



Forest Laboratories Acquisition – Shareholder Q&A



Forest Laboratories, Inc.

PLEASE REFER TO PAGES 138 THROUGH 147 OF THE REGISTRATION STATEMENT ON FORM S-4 FILED BY ACTAVIS PLC WITH THE SEC ON MAY 2, 2014 (THE “REGISTRATION STATEMENT”) FOR INFORMATION ON THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE EXCHANGE OF FOREST COMMON STOCK IN THE ACQUISITION. THE REGISTRATION STATEMENT IS AVAILABLE ON THE SEC’S EDGAR SYSTEM, AND MAY BE ACCESSED AT www.sec.gov OR www.actavis.com/frx.

Actavis is providing the following information to help address some general questions that have been raised with regard to the acquisition. Please note that the responses below are intended for broad discussion purposes only, and are not intended to constitute tax advice or recommendation to take any particular tax position. Investors should carefully review the Registration Statement in its entirety. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS FOR MORE SPECIFIC INFORMATION AND ADVICE.

The following document assumes that the acquisition qualifies for the “Intended Tax Treatment” (as defined in the Registration Statement) for U.S. federal income tax purposes.

FOR ACTAVIS SHAREHOLDERS

1. Will this transaction be taxable to Actavis shareholders?

No, the transaction will not be taxable to current Actavis shareholders.

2. What will Actavis shareholders receive in the acquisition?

Current Actavis shareholders will not receive any consideration in the acquisition and, after the acquisition closes, will continue to hold the same number of Actavis plc shares as before the acquisition. After the acquisition, Actavis shareholders will own approximately 65% of the combined company, while Forest shareholders will own approximately 35% of the combined company.

3. Will the basis in my Actavis plc shares change as a result of the acquisition?

Your basis is not expected to change as a result of the acquisition. However, we strongly encourage you to consult a professional tax advisor for advice specific to your tax situation.

4. Do I need to send in my Actavis plc share certificates?

If you currently hold certificates in Actavis plc, you do not need to send in your share certificates. However, if you hold certificates in Actavis, Inc., Watson Laboratories, Inc. or any other predecessor companies you should exchange your old certificates for current Actavis plc certificates. Please contact our transfer agent, Computershare, at (855) 807-3171 for information on how to redeem your certificates.

5. Whom should I contact for tax-related questions relating to the acquisition?

We strongly encourage you to consult a professional tax advisor for advice specific to your tax situation.

Actavis does not maintain individual shareholder records for determining cost basis for individual transactions. If you hold certificates, please contact our transfer agent, Computershare, at (855) 807-3171. If you hold your shares in a brokerage account, please contact your broker. Actavis is happy to provide the closing share price of Actavis, Forest, Watson or other predecessor company as of a specific date. Please contact our investor relations department at investor.relations@actavis.com for further information.

6. I am an Actavis employee. How are my employee restricted shares, restricted stock units or options affected by the acquisition?

Your restricted shares, restricted stock units and options are not impacted by the acquisition.

7. Whom should I contact for other shareholder questions?

For questions about share certificates, please contact Computershare at (855) 807-3171.

For general investor relations inquiries, please contact (862) 261-7488 or investor.relations@actavis.com

FOR FOREST SHAREHOLDERS

1. What is the fair market value (FMV) of Actavis shares to be used for tax purposes?

The FMV of Actavis shares to be used for tax purposes is \$223.05.

2. Will Actavis file a Form 8937 with the US Internal Revenue Service (IRS) in conjunction with the acquisition?

Actavis will file a form 8937 with the IRS following the close of the acquisition. The form will be available at www.actavis.com/frx following the close.

3. Will the acquisition be taxable to Forest shareholders for U.S. federal income tax purposes?

As described below, Forest holders may recognize a taxable gain (or, if the holder elects solely cash, possibly a loss) relating to any cash consideration received in the transaction. This includes the cash received through your consideration election along with any cash received from the sale of fractional Actavis shares following the close of the acquisition.

For a detailed discussion of the material U.S. federal income tax consequences of the acquisition and certain risk factors, please see “Certain Tax Consequences of the Mergers—U.S. Federal Income Tax Considerations” in the Registration Statement.

4. What were my options of consideration in the acquisition?

Forest shareholders were allowed to elect from three options to receive consideration from the acquisition:

1. The standard election of \$26.04 in cash and 0.3306 Actavis shares per Forest share.
2. All cash consideration of \$86.81 per Forest share.
3. All stock consideration of 0.4723 Actavis shares per Forest share

It is important to note that shareholders who elected all-stock consideration were subject to proration.

5. I elected an all-stock distribution. Why did I receive both cash and Actavis shares?

Unfortunately, as contemplated in the merger agreement, registration statement and shareholder election form, the stock election option was significantly oversubscribed and holders were prorated to receive both cash and stock in the election.

6. What were the final proration results for holders who elected all stock consideration?

Holders who elected all-stock consideration received 0.3326 Actavis shares and \$25.67 in cash for each Forest share tendered.

7. What will happen to fractional shares of Actavis received in the acquisition?

Fractional shares of Actavis were converted to cash at the equivalent of \$219.00 per whole Actavis share.

8. How is the taxable gain for Forest shareholders calculated for U.S. federal income tax purposes?

We strongly encourage you to consult a professional tax advisor for advice specific to your tax situation.

Your individual tax situation will depend on the form of consideration you receive and the following illustrations are for US-based shareholders. For a detailed discussion of the material U.S. federal income tax consequences of the acquisition, please see “Certain Tax Consequences of the Mergers—U.S. Federal Income Tax Considerations” in the Registration Statement.



All stock consideration: If you receive all stock consideration in the acquisition, you generally will not recognize a gain or loss except in respect of cash received in lieu of fractional Actavis shares. Please see below for a discussion about the tax treatment of cash received in lieu of fractional Actavis shares.

All cash consideration: If you receive all cash consideration in the acquisition, you generally will recognize a gain or loss equal to the difference between the amount of cash received and your aggregate tax basis in your Forest common stock surrendered in the acquisition.

Mixed consideration: If you receive a mixed consideration of stock and cash in the acquisition (excluding any cash received in lieu of a fractional Actavis ordinary share), you generally will recognize gain (but not loss) in an amount equal to the lesser of (i) the gain realized on the exchange of Forest common stock for Actavis ordinary shares and cash (i.e., the excess, if any, of the sum of the amount of cash and the fair market value of the Actavis ordinary shares received over your adjusted tax basis in Forest common stock surrendered in exchange) and (ii) the amount of cash received in the acquisition. Please see below for a discussion about the tax treatment of cash received in lieu of fractional Actavis shares.





Fractional shares: If you receive cash in lieu of an Actavis fractional share in the acquisition, you will generally be treated as having received the fractional share and then as having received cash in redemption of the fractional share. In this instance, gain or loss will generally be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the your aggregate adjusted tax basis in the Forest common stock surrendered which is allocable to the fractional share.

For a detailed discussion of the material U.S. federal income tax consequences of the acquisition, please see “Certain Tax Consequences of the Mergers—U.S. Federal Income Tax Considerations” in the Registration Statement.

9. What will be my basis in Actavis plc stock received in the acquisition for U.S. federal income tax purposes?

If you receive all stock consideration in the acquisition, your aggregate adjusted tax basis in the Actavis ordinary shares received in the acquisition (including fractional shares deemed received and redeemed as described above) will be equal to your aggregate adjusted tax basis in the Forest common stock surrendered in the acquisition.

If you receive a mixed consideration of stock and cash in the acquisition, your aggregate adjusted tax basis in the Actavis ordinary shares received in the acquisition (including the basis allocable to any fractional shares in lieu of which cash is received) will be equal to your aggregate adjusted tax basis in the Forest common stock surrendered in the acquisition, decreased by the amount of cash received (excluding any cash received in lieu of fractional shares) and increased by the amount of gain, if any, recognized on the exchange or any amount treated as a dividend.

For a detailed discussion of the material U.S. federal income tax consequences of the acquisition, please see “Certain Tax Consequences of the Mergers—U.S. Federal Income Tax Considerations” in the Registration Statement.

We strongly encourage you to consult a professional tax advisor for advice specific to your tax situation.

10. Do I need to send in my Forest Laboratories, Inc. share certificates?

After the close of the transaction, you will need to send in your Forest Laboratories, Inc. share certificates to be issued Actavis plc share certificates. Computershare, who serves as the transfer agent for both Forest and Actavis, will send documentation to all certificated shareholders on how to submit their shares. If you do not receive this documentation or have further questions on how to redeem your Forest shares, please contact our information agent for the transaction, MacKenzie Partners, at (800) 322-2885 or Computershare at (800) 308-3743.

11. I am a Forest employee. How are my unvested employee options, restricted stock and/or restricted stock units affected by the acquisition?

Outstanding, unexercised Forest stock options will be converted to Actavis stock options of substantially equivalent value. Likewise, unvested Forest restricted stock and time-based restricted stock units (RSUs) will be converted to Actavis RSUs of substantially equivalent value; and unvested Forest performance-based RSUs will be converted to Actavis time-based RSUs assuming achievement of the applicable performance goals at target levels. Decisions about future equity programs for the combined company will be made during integration planning, and will be communicated to employees post-close.

Specifically, at the effective time of the acquisition, (a) each Forest option that is outstanding and unexercised will convert into an Actavis option, (b) each outstanding, unvested share of Forest restricted stock will convert into an Actavis restricted stock unit and (iii) each outstanding, unvested share of Forest restricted stock units will convert into Actavis restricted stock units. Each such conversion will be at 0.4723 Actavis shares per Forest share, with the same terms and conditions as the applicable equity award. The exercise price of each converted option will be equal to the quotient obtained by dividing (x) the exercise price per share of the Forest Option by (y) 0.4723.

12. Whom should I contact for tax-related questions?

We strongly encourage you to consult a professional tax advisor for advice specific to your tax situation.

Forest does not maintain individual shareholder records for determining cost basis for individual transactions. If you hold certificates, please contact our transfer agent, Computershare, at (800) 308-3743. If you hold your shares in a brokerage account, please contact your broker. Forest is happy to provide the closing share price Forest or other predecessor company for a specific date. Please contact our investor relations department at investor.relations@actavis.com for further information.

13. Whom should I contact for other shareholder questions?

For questions about share certificates, please contact Computershare at (800) 308-3743.

For general investor relations inquiries, please contact (862) 261-7488 or investor.relations@actavis.com



CONTACTS FOR ADDITIONAL QUESTIONS	SPECIALIST	PHONE	EMAIL
Forest shareholder election	MacKenzie Partners	(800) 322-2885	
Forest share certificates	Computershare	(800) 308-3743	
Actavis share certificates	Computershare	(855) 807-3171	
Predecessor company share certificates (Watson, Warner Chilcott, Circa, Royce Labs, Andrx)	Computershare	(855) 807-3171	
Cost basis	Please contact your tax or financial advisor		
Historical share prices	Actavis Investor Relations	(862) 261-7488	investor.relations@actavis.com
Specific Tax Questions	Please contact your tax or financial advisor		
Actavis Employee Stock Benefits	Actavis Stock Plan Administration	(862) 261-7847	
Forest Employee Stock Benefits	Forest Compensation Department	(212) 224-6675	
General investor questions	Actavis Investor Relations	(862) 261-7488	investor.relations@actavis.com

Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this press release that refer to Actavis' estimated or anticipated future results or other non-historical facts are forward-looking statements that reflect Actavis' current perspective of existing trends and information as of the date of this release. For instance, any statements in this press release concerning prospects related to Actavis' strategic initiatives, product introductions and anticipated financial performance are forward-looking statements. It is important to note that Actavis' goals and expectations are not predictions of actual performance. Actavis' performance, at times, will differ from its goals and expectations. Actual results may differ materially from Actavis' current expectations depending upon a number of factors affecting Actavis' business. These factors include, among others, the inherent uncertainty associated with financial projections; successful integration of the Forest and Furiex acquisitions and the ability to recognize the anticipated synergies and benefits of the Forest and Furiex acquisitions; the difficulty of predicting the timing and outcome of pending or future litigation and government investigations and risks that an adverse outcome in such litigation or investigations could render Actavis liable for substantial damages or penalties; risks that resolution of patent infringement litigation through settlement could result in investigations or actions by private parties or government authorities or agencies; the impact of competitive products and pricing; risks related to fluctuations in foreign currency exchange rates; periodic dependence on a small number of products for a material source of net revenue or income; variability of trade buying patterns; changes in generally accepted accounting principles; risks that the carrying values of assets may be negatively impacted by future events and circumstances; the timing and success of product launches; the difficulty of predicting the timing or outcome of product development efforts and regulatory agency approvals or actions, if any; risks and uncertainties normally incident to the pharmaceutical industry, including product liability claims and the availability of product liability insurance on reasonable terms; market acceptance of and continued demand for Actavis' products; difficulties or delays in manufacturing; the availability and pricing of third party sourced products and materials; successful compliance with governmental regulations applicable to Actavis' facilities, products and/or businesses; changes in the laws and regulations, including Medicare, Medicaid, and similar laws in foreign countries affecting, among other things, pricing and reimbursement of pharmaceutical products and the settlement of patent litigation; and such other risks and uncertainties detailed in Actavis plc's periodic public filings with the Securities and Exchange Commission, including but not limited to Actavis plc's Annual Report on Form 10-K for the year ended December 31, 2013, Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and Current Report on form 8-K filed on May 20, 2014 and from time to time in Actavis' other investor communications. Except as expressly required by law, Actavis disclaims any intent or obligation to update these forward-looking statements.

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