

FOREST LABORATORIES INC

Form 425

February 18, 2014

The New Model in Specialty Pharmaceuticals

February 18, 2014

Filed by Forest Laboratories, Inc.

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

Commission File No.: 1-5438

Important Information For Investors and Shareholders

This
communication
does
not
constitute
an
offer
to
sell
or
the
solicitation
of
an
offer
to
buy

any
securities
or
a
solicitation
of
any
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
proposed
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
INFORMATION.
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
the
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
with

the
SEC
on
March
29,
2013
and
certain
of
its
Current
Reports
on
Form
8-K.
Additional
information
regarding
the
participants
in
the
proxy
solicitations
and
a
description
of
their
direct
and
indirect
interests,
by
security
holdings
or
otherwise,
will
be
contained
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.

Forest Cautionary Statement Regarding Forward-Looking Statements

This
communication
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

communication to reflect new information or future events or developments.

Forest to Combine with Actavis in a \$25 Billion Equity and Cash Transaction

Creates an Innovative New Model in Specialty Pharmaceuticals, with \$15 B in Revenue and a Growing
~\$7 B N. American Specialty Brand Business

Blockbuster Franchises in CNS, Women's Health, GI and Urology

Broader Portfolios and New Therapeutic Categories including, Cardiovascular, Infectious Disease, Respiratory,
Cystic Fibrosis and Dermatology

Combination
Expected
to
Generate
in
Excess
of
\$4

billion
in
2015
Free
Cash
Flow
to
Drive
Rapid
Deleveraging

Immediately Accretive to Non-GAAP EPS; Double-Digit Accretion in 15 & 16

Opportunity for Substantial Synergies and Savings of ~ \$1 Billion

New company board to include Brent Saunders and two other FRX board members

Anticipate Closing by Mid-Year 2014, Pending Approvals

Creating a New Breed of Specialty Pharmaceutical Company
Broad & diverse portfolio with multiple blockbuster therapeutic franchises
Balanced portfolio of branded and generics pharmaceuticals
Exceptionally strong commercial capabilities creates high value to customers
Focus on drug development = lower-risk organic growth
Strong free cash flow generation
Efficient tax-structure and balance sheet
Drive robust organic growth accelerated by smart BD

Broad & Diverse Portfolio with
Multiple Blockbuster Therapeutic Franchises

Emerging and Sustainable Portfolios in New Categories

Exceptionally Strong Commercial
Capabilities Create High Value to Customers

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

- health plans, distribution channels and health systems

World-class commercial organization competing across market segments

- Brands, generics, biosimilars, and OTCs

Better positioned with Forest's strong U.S. primary care sales force to drive increased sales of Actavis brands

- primary care
- specialists
- women's healthcare

- urologists
- gastroenterologists
- dermatologists

Company Leadership

Company to be led by Paul Bisaro from Actavis and Brent Saunders from Forest

Management teams from both companies to begin pre-integration activities to build a world class high-performance company focused on sustainable double-digit growth following the close

Revenue synergy opportunities

Selling Actavis products through our PC sales force

Leveraging
Actavis
international
structure
to
sell
our
products

Focus Integration Strategy to Achieve Cost Synergies

Preliminary estimate of operational cost & tax
synergies

~ \$1 billion

Additional cost synergy opportunities

Benefits from combined corporate structure

Manufacturing & API efficiencies

Savings are above and beyond Aptalis
integration synergies and Project Rejuvenate
cost savings targets

Aptalis Integration and Project Rejuvenate will Remain on Track to Deliver Significant Value

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L1

L2

L3

L4-5

L6+

March

Forest + Aptalis = Stronger & More Relevant

Project

Rejuvenate

Well Underway

Why Does This Deal with Actavis Make Sense?

Creates broad & diverse portfolio with multiple blockbuster therapeutic franchises which drive robust organic growth

Enables us to spend \$1 billion on drug development & research

Produces strong cash flow and geographic presence which create opportunity to accelerate growth through business development

New opportunities with broader business allow us to continue to retain and develop world class talent

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What Should I Do Next?

1.
Maximize the brand & launch performance
2.
Deliver on very important near term pipeline
3.
Reduce cost structure without impairing launches or near term pipeline priorities
4.
Use our balance sheet to drive growth and create value

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We can stay focused and execute on these priorities