FOREST LABORATORIES INC
Form 425
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Creating a New Model in Specialty Pharmaceutical Leadership
Filed by Forest Laboratories, Inc.
Pursuant to Rule 425 under the Securities Act of 1933
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Subject Company: Forest Laboratories, Inc
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Important Information For Investors and Shareholders

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This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of an vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the propose merger between Actavis and Forest, Actavis will file with the Securities and Exchange Commission (the SEC) a registration statement on Form S-4 that will include a joint proxy statement of Actavis and Forest that also constitutes a prospectus of Actavis.

The definitive joint proxy statement/prospectus will be delivered to shareholders of Actavis and Forest.

INVESTORS AND SECURITY HOLDERS OF ACTAVIS AND FOREST ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMA

Investors and security holders will be able to obtain free copies of the registration statement and the definitive joint proxy statement/prospectus (when available) and other documents filed with the SEC by Actavis and Forest through the website maintained by the

SEC at http://www.sec.gov. Copies of the documents filed with the SEC by Actavis will be available free of charge on Actavis internet website at www.actavis.com or by contacting Actavis Investor Relations Department at (862) 261-7488. Copies of the documents filed with the SEC by Forest will be available free of charge on Forest s internet website at www.frx.com or by contacting Forest s Investor Relations Department at (212) 224-6713.

Participants in the Merger Solicitation

Actavis, Forest, their respective directors and certain of their executive officers and

employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under th rules of the SEC, be deemed participants in the solicitation of the Actavis and Forest shareholders in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. Information about the directors and executive officers of Forest is set forth in its proxy statement for its 2013 annual meeting of stockholders, which was filed with the SEC on July 8, 2013 and certain of its Current Reports on Form 8-K. Information about the directors and executive officers of Actavis is set forth in its proxy statement for its 2013 annual meeting of stockholders, which was filed wi the SEC on March 29, 2013 and certain of its Current Reports on Form 8-K. Additional information regarding the participants the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be containe in the joint proxy statement/prospectus filed with the above-referenced registration statement on Form S-4 and other relevant materials to be filed with the SEC when they become available.

Actavis Cautionary Statement Regarding Forward-Looking Statements

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Statements contained in this communication that refer to Actavis estimated or anticipated future results, including estimated s
non-historical facts are forward-looking statements that reflect Actavis current perspective of existing trends and information
communication. Forward looking statements generally will be accompanied by words such as anticipate, believe, plan,
estimate, expect, forecast, outlook, guidance, intend, may, might, will, possible, potential, pr
phrases or expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the Fo
including future financial and operating results, Actavis or Forest s plans, objectives, expectations and intentions and the exp

completion of the transaction. It is important to note that Actavis goals and expectations are not predictions of actual perform may differ materially from Actavis current expectations depending upon a number of factors affecting Actavis business, For associated with acquisition transactions. These factors include, among others, the inherent uncertainty associated with financia restructuring in connection with, and successful closing of, the Forest acquisition; subsequent integration of the Forest acquisit recognize the anticipated synergies and benefits of the Forest acquisition; the ability to obtain required regulatory approvals for (including the approval of antitrust authorities necessary to complete the acquisition), the timing of obtaining such approvals ar approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefit the ability to obtain the requisite Forest and Actavis shareholder approvals; the risk that a condition to closing of the Forest acq satisfied on a timely basis or at all; the failure of the proposed transaction to close for any other reason; risks relating to the val shares to be issued in the transaction; the anticipated size of the markets and continued demand for Actavis and Forest s proc competitive products and pricing; access to available financing (including financing for the acquisition or refinancing of Actav timely basis and on reasonable terms; the risks of fluctuations in foreign currency exchange rates; the risks and uncertainties no the pharmaceutical industry, including product liability claims and the availability of product liability insurance on reasonable predicting the timing or outcome of pending or future litigation or government investigations; periodic dependence on a small a material source of net revenue or income; variability of trade buying patterns; changes in generally accepted accounting princ carrying values of assets may be negatively impacted by future events and circumstances; the timing and success of product lau of predicting the timing or outcome of product development efforts and regulatory agency approvals or actions, if any; market continued demand for Actavis and Forest s products; costs and efforts to defend or enforce intellectual property rights; diffic manufacturing; the availability and pricing of third party sourced products and materials; successful compliance with governm applicable to Actavis and Forest s facilities, products and/or businesses; changes in the laws and regulations affecting, amon and reimbursement of pharmaceutical products; changes in tax laws or interpretations that could increase Actavis consolidate loss of key senior management or scientific staff; and such other risks and uncertainties detailed in Actavis periodic public fil and Exchange Commission, including but not limited to Actavis Annual Report on form 10-K for the year ended December 3 to time in Actavis other investor communications. Except as expressly required by law, Actavis disclaims any intent or obliga these forward-looking statements.

Forest Cautionary Statement Regarding Forward-Looking Statements

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This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements about the benefits of the acquisition of Forest by Actavis, including future financial and operating results, Forest s or Actavis plans, objectives, expectations and intentions and the expected timing of completion of the transaction. It is important to note that Forest s goals and expectations are not predictions of actual performance. Actual results may differ materially from Forest s current expectations depending

upon a number of factors affecting Forest s business, Actavis business and risks associated with acquisition transactions. These factors include, among others, the inherent uncertainty associated with financial projections; restructuring in connection with, and successful closing of, the acquisition; subsequent integration of the companies and the ability to recognize the anticipated synergies and benefits of the acquisition; the ability to obtain required regulatory approvals for the transaction (including the approval of antitrust authorities necessary to complete the acquisition), the timing of obtaining such approvals and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction; the ability to obtain the requisite Forest and Actavis shareholder approvals; the risk that a condition to closing of the acquisition may not be satisfied on a timely basis or at all; the failure of the proposed transaction to close for any other reason; risks relating to the value of the Actavis shares to be issued in the transaction; access to available financing (including financing for the acquisition or refinancing of Forest or Actavis debt) on a timely basis and on reasonable terms; the difficulty of predicting FDA approvals, the acceptance and demand for new pharmaceutical products, the impact of competitive products and pricing, the timely development and launch of new products, and the risk factors listed from time to time in Forest Laboratories Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any subsequent SEC filings. Forest assumes no obligation to update forward-looking statements contained in this release to reflect new information or future events or developments.

Presentation Overview

Transaction Overview

An Innovative New Model in Specialty Pharmaceutical Leadership

Forest Overview

Summary
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Proposed Transaction Terms

Equity and Cash transaction valued at approximately $25 B

- 25% Premium to Forest closing price as of 2/14/2014
- 70/30 equity and cash split
-

$26.04 in cash + 0.3306 share of ACT/share of FRX

Pro Forma Forest ownership of ~35% shares of Actavis

Cash portion funded through existing cash and new debt

Anticipated to close by mid-year 2014 subject to:

- Subject to approval of both Actavis and Forest shareholders
- Customary conditions including legal and regulatory approval (HSR)

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Creating an Innovative New Model in
Specialty Pharmaceutical Leadership
Enhanced size and scale
Broad & diverse portfolio with multiple blockbuster therapeutic franchises
Balanced portfolio of branded and generic pharmaceuticals
Exceptionally strong global commercial capabilities create high value to customers

More than $1 billion investment in R&D driving strong
organic growth
Strong free cash flow generation
Efficient tax structure and solid balance sheet
Drive robust organic growth accelerated
by smart business development
7

Balanced Revenue Portfolio of North American Brand,
North American Generic, International and Distribution
Based on 2014 proforma combined revenue
8

Financially Compelling Combination

Approximately $15 billion annual revenue generation

Approximately 50/50 brand/generic

Expected double-digit accretion to non-GAAP earnings, including synergies, in 2015 and 2016

Greater than $4 billion annual free cash flow in 2015

Expect to maintain investment grade credit ratings

Estimated ~$1 billion in annual pre-tax operational and tax synergies within three years of transaction close
9

Strong cash flow drives rapid deleveraging to under 3.5x debt to pro forma adjusted EBITDA by the end of 2014

Broad & Diverse Portfolio with
Multiple Blockbuster Therapeutic Franchises
10

Emerging and Sustainable Portfolios in New Categories
CARDIOVASCULAR
DERM
INFECTIOUS DISEASE
RESPIRATORY
Added from combination
11
CYSTIC FIBROSIS

Exceptionally Strong Commercial
Capabilities Create High Value to Customers

Enhanced profile: size, scale and product diversification
bring high value to customers

physicians, hospitals, health plans and distribution channels
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World-class global commercial organization competing across multiple market segments

Brands, generics, biosimilars, and OTCs

Better positioned with Forest s strong primary care sales force to drive increased sales of Actavis Specialty Brands

Strong global operations providing high-quality reliable supply

Continued Strong Investment in R&D with over $1 Billion Expected in Year One

Continued investment in strong pipeline assets across all therapeutic categories

Continued strong investment in generic R&D to maintain strong global pipeline

-
Continue to invest in differentiated products including respiratory, injectables and ophthalmics for all markets
-
Continued focus on important FTF assets in the US
-
Continued commitment to the development of biosimilars

Forest will add more than a half dozen near- and mid-term R&D products to Actavis robust development portfolio.
-
Five products at the NDA stage of development, including treatments for Alzheimer s disease, cardiovascular disease, infectious disease, as well as Schizophrenia and bipolar disorders and, and treatments for COPD
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Combined Specialty Brands Pipeline
Actavis
Biologic
Forest
Colvir
Albaconazole
VVC
Esmya®-Fibroids

(US)
Diafert
WC3011
E2 Vaginal Cream
Metronidazole 1.3%
Vaginal Gel
E4/Progestin OC
Levosert
Contraception
Progestin Only Patch
Amg/Act
Herceptin®
WC3043
Udenafil ED
WC3055
Udenafil BPH
Rapaflo®
NextGen
WC3035
Sarecycline
WC2055
Doxycycline NextGen
Oxybutynin
Hyperhidrosis
Albaconazole
Onychomycosis
WC3079
Delzicol®
NextGen
WC3046
Delzicol®
800mg
Cariprazine
(Bipolar Depression)
Cebranopadol
(Pain Management)
TRV027
(Acute Heart Failure)
TUDORZA®-formoterol
(COPD)
Ceftazidime-avibactam
(Infectious Disease)
BYSTOLIC®-valsartan
(Hypertension)
NAMENDA XR®-donepezil
(Alzheimer's Disease)
Cariprazine (CRL)
(Schizophrenia, BP Mania)
Amg/Act
Avastin®

rFSH
VIIBRYD®
(GAD)
NOTE: Additional important products in preclinical development including biosimilars to **Rituxin** ®
and
Erbitux ®
through Actavis collaboration with Amgen
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Overview
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BUSINESS
development
DRUG
Marketed Drugs
NDA
EXECUTION
AN
EXCEPTIONAL

COMPANY
ENGINE
commercial
Specialty pharmaceutical company focused on large primary care and subspecialty markets
Key strategy building blockbuster therapeutic line calls to create economies and relevance
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Forest
Overview and Strategy
development

Recent Strategic Initiatives Have Rejuvenated Forest
Commenced Project Rejuvenate to achieve $500 M in cost reductions
Acquired Saphris for $240 M
Leveraged balance sheet with $1.2 B in first ever bond offering in December and $1.8 B offering in January for Aptalis acquisition
Achieved NAMENDA XR®
Coverage at 9 of Top 10 Part D Plans

Launched FETZIMA
for Depression
Filed NAMENDA
®
Pediatric Written Request (PWR)
Completed $2.9 B acquisition of Aptalis
Notified FDA of intent to discontinue NAMENDA
®
, Focus on NAMENDA
17
XR
®

Forest Has Strong Drug Development Capabilities and is Focused on Commercial Execution

Next 9 strategy executed well

7 regulatory approvals since 2009

History of first cycle approvals

New products contributed 44% of sales and grew 59% year-over-year in most recent quarter

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Recent Acquisition of Aptalis

Aptalis is an excellent strategic fit
Diversifies Forest offerings in key therapeutic areas
GI franchise in
the
US
complements

Linzess
business
CF franchise in Europe complements Colobreathe business
Significantly improves Forest profitability in Canada

Aptalis products are growing and expected to contribute ~$700 M to
Forest sales

Forest expects to realize significant synergies

$125 million in pre-tax synergies

Deal closed January 31, 2014
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Deal is immediately & highly accretive to Forest non-GAAP EPS

Summary of a Transformational Combination
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~$1 Billion in Annual Synergies

~$1 Billion Pre-Tax Operational and Tax Synergies

Majority of the synergies are expected to take place in first 12 months following close

Total synergies realized in first 3 years after acquisition

close

Excludes any manufacturing and revenue synergies

Tax synergies approximately 10% of total

Pro forma combined tax rate is expected to be slightly below
16% for 2015
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Next Steps

Successful Completion of Transaction Requires:

Approval by shareholders of both companies

Regulatory review and approval including Hart-Scott-Rodino review

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Anticipated close mid-year 2014

Management teams from both companies to immediately
begin pre-integration activities to maximize potential at close

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