ANALYSIS OF AGREEMENT CONTAINING CONSENT ORDER
TO AID PUBLIC COMMENT
In the Matter of Actavis Group hf. and Abrika Pharmaceuticals, Inc.
File No. 071-0063

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an Agreement Containing Consent Order ("Consent Agreement") from Actavis Group hf. ("Actavis"), which is designed to remedy the anticompetitive effects of the acquisition of Abrika Pharmaceuticals, Inc. ("Abrika") by Actavis. Under the terms of the proposed Consent Agreement, the company would be required to assign and divest the Abrika rights and assets necessary to manufacture and market generic isradipine capsules to Cobalt Laboratories, Inc. ("Cobalt"), the U.S. subsidiary of Arrow Group.

The proposed Consent Agreement has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the proposed Consent Agreement

Pursuant to an Agreement and Plan of Merger executed on November 20, 2006, Actavis

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patients as a blood pressure lowering medication, and is also used to treat hypertension, ischemia and depression. Generic isradipine was first introduced in the United States in 2006. Sales in that year totaled approximately $3 million.

Actavis and Abrika are the only two companies selling generic isradipine capsules in the United States. The number of generic suppliers has a direct and substantial effect on generic pricing as each additional generic supplier can have a competitive impact on the market. Because there are multiple generic equivalents for isradipine capsules, the branded version no longer significantly constrains the generic's pricing.

Entry into the market for the manufacture and sale of generic isradipine capsules would not be timely, likely, or sufficient in its magnitude, character, and scope to deter or counteract the anticompetitive effects of the acquisition. Entry would not take place in a timely manner because the combination of generic drug development times and FDA drug approval requirements takes at least two years. Entry would not be likely because the relevant market is relatively small and in decline, limiting sales opportunities for any new entrant.

The proposed acquisition would cause significant anticompetitive harm to consumers in the U.S. market for the manufacture and sale of generic isradipine capsules. The acquisition would eliminate Abrika as a competitor and create a monopoly in the market for the manufacture and sale of generic isradipine capsules. The evidence indicates that the presence of more than one competitor allows customers to negotiate lower prices and that the reduction in the number of competitors in this market would allow the merged entity to unilaterally exercise market power with a resulting increase in prices.

The Consent Agreement

The proposed Consent Agreement effectively remedies the proposed acquisition's anticompetitive effects in the relevant product market. Pursuant to the Consent Agreement, Actavis and Abrika are required to divest certain rights and assets related to the generic isradipine capsules to a Commission-approved acquirer no later than ten (10) days after the acquisition. Specifically, the proposed Consent Agreement requires that Abrika divest its rights and assets relating to generic isradipine capsules to Cobalt.

The acquirer of the divested assets must receive the prior approval of the Commission. The Commission's goal in evaluating a possible purchaser of divested assets is to maintain the competitive environment that existed prior to the acquisition. A proposed acquirer of divested assets must not itself present competitive problems.

Cobalt, which specializes in the sale and marketing of generic pharmaceuticals, is the United States arm of the Arrow Group, a private multinational that employs over 700 individuals. The Arrow Group has experience in the development, manufacturing, and sale of pharmaceuticals and has production facilities in Canada, Malta, Australia and Brazil. Cobalt is

an acceptable acquirer of generic isradipine because it has experience in distributing and marketing generic pharmaceutical products in the United States. Currently, the company has received FDA approval for the sale of nine generic products. The acquisition by Cobalt does not present a competitive problem in the generic isradipine market because Cobalt currently does not participate in the market and has no independent plans to enter. With its resources, sales and marketing capabilities, and experience with generic products, Cobalt should be successful in restoring the competition that would be lost if the proposed Actavis/Abrika transaction were to proceed unremedied.

If the Commission determines that Cobalt is not an acceptable acquirer of the assets to be divested, or that the manner of the divestitures to Cobalt is not acceptable, the parties must unwind the sale and divest the assets within six (6) months of the date the Order becomes final to another Commission-approved acquirer. I