

Edgar Filing: MYLAN INC. - Form FWP

MYLAN INC.
Form FWP
November 14, 2007

Issuer Free Writing Prospectus
Filed Pursuant to Rule 433
Registration No. 333-140778

Pricing Term Sheet
November 13, 2007

MYLAN INC. (the "Company")

Pricing Term Sheet

The following information supplements both (i) the Preliminary Prospectus Supplement for the offering of Mandatory Convertible Preferred Stock and (ii) the Preliminary Prospectus Supplement for the offering of Common Stock, each dated November 1, 2007, filed pursuant to Rule 424(b) under the Securities Act, Registration Statement No. 333-140778.

6.50% MANDATORY CONVERTIBLE PREFERRED STOCK OFFERING

TITLE OF SECURITIES:	6.50% Mandatory Convertible Preferred Stock
AGGREGATE AMOUNT OFFERED:	\$1,860,000,000 of liquidation preference
SHARES ISSUED:	1,860,000
LIQUIDATION PREFERENCE PER SHARE:	\$1,000.00
OVERALLOTMENT OPTION:	279,000 shares
PRICE TO PUBLIC:	100% of liquidation preference
ANNUAL DIVIDEND RATE:	6.50% per share on the liquidation preference of \$1,000.00 per share (\$65.00 per annum), payable quarterly in arrears in cash, shares of the Company's common stock, or a combination thereof at the Company's election.
FIRST DIVIDEND DATE:	February 15, 2008
EXPECTED AMOUNT OF FIRST DIVIDEND PAYMENT PER SHARE:	\$15.53
EXPECTED AMOUNT OF EACH SUBSEQUENT DIVIDEND PAYMENT PER SHARE:	\$16.25
DIVIDEND CAP:	\$9.00
MANDATORY CONVERSION DATE:	November 15, 2010
THRESHOLD APPRECIATION PRICE:	\$17.08 (represents an approximately 22% appreciation over the initial price)
CONVERSION RATE:	If the applicable market value of shares

Edgar Filing: MYLAN INC. - Form FWP

of the Company's common stock is equal to or greater than \$17.08 (the "threshold appreciation price"), then the conversion rate will be 58.5480 shares of the Company's common stock per share of mandatory convertible preferred stock (the "minimum conversion rate"), which is equal to \$1,000.00 divided by the threshold appreciation price.

If the applicable market value of shares of the Company's common stock is less than the threshold appreciation price, but greater than \$14.00 (the "initial price"), then the conversion rate will be \$1,000.00 divided by the applicable market value.

If the applicable market value of shares of the Company's common stock is less than or equal to the initial price, then the conversion rate will be 71.4286 shares of the Company's common stock per share of the Company's mandatory convertible preferred stock (the "maximum conversion rate"), which is equal to \$1,000.00 divided by the initial price.

The maximum conversion rate and minimum conversion rate will be subject to anti-dilution adjustments.

CONVERSION AT OPTION OF THE HOLDER:

Other than during the cash acquisition conversion period, holders of the mandatory convertible preferred stock will have the right to convert the mandatory convertible preferred stock, in whole or in part, at any time prior to the mandatory conversion date, into shares of common stock at the minimum conversion rate of 58.5480 shares of common stock per share of mandatory convertible preferred stock, subject to anti-dilution adjustments.

CASH ACQUISITION CONVERSION RATE:

The following table sets forth the cash acquisition conversion rate per share of mandatory convertible preferred stock for each hypothetical stock price and effective date set forth below:

-2-

STOCK PRICE ON EFFECTIVE DATE

Edgar Filing: MYLAN INC. - Form FWP

EFFECTIVE DATE	\$14.00	\$15.00	\$17.50	\$20.00	\$25.00	\$30.00	\$35.00	\$40.00	\$45.00
11/19/2007	59.2213	58.8767	58.3258	58.0679	57.9688	58.0618	58.1809	58.2817	58.3826
11/15/2008	60.4749	59.9422	59.0455	58.5813	58.2927	58.3072	58.3759	58.4354	58.4949
11/15/2009	62.4499	61.5412	59.9469	59.1076	58.5658	58.5076	58.5224	58.5360	58.5506
11/15/2010	71.4286	66.6667	58.5480	58.5480	58.5480	58.5480	58.5480	58.5480	58.5480

If the stock price is in excess of \$100.00 per share, then the cash acquisition conversion rate will be the minimum conversion rate, subject to anti-dilution adjustments. If the stock price is less than \$14.00 per share, then the cash acquisition conversion rate will be the maximum conversion rate, subject to anti-dilution adjustments.

CASH ACQUISITION DIVIDEND MAKE-WHOLE PAYMENT:

For any shares of mandatory convertible preferred stock that are converted during the cash acquisition conversion period, in addition to the shares of common stock issued upon conversion, the Company must, in its sole discretion, either (a) pay holders cash, to the extent it is legally permitted to do so, in an amount equal to the sum of (1) an amount equal to any accrued, cumulated and unpaid dividends on the mandatory convertible preferred stock, whether or not declared (including the pro rata portion of the accrued dividend for the then current dividend period), and (2) the present value of all remaining dividend payments on the mandatory convertible preferred stock through and including the mandatory conversion date (excluding the pro rata portion of the accrued dividend for the then current dividend period), in each case, out of legally available assets (the "cash acquisition dividend make-whole amount"), or (b) increase the number of shares of common stock to be issued on conversion by an amount equal to the cash acquisition dividend make-whole amount, divided by the stock price of shares of the Company's common stock; provided that, in no event shall the Company increase the number of shares of common stock to be issued in excess of the amount equal to the cash acquisition dividend make-whole amount divided by \$9.00, subject to anti-dilution adjustments. The Company may make the election to pay cash or increase the number of shares of its common stock

Edgar Filing: MYLAN INC. - Form FWP

issued upon conversion, in whole or in part. The present value of the remaining dividend payments will be computed using a discount rate equal to 6.50%.

FRACTIONAL SHARES:

No fractional shares of the Company's common stock will be payable to any holder in connection with any conversion

-3-

or dividend. In lieu of any fractional share of the Company's common stock, at the Company's option, that holder will be entitled to receive either (i) an amount of shares rounded up to the next whole number of shares or (ii) an amount in cash (computed to the nearest cent) equal to the same fraction of the average daily closing price for the applicable dividend reference period.

NET PROCEEDS OF THE MANDATORY CONVERTIBLE PREFERRED STOCK OFFERING AFTER UNDERWRITERS' DISCOUNT:

Approximately \$1.8 billion (approximately \$2.1 billion if the underwriters' overallotment option is exercised in full).

USE OF PROCEEDS:

The Company intends to use the net proceeds from this offering to repay outstanding indebtedness under the Senior Unsecured Interim Loan Agreement incurred to fund a portion of the acquisition of Merck Generics and related acquisition costs.

UNDERWRITERS' DISCOUNT:

3.00%

TRADE DATE:

November 13, 2007

SETTLEMENT DATE:

November 19, 2007

CUSIP:

628530206

DOCUMENTATION:

The definitive terms of the mandatory convertible preferred stock will be set forth in a resolution of the Finance Committee of the Board of Directors of the Company and an amendment to the Amended and Restated Articles of Incorporation of the Company, as amended, rather than in a certificate of designations as described in the preliminary prospectus supplements.

THE MANDATORY CONVERTIBLE PREFERRED STOCK HAS BEEN APPROVED FOR LISTING ON THE NYSE UNDER THE SYMBOL "MYLPrA", SUBJECT TO OFFICIAL NOTICE OF ISSUANCE.

Edgar Filing: MYLAN INC. - Form FWP

COMMON STOCK OFFERING

TITLE OF SECURITIES: Common Stock
SHARES ISSUED: 53,500,000 (100% primary)

-4-

OVERALLOTMENT OPTION: 8,025,000 shares

PRICE TO PUBLIC: \$14.00 per share

OUTSTANDING COMMON SHARES
AFTER OFFERING (ASSUMING NO
EXERCISE OF THE
UNDERWRITERS' OVERALLOTMENT
OPTION):

Approximately 302 million shares (based on the number of shares outstanding as of September 30, 2007, and assuming no exercise of the underwriters' over allotment option) excluding (a) 26,755,853 shares issuable upon conversion of the Company's 1.25% senior convertible notes; (b) 26,755,853 shares underlying the Company's convertible note hedge and warrant transactions associated with the Company's convertible notes, (c) approximately 133 million shares that will be issuable upon conversion of the 6.50% mandatory convertible preferred stock (assuming no exercise of the underwriters' over allotment option and based on the maximum conversion rate described above) and (d) approximately 21,805,289 shares issuable upon exercise of outstanding stock options and restricted stock awards.

NET PROCEEDS OF THE
COMMON STOCK OFFERING
AFTER UNDERWRITERS' DISCOUNT:

Approximately \$0.7 billion
(approximately \$0.8 billion if the
underwriters' over allotment option is
exercised in full)

USE OF PROCEEDS:

The Company intends to use the net proceeds from this offering to repay outstanding indebtedness under the Senior Unsecured Interim Loan Agreement incurred to fund a portion of the acquisition of Merck Generics and related transaction costs.

UNDERWRITERS' DISCOUNT: 3.50%

LAST SALE (ON NOVEMBER 13, 2007): \$14.35

TRADE DATE: November 13, 2007

Edgar Filing: MYLAN INC. - Form FWP

SETTLEMENT DATE: November 19, 2007
CUSIP: 628530107

-5-

INFORMATION RELATING TO BOTH OFFERINGS

INCREASE IN NET PROCEEDS: Because of the increase in the size of both offerings, the total net proceeds to the Company (after underwriters' discounts and expenses) are estimated to be approximately \$2.5 billion, without giving effect to the exercise of the over-allotment options. All net proceeds will be applied to repay indebtedness under the Senior Unsecured Interim Loan Agreement. The disclosure in the final prospectuses will be amended to reflect the fact that the amount of indebtedness under the Senior Unsecured Interim Loan Agreement to be repaid will be greater than set forth in the preliminary prospectus supplements. This includes the disclosure under the "Pro Forma As Adjusted" column in the "Capitalization" section in the final prospectuses, which will be amended to reflect the increased amounts of preferred stock and common stock outstanding and the lower amount of interim loans outstanding after giving effect to the offerings (which in the case of the Interim Loans is expected to be approximately \$333.0 million). In addition, the disclosure under the section entitled "Overview of Financial Condition, Liquidity and Capital Resources" in the final prospectuses will be amended to reflect such lower amount of interim loans outstanding after the offerings and the lower amount of scheduled interest payments (in the table that appears under the caption "Our debt maturities" in such section) as a result of such reduction in the amount of interim loans outstanding.

AMENDMENT TO DESCRIPTION OF CAPITAL STOCK: The information in the final prospectuses relating to the description of the Company's capital stock will be amended to include a reference to the fact that the Company has not elected to opt out of, and therefore is subject to, Subchapter 25F of the BCL (relating to business combinations), which generally delays for five years and imposes conditions upon "business combinations" between an "interested shareholder" and

Edgar Filing: MYLAN INC. - Form FWP

the Company. The term "business combination" is defined broadly to include various transactions between a corporation and an interested shareholder including mergers, sales or leases of specified amounts of assets, liquidations, reclassifications and issuances of specified amounts of additional shares of stock of the corporation. An "interested shareholder" is defined generally as the beneficial owner of at least 20% of a corporation's voting shares.

-6-

APPOINTMENT OF NEW SENIOR VICE PRESIDENT AND GLOBAL GENERAL COUNSEL:

The Company has appointed Joseph F. Haggerty as Senior Vice President and Global General Counsel. He was formerly Vice President, General Counsel and Corporate Secretary of Sanofi-Aventis U.S. Inc. Stuart A. Williams, formerly Chief Legal Officer, is remaining with the Company as Special Counsel in the Office of the CEO.

The issuer has filed a registration statement (including prospectus supplements) with the SEC for the offerings to which this communication relates. Before you invest, you should read the prospectus supplements and the accompanying prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and these offerings. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the applicable offering will arrange to send you the applicable prospectus supplement if you request it by calling Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 1-800-248-3580 or Goldman, Sachs & Co. at 1-866-471-2526.

-7-