05-06-99

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COMPANIES FORM No. 88(2)(Rev 1988)

Return of allotments of shares

88(2)

Pursuant to section 88(2) of the Companies Act 1985 (the Act)

(REVISED 1988)
This form replaces forms PUC2, PUC3 and 88(2)

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Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies **(address overleaf)**
(See note 1)

Company number: 3188178

1. Name of Company

* Insert full name of company

* ORVET UK LIMITED

2. This section must be completed for all allotments

† Distinguish between ordinary preference, etc.

Description of shares †	ORDINARY		
A Number allotted	26		
B Nominal value of each	£ 1	£	£
C Total amount (if any) paid or due and payable on each share (including premium if any)	£ 1,051,868	£	£

§ Complete (a) or (b) as appropriate

Date(s) on which the shares were allotted

(a) [on 8 APRIL 19 99]§, or

(b) [from ______ 19 ____ to ______ 19 ____]§

The names and addresses of the allottees and the number of shares allotted to each should be given overleaf

3. If the allotment is wholly or partly other than for cash the following information must be given **(see notes 2 & 3)**

D Extent to which each share is to be treated as paid up Please use percentage.	100 %		
E Consideration for which the shares were allotted	(SEE TRANSFER OF SHARE AGREEMENT)		

Notes

1. This form should be delivered to the Registrar of Companies within one month of the (first) date of allotment.
2. If the allotment is wholly or partly other than for cash, the company must deliver to the registrar a return containing the information at D & E. The company may deliver this information by completing D & E and the delivery of the information must be accompanied by the duly stamped contract required by section 88(2)(b) of the Act or by the duly stamped prescribed particulars required by section 88(3) (Form No 88(3)).
3. Details of bonus issues should be included only in section 2.

Presentor's name, address, telephone number and reference (if any):
Denton Hall
5 Chancery Lane
Cliffords Inn
London
EC4A 1BU
242 CHANCERY
Ref:MJYP (1769927.01)
0171 320 6475

For official use

Post Room

824 *ABKGWGON* 673
29/05/99

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4. Names and addresses of allottees

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Please complete legibly, preferably in black type, or bold block lettering

Names and Addresses	Number of shares allotted		
	Ordinary	Preference	Other
TEVA PHARMACEUTICALS EUROPE B.V. PO BOX 206, 3640 AD MIJDRECHT THE NETHERLANDS	26		
Total	26		

Where the space given on this form is inadequate, continuation sheets should be used and the number of sheets attached should be indicated in the box opposite:

FOR AND ON BEHALF OF
Gray's Inn Secretaries Limited

Signed MarBoston Designation ‡ SECRETARY Date 28.5.99

DIRECTOR/AUTHORISED SIGNATORY

‡ Insert director, secretary, Administrator, Administrative Receiver or Receiver (Scotland) as appropriate

Companies registered in England and Wales or Wales should deliver this form to:-

The Registrar of Companies
Companies House
Crown Way
Maindy
Cardiff
CF4 3UZ

Companies registered in Scotland should deliver this form to:-

The Registrar of Companies
Companies Registration Office
102 George Street
Edinburgh
EH2 3DJ

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Assumptions

- Sales forecast is based on the company's 1999-2001 work-plan prepared by Prosintex. Years 2002 and 2003 show an increase of 5% in sales. 68% of Prosintex's sales are to Teva's sales offices abroad which are paid a commission of app. 5% for their services.
- Cost of RM in 1999 is based on the company's work-plan. The cost of RM (per Kg material) is unchanged from year 1999 onward.
- S&M is kept at the same proportion from sales.
- R&D is increased annually by 3% as of year 2000.
- 41.5% tax rate.
- Capital expenditures are $850K in 1999 and $750K from year 2000 onward.
- The proportion of accounts receivable from sales, accounts payable from total expenses and inventory from COGS is kept at the same level as in 1998.

Results

Based on the data, which was provided by the API Division including the assumptions mentioned above, we have preformed a valuation analysis based on the net present value of future cash flows free from debt and interest income/expense (see attachments).

The valuation is based on the following assumptions:
1) Cash flow perpetuity growth of 0% from year 2004.
2) Discount rate of 11%.

Based on all the above assumptions, the net present value of future cash flows of Prosintex is $58.7M. Taking in consideration the fact that the company currently has debt of $17.0M and $2.0M in cash, we value Prosintex at $43.7M.

Attachments:
Appendix A: P&L and Cash flow analysis
Appendix B: Valuation
Appendix C: Sales and Cost of RM
Appendix D: Working Capital
Appendix E: Balance Sheet

Yours sincerely,

Amir Tirosh

cc: Israel Makov, Lewis Feldberg, Hemi Ron, Tamir Shavit

05-06-99

Prosintex - P&L

(\$ in thousands)

	1998	F1999	F2000	F2001	F2002	F2003
Net Sales	28,084	28,163	29,496	32,660	34,293	36,007
RM	12,246	8,926	8,998	9,983	10,483	11,007
Production Expenses	2,063	2,500	2,600	2,704	2,812	2,925
Salaries	3,303	3,540	3,650	3,833	4,024	4,225
Depreciation	1,686	1,597	1,522	1,445	1,376	1,313
Apportionment to inventory	-	-	-	-	-	-
COGS	19,298	16,563	16,771	17,965	18,694	19,470
Gross Profit	8,786	11,600	12,726	14,695	15,598	16,537
S&M	813	820	859	951	998	1,048
G&A	1,804	2,077	2,119	2,161	2,204	2,248
R&D	882	550	567	583	601	619
Other Expenses (Income)	(43)	-	-	-	-	-
EBIT	5,330	8,153	9,182	10,999	11,794	12,622
Tax 41.5%	2,212	3,384	3,811	4,565	4,895	5,238
Net Income	3,118	4,770	5,371	6,435	6,900	7,384

Ratios (of Sales)						
RM	43.6%	31.7%	30.5%	30.6%	30.5%	30.6%
COGS	68.7%	58.8%	56.9%	55.0%	54.5%	54.1%
S&M	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
G&A	6.4%	7.4%	7.2%	6.6%	6.4%	6.2%
R&D	3.1%	2.0%	1.9%	1.8%	1.8%	1.7%
Gross Profit	31.3%	41.2%	43.1%	45.0%	45.5%	45.9%
EBIT	19.0%	28.9%	31.1%	33.7%	34.4%	35.1%

% Growth						
Sales		0.3%	4.7%	10.7%	5.0%	5.0%
RM		(27.1%)	0.8%	10.9%	5.0%	5.0%
COGS		(14.2%)	1.3%	7.1%	4.1%	4.1%
S&M		0.9%	4.7%	10.7%	5.0%	5.0%
G&A		15.1%	2.0%	2.0%	2.0%	2.0%
R&D		(37.6%)	3.0%	3.0%	3.0%	3.0%
Gross Profit		32.0%	9.7%	15.5%	6.1%	6.0%
EBIT		53.0%	12.6%	19.8%	7.2%	7.0%

Cash Flow Analysis

(\$ in thousands)

	1998	1999	2000	2001	2002	2003
Net Income	3,118	4,770	5,371	6,435	6,900	7,384
Depreciation	1,686	1,597	1,522	1,445	1,376	1,313
Capital Expenditures	1,400	850	750	750	750	750
Change in Working Capital	N/A	60	(445)	(1,082)	(577)	(609)
Free Cash Flow		6,577	5,699	6,048	6,948	7,338

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Prosintex - Working Capital

($ in thousands)

	1998	1999	2000	2001	2002	2003
Sales	28,084	28,163	29,496	32,660	34,293	36,007
Account Receivable	8,712	8,736	9,150	10,131	10,638	11,170
% of Sales	*31.0%*	*31.0%*	*31.0%*	*31.0%*	*31.0%*	*31.0%*
S&M	813	820	859	951	998	1,048
G&A	1,804	2,077	2,119	2,161	2,204	2,248
R&D	882	650	567	583	601	619
Salaries	1,274	1,260	1,295	1,351	1,390	1,431
Total Expenses (Excluding Salaries)	2,225	2,187	2,248	2,345	2,413	2,484
Capital Expenditures	1,400	850	750	750	750	750
RM	12,246	8,926	8,998	9,983	10,483	11,007
Production Expenses	2,063	2,500	2,600	2,704	2,812	2,925
Grand Total	17,934	14,463	14,597	15,782	16,458	17,166
Accounts Payable	3,451	2,783	2,809	3,037	3,167	3,303
% of Expenses	*19.2%*	*19.2%*	*19.2%*	*19.2%*	*19.2%*	*19.2%*
COGS	19,298	16,563	16,771	17,965	18,694	19,470
Inventory	5,310	4,557	4,616	4,943	5,144	5,357
% of Production Expenses	*27.5%*	*27.6%*	*27.5%*	*27.5%*	*27.5%*	*27.5%*
Working Capital	10,571	10,511	10,956	12,038	12,615	13,224
Change in Working Capital		60	(445)	(1,082)	(577)	(609)

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Prosintex - Valuation

($ in thousands)

Present Value

Discount Rate	NPV 1999-2003	Perpetuity 0%	1%	2%
6%	$26,397	$86,213	$103,456	$129,320
11%	$23,003	$35,664	$39,230	$43,589
14%	$21,284	$23,878	$25,715	$27,858
16%	$20,248	$18,823	$20,078	$21,512

Discount Rate	NPV Perpetuity 0%	1%	2%
6%	$112,611	$129,854	$155,718
11%	$58,667	$62,233	$66,592
14%	$45,162	$46,999	$49,142
16%	$39,071	$40,326	$41,760

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Prosintex - Sales and Cost of RM

	1999					2000					2001				
	Quantity (Kg)	Price ($/Kg)	Value ($)	Cost of RM ($/Kg)	Value of RM ($)	Quantity (Kg)	Price ($/Kg)	Value ($)	Cost of RM ($/Kg)	Value of RM ($)	Quantity (Kg)	Price ($/Kg)	Value ($)	Cost of RM ($/Kg)	Value of RM ($)
Allopurinol	188,110	54.30	10,214,373	17.65	3,320,142	188,110	53.00	9,909,830	17.65	3,320,142	196,700	47.70	9,382,590	17.65	3,471,755
Atenolol	180,000	68.10	12,258,000	20.00	3,600,000	180,500	67.70	12,219,850	20.00	3,610,000	206,600	65.30	13,490,980	20.00	4,132,000
Diclofenac	3,350	106.30	356,105	52.86	177,081	6,000	100.00	600,000	52.86	317,160	6,000	100.00	600,000	52.86	317,160
Labetalol	1,300	326.20	424,060	115.07	149,591	1,500	309.30	463,950	115.07	172,605	1,600	296.30	474,080	115.07	184,112
Metoprolol	39,500	87.20	3,444,400	27.10	1,070,450	35,000	87.00	3,045,000	27.10	948,500	35,000	87.00	3,045,000	27.10	948,500
Miconazole	6,695	130.00	870,350	31.51	210,959	5,000	116.70	583,500	31.51	157,550	5,300	111.90	593,070	31.51	167,003
Nalidixic Acid	3,525	60.90	214,673	36.30	127,958	-		-	30.30	-			-	36.30	-
Nifedipine	5,075	75.80	384,685	18.95	96,171	8,015	74.50	597,118	18.95	151,884	10,250	98.90	1,007,125	18.95	307,938
PX-Procemt	4,000	63.00	252,000	13.50	54,000	-		-	13.50	-			-	13.50	-
Terazosin	50	5000.00	250,000	374.00	18,700	500	5000.00	2,500,000	374.00	187,000	800	5000.00	4,000,000	374.00	299,200
Timolol	285	1703.70	485,555	354.00	100,890	377	1473.00	555,321	354.00	133,458	440	1400.50	616,220	354.00	155,760
Total	-		29,154,200		8,925,942			30,534,569		8,998,299			33,809,065		9,983,428

		1999	2000	2001
Sales through subsidiaries	68%	19,824,856	20,763,507	22,990,164
Commission	5%	991,243	1,038,175	1,149,508
Direct sales	32%	9,329,344	9,771,062	10,818,901
Total Net Sales		28,162,957	29,496,393	32,659,557

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TOTAL P.07

Company
BALANCE SHEET December 1998
Closing balance [illegible] of Thursday, February 11, 1999 [illegible] PM

	PROSINTEX - ICI (240)
1 CURRENT ASSETS	
CASH AND CASH EQUIVALENTS	2,045
SHORT TERM INVESTMENTS	121
ACCOUNTS RECEIVABLE: TRADE	6,720
ACCOUNTS RECEIVABLE: OTHER	2,475
INVENTORIES	5,559
TOTAL CURRENT ASSETS	16,921
2 INVESTMENTS	
INVESTMENTS IN SUBSIDIARY COMPANIES	0
INVESTMENTS IN ASSOCIATED COMPANIES	0
OTHER INVESTMENTS	267
LOANS RECEIVABLE: GROUP COMPANIES	0
TOTAL INVESTMENTS	267
3 NON-CURRENT RECEIVABLES	0
4 PROPERTY, PLANT & EQUIPMENT	13,054
5 INTANGIBLE ASSETS	5,473
6 DEFERRED TAX DEBIT	0
TOTAL ASSETS	35,715

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Company
BALANCE SHEET December 1998
Closing balance: (000)$ USD [MDC II\code\COGNOS\...\IEVA_2.MDC of thursday, february 11, 1999 1:53:10 PM]

	PROSINTEX - ICI (240)
7 CURRENT LIABILITIES	
SHORT TERM CREDIT	-16,270
ACCOUNTS PAYABLE: TRADE	-3,578
ACCOUNTS PAYABLE: OTHER	-6,053
TOTAL CURRENT LIABILITIES	-25,901
8 TOTAL LONG TERM LOANS	-767
9 DEFERRED TAX CREDIT	-3,379
10 ACCRUED EMPLOYEES RIGHTS UPON RI	-1,246
TOTAL LONG TERM LIABILITES	-5,392
TOTAL LIABILITIES	-31,293
11 MINORITY INTEREST	0
12 CAPITAL NOTES & CONVERTIBLE DEBEN	0
13 TOTAL SHAREHOLDERS EQUITY	-4,422
TOTAL LIABILITIES	-35,715
CHECK	0

TOTAL P.05