

BENTLEY PHARMACEUTICALS INC

Form DEFM14A

June 17, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant To Section 14(A) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed By a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

BENTLEY PHARMACEUTICALS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the Appropriate Box):

No fee required.

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1) Title of each class of securities to which transaction applies:

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1) Amount Previously Paid:

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**Bentley Park
2 Holland Way
Exeter, NH 03833**

June 16, 2008

Dear Fellow Stockholder:

You are cordially invited to attend a special meeting of stockholders of Bentley Pharmaceuticals, Inc. to be held on Tuesday, July 22, 2008 at 10:00 a.m., local time, at the Hilton Garden Inn, 100 High Street, Portsmouth, New Hampshire.

At the special meeting, you will be asked to consider and vote upon a proposal to adopt and approve the Agreement and Plan of Merger, dated as of March 31, 2008, by and among Bentley Pharmaceuticals, Inc., Teva Pharmaceutical Industries Limited and Beryllium Merger Corporation, pursuant to which Beryllium Merger Corporation will merge with and into Bentley. Prior to the effective time of the merger, Bentley will distribute to its existing stockholders all of the shares of common stock of CPEX Pharmaceuticals, Inc., Bentley's drug delivery business. Bentley stockholder approval is not needed for, and you are not being asked for a proxy in relation to, the proposed spin-off of the drug delivery business of Bentley.

If the merger agreement is adopted and the merger is completed, you will be entitled to receive \$15.02 in cash, without interest and less any applicable withholding tax, subject to possible reduction in connection with the spin-off, for each Bentley common share you own, unless you properly exercise dissenters' rights with respect to the merger. The actual amount of merger consideration payable to you may be less than \$15.02 per share, depending on whether the merger consideration is reduced pursuant to the terms of the merger agreement. There are two possible adjustments to the merger consideration relating to the spin-off, one relating to certain potential tax liabilities Bentley may incur (and Teva may indirectly assume) in connection with the spin-off, and one relating to adjustments made to Bentley options and restricted stock units in connection with the spin-off, both of which are discussed in detail in the attached proxy statement. The final per share purchase price, reflecting any adjustments relating to the spin-off, will be announced by Bentley at least 14 days prior to the special meeting. This announcement is expected to be made on or about July 2, 2008. If the merger agreement is adopted and the merger is completed, the merger consideration you will be entitled to receive will be in addition to any shares of CPEX common stock you may receive in connection with the spin-off.

Bentley's board of directors, after careful consideration of a variety of factors, has unanimously determined that the merger agreement and the transactions contemplated thereby are advisable and fair to, and in the best interests of, Bentley and its stockholders, and approved the merger agreement, the merger and the other transactions contemplated thereby. **Accordingly, our board of directors unanimously recommends that you vote FOR the adoption and approval of the merger agreement.**

Your vote is very important, regardless of the number of shares of common stock you own. We cannot complete the merger unless the merger agreement is adopted by the affirmative vote of the holders of a majority of the outstanding shares of our common stock. The failure of any stockholder to vote on the proposal to adopt and approve the merger agreement will have the same effect as a vote against the adoption and approval of the merger agreement.

The attached proxy statement provides you with detailed information about the special meeting, the merger agreement and the merger. A copy of the merger agreement is attached as Annex A to the proxy statement. We encourage you to read the entire proxy statement and the merger agreement carefully. You may also obtain more information about

Bentley from documents we have filed with the Securities and Exchange Commission.

Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope, or submit your proxy by telephone

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or the Internet. If you have Internet access, we encourage you to record your vote via the Internet. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

Thank you in advance for your cooperation and continued support.

Sincerely,

James R. Murphy
Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The proxy statement is dated June 16, 2008, and is first being mailed to stockholders on or about June 18, 2008.

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**Bentley Pharmaceuticals, Inc.
Bentley Park
2 Holland Way
Exeter, NH 03833**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held On July 22, 2008**

To the Stockholders of Bentley Pharmaceuticals, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of BENTLEY PHARMACEUTICALS, INC., a Delaware corporation, will be held on Tuesday, July 22, 2008 at 10:00 a.m., local time, at the Hilton Garden Inn, 100 High Street, Portsmouth, New Hampshire for the following purposes:

1. To consider and vote on a proposal to adopt and approve the Agreement and Plan of Merger (the "merger agreement"), dated as of March 31, 2008, by and among Bentley Pharmaceuticals, Inc., Teva Pharmaceutical Industries Limited, an Israeli corporation ("Teva"), and Beryllium Merger Corporation., a Delaware corporation and a wholly owned subsidiary of Teva ("Acquisition Sub"). A copy of the merger agreement is attached as Annex A to the accompanying proxy statement. Pursuant to the terms of the merger agreement, Acquisition Sub will merge with and into Bentley (the "merger") and each outstanding share of the Bentley common stock, par value \$0.02 per share (other than shares held in treasury or owned by Teva or Acquisition Sub or any direct or indirect wholly owned subsidiary of Bentley, and shares held by stockholders who have properly demanded statutory appraisal rights, if any), will be converted into the right to receive \$15.02 in cash, without interest and less any applicable withholding tax, subject to possible reduction in connection with the spin-off and pursuant to the terms of the merger agreement, as described in the accompanying proxy statement.
2. To consider and vote on any proposal to adjourn or postpone the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement if there are insufficient votes at the time of the meeting to adopt and approve the merger agreement.
3. To consider and vote on such other business as may properly come before the special meeting or any adjournments or postponements thereof.

Our board of directors has specified June 2, 2008 as the record date for the purpose of determining the stockholders who are entitled to receive notice of, and to vote at, the special meeting. Only stockholders of record at the close of business on the record date are entitled to notice of and to vote at the special meeting.

After careful consideration, our board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and fair to, and in the best interests of, Bentley and Bentley's stockholders. Our board of directors has unanimously approved and adopted the merger agreement and the transactions contemplated by the merger agreement, including the merger.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ADOPTION AND APPROVAL OF THE MERGER AGREEMENT.

Your vote is important. Properly executed proxy cards with no instructions indicated on the proxy card will be voted FOR the adoption and approval of the merger agreement. Whether or not you plan to attend the special meeting, please complete, sign and date the accompanying proxy card and return it in the enclosed prepaid

envelope, or you may submit your proxy by telephone or the Internet by following the instructions printed on your proxy card. If you attend the special meeting, you may revoke your proxy and vote in person if you wish, even if you have previously returned your proxy card. Your failure to vote in person at the special meeting or to submit a signed proxy card will effectively have the same effect as a vote AGAINST the adoption and approval of the merger agreement. Your prompt cooperation is greatly appreciated.

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Stockholders of Bentley who do not vote in favor of the adoption and approval of the merger agreement will have the right to seek appraisal of the fair value of their shares if the merger is completed, but only if they submit a written demand for appraisal to Bentley before the vote is taken on the merger agreement and they comply with all requirements of Delaware law, which are summarized in the accompanying proxy statement.

The adoption and approval of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Bentley common stock. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy or submit your proxy by telephone or the Internet prior to the special meeting to ensure that your shares will be represented at the special meeting if you are unable to attend. If you have Internet access, we encourage you to record your vote via the Internet. If you fail to return your proxy card or fail to submit your proxy by phone or the Internet and you fail to attend the special meeting, your shares will not be counted for purposes of determining whether a quorum is present at the meeting, but will not affect the outcome of the vote regarding the adjournment proposal, if necessary. The failure of any stockholder to vote on the proposal to adopt and approve the merger agreement will have the same effect as a vote against the adoption and approval of the merger agreement. If you are a stockholder of record, voting in person at the special meeting will revoke any proxy previously submitted. If you hold your shares through a bank, broker or other custodian, you must obtain a legal proxy from such custodian in order to vote in person at the special meeting.

Please note that space limitations make it necessary to limit attendance at the special meeting to stockholders as of the record date (or their authorized representatives). If your shares are held by a bank or broker, please bring to the special meeting your statement evidencing your beneficial ownership of common stock and photo identification. The list of stockholders entitled to vote at the special meeting will be available for inspection at our principal executive offices at Bentley Park, 2 Holland Way, Exeter, New Hampshire, 03833 during ordinary business hours at least 10 days before the special meeting.

By Order of the Board of Directors,

Richard P. Lindsay
Secretary

Exeter, New Hampshire
June 16, 2008

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SUMMARY TERM SHEET

*The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that topic. Also see *Where You Can Find More Information* beginning on page 57. References to Bentley, the Company, we, our or us in this proxy statement refer to Bentley Pharmaceuticals, Inc. and its subsidiaries unless otherwise indicated or the context otherwise requires.*

The Parties to the Merger (Page 13)

Bentley Pharmaceuticals, Inc.

Bentley, a Delaware corporation, is an international specialty pharmaceutical company, headquartered in the U.S., that is focused on the development, licensing and sales of generic and branded generic pharmaceutical products and active pharmaceutical ingredients (API) and the manufacturing of pharmaceuticals for others. Our pharmaceutical product sales and licensing activities are based primarily in Spain, where we have a significant commercial presence, and manufacture and market approximately 200 product presentations through three wholly-owned Spanish subsidiaries: Laboratorios Belmac, Laboratorios Davur and Laboratorios Rimafar. Our products are in four primary therapeutic areas: cardiovascular, gastrointestinal, central nervous system and infectious diseases. Although the majority of our sales of these products are currently in the Spanish market, we have recently focused on increasing sales in other European countries and other geographic regions through strategic alliances with companies in these territories. We continually add to our product portfolio in response to increasing market demand for generic and branded generic therapeutic agents and, when appropriate, divest portfolio products considered to be redundant or that have become non-strategic. We manufacture our finished dosage pharmaceutical products in our Spanish manufacturing facility which received approval from the U.S. Food and Drug Administration (FDA) in late 2006 for the manufacture of our first U.S. generic product.

On June 12, 2008, Bentley's board of directors approved the spin-off of CPEX Pharmaceuticals, Inc. (CPEX), Bentley's drug delivery business (the spin-off), which consists of development, licensing and commercialization of pharmaceutical products utilizing its validated drug delivery technology. Consummation of the spin-off, which is a condition to the closing of the merger, is scheduled to occur on June 30, 2008.

Teva Pharmaceutical Industries Limited

Teva Pharmaceutical Industries Limited, headquartered in Israel, is among the top 20 pharmaceutical companies in the world and is the world's leading generic pharmaceutical company. Teva develops, manufactures and markets generic and innovative human pharmaceuticals and API, as well as animal health pharmaceutical products. Over 80 percent of Teva's sales are in North America and Europe. Teva's ADRs are publicly traded on the NASDAQ under the symbol TEVA .

Beryllium Merger Corporation

Beryllium Merger Corporation, a Delaware corporation (Acquisition Sub), is a wholly owned subsidiary of Teva. Acquisition Sub was formed exclusively for the purpose of effecting the merger.

The Merger (Page 16)

The Agreement and Plan of Merger, dated as of March 31, 2008 (the merger agreement), provides that Acquisition Sub will merge with and into Bentley (the merger). Bentley will be the surviving corporation (the Surviving Corporation) in the merger. In the merger, each outstanding share of Bentley common stock will be converted into the right to receive \$15.02 in cash, without interest and less any applicable withholding tax, subject to possible reduction in connection with the spin-off, as described below. The consideration you receive in the merger will be in addition to any shares of CPEX common stock you may receive in connection with the spin-off. Shares held in treasury or owned by Teva or Acquisition Sub or any direct or indirect wholly owned subsidiary of Bentley, and shares held by stockholders who have properly demanded statutory appraisal rights, if any, will not be converted.

Following the merger, Bentley will no longer be a publicly traded company, and you will cease to have any ownership interest in Bentley and will not participate in any future earnings and growth of

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Bentley. You will not own any shares of the Surviving Corporation. However, consummation of the merger will not affect any shares of CPEX you may hold by virtue of the spin-off.

Merger Consideration and Possible Adjustment to Merger Consideration (Page 39)

The aggregate merger consideration to be paid by Teva will be \$360 million, subject to possible reduction as described below. Upon completion of the merger, you will receive \$15.02 in cash, subject to possible reduction in accordance with the terms of the merger agreement, and without interest, and less any required withholding taxes, for each of our common shares that you own. The consideration you receive in the merger will be in addition to any shares of CPEX common stock you may receive in connection with the spin-off. From and after the date of the merger you will no longer own any interest in Bentley; however, consummation of the merger will not affect any shares of CPEX you may hold by virtue of the spin-off. For example, if you own 100 common shares and there is no reduction to the merger consideration and no taxes are required to be withheld, you will receive \$1,502 in cash in exchange for your Bentley shares.

The aggregate merger consideration is subject to reduction in the event that the value of the CPEX stock distributed to Bentley's stockholders in the spin-off exceeds certain thresholds, as set forth below. This reduction is designed to compensate Teva for tax liabilities we may incur as a result of the spin-off and which Teva may indirectly assume as a result of the merger. In the event the value of the CPEX stock distributed to Bentley's stockholders in the spin-off exceeds certain thresholds, the aggregate consideration to be paid by Teva for Bentley common stock and to holders of options to purchase Bentley common stock will be reduced by:

the product of (i) the amount, if any, by which the value of the CPEX stock distributed to Bentley's stockholders in the spin-off exceeds \$34 million, multiplied by (ii) 8.5%; and

the product of (i) the amount, if any, by which the value of the CPEX stock distributed to Bentley's stockholders in the spin-off exceeds the sum of (a) \$65 million, plus (b) the amount calculated under the immediately preceding bullet point, multiplied by (ii) the applicable federal income tax rate (expected to be between 34% and 35%).

The value of the CPEX stock distributed to Bentley's stockholders in the spin-off will be determined immediately following the spin-off. In addition, following the spin-off, the exercise price and number of outstanding options to purchase Bentley common stock, and the number of outstanding restricted stock units, will be equitably adjusted to maintain their pre-spin-off intrinsic value. In order to account for this equitable adjustment to the exercise price and number of Bentley options and restricted stock units that will be made in connection with the spin-off, the per share purchase price will be recalculated prior to the special meeting in order to spread the aggregate purchase price across (i) all shares of Bentley common stock and restricted stock units then outstanding and (ii) all options to purchase Bentley common stock with an exercise price less than the price per share to be paid in the merger. Bentley will announce the final per share merger consideration (the merger consideration), reflecting these potential adjustments relating to the spin-off, at least 14 days prior to the special meeting. This announcement is expected to be made on or about July 2, 2008. See The Merger Agreement Aggregate Purchase Price; Merger Consideration; Adjustments for a detailed discussion of the potential adjustments to the merger consideration.

The Spin-Off (Page 16)

On June 12, 2008, Bentley's board of directors approved the plan to spin-off to its stockholders all of the shares of common stock of CPEX, its subsidiary, containing all of the assets and liabilities of Bentley's drug delivery business. The distribution of the CPEX shares to all stockholders of record who hold shares of Bentley common stock on June 20, 2008, the record date for the spin-off, is scheduled to occur on June 30, 2008. The consummation of the

spin-off, although approved by Bentley's board of directors, remains dependant on the occurrence of certain conditions, and pursuant to the merger agreement Bentley is required to use reasonable best efforts to effect the spin-off. The CPEX shares will be distributed to Bentley's stockholders on the basis of one share of CPEX common stock for every ten shares of Bentley common stock outstanding. In the event that the spin-off does not occur, Teva will not be required to consummate the merger, and in such case, Bentley will have to pay Teva a fee, as described below. While consummation of the spin-off is a condition to the merger, consummation of the merger is not a condition to the spin-off.

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Bentley stockholder approval is not needed for, and you are not being asked for a proxy in relation to, the proposed spin-off of the drug delivery business of Bentley. Bentley's stockholders should read carefully the registration statement on Form 10 and the accompanying Information Statement that was originally filed with the SEC by CPEX on December 21, 2007, and all amendments thereto (the CPEX Form 10), which describe CPEX and the spin-off in greater detail. Holders of Bentley common stock on June 20, 2008, the record date of the spin-off, will receive the final CPEX Information Statement.

In addition, Bentley's stockholders are urged to read carefully the Bentley pro forma financial information that will be filed with the SEC by Bentley in a Form 8-K on or about July 7, 2008 and will give effect to the spin-off of the drug delivery business.

The Special Meeting (Page 14)

Date, Time and Place. The special meeting will be held on Tuesday, July 22, 2008 at 10:00 a.m., local time, at the Hilton Garden Inn, 100 High Street, Portsmouth, New Hampshire.

Purpose. You will be asked to consider and vote upon (1) the adoption and approval of the merger agreement, pursuant to which Acquisition Sub will merge with and into Bentley, (2) the adjournment or postponement of the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement if there are insufficient votes at the time of the meeting to adopt and approve the merger agreement and (3) such other business as may properly come before the special meeting or any adjournments or postponements thereof.

Record Date and Quorum. You are entitled to vote at the special meeting if you owned shares of our common stock at the close of business on June 2, 2008, the record date for the special meeting. You will have one vote for each share of our common stock that you owned on the record date. As of the record date, there were 22,727,434 shares of our common stock issued and outstanding and entitled to vote. A majority of our common stock issued, outstanding and entitled to vote at the special meeting constitutes a quorum for the purpose of considering the proposals.

Vote Required. The adoption and approval of the merger agreement requires the affirmative vote of a majority of the outstanding shares of our common stock. Approval of any proposal to adjourn or postpone the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies requires the affirmative vote of a majority of the shares of our common stock present in person or represented by proxy at the special meeting and entitled to vote on the matter.

Voting Agreement; Common Stock Ownership of Directors and Executive Officers. As of the record date, the directors and executive officers of Bentley held in the aggregate approximately 14.3% of the shares of our common stock entitled to vote at the special meeting. Each of our directors and executive officers has advised us that he or she plans to vote all of his or her shares FOR the adoption and approval of the merger agreement. Additionally, Mr. James Murphy, our Chairman and Chief Executive Officer, Mr. Michael McGovern, our Vice Chairman, and his wife, Mrs. Elizabeth McGovern, who currently hold an aggregate of approximately 13.7% of the outstanding shares of Bentley common stock, have entered into a voting agreement with Teva whereby they have agreed to vote their shares in favor of the merger agreement and the merger.

Voting and Proxies. Any stockholder of record entitled to vote at the special meeting may submit a proxy by telephone, the Internet, by returning the enclosed proxy card by mail, or by voting in person by appearing at the special meeting. If your shares of our common stock are held in street name by your broker, you should instruct your broker on how to vote such shares of common stock using the instructions provided by your broker. If you do not provide your broker with instructions, your shares of our common stock will not be voted, which will have the same

effect as a vote AGAINST the adoption and approval of the merger agreement. The persons named in the accompanying proxy will also have discretionary authority to vote on any adjournments or postponements of the special meeting.

Revocability of Proxy. Any stockholder of record who executes and returns a proxy card (or submits a proxy via telephone or the Internet) may revoke the proxy at any time before it is voted at the special meeting in any one of the following ways:

if you hold your shares in your name as a stockholder of record, by notifying our Secretary,

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Richard Lindsay, at Bentley Park, 2 Holland Way, Exeter, New Hampshire, 03833;

by attending the special meeting and voting in person (your attendance at the special meeting will not, by itself, revoke your proxy; you must vote in person at the special meeting);

by submitting a later-dated proxy card;

if you voted by telephone or the Internet, by voting a second time by telephone or Internet; or

if you have instructed a broker, bank or other nominee to vote your shares of our common stock, by following the directions received from your broker, bank or other nominee to change those instructions.

Treatment of Options and Restricted Stock Units (Page 41)

Options. At the effective time of the merger, all outstanding options to acquire our common stock (whether vested or unvested) will become fully vested and will be cancelled and converted into the right to receive a cash payment in an amount equal to the excess, if any, of \$15.02, subject to possible reduction in connection with the spin-off and pursuant to the terms of the merger agreement, over the exercise price per share of any such option, multiplied by the number of Bentley common shares for which such option is exercisable immediately prior to the effective time of the merger, less any applicable withholding taxes.

Restricted Stock Units. At the effective time of the merger, all issued and outstanding restricted stock units will become fully vested and will be cancelled and converted into the right to receive a cash payment equal to the number of restricted stock units multiplied by \$15.02, subject to possible reduction in connection with the spin-off and pursuant to the terms of the merger agreement, less any applicable withholding taxes.

Recommendation of Our Board of Directors

The board of directors (i) determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and fair to, and in the best interests of, Bentley and its stockholders, (ii) approved the merger agreement and the transactions contemplated thereby and (iii) resolved to recommend that the stockholders adopt and approve the merger agreement and the transactions contemplated thereby and directed that such matter be submitted for consideration of the stockholders of Bentley at the special meeting. The board of directors unanimously recommends that our stockholders vote FOR the adoption and approval of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies.

Interests of the Company's Directors and Executive Officers in the Merger (Page 31)

In considering the recommendation of the board of directors, you should be aware that our directors and executive officers may have interests in the merger that are different from, or in addition to, your interests as a stockholder, and that may present actual or potential conflicts of interest. Such interests include (i) severance payments and benefits payable to executive officers upon termination of employment under a qualifying termination of employment pursuant to employment or letter agreements, (ii) the accelerated vesting of certain equity awards for certain directors and officers and (iii) rights to continued indemnification and insurance coverage after the merger for acts or omissions occurring prior to the merger.

Opinion of Deutsche Bank Securities Inc. (Page 27)

The board of directors received an opinion from Deutsche Bank Securities Inc. (Deutsche Bank), to the effect that, as of March 29, 2008, based upon and subject to the assumptions made, matters considered and limits of review set forth therein, the merger consideration of \$15.02 in cash per share, unadjusted, to be received by the holders of the outstanding shares of Bentley common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders. For purposes of Deutsche Bank s opinion summarized here and elsewhere in this proxy, all references to Bentley mean the entity following the spin-off of Bentley s drug delivery business. A copy of Deutsche Bank s opinion, dated March 29, 2008, is attached as Annex B to this proxy statement. We encourage you to read carefully the opinion in its entirety and the section entitled The Merger Opinion of Deutsche Bank beginning on page 27 for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. The opinion of Deutsche Bank was provided to Bentley s board of directors in

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connection with its evaluation of the merger, and does not address any other aspect of the merger and does not constitute a recommendation as to how any shareholder should vote on any matter at the special meeting.

Regulatory Approvals (Page 38)

The merger is subject to, and the parties' obligations to complete the merger are conditioned on, approval by governmental authorities in Germany under the antitrust/competition laws of such jurisdiction. The requisite German clearance was granted on May 6, 2008.

Material U.S. Federal Income Tax Consequences (Page 36)

If you are a U.S. holder, your receipt of cash for shares of our common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes, and you will generally recognize gain or loss in an amount equal to the difference between the amount of cash you receive with respect to such shares and your adjusted tax basis in such shares. Gain or loss will be determined separately for each block of shares (i.e., shares acquired at the same cost in a single transaction) surrendered for cash pursuant to the merger. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if at the effective time of the merger, the shares were held for more than one year.

If you are a non-U.S. holder, your receipt of cash in exchange for shares of our common stock pursuant to the merger generally will be exempt from U.S. federal income tax, subject to certain exceptions. See *The Merger* Material U.S. Federal Income Tax Consequences .

You should consult your tax advisor as to the particular tax consequences of the merger to you, including the tax consequences under state, local, foreign and other tax laws. See *The Merger* Material U.S. Federal Income Tax Consequences.

Conditions to the Merger (Page 46)

Conditions to Each Party's Obligations. Each party's obligation to complete the merger is subject to the satisfaction or waiver, at or prior to the effective time of the merger, of the following conditions:

the merger agreement must have been adopted by the affirmative vote of a majority of the outstanding shares of our common stock;

the spin-off must have been completed;

no governmental authority shall have enacted, issued, promulgated, enforced or entered any law or order which is in effect and has the effect of making the merger illegal or otherwise prohibiting the consummation of the merger; and

all consents required under any applicable antitrust laws shall have been obtained and any applicable waiting period thereunder shall have expired or been terminated.

Conditions to Teva's and Acquisition Sub's Obligations. The obligation of Teva and Acquisition Sub to complete the merger is subject to the satisfaction or waiver, at or prior to the effective time of the merger, of the following additional conditions:

our representations and warranties must be true and correct, subject to certain materiality thresholds;

we must have performed in all material respects all obligations required to be performed by us under the merger agreement at or prior to the closing date;

since the date of the merger agreement, there must not have been any event that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Bentley; and

we must deliver to Teva and Acquisition Sub at closing a certificate with respect to the satisfaction of the foregoing three conditions.

Conditions to Bentley's Obligations. Our obligation to complete the merger is subject to the satisfaction or waiver of the following further conditions:

the representations and warranties made by Teva and Acquisition Sub must be true and correct, subject to certain materiality thresholds;

Teva and Acquisition Sub must have performed in all material respects all obligations required to be performed by them under the

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merger agreement at or prior to the closing date; and

Teva must deliver to us at closing a certificate with respect to the satisfaction of the foregoing two conditions.

Restrictions on Recommendation Withdrawal (Page 49)

The merger agreement generally restricts the ability of our board of directors to withdraw its recommendation that Bentley stockholders adopt and approve the merger agreement. However, if our board of directors determines in good faith (after consultation with its outside counsel and financial advisors) that the failure to withdraw this recommendation would be inconsistent with its fiduciary duties under applicable law, then our board of directors may withdraw this recommendation.

No Solicitation of Other Offers (Page 47)

The merger agreement restricts our ability to solicit or engage in discussions or negotiations with third parties regarding specified transactions involving the Company. Notwithstanding these restrictions, under certain limited circumstances required for our board of directors to comply with its fiduciary duties, our board of directors may respond to an unsolicited written bona fide proposal for a superior proposal, terminate the merger agreement and enter into an agreement with respect to a superior proposal, subject to compliance with the terms of the merger agreement, including, in certain circumstances, the payment of a termination fee of \$13 million to Teva.

Termination of the Merger Agreement (Page 49)

The merger agreement may be terminated at any time prior to the consummation of the merger, whether before or after stockholder approval has been obtained:

by mutual written consent of Bentley and Teva;

by either Bentley or Teva if:

there is any final and non-appealable action that restrains, enjoins or otherwise prohibits any of the transactions contemplated by the merger agreement;

the merger is not completed on or before October 1, 2008; provided that the party seeking to terminate is not in material breach of any of its covenants or agreements contained in the merger agreement; or

our stockholders do not adopt and approve the merger agreement at the special meeting or any adjournment or postponement thereof.

by Bentley, if:

Teva breached any of its representations, warranties, covenants or other agreements under the merger agreement in a manner that would result in the failure of certain conditions to closing to be satisfied, and where that breach cannot be cured on or before October 1, 2008 and within 30 days following written notice to Teva; or

prior to receipt of the requisite stockholder approval, in order to enter into an agreement with respect to a competing proposal.

by Teva, if:

we have breached any of our representations, warranties, covenants or other agreements under the merger agreement in a manner that would result in the failure of certain conditions to closing to be satisfied, and where that breach cannot be cured on or before October 1, 2008 and within 30 days following written notice to us; or

prior to the special meeting, a change of the recommendation of our board of directors has occurred;

we fail under certain circumstances to expressly reaffirm the recommendation of our board of directors that our stockholders adopt and approve the merger agreement;

we have materially breached any of our obligations under the no solicitation provisions of the merger agreement; or

we have failed to use our reasonable best efforts to complete the spin-off.

Termination Fees (Page 50)

In connection with the termination of the merger agreement in certain circumstances involving a competing proposal by a third party, a change in our board of directors' recommendation of the merger to Bentley's stockholders, or our failure to either receive

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the stockholder approval in connection with this proxy statement or complete the spin-off in certain circumstances, we may be required to pay Teva a termination fee of \$13 million.

We have agreed to reimburse Teva's costs and expenses incurred in connection with the merger agreement, in the amount of \$2 million, if the merger agreement is terminated due to failure of our stockholders to approve the transaction, due to our failure to complete the spin-off in certain circumstances, or if the merger agreement is terminated for failure to consummate the merger prior to October 1, 2008 and prior to the special meeting a third party had publicly disclosed a competing proposal. Any amounts paid as expense reimbursement will offset any termination fee that may become payable.

Dissenters' Rights of Appraisal (Page 54)

Under Delaware law, holders of our common stock who do not vote in favor of adopting and approving the merger agreement will have the right to seek appraisal of the fair value of their shares of our common stock as determined by the Delaware Court of Chancery if the merger is completed, but only if they comply with all requirements of Delaware law (including Section 262 of the DGCL, the text of which can be found in Annex C of this proxy statement), which are summarized in this proxy statement. This appraisal amount could be more than, the same as or less than the merger consideration. Any holder of our common stock intending to exercise such holder's appraisal rights, among other things, must submit a written demand for an appraisal to us prior to the vote on the adoption and approval of the merger agreement and must not vote or otherwise submit a proxy in favor of adoption and approval of the merger agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights.

Market Price of Common Stock (Page 52)

The closing sale price of our common stock on the New York Stock Exchange (the NYSE) on October 22, 2007, the last trading day prior to the preliminary announcement of the spin-off plan and exploration of strategic alternatives with respect to the generic drug division, was \$12.63. The closing sale price of our common stock on the NYSE on March 28, 2008, the last trading day prior to the announcement of the merger, was \$13.74. On June 13, 2008, the last trading day before the date of this proxy statement, our common shares closed at \$16.00 per share.

Note that the sale prices above reflect the consolidated operations of Bentley, including the drug delivery business being spun-off to Bentley's stockholders pursuant to the spin-off. Bentley stockholders will receive for their Bentley shares the merger consideration being paid pursuant to the merger agreement and, if they are record holders at the time of the spin-off, CPEX shares.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that may be important to you as a Bentley stockholder. Please refer to the Summary Term Sheet and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement, which you should read carefully. Also see Where You Can Find More Information beginning on page 57.

Q. What is the proposed transaction?

A. The proposed transaction is the acquisition of Bentley by Teva following the spin-off by Bentley of its drug delivery business. If the merger agreement is adopted by the stockholders and other closing conditions under the merger agreement are satisfied or waived, Acquisition Sub, a wholly owned subsidiary of Teva, will merge with and into Bentley. Bentley will be the Surviving Corporation and become a wholly owned subsidiary of Teva.

Q. What will I receive in the merger?

A. Upon completion of the merger, you will be entitled to receive \$15.02, as may be adjusted, in cash, without interest and less any applicable withholding tax, for each share of our common stock that you own, unless you have exercised your appraisal rights with respect to the merger. For example, if you own 100 shares of our common stock, you will receive \$1,502, as may be adjusted, in cash in exchange for your shares of our common stock, less any applicable withholding tax. The actual amount of merger consideration payable to you may be less than \$15.02 per share, depending on whether the merger consideration is reduced pursuant to the terms of the merger agreement. There are two possible adjustments to the merger consideration relating to the spin-off, one relating to certain potential tax liabilities Bentley may incur (and Teva may indirectly assume) in connection with the spin-off and one relating to adjustments made to Bentley options and restricted stock units in connection with the spin-off, each as described in greater detail below. The final per share purchase price, reflecting potential adjustments relating to the spin-off, will be announced by Bentley at least 14 days prior to the special meeting. This announcement is expected to be made on or about July 2, 2008. The merger consideration that you receive will be in addition to any shares of CPEX common stock you may receive in connection with the spin-off.

You will not own any shares in the Surviving Corporation. However, holders of Bentley shares as of June 20, 2008, the record date for the spin-off, will receive shares of CPEX common stock.

Q. When and where is the special meeting?

A. The special meeting of stockholders of Bentley will be held on Tuesday, July 22, 2008, at 10:00 a.m., local time, at the Hilton Garden Inn, 100 High Street, Portsmouth, New Hampshire.

Q. What will happen at the special meeting?

A. At the Bentley special meeting, Bentley stockholders will vote on a proposal to adopt and approve the merger agreement and on a proposal to approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt and approve the merger agreement. We cannot complete the merger unless, among other things, Bentley's stockholders vote to adopt and approve the merger agreement.

Q. What vote is required for Bentley's stockholders to adopt and approve the merger agreement?

A. An affirmative vote of a majority of the outstanding shares of our common stock is required to adopt and approve the merger agreement.

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