

FOREST LABORATORIES INC

Form 425

February 18, 2014

The New Model in Specialty Pharmaceuticals

February 18, 2014

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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](http://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](http://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  
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