



Mylan Commences Tender Offers and Consent Solicitations for Its 5.750% Senior Notes Due 2010 and 6.375% Senior Notes Due 2015 in Connection With Its Proposed Acquisition of Merck's Generic Pharmaceutical Business

PITTSBURGH, Aug. 31 /PRNewswire-FirstCall/ -- Mylan Laboratories Inc. (NYSE: MYL) ("Mylan") announced today that it is commencing tender offers to purchase for cash any and all of its outstanding 5.750% Senior Notes due 2010 (CUSIP No. 628530AE7) and 6.375% Senior Notes due 2015 (CUSIP Nos. 628530AF4, 628530AC1) (collectively, the "Notes").

Mylan is making the tender offers as part of a broader strategy to establish its new global capital structure and in preparation for the consummation of its previously announced proposed acquisition of Merck's generic pharmaceutical business pursuant to a Share Purchase Agreement, dated May 12, 2007, between Mylan and Merck Generics Holding GmbH, Merck S.A., Merck Internationale Beteiligung GmbH and Merck KGaA (the "Transaction").

In conjunction with the tender offers, Mylan is also soliciting consents from holders of each series of Notes to eliminate substantially all of the restrictive covenants and certain events of default in the indenture governing the Notes (the "Proposed Amendments"). Holders cannot tender their Notes without delivering their consent and cannot deliver a consent without tendering their Notes.

The tender offers and consent solicitations are being made upon the terms and subject to the conditions described in the Offer to Purchase and Consent Solicitation Statement and related Letter of Instructions dated August 31, 2007. Each of the tender offers will expire at 12:00 midnight, New York City time, on September 28, 2007, unless any tender offer is extended at the sole discretion of Mylan (such date and time, as it may be extended, the "Expiration Time"). Holders must tender Notes and deliver their related consents to the Proposed Amendments at or prior to 5:00 p.m., New York City time, on September 14, 2007, unless extended at the sole discretion of Mylan with respect to any series of Notes (such date and time, as it may be extended, the "Consent Payment Deadline"), in order to receive the Total Consideration (defined below), which includes the Consent Payment (defined below).

The "Total Consideration" Mylan will pay for each \$1,000 principal amount of Notes validly tendered at or prior to the applicable Consent Payment Deadline and accepted by Mylan for purchase will be the "fixed spread price" for such Notes calculated in accordance with standard market practice as described in the Offer to Purchase and Consent Solicitation Statement, representing a present value calculation of future payment obligations in respect of such Notes after the applicable Settlement Date (defined below) and until August 15, 2010 (the date on which the Notes mature or become redeemable at Mylan's option, as the case may be), using a discount rate equal to the sum of (i) the yield to maturity on the 4.125% U.S. Treasury Note due August 15, 2010, as calculated by Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. (the "Dealer Managers"), in accordance with standard market practice, based on the bid-side price of such reference security as of 2:00 p.m., New York City time on the Price Determination Time (defined below), as displayed on the Bloomberg Government Pricing Monitor Page PX5 or any recognized quotation source selected by the Dealer Managers in their sole discretion if the Bloomberg Government Pricing Monitor is not available or is manifestly erroneous, plus (ii) a fixed spread of 50 basis points.

With respect to each series of Notes, the applicable Total Consideration includes a "Consent Payment" equal to \$30 for each \$1,000 principal amount of Notes validly tendered and accepted for purchase. Holders tendering their Notes pursuant to a tender offer will not receive the Consent Payment unless their Notes are validly tendered at or prior to the applicable Consent Payment Deadline and such tender offer is subsequently consummated. If a holder validly tenders Notes pursuant to a tender offer after the applicable Consent Payment Deadline, and such tender offer is consummated, such holder will be paid only the applicable Total Consideration less the Consent Payment even if the Proposed Amendments applicable to the Notes so tendered are adopted.

The Price Determination Time will be 2:00 p.m., New York City time, on September 14, 2007, unless extended by the Company in its sole discretion in respect of any series of Notes. In the event that a tender offer is extended, a new Price Determination Time may be established with respect to such tender offer, which will be not less than two nor more than ten business days prior to the new Expiration Time for such tender offer.

Mylan will pay for Notes purchased promptly following the Expiration Time of the applicable tender offer (each such date, the "Settlement Date"). In addition, Mylan will pay accrued and unpaid interest on tendered and accepted Notes to, but not including, the applicable Settlement Date.

The tender offer and consent solicitation for a series of Notes is separate from the tender offer and consent solicitation for the other series of Notes. Mylan reserves the right to extend, amend, waive the conditions to or terminate each tender offer and

consent solicitation independently of the other tender offer and consent solicitation.

Mylan's obligation to accept, and pay for, Notes of a series validly tendered pursuant to a tender offer is conditioned upon the satisfaction or waiver of various conditions, including (i) the receipt of valid consents to the Proposed Amendments from holders of not less than a majority in aggregate principal amount of the Notes of such series, (ii) consummation of the Transaction and (iii) satisfaction of certain general conditions described in the Offer to Purchase and Consent Solicitation Statement.

The complete terms and conditions of the tender offers and consent solicitations are described in the Offer to Purchase and Consent Solicitation Statement and related Letter of Instructions, copies of which may be obtained by contacting Global Bondholder Services Corporation, the information agent for the tender offers and consent solicitations, at (866) 804-2200 (toll-free). Questions regarding the tender offers and consent solicitations may be directed to the Dealer Managers and Solicitation Agents for the tender offers and consent solicitations, Merrill Lynch, Pierce, Fenner & Smith Incorporated, which may be contacted at (212) 449-4914 (collect) or (888) 654-8637 (toll-free), and Citigroup Global Markets Inc., which may be contacted at (212) 723-6106 (collect) or (800) 558-3745 (toll-free).

This announcement is not an offer to purchase, a solicitation of an offer to purchase or a solicitation of consents with respect to any securities. The tender offers and consent solicitations are being made solely by Mylan's Offer to Purchase and Consent Solicitation Statement and the related Letter of Instructions dated August 31, 2007, as the same may be amended or supplemented by Mylan.

SOURCE Mylan Laboratories Inc.

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