Merger is not completed by 17 August 2014 (subject to extension to 17 November 2014, and subsequently to 17 December 2014, if the only conditions not satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing Date, which conditions shall be capable of being satisfied) are conditions relating to HSR clearance, other required filings and clearances under foreign antitrust laws, the absence of certain proceedings under antitrust laws and the absence of any orders or injunctions under antitrust laws), either Actavis or Forest may choose not to proceed with the Mergers. In addition, Actavis or Forest may elect to terminate the Merger Agreement in certain other circumstances, and the parties can mutually decide to terminate the Merger Agreement at any time prior to the consummation of the First Merger, before or after stockholder approval.

The Merger Agreement contains provisions that restrict Actavis ability to pursue alternatives to the Mergers and, in specified circumstances, could require Actavis to pay Forest a termination fee of up to $1.175 billion.

Under the Merger Agreement, Actavis is restricted, subject to certain exceptions, from soliciting, initiating, knowingly encouraging, discussing or negotiating, or furnishing information with regard to, any inquiry, proposal or offer for a competing acquisition proposal from any person or entity. Actavis may not terminate the Merger Agreement in order to enter into an agreement with respect to a superior proposal. If the Actavis board of directors (after consultation with Actavis financial advisers and legal counsel) determines that such proposal is more favourable to the Actavis shareholders than the Mergers and the Actavis board of directors recommends such proposal to the Actavis shareholders, Forest would be entitled to terminate the Merger Agreement. Under such circumstances, Actavis would be required to pay Forest a termination fee equal to $1.175 billion. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of Actavis from considering or proposing that acquisition, even if such third party were prepared to pay consideration with a higher value than the value of the Merger Consideration. Additionally, in the event the Merger Agreement is terminated due to the failure of the Actavis shareholders to approve the Actavis Share Issuance Proposal at the Actavis EGM, Actavis would be required to pay Forest a fee of $335 million, increasing to $1.175 billion in certain circumstances.

The Merger Agreement contains provisions that restrict Forest s ability to pursue alternatives to the First Merger and, in specified circumstances, could require Forest to pay Actavis a termination fee of up to $875 million.

Under the Merger Agreement, Forest is restricted, subject to certain exceptions, from soliciting, initiating, knowingly encouraging, discussing or negotiating, or furnishing information with regard to, any inquiry, proposal or offer for a competing acquisition proposal from any person or entity. Forest may not terminate the Merger Agreement in order to enter into an agreement with respect to a superior proposal. If the Forest board of directors (after consultation with Forest s financial advisers and legal counsel) determines that such proposal is more favourable to the Forest stockholders than the Mergers and the Forest board of directors recommends such proposal to the Forest stockholders, Actavis would be entitled to terminate the Merger Agreement. Under such circumstances, Forest would be required to pay Actavis a termination fee equal to $875 million. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of Forest from considering or proposing that acquisition, even if such third party were prepared to pay consideration with a higher value than the value of the Merger Consideration. Additionally, in the event the Merger Agreement is terminated due to the failure of the Forest stockholders to approve the First Merger Proposal at the Forest special meeting, Forest would be required to pay Actavis a fee of $250 million, increasing to $875 million in certain circumstances.

While the First Merger is pending, Actavis and Forest will be subject to business uncertainties that could adversely affect their business.

Uncertainty about the effect of the First Merger on employees, customers and suppliers may have an adverse effect on Forest and Actavis. These uncertainties may impair Actavis and Forest s ability to attract, retain and motivate key personnel until the First Merger is consummated and for a period of time thereafter, and could cause customers, suppliers and others who deal with Actavis and Forest to seek to change existing business relationships with Actavis and Forest. Employee retention may be challenging during the pendency of the Mergers, as certain employees may experience uncertainty about their future roles. If key employees depart because of issues related to the uncertainty and difficulty of integration or a desire not to remain with the businesses, the business of the Combined Company following the Mergers could be seriously harmed. In addition, the Merger Agreement restricts Forest and, to a lesser extent, Actavis, from taking specified actions until the First Merger occurs without the consent of the other party. These restrictions may prevent Actavis or Forest from pursuing attractive business opportunities that may arise prior to the completion of the First Merger.

Forest directors and officers may have interests in the First Merger different from the interests of Forest stockholders and Actavis shareholders.

Certain of the directors and executive officers of Forest negotiated the terms of the Merger Agreement, and the Forest board of directors recommended that the stockholders of Forest vote in favour of the merger-related proposals. These directors and executive officers may have interests in the First Merger that are different from, or in addition to, those of Forest stockholders and Actavis shareholders. These interests include, but are not limited to, the continued employment of certain executive officers of Forest by Actavis, the continued service of certain

directors of Forest as directors of Actavis, the treatment in the First Merger of stock options, restricted stock, restricted stock units, bonus awards, change of control employment agreements and other rights held by Forest directors and executive officers, and the indemnification of former Forest directors and officers by Actavis. Forest stockholders and Actavis shareholders should be aware of these interests when they consider their respective board of directors recommendation that they vote in favour of the merger-related proposals.

The Forest board of directors was aware of these interests when it declared the advisability of the Merger Agreement, determined that it was fair to the Forest stockholders and recommended that the Forest stockholders adopt the Merger Agreement.

Forest stockholders will have a reduced ownership and voting interest in Actavis than they currently have in Forest after the First Merger and will exercise less influence over management.

Forest stockholders currently have the right to vote in the election of the board of directors of Forest and on other matters affecting Forest. Upon the completion of the First Merger, each Forest stockholder who receives Actavis Ordinary Shares will become a shareholder of Actavis with a percentage ownership of Actavis that is smaller than the stockholder s percentage ownership of Forest. It is currently expected that the former stockholders of Forest as a group will receive shares in the First Merger constituting approximately 35% of the outstanding Actavis Ordinary Shares immediately after the First Merger. Because of this, Forest stockholders will have less influence on the management and policies of Actavis than they now have on the management and policies of Forest.

Actavis Ordinary Shares to be received by Forest stockholders as a result of the First Merger will have rights different from the shares of Forest Common Stock.

Upon completion of the First Merger, the rights of former Forest stockholders who become Actavis shareholders will be governed by the memorandum of association and articles of association of Actavis and by Irish law. The rights associated with shares of Forest Common Stock are different from the rights associated with Actavis Ordinary Shares. Material differences between the rights of stockholders of Forest and the rights of shareholders of Actavis include differences with respect to, among other things, distributions, dividends, repurchases and redemptions, dividends in shares / bonus issues, the election of directors, the removal of directors, the fiduciary and statutory duties of directors, conflicts of interests of directors, the indemnification of directors and officers, limitations on director liability, the convening of annual meetings of shareholders and special shareholder meetings, notice provisions for meetings, the quorum for shareholder meetings, the adjournment of shareholder meetings, the exercise of voting rights, shareholder action by written consent, shareholder suits, shareholder approval of certain transactions, rights of dissenting shareholders, anti-takeover measures and provisions relating to the ability to amend the articles of association.

The opinions of Actavis and Forest s financial advisers will not reflect changes in circumstances between the original signing of the Merger Agreement and the completion of the First Merger.

Actavis and Forest have not obtained updated opinions from their respective financial advisers as of the date of this Prospectus and do not expect to receive updated opinions prior to the completion of the First Merger. Changes in the operations and prospects of Actavis or Forest, general market and economic conditions and other factors that may be beyond the control of Actavis or Forest, and on which Actavis and Forest s financial advisers opinions were based, may significantly alter the value of Forest or the prices of Actavis Ordinary Shares or Forest Common Stock by the time the First Merger is completed. The opinions do not speak as of the time the First Merger will be completed or as of any date other than the date of such opinions. Because Actavis and Forest s financial advisers will not be updating their opinions, the opinions will not address the fairness of the Merger Consideration from a financial point of view at the time the First Merger is completed. Actavis board of directors recommendation that Actavis shareholders vote **FOR** the Actavis Share Issuance Proposal and Forest s board of directors recommendation that Forest stockholders vote **FOR** the First Merger Proposal, however, are made as of the date of this Prospectus.

Irish resident or ordinarily resident holders of Forest Common Stock may be subject to Irish tax on chargeable gains on the cancellation of their shares of Forest Common Stock.

Forest stockholders that are resident or ordinarily resident in Ireland for Irish tax purposes, or Forest stockholders that hold their shares of Forest Common Stock in connection with a trade carried on by such persons through an Irish branch or agency, will, subject to the availability of any exemptions and reliefs, generally be subject to Irish tax on chargeable gains arising on the cancellation of their shares of Forest Common Stock pursuant to the First

Merger. The receipt by such a Forest stockholder of cash only pursuant to a Cash Election will be treated as a disposal of his or her shares of Forest Common Stock for the purposes of Irish CGT and such holder may, subject to the availability of any exemptions and reliefs, realise a chargeable gain (or allowable loss). On the basis that the First Merger is treated as a scheme of reconstruction or amalgamation for Irish CGT purposes and subject to certain conditions the following treatment should apply:

The receipt by such a Forest stockholder of Actavis Ordinary Shares and cash (including any cash received in lieu of a fractional Actavis Ordinary Share) will be treated as a part disposal of his or her shares of Forest Common Stock for Irish CGT purposes in respect of the cash consideration received. This may, subject to the availability of any exemptions and reliefs, give rise to a chargeable gain (or allowable loss) for the purposes of Irish CGT in respect of the cash received.

The Actavis Ordinary Shares received should be treated as the same asset as the cancelled shares of Forest Common Stock and as acquired at the same time and for the same consideration as those cancelled shares of Forest Common Stock as adjusted for the part of the consideration attributable to the part disposal in respect of the receipt of cash.

If such a Forest stockholder makes a Stock Election and receives only Actavis Ordinary Shares on the cancellation of his or her shares of Forest Common Stock, the cancellation and receipt should not be treated as a disposal of shares of Forest Common Stock for Irish CGT purposes but instead the Actavis Ordinary Shares received should be treated as the same asset as those cancelled shares of Forest Common Stock and as acquired at the same time and for the same consideration as those cancelled shares of Forest Common Stock.

United Kingdom tax resident holders of Forest Common Stock may be subject to United Kingdom tax on chargeable gains on the exchange of their Forest Common Stock pursuant to the Mergers.

Forest stockholders that are resident in the United Kingdom for United Kingdom tax purposes, may be subject to United Kingdom corporation tax or capital gains tax (depending on their status) on the exchange of their Forest Common Stock pursuant to the Mergers, depending on the stockholder s particular circumstances and the type of consideration received by the stockholder and subject to the availability of any exemptions and reliefs. Special rules apply to tax gains on disposals or deemed disposals made by individuals at a time when they are temporarily not tax resident in the United Kingdom. Forest stockholders should consult their tax advisers with respect to the United Kingdom tax consequences of the Offer and the Mergers.

Legal proceedings in connection with the Mergers, the outcomes of which are uncertain, could delay or prevent the completion of the Mergers.

Since the announcement of the Merger Agreement on 18 February 2014, a number of putative stockholder class action complaints have been filed in New York and Delaware courts against Forest, the members of its board of directors, Actavis, Tango U.S. Holdings, Merger Sub 1 and Merger Sub 2 challenging the proposed Mergers. The actions allege that members of the Forest board of directors breached their fiduciary duties by agreeing to sell Forest for inadequate consideration and pursuant to an inadequate process, and that Actavis, Tango U.S. Holdings, Merger Sub 1 and Merger Sub 2 aided and abetted these alleged breaches. Among other remedies, the plaintiffs seek to enjoin the Mergers. Such legal proceedings could prevent, delay or prevent the Mergers from becoming effective within the agreed upon timeframe.

Actavis Ordinary Shares received by means of a gift or inheritance could be subject to Irish capital acquisitions tax.

Irish CAT (currently levied at a rate of 33% above certain tax-free thresholds) could apply to a gift or inheritance of Actavis Ordinary Shares irrespective of the place of residence, ordinary residence, or domicile of the parties. This is because Actavis Ordinary Shares will be regarded as property situated in Ireland for Irish CAT purposes. The person who receives the gift or inheritance has primary liability for CAT.

Risks Related to the Business of the Combined Company

Actavis and Forest may fail to realise all of the anticipated benefits of the Mergers or those benefits may take longer to realise than expected. The Combined Company may also encounter significant difficulties in integrating the two businesses. The Mergers may result in adverse tax consequences to Actavis.

The ability of Actavis and Forest to realise the anticipated benefits of the transaction will depend, to a large extent, on the Combined Company s ability to integrate the two businesses. The combination of two independent

businesses is a complex, costly and time-consuming process. As a result, Actavis and Forest will be required to devote significant management attention and resources to integrating their business practices and operations. The integration process may disrupt the businesses and, if implemented ineffectively, would restrict the realisation of the full expected benefits. The failure to meet the challenges involved in integrating the two businesses and to realise the anticipated benefits of the transaction could cause an interruption of, or a loss of momentum in, the activities of the Combined Company and could adversely affect the results of operations of the Combined Company.

In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and diversion of management s attention. The difficulties of combining the operations of Actavis and Forest, include:

- the diversion of management s attention to integration matters;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the combination;
- difficulties in the integration of operations and systems;
- conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;
- difficulties in the assimilation of employees;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- challenges in keeping existing customers and obtaining new customers;
- potential unknown liabilities, adverse consequences and unforeseen increased expenses associated with the Mergers, including possible adverse tax consequences to the Actavis Group pursuant to the anti-inversion rules under Section 7874 of the Code, as a result of the Mergers;
- challenges in attracting and retaining key personnel; and
- coordinating a geographically dispersed organisation.

Many of these factors will be outside of the control of Actavis or Forest and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management s time and energy, which could materially impact the business, financial condition and results of operations of the Combined Company. In addition, even if the operations of the businesses of Actavis and Forest are integrated successfully, the full benefits of the transaction may not be realised, including the synergies, cost savings or sales or growth opportunities that are

expected. These benefits may not be achieved within the anticipated time frame, or at all. Or, additional unanticipated costs may be incurred in the integration of the businesses of Actavis and Forest. All of these factors could cause dilution to the earnings per share of Actavis, decrease or delay the expected accretive effect of the transaction, and negatively impact the price of Actavis Ordinary Shares. As a result, Actavis cannot assure that the combination of Actavis and Forest will result in the realisation of the full benefits anticipated from the transaction.

Combining the businesses of Actavis and Forest may be more difficult, costly or time-consuming than expected, which may adversely affect Actavis results and negatively affect the value of Actavis Ordinary Shares following the First Merger.

Actavis and Forest have entered into the Merger Agreement because each believes that the Mergers will be beneficial to it and its respective shareholders and stockholders and that combining the businesses of Actavis and Forest will produce benefits and cost savings. If Actavis is not able to successfully combine the businesses of Actavis and Forest in an efficient and effective manner, the anticipated benefits and cost savings of the Mergers may not be realised fully, or at all, or may take longer to realise than expected, and the value of Actavis Ordinary Shares may be affected adversely.

In addition, the actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realised. Actual synergies, if achieved, may be lower than and may take longer to achieve than anticipated. If Actavis is not able to adequately address integration challenges, Actavis may be unable to successfully integrate Actavis and Forest s operations or to realise the anticipated benefits of the integration of the two companies.

Actavis and Forest will incur direct and indirect costs as a result of the Mergers.

Actavis and Forest will incur substantial expenses in connection with completing the Mergers, and over a period of time following the completion of the Mergers, Actavis further expects to incur substantial expenses in connection with coordinating the businesses, operations, policies and procedures of Actavis and Forest. While Actavis has assumed that a certain level of transaction and coordination expenses will be incurred, there are a number of factors beyond Actavis control that could affect the total amount or the timing of these transaction and coordination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately. These expenses may exceed the costs historically borne by Actavis and Forest.

Actavis expects that, following the Mergers, Actavis will have significantly less cash on hand than the sum of cash on hand of Actavis and Forest prior to the Mergers. This reduced amount of cash could adversely affect Actavis ability to grow.

Actavis is expected to have significantly less cash and cash equivalents on hand than the approximately $1,362.1 million of combined cash and cash equivalents of the two companies, after giving effect to the Aptalis Acquisition, as of 31 December 2013, and would have on a pro forma basis, giving effect to the Mergers as if they had been consummated on 31 December 2013, no cash and cash equivalents. Although the management of Actavis believes that it will have access to cash sufficient to meet Actavis business objectives and capital needs, the lessened availability of cash and cash equivalents following the consummation of the Mergers could constrain Actavis ability to grow its business. Actavis financial position following the Mergers could also make it vulnerable to general economic downturns and industry conditions, and place it at a competitive disadvantage relative to its competitors that have more cash at their disposal.

If the First Merger is consummated, Actavis will incur a substantial amount of debt to finance the cash portion of the Merger Consideration, which could restrict its ability to engage in additional transactions or incur additional indebtedness.

In connection with the First Merger, Actavis expects to (i) borrow up to $5.0 billion under the senior credit facilities, (ii) issue and sell up to $2.0 billion in aggregate principal amount of senior unsecured notes and (iii) under certain circumstances, borrow up to $2.0 billion in loans under the bridge facility. Following the completion of the First Merger, the Combined Company will have a significant amount of indebtedness outstanding. On a pro forma basis, giving effect to the incurrence of indebtedness, the consolidated indebtedness of Actavis would be approximately $17,877.6 million as of 31 December 2013. This substantial level of indebtedness could have important consequences to Actavis business, including making it more difficult to satisfy its obligations, increasing its vulnerability to general adverse economic and industry conditions, limiting its flexibility in planning for, or reacting to, changes in its business and the industry in which it operates and restricting Actavis from pursuing certain business opportunities. These limitations could reduce the benefits Actavis expects to achieve from the First Merger or impede its ability to engage in future business opportunities or strategic acquisitions.

In addition, under certain circumstances, Actavis could be required to make an offer to repurchase Forest s senior notes shortly after the completion of the First Merger at a price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest thereon to the date of repurchase. If any such offer is accepted, Actavis intends to fund the required repurchase from a combination of available cash on hand of Actavis and additional financing. Actavis cannot assure that any such financing will be available in an amount sufficient to fund prepayment of Forest s senior notes or at all or that the terms of any such financing will be favourable. In addition, any such financing may include restrictive covenants that, among other things, limit Actavis ability to engage in certain business transactions or incur additional indebtedness.

Actavis and Forest s actual financial positions and results of operations may differ materially from the unaudited pro forma financial information included in this Prospectus.

The pro forma financial information contained in this Prospectus is presented for illustrative purposes only and may not be an indication of what Actavis financial position or results of operations would have been had the transaction been completed on the dates indicated. The pro forma financial information has been derived from the audited and unaudited historical financial statements of both Actavis and Forest and certain adjustments and assumptions have been made regarding the Combined Company after giving effect to the transaction. The assets and liabilities of Forest have been measured at fair value based on various preliminary estimates using assumptions that Actavis management believes are reasonable utilising information currently available. The

process for estimating the fair value of acquired assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. These estimates may be revised as additional information becomes available and as additional analyses are performed. Differences between preliminary estimates in the pro forma financial information and the final acquisition accounting will occur and could have a material impact on the pro forma financial information and the Combined Company s financial position and future results of operations.

In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect Actavis financial condition or results of operations after the Closing Date.

Any potential decline in Actavis financial condition or results of operations may cause significant variations in the share price of Actavis.

The Mergers may not be accretive and may cause dilution to Actavis earnings per share, which may negatively affect the market price of Actavis Ordinary Shares.

Although Actavis currently anticipates that the Mergers will be accretive to earnings per share (on an adjusted earnings basis) from and after the Mergers, this expectation is based on preliminary estimates, which may change materially.

Actavis expects to issue or reserve for issuance approximately 99 million Actavis Ordinary Shares in connection with completion of the First Merger. The issuance of these new Actavis Ordinary Shares could have the effect of depressing the market price of Actavis Ordinary Shares.

In addition, Actavis could also encounter additional transaction-related costs or other factors such as the failure to realise all of the benefits anticipated in the Mergers. All of these factors could cause dilution to Actavis earnings per share or decrease or delay the expected accretive effect of the Mergers and cause a decrease in the market price of Actavis Ordinary Shares.

The IRS may not agree that Actavis is a foreign corporation for U.S. federal tax purposes.

Although Actavis is incorporated in Ireland, the IRS may assert that Actavis should be treated as a U.S. corporation for U.S. federal tax purposes pursuant to Section 7874. For U.S. federal tax purposes, a corporation generally is classified as either a U.S. corporation or a foreign corporation by reference to the jurisdiction of its organisation or incorporation. Because Actavis is an Irish incorporated entity, it would generally be classified as a foreign corporation under these rules. Section 7874 provides an exception to this general rule under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal tax purposes.

Under Section 7874, a corporation created or organised outside the United States (*i.e.*, a foreign corporation) will nevertheless be treated as a U.S. corporation for U.S. federal tax purposes when (i) the foreign corporation directly or indirectly acquires substantially all of the assets held directly or indirectly by a U.S. corporation (including the indirect acquisition of assets of the U.S. corporation by acquiring all the outstanding shares of the U.S. corporation), (ii) the shareholders of the acquired U.S. corporation hold at least 80% (by either vote or value) of the shares of the foreign acquiring corporation after the acquisition by reason of holding shares in the U.S. acquired corporation (including the receipt of the foreign corporation s shares in exchange for the U.S. corporation s shares), and (iii) the foreign corporation s expanded affiliated group does not have substantial business activities in the foreign corporation s country of organisation or incorporation relative to such expanded affiliated group s worldwide activities. For purposes of Section 7874, multiple acquisitions of U.S. corporations by a foreign corporation, if treated as part of a plan or series of related transactions, may be treated as a single acquisition. If multiple acquisitions of U.S. corporations are treated as a single acquisition, all shareholders of the acquired U.S. corporations would be aggregated for purposes of the test set forth above concerning such shareholders holding at least 80% (by either vote or value) of the shares of the foreign

acquiring corporation after the acquisitions by reason of holding shares in the acquired U.S. corporations.

Actavis believes that, in the Warner Chilcott Acquisition, the Actavis, Inc. shareholders received less than 80% (by both vote and value) of the Actavis Ordinary Shares and consequently that the test set forth above to treat Actavis as a foreign corporation was satisfied. However, the law and Treasury regulations promulgated under Section 7874 are relatively new and somewhat unclear, and thus Actavis cannot assure that the IRS will agree that the ownership requirements to treat Actavis as a foreign corporation were met in the Warner Chilcott Acquisition. Moreover, even if such ownership requirements were met in the Warner Chilcott Acquisition, the

IRS may assert that, even though the Mergers are separate transactions from the Warner Chilcott Acquisition, the Mergers may be integrated with the Warner Chilcott Acquisition. In the event the IRS were to prevail with such assertion, Actavis would be treated as a U.S. corporation for U.S. federal tax purposes. Actavis has received opinions from Latham & Watkins LLP and PricewaterhouseCoopers LLP to the effect that Actavis should not be treated as a domestic corporation for U.S. federal income tax purposes as a result of the Mergers, but Actavis cannot assure that the IRS will agree with this position and/or would not successfully challenge Actavis status as a foreign corporation. If such a challenge by the IRS were successful, significant adverse tax consequences would result for Actavis.

Section 7874 likely will limit Actavis and its U.S. affiliates ability to utilise certain U.S. tax attributes of Forest and its U.S. affiliates to offset certain U.S. taxable income, if any, generated by the Mergers or certain specified transactions for a period of time following the Mergers.

Following the acquisition of a U.S. corporation by a foreign corporation, Section 7874 can limit the ability of the acquired U.S. corporation and its U.S. affiliates to utilise certain U.S. tax attributes such as net operating losses to offset U.S. taxable income resulting from certain transactions. Based on the limited guidance available, Actavis believes that this limitation applies to Actavis and its U.S. affiliates following the Warner Chilcott Acquisition and as a result, Actavis currently does not expect that it or its U.S. affiliates (including Forest and its U.S. affiliates after the Mergers) will be able to utilise certain U.S. tax attributes of Forest and its U.S. affiliates to offset their U.S. taxable income, if any, resulting from certain specified taxable transactions.

Actavis status as a foreign corporation for U.S. federal tax purposes could be affected by a change in law.

Actavis believes that, under current law, it is treated as a foreign corporation for U.S. federal tax purposes. However, changes to the inversion rules in Section 7874 or the U.S. Treasury Regulations promulgated thereunder or other IRS guidance could adversely affect Actavis status as a foreign corporation for U.S. federal tax purposes, and any such changes could have prospective or retroactive application to Actavis, Forest, their respective stockholders, shareholders and affiliates, and/or the Mergers. In addition, recent legislative proposals have aimed to expand the scope of U.S. corporate tax residence, and such legislation, if passed, could have an adverse effect on Actavis. For example, in March 2014, the President of the United States proposed legislation which would amend the anti-inversion rules. Although its application is limited to transactions closing after 2014, no assurance can be given that proposal will not be changed in the legislative process and be enacted to apply to prior transactions.

Future changes to U.S. and foreign tax laws could adversely affect Actavis.

The U.S. Congress, the Organisation for Economic Co-operation and Development and other Government agencies in jurisdictions where Actavis and its affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. One example is in the area of base erosion and profit shifting, where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. As a result, the tax laws in the United States and other countries in which Actavis and its affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely affect Actavis and its affiliates (including Forest and its affiliates after the Mergers).

If the Mergers do not qualify as a reorganisation under Section 368(a) of the Code or are otherwise taxable to U.S. holders of Forest Common Stock, then such holders may be required to pay substantial U.S. federal income taxes.

It is intended that, for U.S. federal income tax purposes, the Mergers, taken together, shall (1) qualify as a reorganisation within the meaning of Section 368(a) of the Code and (2) not result in gain being recognised by U.S. holders of Forest Common Stock immediately prior to the effective time of the First Merger under Section 367(a) of the Code (other than any such shareholder that would be a 5% transferee shareholder (within the meaning of Treasury Regulations Section 1.367(a)-3(c)(5)(ii)) of Actavis following the Mergers that does not enter into a five-year gain recognition agreement in the form provided in Treasury Regulations Section 1.367(a)-8), and the parties intend to report the Mergers in a manner consistent with the Intended Tax Treatment. However, there are significant factual and legal uncertainties concerning whether the Mergers will qualify for the Intended Tax Treatment. For example, Section 367(a) of the Code and the applicable Treasury regulations promulgated thereunder provide that where a U.S. shareholder exchanges stock in a U.S. corporation for stock in a non-U.S. corporation in a transaction that would otherwise qualify as a reorganisation within the meaning of Section 368(a) of the Code, the U.S. shareholder is required to recognise gain, but not loss, realised on such exchange unless certain requirements are met. There are significant factual and legal uncertainties concerning the

determination of certain of these requirements. In addition, the closing of the Mergers is not conditioned upon the receipt of an opinion of counsel that the Mergers will qualify for the Intended Tax Treatment, and no assurance can be given that the IRS will not challenge the Intended Tax Treatment or that a court would not sustain a challenge by the IRS. Moreover, none of Actavis, Tango U.S. Holdings, Forest or either of the Merger Subs intends to request a ruling from the IRS regarding the U.S. federal income tax consequences of the Mergers. If at the effective time of the Mergers the fair market value of Forest were found to exceed that of Actavis, or other requirements for the non-recognition of gain under Section 367(a) of the Code are not met or any requirement of Section 368 is not satisfied, a U.S. holder of Forest Common Stock would recognise gain (but may not be able to recognise loss) based on the amount such U.S. holder realises in the Mergers.

Transfers of Actavis Ordinary Shares, other than by means of the transfer of book-entry interests in the DTC, may be subject to Irish stamp duty.

For the majority of transfers of Actavis Ordinary Shares, there will not be any Irish stamp duty. Transfers of Actavis Ordinary Shares effected by means of the transfer of book-entry interests in DTC are not subject to Irish stamp duty. However, if you hold your Actavis Ordinary Shares directly rather than beneficially through DTC, any transfer of your Actavis Ordinary Shares could be subject to Irish stamp duty (currently at the rate of 1% of the higher of the price paid or the market value of the shares acquired). A shareholder who directly holds shares may transfer those shares into his or her own broker account to be held through DTC (or *vice versa*) without giving rise to Irish stamp duty provided that there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and the transfer is not in contemplation of a sale of the shares by a beneficial owner to a third party.

Payment of Irish stamp duty is generally a legal obligation of the transferee. The potential for stamp duty could adversely affect the price of your shares.

In certain limited circumstances, dividends paid by Actavis may be subject to Irish dividend withholding tax.

In certain limited circumstances, Irish DWT (currently at a rate of 20%) may arise in respect of dividends, if any, paid on Actavis Ordinary Shares. A number of exemptions from DWT exist pursuant to which shareholders resident in the U.S. and shareholders resident in the Relevant Territories may be entitled to exemptions from DWT.

Please note the requirement to complete certain relevant DWT Forms in order to qualify for many of the exemptions. Dividends paid in respect of Actavis Ordinary Shares that are owned by a U.S. resident and held through DTC will not be subject to DWT provided the address of the beneficial owner of such shares in the records of the broker holding such shares is recorded as being in the U.S. (and such broker has further transmitted the relevant information to a qualifying intermediary appointed by Actavis). Similarly, dividends paid in respect of Actavis Ordinary Shares that are held outside of DTC and are owned by a former Forest stockholder who is a resident of the U.S. will not be subject to DWT if such shareholder has provided a completed IRS Form 6166 or a valid DWT Form to Actavis transfer agent to confirm its U.S. residence and claim an exemption. Shareholders resident in other Relevant Territories may also be eligible for exemption from DWT on dividends paid in respect of their shares provided they have furnished valid DWT Forms to their brokers (in respect of shares held through DTC) (and such broker has further transmitted the relevant information to a qualifying intermediary appointed by Actavis) or to Actavis transfer agent (in respect of shares held outside of DTC). However, other shareholders may be subject to DWT, which if you are such a shareholder could adversely affect the price of your shares.

Risks Related to Actavis Business

The risk factors specific to Actavis businesses that will also affect the Combined Company after the Mergers should be read and considered.

Failure to consummate the Forest Acquisition could negatively impact Actavis share price and Actavis future business and financial results.

If the Forest Acquisition is not consummated, Actavis ongoing businesses may be adversely affected and, without realising any of the benefits of having consummated the Forest Acquisition, Actavis will be subject to a number of risks, including the following:

Actavis will be required to pay costs and expenses relating to the Forest Acquisition;

if the Merger Agreement is terminated under specified circumstances, Actavis may be required to pay to Forest a termination fee equal to $1,175.0 million, subject to reduction in certain circumstances;

matters relating to the Forest Acquisition (including integration planning) may require substantial commitments of time and resources by Actavis management, which could otherwise have been devoted to other opportunities that may have been beneficial to Actavis;

the Merger Agreement restricts Actavis, without Forest s consent and subject to certain exceptions (such as actions below specified materiality thresholds, actions otherwise required by the Merger Agreement, actions required by law or governmental order, or other actions as may be agreed upon by the parties), from making certain acquisitions and taking other specified actions until the merger is consummated or the Merger Agreement terminates. These restrictions may prevent Actavis from pursuing otherwise attractive business opportunities and making other changes to Actavis business that may arise prior to completion of the merger or termination of the Merger Agreement; and

Actavis also could be subject to litigation related to any failure to consummate the merger or related to any enforcement proceeding commenced against Actavis to perform Actavis respective obligations under the Merger Agreement. Publicly announced mergers that are not ultimately consummated are frequently the targets of shareholder and/or counterparty litigation related to any failure to consummate the merger.

If the Mergers are not consummated, these risks may materialise and may adversely affect Actavis business, financial results and share price.

Actavis operating results and financial condition may fluctuate for a number of reasons, including, but not limited to, product and price competition, delays in receiving regulatory approvals, changes in policies of health plans, laws and regulations, and general economic and industry conditions.

Actavis operating results and financial condition may fluctuate from quarter to quarter and year to year for a number of reasons, including, but not limited to, product and price competition, delays in receiving approvals, changes in policies of health plans, laws and regulations and general economic and industry conditions. In particular, the following events or occurrences, among others, could cause fluctuations in Actavis financial performance from period to period:

development of new competitive products or generics by others;

the timing and receipt of approvals by the FDA and other regulatory authorities;

the failure to obtain, delay in obtaining or restrictions or limitations on approvals from the FDA or other regulatory authorities;

difficulties or delays in resolving FDA or other regulatory authority-observed deficiencies at Actavis manufacturing facilities, which could delay Actavis ability to obtain approvals of pending product applications or curtail availability to continue production of existing products;

delays or failures in clinical trials that affect Actavis ability to achieve FDA approvals or approvals from other regulatory authorities;

serious or unexpected health or safety concerns with Actavis products or product candidates;

changes in the amount Actavis spends to research and develop, acquire or license new products, technologies or businesses;

changes in the amount Actavis spends to promote Actavis products;

delays between Actavis expenditures to acquire new products, technologies or businesses and the generation of revenues from those acquired products, technologies or businesses;

changes in treatment practices of physicians that currently prescribe Actavis products;

changes in coverage and reimbursement policies of health plans and other health insurers, including changes that affect newly developed or newly acquired products;

changes in laws and regulations concerning coverage and reimbursement of pharmaceutical products, including changes to Medicare, Medicaid and similar programmes;

increases in the cost of raw materials used to manufacture Actavis products;

realisation of assets and settlement of liabilities at amounts equal to estimated fair value as of the acquisition date in connection with any acquisitions or dispositions;

manufacturing and supply interruptions, including failure to comply with manufacturing specifications;

the effect of economic changes in hurricane, monsoon, earthquake and other natural disaster-affected areas;

the impact of third party patents and other intellectual property rights which Actavis may be found to infringe, or may be required to license, and the potential damages or other costs Actavis may be required to pay as a result of a finding that Actavis infringe such intellectual property rights or a decision that Actavis is required to obtain a licence to such intellectual property rights;

changes in antitrust laws and regulations concerning settlement of patent and other intellectual property disputes, and potential damages or other costs Actavis may be required to pay as a result of such changes;

the mix of products that Actavis sells during any time period;

lower than expected demand for Actavis products;

Actavis responses to price competition;

Actavis ability to successfully integrate and commercialise the products, technologies and businesses Actavis acquires or licenses, as applicable;

expenditures as a result of legal actions;

market acceptance of Actavis products;

the impairment and write-down of goodwill or other intangible assets or investments or long-lived assets;

disposition of Actavis primary products, technologies and other rights;

termination or expiration of, or the outcome of disputes relating to, trademarks, patents, licence agreements and other rights;

changes in insurance rates for existing products and the cost and availability of insurance for new and existing products;

general economic and industry conditions, including changes in interest rates affecting returns on cash balances and investments that affect customer demand;

costs and outcomes of any tax audits;

fluctuations in foreign currency exchange rates;

costs and outcomes of any litigation involving intellectual property, product promotional activities, drug pricing or reimbursement, product liability, customers or other issues;

timing of revenue recognition related to licensing agreements and/or strategic collaborations;

Actavis ability to successfully integrate newly acquired businesses; and

risks related to the growth of Actavis business across numerous countries world-wide and the inherent international economic, regulatory, political and business risks.

As a result, Actavis believes that period-to-period comparisons of Actavis results of operations are not necessarily meaningful, and these comparisons should not be relied upon as an indication of future performance. The above factors may cause Actavis operating results to fluctuate and adversely affect Actavis financial condition and results of operations.

Actavis substantial debt and other financial obligations could impair Actavis financial condition and Actavis ability to fulfil Actavis debt obligations. Any refinancing of this substantial debt could be at significantly higher interest rates.

Actavis substantial indebtedness and other financial obligations could:

impair Actavis ability to obtain financing in the future for working capital (outside the period falling 12 months after the date of this Prospectus), capital expenditures, acquisitions or general corporate purposes;

have a material adverse effect on Actavis if Actavis fails to comply with financial and affirmative and restrictive covenants in Actavis debt agreements and an event of default occurs as a result of a failure that is not cured or waived;

require Actavis to dedicate a substantial portion of Actavis cash flow for interest payments on Actavis indebtedness and other financial obligations, thereby reducing the availability of Actavis cash flow to fund working capital (outside the period falling 12 months after the date of this Prospectus) and capital expenditures;

limit Actavis flexibility in planning for, or reacting to, changes in Actavis business and the industry in which Actavis operates; and

place Actavis at a competitive disadvantage compared to Actavis competitors that have proportionally less debt.

Additionally, certain of Actavis financing agreements may contain cross-default or other similar provisions whereby a default under one financing agreement could result in a default under Actavis other financing agreements.

If Actavis is unable to meet Actavis debt service obligations and other financial obligations, Actavis could be forced to restructure or refinance Actavis indebtedness and other financial transactions, seek additional equity capital or sell Actavis assets. Actavis might then be unable to obtain such financing or capital or sell Actavis assets on satisfactory terms, if at all. Any refinancing of Actavis indebtedness could be at significantly higher interest rates, and/or incur significant transaction fees.

If Actavis does not successfully integrate newly acquired businesses into Actavis business operations, Actavis business could be adversely affected.

Actavis will need to successfully integrate the operations of newly acquired businesses, including Warner Chilcott, with Actavis business operations. Integrating the operations of new businesses with that of Actavis own is a complex and time-consuming process. Prior to each acquisition, the acquired business operated independently, with its own business, corporate culture, locations, employees and systems. There may be substantial difficulties, costs and delays involved in any integration of other businesses with that of Actavis own. These may include:

distracting management from day-to-day operations;

potential incompatibility of corporate cultures;

an inability to achieve synergies as planned;

costs and delays in implementing common systems and procedures; and

increased difficulties in managing Actavis business due to the addition of international locations.

These risks may be accentuated if the majority of the former businesses operations, employees and customers are located outside of the United States. Any one or all of these factors may increase operating costs or lower anticipated financial performance. Many of these factors are also outside of Actavis control.

Achieving anticipated synergies and the potential benefits underlying Actavis reasons for any acquisition will depend on successful integration of the businesses. The failure to integrate the business operations of the acquired business successfully would have a material adverse effect on Actavis business, financial condition and results of operations.

Any acquisitions of technologies, products and businesses could adversely affect Actavis relationships with key customers and/or could result in significant charges to earnings.

Actavis regularly reviews potential acquisitions of technologies, products and businesses complementary to Actavis business. Acquisitions typically entail many risks and could result in difficulties in integrating operations, personnel, technologies and products. In connection with acquisitions, Actavis could experience disruption in Actavis business, technology and information systems, customer or employee base, including diversion of management s attention from Actavis continuing operations. There is also a risk that key employees of companies that Actavis acquires or key employees necessary to successfully commercialise technologies and products that Actavis acquires may seek employment elsewhere, including with Actavis competitors. Furthermore, there may be overlap between Actavis products or customers and the companies that Actavis acquires that may create conflicts in relationships or other commitments detrimental to the integrated businesses.

In addition, as a result of acquiring businesses or products, or entering into other significant transactions, Actavis may experience significant charges to earnings for merger and related expenses. These costs may include substantial fees for investment bankers, attorneys, accountants, and severance and other closure costs associated with the elimination of duplicate or discontinued products, operations and facilities. Charges that Actavis may incur in connection with acquisitions could adversely affect Actavis results of operations for particular quarterly or annual periods.

Actavis is subject to federal and state healthcare fraud and abuse laws which may adversely affect Actavis business.

In the United States, most of Actavis products are reimbursed under federal and state health care programmes such as Medicaid, Medicare, TriCare, and/or state pharmaceutical assistance programmes. Many foreign countries have similar laws. Federal and state laws designed to prevent fraud and abuse under these programmes prohibit pharmaceutical companies from offering valuable items or services to customers or potential customers to induce them to buy, prescribe, or recommend Actavis product (the so-called anti-kickback laws). Exceptions are provided for discounts and certain other arrangements if specified requirements are met. Other federal and state laws, and similar foreign laws, not only prohibit Actavis from submitting any false information to government reimbursement programmes but also prohibit Actavis and Actavis employees from doing anything to cause, assist, or encourage Actavis customers to submit false claims for payment to these programmes. Violations of the fraud and abuse laws may result in severe penalties against the responsible employees and Actavis, including jail sentences, large fines, and the exclusion of Actavis products from reimbursement under federal and state programmes. Actavis is committed to conducting the sales and marketing of Actavis products in compliance with the healthcare fraud and abuse laws, but certain applicable laws may impose liability even in the absence of specific intent to defraud. Furthermore, should there be ambiguity, a governmental authority may take a position contrary to a position Actavis has taken, or should an employee violate these laws without Actavis knowledge, a governmental authority may impose civil and/or criminal sanctions.

If Actavis is unable to successfully develop or commercialise new products, Actavis operating results will suffer.

Actavis future results of operations depend to a significant extent upon Actavis ability to successfully develop and commercialise new brand and generic products in a timely manner. There are numerous difficulties in developing and commercialising new products, including:

developing, testing and manufacturing products in compliance with regulatory standards in a timely manner;

receiving requisite regulatory approvals for such products in a timely manner or at all;

the availability, on commercially reasonable terms, of raw materials, including API and other key ingredients;

developing and commercialising a new product is time consuming, costly and subject to numerous factors, including legal actions brought by Actavis competitors, that may delay or prevent the development and commercialisation of new products;

experiencing delays as a result of limited resources at the FDA or other regulatory agencies;

changing review and approval policies and standards at the FDA and other regulatory agencies; and

commercialising generic products may be substantially delayed by the listing with the FDA of patents that have the effect of potentially delaying approval of a generic product by up to 30 months.

As a result of these and other difficulties, products currently in development by Actavis may or may not receive timely regulatory approvals, or approvals at all, necessary for marketing by Actavis or other third-party partners. This risk particularly exists with respect to the development of proprietary products because of the uncertainties, higher costs and lengthy time frames associated with R&D of such products and the inherent unproven market acceptance of such products. Additionally, Actavis faces heightened risks in connection with Actavis development of extended release or controlled release generic products because of the technical difficulties and regulatory requirements related to such products. Additionally, with respect to generic products for which Actavis is the first applicant to request approval on the basis that an innovator patent is invalid or not infringed (a paragraph IV filing), Actavis ability to obtain 180 days of generic market exclusivity may be contingent on Actavis ability to obtain FDA approval or tentative approval within 30 months of the FDA s acceptance of Actavis application for filing. Actavis therefore risks forfeiting such market exclusivity if Actavis is unable to obtain such approval or tentative approval on a timely basis.

If any of Actavis products or the products of Actavis third-party partners are not approved timely or, when acquired or developed and approved, cannot be successfully manufactured or commercialised timely, Actavis operating results could be adversely affected. Actavis cannot guarantee that any investment Actavis make in developing products will be recouped, even if Actavis is successful in commercialising those products.

If generic products that compete with any of Actavis branded pharmaceutical products are approved and sold, sales of Actavis products will be adversely affected.

As a result of the Warner Chilcott Acquisition, speciality branded products now comprise a larger percentage of Actavis total revenues. Generic equivalents for branded pharmaceutical products are typically sold at lower costs than the branded products. After the introduction of a competing generic product, a significant percentage of the prescriptions previously written for the branded product are often written for the generic version. In addition, legislation enacted in most U.S. states and Canadian provinces allows or, in some instances mandates, that a pharmacist dispense an available generic equivalent when filling a prescription for a branded product, in the absence of specific instructions from the prescribing physician. As a result, branded products typically experience a significant loss in revenues following the introduction of a competing generic product. Actavis branded pharmaceutical products are or may become subject to competition from generic equivalents because there is no proprietary protection for some of the branded pharmaceutical products Actavis sells, because Actavis patent protection expires or because Actavis patent protection is not sufficiently broad or enforceable. In addition, Actavis may not be successful in Actavis efforts to extend the proprietary protection afforded Actavis branded products through the development and commercialisation of proprietary product improvements and new and enhanced dosage forms.

Actavis Actonel® products no longer have patent protection in Canada or the Western European countries in which Actavis sells these products, and Asacol® is not protected by a patent in the United Kingdom. In addition, other products such as Estrace® Cream, Asacol® 400 mg and Femhrt® are not protected by patents in the United States where Actavis sells these products. Generic equivalents are currently available in Canada and Western Europe for Actonel® and in the United States for certain versions of Actavis Doryx® and Femhrt® products, Femcon® Fe and certain other less significant products.

During the next few years, additional products of Actavis will lose patent protection or likely become subject to generic competition. Actavis Actonel® once-a-week product will lose U.S. patent protection in June 2014 (including a 6-month paediatric extension of regulatory exclusivity); generic versions of Actavis Loestrin® 24 Fe product entered the market in January 2014 pursuant to settlement agreements previously entered into; generic versions of Actavis Asacol® HD 800 mg product may enter the market as early as November 2015 pursuant to an agreement previously entered into; and generic versions of Actavis Enablex® product may enter the market as early as March 2016 pursuant to settlement agreements previously entered into. Some of Actavis products may also become subject to generic competition prior to the expiration of patent protection in the event a generic competitor elects to launch its generic equivalent product at-risk . Competition from generic equivalents could result in a material impairment of Actavis intangible assets or the acceleration of amortisation on Actavis non-impaired intangible assets and may have a material adverse impact on Actavis revenues, financial condition, results of operations and cash flows.

Actavis branded pharmaceutical expenditures may not result in commercially successful products.

Developing and commercialising branded pharmaceutical products is generally more costly than generic products. In the future, and particularly following the Warner Chilcott Acquisition, Actavis anticipates continuing Actavis product development expenditures for Actavis Actavis Speciality Brands business segment, including products acquired from Warner Chilcott. In order to grow and achieve success in Actavis business, Actavis must continually identify, develop, acquire and license new products that Actavis can ultimately market. There are many difficulties and uncertainties inherent in pharmaceutical R&D, and there is a high rate of failure inherent in new drug discovery and development. Failure can occur at any point in the process, including late in the process after substantial investment. New product candidates that appear promising in development may fail to reach the market or may have only limited commercial success because of efficacy or safety concerns, inability to obtain necessary regulatory approvals and payer reimbursement, limited scope of approved uses, difficulty or excessive costs to manufacture, or infringement of the patents or intellectual property rights of others. Delays and uncertainties in the FDA approval process and the approval processes in other countries can result in delays in product launches and lost market opportunity.

Actavis currently has products in various stages of development. For example in 2013, Actavis initiated a Phase 3 clinical trial for Actavis Esmya™ product for treatment of uterine fibroids. Actavis also has new hormonal contraceptive therapy products in various stages of development from preclinical development to Phase 3 development, as well as osteoporosis products in preclinical and clinical development and dermatology and infectious disease products in various stages of clinical development, among others. Such clinical trials are costly and may not result in successful outcomes. Actavis cannot be sure that Actavis business expenditures, including but not limited to Actavis expenditures related to Actavis Esmya™ product, products recently acquired in the

Warner Chilcott Acquisition or products of Actavis third-party partners, among others, will result in the successful discovery, development or launch of brand products that will prove to be commercially successful or will improve the long-term profitability of Actavis business. If such business expenditures do not result in successful discovery, development or launch of commercially successful brand products Actavis results of operations and financial condition could be materially adversely affected.

Actavis investments in biosimilar products may not result in products that are approved by the FDA or other ex-U.S. regulatory authorities and, even if approved by such authorities, may not result in commercially successful products.

In 2011, Actavis entered into the Amgen Collaboration Agreement. Under the agreement, Actavis was required to invest up to $312.4 million in furtherance of the development and regulatory approval of such products. Although Amgen, Actavis development partner, has substantial expertise and experience in the development of biological products, significant uncertainty remains concerning the regulatory pathway in the United States and in other countries to obtain regulatory approval of biosimilar products, and the commercial pathway to successfully market and sell such products. In particular, although recently enacted legislation authorises the FDA to establish a regulatory pathway for the review and approval of such products, only draft guidance has been issued by the FDA. Even if the FDA enacts rules and regulations concerning the development and approval of biosimilars, such regulations could include provisions that provide up to twelve or more years of data exclusivity for the original developer of the product on which a biosimilar product is based. Additionally, biosimilar products will likely be subject to extensive patent clearances and/or patent infringement litigation, which could delay or prevent the commercial launch of a product for many years. Further, Actavis collaboration with Amgen may not result in products that meet the requirements established by the FDA or other ex-U.S. regulatory authorities. If Actavis collaboration does result in biosimilar products that obtain FDA or other ex-U.S. regulatory authority approval, such product(s) may not be commercially successful and/or may not generate profits in amounts that are sufficient to offset the amount invested to obtain such approvals. Market success of biosimilar products will depend on demonstrating to patients, physicians and payors that such products are safe and efficacious compared to other existing products yet offer a more competitive price or other benefit over existing therapies. If Actavis collaboration with Amgen does not result in the development and timely approval of biosimilar products or if such products, once developed and approved, are not commercially successful, Actavis results of operations, financial condition and cash flows could be materially adversely affected.

If Actavis is unsuccessful in Actavis joint ventures and other collaborations, Actavis operating results could suffer.

Actavis has made substantial investments in joint ventures and other collaborations, including Actavis collaboration agreements with Amgen and Sanofi, and may use these and other methods to develop or commercialise products in the future. These arrangements typically involve other pharmaceutical companies as partners that may be competitors of ours in certain markets. In many instances, Actavis will not control these joint ventures or collaborations or the commercial exploitation of the licensed products, and cannot assure that these ventures will be profitable. Any such marketing restrictions could affect future revenues and have a material adverse effect on Actavis operations. Actavis results of operations may suffer if existing joint venture or collaboration partners withdraw, or if these products are not timely developed, approved or successfully commercialised.

If Actavis is unable to adequately protect Actavis technology or enforce Actavis patents, Actavis business could suffer.

Actavis success with the brand products that Actavis develops will depend, in part, on Actavis ability to obtain patent protection for these products. Actavis currently have a number of U.S. and foreign patents issued and pending. However, issuance of a patent is not conclusive evidence of its validity or enforceability. Actavis cannot be sure that Actavis will receive patents for any of Actavis pending patent applications or any patent applications Actavis may file

in the future, or that Actavis issued patents will be upheld if challenged. If Actavis current and future patent applications are not approved or, if approved, Actavis patents are not upheld in a court of law if challenged, it may reduce Actavis ability to competitively utilise Actavis patented products. Also, such patents may or may not provide competitive advantages for their respective products or they may be challenged or circumvented by Actavis competitors, in which case Actavis ability to commercially market these products may be diminished. For example, patents covering Actavis Androderm® and INFed® products have expired and Actavis has no further patent protection on these products. Therefore, it is possible that a competitor may launch a generic version of Androderm® and/or INFed® at any time, which would result in a significant

decline in that product s revenue and profit. Both of these products were significant contributors to Actavis Actavis Speciality Brands business in 2012. During the next five years, additional products acquired pursuant to the Warner Chilcott Acquisition will lose patent protection or likely become subject to generic competition. For example, Actavis newly acquired Asacol® 400 mg product lost U.S. patent protection in July 2013, Actavis Actonel® once-a-week product will lose U.S. patent protection in June 2014 (including a 6-month paediatric extension of regulatory exclusivity), generic versions of Actavis Loestrin® 24 Fe product entered the market in January 2014 pursuant to settlement agreements previously entered into; generic versions of Actavis Asacol® HD 800 mg product may enter the market as early as November 2015 pursuant to an agreement previously entered into; and generic versions of Actavis Enablex® product may enter the market as early as March 2016 pursuant to settlement agreements previously entered into. Some of Actavis products may also become subject to generic competition prior to the expiration of patent protection in the event a generic competitor elects to launch its generic equivalent product at-risk . For example, although Actavis Doryx® patent does not expire until 2022, and Warner Chilcott and Mayne filed infringement lawsuits against Mylan and Impax arising from their ANDA filings with respect to Actavis Doryx® 75 mg, 100 mg and 150mg products, generic versions of such products have been launched following the FDA s approval of their respective ANDAs.

Generic competitors to Actavis branded products may also challenge the validity or enforceability of the patents protecting Actavis products or otherwise seek to circumvent them. If Actavis is unable to adequately protect Actavis technology, trade secrets or propriety know-how, or enforce Actavis intellectual property rights, Actavis results of operations, financial condition and cash flows could suffer.

If pharmaceutical companies are successful in limiting the use of generics through their legislative, regulatory and other efforts, Actavis sales of generic products may suffer.

Many pharmaceutical companies increasingly have used state and federal legislative and regulatory means to delay generic competition. These efforts have included:

- making changes to the formulation of the brand product and arguing that potential generic competitors must demonstrate bioequivalency or comparable abuse-resistance to the reformulated brand product;

- pursuing new patents for existing products which may be granted just before the expiration of earlier patents, which could extend patent protection for additional years or otherwise delay the launch of generics;

- selling the brand product as an Authorised Generic, either by the brand company directly, through an affiliate or by a marketing partner;

- using the Citizen Petition process to request amendments to FDA standards or otherwise delay generic drug approvals;

- seeking changes to U.S. Pharmacopeia, an organisation which publishes industry recognised compendia of drug standards;

- attempting to use the legislative and regulatory process to have drugs reclassified or rescheduled;

using the legislative and regulatory process to set definitions of abuse deteriant formulations to protect brand company patents and profits;

attaching patent extension amendments to non-related federal legislation;

engaging in state-by-state initiatives to enact legislation that restricts the substitution of some generic drugs, which could have an impact on products that Actavis is developing;

entering into agreements with pharmacy benefit management companies which have the effect of blocking the dispensing of generic products; and

seeking patents on methods of manufacturing certain API.

If pharmaceutical companies or other third parties are successful in limiting the use of generic products through these or other means, Actavis sales of generic products may decline. If Actavis experiences a material decline in generic product sales, Actavis results of operations, financial condition and cash flows will suffer.

If competitors are successful in limiting competition for certain generic products through their legislative, regulatory and litigation efforts, Actavis sales of certain generic products may suffer.

Certain of Actavis competitors have challenged Actavis ability to distribute Authorised Generics during the competitors 180-day period of ANDA exclusivity under the Hatch-Waxman Act. Under the challenged

arrangements, Actavis has obtained rights to market and distribute under a brand manufacturer s NDA a generic alternative of the brand product. Some of Actavis competitors have challenged the propriety of these arrangements by filing Citizen Petitions with the FDA, initiating lawsuits alleging violation of the antitrust and consumer protection laws, and seeking legislative intervention. For example, legislation has been introduced in the U.S. Senate that would prohibit the marketing of Authorised Generics during the 180-day period of ANDA exclusivity under the Hatch-Waxman Act. If distribution of Authorised Generic versions of brand products is otherwise restricted or found unlawful, Actavis results of operations, financial condition and cash flows could be materially adversely affected.

From time to time Actavis may need to rely on licences to proprietary technologies, which may be difficult or expensive to obtain.

Actavis may need to obtain licences to patents and other proprietary rights held by third parties to develop, manufacture and market products. If Actavis is unable to timely obtain these licences on commercially reasonable terms, Actavis ability to commercially market Actavis products may be inhibited or prevented, which could have a material adverse effect on Actavis business, results of operations, financial condition and cash flows.

Third parties may claim that Actavis infringe their proprietary rights and may prevent Actavis from manufacturing and selling some of Actavis products.

The manufacture, use and sale of new products that are the subject of conflicting patent rights have been the subject of substantial litigation in the pharmaceutical industry. These lawsuits relate to the validity and infringement of patents or proprietary rights of third parties. Actavis may have to defend ourselves against charges that Actavis violated patents or proprietary rights of third parties. This is especially true in the case of generic products on which the patent covering the brand product is expiring, an area where infringement litigation is prevalent, and in the case of new brand products where a competitor has obtained patents for similar products. Litigation may be costly and time-consuming, and could divert the attention of Actavis management and technical personnel. In addition, if Actavis infringes the rights of others, Actavis could lose Actavis right to develop, manufacture or market products or could be required to pay monetary damages or royalties to license proprietary rights from third parties.

Furthermore, Actavis cannot be certain that the necessary licences would be available to Actavis on commercially reasonable terms, or at all. As a result, an adverse determination in a judicial or administrative proceeding or failure to obtain necessary licences could result in substantial monetary damage awards and could prevent Actavis from manufacturing and selling a number of Actavis products, which could have a material adverse effect on Actavis business, results of operations, financial condition and cash flows.

Actavis Anda Distribution operations are highly dependent upon a primary courier service.

Product deliveries within Actavis Anda Distribution business are highly dependent on overnight delivery services to deliver Actavis products in a timely and reliable manner, typically by overnight service. Actavis Anda Distribution business ships a substantial portion of products via one courier s air and ground delivery service. If the courier terminates Actavis contract or if Actavis cannot renew the contract on favourable terms or enter into a contract with an equally reliable overnight courier to perform and offer the same service level at similar or more favourable rates, Actavis business, results of operations, financial condition and cash flows could be materially adversely affected.

Actavis Anda Distribution operations concentrate on generic products and therefore are subject to the risks of the generic industry.

The ability of Actavis Anda Distribution business to provide consistent, sequential quarterly growth is affected, in large part, by Actavis participation in the launch of new products by generic manufacturers and the subsequent advent and extent of competition encountered by these products. This competition can result in significant and rapid declines

in pricing with a corresponding decrease in net sales of Actavis Anda Distribution business.

Actavis Anda Distribution operations compete directly with significant customers of Actavis generic and brand businesses.

In Actavis Anda Distribution business, Actavis main competitors are McKesson Corporation, AmerisourceBergen Corporation and Cardinal Health, Inc. These companies are significant customers of Actavis Actavis Pharma and Actavis Speciality Brands operations, including the newly acquired Warner Chilcott products and collectively accounted for approximately 29%, 30% and 30% of Actavis annual net revenues in the years ended 31 December 2013, 2012 and 2011, respectively. Actavis activities related to Actavis Anda Distribution business, as well as the acquisition of other businesses that compete with Actavis customers, may result in the disruption of Actavis business, which could harm relationships with Actavis current customers, employees or suppliers, and could adversely affect Actavis expenses, pricing, third-party relationships and revenues. Further, a loss of a significant customer of Actavis Actavis Pharma or Actavis Speciality Brands operations could have a material adverse effect on Actavis business, results of operations, financial condition and cash flows.

If Actavis is unable to obtain sufficient supplies from key manufacturing sites or suppliers that in some cases may be the only source of finished products or raw materials, Actavis ability to deliver Actavis products to the market may be impeded.

Actavis is required to identify the supplier(s) of all the raw materials for Actavis products in Actavis applications with the FDA and other regulatory agencies. To the extent practicable, Actavis attempts to identify more than one supplier in each drug application. However, some products and raw materials are available only from a single source and, in many of Actavis drug applications, only one supplier of products and raw materials or site of manufacture has been identified, even in instances where multiple sources exist. Some of these products have historically accounted for a significant portion of Actavis revenues, such as INFeD®, metoprolol succinate extended release tablets, methylphenidate hydrochloride extended release tablets, and a significant number of Actavis oral contraceptive and controlled substance products. Actavis expect to continue to rely on Actavis third-party manufacturing partners, such as Ortho-McNeil-Janssen Pharmaceuticals, Inc. for methylphenidate ER, Mayne for Doryx®, CPL for Estrace® Cream and NPI for Actonel® and Atelvia®. GSK currently manufactures Actavis Asacol® 400 mg product sold in the United Kingdom. CPL, which manufactures Actavis Estrace® Cream product, recently closed its manufacturing facility in Buffalo, New York and transferred its operations at that location to its facilities in Mississauga, Canada. Such transfers are subject to regulatory approvals, and the failure to obtain such approvals in a timely manner may delay production at the new facility and result in an interruption in Actavis product supply. From time to time, certain of Actavis manufacturing sites or outside suppliers have experienced regulatory or supply-related difficulties that have inhibited their ability to deliver products and raw materials to Actavis, causing supply delays or interruptions. To the extent any difficulties experienced by Actavis manufacturing sites or suppliers cannot be resolved or extensions of Actavis key supply agreements cannot be negotiated within a reasonable time and on commercially reasonable terms, or if raw materials for a particular product become unavailable from an approved supplier and Actavis is required to qualify a new supplier with the FDA or other regulatory agency, or if Actavis is unable to do so, Actavis profit margins and market share for the affected product could decrease or be eliminated, as well as delay Actavis development and sales and marketing efforts. Such outcomes could have a material adverse effect on Actavis business, results of operations, financial condition and cash flows.

Actavis manufacturing sites outside of the United States and Actavis arrangements with foreign suppliers are subject to certain additional risks, including the availability of government clearances, export duties, political instability, war, acts of terrorism, currency fluctuations and restrictions on the transfer of funds. For example, Actavis obtains a significant portion of Actavis raw materials from foreign suppliers. Arrangements with international raw material suppliers are subject to, among other things, FDA and foreign regulatory body regulation, customs clearances, various import duties and other government clearances, as well as potential shipping delays due to inclement weather, political instability, strikes or other matters outside of Actavis control. Acts of governments outside the U.S. may affect the price or availability of raw materials needed for the development or manufacture of Actavis products. In addition,

recent changes in patent laws in jurisdictions outside the U.S. may make it increasingly difficult to obtain raw materials for R&D prior to the expiration of the applicable U.S. or foreign patents.

Actavis policies regarding returns, allowances and chargebacks, and marketing programmes adopted by wholesalers, may reduce Actavis revenues in future fiscal periods.

Consistent with industry practice Actavis, like many generic product manufacturers, have liberal return policies and have been willing to give customers post-sale inventory allowances. Under these arrangements, from time to

time, Actavis may give Actavis customers credits on Actavis generic products that Actavis customers hold in inventory after Actavis has decreased the market prices of the same generic products. Therefore, if new competitors enter the marketplace and significantly lower the prices of any of their competing products, Actavis may reduce the price of Actavis product. As a result, Actavis may be obligated to provide significant credits to Actavis customers who are then holding inventories of such products, which could reduce sales revenue and gross margin for the period the credit is provided. Like Actavis competitors, Actavis also give credits for chargebacks to wholesale customers that have contracts with Actavis for their sales to hospitals, group purchasing organisations, pharmacies or other retail customers. A chargeback represents an amount payable in the future to a wholesaler for the difference between the invoice price paid to Actavis by Actavis wholesale customer for a particular product and the negotiated price that the wholesaler s customer pays for that product. Although Actavis establishes reserves based on Actavis prior experience and Actavis best estimates of the impact that these policies may have in subsequent periods, Actavis cannot ensure that Actavis reserves are adequate or that actual product returns, allowances and chargebacks will not exceed Actavis estimates, which could have a material adverse effect on Actavis results of operations, financial condition, cash flows and the market price of Actavis stock.

Investigations of the calculation of average wholesale prices may adversely affect Actavis business.

Many government and third-party payers, including Medicare, Medicaid, HMOs and MCOs, have historically reimbursed doctors, pharmacies and others for the purchase of certain prescription drugs based on a drug s AWP or WAC. In the past several years, state and federal government agencies have conducted ongoing investigations of manufacturers reporting practices with respect to AWP and WAC, in which they have suggested that reporting of inflated AWP s or WAC s have led to excessive payments for prescription drugs. For example, beginning in July 2002, Actavis and certain of Actavis subsidiaries, as well as numerous other pharmaceutical companies, were named as defendants in various state and federal court actions alleging improper or fraudulent practices related to the reporting of AWP and/or WAC of certain products, and other improper acts, in order to increase prices and market shares. Additional actions are possible. These actions, if successful, could adversely affect Actavis and may have a material adverse effect on Actavis business, results of operations, financial condition and cash flows.

The design, development, manufacture and sale of Actavis products involves the risk of product liability claims by consumers and other third parties, and insurance against such potential claims is expensive and may be difficult to obtain.

The design, development, manufacture and sale of Actavis products involve an inherent risk of product liability claims and the associated adverse publicity. Insurance coverage is expensive and may be difficult to obtain, and may not be available in the future on acceptable terms, or at all. Actavis regularly monitors the use of Actavis products for trends or increases in reports of adverse events or product complaints, and regularly report such matters to the FDA. In some, but not all cases, an increase in adverse event reports may be an indication that there has been a change in a product s specifications or efficacy. Such changes could lead to a recall of the product in question or, in some cases, increases in product liability claims related to the product in question. If the coverage limits for product liability insurance policies are not adequate or if certain of Actavis products are excluded from coverage, a claim brought against Actavis, whether covered by insurance or not, could have a material adverse effect on Actavis business, results of operations, financial condition and cash flows.

The loss of Actavis key personnel could cause Actavis business to suffer.

The success of Actavis present and future operations will depend, to a significant extent, upon the experience, abilities and continued services of key personnel. For example, although Actavis has other senior management personnel, a significant loss of the services of Paul Bisaro, Actavis CEO, or other senior executive officers without having or hiring a suitable successor, could cause Actavis business to suffer. Actavis cannot assure that Actavis will be able to attract and retain key personnel. Actavis has entered into employment agreements with many of Actavis senior

executive officers but such agreements do not guarantee that Actavis senior executive officers will remain employed by Actavis for a significant period of time, or at all. Actavis does not carry key-employee life insurance on any of Actavis officers.

Significant balances of intangible assets, including product rights and goodwill acquired, are subject to impairment testing and may result in impairment charges, which will adversely affect Actavis results of operations and financial condition.

A significant amount of Actavis total assets is related to acquired intangibles and goodwill. As of 31 December 2013, the carrying value of Actavis product rights and other intangible assets was approximately $8,234.5 million and the carrying value of Actavis goodwill was approximately $8,197.6 million.

Upon consummation of the Actavis Group Acquisition, Actavis recorded goodwill of approximately $2,868.8 million. Actavis also recorded goodwill following the Warner Chilcott Acquisition of $3,992.9 million. Actavis also allocated approximately $2,268.0 million and $3,021.0 million of the total consideration paid in connection with the Actavis Group Acquisition and the Warner Chilcott Acquisition, respectively, to identified intangibles including CMP and approximately $272.9 million and $1,708.0 million, respectively, to IPR&D intangibles.

Actavis product rights are stated at cost, less accumulated amortisation. Actavis determine original fair value and amortisation periods for product rights based on Actavis assessment of various factors impacting estimated useful lives and cash flows of the acquired products. Such factors include the product s position in its life cycle, the existence or absence of like products in the market, various other competitive and regulatory issues and contractual terms. Significant adverse changes to any of these factors would require Actavis to perform an impairment test on the affected asset and, if evidence of impairment exists, Actavis would be required to take an impairment charge with respect to the asset. For assets that are not impaired, Actavis may adjust the remaining useful lives. Such a charge could have a material adverse effect on Actavis results of operations and financial condition.

Actavis other significant intangible assets include acquired core technology and customer relationships, which are intangible assets with definite lives, Actavis Anda trade name and acquired IPR&D intangible products, acquired in recent business acquisitions, which are intangible assets with indefinite lives.

Actavis acquired core technology and customer relationship intangible assets are stated at cost, less accumulated amortisation. Actavis determined the original fair value of Actavis other intangible assets by performing a discounted cash flow analysis, which is based on Actavis assessment of various factors. Such factors include existing operating margins, the number of existing and potential competitors, product pricing patterns, product market share analysis, product approval and launch dates, the effects of competition, customer attrition rates, consolidation within the industry and generic product lifecycle estimates. Actavis other intangible assets with definite lives are tested for impairment when there are significant changes to any of these factors. If evidence of impairment exists, Actavis would be required to take an impairment charge with respect to the impaired asset. Such a charge could have a material adverse effect on Actavis results of operations and financial condition.

Goodwill, Actavis Anda trade name intangible asset and Actavis IPR&D intangible assets are tested for impairment annually, or when events occur or circumstances change that could potentially reduce the fair value of the reporting unit or intangible asset. Impairment testing compares the fair value of the reporting unit or intangible asset to its carrying amount. A goodwill, trade name or IPR&D impairment, if any, would be recorded in operating income and could have a material adverse effect on Actavis results of operations and financial condition. For example, in 2013 Actavis recognised a goodwill impairment charge of $647.5 million.

Actavis may need to raise additional long-term funds in the future which may not be available on acceptable terms or at all.

Actavis may consider issuing additional debt or equity securities in the future to fund potential acquisitions or investments, to refinance existing debt, or for general corporate purposes. If Actavis issues equity or convertible debt securities to raise additional funds, Actavis existing shareholders may experience dilution, and the new equity or debt

securities may have rights, preferences and privileges senior to those of Actavis existing shareholders. If Actavis incurs additional debt, it may increase Actavis leverage relative to Actavis earnings or to Actavis equity capitalisation, requiring Actavis to pay additional interest expenses and potentially lowering Actavis credit ratings. Actavis may not be able to market such issuances on favourable terms, or at all, in which case, Actavis may not be able to develop or enhance Actavis products, execute Actavis business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements.

Actavis business could suffer as a result of manufacturing difficulties or delays.

The manufacture of certain of Actavis products and product candidates, particularly Actavis controlled-release products, transdermal products, injectable products, and Actavis oral contraceptive products, is more difficult than the manufacture of immediate-release products. Successful manufacturing of these types of products requires precise manufacturing process controls, API that conforms to very tight tolerances for specific characteristics and equipment that operates consistently within narrow performance ranges. Manufacturing complexity, testing requirements, and safety and security processes combine to increase the overall difficulty of manufacturing these products and resolving manufacturing problems that Actavis may encounter.

Actavis manufacturing and other processes utilise sophisticated equipment, which sometimes require a significant amount of time to obtain and install. Actavis business could suffer if certain manufacturing or other equipment, or a portion or all of Actavis facilities were to become inoperable for a period of time. This could occur for various reasons, including catastrophic events such as earthquake, monsoon, hurricane or explosion, unexpected equipment failures or delays in obtaining components or replacements thereof, as well as construction delays or defects and other events, both within and outside of Actavis control. Actavis inability to timely manufacture any of Actavis significant products could have a material adverse effect on Actavis results of operations, financial condition and cash flows.

Actavis business will continue to expose Actavis to risks of environmental liabilities.

Actavis product and API development programmes, manufacturing processes and distribution logistics involve the controlled use of hazardous materials, chemicals and toxic compounds in Actavis owned and leased facilities. As a result, Actavis are subject to numerous and increasingly stringent federal, state and local environmental laws and regulations concerning, among other things, the generation, handling, storage, transportation, treatment and disposal of toxic and hazardous materials and the discharge of pollutants into the air and water. Actavis programmes and processes expose Actavis to risks that an accidental contamination could result in (i) Actavis noncompliance with such environmental laws and regulations and (ii) regulatory enforcement actions or claims for personal injury and property damage against Actavis. If an accident or environmental discharge occurs, or if Actavis discovers contamination caused by prior operations, including by prior owners and operators of properties Actavis acquires, Actavis could be liable for clean-up obligations, damages and fines. The substantial unexpected costs Actavis may incur could have a material and adverse effect on Actavis business, results of operations, financial condition, and cash flows. In addition, environmental permits and controls are required for some of Actavis operations, and these permits are subject to modification, renewal and revocation by the issuing authorities. Any modification, revocation or non-renewal of Actavis environmental permits could have a material adverse effect on Actavis ongoing operations, business and financial condition. Actavis environmental capital expenditures and costs for environmental compliance may increase in the future as a result of changes in environmental laws and regulations or increased development or manufacturing activities at any of Actavis facilities.

Global economic conditions could harm Actavis.

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and recession in most major economies during recent years. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global real estate markets have contributed to increased market volatility and diminished expectations for western and emerging economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some

cases, cease to provide credit to businesses and consumers. These factors have resulted in a decrease in spending by businesses and consumers alike, and a corresponding decrease in global infrastructure spending. Continued turbulence in the U.S. and international markets and economies and prolonged declines in business consumer spending may adversely affect Actavis liquidity and financial condition, and the liquidity and financial condition of Actavis customers, including Actavis ability to refinance maturing liabilities and access the capital markets to meet liquidity needs.

Actavis foreign operations may become less attractive if political and diplomatic relations between the United States and any country where Actavis conduct business operations deteriorates.

The relationship between the United States and the foreign countries where Actavis conduct business operations may weaken over time. Changes in the state of the relations between any such country and the United States are difficult to predict and could adversely affect Actavis future operations. This could lead to a decline in Actavis profitability. Any meaningful deterioration of the political and diplomatic relations between the United States and the relevant country could have a material adverse effect on Actavis operations.

Actavis global operations, particularly following the Actavis Group and Warner Chilcott Acquisitions, expose Actavis to risks and challenges associated with conducting business internationally.

Actavis operate on a global basis with offices or activities in Europe, Iceland, Africa, Asia, South America, Australia and North America. Actavis faces several risks inherent in conducting business internationally, including compliance with international and U.S. laws and regulations that apply to Actavis international operations. These laws and regulations include data privacy requirements, labour relations laws, tax laws, anti-competition regulations, import and trade restrictions, export requirements, U.S. laws such as the Foreign Corrupt Practices Act, and other U.S. federal laws and regulations established by the U.S. Office of Foreign Asset Control, local laws such as the UK Bribery Act 2010 or other local laws which prohibit corrupt payments to governmental officials or certain payments or remunerations to customers. Given the high level of complexity of these laws, however, there is a risk that some provisions may be inadvertently breached by Actavis, for example through fraudulent or negligent behaviour of individual employees, Actavis failure to comply with certain formal documentation requirements, or otherwise. Violations of these laws and regulations could result in fines, criminal sanctions against Actavis, Actavis officers or Actavis employees, requirements to obtain export licences, cessation of business activities in sanctioned countries, implementation of compliance programmes, and prohibitions on the conduct of Actavis business. Any such violations could include prohibitions on Actavis ability to offer Actavis products in one or more countries and could materially damage Actavis reputation, Actavis brand, Actavis international expansion efforts, Actavis ability to attract and retain employees, Actavis business and Actavis operating results. Actavis success depends, in part, on Actavis ability to anticipate these risks and manage these challenges. These factors or any combination of these factors may adversely affect Actavis revenue or Actavis overall financial performance. Violations of these laws and regulations could result in fines, criminal sanctions against Actavis, Actavis officers or Actavis employees, and prohibitions on the conduct of Actavis business. Any such violations could include prohibitions on Actavis ability to offer Actavis products in one or more countries and could materially damage Actavis reputation, Actavis brand, Actavis international expansion efforts, Actavis ability to attract and retain employees, Actavis business and Actavis operating results. Actavis success depends, in part, on Actavis ability to anticipate these risks and manage these difficulties.

In addition to the foregoing, engaging in international business inherently involves a number of other difficulties and risks, including:

longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;

political and economic instability;

potentially adverse tax consequences, tariffs, customs charges, bureaucratic requirements and other trade barriers;

regulations related to customs and import/export matters (including sanctions);

tax issues, such as tax law changes and variations in tax laws;

challenges in collecting accounts receivable from customers in the jurisdictions in which Actavis operates;

complying with laws, rules and regulations relating to the manufacturing, marketing, distribution and sale of pharmaceutical products in the jurisdictions in which Actavis does or will operate;

operating under regulations in jurisdictions related to obtaining eligibility for government or private payer reimbursement for Actavis products at the wholesale/retail level;

Competition from local, regional and international competitors;

difficulties and costs of staffing and managing foreign operations, including cultural and language differences and additional employment regulations, union workforce negotiations and potential disputes in the jurisdictions in which Actavis operates;

difficulties protecting or procuring intellectual property rights; and

fluctuations in foreign currency exchange rates.

These factors or any combination of these factors could have a material adverse effect on Actavis results of operations and financial condition.

Actavis has exposure to tax liabilities.

As a multinational corporation, Actavis is subject to income taxes as well as non-income based taxes, in both the United States and various foreign jurisdictions. Significant judgment is required in determining Actavis worldwide provision for income taxes and other tax liabilities. Changes in tax laws or tax rulings may have a significantly adverse impact on Actavis effective tax rate. Proposals by the current U.S. administration for fundamental U.S. international tax reform, including without limitation provisions that would limit the ability of U.S. multinationals to defer U.S. taxes on foreign income, if enacted, could have a significant adverse impact on Actavis effective tax rate following the Actavis Group and Warner Chilcott acquisitions.

Foreign currency fluctuations could adversely affect Actavis business and financial results.

Actavis do business and generate sales in numerous countries outside the United States. As such, foreign currency fluctuations may affect the costs that Actavis incurs in such international operations. Some of Actavis operating expenses are incurred in non-U.S. dollar currencies. The appreciation of non-U.S. dollar currencies in those countries where Actavis has operations against the U.S. dollar could increase Actavis costs and could harm Actavis results of operations and financial condition.

Actavis has incurred and will continue to incur significant transaction, integration and restructuring costs in connection with recent transactions, including the Actavis Group and Warner Chilcott acquisitions.

Actavis has incurred significant transaction costs related to the Actavis Group and Warner Chilcott acquisitions and will continue to incur significant transaction costs related to the Warner Chilcott Acquisition. In addition, Actavis will incur integration costs and restructuring costs as Actavis integrate the businesses. Although Actavis expects that the realisation of benefits and efficiencies related to the integration of the businesses may offset these transaction costs, integration costs and restructuring costs over time, no assurances can be made that this net benefit will be achieved in the near term, or at all. The failure to realise the expected benefits and efficiencies related to the integration of the businesses could adversely affect Actavis financial condition and results of operations.

Substantial amounts of Actavis information concerning Actavis products, customers, employees and ongoing business are stored digitally and are subject to threats of theft, tampering, or other intrusion.

Actavis collects and maintains information in digital form that is necessary to conduct Actavis business. This digital information includes, but is not limited to, confidential and proprietary information as well as personal information regarding Actavis customers and employees. Data maintained in digital form is subject to the risk of intrusion, tampering, and theft. Actavis has established physical, electronic, and organisational measures to safeguard and secure Actavis systems to prevent a data compromise, and rely on commercially available systems, software, tools, and monitoring to provide security for the processing, transmission and storage of digital information. However, the development and maintenance of these systems is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly more sophisticated. Despite Actavis efforts, the possibility of a future data compromise cannot be eliminated entirely, and risks associated with intrusion, tampering, and theft remain. In addition, Actavis provides confidential, proprietary and personal information to third parties when it is necessary to pursue Actavis business objectives. While Actavis obtains

assurances that these third parties will protect this information and, where appropriate, monitor the protections employed by these third parties, there is a risk the confidentiality of data held by third parties may be compromised. If Actavis data systems are compromised, Actavis business operations may be impaired, Actavis may lose profitable opportunities or the value of those opportunities may be diminished, and Actavis may lose revenue as a result of unlicensed use of Actavis intellectual property. If personal information of Actavis customers or employees is misappropriated, Actavis reputation with Actavis customers and employees may be injured resulting in loss of business and/or morale, and Actavis may incur costs to remediate possible injury to Actavis customers and employees or be required to pay fines or take other action with respect to judicial or regulatory actions arising out of such incidents.

A failure of Actavis internal control over financial reporting could materially impact Actavis business or share price.

Actavis management is responsible for establishing and maintaining adequate internal control over financial reporting. An internal control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all internal control systems, internal control over financial reporting may not prevent or detect misstatements. Any failure to maintain an effective system of internal control over financial reporting could limit Actavis ability to report Actavis financial results accurately and timely or to detect and prevent fraud, and could expose Actavis to litigation or adversely affect the market price of Actavis Ordinary Shares.

Risks Related to Forest s Business

Forest operates in an industry which involves a number of significant risks, some of which are beyond Forest s control. The following discussion highlights some of these risks. The risks discussed herein and other risks could have a material adverse effect on Forest s business, prospects, results of operations, financial condition and cash flows. Additional risks not currently known to Forest or that Forest presently deems immaterial may also impair Forest s business operations.

Forest s major products face generic competition upon patent expiration.

Forest depends upon patents to provide exclusive marketing rights for products. As product patents expire, Forest faces strong competition from lower priced generic drugs. Loss of patent protection for one of Forest s products typically leads to a rapid loss of sales for that product, as lower priced generic versions of that drug become available. In the case of products that contribute significantly to sales, the loss of patent protection can have a material adverse effect on Forest s business, results of operations, financial position, and cash flow.

Listed below are Forest s significant patent-protected products which, in total, contributed 74% of consolidated net sales for the year ended 31 March 2013.

For the year ended 31

March 2013

Product *(In thousands)*	*Net Sales*	*% of Total Net Sales*	*Date of Last U.S. Patent Exclusivity*
Namenda	1,520,640	52%	2015
Bystolic	455,092	16%	2021
Viibryd	162,511	6%	2022

Forest s business depends on intellectual property protection.

Forest s ability to generate the revenue necessary to support Forest s investment in acquiring and developing new product opportunities, as well as the commitment of resources to successfully market Forest s products, greatly depends on effective intellectual property protection to ensure Forest can take advantage of lawful market exclusivity.

Manufacturers of generic products have strong incentives to challenge the patents which cover Forest s principal products. While Forest believes that Forest s patent portfolio, together with market exclusivity periods granted by the Hatch-Waxman Act, offers adequate exclusivity protection for Forest s current products, there can be no assurance that some of Forest s patents will not be determined to be invalid or unenforceable, resulting in unanticipated early generic competition for the affected product. For example, Forest has recently brought actions against certain manufacturers of generic drugs for infringement of the U.S. pharmaceutical composition of matter patent covering Bystolic, two of which remain ongoing. Loss of patent protection for a product typically is followed promptly by generic substitutes, reducing Forest s sales of that product. Even with patent protection, Forest may face reduced product sales since generic manufacturers may choose in some cases to launch a generic product at risk before the expiration of the applicable patent(s) or before the final resolution of related patent litigation. Availability of generic substitutes for Forest s drugs may adversely affect Forest s results of operations and cash flows. In addition, proposals emerge from time to time in the U.S. and other countries for legislation to further encourage the early and rapid approval of generic drugs.

Forest also relies on trade secrets and proprietary know-how that Forest seeks to protect, in part, through confidentiality agreements with Forest s partners, customers, employees and consultants. It is possible that these agreements could be breached or that they will not be enforceable in every instance, and that Forest will not have adequate remedies for any such breach. It is also possible that Forest s trade secrets will become known or independently developed by Forest s competitors.

If Forest is unable to adequately protect Forest s technology, trade secrets or proprietary know-how, or enforce Forest s patents, Forest s results of operations, financial condition and cash flows could suffer.

Forest has become increasingly dependent on information technology.

Forest is increasingly dependent on information technology systems and infrastructure. Due to the size and complexity of these systems, any breakdown or unauthorised access to these systems could negatively impact Forest s operations. Also, confidential information or any privacy breaches by employees could expose trade secrets, personal information, or other sensitive data. Any of these situations can cause business interruption and adversely affect Forest s business. Forest has invested heavily in the protection of Forest s information technology and infrastructure. Forest cannot, however, guarantee that Forest s efforts can prevent such breakdown or breaches in Forest s systems.

Forest s business model currently depends on the successful in-licensing or acquisition of new product opportunities.

In order to remain competitive, Forest must continue to develop and launch new pharmaceutical products. Forest s pipeline of new products is currently dependent on the licensing and acquisition of new product opportunities. To successfully accomplish these transactions, Forest commits substantial effort and expense to seeking out, evaluating and negotiating collaboration arrangements and acquisitions. The competition for attractive product opportunities may require Forest to devote substantial resources to an opportunity with no assurance that such efforts will result in a commercially successful product.

The growth of Forest s business depends on Forest s ability to retain and recruit key executives and qualified personnel.

The success of Forest s commercial, R&D, and external growth objectives is dependent on Forest s ability to retain and recruit qualified scientific, manufacturing, sales and marketing, and executive personnel. If Forest does not actively retain and recruit these personnel, this could adversely impact Forest s business.

Failure to implement Forest s business strategy could impact Forest s growth and profitability.

While Forest currently operates primarily in the U.S. and European markets, Forest expects to continue to expand into other international markets in the future. In this regard, Forest has established a wholly-owned Canadian subsidiary and has entered into an agreement with moksha8, a privately-held pharmaceutical company, in order to commercialise Forest products in Latin America.

There is no assurance that Forest s international expansion strategy will be successful. International operations are subject to inherent risks that could adversely affect Forest s operating results, including the risk that Forest s marketing strategies will not translate well to other markets, and that Forest will need to expend resources to adapt those strategies for such new markets; the need to comply with additional foreign laws and regulations to the extent applicable, including restrictions on advertising practices, consumer protection laws, enforcement of intellectual property rights, and restrictions on pricing or discounts; and unexpected changes in international regulatory requirements and tariffs.

Forest s business could be negatively affected by the performance of Forest s partners.

Forest s principal products, as well as certain of Forest s principal product development opportunities, involve strategic alliances with other companies. Forest s alliance partners typically possess significant patents or other technology which are licensed to Forest and remain significantly involved in product R&D activities and in the exclusive manufacture and supply of APIs upon which Forest s products are based. While some of Forest s partners are large well-established companies, others may be smaller companies in the start-up stage. A failure or inability of Forest s partners to perform their obligations could materially negatively affect Forest s operations or business plans. In addition, while Forest s relationships with Forest s strategic partners have been good,

differences of opinion on significant matters arise from time to time. Any such differences of opinion, as well as disputes or conflicting corporate priorities, could be a source of delay or uncertainty as to the expected benefits of the alliance.

Forest may experience delays or inability to successfully develop or commercialise new products which can cause Forest s operating results to suffer.

Forest s future results of operations will depend to a significant degree upon Forest s ability to successfully develop and/or commercialise new products. Forest may experience difficulties and delays in the development or commercialisation of new products. New product development is subject to a great deal of uncertainty, risk and expense. Promising pharmaceutical candidates may fail at various stages of the R&D process, often after a great deal of financial and other resources have been invested in their exploration and development. Even where pharmaceutical development is successfully completed, a product may fail to reach the market or have limited commercial success because the safety and efficacy profile achieved during the course of development is not as favourable as originally anticipated or is viewed by the marketplace as less favourable in comparison to new and competing therapies which may become available during the lengthy period of drug development. In addition, decisions by regulatory authorities regarding labelling and other matters could adversely affect the availability or commercial potential of Forest s products.

Forest cannot state with certainty when or whether any of Forest s products now under development will be approved or launched; whether Forest will be able to develop, license or otherwise acquire compounds, product candidates or products; or whether any products, once launched, will be commercially successful. Forest must maintain a continuous flow of successful new products and successful new indications or brand extensions for existing products sufficient both to cover Forest s substantial R&D costs and to replace sales that are lost as profitable products, lose patent protection or are displaced by competing products or therapies. Failure to do so in the short-term or long-term would have a material adverse effect on Forest s business, results of operations, cash flows, financial position and prospects.

Post-approval clinical trials and developments could adversely affect the sales of Forest s products.

As a condition to granting marketing approval of a product, the FDA may require a company to conduct additional clinical trials. The results generated in these trials could result in loss of marketing approval, changes in product labelling, and/or new or increased concerns about side effects or efficacy of a product. The FDAAA gives the FDA enhanced post-market authority, including the explicit authority to require post-market studies and clinical trials, labelling changes based on new safety information and compliance with FDA-approved risk evaluation and mitigation strategies. The FDA s exercise of its authority under the FDAAA could result in delays or increased costs during product development, clinical trials and regulatory review, increased costs to comply with additional post-approval regulatory requirements and potential restrictions on sales of approved products. Post-marketing studies, whether conducted by Forest or by others and whether mandated by regulatory agencies or voluntary, and other emerging data about marketed products, such as adverse event reports, may also adversely affect sales of Forest s products. Further, the discovery of significant problems with a product similar to one of Forest s products that implicate (or are perceived to implicate) an entire class of products could have an adverse effect on sales of Forest s products. Accordingly, new data about Forest s products, or products similar to Forest s products, could negatively impact demand for Forest s products due to real or perceived side effects or uncertainty regarding efficacy and, in some cases, could result in product withdrawal. Furthermore, new data and information, including information about product misuse, may lead government agencies, professional societies, practice management groups or organisations involved with various diseases to publish guidelines or recommendations related to the use of Forest s products or the use of related therapies or place restrictions on sales. Such guidelines or recommendations may lead to lower sales of Forest s products. A violation of the law may result in substantial civil and criminal monetary and other penalties.

Many of Forest s principal products and APIs are only available from a single manufacturing source.

Many of the proprietary active ingredients in Forest s principal products are available to Forest only pursuant to contractual supply arrangements with Forest s collaboration partners or single third party sources. In addition, Forest s manufacturing facilities in the Republic of Ireland are the exclusive qualified manufacturing facilities for finished dosage forms of many of Forest s principal products, including Namenda, Bystolic and Savella. Difficulties or delays in the product supply chain, both within and outside of Forest s control, or the inability to locate and qualify third party alternative sources, if necessary, in a timely manner, could lead to shortages or long-term product unavailability, which could have a material adverse effect on Forest s results of operations, financial condition and cash flows.

Forest s customer base is highly concentrated.

Forest s principal customers are wholesale drug distributors and comprise a significant part of the distribution network for the pharmaceutical industry in the U.S. For the fiscal year ended 31 March 2013, three key wholesale customers, Cardinal Health Inc., McKesson Corporation, and AmerisourceBergen Corporation, in aggregate, accounted for 87% of Forest s total consolidated gross sales. Fluctuations in the buying patterns of these key customers could be the result of wholesaler buying decisions, or other factors outside Forest s control, which could significantly impact Forest s net sales. Also, if one of these customers experiences financial difficulties, the customer may decrease the amount of business it does with Forest. This could potentially cause an issue collecting all the amounts the wholesaler may owe Forest. These factors could negatively impact Forest s results of operations.

Regulatory compliance issues could materially affect Forest s financial position and results of operations.

The marketing and promotional practices of pharmaceutical manufacturers, as well as the manner in which manufacturers interact with prescribers of pharmaceutical products and other healthcare decision makers, are subject to extensive regulation by numerous federal, state and local governmental authorities in the U.S., including the FDA, and by foreign regulatory authorities. Such regulation takes the form of explicit governmental regulation and guidance, as well as practices established by healthcare and industry codes of conduct. In addition, federal, state, local and foreign governmental authorities actively seek to enforce such regulations and can assert both civil and criminal theories of enforcement not specifically prescribed by published regulations or standards and accordingly with little objective guidance to permit voluntary industry compliance. Such enforcement can include actions initially commenced by whistle-blowers under the Federal False Claims Act which provides incentives to whistle-blowers based upon penalties successfully imposed as a result of the investigation or related legal proceedings or settlements. There can be no assurance that the resolution of pending or future claims, as well as the resolution of private party (such as consumers or third-party payer) litigation which may be associated with any such claims or their resolution, will not entail material fines, penalties or settlement payments.

In connection with a previously disclosed settlement of certain claims brought by the U.S. government, Forest is now operating under a CIA with the OIG-HHS that requires Forest to maintain its current compliance program and to undertake a set of defined corporate integrity obligations for a period of five years. The CIA also provides for an independent third-party review organisation to assess and report on Forest s compliance program. While Forest expects to fully and timely comply with all of Forest s obligations under the CIA, the failure to do so could result in substantial penalties and Forest s being excluded from government healthcare programmes. In addition, the manufacture, testing, storage and shipment of pharmaceutical products are highly regulated and the failure to comply with regulatory standards can lead to product withdrawals or seizures or to delays in FDA approval of products pending resolution of such issues. Moreover, even when a manufacturer has fully complied with applicable regulatory standards, products manufactured and distributed may ultimately fail to comply with applicable specifications, leading to product withdrawals or recalls.

Pharmaceutical cost-containment initiatives may negatively affect Forest s net income.

Pharmaceutical products are subject to increasing price pressures and other restrictions within the U.S. and internationally. More specifically, the Medicare Prescription Drug, Improvement and Modernisation Act of 2003 included a prescription drug benefit for Medicare participants. Companies that negotiate prices on behalf of Medicare drug plans have a significant degree of purchasing power and Forest experience pricing pressure as a result. Forest s net sales also continue to be impacted by cost-containment initiatives adopted by managed care organisations and pharmaceutical benefit managers which negotiate discounted prices from pharmaceutical manufacturers in order to secure placement on formularies adopted by such organisations or their health plan or employer customers. Failure to be included in such formularies or to achieve favourable formulary status may negatively impact the utilisation of Forest s products. In addition, some states have implemented, and other states are considering, price controls or

patient-access constraints under the Medicaid program and some states are considering price-control regimes that would apply to broader segments of their populations that are not Medicaid eligible.

Healthcare reform in the U.S. may adversely affect Forest s revenues.

The U.S. healthcare industry has been, and will likely continue to be, subject to increasing regulation as well as political and legal action. Recently, major U.S. healthcare reform has been adopted into law which, in addition to other measures, impacts rebates paid to public and private payers and affects patient access to pharmaceutical

products. The reform measures call for, among other things, an increase in certain Medicare drug rebates paid by pharmaceutical manufacturers and an industry fee imposed on pharmaceutical manufacturers according to the individual manufacturer s relative percentage of total industry sales to specified government programmes. At this time no assurances can be given that these measures, or any other measures included in the reform acts, will not have an adverse effect on Forest s revenues in the future.

Forest s business presents risk of product liability claims.

Forest is subject legal actions asserting product liability claims. Forest currently maintains $140 million of product liability insurance coverage per occurrence and in the aggregate. There is no assurance that potential future claims asserted against Forest will be covered by its present insurance coverage. As product liability claims continue to increase in the pharmaceutical industry, Forest could experience increased insurance premium costs.

Forest is subject to approximately 161 legal actions asserting product liability claims relating to the use of Celexa or Lexapro. These cases include claims for wrongful death from suicide or injury from suicide attempts while using Celexa or Lexapro as well as claims that Celexa or Lexapro caused various birth defects in newborns. While Forest believes there is no merit to the cases which have been brought against it, litigation is inherently subject to uncertainties and there can be no assurance that Forest will not be required to expend substantial amounts in the defence or resolution of some of these matters.

Forest faces substantial competition from other pharmaceutical manufacturers and generic product distributors.

Forest s industry is characterised by significant technological innovation and change. Many of Forest s competitors are conducting R&D activities in therapeutic areas served by Forest s products and Forest s product-development candidates. The introduction of novel therapies as alternatives to Forest s products may negatively impact Forest s revenues or reduce the value of specific product development programmes. In addition, generic alternatives to branded products, including alternatives to brands of other manufacturers in therapeutic categories where Forest market products, may be preferred by doctors, patients or third-party payers.

The effective rate of taxation upon Forest s results of operations is dependent on multi-national tax considerations.

A portion of Forest s earnings is taxed at more favourable rates applicable to the activities undertaken by Forest s subsidiaries based or incorporated in Europe. Changes in tax laws or in their application or interpretation, such as to the transfer pricing between Forest s non-U.S. operations and the U.S., could increase Forest s effective tax rate and negatively affect Forest s results of operations. Cash repatriations are subject to restrictions in certain jurisdictions and may be subject to withholding and other taxes. Forest s transfer pricing is the subject of an ongoing audit by the IRS for fiscal years 2004, 2005 and 2006.

Forest s consolidated financial statements may be impacted in future periods based on the accuracy of Forest s valuations of Forest s acquired businesses and other agreements.

Accounting for business combinations and other agreements may involve complex and subjective valuations of the assets and liabilities recorded as a result of the business combination or other agreement, and in some instances contingent consideration, which is recorded in the Forest s consolidated financial statements pursuant to the standards applicable for business combinations in accordance with U.S. GAAP. Differences between the inputs and assumptions used in the valuations and actual results could have a material effect on Forest s consolidated financial statements in future periods.

Forest has significant goodwill and other intangible assets consequently, potential impairment of goodwill and other intangibles may significantly impact Forest s profitability.

As of 31 March 2013, goodwill and other intangibles represented approximately 37% of Forest s total assets. Goodwill and other intangible assets are subject to an impairment analysis whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Additionally, goodwill is subject to an impairment test at least annually.

Events giving rise to impairment are an inherent risk in the pharmaceutical industry and cannot be predicted. As a result of the significance of goodwill and other intangible assets, Forest s results of operations and financial position in a future period could be negatively impacted should an impairment of goodwill or other intangible assets occur.

Forest could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws.

The FCPA prohibits certain individuals and entities, including U.S. publicly traded companies, from promising, offering, or giving anything of value to foreign officials with the corrupt intent of influencing the foreign official for the purpose of helping the company obtain or retain business or gain any improper advantage. The FCPA also imposes specific recordkeeping and internal controls requirements on U.S. publicly traded companies. As noted above, Forest s business is heavily regulated and therefore involves significant interaction with government officials, including officials of foreign governments. Additionally, in many countries outside the U.S., the healthcare providers who prescribe pharmaceuticals are employed by the government and the purchasers of pharmaceuticals are government entities; therefore, Forest s payments to these prescribers and purchasers are subject to regulation under the FCPA. Recently the SEC and DoJ have increased their FCPA enforcement activities with respect to pharmaceutical companies.

The illegal distribution of Forest s products could have a negative impact to Forest s business and reputation.

Any third party illegally distributing or selling counterfeit versions of Forest s product could be jeopardising the health of many individuals. These counterfeit products do not go through Forest s rigorous manufacturing and testing standards and may not be stored the proper warehouse conditions. Counterfeit products sold under Forest s Company name could impact Forest s brand and reputation.

Forest may need to raise additional funds in the future which may not be available on acceptable terms or at all.

Forest expects cash generated by Forest s operations, together with existing cash, cash equivalents, marketable securities, Forest s $750 million revolving credit facility and access to capital markets to be sufficient to cover cash needs for Forest s operations. However, Forest may consider issuing additional debt or equity securities in the future to fund common stock repurchases, strategic alliances and acquisitions, milestone payments, working capital (outside the period falling 12 months after the date of this Prospectus) and capital expenditures. If Forest issues equity or convertible debt securities to raise additional funds, Forest s existing stockholders may experience dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of Forest s existing stockholders. If Forest incurs additional debt, it may increase Forest s leverage relative to its earnings or to its equity capitalisation, requiring Forest to pay additional interest expenses and potentially lower Forest s credit ratings. Forest may not be able to market such issuances on favourable terms, or at all, in which case, Forest may not be able to develop or enhance Forest s products, execute Forest s business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements.

Risks Related to the Actavis Ordinary Shares

The Actavis Ordinary Share price could be subject to significant fluctuations. Future share issues and sales of Actavis Ordinary Shares could result in dilution and reduce the influence of existing holders of Actavis Ordinary Shares. Actavis Ordinary Shares are subject to certain rights and restrictions which are different to those affecting Forest Common Stock. For a summary comparison of the material differences between the rights of Forest stockholders under the General Corporation Law of the State of Delaware and the Forest certificate of incorporation and byelaws and the rights that Forest stockholders will have as shareholders of Actavis under the Companies Acts and Actavis memorandum and articles of association, please see Part XI (*Additional Information on Actavis*) of this Prospectus.

47

Part III

ACTAVIS DIRECTORS, SECRETARY AND ADVISERS

Actavis directors	Mr. Paul M. Bisaro Mr. Sigurdur O. Olafsson Mr. James H. Bloem Mr. Christopher W. Bodine Ms. Tamar D. Howson Mr. John A. King Ms. Catherine M. Klema Mr. Jiri Michal Mr. Patrick J. O Sullivan Mr. Ronald R. Taylor Mr. Andrew L. Turner Mr. Fred G Weiss Mr. Brenton L. Saunders[1]
Company Secretary	Mr. David A. Buchen
Registered Office	1 Grand Canal Square Docklands Dublin 2 Ireland
Reporting Accountants and Auditors	PricewaterhouseCoopers One Spencer Dock North Wall Quay Dublin 1 Ireland

[1] To be appointed to the Actavis board of directors on completion of the Mergers.

Part IV

OFFER STATISTICS AND EXPECTED TIMETABLE OF PRINCIPAL EVENTS

1. **OFFER STATISTICS**

Actavis Ordinary Shares currently in issue	174,466,325
Maximum total number of new Actavis Ordinary Shares expected to be issued pursuant to the Offer	98,702,886
Maximum total number of Actavis Ordinary Shares in issue following the completion of the Mergers	273,169,211

There will be no proceeds accruing to Actavis under the Offer.

2. **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Event	**Time and/or date**
Record date for Actavis EGM and Forest special meeting	2 May 2014
Filing of the Definitive Joint Proxy Statement/Prospectus with the SEC	5 May 2014
Election form record date	22 May 2014
Posting of Prospectus and election forms to Forest stockholders	30 May 2014
Actavis extraordinary general meeting and Forest special meeting	17 June 2014
Election Deadline	27 June 2014
Closing Date	1 July 2014

Part V

INFORMATION ON ACTAVIS

1. **INTRODUCTION**

Actavis (formerly known as Actavis Limited) was incorporated in Ireland on 16 May 2013 under the Companies Acts as a private limited company and converted into a public limited company on 20 September 2013. Actavis is a leading integrated global speciality pharmaceutical company engaged in the development, manufacturing, marketing, sale and distribution of generic, branded generic, brand name, biosimilar and over-the-counter pharmaceutical products. Actavis also develops and out-licenses generic pharmaceutical products primarily in Europe through its Medis third party business. Actavis has operations in more than 60 countries throughout the United States of America, Canada, Latin America, Europe and MEAAP. The U.S. remains Actavis largest commercial market, representing more than half of total net revenues for each of 2013 and 2012. As of 31 December 2013, Actavis marketed approximately 250 generic pharmaceutical product families and approximately 45 brand pharmaceutical product families in the U.S. and distributed approximately 12,725 stock-keeping units through its Anda Distribution. Actavis Ordinary Shares are listed on NYSE under the symbol ACT and Actavis is in compliance with the NYSE requirements as set out in the NYSE Listed Company Manual.

On 25 May 2011, Watson acquired all of the outstanding equity of Paomar for cash totalling 400.0 million, or approximately $561.7 million at closing, subject to a net of working capital adjustment of 1.5 million, or approximately $2.2 million, and certain contingent consideration (the Specifar Acquisition). Paomar was a company incorporated under the laws of Cyprus and owner of 100% of the shares of Specifar a company organised under the laws of Greece. Specifar developed, manufactured and marketed generic pharmaceuticals. Specifar also out-licensed generic pharmaceutical products, primarily in Europe. Specifar had a commercial presence in the Greek branded generics pharmaceuticals market and owned 100% of the shares of Alet Pharmaceuticals Industrial and Commercial Société Anonyme, a company that markets branded-generic pharmaceutical products in the Greek market.

On 24 January 2012, Watson completed the acquisition of Ascent, the Australian and Southeast Asian generic pharmaceutical business of Strides Arcolab Ltd, for AU$376.6 million in cash, or approximately $392.6 million, including working capital adjustments. As a result of the acquisition, Watson enhanced its commercial presence in Australia and Watson gained selling and marketing capability in Southeast Asia through Ascent s line of branded-generic and OTC products.

On 31 October 2012, Watson completed the Actavis Group Acquisition for a cash payment of 4.2 billion, or approximately $5.5 billion, and contingent consideration of 5.5 million newly issued shares of Actavis, Inc., which have since been issued. Watson s Common Stock was traded on the NYSE under the symbol WPI until close of trading on 23 January 2013, at which time Watson changed its corporate name to Actavis, Inc. and changed its ticker symbol to ACT.

On 23 January 2013, Actavis, Inc. completed the Uteron Acquisition for approximately $142.0 million in cash, plus assumption of debt and other liabilities of $7.7 million and up to $155.0 million in potential future milestones. The Uteron Acquisition expanded Actavis speciality brands pipeline of women s health products, including two potential near term commercial opportunities in contraception and infertility, and one oral contraceptive project projected to launch by 2018. Several additional products in earlier stages of development were also included in the acquisition.

Actavis was established for the purpose of facilitating the Warner Chilcott Acquisition among Actavis, Inc., Warner Chilcott, Actavis, Actavis Ireland Holding Limited, Actavis W.C. Holding LLC (now known as Actavis W.C. Holding Inc.) and Merger Sub. Pursuant to the transaction agreement, which closed on 1 October 2013: (i) Actavis acquired

Warner Chilcott under a scheme of arrangement in accordance with Section 201, and a capital reduction under Sections 72 and 74, of the Companies Act 1963 where each Warner Chilcott ordinary share was converted into 0.160 of an Actavis Ordinary Share, or $5,833.9 million in equity consideration, and (ii) Merger Sub merged with and into Actavis, Inc., with Actavis, Inc. as the surviving corporation in the merger. Following completion of the Warner Chilcott Acquisition, Actavis, Inc. and Warner Chilcott became wholly-owned subsidiaries of Actavis. Each of Actavis, Inc. s common shares was converted into one Actavis Ordinary Share.

On 17 February 2014, Actavis entered into the Merger Agreement with Forest. Forest is a leading, fully integrated, speciality pharmaceutical company largely focused on the United States market.

The registered office of Actavis is at 1 Grand Canal Square, Docklands, Dublin 2, Ireland (telephone number (862) 261-7000).

2. BUSINESS OVERVIEW

Principal Activities

Actavis is a leading integrated global speciality pharmaceutical company engaged in the development, manufacturing, marketing, sale and distribution of generic, branded generic, brand name, biosimilar and OTC pharmaceutical products. Actavis also develops and out-licenses generic pharmaceutical products primarily in Europe through Actavis Medis third-party business. Following Actavis renaming in January of 2013, Actavis also changed the name of three reporting segments, which remained in effect as of 31 December 2013. The Global Generics segment became Actavis Pharma, Global Brands became Actavis Speciality Brands, and Distribution became Anda Distribution.

Actavis has operations in more than 60 countries throughout the Americas (the U.S., Canada, Latin America), Europe (Europe, Russia, Commonwealth of Independent States and Turkey), and the Middle East, Africa, Australia, and Asia Pacific. The U.S. remains Actavis largest commercial market and represented more than half of total net revenues for each of 2013 and 2012. As of 31 December 2013, Actavis marketed approximately 250 generic pharmaceutical product families and approximately 45 brand pharmaceutical product families in the U.S. and distributed approximately 12,725 stock-keeping units through the Anda Distribution division.

Business Description

Prescription pharmaceutical products in the U.S. generally are marketed as either generic or brand pharmaceuticals. Generic pharmaceutical products are bioequivalents of their respective brand products, or in cases of protein-based biologic therapies, biosimilar, and provide a cost-efficient alternative to brand products. Brand pharmaceutical products are marketed under brand names through programmes that are designed to generate physician and consumer loyalty. Through Actavis Anda Distribution Segment, Actavis distributes pharmaceutical products, primarily generics, which have been commercialised by Actavis and others, to pharmacies and physicians offices. As a result of the differences between the types of products marketed and/or distributed by Actavis and the methods by which Actavis distributed these products, Actavis operated and managed its business as three distinct operating segments as of 31 December 2013: (i) Actavis Pharma, (ii) Actavis Speciality Brands and (iii) Anda Distribution. Actavis also develops and out-licenses generic pharmaceutical products through its Medis third-party business.

Re-alignment of Business Structure

In the first quarter of 2014, Actavis realigned its global strategic business structure. Under the new organisational structure, generics, specialty brands, branded generics and third-party commercial operations have been consolidated into a single new division. As a result of the realignment, Actavis has now organised its business into two operating segments: Actavis Pharma and Anda Distribution. The Actavis Pharma segment includes patent-protected products and certain trademarked off-patent products that the Company sells and markets as brand pharmaceutical products and off-patent pharmaceutical products that are therapeutically equivalent to proprietary products. The Anda Distribution segment distributes generic and brand pharmaceutical products manufactured by third parties, as well as by Actavis, primarily to independent pharmacies, pharmacy chains, pharmacy buying groups and physicians offices. The Anda Distribution segment operating results exclude sales of products developed, acquired, or licensed by the Actavis Pharma segment. Actavis has revised its previously filed financial statements and other relevant sections of its 2013 Annual Report for this change. These revisions do not impact the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of comprehensive (loss) / income, the consolidated statement of cash flows or the consolidated statement of stockholders equity. For further details, refer to Exhibit 99.1 to Actavis

Current Report on Form 8-K filed with the SEC on 20 May 2014, which is incorporated by reference into this Prospectus.

Business Strategy

Actavis applies three key strategies to achieve growth for the Actavis Pharma pharmaceutical business: (i) internal development of differentiated and high-demand products, including, in certain circumstances, challenging patents associated with these products, (ii) establishment of strategic alliances and collaborations and (iii) acquisition of products and companies that complement Actavis current business.

The Medis third-party business has a broad portfolio of over 175 developed products for out licensing to approximately 330 customers, primarily in Europe. The Anda Distribution business distributes products for approximately 400 suppliers and is focused on providing next-day delivery and responsive service to its customers. The Anda Distribution business also distributes a number of generic and brand products in the U.S. Growth in the Anda Distribution business will be largely dependent upon FDA approval of new generic products in the U.S. and expansion of Actavis base of suppliers.

Based upon business conditions, financial strength and other factors, Actavis regularly re-examines business strategies and may change them at any time.

Actavis Pharma Segment

Actavis is a leader in the development, manufacturing and sale of generic, branded generic and OTC pharmaceutical products. In certain cases where patents or other regulatory exclusivity no longer protect a brand product, or other opportunities might exist, Actavis seeks to introduce generic counterparts to the brand product. These generic products are bioequivalent to their brand name counterparts and are generally sold at significantly lower prices than the brand product. Actavis portfolio of generic products includes products Actavis have developed internally and products licensed from and distributed for third parties. Net revenues in the Actavis Pharma segment accounted for $6.4 billion, $4.4 billion and $3.4 billion, or approximately 73.2%, 75.2% and 73.4% of total net revenues in the years ended 31 December 2013, 2012 and 2011, respectively. The Actavis Pharma business in the U.S. remains the dominant source of revenue for Actavis with approximately 60%, 75% and 84% of 2013, 2012 and 2011 segment net revenue coming from Actavis U.S. businesses, respectively. While Actavis U.S. generics business will continue to be the dominant source of revenue, Actavis expects international generic revenue to represent an increasing percentage of total revenues in future periods due to the Actavis Group Acquisition.

Actavis Pharma Strategy

The Actavis Pharma business is focused on maintaining a leading position within both the U.S. generics market and key international markets and strengthening its global position by offering a consistent and reliable supply of quality products.

Actavis strategy in the U.S. is to develop generic pharmaceuticals that are difficult to formulate or manufacture or will complement or broaden existing product lines. Internationally, Actavis seeks to grow its market share in key markets while expanding its presence in new markets. Actavis plan to accomplish this through new product launches, filing existing products overseas and in-licensing products through acquisitions and strategic alliances. Additionally, Actavis distributes generic versions of third parties brand products (sometimes known as authorised generics) to the extent such arrangements are complementary to Actavis core business.

Actavis has maintained an ongoing effort to enhance efficiencies and reduce costs in its manufacturing operations.

Trends

The pharmaceutical industry is highly competitive. The Actavis Pharma business will compete with different companies depending upon product categories, and within each product category, upon dosage strengths and drug delivery systems. Such competitors include the major brand name and generic manufacturers of pharmaceutical products. In addition to product development, other competitive factors in the pharmaceutical industry include product quality and price, reputation and service and access to proprietary and technical information. Recent trends in this industry are toward further market consolidation of large drug companies into a smaller number of very large entities, further concentrating financial, technical and market strength and increasing competitive pressure in the industry. For further information regarding the known trends likely to have a material effect on Actavis prospectus for the current

financial year, refer to the section titled *ITEM 1A. RISK FACTORS* contained in Actavis Annual Report on Form 10-K for the fiscal year ended 31 December 2013 that Actavis previously filed with the SEC and that is incorporated by reference into this Prospectus.

Key Technical Staff

Actavis key technical staff consists of Paul M. Bisaro (President, Chief Executive Officer and chairman of the board of directors), Sigurdur O. Olafsson (President, Actavis Pharma) and Robert A. Stewart (President, Global Operations). The table set forth below is the leadership structure and functions of Actavis key technical staff:

Actavis Pharma Product Portfolio R&D, Patents and Licences

Actavis U.S. portfolio of approximately 250 generic pharmaceutical product families includes the following key products:

Actavis Generic Product	**Comparable Brand Name**	**Therapeutic Classification**
Amethia	Seasonique®	Oral contraceptive
Bupropion hydrochloride ER	Actavisllbutrin XL®	Anti-depressant
Buprenorphine HCI, Naloxone HCI	Suboxone®	Anti-depressant
Desonide lotion and cream	DesoActavisn®	Dermatology
Doxycycline hyclate	Vibramycin®	Antibiotic
Dronabinol	Marinol®	Antiemetic
Duloxetine HCI	Cymbalta®	Anti-depressant
Enoxaparin sodium	Lovenox®	Anticoagulant
Fentanyl transdermal system	Duragesic®	Analgesic/narcotic combination
Glipizide ER	Glucotrol XL®	Anti-diabetic
Hydrocodone bitartrate/ acetaminophen	Lorcet®, Lorcet® Plus, Lortab®, Norco® /Anexsia®, Maxidone®, Vicodin®, Vicodin ES®, Vicodin HP®	Analgesic
Levalbuterol inhalation solution	Xopenex® Inhalation Solution	Broncodiolator
Lidocaine topical patch 5%	Lidoderm®	Anesthetic
Methylphenidate ER	Concerta®	Hypertension, attention-deficit/ hyperactivity disorder
Metoprolol succinate	Toprol XL®	Anti-hypertensive
Microgestin®/Microgestin® Fe	Loestrin®/Loestrin® Fe	Oral contraceptive
Mixed Amphetamine Salts ER	Adderall XR® CII	Hypertension, attention-deficit/ hyperactivity disorder

53

Actavis Generic Product	Comparable Brand Name	Therapeutic Classification
Modafinil	Provigil®	Sleep disorder
Morphine sulfate	Kadian®	Analgesic
Next Choice One Dose	Plan B One-Step®	Emergency oral contraceptive
Potassium	Micro-K®, K-Dur®	Hypokalemia
Permethrin	Elimite	Dermatology
Valsartan	Diovan®	Hypertension

In the U.S., Actavis predominantly markets its generic products to various drug wholesalers, mail order, government and national retail drug and food store chains utilising a small team of sales and marketing professionals. Actavis sells its generic prescription products primarily under the Watson Laboratories , Watson Pharma and Actavis Pharma labels and Actavis OTC generic products under private label. In early 2013, following the renaming of Watson Pharmaceuticals, Inc. to Actavis, Inc., efforts began to change the underlying Watson subsidiary and legal entity names to an Actavis name.

During 2013, on a combined business, Actavis expanded its generic product line with the launch of approximately 700 generic products globally. Key U.S. generic launches in 2013 included a generic Lidoderm® (lidocaine topical patch 5%), Suboxone® (buprenorphine HCL / nalaxone HCL), Diovan® (valsartan), Provigil® (modafinil), DesoActavisn® (desonide lotion and cream) and Cymbalta® duloxetine HCI).

Operations in Key International Markets

Approximately 40%, 25% and 16% of the Actavis Pharma revenue was derived outside the U.S. in 2013, 2012 and 2011, respectively, primarily in Western Europe, Canada and Australia. With the close of the Actavis Group Acquisition on 31 October 2012, Actavis now has operations in more than 60 countries, with leading generic market share positions in key strategic markets including the U.S., U.K., Canada, Australia, Nordics and Russia. In the year ended 31 December 2013, revenues attributed to Ireland, Actavis country of domicile, were approximately $24.9 million.

Actavis net product sales are represented by the sale of products in the following geographic areas for the years ended 31 December 2013, 2012 and 2011 (in millions):

	Year Ended 31 December		
	2013	2012	2011
Americas	$6,051.4	$4,867.3	$4,089.9
Europe	2,003.8	677.7	288.8
MEAAP	436.6	238.2	82.6
	$8,491.8	$5,783.2	$4,461.3

Actavis Pharma R&D

Actavis devotes significant resources to the R&D of generic products and proprietary drug delivery technologies. The Actavis Pharma segment incurred R&D expenses of approximately $425.1 million, $256.3 million and $241.8 million in the years ended 31 December 2013, 2012 and 2011, respectively. Actavis is presently developing a number of generic products through a combination of internal and collaborative programmes.

The Actavis Pharma R&D strategy focuses on the following product development areas:

off-patent drugs that are difficult to develop or manufacture, or that complement or broaden Actavis existing product lines; and

the development of sustained-release, semi-solid, liquid, oral transmucosal, transdermal, gel, injectable, and other drug delivery technologies and the application of these technologies to proprietary drug forms.

Actavis conducts R&D through a network of 17 global R&D centres. Actavis R&D activities focus on products using solid dosage form, oral controlled and sustained release, transdermal, gel and oral transmucosal technologies and, following the acquisition of Actavis Group, also focuses on liquids, semi-solids and injectables. As of 31 December 2013, Actavis conducted the majority of R&D activities in Davie and Weston, Florida; Salt Lake City, Utah; Elizabeth, New Jersey; Owings Mills, Maryland and Mumbai, India.

As of 31 December 2013, Actavis had more than 195 ANDAs on file in the U.S.

Actavis Pharma Speciality Brands Segment

Newly developed pharmaceutical products normally are patented or have market exclusivity and, as a result, are generally offered by a single provider when first introduced to the market. Actavis currently markets a number of branded products to physicians, hospitals, and other markets that Actavis serves. Actavis classifies these patented and off-patent trademarked products as Actavis brand pharmaceutical products. In October 2013, as a result of the Warner Chilcott Acquisition, Actavis began promoting a number of additional products, including, but not limited to, Actonel®, Asacol® HD, Atelvia®, Delzicol®, Doryx®, Estrace® Cream, Enablex®, Lo Loestrin® Fe and Minastrin® 24 Fe. In April 2012, Actavis launched Gelnique 3% ™ (oxybutynin), a clear, odourless topical gel that has been shown to be an effective and safe treatment for OAB. Gelnique 3% ™ was obtained through an exclusive licensing agreement with Antares Pharma, Inc. Net revenues in the Actavis Speciality Brands segment were $1,124.8 million, $482.4 million and $441.0 million, or approximately 13.0%, 8.2% and 9.6% of Actavis total net revenues in the years ended 31 December 2013, 2012 and 2011, respectively. Typically, Actavis brand products realise higher profit margins than Actavis generic products.

Actavis portfolio of approximately 45 brand pharmaceutical product families includes the following key products, which represented approximately 80% of total Actavis Speciality Brands segment product revenues in 2013:

Actavis Brand Product	Active Ingredient	Therapeutic Classification
Actonel®	Risedronate	Osteoporosis
Androderm®	Testosterone (transdermal patch)	Male testosterone replacement
Asacol® HD	Mesalamine	Ulcerative Colitis
Atelvia®	Risedronate	Osteoporosis
Crinone®	Progesterone	Progesterone supplementation
Delzicol®	Mesalamine	Ulcerative Colitis
Doryx®	Doxycycline hyclate	Acne
Enablex®	Darifenacin	Overactive bladder
Estrace® Cream	Estradiol	Hormone Therapy
Generess® Fe	Ethinyl estradiol and norethindrone	Oral contraceptive
INFeD®	Iron dextran	Hematinic
Kadian®	Morphine sulphate	Opioid analgesic
Lo Loestrin® Fe	Ethinyl estradiol and norethindrone	Oral contraceptive
Minastrin® 24 Fe	Ethinyl estradiol and norethindrone	Oral contraceptive
Oxytrol®	Oxybutnin (transdermal patch)	Overactive bladder
Rapaflo®	Silodosin	Benign prostatic hyperplasia
Trelstar®	Triptorelin pamoate injection	Prostate cancer

Actavis markets its brand products through approximately 3,500 active sales professionals in the world. Actavis sales and marketing efforts focus on physicians, specifically urologists, obstetricians, dermatologists, gastroenterologists and gynaecologists, who specialise in the diagnosis and treatment of particular medical conditions. Each group offers products to satisfy the unique needs of these physicians. Actavis believes this focused sales and marketing approach enables Actavis to foster close professional relationships with speciality physicians, as well as cover the primary care physicians who also prescribe in selected therapeutic areas. Following the renaming of Watson Pharmaceuticals, Inc. to Actavis, Inc. in January 2013, and in connection with the Warner Chilcott Acquisition, efforts are underway to change the underlying subsidiary and legal entities names to an Actavis name. Actavis believe that the current structure of sales professionals is very adaptable to the additional products Actavis plans to add to its brand portfolio, particularly in the therapeutic category of women s health.

Actavis key promoted products are Actonel®, Androderm®, Asacol® HD, Atelvia®, Crinone®, Delzicol®, Doryx®, Enablex®, Estrace® Cream, Generess® Fe, Lo Loestrin® Fe, Minastrin® 24 Fe, Rapaflo® and Trelstar®. The speciality brands component of the Actavis Pharma segment also receives other revenues consisting of co-promotion revenue and royalties. Actavis promotes AndroGel® on behalf of Abbvie Inc. Actavis expects to continue this strategy of supplementing existing brand revenues with co-promoted products within Actavis targeted therapeutic areas. Other revenue, which consists primarily of royalties, milestone receipts, commission income and revenue from licensing arrangements totalled $82.2 million, $70.8 million and $76.1 million or approximately 7.3%, 14.7% and 17.3% of the total Actavis Speciality Brands segment net revenue for the years ended 31 December 2013, 2012 and 2011, respectively.

Operations in Key International Markets

In conjunction with Actavis strategy to grow and expand the Actavis Speciality Brands business in the Americas, in 2011 Actavis established a commercial presence in Canada. In 2012, Actavis began marketing and selling Rapaflo®, Gelnique®, Oxytrol®, and Androderm® in Canada and in 2013 Actavis launched Fibristal®. Actavis Canadian sales efforts are supported by Actavis sales force, which targets urologists and primary care physicians. Actavis plans to seek approval for several of its core Urology and Women s healthcare branded products in both Brazil and Mexico and intends to commercialise the products in this region once approval is obtained.

Outside of the Americas, Actavis intends to maximise the value of Actavis brand product portfolio and pipeline by utilising the assets and expertise brought to Actavis organisation by the Actavis Group and Warner Chilcott acquisitions. Outside of the U.S., Actavis has a sales force that actively promotes branded, generic, branded-generic, and OTC medicines. This sales force will play an important role in expanding the global commercial value of Actavis portfolios, including Actavis branded portfolio.

Actavis Pharma Speciality Brands R&D

Actavis devotes significant resources to the R&D of brand products, biosimilars and proprietary drug delivery technologies. A number of Actavis brand products are protected by patents and have enjoyed market exclusivity. The Actavis Speciality Brands segment R&D expenses were $191.8 million, $146.2 million and $64.8 million in the years ended 31 December 2013, 2012 and 2011, respectively.

Actavis Pharma speciality brands R&D strategy focuses on the following product development areas:

the application of proprietary drug-delivery technology for new product development in speciality areas; and

the acquisition of mid-to-late development-stage brand drugs and biosimilars.

Actavis is presently developing a number of brand products, some of which utilise novel drug-delivery systems, through a combination of internal and collaborative programmes including the following:

Project/Product	**Potential Indication / Disease Area**	**Business Franchise**	**Formulation/ Route of Administration**	**Current Phase**
Albaconazole VVC	Vulvovaginal candidiasis	Women s Health		II
E4/Progestin OC	Oral Contraception	Women s Health	Solid oral dose	II
WC3055 Udenafil BPH	BPH + Erectile Dysfunction	Urology	Solid oral dose	II
WC3035 Sarecycline	Moderate to severe acne	Dermatology	Solid oral dose	II
Oxybutynin Hyperhidrosis	Hyperhidrosis	Dermatology		II

Albaconazole Onychomycosis	Onychomycosis	Dermatology		II
Esmya®-Fibroids (US)	Treatment of signs and symptoms of uterine fibroids	Women s Health	Solid oral dose	III
Diafert	Improve embryo selection in IVF	Women s Health	Testing kit	III
WC3011 E2 Vaginal Cream	Hormone therapy	Women s Health	Vaginal cream/ gel	III
WC3043 Udenafil ED	Erectile Dysfunction	Urology	Solid oral dose	III

Project/Product	Potential Indication / Disease Area	Business Franchise	Formulation/ Route of Administration	Current Phase
Amg/Act Herceptin®	HER2 positive malignancies	Biologic	Intravenous vial	III
Amg/Act Avastin®	Various malignancies	Biologic	Intravenous vial	III
rFSH	Development of multiple follicles in ART programme (IVF)	Biologic	Subcutaneous injectable pen	III
WC2055 Doxycycline NextGen	Doxycycline class labelling, including moderate/severe acne	Dermatology	Solid oral dose	III

Actavis also has a number of products in development as part of Actavis life-cycle management strategy on its existing product portfolio.

Biosimilars

Biosimilars development efforts are managed by the speciality brands component of the Actavis Pharma segment.

In July 2010, Actavis entered into an exclusive, worldwide licensing agreement with Itero Biopharmaceuticals, Inc. (**Itero**), a venture-backed speciality biopharmaceutical company, to develop and commercialise Itero s recombinant follicle stimulating hormone (rFSH) product. In 2012, the product began clinical development as a biosimilar molecule for in vitro fertilisation. Under the terms of the agreement, Actavis paid Itero an undisclosed licensing fee and will make additional payments based on the achievement of certain development and regulatory performance milestones. Upon successful commercialisation, Actavis will also pay Itero a percentage of net sales or net profits in various regions of the world. Actavis assumed responsibility for all future development, manufacturing, and commercial expenses related to Itero s rFSH product.

Anda Distribution Segment

The Anda Distribution business primarily distributes generic and selected brand pharmaceutical products, vaccines, injectables and OTC medicines to independent pharmacies, alternate care providers (hospitals, nursing homes and mail order pharmacies), pharmacy chains and physicians offices. Additionally, Actavis sells to members of buying groups, which are independent pharmacies that join together to enhance their buying power. Actavis believes that it is able to effectively compete in the distribution market, and therefore optimise its market share, based on three critical elements: (i) competitive pricing, (ii) high levels of inventory for approximately 12,725 stock-keeping units for responsive customer service that includes, among other things, next day delivery to the entire U.S., and (iii) well established telemarketing relationships with customers, supplemented by Actavis electronic ordering capabilities. While Actavis purchases most of the approximate 12,725 stock-keeping units in its Anda Distribution operations from third party manufacturers, Actavis also distributes its own products as well as the products of Actavis collaborative partners. Actavis is the only U.S. pharmaceutical company that has meaningful distribution operations with direct access to independent pharmacies.

Revenue growth in the Anda Distribution operations will primarily be dependent on the launch of new products, offset by the overall level of net price and unit declines on existing distributed products and will be subject to changes in

market share.

Actavis presently distributes products from facilities in Weston, Florida, Groveport, Ohio, and Olive Branch, Mississippi. In 2012, Actavis completed construction of the 234,000 square foot distribution facility in Olive Branch, Mississippi and over time, Actavis expects to relocate its Groveport, Ohio distribution operations to this new facility.

Financial Information About Segments and Geographic Areas

Actavis evaluates the performance of the Actavis Pharma and Anda Distribution business segments based on net revenues and segment contribution.

Summarised net revenues and segment contribution information for the Actavis Pharma and Anda Distribution business segments for each of the last three fiscal years in the U.S. and internationally, where applicable, is presented in the section titled *NOTE 17 Segments* in the *Notes to Consolidated Financial Statements* contained in Actavis Annua Report on Form 10-K for the fiscal year ended 31 December 2013 that Actavis previously filed with the SEC (certain sections of which have been updated by means of Actavis Current Report on Form 8-K, filed with the SEC on 20 May 2014) and that is incorporated by reference into this Prospectus.

Customers

In the Actavis Pharma operation, Actavis sells generic and brand pharmaceutical products primarily to drug wholesalers, retailers and distributors, including national retail drug and food store chains, hospitals, clinics, mail order, government agencies and managed healthcare providers such as health maintenance organisations and other institutions. In the Anda Distribution business, Actavis distributes generic and brand pharmaceutical products to independent pharmacies, alternate care providers (hospitals, nursing homes and mail order pharmacies), pharmacy chains, physicians offices and buying groups.

Sales to certain of Actavis customers accounted for 10% or more of Actavis annual net revenues during the past three years. The acquisitions of Warner Chilcott and Actavis, and the related change in the mix of global sales resulting from these acquisitions had the impact of lowering overall concentration risk. The following table illustrates any customer, on a global basis, which accounted for 10% or more of Actavis annual net revenues in any of the past three fiscal years and the respective percentage of Actavis net revenues for which they account for each of the last three years:

Customer	2013	2012	2011
McKesson Corporation	11%	14%	14%
Walgreens	9%	16%	16%

McKesson Corporation and certain of Actavis other customers comprise a significant part of the distribution network for pharmaceutical products in North America. As a result, a small number of large, wholesale distributors and large chain drug stores control a significant share of the market. This concentration may adversely impact pricing and create other competitive pressures on drug manufacturers. The Anda Distribution business competes directly with Actavis large wholesaler customers with respect to the distribution of generic products.

The loss of any of these customers could have a material adverse effect on Actavis business, results of operations, financial condition and cash flows.

McKesson should continue to be a significant customer of the Combined Company (accounting for 10% or more of annual net revenues) following completion of the Mergers.

Actavis Pharma Speciality Brands Business Development

Licence and supply agreement with Merck for Oxytrol® OTC

In November 2007, Actavis entered into a licence and supply agreement for Oxytrol® with Merck. Under terms of the agreement, Actavis will supply the Oxytrol® product to Merck and Merck will package, distribute, sell and market the product over-the-counter in the U.S. for the treatment of over active bladder in women. The agreement entitles Actavis to retain marketing rights for the prescription Oxytrol® product. After conducting numerous clinical trials, Merck submitted the application in March of 2012 and received FDA approval on 25 January 2013 as the first OTC product for the treatment of over active bladder in women.

Amgen Collaboration

In December 2011, Actavis entered the Amgen Collaboration Agreement. Amgen has assumed primary responsibility for developing, manufacturing and initially commercialising the oncology antibody products. Actavis will contribute up to $312.4 million in co-development costs over the remaining course of development, including the provision of development support, and will share product development risks. In addition, Actavis will contribute its significant expertise in the commercialisation and marketing of products

in highly competitive speciality and generic markets, including helping effectively manage the lifecycle of the biosimilar products. The collaboration products are expected to be sold under a joint Amgen/Actavis label. Actavis will initially receive royalties and sales milestones from product revenues. The collaboration will not pursue biosimilars of Amgen s proprietary products.

Competition

The pharmaceutical industry is highly competitive. The Actavis Pharma business will compete with different companies depending upon product categories, and within each product category, upon dosage strengths and drug delivery systems. Such competitors include the major brand name and generic manufacturers of pharmaceutical products. In addition to product development, other competitive factors in the pharmaceutical industry include product quality and price, reputation and service and access to proprietary and technical information. It is possible that developments by others will make Actavis products or technologies noncompetitive or obsolete.

Actavis actively competes in the generic pharmaceutical industry. Revenues and gross profit derived from the sales of generic pharmaceutical products tend to follow a pattern based on certain regulatory and competitive factors. As patents and regulatory exclusivity for brand name products expire or are successfully challenged, the first off-patent manufacturer to receive regulatory approval for generic equivalents of such products is generally able to achieve significant market penetration. As competing off-patent manufacturers receive regulatory approvals on similar products, market share, revenues and gross profit typically decline, in some cases dramatically. Accordingly, the level of market share, revenues and gross profit attributable to a particular generic product normally is related to the number of competitors in that product s market pricing and the timing of that product s regulatory approval and launch, in relation to competing approvals and launches. Consequently, Actavis must continue to develop and introduce new products in a timely and cost-effective manner to maintain its revenues and gross profit.

In addition to competition from other generic drug manufacturers, Actavis faces competition from brand name companies in the generic market. Many of these companies seek to participate in sales of generic products by, among other things, collaborating with other generic pharmaceutical companies or by marketing their own generic equivalent to their brand products as authorised generics. Actavis major competitors include Teva, Mylan and Sandoz.

Competing in the brand product business requires Actavis to identify and bring to market new products embodying technological innovations. Successful marketing of brand products depends primarily on the ability to communicate their effectiveness, safety and value to healthcare professionals in private practice, group practices and receive formulary status from managed care organisations. Actavis anticipates that its brand product offerings will support Actavis existing areas of therapeutic focus. Based upon business conditions and other factors, Actavis regularly reevaluates its business strategies and may from time to time reallocate its resources from one therapeutic area to another, withdraw from a therapeutic area or add an additional therapeutic area in order to maximise Actavis overall growth opportunities. Actavis competitors in brand products include major brand name manufacturers of pharmaceuticals. Based on total assets, annual revenues and market capitalisation, the speciality brands component of the Actavis Pharma segment is considerably smaller than many of these competitors and other global competitors in the brand product area. Many of Actavis competitors have been in business for a longer period of time, have a greater number of products on the market and have greater financial and other resources than Actavis. If Actavis directly compete with them for certain contracted business, such as the pharmacy benefit manager business, and for the same markets and/or products, their financial strength could prevent Actavis from capturing a meaningful share of those markets.

The Anda Distribution business competes with a number of large wholesalers and other distributors of pharmaceuticals, including McKesson Corporation, AmerisourceBergen Corporation and Cardinal Health, Inc., which distribute both brand and generic pharmaceutical products to their customers. These companies are also significant customers of the Actavis Pharma pharmaceutical businesses. As generic products generally have higher gross margins

than brand products for a pharmaceutical distribution business, each of the large wholesalers, on an increasing basis, are offering pricing incentives on brand products if the customers purchase a majority of their generic pharmaceutical products from the primary wholesaler. As Actavis do not offer as broad a portfolio of brand products to Actavis customers as some of Actavis competitors, Actavis are at times competitively disadvantaged. Increased competition in the generic industry as a whole may result in increased price erosion in the pursuit of market share.

Manufacturing, Suppliers and Materials

Actavis manufactures many of its own finished products at Actavis plants including major manufacturing sites in Athens, Greece; Barnstaple, UK; Birzebbugia, Malta; Corona, California; Davie, Florida; Nerviano, Italy; Dupnitsa, Bulgaria; Elizabeth, New Jersey; Goa, India; Hafnarfjordur, Iceland; Lincolnton, North Carolina; Fajardo, Puerto Rico; Weiderstadt, Germany and Salt Lake City, Utah. Actavis has implemented several cost reduction initiatives, which included the transfer of several solid dosage products from its Corona, California facility to other facilities throughout its manufacturing network and the ongoing implementation of an operational excellence initiative at certain of Actavis manufacturing facilities. Actavis has also announced its intent to close its Pharmapack, Netherlands facility in 2014 and Lincolnton, North Carolina manufacturing facility by 2015, moving the production of certain prescription products to the Salt Lake City, Utah facility and contracting with third parties for the manufacture of certain OTC products. Actavis manufacturing facilities also include additional plants supporting local markets and alternative dosage forms.

For a more complete list of manufacturing facilities, refer to the section titled *ITEM 2. PROPERTIES* contained in Actavis Annual Report on Form 10-K for the fiscal year ended 31 December 2013 that Actavis previously filed with the SEC and that is incorporated by reference into this Prospectus.

Actavis has development and manufacturing capabilities for raw material and API and intermediate ingredients to support Actavis internal product development efforts in Actavis Coleraine, Northern Ireland and Ambernath, India facilities. Actavis Ambernath, India facility also manufactures API for third parties.

Actavis manufacturing operations are subject to extensive regulatory oversight and could be interrupted at any time. Actavis Corona, California facility is currently subject to a consent decree of permanent injunction.

In addition, Actavis is dependent on third parties for the supply of the raw materials necessary to develop and manufacture Actavis products, including APIs and inactive pharmaceutical ingredients used in many of Actavis products.

Actavis is required to identify the supplier(s) of all the raw materials for its products in the drug applications that it files with the FDA. If raw materials for a particular product become unavailable from an approved supplier specified in a drug application, Actavis would be required to qualify a substitute supplier with the FDA, which would likely interrupt manufacturing of the affected product. To the extent practicable, Actavis attempts to identify more than one supplier in each drug application. However, some raw materials are available only from a single source and, in many of Actavis drug applications, only one supplier of raw materials has been identified, even in instances where multiple sources exist.

Further, Actavis obtains a significant portion of its raw materials from foreign suppliers. Arrangements with international raw material suppliers are subject to, among other things, FDA regulation, customs clearance, various import duties, foreign currency risk and other government clearances. Acts of governments outside the U.S. may affect the price or availability of raw materials needed for the development or manufacture of Actavis products. In addition, any changes in patent laws in jurisdictions outside the U.S. may make it increasingly difficult to obtain raw materials for R&D prior to the expiration of the applicable U.S. or foreign patents.

Patents and Proprietary Rights

Actavis believes patent and other intellectual property protection of its proprietary products is important to its brand pharmaceutical products business. Actavis success with its brand products will depend, in part, on Actavis ability to obtain, and successfully defend if challenged, patent or other proprietary protection for such products. Actavis currently have a number of U.S. and foreign patents issued or pending. However, the issuance of a patent is not

conclusive as to its validity or as to the enforceable scope of the claims of the patent. Accordingly, Actavis patents may not prevent other companies from developing similar or functionally equivalent products or from successfully challenging the validity of Actavis patents. If Actavis patent applications are not approved or, even if approved, if such patents are circumvented or not upheld in a court of law, Actavis ability to competitively market its patented products and technologies may be significantly reduced. Also, such patents may or may not provide competitive advantages for their respective products or they may be challenged or circumvented by competitors, in which case Actavis ability to commercially market these products may be diminished.

Actavis owns or has licenses to patents covering several of its brand pharmaceutical portfolio products, including Asacol HD, Minastrin, Actonel (150mg), Delzicol, Lo Loestrin, Enablex, Rapaflo and Generess. Relevant

regulatory exclusivities, U.S. Patents and their expiration dates are listed in the Orange Book. As with any patents, patents listed in the Orange Book may be subject to challenge by third parties. Other than Delzicol, patents associated with these products are or have been subject to challenge in the United States. Actavis vigorously defends the validity, enforceability and scope of its patent rights. Patents covering Actavis Estrace® Cream, Androderm ®, Femhrt ® and INFed ® products have expired and Actavis have no further patent protection on these products.

Subject to the foregoing comments, and the discussion set forth in Actavis Quarterly Report on Form 10-Q for the fiscal quarter ended 31 March 2014, which was filed with the SEC on 5 May 2014 and which is incorporated by reference into this Prospectus, patent expiry dates for the Orange Book listed patents for the top seven Actavis brand products in the U.S. are set forth below:

Brand Product	**Orange Book U.S. Patent Expiry**
Asacol HD	15 November 2021
Lo Loestrin	2 February 2029
Estrace	(no Orange Book patents)
Minastrin 24 Fe	6 April 2019
Delzicol	13 April 2020
Generess Fe	6 April 2019
Actonel (150mg) Once-a-Month	6 November 2023

From time to time, Actavis may need to obtain licences to patents and other proprietary rights held by third parties to develop, manufacture and market Actavis products. If Actavis is unable to timely obtain these licences on commercially reasonable terms, its ability to commercially market such products may be inhibited or prevented.

Actavis also relies on trade secrets and proprietary know-how that it seeks to protect, in part, through confidentiality agreements with Actavis partners, customers, employees and consultants. It is possible that these agreements will be breached or will not be enforceable in every instance, and Actavis will not have adequate remedies for any such breach. It is also possible that Actavis trade secrets will otherwise become known or independently developed by competitors.

Actavis may find it necessary to initiate litigation to enforce Actavis patent rights, to protect Actavis trade secrets or know-how or to determine the scope and validity of the proprietary rights of others. Litigation concerning patents, trademarks, copyrights and proprietary technologies can often be protracted and expensive and, as with litigation generally, the outcome is inherently uncertain.

Pharmaceutical companies with brand products are suing companies that produce off-patent forms of their brand name products for alleged patent infringement or other violations of intellectual property rights which may delay or prevent the entry of such a generic product into the market. For instance, when Actavis file an ANDA in the U.S. seeking approval of a generic equivalent to a brand drug, Actavis may certify under the Drug Price Competition and Patent Restoration Act of 1984 to the FDA that Actavis do not intend to market Actavis generic drug until any patent listed by the FDA as covering the brand drug has expired, in which case, the ANDA will be approved by the FDA no earlier than the expiration or final finding of invalidity of such patent(s). On the other hand, Actavis could certify that it believes the patent or patents listed as covering the brand drug are invalid and/or will not be infringed by the manufacture, sale or use of Actavis generic form of the brand drug. In that case, Actavis are required to notify the brand product holder or the patent holder that such patent is invalid or is not infringed. If the patent holder sues Actavis for patent infringement within 45 days from receipt of the notice, the FDA is then prevented from approving Actavis ANDA for 30 months after receipt of the notice unless the lawsuit is resolved in Actavis favour in less time or a shorter period is deemed appropriate by a court.

In addition, increasingly aggressive tactics employed by brand companies to delay generic competition, including the use of citizen petitions and seeking changes to U.S. Pharmacopeia, have increased the risks and uncertainties regarding the timing of approval of generic products. Litigation alleging infringement of patents, copyrights or other intellectual property rights may be costly and time consuming.

3. **ACQUISITION OF FOREST**

On 17 February 2014, Actavis entered into the Merger Agreement with Forest, pursuant to which Actavis will acquire Forest in a series of Mergers. Following the Mergers, the Forest Common Stock will be delisted from NYSE, deregistered under the Exchange Act and cease to be publicly traded. The acquisition of Forest will be effected under Delaware law. On 18 February 2014, the Actavis directors announced the terms of the Offer intended to be made by Actavis to acquire the Forest Common Stock.

The combination of Forest and Actavis, if completed, will create one of the world s largest speciality pharmaceutical companies, as well as a new model in speciality pharmaceutical leadership, with total revenues expected to be evenly contributed by global generics and speciality brand portfolios. The Actavis board of directors considered many factors in making its determination that the terms of the transaction are advisable, consistent with and in furtherance of the strategies and goals of Actavis and are in the best interests of Actavis and the Actavis shareholders. In arriving at its determination, the board of directors consulted with Actavis management, legal advisers, financial advisers and other representatives, reviewed a significant amount of information, considered a number of factors in its deliberations and concluded that the Mergers are likely to result in significant strategic and financial benefits to Actavis and its shareholders, which are set out in further detail in Part VII (*The Offer*) of this Prospectus.

Pursuant to the Merger Agreement, Actavis will acquire Forest in a series of merger transactions. Merger Sub 1 will merge with and into Forest and, immediately following the First Merger, Forest will merge with and into Merger Sub 2, with Merger Sub 2 continuing as the Surviving Company. Following the Mergers, Merger Sub 2 will be an indirect wholly-owned subsidiary of Actavis and the Forest Common Stock will be delisted from NYSE, deregistered under the Exchange Act and cease to be publicly traded.

As a result of the First Merger, each issued and outstanding share of Forest Common Stock, other than (i) any shares of Forest Common Stock held in the treasury of Forest or owned by Actavis, Tango U.S. Holdings, the Merger Subs or by any of their respective subsidiaries or any subsidiaries of Forest at the effective time of the First Merger, which will each be cancelled and shall cease to exist, and no consideration shall be delivered in exchange therefor (the shares in (i) are referred to as excluded shares) and (ii) shares of Forest Common Stock held by Forest stockholders who have perfected and not effectively withdrawn a demand for, or lost the right to, appraisal under Delaware law, which will be entitled to the appraisal rights provided under Delaware law (the shares in (ii) are referred to as dissenting shares), will be converted into the right to receive Standard Election Consideration. Alternatively, Forest stockholders will have the right to make either a Cash Election for the Cash Election Consideration, or a Stock Election for the Stock Election Consideration, for each of their shares of Forest Common Stock. Both the Cash Election and the Stock Election are subject to the proration and adjustment procedures, described in Part VII (*The Offer*) of this Prospectus, to cause the total amount of cash paid, and the total number of Actavis Ordinary Shares issued, in the First Merger to the holders of shares of Forest Common Stock (other than excluded shares and dissenting shares), as a whole, to equal as nearly as practicable the total amount of cash and number of shares that would have been paid and issued if all of such shares of Forest Common Stock were converted into the Standard Election Consideration (such total amount of cash and Actavis Ordinary Shares is referred to as the Merger Consideration). Holders of shares of Forest Common Stock (other than excluded shares and dissenting shares) who make no election or an untimely election will receive the Standard Election Consideration with respect to such shares of Forest Common Stock. It is expected that Actavis shareholders and Forest stockholders, in each case as of immediately prior to the First Merger, will hold approximately 65% and 35%, respectively, of the issued and outstanding Actavis Ordinary Shares immediately after completion of the First Merger.

No holder of Forest Common Stock will be issued fractional Actavis Ordinary Shares in the First Merger. Each holder of Forest Common Stock converted pursuant to the First Merger who would otherwise have been entitled to receive a fraction of an Actavis Ordinary Share will receive, in lieu thereof, cash, without interest, in an amount equal to such fractional part of an Actavis Ordinary Share multiplied by the volume weighted average price of Actavis Ordinary Shares for a ten (10) trading day period, starting with the opening of trading on the eleventh (11th trading day prior to the Closing Date to the closing of trading on the second to last trading day prior to the Closing Date, as reported by Bloomberg.

The Merger Consideration will be adjusted appropriately to reflect the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Forest Common Stock or Actavis Ordinary Shares, as applicable), reorganisation, recapitalisation, reclassification, combination, exchange of shares or other like change with respect to the number of shares of Forest Common Stock or Actavis Ordinary Shares

outstanding after the date of the Merger Agreement and prior to the effective time of the First Merger.

4. **DIRECTORS AND PROPOSED BOARD AND KEY TECHNICAL STAFF**

Upon completion of the Mergers, the Combined Company will be led by Paul M. Bisaro and its officers will be chosen from the existing management teams of Actavis and Forest. Brenton L. Saunders, the current CEO of Forest, and two additional members of the Forest board of directors as of immediately prior to the Mergers will be added to the Actavis board of directors.

Paul M. Bisaro

Paul M. Bisaro, age 54, has served as Actavis President and Chief Executive Officer and as chairman of the Board of Directors since October 2013, prior to which he served on the Board of Directors of Actavis, Inc. since September 2007. Prior to joining Actavis, Mr. Bisaro was President, Chief Operating Officer and a member of the Board of Directors of Barr from 1999 to 2007. Between 1992 and 1999, Mr. Bisaro served as General Counsel of Barr and from 1997 to 1999 served in various additional capacities including Senior Vice President Strategic Business Development. Prior to joining Barr, he was associated with the law firm Winston & Strawn and a predecessor firm, Bishop, Cook, Purcell and Reynolds from 1989 to 1992. Mr. Bisaro also currently serves on the Boards of Visitors of the Catholic University of America Columbus School of Law and Zimmer Holdings, Inc. Mr. Bisaro received his undergraduate degree in General Studies from the University of Michigan in 1983 and a Juris Doctor from Catholic University of America in Washington, D.C. in 1989.

Mr. Sigurdur O. Olafsson

Sigurdur O. Olafsson was appointed President, Actavis Pharma on 27 April 2012. Mr. Olafsson has served as a member of the Actavis board of directors since 2013. He is the President of Actavis Pharma Actavis generic, branded generic, legacy brands and over-the-counter business. He joined Actavis as Executive Vice President, Global Generics in September 2010, and was appointed President of the Global Generics business in April 2012. Prior to joining Actavis, Mr. Olafsson served as CEO of the Actavis Group, where he was responsible for overseeing its global pharmaceutical business with operations in more than 40 countries. Prior to joining the Actavis Group, Mr. Olafsson held increasingly responsible positions with Pfizer s Global R&D organisation in both the U.S. and the UK from 1998 until 2003, and served as head of Drug Development for Omega Farma in Iceland for four years. Mr. Olafsson has a M.S. in Pharmacy (Cand Pharm) from the University of Iceland.

Mr. James H. Bloem

Mr. Bloem joined the Actavis board of directors in October 2013. He previously served as a member of the Warner Chilcott board of directors since 2006 and was a member of the board of one of Warner Chilcott s predecessor companies from 1996 to 2000. Mr. Bloem previously served as Senior Vice President, Chief Financial Officer and Treasurer of Humana, one of the nation s largest health benefit companies. He joined Humana in 2001 and had responsibility for all of the Humana s accounting, actuarial, analytical, financial, tax, risk management, treasury and investor relations activities.

Mr. Christopher W. Bodine

Mr. Bodine served as a member of Actavis, Inc. s board of directors since 2009 and joined the Actavis board of directors in October 2013. Mr. Bodine retired from CVS Caremark in January 2009 after 24 years with CVS. Prior to his retirement, Mr. Bodine served as President, Healthcare Services of CVS Caremark Corporation, where he was responsible for strategy, business development, trade relations, sales and account management, pharmacy merchandising, marketing, information technology and Minute Clinic. Prior to the merger of CVS Corporation and Caremark Rx, Inc. in March 2007, Mr. Bodine served for several years as Executive Vice President Merchandising and Marketing of CVS Corporation. Mr. Bodine is active in the pharmaceutical industry, having served on a number of boards and committees, including the Healthcare Leadership Council, RI Quality Institute, National Retail Federation, National Association of Chain Drug Stores (NACDS), and the NACDS Pharmacy Affairs and Leadership Committees. Mr. Bodine also currently serves as a director with Nash Finch.

Ms. Tamar D. Howson

Ms. Howson previously served as a member of the Warner Chilcott board of directors since May 2013 and joined the Actavis board of directors in October 2013. Ms. Howson has served as a corporate business development and strategy consultant to biopharmaceutical companies since 2011. From 2009 to 2011, she served as a member of the transaction advisory firm JSB-Partners, providing business development support to life sciences companies, and from 2007 to 2008 she served as Executive Vice President, Corporate Business Development at Lexicon Pharmaceuticals. Prior to joining Lexicon, Ms. Howson served as Senior Vice President, Corporate and Business Development at Bristol-Myers Squibb from November 2001 until February 2007. Ms. Howson also serves on the boards of directors of Organovo Holdings, Inc., Idenix Pharmaceuticals, Inc. and OXiGENE, Inc., and is a director of the International Partnership for Microbicides, a non-profit product development partnership.

Dr. John A. King

Dr. King joined the Actavis board of directors in October 2013 and previously served as the former Non-Executive Chairman of the Warner Chilcott board of directors, having joined the Warner Chilcott board in June 2005 Dr. King served in positions of increasing responsibility with Warner Chilcott s predecessors for 26 years, most recently as Executive Chairman of Galen Holdings Ltd., a position he held from 2000 until January 2005.

Ms. Catherine M. Klema

Ms. Klema served as a member of Actavis, Inc. s board of directors since 2004 and joined the Actavis board of directors in October 2013. She is currently President of Nettleton Advisers LLC, a consulting firm established by Ms. Klema in 2001. Prior to establishing her firm, Ms. Klema served as Managing Director, Healthcare Investment Banking, at SG Cowen Securities from 1997 to 2001. Ms. Klema also served as Managing Director, Healthcare Investment Banking, at Furman Selz LLC from 1994 until 1997, and was employed by Lehman Brothers from 1987 until 1994. Ms. Klema served as a director of Pharmaceutical Product Development, Inc., a global contract research organisation, from 2000 to 2011. In March 2012, Ms. Klema was appointed to the Montefiore Medical Centre Board of Trustees.

Mr. Jiri Michal

Mr. Michal has served as a member of the Actavis board of directors since 2013. He most recently served as Chairman of the board and Chief Executive Officer of Zentiva until 2010. During his 36-year involvement with Zentiva, which included 20 years as CEO, Mr. Michal held numerous positions and directed the growth of Zentiva through several acquisitions, initiated modernisation and privatisation and lead a successful management buy-out, culminating in a successful initial public offering in 2004. In 2009, Zentiva became part of Sanofi Group. Mr. Michal was appointed Chairman of the board of Prague Chemical University in 2011, and is an acting member of the board of directors of Moser in the Czech Republic.

Mr. Patrick J. O Sullivan

Mr. O Sullivan previously served as a member of Warner Chilcott s board of directors since 2009 and joined the Actavis board of directors in October 2013. Prior to his retirement in 2006, Mr. O Sullivan served in positions of increasing responsibility with LEO for more than 30 years, most recently as the Chief Executive Officer of LEO Pharma Ireland and as a director of LEO. He also served as a director of LEO Pharmaceuticals Ltd. UK, LEO Pharma SA France and The LEO Foundation. Mr. O Sullivan is a registered pharmacist, a member and honorary fellow of the Pharmaceutical Society of Ireland and a Knight of the Order of the Dannebrog. Currently, Mr. O Sullivan is a pharmaceutical business consultant and serves on the board of directors of Amarin Corporation plc, where he is a member of the audit committee, nominating committee and corporate governance committee.

Mr. Ronald R. Taylor

Mr. Taylor served as a member of the Actavis, Inc. board of directors since 1994 and joined the Actavis board of directors in October 2013. Mr. Taylor is the President of Tamarack Bay, LLC, a private consulting firm. He has been a director of Red Lion Hotels Corporation, a hotel operating company, since 1998 and a director of ResMed, Inc., a medical device manufacturer, since 2005. Prior to forming Tamarack Bay, Mr. Taylor was a general partner of Enterprise Partners Venture Capital, a venture capital firm, from 1998 until 2001.

Mr. Andrew L. Turner

Mr. Turner served as a member of Actavis, Inc. s board of directors since 1997 and joined the Actavis board of directors in October 2013. He was appointed as the Chairman of Actavis, Inc. s board of directors in May 2008 and served in this capacity until October 2013, at which time he became Actavis lead independent director. He is the founder and currently serves as Manager of Trinity Health Systems, an owner of senior housing properties. Mr. Turner has been a director of Streamline Health Solutions, a provider of software for document solutions in hospitals, since 2007, and also serves as a director of Aston Healthcare Ltd., an operator of senior housing properties in the United Kingdom.

Mr. Fred G Weiss

Mr. Weiss served as a member of Actavis, Inc. s board of directors since 2000 and joined the Actavis board of directors in October 2013. Mr. Weiss is the managing director of the consulting firm FGW Associates,

Inc., a position he has held since 1997, and prior to that served as an executive for Warner-Lambert for nearly 20 years, most recently as Vice President, Planning, Investment and Development. Mr. Weiss is also an Independent Vice-Chairman of the board and Chairman of the Audit Committee of numerous BlackRock-sponsored mutual funds. In this capacity, and pursuant to BlackRock s policies, Mr. Weiss has oversight responsibility for finance and accounting matters, and has no responsibility for, or discretion concerning, any of BlackRock s equity investment decisions. Additionally, Mr. Weiss has been a Director of the Michael J. Fox Foundation for Parkinson s Research since 2000.

Mr. Brenton L. Saunders

Mr. Saunders, who will be added to the Actavis board of directors upon completion of the Mergers, was appointed Chief Executive Officer and President of Forest effective 1 October 2013. Prior to joining Forest, he served as the Chief Executive Officer and board member of Bausch + Lomb Incorporated from March 2010 until August 2013. Mr. Saunders served as a senior executive with Schering-Plough from 2003 to 2010, most recently as President of Global Consumer Health Care. He also served as Head of Integration for both Schering-Plough s merger with Merck & Co. and for its $16 billion acquisition of Organon BioSciences. Before joining Schering-Plough, Mr. Saunders was a Partner and Head of the Compliance Business Advisory Group at PricewaterhouseCoopers LLP from 2000 to 2003. Prior to that, he was Chief Risk Officer at Coventry Health Care between 1998 and 1999 and a co-founder of the Health Care Compliance Association in 1995. Mr. Saunders began his career as Chief Compliance Officer for the Thomas Jefferson University Health System. He received a B.A. from the University of Pittsburgh, a M.B.A. from Temple University School of Business, and a J.D. from Temple University School of Law.

Key Technical Staff

In addition to Mr. Bisaro and Mr. Olafsson:

Mr. Robert A. Stewart

Robert A. Stewart, age 46, was appointed as Actavis President, Global Operations on 27 April 2012 and, as announced by the Actavis board of directors, is expected to become the Chief Operating Officer of the Combined Company with effect from the Closing Date. As President, Global Operations, Mr. Stewart is responsible for managing Actavis Anda, Inc. distribution business, in addition to Global Operations. He had served as Executive Vice President, Global Operations, since August 2010. He joined Actavis in November 2009 as Senior Vice President, Global Operations. Prior to joining Actavis, Mr. Stewart held various positions with Abbott Laboratories, Inc. from 2002 until 2009 where he most recently served as Divisional Vice President, Global Supply Chain. From 2005 until 2008, he served as Divisional Vice President, Quality Assurance and prior to this position served as Divisional Vice President for U.S./Puerto Rico and Latin America Plant Operations as well as Director of Operations for Abbott s Whippany plant. Prior to joining Abbott Laboratories, Inc., he worked for Knoll Pharmaceutical Company from 1995 to 2001 and Hoffman La-Roche Inc. Mr. Stewart received B.S. degrees in Business Management / Finance in 1994 from Fairleigh Dickinson University.

5. **SENIOR MANAGEMENT**

The Combined Company will be led by Paul M. Bisaro and a strong, experienced management team, including senior management of Actavis and Forest; Brenton L. Saunders, the current CEO of Forest, will join the Actavis board of directors; and two additional members of the Forest board of directors as of immediately prior to the Mergers (yet undecided) will be added to the Actavis board of directors.

6. FINANCIAL INFORMATION ON ACTAVIS

Selected Historical Financial Data of Actavis

Actavis derived the financial information as of and for the fiscal years ended 31 December 2011 through 31 December 2013 from the audited consolidated financial statements of Actavis (and from the audited consolidated financial statements of its predecessor entities, as applicable). For more information, see Part IX (*Financial Information on Actavis*) and Part XIV (*Pro Forma Financial Information*) of this Prospectus.

7. WORKING CAPITAL

Actavis is of the opinion that the working capital available to the Combined Company is sufficient for its present requirements and is sufficient for a period of at least 12 months from the date of this Prospectus.

In the event that the Mergers do not complete, Actavis is of the opinion that the working capital available to the Actavis Group is sufficient for its present requirements and is sufficient for a period of at least 12 months from the date of this Prospectus.

8. CAPITALISATION AND INDEBTEDNESS

The following table, which is unaudited, sets out the capitalisation and net indebtedness of Actavis as at 31 March 2014:

Total current debt	
Guaranteed	268.3
Secured	
Unguaranteed / Unsecured	
Total non current debt (excluding current portion of long-term debt)	
Guaranteed	8,452.2
Secured	
Unguaranteed / Unsecured	
Shareholder s equity	
Share capital	8,072.6
Legal reserve	
Other reserves	(60.4)
Total	**8,012.2**

The following table details the net financial indebtedness of Actavis as at 31 March 2014

A. Cash	(337.7)
B. Cash equivalents	
C. Trading securities	(2.5)
D. **Liquidity (A) + (B) + (C)**	**(340.2)**
E. **Current Financial Receivable**	
F. Current bank debt	
G. Current portion of non-current debt	268.3
H. Other current financial debt	
I. **Current Financial Debt (F) + (G) + (H)**	**268.3**
J. **Net Current Financial Indebtedness (I) (E) (D)**	**(71.9)**
K. Non-current bank loans	2,844.4
L. Bonds issued	5,598.0
M. Other non-current loans	9.8
N. **Non-Current Financial Indebtedness (K) + (L) + (M)**	**8,452.2**
O. **Net Financial Indebtedness (J) + (N)**	**8,380.3**

Cash balances of $337.7 million exclude cash balances of $73.9 million included in net assets held of sale.

The capitalisation and indebtedness table excludes retained earnings and accumulated other comprehensive income. The information in respect of capitalisation above is derived from the most recent published information contained in Actavis Quarterly Report on Form 10-Q for the fiscal quarter ended 31 March 2014 prepared in conformity with U.S.

GAAP. Actavis capitalisation will change after completion of the Mergers. For information on the Offer, see Part VII (*The Offer*) of this Prospectus.

The indebtedness of Actavis is unsecured debt. The debt is guaranteed by the Actavis Group. At 31 March 2014, $9.4 million letters of credit were outstanding under the Existing Actavis Revolving Credit and Guaranty Agreement. Actavis had no other indirect or contingent indebtedness. The indebtedness of the Actavis Group will increase substantially post consummation of the Mergers. For further information, refer to the pro-forma balance sheet in Part XIV (*Pro Forma Financial Information*) of this Prospectus.

9. **DIVIDEND POLICY**

Under Irish law, dividends and distributions may only be made from distributable reserves. Distributable reserves generally means accumulated realised profits less accumulated realised losses and includes reserves created by way of capital reduction. In addition, no distribution or dividend may be made unless the net assets of Actavis are equal to, or in excess of, the aggregate of Actavis called-up share capital plus

undistributable reserves and the distribution does not reduce Actavis net assets below such aggregate. Undistributable reserves include the share premium account, the capital redemption reserve fund and the amount by which Actavis accumulated unrealised profits, so far as not previously utilised by any capitalisation, exceed Actavis accumulated unrealised losses, so far as not previously written off in a reduction or reorganisation of capital.

The determination as to whether or not Actavis has sufficient distributable reserves to fund a dividend must be made by reference to relevant accounts of Actavis. The relevant accounts are either the last set of unconsolidated annual audited financial statements or other financial statements properly prepared in accordance with the Companies Acts, which give a true and fair view of Actavis unconsolidated financial position and accord with accepted accounting practice. The relevant accounts must be filed in the Companies Registration Office.

Actavis memorandum and articles of association authorise the directors to pay interim dividends to the extent they appear justified by profits without shareholder approval. The board of directors may also recommend a dividend to be approved and declared by the Actavis shareholders at a general meeting. The board of directors may direct that the payment be made by distribution of assets, shares or cash and no dividend issued may exceed the amount recommended by the directors. Dividends may be declared and paid in the form of cash or non-cash assets and may be paid in U.S. dollars or any other currency. All holders of Actavis Ordinary Shares will participate pro rata in respect of any dividend which may be declared in respect of ordinary shares by Actavis.

The directors of Actavis may deduct from any dividend payable to any shareholder any amounts payable by such shareholder to Actavis in relation to the Actavis Ordinary Shares.

The directors may also authorise Actavis to issue shares with serial preferred rights to participate in dividends declared by Actavis. The holders of serial preferred shares may, depending on their terms, rank senior to the Actavis Ordinary Shares in terms of dividend rights and/or be entitled to claim arrears of a declared dividend out of subsequently declared dividends in priority to ordinary shareholders.

Since Actavis is still a growing company, profits are reinvested back into the business; Actavis does not pay a dividend nor does Actavis have a dividend re-investment programme.

10. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Interests of major shareholders

The following table sets forth, as of 31 December 2013, the name, address and beneficial ownership of each person (including any group as defined in Section 13(d)(3) of the Exchange Act) known by Actavis to be the beneficial owner of more than 5% of the Actavis Ordinary Shares:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership[1]	Percent of Class
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	9,668,151[2]	5.5%
FMR LLC 245 Summer Street Boston, MA 02210	16,695,293[3]	9.6%

(1) Unless otherwise indicated in the footnotes to this table and pursuant to applicable community property laws, Actavis believes the persons named in this table have sole voting and investment power with respect to all ordinary shares reflected in this table. As of 14 March 2014, 174,494,647 of Actavis Ordinary Shares were issued and outstanding.

(2) According to a Schedule 13G filed with the SEC on 3 February 2014 by BlackRock, Inc., as of 31 December 2013. BlackRock, Inc. is the beneficial owner of 9,668,151 shares (with sole voting power with respect to 7,919,914 shares and dispositive power with respect to all such shares).

(3) According to a Schedule 13G filed with the SEC on 10 March 2014 by FMR LLC, as of 28 February 2014. FMR LLC is the beneficial owner of 16,695,293 shares (with sole voting power with respect to 1,190,522 shares and sole dispositive power with respect to 16,680,062 shares).

There are no arrangements known to Actavis the operation of which may at a subsequent date result in a change in control of Actavis.

All of the Actavis Ordinary Shares have the same voting rights. Actavis is not aware of any person who, directly or indirectly, jointly or severally, exercises or, immediately following completion of the Mergers, could exercise control over Actavis.

Related party transactions

Except as set forth below, Actavis has not entered into any related party transactions during the period covered by the historical financial information of the Actavis Group and up to the date of this Prospectus. All related party transactions are disclosed in accordance with the standards adopted according to Commission Regulation 1606/2002.

In 2007, while a member of executive management of the Actavis Group, Sigurdur Olafsson entered into an agreement with Nitrogen DS Limited in connection with the management buy-out of the Actavis Group. The agreement provides, among other things, that Mr. Olafsson is entitled to receive certain consideration in connection with certain transactions involving the Actavis Group. In connection with the acquisition of Actavis, Mr. Olafsson s agreement with Nitrogen DS Limited entitled him to receive up to 8,163 ordinary shares of Actavis as part of the contingent consideration payable by Actavis under the terms of the Sale and Purchase Agreement, as described in Actavis Current Report on Form 8-K filed with the SEC on 30 April 2012, which shares have been issued to Mr. Olafsson.

In addition, pursuant to a separate agreement entered into with Actavis Group h.f. (an Icelandic affiliate in the Actavis Group) in 2010 while he was a member of executive management of the Actavis Group, Mr. Olafsson has the right to be indemnified by Actavis Group h.f. against personal income tax liabilities that may be levied by the Icelandic taxing authorities on amounts received by Mr. Olafsson in excess of taxes already paid by him in connection with Mr. Olafsson s purchase and sale of certain shares of Actavis Group h.f. In accordance with this agreement, Mr. Olafsson received a tax indemnification payment in 2013. See paragraph 15 of Part XI (*Additional Information on Actavis*). The shares were subject to a stock put and call option agreement entered into by Mr. Olafsson in 2006 with Actavis Group h.f.

11. **CAPITAL RESOURCES**

The Mergers will be funded through a combination of:

available cash on hand of Actavis; and

third party debt financing consisting of the following:

senior unsecured term loan facilities, which are referred to in this Prospectus as the senior credit facilities, consisting of (x) a tranche of senior unsecured cash bridge loans, which is referred to in this Prospectus as the cash bridge tranche, in an original aggregate principal amount of $3.0 billion maturing 60 days after the Closing Date, and (y) a tranche of senior unsecured term loans, which is referred to in this Prospectus as the five-year tranche, in an original aggregate principal amount of $2.0 billion and maturing five years after the Closing Date;

up to $2.0 billion in aggregate principal amount of senior unsecured notes, which are referred to in this Prospectus as the senior notes; and

if the senior notes are not issued and sold on or prior to the Closing Date, up to $2.0 billion in aggregate principal amount of loans under a senior unsecured bridge facility, which is referred to in this Prospectus as the bridge facility and, together with the senior credit facilities, the facilities.

In addition, Actavis may decide on or prior to the Closing Date to fund the Mergers in part with drawings under the Existing Actavis Revolving Credit and Guaranty Agreement.

Actavis requires $7.0 billion of third party debt financing to complete the Mergers. $2.0 billion of this is already committed in the form of the five-year tranche. The remaining $5.0 billion comprises the $3.0 billion cash bridge tranche and $2.0 billion from a combination of the senior notes and/or the bridge facility.

On 17 February 2014, Actavis obtained a debt commitment letter from the Commitment Parties, pursuant to which the Commitment Parties agreed to provide the entire principal amount of the cash bridge tranche and the bridge facility, subject to the conditions set forth therein. As at the date of this Prospectus, the definitive documentation governing the cash bridge tranche and the bridge facility has not been executed and, accordingly, the actual terms of the debt financing may differ from those described in this Prospectus. Although the debt financing is not subject to a due diligence or market out, such financing may not be considered definitively assured.

Actavis fully expects that definitive documentation in respect of the debt financing will be executed prior to the Closing Date, and that it will have the total funds required to complete the Mergers as of that date. If the definitive documentation in respect of the debt financing is not executed prior to the Closing Date, then the Mergers will not complete and the Offer will not complete.

If the definitive documentation in respect of the debt financing is entered into on terms materially different to those described in this Prospectus, and the Offer does complete, Actavis will, if so required having regard to Article 16 of the Prospectus Directive and the Irish Prospectus Regulations, publish a supplemental prospectus.

Each Commitment Party s commitments with respect to the facilities, and each Commitment Party s agreements to perform the services described in the debt commitment letter, will automatically terminate on the earliest of (i) midnight Eastern time, on the Outside Date, subject to extension in certain circumstances to 17 December 2014, (ii) the closing of the Mergers without the use of the facilities, and (iii) the termination of the Merger Agreement in accordance with its terms.

On 31 March 2014, Actavis entered into an amendment to the Amended and Restated Actavis Term Loan Credit and Guaranty Agreement, dated 1 October 2013, among Actavis, as parent guarantor, Actavis Capital S.à r.l. (f/k/a Actavis WC Holdings S.à r.l.), as borrower, Actavis, Inc., as a subsidiary guarantor, the lenders party thereto and BofA, as administrative agent, which we refer to herein as the Existing Actavis Term Loan Credit and Guaranty Agreement. Pursuant to the amendment, the Lenders party thereto have committed to provide term loans comprising the five-year tranche on the Closing Date in an aggregate amount not to exceed $2.0 billion. In addition, the amendment amends the Existing Actavis Term Loan Credit and Guaranty Agreement as follows (the credit facility amendments): (1) modifies the consolidated leverage ratio financial covenant to (a) permit the consummation of the Mergers and (b) conform to the maximum consolidated leverage ratio financial covenant contained in the senior credit facilities, (2) permits certain intercompany restructuring transactions following the Mergers, (3) permits the consummation of the Mergers (including assumption of any indebtedness of Forest (other than the Forest s existing credit agreement)), (4) updates the definition of FATCA, (5) amends the covenant to provide subsidiary guaranties, (6) provides for a guaranty by an indirect parent of the borrower that is an indirect subsidiary of Actavis, and (7) amends the negative covenants to include limitations on the activities of Actavis and certain of its subsidiaries.

The definitive documentation governing the debt financing (other than the five-year tranche) has not been executed and, accordingly, the actual terms of the debt financing may differ from those described in this Prospectus. Although the debt financing described in this Prospectus is not subject to a due diligence or market out, such financing may not be considered definitively assured. The obligation of the Commitment Parties to provide debt financing under the debt commitment letter and the lenders under the five-year tranche to fund their commitments thereunder is subject to a number of conditions.

In addition, Actavis intends to enter into an amendment (giving effect to the credit facility amendments) to each of (1) the Existing Actavis Revolving Credit and Guaranty Agreement and (2) the WC Term Loan Agreement.

The amendment to the Existing Actavis Revolving Credit and Guarantee Agreement is expected to, among other things (1) provide that up to $500 million of loans under the Existing Actavis Revolving Credit and Guaranty Agreement (as amended) shall be extended on the Closing Date by the Lenders thereunder subject only to the conditions set forth in the debt commitment letter for the senior credit facilities and (2) extend the maturity date under the Existing Actavis Revolving Credit and Guaranty Agreement.

For further details, refer to *NOTE 13 Long Term Debt* in the *Notes to Consolidated Financial Statements* contained in Actavis Annual Report on Form 10-K for the fiscal year ended 31 December 2013 that Actavis previously filed with the SEC and that is incorporated by reference into this Prospectus.

69

Long-term Obligations

The following table lists Actavis enforceable and legally binding obligations as of 31 December 2013. Some of the amounts included herein are based on management s estimates and assumptions about these obligations, including their duration, the possibility of renewal, anticipated actions by third parties and other factors. Because these estimates and assumptions are necessarily subjective, the enforceable and legally binding obligation Actavis will actually pay in future periods may vary from those reflected in the table:

	Payments Due by Period (Including Interest on Debt)				
(in millions):	**Total**	**2014**	**2015-2016**	**2017-2018**	**Thereafter**
Long-term debt[1]	$ 8,957.8	$ 241.3	$ 1,407.6	$ 3,943.9	$ 3,365.0
Cash interest[1]	1,434.9	294.1	572.9	473.4	94.5
Contingent consideration liabilities[2]	451.1	26.5	111.7	53.0	259.9
Operating lease obligations[3]	208.6	50.8	71.5	38.4	47.9
Capital lease obligations[4]	24.1	9.7	7.5	3.0	3.9
Milestone obligations[5]	610.9	364.9	104.5	81.5	60.0
Other obligations and commitments[6]	396.5	189.2	112.9	76.8	17.6
Total[7]	12,083.9	1,176.5	2,388.6	4,670.0	3,848.8

(1) Amounts represent total minimum cash payments and anticipated interest payments, as applicable, assuming scheduled repayments under the WC Term Loan Agreement, the ACT Term Loan Agreement and maturities of Actavis existing notes. Amounts exclude fair value adjustments, discounts or premiums on outstanding debt obligations.

(2) Amount primarily represents contingent consideration obligations, including accretion resulting from various acquisitions.

(3) Amount represents operating leases for Actavis global business. There are no contingent rental amounts or sublease rentals.

(4) Amount represents capital leases for Actavis global business. Leases are for property, plant and equipment, vehicles and furniture and fixtures.

(5) Actavis has future potential milestone payments and co-development expenses payable to third parties as part of Actavis licensing, development and co-development programs. Payments under these agreements generally become due and are payable upon the satisfaction or achievement of certain developmental, regulatory or commercial milestones or as development expenses are incurred on defined projects. Amounts represent contractual payment obligations due as actual expenditures are incurred by Actavis partners or upon the achievement of developmental, regulatory or commercial milestones based on anticipated approval dates assuming all milestone approval events are met, the most significant of which are future potential co-development costs under the Amgen Collaboration Agreement. At 31 December 2013, Actavis maximum potential remaining co-development obligation under the Amgen Collaboration Agreement was $312.4 million.

Other significant milestone payments include:

Amounts owed to PregLem, to develop and, if approved, market products under development in the United States and Canada of $74.0 million relating to Esmya in the United States and Fibristal in Canada;

Amounts owed to Medicines360 relating to LNG 20 in the United States and Canada of $122.5 million;

Amounts owed to Valeant upon the FDA approval of Metronidazole 1.3% vaginal gel antibiotic development product of $9.0 million;

Amounts owed to Palau to develop and, if approved, market albaconazole for the treatment of candidiasis of $18.0 million;

Amounts owed to Dong-A, to develop and, if approved, market its orally-administered udenafil product, a PDE5 inhibitor for the treatment of erectile dysfunction in the United States of $13.0 million;

Amounts owed to Paratek under which it acquired certain rights to novel tetracyclines under development for the treatment of acne and rosacea of $21.0 million; and

Amounts owed to Dong-A for the right to develop, and if approved, market in the United States and Canada, Dong-A s udenafil product for the treatment of lower urinary tract symptoms associated with BPH of $25.0 million

Milestone payment obligations are uncertain, including the prediction of timing and the occurrence of events triggering a future obligation and are not reflected as liabilities in Actavis consolidated balance sheet. Amounts in the table above do not include royalty obligations on future sales of product as the timing and amount of future sales levels and costs to produce products subject to milestone obligations is not reasonably estimable.

(6) Other obligations and commitments include agreements to purchase third-party manufactured products, capital purchase obligations for the construction or purchase of property, plant and equipment and the liability for income tax associated with uncertain tax positions.
(7) Total does not include contractual obligations already included in current liabilities on Actavis Consolidated Balance Sheet (except for capital leases and the current portion of long-term debt) or certain purchase obligations, which are discussed below.

For the purposes of the table above, obligations for the purchase of goods or services are included only for purchase orders that are enforceable, legally binding and specify all significant terms including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the timing of the obligation. Actavis purchase orders are based on Actavis current manufacturing needs and are typically fulfilled by Actavis suppliers within a relatively short period. At 31 December 2013, Actavis has open purchase orders that represent authorisations to purchase rather than binding agreements that are not included in the table above.

Actavis is involved in certain equity investments that are intended to complement Actavis core business and markets. Actavis has the discretion to provide funding on occasion for working capital or capital expenditures. Actavis makes an evaluation of additional funding based on an assessment of the venture s business opportunities. Actavis believes that any possible commitments arising from the current arrangements will not be significant to Actavis financial condition, results of operations or liquidity.

For further details, refer to *NOTE 13 Long Term Debt* in the *Notes to Consolidated Financial Statements* contained in Actavis Annual Report on Form 10-K for the fiscal year ended 31 December 2013 that Actavis previously filed with the SEC and that is incorporated by reference into this Prospectus.

Part VI

INFORMATION ON FOREST

1. INTRODUCTION

Forest is a leading, fully integrated, speciality pharmaceutical company. Forest and its subsidiaries develop, manufacture and sell branded forms of ethical drug products, most of which require a physician s prescription. Forest is largely focused on the United States market, with roughly 95% of net sales for the twelve months ended 30 September 2013 generated in the United States market. Shares of Forest Common Stock trade on NYSE under the symbol FRX . The registered office of Forest is at 909 Third Avenue, New York, New York 10022, United States.

The information in this Part VI has been sourced from Forest s publicly available SEC filings and has been accurately reproduced. So far as Actavis is aware, and is able to ascertain from information published by Forest, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2. HISTORY AND BACKROUND

Forest is a Delaware corporation organised in 1956.

During the last seven years, Forest has completed 29 product partnerships and product acquisitions. Forest is focused on acquiring products after Phase II of development through licensing or acquisition. Forest believes it is an attractive and collaborative partner as evidenced by its track record of numerous repeat partnerships with companies such as Merz, Pierre Fabre, Almirall and Richter, all of which have partnered with Forest on multiple programmes. Most recently, on 17 January 2014, Forest completed the acquisition of exclusive rights in the United States for Saphris (asenapine) sublingual tablets, a treatment for adult patients with schizophrenia or acute bipolar mania, for $240 million in cash, from a of wholly-owned subsidiary of Merck & Co., Inc.

In addition to these product partnerships and acquisitions, Forest has completed a number of company acquisitions in recent years:

Cerexa

On 10 January 2007, Forest acquired Cerexa, Inc., a biopharmaceutical company, for $494 million in cash, in addition to a $100 million contingent payment. Pursuant to the acquisition, Forest acquired worldwide development and marketing rights (excluding Japan) to ceftaroline acetate (or ceftaroline).

Clinical Data

On 13 April 2011, Forest acquired Clinical Data, a speciality pharmaceutical company, for aggregate consideration of $1.3 billion, which Forest financed with existing cash. Forest fully integrated the operations of Clinical Data into its existing structure. As a result of the acquisition, Forest obtained a licence agreement with Merck under which Forest has the exclusive worldwide rights to develop and market Viibryd, an antidepressant developed by Clinical Data for the treatment of adults with MDD.

Aptalis

On 31 January 2014, Aptalis, a speciality pharmaceutical company focused on gastrointestinal disorders and cystic fibrosis, became a wholly-owned indirect subsidiary of Forest. Forest funded the $2.9 billion acquisition with a combination of cash on hand and proceeds from a $1.8 billion bond offering.

Furiex

On 27 April 2014, Forest entered into a definitive agreement to acquire Furiex for $95 per share, or approximately $1.1 billion in cash, and up to $30 per share (approximately $360 million in aggregate) in a Contingent Value Right (CVR) that may be payable based on the status of eluxadoline, Furiex s lead product, as a controlled drug following approval. The acquisition is subject to receipt of customary regulatory approvals and approval by Furiex shareholders.

3. **BUSINESS OVERVIEW**

Principal Activities

Forest and its principal operating subsidiaries manufacture and market ethical pharmaceutical products and other healthcare products. Forest s primary and most important products in the United States are marketed directly, or detailed, to physicians by Forest s salesforces. Forest emphasises detailing to physicians those branded ethical drugs which it believes have the most benefit to patients and potential for growth. Forest also focuses on the development and introduction of new products, including products developed in collaboration with its licensing partners. Forest s products include those it develops, those developed in conjunction with its partners and those acquired from other pharmaceutical companies and integrated into its marketing and distribution systems.

Forest sells its pharmaceutical products primarily to drug wholesalers and retailers, who distribute Forest s products to hospitals, government agencies and other institutions. Forest subsidiaries market Forest s products through Forest s salesforces directly to physicians, pharmacies, hospitals, managed care and other healthcare organisations.

Forest actively promotes in the United States those branded products which it believes have the most patient benefit and potential for growth, and which enable Forest s salesforces to concentrate on groups of physicians who are high prescribers of Forest s products.

The following is a summary of selected key products during the fiscal year ended 31 March 2014, that affected Forest s business including NDA with the FDA:

a) *Namenda*®, Forest s NMDA antagonist for the treatment of moderate to severe dementia of the Alzheimer s type;

b) *Namenda XR*®, Forest s extended release version of Namenda;

c) *Bystolic*®, Forest s beta-blocker for the treatment of hypertension;

d) *Viibryd*®, an SSRI and a 5-HT1A receptor partial agonist for the treatment of adults with MDD;

e) *Linzess*®, a guanylate cyclase type-C receptor agonist for the once-daily treatment for men and women suffering from IBS-C or CIC;

f) *Daliresp*®, Forest s PDE4 inhibitor as a treatment to reduce the risk of COPD exacerbations in patients with severe COPD;

g) *Savella*®, Forest s SNRI for the management of fibromyalgia;

h) *Tudorza*® *Pressair*®, Forest s long-acting antimuscarinic agent for the long-term maintenance treatment of bronchospasm associated with COPD, including chronic bronchitis and emphysema;

i) *Teflaro*®, a broad-spectrum, hospital-based injectable cephalosporin antibiotic for the treatment of adults with skin and skin structure infections and community-acquired bacterial pneumonia;

j) *Saphris*, Forest s treatment for adult patients with schizophrenia and, as monotherapy or adjunctive therapy, of manic or mixed episodes associated with bipolar I disorder; and

k) *Fetzima* , Forest s serotonin and norepinephrine reuptake inhibitor for the treatment of adults with MDD.

The following products accounted for 10% or more of consolidated net sales during one or more of the three most recent fiscal years:

Product	2014	2013	2012	2011
Namenda	44%	52%	32%	30%
Bystolic	15%	16%	8%	6%
Lexapro	3%	7%	49%	55%

Please note that Lexapro s patent exclusivity expired in March 2012 and Lexapro has since faced generic competition, which has significantly eroded sales.

In February 2012, Forest was granted EMA approval to market Colobreathe®. Colobreathe is a novel dry powder inhaler developed by Forest containing colistin, indicated for the treatment of chronic lung infections caused by Pseudomonas aeruginosa in CF patients aged 6 years and older. Forest began marketing Colobreathe in April 2013 and achieved sales of $12.7 million in fiscal 2014.

In December 2010, Forest entered into an agreement with Grünenthal GmbH (Grünenthal) pursuant to which Forest acquired all rights held by Grünenthal for colistin and reacquired all rights previously licensed by Forest to Grünenthal for Colobreathe for $100 million. Colistin is an antibiotic used to treat the principal bacterial infections in CF patients and is currently marketed by Forest in a nebulised presentation in the United Kingdom and Ireland as Colomycin®. Total sales of Colistin and Colomycin were $44.4 million in fiscal 2014. This transaction and the approval to market Colobreathe in Europe enable Forest to expand Forest s European CF franchise and become a major distributor of colistin in Europe.

Canada: Forest has established a wholly-owned Canadian subsidiary, which is responsible for the registration and commercialisation of Forest s products in Canada. Health Canada granted approval for Bystolic in December 2012 and the product was launched in April 2013. In December 2013, Forest received Health Canada s approval for Constella® (linaclotide) as a once-daily, first-in-class treatment for both adult men and women suffering from IBS-C or CIC. This approval provides a new option for the up to 8.9 million adult Canadians suffering from these conditions.

Pharmaceutical Technologies: Through Forest s acquisition of Aptalis, completed in January 2014, Forest acquired a Pharmaceutical Technology (PT) business which consists of a portfolio of proprietary technology platforms that has produced over 35 approved products in over 35 countries, supported the speciality pharmaceutical business of Aptalis, and was a central component of Aptalis lifecycle management programmes. The PT business provides Forest with the opportunity to develop innovative products for Forest s internal product pipeline and the flexibility to offer third parties co-development programmes, product out-licensing and manufacturing programmes.

Principal Markets

Forest and its principal operating subsidiaries are located primarily in the United States and Europe. Forest operates in only one segment. Sales are primarily in the United States and European markets. The net sales and long-lived assets for the years ended 31 March 2014, 2013 and 2012, are from Forest s or one of its subsidiaries country of origin, as follows:

(In thousands)	2014		2013		2012	
	Net sales	Long-lived assets	Net sales	Long-lived assets	Net sales	Long-lived assets
U.S.	$ 3,329,367	$ 707,784	$ 2,769,541	$ 432,085	$ 4,261,976	$ 386,427
Ireland	74,360	3,949,311	60,014	2,759,428	61,747	2,759,069
United Kingdom	76,043	23,608	75,381	26,177	68,825	31,663
Canada	5,725	1,792,332				
Italy	8,166	78,356				
Other	9,685	29,871				
	$ 3,503,346	$ 6,581,262	$ 2,904,936	$ 3,217,690	$ 4,392,548	$ 3,177,159

Net sales exclude sales between Forest and its subsidiaries.

Net sales by therapeutic class are as follows:

(In thousands) Years ended 31 March	2014	2013	2012

Central nervous system (CNS)	$ 2,124,573	$ 2,017,199	$ 3,715,112
Cardiovascular	553,092	483,733	381,621
Gastrointestinal	265,127	23,728	
Respiratory	207,536	100,920	31,203
Other	353,018	279,356	264,612
	$ 3,503,346	$ 2,904,936	$ 4,392,548

Forest s CNS franchise consisting of Lexapro®, Namenda®, Savella®, Celexa® and Viibryd® accounted for 69%, 84% and 88% of Forest s net sales for the years ended 31 March 2013, 2012 and 2011, respectively.

Forest s CNS franchise consisting of Campral®, Celexa®, Fetzima®, Lexapro®, Namenda®, Namenda XR®, Savella®, Saphris® and Viibryd® accounted for 61%, 69% and 85% of Forest s net sales for the years ended 31 March 2014, 2013 and 2012, respectively.

The following illustrates net sales to Forest s principal customers:

	2014	2013	2012
McKesson Drug Company	37%	38%	36%
AmerisourceBergen Corporation	26%	20%	20%
Cardinal Heath, Inc.	22%	29%	30%

The information included in this paragraph 3 is derived from Forest s internal financial information and publicly available information in Forest s SEC filings.

4. **NEW BUSINESS**

The following is a summary of selected key products purchased during the fiscal year ended 31 March 2014, that affected or will affect Forest s business.

Saphris®

On 29 November 2013, Forest purchased exclusive rights in the United States for Saphris (asenapine) sublingual tablets from Merck Sharp & Dohme B.V., a wholly-owned subsidiary of Merck & Co., Inc. (Merck). Saphris is a treatment for adult patients with schizophrenia and, as monotherapy or adjunctive therapy, of manic or mixed episodes associated with bipolar I disorder. Saphris is an atypical antipsychotic approved by the FDA and launched in 2009 and achieved sales of $27.9 million in fiscal 2014. Saphris has been granted five years of Hatch-Waxman exclusivity that expires in 2014. Saphris is protected by an issued United States patent directed to sublingual compositions that expires in 2020, with PTE. Saphris is also protected by an issued United States patent directed to polymorphic forms that expires in 2026.

Aptalis Products

On 31 January 2014, Forest acquired Aptalis, an international, speciality pharmaceutical company that focuses on developing, manufacturing, licensing and marketing therapies for certain CF and gastrointestinal-related disorders. Through the Aptalis acquisition, Forest acquired the following products:

Zenpep®

Zenpep (pancrelipase) is a proprietary porcine-derived PEP developed under the 2004 FDA guidance on pancreatic enzyme replacement therapies. It has been approved for the treatment of Exocrine Pancreatic Insufficiency (EPI) due to cystic fibrosis and other conditions in infants, children and adults. Zenpep was approved by the FDA in August 2009 and launched in the U.S. in November 2009. Zenpep is covered by a United States method-of-use patent that expires in 2028. Zenpep has been granted five years of Hatch-Waxman exclusivity until August 2014. Consistent with other FDA-approved PEPs currently marketed in the United States, Zenpep has post-marketing requirements and commitments. Forest believes it is on track to meet these commitments. In addition to Zenpep s on-going lifecycle management, Aptalis submitted a supplemental NDA to the FDA in November 2013 for an additional dosage strength of 40,000 unit dose for the treatment of EPI due to CF or other conditions.

Ultresa®

Ultresa (pancrelipase) was approved by the FDA for the treatment of EPI due to cystic fibrosis and other conditions. Ultresa was approved by the FDA in March 2012 and launched in the U.S. in December 2012. Ultresa was granted

five years of Hatch-Waxman exclusivity that extends to 2017. In compliance with Forest s post-marketing requirements and in order to expand the Ultresa franchise, Forest is currently developing a dosage of Ultresa for patients aged two to six years old and expect to submit a supplemental NDA to expand the product s labelling in the first half of 2014.

Viokace®

Viokace (pancrelipase) was approved by the FDA for the treatment of EPI due to chronic pancreatitis or pancreatectomy in combination with a proton pump inhibitor. Viokace was approved by the FDA in March 2012 and launched in the U.S. in August 2012. Viokace was granted five years of Hatch-Waxman exclusivity that extends to 2017.

Panzytrat®

Panzytrat (pancreatin) is a PEP that consists of enteric-coated microtablets for use in the treatment of EPI and pancreatic enzyme deficiency. Panzytrat is distributed and sold in several European countries, mainly Germany, the Netherlands and Switzerland, as well as several Eastern European markets. Panzytrat is not approved or promoted in the United States. In November 2012, Aptalis completed a European multicentre Phase IV study aimed at assessing and comparing the efficacy of Panzytrat 25,000 to that of Kreon 25,000 in the control of steatorrhea in patients with EPI due to CF and demonstrated non-inferiority to Kreon. Forest believes this study will allow it to better position its product in the markets where it is currently available.

Carafate®

Carafate (sucralfate) is indicated for the short term (up to eight weeks) treatment of active duodenal ulcers and has been on the market for approximately 20 years. Carafate is the only available sucralfate oral suspension product in the United States.

Pylera®

Pylera (bismuth subcitrate potassium, metronidazole, tetracycline HCl) is a three-in-one combination of metronidazole, tetracycline, and bismuth subcitrate potassium contained in a patented capsule-within-capsule technology, indicated for the treatment of patients with H. pylori infection and duodenal ulcers disease (active or a history of within the past five years) to eradicate H. pylori. Pylera is approved by regulatory authorities in the United States and several countries in the E.U., including the United Kingdom, Ireland, Germany, France, Belgium, Poland, France and Spain and applications for approval have been submitted in Italy and Portugal. Pylera was launched in the U.S. in May 2007, Germany in January 2013 and France in April 2013. Pylera was granted five years of Hatch-Waxman exclusivity that extends to 2018 and a method of use patent which expires in 2018.

Canasa®

Canasa (mesalamine USP) is a mesalamine suppository approved by the FDA for the short term treatment of mild to moderately active ulcerative proctitis, a distal form of inflammatory bowel disease. Canasa was launched in February 2005 and is the only FDA-approved mesalamine suppository available in the United States. Canasa is protected by a United States method-of-use patent that expires in 2028. Aptalis received letters from two parties indicating that they had each filed an ANDA seeking approval to market a generic version of Canasa. In July 2013, Aptalis filed patent infringement suits against each party. Aptalis and Forest believe that the ANDAs were filed before the patents covering Canasa were listed in the FDA s Orange Book, which generally means that Forest is not entitled to the 30-month stay of the approval of these ANDAs provided for by the Hatch-Waxman Act.

Salofalk®

Salofalk (mesalamine USP) is a mesalamine-based product line, including oral tablets, oral suspensions and suppositories, that are actively promoted to gastroenterologists in Canada for the treatment of certain inflammatory bowel diseases, such as ulcerative colitis, ulcerative proctitis and Crohn s disease.

Rectiv®

Rectiv (nitroglycerin) Ointment 0.4% was approved by the FDA for the treatment of moderate to severe pain caused by chronic anal fissure. Rectiv is the only FDA approved medication for the treatment of pain associated with chronic anal fissure. Aptalis acquired a licence for the exclusive rights to Rectiv in the United States in December 2011 and launched Rectiv in March 2012. Rectiv was granted five years of Hatch-Waxman exclusivity that extended to 2014.

After 2014, because Rectiv acts topically and there is no correlation between systemic nitroglycerin levels and pain reduction, Forest believes the FDA would require clinical trials with clinical efficacy endpoints prior to approval of a generic version of Rectiv.

The following is a summary of Forest s product pipeline in various stages of development.

Cariprazine

In November 2012, Forest submitted to the FDA a NDA for cariprazine, an atypical antipsychotic, for the treatment of schizophrenia and acute mania associated with bipolar depression. In November 2013, Forest

received a complete response letter in which the FDA acknowledged that Cariprazine demonstrated effectiveness in the treatment of schizophrenia and mania associated with bipolar disorder and requested further information on the drug, including additional clinical trial data to better define the optimal dosing regimen to maintain the demonstrated efficacy, while minimising the potential for the development of adverse events generally associated with this class of drug. Cariprazine is also in Phase II development for bipolar depression and as an adjunct treatment for MDD. In March 2014, Forest announced positive top-line results from a Phase IIb trial evaluating the efficacy and safety of Cariprazine as adjunctive treatment in adult patients with MDD who have demonstrated an inadequate response to antidepressant therapy. Also in during March 2014, Forest announced positive top-line results from a Phase IIb trial evaluating the efficacy and safety of Cariprazine as an investigational antipsychotic in patients with bipolar depression.

Cariprazine is licensed through a collaboration and licence agreement with Richter, based in Budapest, Hungary. Forest s licence grants it exclusive development and commercialisation rights to Cariprazine and its related compounds in the United States and Canada. Forest collaborates with Richter in product development and jointly fund such development activities. Cariprazine is an oral D2/D3 partial agonist being developed as an atypical antipsychotic for the treatment of schizophrenia, acute mania associated with bipolar depression, bipolar depression and as an adjunct treatment for MDD.

Under the terms of the agreement with Richter, Forest will be obligated to pay future milestone payments if development and commercialisation are successfully completed. Forest will also be obligated to pay Richter a royalty based on net sales of the product. In addition to five years of Hatch-Waxman exclusivity which Forest anticipates would be granted upon approval, Cariprazine is protected by a United States composition-of-matter patent that expires in 2027, subject to possible without PTE. Cariprazine is also protected by an issued United States patent directed to polymorphic forms that expires in 2028.

Avibactam

In December 2009, Forest entered into an agreement with AstraZeneca AB (AstraZeneca) to acquire additional rights to avibactam including co-development and exclusive commercialisation rights in the United States and Canada to products containing avibactam including the ceftazidime/avibactam and ceftaroline/avibactam combinations. Avibactam is a novel broad-spectrum beta-lactamase inhibitor designed to be co-administered intravenously with select antibiotics to enhance their spectrum of activity by overcoming beta-lactamase-related antibacterial resistance. Avibactam is currently being developed in combination with ceftazidime, a cephalosporin antibiotic, and the ceftaroline /avibactam programme is currently under review. Data from two Phase II trials for ceftazidime/avibactam in patients with complicated intra-abdominal infections (cIAI) and complicated urinary tract infections (cUTI) demonstrated that ceftazidime/avibactam achieved high clinical cure rates and was well tolerated in patients with cIAI and cUTI. Based on the results of these studies, Forest and AstraZeneca initiated Phase III studies for ceftazidime/avibactam in patients with cIAI in December 2011 and in patients with cUTI in July 2012, which are currently ongoing. Forest expects results from the Phase III studies during the middle of calendar 2014.

In September 2013, the FDA designated ceftazidime/avibactam as a QIDP. QIDP designation provides Forest certain incentives including priority review and eligibility with the FDA s fast track programme, as well as five-year extension of exclusivity under the Hatch-Waxman Act. Under the terms of the agreement, Forest will be obligated to pay half of certain future milestones if development is successfully completed.

Avibactam inhibits several classes of bacterial enzymes called beta-lactamases that break down and inactivate beta-lactam antibiotics (in particular, penicillins and cephalosporins) making the pathogens producing these enzymes resistant to these antibiotics. Beta-lactamase inhibition represents a mechanism for counteracting this resistance and enhancing the broad-spectrum activity of beta-lactam antibiotics. The ceftazidime/avibactam combination product Forest expects will receive three years of Hatch-Waxman exclusivity upon approval. In addition, avibactam is

protected by a United States composition-of-matter patent that expires in 2022, without PTE. Avibactam is also protected by an issued United States patent directed to combinations with an antibiotic that expires in 2026.

Cebranopadol

In December 2010, Forest entered into a licence agreement with Grünenthal for the co-development and commercialisation of cebranopadol (GRT 6005) and its follow-on compound GRT 6006, both being small molecule analgesic compounds in development for the treatment of moderate to severe chronic pain conditions.

Cebranopadol and GRT 6006 are novel first-in-class compounds with unique pharmacological and pharmacokinetic profiles that may enhance their effect in certain pain conditions. The unique mode of action of these compounds builds on the ORL-1 receptor and, supported by the established mu opioid receptor, is particularly suitable for the treatment of moderate to severe chronic pain. Cebranopadol has successfully completed initial proof-of-concept studies in nociceptive and neuropathic pain with further Phase II studies planned prior to initiation of Phase III studies. Forest anticipates five years of Hatch-Waxman exclusivity upon approval. Both compounds are covered protected by a United States composition-of- matter patent that expires in November 2023, subject to possible PTE. Under the terms of the agreement, Forest made an upfront payment to Grünenthal of $66.1 million, and may be obligated to pay additional development and commercialisation milestones as well as royalties on net sales of the product. Pursuant to the agreement, Forest has exclusive rights in the United States and Canada with an option to co-promote in Europe. Grünenthal has an option to co-promote in the United States and Canada.

APT-1026

Through Forest s acquisition of Aptalis, completed in January 2014, Forest acquired APT-1026, a proprietary formulation of levofloxacin for inhalation, being developed for the treatment of chronic lung infections with Pseudomonas aeruginosa in patients with CF.

APT-1026 is a novel formulation of levofloxacin that has been optimised for inhalation, with rapid and efficient delivery of liquid aerosolised drug to the sites of lung infection via a customised configuration of the Pari eFLOW® nebuliser, a common device for inhaled therapies. APT-1026 thus delivers far higher concentrations of levofloxacin to the sites of lung infection than are achievable with oral or intravenous administration, while maintaining blood levels of antibiotic below those of comparable oral or intravenous doses. Aptalis recently completed two Phase III studies in cystic fibrosis patient populations representative of chronically infected patients with CF in the United States and Europe (*i.e.*, intensively managed with drug and other established treatments, including multiple courses of inhaled antibiotics). Phase III E.U. study was completed and Aptalis submitted a Marketing Authorisation Application with EMA in November 2013. Forest expects to launch in E.U. in 2015. Forest is currently in discussions with the FDA regarding results of Forest s single U.S. Phase III.

APT-1008 (Zenpep E.U.)

Through Forest s acquisition of Aptalis, Forest acquired APT-1008, developed for the treatment of EPI in the E.U. based on the United States Zenpep franchise. Zenpep-E.U. is a proprietary porcine-derived PEP approved in the United States under the name Zenpep in August 2009 for the treatment of EPI due to CF or other conditions. Due to the increased stability of enzymes in this formulation and lack of overfill, Forest believes that Zenpep-E.U. provides a more predictable and precise dosage than other PEPs currently available in the E.U. and meets the E.U. guidance on development of CF products.

Forest is seeking a marketing authorisation in the E.U. under the centralised procedure and is conducting a Phase III study in the E.U. Completion of study is expected in 2014. There is a pending European patent application with claims directed to the same subject matter as the United States patents that cover Zenpep.

APT-1016

Through Forest s acquisition of Aptalis, Forest acquired APT-1016, a novel bowel cleansing agent to be used in preparation for a colonoscopy. Colonoscopy procedures require the proper cleaning of the lower gastrointestinal (GI) tract using bowel preparations, or bowel preps, to aid in visual identification of polyps and other premalignant and malignant tissues. APT-1016 is designed to be a more palatable and lower-volume solution, without compromised efficacy compared to existing higher-volume bowel preps. Forest intends to have an end of Phase II meeting with the FDA in 2014 and commence a Phase III trial of APT-1016 in 2015. APT-1016 is a New Chemical Entity (NCE) and

is expected to receive five years of data exclusivity under the Hatch-Waxman Act starting from the date of approval.

APT-1011

Through Forest s acquisition of Aptalis, Forest acquired APT-1016, an oral disintegrating tablet (ODT) a proprietary formulation of fluticasone propionate, a highly potent glucocorticosteroid with less than 1% systemic bioavailability upon oral administration for the treatment of Eosinophilic Esophagitis (EoE), a rare inflammatory/immunological disease of the oesophagus resulting in progressive swallowing disorders. EoE is a rare GI disease and there is currently no FDA-approved product indicated for the treatment of EoE in the United States. Aptalis completed a Phase I/II clinical proof of concept study for APT-1011. Aptalis was

designing a Phase IIb dose-finding study following the end of a Phase I meeting with the FDA in October 2013. APT-1011 has been granted orphan drug status in the United States and is the subject of patent applications that, if granted, are expected to expire in 2030. Forest intends to submit an application for an orphan drug designation in Europe.

The following developmental projects were terminated or reduced in scale:

Nabriva

In June 2012, Forest entered into an agreement with Nabriva Therapeutics (Nabriva) for the development of Nabriva s novel antibacterial agent, BC-3781. Pursuant to this agreement, Forest conducted in collaboration with Nabriva, certain development activities related to BC-3781. During the first quarter of fiscal 2014 after a review of this development programme, Forest discontinued Forest s collaborative development with Nabriva.

Transtech

During fiscal 2013, Forest performed a review of Forest s partnership with TransTech Pharma, Inc. for the development and commercialisation of TTP399. As a result of this review, in light of development priorities, Forest made the decision to terminate the partnership with TransTech.

moksha8

In October 2012, Forest entered into an agreement with moksha8, a privately-held pharmaceutical company which markets products in Latin America. The agreement included an exclusive licence from Forest to moksha8 to commercialise Viibryd and potentially other Forest products in Latin America. In addition, Forest agreed to provide financing in several tranches over a two-year period, conditioned upon moksha8 achieving certain business goals. At the end of this two-year period, Forest would have the option to acquire moksha8 at a fixed price and the moksha8 shareholders would have the ability to put to Forest all the interests of moksha8 at a fixed price, subject to the achievement of certain performance criteria.

In January 2014, Forest and moksha8 amended the terms the original agreement which terminated Forest s obligation to provide additional funding to moksha8. The amendment also terminated Forest s option to acquire moksha8 as well as the shareholders of moksha8 s option to put to Forest all interests of moksha8. moksha8 retains the exclusive licence to commercialise Viibryd and continues to work with Forest to obtain licences to additional products in Latin America.

Patents and Trademarks

Forest seeks to obtain, where possible, patents and trademarks for its products in the United States and all countries of major marketing interest to Forest. Forest own or have licences to a substantial number of patents and patent applications.

Product Name	*Approved Indication*	*Date of Last U.S. Patent Exclusivity*
Namenda	Treatment of moderate to severe dementia of the Alzheimer s type	2015
Bystolic	Treatment of hypertension	2021

Viibryd	Treatment of adults with MDD	2022
Savella	Treatment of fibromyalgia	2029
Daliresp	Treatment to reduce the risk of COPD	2020
Teflaro	Treatment of adults with community-acquired bacterial pneumonia	2031
Linzess	Treatment of IBS-C or CIC	2026
Tudorza	Treatment of bronchospasm	2025

When a product patent expires, the patent holder often loses effective market exclusivity for the product. This can result in a severe and rapid decline in sales of the formerly patented product, particularly in the United States. However, in some cases the innovator company may achieve exclusivity beyond the expiry of the product patent through manufacturing trade secrets, later-expiring patents on methods of use or formulations, or data-based exclusivity that may be available under pharmaceutical regulatory laws.

Forest owns or exclusively licences various trademarks and trade names which it believes are of significant benefit to its business.

5. **SUMMARY FINANCIAL INFORMATION**

Forest Unaudited Consolidated Statements of Operations

(In thousands, except per share amounts)	Three Months Ended 31 March		Twelve Months Ended 31 March	
	2014	2013	2014	2013
Net revenue				
Net sales	$ 1,048,280	$ 783,186	$ 3,503,346	$ 2,904,936
Contract and other revenue	43,998	30,640	143,553	189,066
Total revenue	1,092,278	813,826	3,646,899	3,094,002
Cost of goods sold	249,287	177,826	760,642	649,083
Gross profit	842,991	636,000	2,886,257	2,444,919
Operating expenses				
Selling, general and administrative	678,821	372,728	1,986,229	1,558,306
Research and development	191,988	240,299	788,276	963,594
Total operating expenses	870,809	613,027	2,774,505	2,521,900
Operating income (loss)	(27,818)	22,973	111,752	(76,981)
Interest and other income (expense), net	(42,832)	7,845	(30,184)	32,123
Income (loss) before income taxes	(70,650)	30,818	81,568	(44,858)
Income tax expense (benefit)	(124,734)	(14,625)	(83,742)	(12,755)
Net income (loss)	$ 54,084	$ 45,433	$ 165,310	$ (32,103)
Net income (loss) per common share:				
Basic	$ 0.20	$ 0.17	$ 0.61	$ (0.12)
Diluted	$ 0.20	$ 0.17	$ 0.61	$ (0.12)
Weighted average number of common shares outstanding:				
Basic	271,408	266,322	269,129	266,807
Diluted	277,082	267,259	272,947	266,807

Forest Summary Balance Sheet Nine Months Ended 31 December 2013 and 31 December 2012

	At 31 December	
	2013	**2012**
Balance Sheet Highlights:		
Current assets	$ 4,293.12	$ 2,876.86
Working capital, excluding assets and liabilities held for sale	$ 3,253.09	$ 1,930.87
Total assets	$ 9,058.74	$ 7,845.31
Total debt	$ 1,200.00	$ 0.00
Total equity	$ 5,993.33	$ 5,667.92

Forest Summary Income Statement Year Ended 31 March 2013, 31 March 2012 and 31 March 2011

(In millions, except per share amounts)	Years Ended 31 March 2013	2012	2011
***Operating Highlights*:**			
Net sales	$ 2,904.94	$ 4,392.55	$ 4,213.13
Operating (loss)/income	$ (76.98)	$ 1,217.32	$ 1,308.17
Net (loss)/income attributable to common shareholders	$ (32.10)	$ 979.06	$ 1,046.77
Basic (loss)/earnings per share	$ (0.12)	$ 3.58	$ 3.60
Diluted (loss)/earnings per share	$ (0.12)	$ 3.57	$ 3.59
Weighted average shares outstanding:			
Basic	$ 266.8	$ 273.6	$ 291.1
Diluted	$ 266.8	$ 274.0	$ 291.2

Forest Summary Balance Sheet Year Ended 31 March 2013, 31 March 2012 and 31 March 2011

	At 31 March		
	2013	**2012**	**2011**
Balance Sheet Highlights:			
Current assets	$ 2,947.79	$ 3,586.20	$ 5,259.67
Working capital, excluding assets and liabilities held for sale	$ 1,950.10	$ 2,686.41	$ 4,321.82
Total assets	$ 7,629.58	$ 7,491.76	$ 6,922.45
Total debt	$ 0.00	$ 0.00	$ 0.00
Total equity	$ 5,745.26	$ 5,676.82	$ 5,498.88

6. **OUTLOOK**

Introduction

Forest markets a portfolio of branded drug products and manages an array of development-stage assets focused principally on five therapeutic areas: central nervous system, cardiovascular, gastrointestinal, respiratory and anti-infective. Forest acquires product rights for development and commercialisation through licensing and collaborative partnerships, as well as through targeted M&A activities. Forest s strategy allows it to take advantage of attractive late-stage development and commercial opportunities from worldwide sources, thereby managing the risks inherent in early stage drug development. Forest believes this strategy leads to the achievement of successful drug development, high rate of first cycle approvals and commercialisation while avoiding the open-ended risks of basic scientific research activities. Forest also focuses on product life-cycle strategies to create deep product lines and provide physicians with a broad spectrum of product offerings. Forest s current product portfolio is principally focused on a primary care and speciality business model. Forest believes the diverse and complementary nature of its product pipeline, its strength in partnering and clinical development, as well as its flexible business model, position Forest for future revenue and earnings growth.

Industry Background

The pharmaceutical industry is highly competitive and subject to numerous government regulations. There is competition as to the sale of products, research for new or improved products and the development and application of competitive drug formulation and delivery technologies. There are many pharmaceutical companies in the United States and abroad engaged in the manufacture and sale of both proprietary and generic drugs of the kind which Forest sells, many of which have substantially greater financial resources than Forest.

Forest faces competition for the acquisition or licensing of new product opportunities from other companies. In addition, the marketing of pharmaceutical products is increasingly affected by the growing role of managed care organisations in the provision of health services. Failure to be included or to have a preferred position in a managed care organisation s drug formulary could result in decreased prescriptions of a manufacturer s products.

Forest also faces competitive challenges from generic pharmaceutical manufacturers. Upon the expiration or loss of patent protection for a product, Forest may lose a major portion of sales of such product in a very short period. Generic pharmaceutical manufacturers also challenge product patents before their expiry.

Pharmaceutical companies, including Forest, are also subject to government regulation which substantially increases the difficulty and cost incurred in obtaining the approval to market newly proposed drug products and maintaining the approval to market existing drugs. The FDA regulates all aspects of the testing, manufacture, safety, labelling, storage,

record keeping, advertising and promotion of new and established drugs, including the monitoring of compliance with good manufacturing practice regulations.

Outlook

Forest s revenues for the twelve months ended 31 March 2014 increased 17.9% to $3.6 billion compared to $3.1 billion in the prior year. Net income for the twelve months ended 31 March 2014 increased $197.4 million to $165.3 million compared to a loss of $32.1 million in the prior year. Reported diluted GAAP earnings per share increased $0.73 to $0.61 per share in the current year s twelve months as compared to a loss of $0.12 per share last year.

Forest s revenues for the nine months ended 31 December 2013 increased 12.0% to $2,554.6 million compared to $2,280.2 million in the prior year. Net income for the nine months ended 31 December 2013 increased $188.8 million to $111.2 million compared to a loss of $77.5 million in the prior year nine-month period. Reported diluted U.S. GAAP earnings per share increased $0.70 to $0.41 per share in the current year s nine months as compared to a loss of $0.29 per share in last year s nine months.

In December 2013, Forest announced Project Rejuvenate, a series of significant strategic actions to streamline operations and reduce costs. The goals of Project Rejuvenate are to make Forest more nimble in responding to a changing environment and to reduce operating expenses by $500 million by the end of FY2016 relative to the FY2014 cost base.

7. **DIVIDEND POLICY**

Historically, Forest s policy has been not to pay dividends.

Part VII

THE OFFER

1 INTRODUCTION

On 17 February 2014, Actavis entered into the Merger Agreement with Forest, pursuant to which Actavis will acquire Forest in a series of Mergers. Following the Mergers, the Forest Common Stock will be delisted from NYSE, deregistered under the Exchange Act and cease to be publicly traded. The acquisition of Forest will be effected under Delaware law. On 18 February 2014, the Actavis directors announced the terms of the Offer intended to be made by Actavis to acquire the Forest Common Stock.

2 BACKGROUND TO AND REASONS FOR THE OFFER

The Actavis board of directors, at a meeting held on 16 February 2014, unanimously adopted resolutions approving the execution of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Mergers, and directed that the Actavis Share Issuance Proposal be submitted for consideration to the Actavis shareholders and recommended that the Actavis shareholders vote to approve the Actavis Share Issuance Proposal.

In reaching its decision on 16 February 2014, the Actavis board of directors consulted with its financial and legal advisers as well as with its senior management and considered a number of factors in connection with its evaluation of the proposed transaction, including the principal factors mentioned below. The Actavis board of directors did not consider it practical to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination, and the Actavis board of directors reached its decision based on all of the information available to it.

The Actavis board of directors considered many factors in making its determination that the terms of the transaction are advisable, consistent with and in furtherance of the strategies and goals of Actavis and are in the best interests of Actavis and the Actavis shareholders. In arriving at its determination, the board of directors consulted with Actavis management, legal advisers, financial advisers and other representatives, reviewed a significant amount of information, considered a number of factors in its deliberations and concluded that the Mergers are likely to result in significant strategic and financial benefits to Actavis and its shareholders, including (not in any relative order of importance):

Strategic Considerations

The expectation that the combination of Actavis and Forest would create a global speciality pharmaceutical company with approximately $15 billion in combined pro forma annual revenues, with speciality brand revenues comprising 50% of total Combined Company pro forma revenues, a growing North American speciality pharmaceutical business with approximately $7 billion in combined pro forma annual revenues, a diversified portfolio of products and a geographically balanced business;

The expectation that pro forma revenue would be strong in core therapeutic categories, including a $2 billion central nervous system franchise, gastroenterology and women s health franchises valued at approximately $1 billion each, a cardiovascular franchise that generates approximately $500 million and urology and

dermatology established brand franchises approaching $500 million each in sales;

The expectation that the Combined Company would create long-term shareholder value by creating additional growth opportunities by leveraging the respective strengths of each business, expanding the Combined Company s development pipeline and product portfolio and unlocking value in new business lines and product offerings;

The view that the Combined Company would have a stronger foundation to market complementary products in the key speciality pharmaceutical areas including cardiovascular, infectious disease, respiratory, cystic fibrosis and dermatology, with the Combined Company having more than $1 billion investment in R&D driving strong organic growth, including products in various stages of development for a variety of indications;

The expectation that the Combined Company would have an enhanced credit profile, with increased earnings and cash flow and better access to capital markets as a result of enhanced size and business diversification; and

The expectation that the combination will create substantial incremental efficiency and growth opportunities.

Synergies

The expectation that the combination would yield double-digit accretion to non-U.S. GAAP earnings in 2015 and 2016, including approximately $1 billion in operating and tax synergies to be realised within three years following the Closing Date (these synergies exclude any additional revenue or manufacturing synergies and are in addition to standalone synergies announced publicly by Forest); and

The expectation that the combination would generate strong free cash flow in excess of $4 billion in 2015.

Merger Agreement

The view that the terms and conditions of the Merger Agreement and the transactions contemplated therein, including the representations, warranties, covenants, closing conditions and termination provisions, are comprehensive and favourable to completing the proposed transaction;

The expectation that the satisfaction of the conditions to completion of the transactions contemplated by the Merger Agreement is feasible in the second half of 2014; and

The Merger Agreement contains prohibitions on Forest seeking a superior proposal and requires Forest to pay Actavis a termination fee of (i) $875 million if Actavis or Forest terminates the Merger Agreement under certain circumstances and Forest consummates or enters into an agreement with respect to a competing acquisition proposal within a certain time period and (ii) $250 million if Actavis or Forest terminates the Merger Agreement because it is not adopted by the Forest stockholders at Forest s special meeting or at any adjournment or postponement thereof, in each case at which a vote on such approval was taken.

Other Financial Considerations

The expectation that the transaction will provide strong operating leverage while preserving healthy levels of recurring revenues and will provide products that are expected to perform well in a rising or more volatile interest rate environment and an improved equity market environment;

The expectation that the strong cash flows and balance sheet of the Combined Company will support continued investments in R&D and growth initiatives while facilitating deleveraging post-close;

The expectation that the Combined Company would have a strong balance sheet and the ability to generate substantial cash flow to finance future expansion as well as to invest in improving and adding new technology, services and products for customers; and

The board of directors belief that the Combined Company would have increased earnings and cash flow (expected to be in excess of $4 billion in 2015) and better access to capital markets as a result of enhanced

size and therapeutics line diversification.

Implied Ownership

That existing Actavis shareholders and Forest stockholders are expected to hold approximately 65% and 35%, respectively, of the outstanding Actavis Ordinary Shares after completion of the Mergers.

Due Diligence

The scope of the due diligence investigation of Forest conducted by Actavis management and outside advisers, and the results of that investigation.

Recommendation by Actavis Management

Actavis management s recommendation in favour of the combination and the issuance of Actavis Ordinary Shares in an amount sufficient to pay the aggregate stock portion of the Merger Consideration.

Governance

That the Combined Company would be led by Paul M. Bisaro and a strong, experienced management team, including senior management of Actavis and Forest; Brenton L. Saunders, the current CEO of Forest, would join the Actavis board of directors (subject to ratification by the Governance Committee of the Actavis board of directors); and

That, in addition to Brenton L. Saunders, the Governance Committee of the Actavis board of directors, after consulting with Forest, would select two other members of the Forest board of directors (yet undecided) as of immediately prior to the Mergers to be added to the Actavis board of directors.

Funding the Cash Portion of the Merger Consideration

That the cash portion of the Merger Consideration would be funded by a combination of cash on hand and new credit facilities to be entered into in connection with the transactions contemplated by the Merger Agreement.

Familiarity with Businesses

Its knowledge of Actavis and Forest s businesses, historical financial performance and condition, operations, properties, assets, regulatory issues, competitive positions, prospects and management, as well as its knowledge of the current and prospective environment in which Actavis and Forest operate.

For the reasons set forth above and such other factors considered by the Actavis board of directors, the Actavis board of directors determined that the combination and the transactions contemplated by the Merger Agreement are consistent with, and will further, the business strategies and goals of Actavis, and are in the best interests of Actavis and the Actavis shareholders and has approved the Mergers and the transactions contemplated thereby.

3 DESCRIPTION OF THE OFFER

Actavis has offered to acquire the Forest Common Stock, on the terms set out in this paragraph.

As a result of the Mergers, each share of Forest Common Stock (except for certain shares held by Forest, Actavis, or their respective subsidiaries, and shares held by Forest stockholders who properly seek appraisal in accordance with Delaware law) will be converted into the right to receive, at the stockholder s election, either (a) the Standard Election Consideration, (b) the Stock Election Consideration or (c) the Cash Election Consideration, in exchange for such share of Forest Common Stock. Both the Cash Election and the Stock Election are subject to proration and adjustment procedures to cause the total amount of cash paid, and the total number of Actavis Ordinary Shares issued, to the holders of shares of Forest Common Stock (other than the excluded shares and dissenting shares), as a whole, to equal as nearly as practicable the total amount of cash and number of shares that would have been paid and issued if all of such shares of Forest Common Stock were converted into the Standard Election Consideration. Forest stockholders who fail to make a timely election or who make no election will receive the Standard Election Consideration.

The precise consideration that Forest stockholders will receive if they make the Cash Election or the Stock Election will not be known at the time that Forest stockholders vote on the adoption of the Merger Agreement or make an election. It is expected that Actavis shareholders and Forest stockholders, in each case as of immediately prior to the Mergers, will hold approximately 65% and 35%, respectively, of the issued and outstanding Actavis Ordinary Shares immediately after completion of the Mergers. It is currently estimated that, if the Mergers are completed, Actavis will issue or reserve for issuance approximately 99 million Actavis Ordinary Shares and that the amount of cash to be paid for the cash portion of the Merger Consideration will be approximately $7,096 million.

Merger Agreement

Forest, Actavis, Tango U.S. Holdings, Merger Sub 1, and Merger Sub 2, entered into the Merger Agreement on 17 February 2014 pursuant to which Actavis agreed, to acquire Forest. As a result of the Mergers contemplated therein,

Forest will become a wholly-owned subsidiary of Actavis.

The Merger Agreement contained customary representations, warranties and covenants which include, among others, covenants to conduct businesses in the ordinary course between the execution of the Merger Agreement and the completion of the Mergers and covenants not to engage in certain kinds of transactions during that period. In addition, certain covenants require each of the parties to use, subject to the terms and conditions of the Merger Agreement, reasonable best efforts to cause the Mergers to be consummated. Each of Actavis and Forest has agreed not to solicit any offer or proposal for specified alternative transactions, or, subject to certain exceptions relating to the receipt of unsolicited offers that may be deemed to be superior proposals (as defined in the Merger Agreement), to participate in discussions or engage in negotiations regarding such an offer or proposal with, or furnish any non-public information regarding such an offer or

proposal to, any person that has made such an offer or proposal. The Merger Agreement also requires each of Actavis and Forest to call and hold shareholders meetings and requires the board of directors of Actavis to recommend that its shareholders approve the issuance of Actavis Ordinary Shares and the board of directors of Forest to recommend that its stockholders adopt the Merger Agreement. Each of Actavis and Forest s board is also permitted to change its recommendation in response to (among other things) a superior proposal but such party may not otherwise terminate the Merger Agreement to accept such proposal.

Each of Actavis and Forest s obligation to consummate the Mergers is subject to a number of conditions, including, among others, the following, as further described in the Merger Agreement: (i) approval of Actavis shareholders of the issuance of Actavis Ordinary Shares, (ii) approval of Forest stockholders of the adoption of the Merger Agreement, (iii) expiration of the waiting period (or extension thereof) under the HSR Act and receipt of any approvals required thereunder and under applicable foreign antitrust laws having been obtained, (iv) the shares of Actavis to be issued in the First Merger being approved for listing on the New York Stock Exchange, (v) the representations and warranties of the other party being true and correct, subject to the materiality standards contained in the Merger Agreement, (vi) absence of specified adverse laws or orders, (vii) an Irish prospectus with respect to the Actavis Ordinary Shares to be issued (if required by Irish law) in the First Merger being approved by the Central Bank of Ireland and made available to the public in accordance with Irish prospectus law, (viii) material compliance by the other party with its covenants and (ix) no material adverse effect having occurred with respect to the other party since the signing of the Merger Agreement.

The Merger Agreement contains certain customary termination rights, including, among others, (a) the right of either Actavis or Forest to terminate the Merger Agreement if Forest s stockholders fail to adopt the Merger Agreement or if Actavis shareholders fail to approve the issuance of Actavis Ordinary Shares, (b) the right of either Actavis or Forest to terminate the Merger Agreement if the board of directors of the other party changes its recommendation with respect to the transaction, (c) the right of either Actavis or Forest to terminate the Merger Agreement if the First Merger has not occurred by six months after the date of the Merger Agreement, subject to certain conditions, provided that this period may be extended by up to an additional four months in certain circumstances and (d) the right of either Actavis or Forest to terminate the Merger Agreement due to a material breach by the other party of any of its representations, warranties or covenants which would result in the closing conditions not being satisfied, subject to certain conditions.

Forest must pay a termination fee of (i) $875,000,000 if (A) the Merger Agreement is terminated by Actavis as a result of a change of recommendation by the Forest board of directors or (B) the Merger Agreement is terminated by either Forest or Actavis for failure to close by the Outside Date or because Forest stockholder approval is not obtained, a competing proposal was publicly disclosed and not publicly, irrevocably withdrawn prior to the date of the Forest stockholder meeting and (C) Forest enters into a definitive agreement for a competing proposal within 12 months following such termination and such competing proposal is consummated or (ii) $250,000,000 if the Merger Agreement is terminated by Forest or Actavis because Forest stockholder approval is not obtained (which would be credited against any Forest termination fee that subsequently becomes payable as described in clause (i)(B)). Actavis must pay termination fees in reciprocal circumstances, except that the fees payable in the circumstances described in clauses (i) and (ii) are $1,175,000,000 and $335,000,000, respectively.

The Mergers

Pursuant to the Merger Agreement, Actavis will acquire Forest in a series of merger transactions. Merger Sub 1 will merge with and into Forest and, immediately following the First Merger, Forest will merge with and into Merger Sub 2, with Merger Sub 2 continuing as the surviving company. Following the Mergers, Merger Sub 2 will be an indirect wholly-owned subsidiary of Actavis and the Forest Common Stock will be delisted from NYSE, deregistered under the Exchange Act and cease to be publicly traded.

Closing and Effective Times of the Mergers

Unless otherwise mutually agreed to by Actavis and Forest, the closing of the Mergers will take place on the second business day following the day on which the last of the conditions to consummate the Mergers have been satisfied or waived (other than those conditions that by their terms are to be satisfied at the closing of the Mergers, but subject to the satisfaction or waiver of those conditions).

Assuming timely satisfaction of the necessary closing conditions, the closing of the Mergers is expected to occur in the second half of 2014. The First Merger will become effective upon the filing a certificate of

merger with the Secretary of State of the State of Delaware with respect to the First Merger and, shortly thereafter, the Second Merger will become effective upon the filing a certificate of merger with the Secretary of State of the State of Delaware with respect to the Second Merger (or, with respect to each merger, at such later time as Actavis and Forest may agree and specify in the respective certificate of merger, provided that the Second Merger will not become effective until after the effective time of the First Merger).

The Forest Common Stock to be acquired by Actavis pursuant to the Offer are to be acquired with full legal and beneficial title, fully paid and free from all liens, equities, charges and encumbrances and other third party rights or interests and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid.

The Actavis Ordinary Shares to be issued pursuant to the Offer will be in certificated form and will be recorded in the register of members of Actavis.

Consideration to Forest Stockholders

As a result of the First Merger, each issued and outstanding share of Forest Common Stock, other than excluded shares and dissenting shares, will be converted into the right to receive the Standard Election Consideration. Alternatively, Forest stockholders will have the right to make either a Cash Election to receive the Cash Election Consideration, or a Stock Election to receive the Stock Election Consideration, for each of their shares of Forest Common Stock. Both the Cash Election and the Stock Election are subject to the proration and adjustment procedures to cause the total amount of cash paid, and the total number of Actavis Ordinary Shares issued, in the First Merger to the holders of shares of Forest Common Stock (other than excluded shares and dissenting shares), as a whole, to equal as nearly as practicable the total amount of cash and number of shares that would have been paid and issued if all of such shares of Forest Common Stock were converted into the Standard Election Consideration. Holders of shares of Forest Common Stock (other than excluded shares and dissenting shares) who make no election or an untimely election will receive the Standard Election Consideration with respect to such shares of Forest Common Stock.

No holder of Forest Common Stock will be issued fractional Actavis Ordinary Shares in the First Merger. Each holder of Forest Common Stock converted pursuant to the First Merger who would otherwise have been entitled to receive a fraction of an Actavis Ordinary Share will receive, in lieu thereof, cash, without interest, in an amount equal to such fractional part of an Actavis Ordinary Share multiplied by the volume weighted average price of Actavis Ordinary Shares for a ten (10) trading day period, starting with the opening of trading on the eleventh (11^{th}) trading day prior to the Closing Date to the closing of trading on the second to last trading day prior to the Closing Date, as reported by Bloomberg.

The Merger Consideration will be adjusted appropriately to reflect the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Forest Common Stock or Actavis Ordinary Shares, as applicable), reorganisation, recapitalisation, reclassification, combination, exchange of shares or other like change with respect to the number of shares of Forest Common Stock or Actavis Ordinary Shares outstanding after the date of the Merger Agreement and prior to the effective time of the First Merger.

Election Materials and Procedures

An election form will be mailed to each holder of record of Forest Common Stock, as of the close of business on the Election Form Record Date, on a date to be mutually agreed by Actavis and Forest that is not more than forty-five (45) days nor less than thirty (30) days prior to the anticipated Closing Date of the First Merger or on such other date as Actavis and Forest mutually agree. Actavis will make available one or more election forms as may reasonably be requested from time to time by all persons who become holders or beneficial owners of Forest Common Stock between the Election Form Record Date and the close of business on the business day prior to the Election Deadline.

Each election form will permit the holder to specify the number of shares of such holder s Forest Common Stock with respect to which such holder makes a (x) Standard Election, (y) Cash Election and (z) Stock Election. Any shares of Forest Common Stock with respect to which the exchange agent has not received an effective, properly completed election form on or before the Election Deadline will be deemed to be no election shares, and the holders of such no election shares will be deemed to have made a Standard Election with respect to such no election shares. Both the Cash Election and the Stock Election are subject to the proration and adjustment procedures to cause the total amount of cash paid, and the total number of Actavis Ordinary Shares issued, in the First Merger to the holders of shares of Forest Common Stock (other

than excluded shares and dissenting shares), as a whole, to equal as nearly as practicable the total amount of cash and number of shares that would have been paid and issued if all of such shares of Forest Common Stock were converted into the Standard Election Consideration.

Any election form may be revoked or changed by the authorised person properly submitting such election form, by written notice received by the exchange agent prior to the Election Deadline. In the event an election form is revoked prior to the Election Deadline, the shares of Forest Common Stock represented by such election form will become no election shares, except to the extent a subsequent election is properly made with respect to any or all of such shares of Forest Common Stock prior to the Election Deadline. Subject to the terms of the Merger Agreement and the election form, the exchange agent has the reasonable discretion to determine whether any election, revocation or change has been properly or timely made and to disregard immaterial defects in the election forms, and any good faith decisions of the exchange agent regarding such matters shall be binding and conclusive. None of Actavis, Forest or the exchange agent shall be under any obligation to notify any person of any defect in an election form.

Proration Procedures

Both the Cash Election Consideration and the Stock Election Consideration are subject to proration and adjustment procedures, depending on the aggregate elections of the Forest stockholders. If a Forest stockholder elects cash, and the Cash Election Amount is greater than the Available Cash Election Amount, such stockholder will receive for each share of Forest Common Stock for which such stockholder elects cash:

- an amount in cash (without interest) equal to (i) the Cash Election Consideration multiplied by (ii) the Cash Fraction; and

- a number of validly issued, fully paid and non-assessable Actavis Ordinary Shares equal to the product of (i) the Stock Election Consideration multiplied by (ii) a fraction equal to one (1) minus the Cash Fraction.

If a Forest stockholder elects stock, and the Available Cash Election Amount is greater than the Cash Election Amount, such stockholder will receive for each share of Forest Common Stock for which such stockholder elects stock:

- an amount of cash (without interest) equal to the amount of such excess divided by the number of shares of Forest Common Stock for which Stock Elections were made; and

- a number of validly issued, fully paid and non-assessable Actavis Ordinary Shares equal to the product of (i) the Stock Election Consideration of 0.4723 multiplied by (ii) a fraction, the numerator of which will be the difference between (a) the Cash Election Consideration of $86.81 minus (b) the amount of cash calculated in the immediately preceding bullet and the denominator of which will be the Cash Election Consideration.

The mix of consideration payable to Forest stockholders who make the Cash Election or the Stock Election will not be known until the results of the elections made by Forest stockholders are tallied, which will not occur until near or after the closing of the First Merger. The greater the oversubscription of the Stock Election, the less stock and more cash a Forest stockholder making the Stock Election will receive. Reciprocally, the greater the oversubscription of the Cash Election, the less cash and more stock a Forest stockholder making the Cash Election will receive. However, in no event will a Forest stockholder who makes the Cash Election or the Stock Election receive less cash and more Actavis

Ordinary Shares, or fewer Actavis Ordinary Shares and more cash, respectively, than a stockholder who makes the Standard Election.

Set forth below are illustrative examples of how the proration and adjustment procedures will work in the event there is an oversubscription of the Cash Election or the Stock Election.

Example A Oversubscription of Cash Election. For purposes of this example, assume the following:

there are 271,000,000 outstanding shares of Forest Common Stock;

Forest stockholders make the Standard Election with respect to 135,500,000 shares (or 50%) of Forest Common Stock;

Forest stockholders make the Cash Election with respect to 94,850,000 shares (or 35%) of Forest Common Stock;

Forest stockholders make the Stock Election with respect to the remaining 40,650,000 shares (or 15%) of Forest Common Stock; and

no Forest stockholders exercise their right to appraisal.

In this example, the Cash Election Consideration, prior to proration and allocation, would be $86.81. Without proration or allocation, the Cash Election would be oversubscribed because the Cash Election Amount would be approximately $8.2 billion (the product of the total number of shares of Forest Common Stock for which the Cash Election has been made multiplied by the Cash Election Consideration), an amount that is greater than the Available Cash Election Amount (which is approximately $3.5 billion, the difference between (a) the product of the cash component of the Standard Election Consideration multiplied by the total number of shares of Forest Common Stock, minus (b) the product of the total number of shares of Forest Common Stock for which the Standard Election has been made or prescribed by the Merger Agreement multiplied by the cash component of the Standard Election Consideration). The unprorated aggregate cash consideration is equal to the sum of (i) 135,500,000, the number of shares of Forest Common Stock for which the Standard Election has been made or prescribed by the Merger Agreement, multiplied by $26.04, the cash component of the Standard Election Consideration and (ii) 94,850,000, the number of shares of Forest Common Stock for which a Cash Election has been made, multiplied by $86.81, the Cash Election Consideration. To adjust for the oversubscription, the consideration received for a share of Forest Common Stock for which a Cash Election is made will be adjusted so that it is equal to:

$37.20 in cash (which is equal to the product of the Cash Election Consideration of $86.81 and the Cash Fraction (the Available Cash Election Amount divided by the Cash Election Amount)); and

0.2699 of an Actavis Ordinary Share (which is equal to the product of (i) the Stock Election Consideration of 0.4723 and (ii) 1 minus the Cash Fraction.

Example B Oversubscription of Stock Election. For purposes of this example, assume the following:

there are 271,000,000 outstanding shares of Forest Common Stock;

Forest stockholders make the Standard Election with respect to 135,500,000 shares (or 50%) of Forest Common Stock;

Forest stockholders make the Stock Election with respect to 108,400,000 shares (or 40%) of Forest Common Stock; and

Forest stockholders make the Cash Election with respect to the remaining 27,100,000 shares (or 10%) of Forest Common Stock.

In this example, the Stock Election is oversubscribed because, without proration or allocation, the Cash Election Amount would be $2.35 billion, an amount that is less than the Available Cash Election Amount (which is approximately $3.5 billion). The unprorated aggregate cash consideration is equal to the sum of (i) 135,500,000, the number of shares of Forest Common Stock for which the Standard Election has been made or prescribed by the Merger Agreement, multiplied by $26.04, and (ii) 27,100,000, the number of shares of Forest Common Stock for

which a Cash Election has been made, multiplied by $86.81, the Cash Election Consideration. To adjust for the oversubscription, the consideration received for a share of Forest Common Stock for which a Stock Election is made will be adjusted so that it is equal to:

- 0.4133 of an Actavis Ordinary Share (which is equal to the Stock Election Consideration of 0.4723 multiplied by a fraction, the numerator of which is the difference between the Cash Election Consideration of $86.81, and $10.85, the cash amount calculated in the following bullet, and the denominator of which is the Cash Election Consideration of $86.81); and

- $10.85, which is the Available Cash Election Amount minus the Cash Election Amount, divided by the number of Stock Election shares.

The greater the oversubscription of the Stock Election, the less stock and more cash a Forest stockholder making the Stock Election will receive. Reciprocally, the greater the oversubscription of the Cash Election, the less cash and more stock a Forest stockholder making the Cash Election will receive. However, in no event will a Forest stockholder who makes the Cash Election or the Stock Election receive less cash and more Actavis Ordinary Shares, or fewer Actavis Ordinary Shares and more cash, respectively, than a stockholder who makes the Standard Election.

No Recommendation Regarding Elections

Neither Forest nor Actavis is making any recommendation as to which Merger Consideration election a Forest stockholder should make. If you are a Forest stockholder, you must make your own decision with respect to these elections and may wish to seek the advice of your own attorneys or accountants.

Information About the Merger Consideration Elections

The mix of consideration payable to Forest stockholders who make the Cash Election or the Stock Election will not be known until the results of the elections made by Forest stockholders are tallied, which will not occur until near or after the closing of the Mergers. The greater the oversubscription of the Stock Election, the less stock and more cash a Forest stockholder making the Stock Election will receive. Reciprocally, the greater the oversubscription of the Cash Election, the less cash and more stock a Forest stockholder making the Cash Election will receive. However, in no event will a Forest stockholder who makes the Cash Election or the Stock Election receive less cash and more Actavis Ordinary Shares, or fewer Actavis Ordinary Shares and more cash, respectively, than a stockholder who makes the Standard Election.

If you are considering making an election for the Merger Consideration, your attention is drawn to the risk factors set out in Part II (*Risk Factors*) of this Prospectus. In addition, you are strongly recommended to obtain your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser, who, if you are taking advice in Ireland, is duly authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 or the Investment Intermediaries Act 1995 (as amended), or, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 of the United Kingdom or, if you are taking advice elsewhere, from another appropriately authorised independent financial adviser.

4. IRREVOCABLE UNDERTAKINGS

No major shareholders or members of Actavis management, supervisory or administrative bodies have given irrevocable undertakings in respect of the Standard Election, the Stock Election or the Cash Election.

5. ACCEPTANCE AND SETTLEMENT OF THE OFFER

An election form will be mailed on the Election Form Mailing Date to each holder of record of Forest Common Stock as of the close of business on the Election Form Record Date. Actavis will make available one or more election forms as may reasonably be requested from time to time by all persons who become holders or beneficial owners of Forest Common Stock between the Election Form Record Date and the close of business on the business day prior to the Election Deadline.

Each election form will permit the holder to specify the number of shares of such holder s Forest Common Stock with respect to which such holder makes a (x) Standard Election, (y) Cash Election and (z) Stock Election. Any shares of Forest Common Stock with respect to which the exchange agent has not received an effective, properly completed election form on or before the Election Deadline will be deemed to be no election shares, and the holders of such no election shares will be deemed to have made a Standard Election with respect to such no election shares (other than excluded shares and dissenting shares). Both the Cash Election and the Stock Election are subject to the proration and adjustment procedures to cause the total amount of cash paid, and the total number of Actavis Ordinary Shares issued, to the holders of shares of Forest Common Stock (other than excluded shares and dissenting shares), as a whole, to equal as nearly as practicable the total amount of cash and number of shares that would have been paid and issued if

all of such shares of Forest Common Stock were converted into the Standard Election Consideration.

Any election form may be revoked or changed by the authorised person properly submitting such election form, by written notice received by the exchange agent prior to the Election Deadline. In the event an election form is revoked prior to the Election Deadline, the shares of Forest Common Stock represented by such election form will become no election shares, except to the extent a subsequent election is properly made with respect to any or all of such shares of Forest Common Stock prior to the Election Deadline. Subject to the terms of the Merger Agreement and the election form, the exchange agent has the reasonable discretion to determine whether any election, revocation or change has been properly or timely made and to disregard immaterial defects in the election forms, and any good faith decisions of the exchange agent regarding such matters shall be binding and conclusive. None of Actavis, Forest or the exchange agent shall be under any obligation to notify any person of any defect in an election form.

As soon as practicable after the Election Deadline, the results of the Offer will be made public *via* a press release to be filed with the SEC. The press release will describe the amount of Stock Election Consideration or Cash Election Consideration that each share of Forest Common Stock will be entitled to receive for each of the Merger Consideration elections. The procedure by which Forest stockholders will receive any Cash Election Consideration will depend on whether Forest stockholders hold their shares of Forest Common Stock in certificated or uncertificated (*i.e.* street name) form. Forest stockholders who hold their shares of Forest Common Stock in certificated form will receive cheques for the amount of Cash Election Consideration that they are entitled to receive. Forest stockholders who hold shares of Forest Common Stock in uncertificated (*i.e.* street name) form will receive the amount of Cash Election Consideration that they are entitled to receive through the brokerage account through which they hold their shares of Forest Common Stock.

6. **COSTS AND EXPENSES**

Except as otherwise expressly provided in the Merger Agreement, all out-of-pocket expenses (including fees and expenses of counsel, accountants, investment bankers, experts and consultants) incurred by or on behalf of a party to the Merger Agreement in connection with the Merger Agreement and the transactions contemplated thereby will be paid by the party incurring the expense, except that Actavis and Forest will share equally all expenses incurred in connection with (a) printing, filing and mailing the joint proxy statement/prospectus on Form S-4 and this Prospectus, and all SEC and other regulatory filing fees incurred in connection therewith, (b) the exchange agent, and (c) any documentary, sales, use, real property transfer, real property gains, registration, value-added, transfer, stamp, recording and other similar taxes.

Actavis currently estimates that, upon the Closing Date, transaction-related costs incurred by the Combined Company, including fees and expenses relating to finance, will be approximately $178.5 million.

Part VIII

OPERATING AND FINANCIAL REVIEW

1. **ACTAVIS**

On 16 May 2013, Actavis (formally known as Actavis Limited) was incorporated in Ireland as a private limited company and re-registered effective 20 September 2013 as a public limited company. It was established for the purpose of facilitating the business combination between Actavis, Inc. and Warner Chilcott. On 1 October 2013, Actavis became the successor registrant of Actavis, Inc. and Warner Chilcott in connection with the consummation of certain transactions further described elsewhere in this Prospectus. In addition, on 1 October 2013, the shares of Actavis Public Limited Company began trading on NYSE under the symbol ACT, the same symbol under which Actavis, Inc. s shares previously traded. References throughout to ordinary shares refer to Actavis, Inc. s Class A common shares, par value $0.0033 per share, prior to the consummation of the transactions and to Actavis Ordinary Shares (par value $0.0001 per share) since the consummation of the transactions.

Any material changes in the Actavis balance sheet and cash flow statement line items were driven by the Warner Chilcott Acquisition. For further details, refer to (i) *NOTE 4 Acquisitions and Other Agreements* in the *Notes to Consolidated Financial Statements* and (ii) the *Working Capital Position* table on page 79, each contained in Actavis Annual Report on Form 10-K for the fiscal year ended 31 December 2013 that Actavis previously filed with the SEC and that is incorporated by reference into this Prospectus.

Actavis has made certain reclassifications to prior period information to conform to the current period presentation, including (i) the reclassification of contingent consideration accretion expense from interest expense into operating expenses, which includes the by quarter impact on the year ended 31 December 2012 as seen in Schedule II and (ii) expanding the categories disclosed in the accompanying footnotes related to accounts payable and accrued expenses, revenues by therapeutic category and other long-term liabilities. For further details, refer to *Reclassifications* on page F-9 of Actavis Annual Report on Form 10-K for the fiscal year ended 31 December 2013 that Actavis previously filed with the SEC and that is incorporated by reference into this Prospectus.

References throughout this Part VIII (*Operating and Financial Review*) to *Actavis* refer to financial information and transactions of Watson prior to 23 January 2013, Actavis, Inc. from 23 January 2013 until 1 October 2013 and Actavis subsequent to 1 October 2013.

Realignment of Business Structure in 2014

In the first quarter of 2014, Actavis realigned its global strategic business structure. Under the new organisational structure, generics, specialty brands, branded generics and third-party commercial operations have been consolidated into a single new division. As a result of the realignment, Actavis has now organised its business into two operating segments: Actavis Pharma and Anda Distribution. The Actavis Pharma segment includes patent-protected products and certain trademarked off-patent products that the Company sells and markets as brand pharmaceutical products and off-patent pharmaceutical products that are therapeutically equivalent to proprietary products. The Anda Distribution segment distributes generic and brand pharmaceutical products manufactured by third parties, as well as by Actavis, primarily to independent pharmacies, pharmacy chains, pharmacy buying groups and physicians offices. The Anda Distribution segment operating results exclude sales of products developed, acquired, or licensed by the Actavis Pharma segment. Actavis has revised its previously filed financial statements and other relevant sections of its 2013 Annual Report for this change. These revisions do not impact the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of comprehensive (loss) / income, the consolidated statement of cash flows or the consolidated statement of stockholders equity. For further details, refer to Exhibit 99.1 to Actavis

Current Report on Form 8-K filed with the SEC on 20 May 2014, which is incorporated by reference into this Prospectus.

2013 Transactions

During 2013, Actavis completed the following transactions that impacted its results of operations and will continue to have an impact on future operations:

Actavis (Foshan) Pharmaceuticals Co., Ltd. Assets Held for Sale

As a result of the Foshan Sale, Actavis recognised an impairment on the net assets held for sale of $8.4 million in the year ended 31 December 2013.

Western European Assets Held for Sale

During the year ended 31 December 2013, Actavis held for sale the Actavis Pharma s commercial infrastructure in France, Italy, Spain, Portugal, Belgium, Germany and the Netherlands, including products, marketing authorisations and dossier licence rights. Actavis believes that the potential divestiture allows Actavis to focus on faster growth markets including Central and Eastern Europe, and other emerging markets which Actavis believes will enhance its long-term strategic objectives. On 17 January 2014, Actavis announced its intention to enter into an agreement with Aurobindo Pharma Limited to sell these businesses. The transaction is conditional on certain antitrust approvals and completion of employee consultation processes. As a result of the transaction, in 2013 Actavis recognised an impairment on the net assets held for sale of $34.3 million. This transaction completed on 1 April 2014.

Sale of Changzhou Watson Pharmaceuticals Co., Ltd

On 27 November 2013, Actavis sold its Changzhou business to Great Harmony Enterprises Limited, a Hong Kong Company, for a total consideration of $8.0 million. As a result of the sale, Actavis recorded a gain of $2.3 million in other income (expense) in the year ended 31 December 2013.

Amendment to Sanofi Collaboration Agreement

On 28 October 2013, WCCL and Sanofi entered into the Sanofi Amendment. Pursuant to the Amendment, the parties amended the Collaboration Agreement with respect to Actonel and Atelvia in the Exclusive Territory to provide that, in exchange for the payment of a lump sum of $125.0 million by WCCL to Sanofi in the year ended 31 December 2013, WCCL s obligations with respect to the global reimbursement payment, which represented a percentage of Actavis net sales as defined, as it related to the Exclusive Territory for the year ended 31 December 2014, shall be satisfied in full. The Sanofi Amendment did not and does not apply to or affect the parties respective rights and obligations under the Collaboration Agreement with respect to (i) the remainder of 2013 or (ii) territories outside the Exclusive Territory. The $125.0 million was recorded as an intangible asset during the year ended 31 December 2013, which will be amortised over the course of the year ending 31 December 2014.

Warner Chilcott Acquisition

On 1 October 2013, Actavis completed the Warner Chilcott Acquisition for a transaction value, including the assumption of debt, of $9.2 billion. Warner Chilcott was a leading speciality pharmaceutical company focused on women s healthcare, gastroenterology, urology and dermatology segments of the branded pharmaceuticals market, primarily in North America. The Warner Chilcott Acquisition expands its presence in its Speciality Brands Segment. In order to obtain regulatory clearance under the HSR Act, in connection with the Warner Chilcott Acquisition, Actavis were required to divest certain assets. On 1 October 2013, four generic pharmaceutical products were sold to Amneal Pharmaceuticals for consideration of $10.0 million, subject to certain refunds of purchase price provisions, which resulted in a *de minimis* impact to the consolidated statement of operations. The divested products consisted of both commercial and development stage products in both oral contraception and osteoporosis treatment. Net sales of divested products included in its results of operations were $2.5 million, $4.6 million and $0.7 million in the years ended 31 December 2013, 2012 and 2011, respectively. On 1 October 2013 in connection with the Warner Chilcott Acquisition, Actavis, BofA, as Administrative Agent and a syndicate of banks participating as lenders became parties to the WC Term Loan Agreement, pursuant to which the lenders party to the agreement provide loans to Warner Chilcott Corporation, a Delaware corporation (the U.S. Borrower), WC Luxco S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand-Duchy of Luxembourg (the Luxembourg Borrower), and WCCL, a limited liability company organised under the laws of the Commonwealth of Puerto Rico (the Puerto Rico Borrower and, together with the U.S. Borrower and the Luxembourg Borrower, the WC Borrowers) in an aggregate amount of $2.0 billion, comprised of (i) a $1.0 billion tranche that will mature on 1 October 2016 (the Three Year Tranche) and (ii) a $1.0 billion tranche that will mature on 1 October 2018 (the Five

Year Tranche). The proceeds of borrowings under the WC Term Loan Agreement, together with $41.0 million of cash on hand, were used to finance the repayment in full of all amounts outstanding under Warner Chilcott s then-existing Credit Agreement, dated as of 17 March 2011, as amended by Amendment No. 1 on 20 August 2012, among the WC Borrowers, BofA, as administrative agent and a syndicate of banks participating as lenders.

Palau Agreement

On 1 August 2013, Actavis entered into a purchase agreement with Palau to acquire worldwide product rights to develop and commercialise albaconazole for the treatment of candidiasis. Actavis simultaneously

entered into a manufacturing and supply agreement with Palau for the supply of clinical and commercial quantities of the products. In connection with the execution of the agreements, Actavis paid an upfront non-refundable payment of 10.0 million, or $13.4 million to Palau, which was recorded as R&D expense in the year ended 31 December 2013. The agreement also provides for certain future milestone payments up to 18.0 million in the aggregate, upon the successful completion of Phase III trials of the products and regulatory approvals.

Acquisition of Medicines360

On 11 June 2013, Actavis entered into an exclusive licence agreement with Medicines360 to market, sell and distribute LNG20 in the U.S. and in Canada for a payment of approximately $52.3 million. According to the terms of the agreement, Actavis are also required to pay Medicines360 certain regulatory and sales based milestone payments totalling up to $125.0 million plus royalties. Medicines360 retained the rights to market the product in the U.S. public sector, including family planning clinics that provide services to low-income women. LNG20, originally developed by Uteron Pharma S.P.R.L. in Belgium (now a subsidiary of Actavis), is designed to deliver 20 mcg of levonorgestrel per day for the indication of long-term contraception, and is currently in Phase III clinical trials in the United States. Pending FDA approval, the LNG20 product could be launched in the U.S. as early as 2014. The transaction has been accounted for using the acquisition method of accounting. In connection with the acquisition, Actavis recorded $191.7 million in IPR&D, $6.7 million in prepaid R&D and contingent consideration of $146.1 million.

Metronidazole 1.3% Vaginal Gel and Zovirax Ointment and Cream

On 1 May 2013, Actavis entered into an agreement to acquire the worldwide rights to Valeant s metronidazole 1.3% vaginal gel antibiotic development product, a topical antibiotic for the treatment of bacterial vaginosis. Under the terms of the agreement, Actavis will acquire the product upon FDA approval for approximately $57.0 million, which includes upfront and certain milestone payments and guaranteed royalties for the first three years of commercialisation. Upon FDA approval, or receipt of product launch quantity, Actavis will account for this transaction using the acquisition method of accounting. In the event of generic competition on metronidazole 1.3%, and should Actavis choose to launch an authorised generic product, Actavis would share the gross profits of the authorised generic with Valeant. On 5 April 2013, Actavis entered into an agreement with Valeant to be the exclusive marketer and distributor of the authorised generic version of Valeant s Zovirax ointment (acyclovir 5%) product. Under the terms of the agreement, Valeant will supply a generic version of Valeant s Zovirax ointment product and Actavis will market and distribute the product in the U.S. Additionally, Actavis were granted the exclusive right by Valeant to co-promote Zovirax cream (acyclovir 5%) to obstetricians and gynaecologists in the U.S. and Actavis granted Valeant the exclusive right to co-promote Actavis Speciality Brands Cordran Tape (flurandrenolide) product in the U.S. Under the terms of the agreement related to the co-promotion of Zovirax cream, Actavis will utilise its existing Speciality Brands sales and marketing structure to promote the product and Actavis will receive a co-promotion fee from sales generated by prescriptions written by its defined targeted physician group. The fees earned under the Zovirax cream co-promotion arrangement will be recognised in other revenues in the period earned. Under the terms of the Cordran Tape co-promotion agreement, Valeant will utilise its existing Dermatology sales and marketing structure to promote the product, and will receive a co-promotion fee on sales. The fees paid to Valeant under the Cordran Tape arrangement will be recognised in the period incurred as selling and marketing expenses. This transaction completed on 31 March 2014

Acquisition of Uteron

On 23 January 2013, Actavis, Inc. completed the Uteron Acquisition for approximately $142.0 million in cash, plus assumption of debt and other liabilities of $7.7 million and up to $155.0 million in potential future milestones. The Uteron Acquisition expanded Actavis speciality brands pipeline of women s health products, including two potential near term commercial opportunities in contraception and infertility, and one oral contraceptive project projected to launch by 2018. Several additional products in earlier stages of development were also included in the acquisition.