

**Shareholder Questions and Answers Related to  
Watson Pharmaceutical's Acquisition of Andrx Corporation**

**Q: What will I receive for my Andrx shares as a result of the Watson acquisition?**

A: For every share of Andrx common stock that you held immediately prior to the acquisition, you are entitled to receive \$25.00 in cash.

**Q: Will the acquisition be a taxable transaction to me?**

A: Yes. The receipt of cash for shares of Andrx common stock pursuant to the acquisition will be a taxable transaction for U.S. federal income tax purposes and may also be taxable under applicable state, local, foreign, and other tax laws. In general, you will recognize gain or loss for U.S. federal income tax purposes equal to the difference between the amount of cash you receive (\$25.00 per share) and your adjusted tax basis in your shares of Andrx common stock. You should consult your tax advisor regarding the specific tax consequences of the acquisition to you.

**Q. I hold Andrx stock in a brokerage account. Is there anything I need to do?**

A: No. If your shares are held in a brokerage account, your shares should be automatically converted to \$25.00 per share and the cash will automatically be deposited in to your brokerage account. If you have questions, please contact your broker.

**Q: What do I need to do if I hold stock certificates of Andrx common stock, but not in a brokerage account?**

A: If your shares are not held in a brokerage account, within three weeks of the acquisition closing, you should receive a Letter of Transmittal packet from American Stock Transfer (AST) providing details on how to convert Andrx shares into cash. After you receive the transmittal packet, please:

Read the cover letter and Letter of Transmittal enclosed in the packet.

Locate your Andrx stock certificates.

Sign the Letter of Transmittal and return it along with all of your Andrx stock certificates in the return envelope provided. Please do not sign your Andrx stock certificates.

**Q: Should I return my Andrx stock certificates?**

A: Yes. The Andrx common stock you presently hold is no longer traded on any stock exchange, and only represents the right to receive the cash acquisition consideration.

**Q: How should I return my Andrx stock certificates?**

A: If you hold Andrx stock certificates, return your Andrx stock certificates and a properly completed and signed Letter of Transmittal in the courtesy reply envelope provided in the packet received from AST. AST recommends you send them via certified or registered mail with return receipt requested or via overnight courier.

**Q: What will happen if I do not return my Andrx stock certificates?**

A: Until you properly present your Andrx stock certificates, the Letter of Transmittal and any other required materials for exchange, you will not receive your acquisition consideration. When AST receives your Andrx stock certificates along with a properly completed Letter of Transmittal and any other required materials, we will pay you your acquisition consideration without interest. If you do not return your Andrx stock certificates or otherwise complete the exchange, your unexchanged Andrx shares may eventually be subject to applicable state abandoned property, escheat or similar laws.

**Q: What should I do if my Andrx stock certificates were lost, stolen or destroyed?**

A: If you are unable to locate some or all of your Andrx stock certificates, you must call AST at 800-937-5449 or report the loss by accessing your account at <http://www.amstock.com>. Replacing a lost certificate will require the completion of forms and the posting of a surety bond, the details of which will be provided by AST.

**Q: What if I lose my Letter of Transmittal or need additional ones?**

A: If your shares are not held in a brokerage account, you should receive an information packet within three weeks of the acquisition closing providing details on how to convert Andrx shares into cash.

If you have not received one after three weeks you can download a Letter of Transmittal at [http://www.amstock.com/shareholder/sh\\_downloads.asp](http://www.amstock.com/shareholder/sh_downloads.asp) or call AST at 877-248-6417 and request that a duplicate Letter of Transmittal be mailed to you.

**Q: What will happen to my Andrx shares that are held electronically in book-entry form?**

A: You will receive a Letter of Transmittal, which must be filled out and mailed to AST. No certificate needs to be remitted.

If you hold Andrx shares in book-entry form and Andrx stock certificates, your Andrx shares held in book-entry form will not be exchanged until you return your properly completed Letter of Transmittal and Andrx stock certificates to AST. Once AST receives your Letter of Transmittal and Andrx stock certificates, you will receive a check for your cash consideration.

**Q: What do I do if my address has changed?**

A: Please call AST at 877-248-6417 to update your address.

**Q: What if I want my acquisition consideration mailed to a special address?**

A: If you need your acquisition consideration to be mailed to a third party, such as your bank or broker, please complete the Special Delivery Instructions section of the Letter of Transmittal. Your signature will need to be Medallion Guaranteed. Unless you indicate otherwise, such action will not change your address for dividends or other mailings.

**Q: If I am submitting Andrx certificates, when should I expect the exchange of my shares to be completed?**

A: It will take approximately three weeks from the date you mail your properly completed Letter of Transmittal and Andrx stock certificates to AST, the exchange agent, for the exchange of your

Andrx shares to be completed. Once the exchange is completed, you will receive a check for your cash consideration.

**Q: What should I do with the Form W-9 included with my Letter of Transmittal?**

A: AST enclosed a substitute Form W-9 with the Letter of Transmittal. Under U.S. federal income tax law, any person submitting a Letter of Transmittal who has not previously certified the TIN relating to the registered account must provide to the Exchange Agent his, her or its correct TIN, and certify that such TIN is correct on the enclosed substitute Form W-9. If such TIN is not provided, a penalty of \$50.00 may be imposed by the Internal Revenue Service and payment of the acquisition consideration may be subject to backup withholding. The TIN to be provided is that of the person submitting the Letter of Transmittal. The TIN for an individual is generally his or her social security number. Exempt persons (including, among others, all corporations and certain foreign individuals) are not subject to backup withholding and reporting requirements. A foreign individual may qualify as an exempt person by submitting a Form W-8, signed under penalties of perjury, certifying such individual's foreign status. A form W-8 can be obtained from the Exchange Agent upon request. See the Guidelines for Certification of Taxpayer Identification Number on Form W-9 for additional instructions.

**Q: Whom shall I contact if I have additional questions about the exchange of Andrx shares for cash?**

A: You may call AST, toll-free at 877-248-6417. Representatives are available Monday through Thursday, 9 a.m. to 5 p.m. Eastern Time, and Friday from 9 a.m. to 4 p.m. Eastern Time. Outside the U.S., Canada and Puerto Rico you can call at 718-921-8317