

INDEVUS PHARMACEUTICALS INC
Form 424B3
March 13, 2007
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-140271

A MERGER PROPOSAL YOUR VOTE IS IMPORTANT

To the Stockholders of Indevus Pharmaceuticals, Inc. and the Stockholders of Valera Pharmaceuticals, Inc.:

The boards of directors of Indevus Pharmaceuticals, Inc. and Valera Pharmaceuticals, Inc. have each unanimously approved a merger of the two companies, with Valera continuing as a wholly-owned subsidiary of Indevus. The companies believe that the merger will create a leading specialty pharmaceutical company focused on urology and endocrinology. Your vote is very important and we ask for your support in approving the merger and the issuance of Indevus common stock to Valera stockholders pursuant to the merger agreement.

If the merger is completed, Valera stockholders will have the right to receive Indevus common stock and contingent stock rights to receive additional shares of Indevus common stock. The number of shares of Indevus common stock that Valera stockholders will receive will be based on an exchange ratio determined prior to the Valera stockholders' meeting. This exchange ratio will be determined by dividing \$7.75 by the volume weighted average of the closing prices of Indevus common stock, which we refer to as the Indevus Common Stock Value, as reported by The Nasdaq Global Market during the 25 trading days ending five trading days prior to the date of the Valera stockholders' meeting. However, if the Indevus Common Stock Value is greater than \$8.05, then the exchange ratio will be fixed at 0.9626 of a share of Indevus common stock for each share of Valera common stock, and if the Indevus Common Stock Value is less than \$6.59, then the exchange ratio will be fixed at 1.1766 shares of Indevus common stock for each share of Valera common stock.

In addition, Valera stockholders will have the right to receive three contingent stock rights, which we refer to as CSRs, for each of their shares of Valera common stock. Each CSR relates to one of three Valera product candidates in development: Supprelin-LA, the ureteral stent and VP003 (Octreotide implant). Upon achievement of the applicable milestones: approval of the particular product by the U.S. Food and Drug Administration, or FDA, and, in the case of Supprelin-LA, Indevus possessing a specified amount of inventory of commercially saleable units, the CSRs relating to Supprelin-LA, the ureteral stent and VP003 (Octreotide implant) will become convertible into \$1.00, \$1.00 and \$1.50, respectively, worth of Indevus common stock calculated using the average of the per share closing sale prices of Indevus common stock as reported by The Nasdaq Global Market for the ten trading days ending three trading days prior to achieving the applicable milestone or milestones. The aggregate number of shares of Indevus common stock that may be issued in the event one or more CSRs become convertible into Indevus common stock is limited and may not exceed the number of shares of Indevus common stock issued as part of the merger consideration upon completion of the merger. If the applicable milestone or milestones are not achieved within three years of completing the merger in the case of Supprelin-LA and within five years of completing the merger in the case of the ureteral stent and VP003 (Octreotide implant), the respective CSRs will expire and no additional shares of Indevus common stock will be issued in connection with those CSRs.

(Continued on next page)

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE MERGER OR DETERMINED IF THIS JOINT PROXY STATEMENT/PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This joint proxy statement/prospectus is dated March 12, 2007 and is first being mailed to
stockholders of Indevus and Valera on or about March 14, 2007.

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We anticipate that upon completion of the merger, depending upon the exchange ratio, Valera's former stockholders will own between 21% and 25% of the then outstanding shares of Indevus common stock (not including any shares of Indevus common stock that may be issued upon cancellation of Valera options or conversion of CSRs). Indevus stockholders will continue to own their existing Indevus shares, which will not be affected by the merger. Indevus common stock is listed on The Nasdaq Global Market under the symbol IDEV, and Valera common stock is listed on The Nasdaq Global Market under the symbol VLRX.

Your vote is very important. The merger cannot be completed unless Valera stockholders adopt the merger agreement and Indevus stockholders approve the issuance of Indevus common stock and contingent stock rights pursuant to the merger agreement. Completion of the merger is also subject to other customary conditions.

In connection with the merger, Indevus entered into voting agreements with two Valera stockholders Sanders Morris Harris, Inc. (and affiliated entities) and Psilos Group Partners II-S, L.P. owning, in the aggregate, approximately 41.23% of the shares of Valera common stock. Pursuant to the voting agreements, these stockholders have agreed, subject to limited exceptions, to vote all their Valera shares in favor of adoption of the merger agreement.

We are each holding meetings of our stockholders to vote on the proposals necessary to complete the merger and, in the case of Indevus, to approve certain other matters unrelated to the merger. More information about these meetings, the merger and the other business to be considered by Indevus stockholders is contained in this joint proxy statement/prospectus. **We encourage you to read this joint proxy statement/prospectus carefully and in its entirety, including the section entitled Risk Factors beginning on page 34, before voting.**

Regardless of whether you plan to attend your respective company's meeting, please take the time to vote by telephone or via the Internet in accordance with the instructions on the enclosed proxy card or by completing and returning the proxy card in the enclosed envelope. If you are either a Valera or Indevus stockholder and you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR the proposals to be voted on. If you are a Valera stockholder and you do not return your proxy card, or, if your shares are held in street name by a broker, and you fail to instruct your broker how to vote your shares, your failure to vote or instruct your broker will have the same effect as if you voted against the adoption of the merger agreement.

Indevus' board of directors unanimously recommends that Indevus stockholders vote FOR the proposal to approve the issuance of Indevus common stock and CSRs in the merger and FOR the other Indevus proposals described in this joint proxy statement/prospectus. Valera's board of directors unanimously recommends that Valera stockholders vote FOR the proposal to adopt the merger agreement.

We enthusiastically support this merger of our companies and join with our respective boards of directors in recommending that you vote in favor of the proposals described in this joint proxy statement/prospectus.

Very truly yours,

Glenn L. Cooper, M.D.,
Chief Executive Officer and Chairman

Indevus Pharmaceuticals, Inc.

James C. Gale
Chairman of the Board
Valera Pharmaceuticals, Inc.

David S. Tierney, M.D.
President and Chief Executive Officer

Valera Pharmaceuticals, Inc.

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Indevus Pharmaceuticals, Inc.

33 Hayden Avenue

Lexington, MA 02421-7966

(781) 861-8444

NOTICE OF ANNUAL AND SPECIAL MEETING OF STOCKHOLDERS

An annual and special meeting of stockholders of Indevus Pharmaceuticals, Inc. will be held at The Conference Center at Waltham Woods, 860 Winter Street, Waltham, MA 02451 on Tuesday, April 17, 2007 at 11:00 a.m., local time, to consider and vote on the proposals listed below and to transact such other business that may properly come before the annual and special meeting or any adjournment or postponement of the annual and special meeting:

1. To approve the issuance of Indevus common stock and the contingent stock rights in connection with the merger contemplated by the Agreement and Plan of Merger, dated as of December 11, 2006, by and among Indevus, Hayden Merger Sub, Inc. (which is a wholly-owned subsidiary of Indevus) and Valera Pharmaceuticals, Inc., a copy of which is included as *Annex A* to the joint proxy statement/prospectus accompanying this notice;
2. To elect eight members of Indevus board of directors to serve until the 2008 annual meeting of stockholders and until their successors are elected and qualified;
3. To approve an amendment to Indevus Restated Certificate of Incorporation to increase the number of authorized shares of Indevus common stock from 120 million to 200 million;
4. To approve an amendment to Indevus 2004 Equity Incentive Plan to increase the number of shares of Indevus common stock reserved for issuance under the plan from 6,000,000 to 9,000,000;
5. To approve an amendment to Indevus 2004 Equity Incentive Plan to remove the 20% limitation on the number of certain types of awards that can be made with respect to the additional 3,000,000 shares proposed to be added to the plan as set forth above;
6. To approve an amendment to Indevus 1995 Stock Purchase Plan to increase the number of shares of Indevus common stock available for purchase under the plan from 800,000 to 1,050,000; and
7. To ratify the appointment of PricewaterhouseCoopers LLP as Indevus independent registered public accounting firm.

The close of business on March 12, 2007 has been fixed as the record date for determining those Indevus stockholders entitled to vote at the annual and special meeting. Accordingly, only stockholders of record at the close of business on that date will receive this notice of, and be eligible to vote at, the Indevus annual and special meeting or any adjournments or postponements of the Indevus annual and special meeting. Each of the items of business listed above is more fully described in the joint proxy statement/prospectus that accompanies this notice.

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If Indevus stockholders wish to approve the merger, they must approve Proposal No. 1 relating to the issuance of Indevus common stock and contingent stock rights pursuant to the Agreement and Plan of Merger. The proposals to amend the Indevus Restated Certificate of Incorporation, the equity incentive plan and the stock purchase plan and to ratify the appointment of PricewaterhouseCoopers LLP as Indevus independent registered public accounting firm are not conditions to completion of the merger.

The proposals require different percentages of votes in order to approve them:

The issuance of Indevus common stock and contingent stock rights pursuant to the merger agreement, the amendments to Indevus 2004 Equity Incentive Plan, the amendment to Indevus 1995 Employee Stock Purchase Plan and the ratification of PricewaterhouseCoopers LLP as Indevus independent registered public accounting firm, require approval by the affirmative vote of a majority of the total number of votes cast on the particular proposal (with the Indevus common stock and preferred stock voting together as a single class);

The election of eight directors to Indevus board of directors requires the affirmative vote of a plurality of votes cast by the holders of Indevus common stock (with preferred stock not entitled to vote on this matter); and

Approval of the amendment to Indevus Restated Certificate of Incorporation requires the affirmative vote of both (i) a majority of the total number of votes of Indevus common stock and preferred stock outstanding and entitled to vote, voting together as a single class (regardless of whether such holders are present in person or represented by proxy at the annual and special meeting) and (ii) a majority of the outstanding shares of Indevus common stock, voting separately as a class.

Your vote is very important. Please read the joint proxy statement/prospectus and the instructions on the enclosed proxy card and then, whether or not you expect to attend the annual and special meeting in person, and no matter how many shares you own, please vote your shares as promptly as possible by telephone or via the Internet in accordance with the instructions on the enclosed proxy card, or by signing, dating and mailing the enclosed proxy card in the self-addressed, postage-paid envelope provided. Submitting a proxy now will help assure a quorum and avoid added proxy solicitation costs. It will not prevent you from voting in person at the annual and special meeting. You may revoke your proxy at any time before the vote is taken by following the procedures set forth in the section entitled The Indevus Annual and Special Meeting How to Change Your Vote beginning on page 73 of the joint proxy statement/prospectus that accompanies this notice.

The Indevus board of directors unanimously recommends that you vote FOR the issuance of Indevus common stock and contingent stock rights pursuant to the Agreement and Plan of Merger, FOR the election of the director nominees and FOR the approval of the other proposals listed above and described in the joint proxy statement/prospectus.

By Order of the Board of Directors,

Glenn L. Cooper, M.D.
Chief Executive Officer and Chairman

Lexington, Massachusetts

March 12, 2007

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Valera Pharmaceuticals, Inc.

7 Clarke Drive

Cranbury, NJ 08512

(609) 235-3000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

A special meeting of stockholders of Valera Pharmaceuticals, Inc. will be held at Valera's offices at 7 Clarke Drive, Cranbury, NJ 08512 on April 17, 2007, at 10:00 a.m., local time, to consider and vote on the proposal listed below and to transact such other business that may properly come before the special meeting or any adjournment or postponement of the special meeting:

1. To adopt the Agreement and Plan of Merger, dated as of December 11, 2006, by and among Indevus Pharmaceuticals, Inc., Hayden Merger Sub, Inc. (which is a wholly-owned subsidiary of Indevus) and Valera, a copy of which is included as *Annex A* to the joint proxy statement/prospectus accompanying this notice.

The close of business on March 12, 2007 has been fixed as the record date for determining those Valera stockholders entitled to vote at the special meeting. Accordingly, only stockholders of record at the close of business on that date will receive this notice of, and be eligible to vote at, the Valera special meeting or any adjournments or postponements of the Valera special meeting. The merger and the Agreement and Plan of Merger are more fully described in the joint proxy statement/prospectus that accompanies this notice.

Adoption of the Agreement and Plan of Merger requires the affirmative vote of Valera stockholders representing a majority of the outstanding shares of Valera common stock entitled to vote at the special meeting. Pursuant to voting agreements entered into with Indevus, two Valera stockholders owning, in the aggregate, approximately 41.23% of the outstanding shares of Valera common stock have agreed, subject to limited exceptions, to vote all of their shares in favor of the adoption of the Agreement and Plan of Merger.

Under applicable provisions of Delaware law, Valera stockholders have the right to dissent from the merger and obtain payment in cash of the fair value of their shares of Valera common stock, as determined by the Delaware Chancery Court. In order to perfect these appraisal rights, stockholders must give written demand for appraisal of their shares before the taking of the vote on the merger at the special meeting and must not vote in favor of adoption of the Agreement and Plan of Merger. A copy of the applicable Delaware statutory provision is included as *Annex H* to the joint proxy statement/prospectus accompanying this notice and a summary of this provision can be found in the section entitled *Appraisal Rights for Valera Stockholders* beginning on page 108 of the joint proxy statement/prospectus.

Your vote is very important. Please read the joint proxy statement/prospectus and the instructions on the enclosed proxy card and then, whether or not you expect to attend the special meeting in person, and no matter how many shares you own, please vote your shares as promptly as possible by telephone or via the Internet in accordance with the instructions on the enclosed proxy card, or by signing, dating and mailing the enclosed proxy card in the self-addressed, postage-paid envelope provided. Submitting a proxy now will help assure a quorum and avoid added proxy solicitation costs. It will not prevent you from voting in person at the special meeting. You may revoke your proxy at any time before the vote is taken by following the procedures set forth in the section entitled *The Valera Special Meeting How to Change Your Vote* beginning on page 77 of the joint

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proxy statement/prospectus that accompanies this notice. **You should not send any certificates representing Valera common stock with your proxy card.**

Valera's board of directors unanimously recommends that you vote FOR the adoption of the merger agreement.

By Order of the Board of Directors,

**James C. Gale
Chairman of the Board**

Cranbury, New Jersey

March 12, 2007

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Indevus from other documents that it has filed with the SEC and that have not been included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from Indevus at:

Indevus Pharmaceuticals, Inc.

33 Hayden Avenue

Lexington, MA 02421-7966

(781) 861-8444

Attn: Investor Relations

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference in the documents or this joint proxy statement/prospectus.

Please see the section entitled "Where You Can Find More Information" beginning on page 257 for a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus.

Some of the information incorporated in this joint proxy statement/prospectus is also available to investors on Indevus' website at *www.indevus.com*. None of the information included on Indevus' website is incorporated by reference in this joint proxy statement/prospectus.

If you would like to request documents, Indevus must receive your request no later than April 10, 2007, in order for you to receive timely delivery of the documents in advance of the stockholders' meeting. Documents will be distributed within one business day of receipt of such request.

In addition, Indevus stockholders that have questions about the Indevus annual and special meeting, the merger agreement or the proposed merger may contact:

The Altman Group

1200 Wall Street West

Lyndhurst, NJ 07071

800-926-4985

www.altmangroup.com

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QUESTIONS AND ANSWERS ABOUT THE MEETINGS AND THE MERGER

The following are some of the questions that you may have as a stockholder of Valera or as a stockholder of Indevus, and answers to those questions. These questions and answers are not meant to be a substitute for the information contained in the remainder of this document, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this document. We urge you to read this document and the additional documents incorporated by reference into this joint proxy statement/prospectus carefully and in their entirety prior to making any decision relating to the proposals at the stockholders' meetings.

THE MERGER

Q1: Why am I receiving this joint proxy statement/prospectus?

A1: Indevus and Valera have agreed to the acquisition of Valera by Indevus under the terms of a merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is included as *Annex A* to this joint proxy statement/prospectus. We are delivering this document to you because it serves as both a joint proxy statement of Indevus and Valera and a prospectus of Indevus. It is a joint proxy statement because it is being used by our boards of directors to solicit the proxies of Indevus stockholders and Valera stockholders. It is a prospectus because Indevus is offering Indevus common stock and contingent stock rights in exchange for Valera common stock if the merger is completed.

In order to complete the merger, among other things, Indevus stockholders must vote to approve the issuance of Indevus common stock and contingent stock rights in the merger and Valera stockholders must vote to adopt the merger agreement. Indevus and Valera will hold separate meetings to obtain these approvals and, in the case of Indevus, to approve certain other matters unrelated to the merger.

This joint proxy statement/prospectus, which you should read carefully, contains important information about the merger, the merger agreement and the meetings of stockholders of Indevus and Valera.

Q2: Why are the companies proposing the merger?

A2: Indevus and Valera both believe that a combination of the two companies will provide strategic and financial benefits by creating a leading specialty pharmaceutical company focused on urology and endocrinology with strengthened prospects for continued growth over the long-term. In addition, Valera also is proposing the merger to offer Valera stockholders the opportunity to participate in the growth and prospects of the combined company by receiving Indevus common stock and contingent stock rights in the merger. For a more complete description of the reasons for the merger, see the sections entitled *The Merger Indevus Reasons for the Merger* beginning on page 82 and *The Merger Valera's Reasons for the Merger* beginning on page 84.

Q3: Do the boards of directors of Indevus and Valera recommend approval of the merger proposals?

A3: Yes. The boards of directors of both companies have unanimously approved the merger and unanimously recommend approval of the applicable merger proposals by the stockholders of their respective companies. For a more complete description of the recommendations of the respective boards of directors, see the sections entitled *The Merger Indevus Reasons for the Merger* beginning on page 82 and *The Merger Valera's Reasons for the Merger* beginning on page 84.

Q4: Are there risks involved in undertaking the merger?

A4:

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Yes. In evaluating the merger, Indevus and Valera stockholders should carefully consider the factors disclosed in the section of this joint proxy statement/prospectus entitled "Risk Factors" beginning on

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page 34, and other information included in this joint proxy statement/prospectus and the documents incorporated by reference in this joint proxy statement/prospectus.

Q5: What will happen in the proposed merger?

A5: In the proposed merger, a wholly-owned subsidiary of Indevus will merge with and into Valera. After the merger, Valera will be a wholly-owned subsidiary of Indevus and will no longer be a public company. See the sections entitled "The Merger Agreement" "The Merger" beginning on page 112 and "The Merger Agreement" "Closing and Effectiveness of the Merger" beginning on page 113.

Q6: What will Valera stockholders receive if the merger occurs?

A6: In the proposed merger, Valera stockholders will have the right to receive Indevus common stock and three contingent stock rights to receive additional shares of Indevus common stock.

Valera stockholders will receive shares of Indevus common stock for their shares of Valera common stock based on an exchange ratio to be determined prior to the Valera stockholders' meeting. This exchange ratio will be determined by dividing \$7.75 by the volume weighted average of the closing prices of Indevus common stock, which we refer to as the Indevus Common Stock Value, as reported by The Nasdaq Global Market during the 25 trading days ending five trading days prior to the date of the Valera stockholders' meeting. However, if the Indevus Common Stock Value is greater than \$8.05, then the exchange ratio will be fixed at 0.9626 of a share of Indevus common stock for each share of Valera common stock, and if the Indevus Common Stock Value is less than \$6.59, then the exchange ratio will be fixed at 1.1766 shares of Indevus common stock for each share of Valera common stock. Cash will be paid to Valera stockholders in lieu of any fractional shares of Indevus common stock a Valera stockholder would otherwise be entitled to receive.

In addition, Valera stockholders will receive three contingent stock rights, which we refer to as CSRs, for each of their shares of Valera common stock. Each CSR relates to one of three Valera product candidates in development: Supprelin-LA, the ureteral stent and VP003 (Octreotide implant). Upon achievement of the applicable milestones: approval of the particular product by the U.S. Food and Drug Administration, or FDA, and, in the case of Supprelin-LA, Indevus possessing a specified amount of inventory of commercially saleable units, the CSRs relating to Supprelin-LA, the ureteral stent and VP003 (Octreotide implant) will become convertible into \$1.00, \$1.00 and \$1.50, respectively, worth of Indevus common stock calculated using the average of the per share closing sale prices of Indevus common stock as reported by The Nasdaq Global Market for the ten trading days ending three trading days prior to achieving the applicable milestone or milestones. The aggregate number of shares of Indevus common stock that may be issued in the event one or more CSRs become convertible into Indevus common stock is limited and may not exceed the number of shares of Indevus common stock issued as part of the merger consideration upon completion of the merger. If the applicable milestone or milestones are not achieved within three years of completing the merger in the case of Supprelin-LA and within five years of completing the merger in the case of the ureteral stent and VP003 (Octreotide implant), the respective CSRs will expire and no additional shares of Indevus common stock will be issued in connection with those CSRs.

See the section entitled "The Merger Agreement" "Merger Consideration" beginning on page 113.

Q7: What will Indevus stockholders receive if the merger occurs?

A7: Indevus stockholders will continue to own their existing Indevus shares. However, those shares will represent a smaller proportion of the outstanding shares of the combined company due to the issuance of Indevus common stock to Valera stockholders in connection with the merger. As a result of the merger, depending upon the exchange ratio, we estimate that current Indevus stockholders will own between approximately 75% and 79% of Indevus' common stock following the merger (which does not account for any shares of Indevus common stock that may be issued upon cancellation of Valera options or conversion of the CSRs).

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Q8: What will Valera option holders and Indevus option holders receive if the merger occurs?

A8: Valera option holders:

Upon the closing of the merger, each outstanding option to purchase shares of Valera common stock will be cancelled in exchange for the right to receive shares of Indevus common stock, the amount and timing of which will vary depending on whether holders of options to purchase shares of Valera common stock consent to the proposed treatment of such options. For a more detailed discussion of Valera stock options, please see the section entitled "The Merger Agreement Treatment of Valera Options" beginning on page 114.

Indevus option holders:

Each option to purchase shares of Indevus common stock outstanding upon the closing of the merger will remain outstanding following the closing of the merger and will be exercisable following the closing of the merger on the same terms as were applicable immediately prior to the merger.

Q9: How was the merger consideration determined?

A9: The merger consideration was determined in negotiations by the two companies and reflects the relative market prices of each company's common stock during the period preceding entering into the merger agreement and other factors that the boards of directors of each company considered relevant.

Q10: What vote is required to approve the merger?

A10: *Valera*: Valera stockholders must adopt the merger agreement by the affirmative vote of Valera stockholders representing a majority of the outstanding shares of Valera common stock entitled to vote at the special meeting. Pursuant to voting agreements entered into with Indevus, two Valera stockholders owning, in the aggregate, approximately 41.23% of the outstanding shares of Valera common stock have agreed, subject to limited exceptions, to vote their shares in favor of adoption of the merger agreement.

Because the affirmative vote required to adopt the merger agreement is based upon the total number of outstanding shares of Valera common stock, the failure to submit a proxy card (or to vote in person at the Valera special meeting) or the abstention from voting by a stockholder will have the same effect as a vote against adoption of the merger agreement. Brokers holding shares of Valera common stock as nominees will not have discretionary authority to vote those shares in the absence of specific voting instructions from the beneficial owners of those shares, so the failure to provide voting instructions to your broker, resulting in a broker non-vote, also will have the same effect as a vote against adoption of the merger agreement. See the section entitled "The Valera Special Meeting Vote Required" beginning on page 76.

Indevus: Indevus stockholders must approve the issuance of the Indevus common stock and CSRs pursuant to the merger agreement by the affirmative vote of the total number of votes cast on the proposal with Indevus common stock and preferred stock (voting on an as-if-converted basis) voting together as a single class. Abstentions and broker non-votes will have no effect on the outcome of the proposal. See the section entitled "The Indevus Annual and Special Meeting Required Votes" beginning on page 71.

Q11: When do you expect the merger to be completed?

A11: If the stockholders of both Indevus and Valera approve their respective proposals related to the merger, we expect to complete the merger shortly after the stockholders' meetings, subject to the satisfaction or waiver of the other conditions to the merger. However, neither Indevus nor Valera can assure you when or if the merger will occur.

Q12: What are the material U.S. federal income tax consequences of the merger to Indevus stockholders and to Valera stockholders?

A12: Indevus and Valera intend for the merger to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. If the

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merger qualifies as a reorganization, Valera stockholders generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of Valera common stock for shares of Indevus common stock and the CSRs. Valera stockholders, however, will have to recognize gain or loss for federal income tax purposes in connection with cash received in lieu of fractional shares of Indevus common stock. In addition, a portion of any additional shares of Indevus common stock issued pursuant to the CSRs may be treated as taxable interest income to the Valera stockholders at the time such shares are issued. Indevus stockholders will not exchange their Indevus common stock in the merger and accordingly will not recognize any taxable gain or loss as a result of the merger. We strongly urge you to consult with a tax advisor to determine the particular U.S. federal, state, local or foreign income or other tax consequences of the merger to you. For more information, please see the section entitled "The Merger - Material United States Federal Income Tax Consequences" beginning on page 104.

Q13: Should I send in my stock certificates now?

A13: No. If you are a Valera stockholder and the merger is completed, Indevus will send you written instructions about how to exchange your stock certificates for shares of Indevus common stock and contingent stock rights. Please do not send in your stock certificates with your proxy. See the section entitled "The Merger Agreement - Exchange of Valera Stock Certificates; No Further Rights as Valera Stockholders" beginning on page 115.

If you are an Indevus stockholder, you will not need to send in your stock certificates because your shares of Indevus common stock will remain outstanding after the merger.

Q14: Where will my shares of Indevus common stock be listed?

A14: After the merger, the shares of Indevus common stock will continue to be listed on The Nasdaq Global Market under the symbol IDEV.
THE STOCKHOLDERS' MEETINGS; VOTING YOUR SHARES

Q15: When and where are the stockholders' meetings?

A15: The Indevus annual and special meeting of stockholders will be held at The Conference Center at Waltham Woods, 860 Winter Street, Waltham, MA 02451 on Tuesday, April 17, 2007 at 11:00 a.m., local time.

The Valera special meeting of stockholders will be held at Valera's offices at 7 Clarke Drive, Cranbury, NJ 08512 on Tuesday, April 17, 2007, at 10:00 a.m., local time.

For additional information relating to the Indevus and Valera meetings please see the section entitled "The Indevus Annual and Special Meeting" beginning on page 69 and the section entitled "The Valera Special Meeting" beginning on page 75.

Q16: Who can vote at the meetings?

A16: Only holders of record of Indevus common stock and preferred stock as of the close of business on March 12, 2007, will be entitled to notice of and to vote at the Indevus annual and special meeting.

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Only holders of record of Valera common stock as of the close of business on March 12, 2007, will be entitled to notice of and to vote at the Valera special meeting.

Q17: As an Indevus stockholder, why am I electing directors and being asked to consider the other Indevus proposals unrelated to the merger when Valera stockholders are only being asked to consider a proposal relating to the merger?

A17: The timing of a special meeting to consider the merger would have occurred around the time Indevus would regularly hold its annual meeting. Indevus has determined to combine the two meetings in an effort

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to significantly reduce proxy statement printing and other meeting costs and administrative burdens on Indevus and to reduce the burden on Indevus stockholders who would otherwise receive two sets of proxy materials around the same time to consider and vote on two separate sets of stockholder voting matters. The election of Indevus directors, the proposals to amend the Indevus certificate of incorporation, equity incentive plan and stock purchase plan and the ratification of the appointment of PricewaterhouseCoopers LLP as Indevus independent registered public accounting firm are not conditions to the completion of the merger.

Q18: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A18: If your shares are held in the name of a bank or broker or other nominee, you will receive separate instructions from your bank, broker or other nominee describing how to vote your shares. The availability of telephonic or Internet voting will depend on the bank's or broker's voting process. Please check with your bank or broker and follow the voting procedures your bank or broker provides.

You should instruct your bank, broker or other nominee how to vote your shares. Although rules applicable to broker-dealers grant your broker discretionary authority to vote your shares without receiving your instructions on certain matters, your broker does not have discretionary authority to vote your shares for the adoption of the merger agreement, if you are a Valera stockholder, or for the issuance of Indevus common stock and CSRs pursuant to the merger agreement or the approval of the amendments to the equity incentive plan and the employee stock purchase plan, if you are an Indevus stockholder. If your broker does not receive voting instructions from you regarding those proposals, your shares will not be voted on those proposals.

Q19: What do I need to do now?

A19: After carefully reading and considering the information contained or incorporated by reference in this joint proxy statement/prospectus, please submit your proxy by telephone or via the Internet in accordance with the instructions set forth in the enclosed proxy card, or fill out, sign and date the proxy card, and then mail your signed proxy card in the enclosed prepaid envelope as soon as possible so that your shares will be represented at your company's stockholders' meeting.

Q20: Why is my vote important?

A20: If you do not submit your proxy by telephone or via the Internet, or if you do not return your card or instruct your broker how to vote any shares held for you in street name, Indevus and/or Valera might not have sufficient shares represented at their meeting to constitute a quorum that is required in order to take action on the proposals. In addition, because adoption of the merger agreement by Valera stockholders requires the approval of a majority of the Valera shares outstanding as of the record date, if you hold Valera shares and do not vote, the effect will be a vote against the merger.

Q21: If I am going to attend my company's stockholders' meeting, should I submit my proxy by telephone or via the Internet or return my proxy card or voting instruction card?

A21: Yes. Submitting your proxy by telephone or via the Internet or returning your signed and dated proxy card or voting instruction card ensures that your shares will be represented and voted at your respective company's stockholders' meeting. Stockholders of record as of the record date for the respective meetings can vote in person at the meetings. If your shares are held in the name of a bank, broker or other nominee, then you are not a stockholder of record and you must ask your bank, broker or other nominee how you can vote at the stockholders' meeting.

Q22: Am I entitled to exercise any dissenters' or appraisal rights in connection with the merger?

A22: *Valera stockholders: Yes.*

Under Delaware law, Valera stockholders have the right to dissent from the merger and to receive payment in cash for the fair value of their shares of Valera common stock, as determined by the Delaware Chancery

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Court. In order to perfect appraisal rights, Valera stockholders must give written demand for appraisal of their shares before the taking of the vote on the merger at the special meeting and must not vote in favor of adoption of the merger agreement. **Merely voting against adoption of the merger agreement will not protect your rights to appraisal.** In order to protect your appraisal rights, you must adhere to all of the requirements set forth under Delaware law. A copy of the applicable Delaware statutory provision is included as *Annex H* to this joint proxy statement/prospectus and a summary of this provision can be found under the section entitled Appraisal Rights for Valera Stockholders beginning on page 108.

Indevus stockholders: No.

Indevus stockholders are not entitled to dissenters or appraisal rights under Delaware law in connection with the merger.

Q23: May I change my vote after I have submitted a proxy by telephone or via the Internet or mailed my signed proxy card?

A23: Yes. You can change your vote at any time before your proxy is voted at the respective stockholders meeting. If your shares are registered directly in your name, you can change your vote in any of the three following ways:

delivering to the Secretary of Indevus or Valera, as appropriate, a written notice, bearing a date later than the date of the proxy, stating that the proxy is revoked;

submitting a proxy at a later date by telephone or via the Internet, or by signing and delivering a proxy relating to the same shares and bearing a later date than the date of the previous proxy prior to the vote at the respective stockholders meeting, in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

attending the respective stockholders meeting and voting in person (your attendance at the meeting, in and of itself, will not revoke the proxy).

Alternatively, you may hand deliver a written revocation notice, or a later dated proxy, to the Secretary of the respective company at the meeting before voting begins.

If your shares are held by a bank, broker or other nominee, you must follow the instructions provided by the bank, broker or other nominee if you wish to change your vote. See the sections entitled The Indevus Annual and Special Meeting How to Change Your Vote beginning on page 73 and the section entitled The Valera Special Meeting How to Change Your Vote beginning on page 77.

ADDITIONAL QUESTIONS

Q24: Where can I find more information about Indevus and Valera?

A24: You can find more information about Indevus and Valera from various sources described in the section entitled Where You Can Find More Information beginning on page 257.

Q25: Who can help answer my questions?

A25: If you are an Indevus stockholder and you have any questions about the merger or the other matters described in this joint proxy statement/prospectus or need assistance in voting your shares, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact:

The Altman Group

1200 Wall Street West

Lyndhurst, NJ 07071

800-926-4985

www.altmangroup.com

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Indevus stockholders and Valera stockholders that have questions may also contact their respective investor relations departments:

Indevus Pharmaceuticals, Inc.

33 Hayden Avenue

Lexington, MA 02421-7966

(781) 861-8444

Attn: Investor Relations

If your shares are held in the name of your broker or other nominee, you should also contact your broker or other nominee for additional information.

Valera Pharmaceuticals, Inc.

7 Clarke Drive

Cranbury, NJ 08512

(609) 235-3000

Attn: Investor Relations

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SUMMARY

This summary highlights selected information contained elsewhere in this document and may not contain all the information that is important to you. Indevus and Valera urge you to read carefully the remainder of this document, including the attached annexes and the other documents to which we have referred you, for a more complete understanding of the merger and the other matters being considered at the applicable stockholders meeting. See the section entitled "Where You Can Find More Information" beginning on page 257. We have included page references to direct you to a more complete description of the topics presented in this summary.

THE COMPANIES

Indevus (Page 137)

Business

Indevus Pharmaceuticals, Inc. is a specialty pharmaceutical company engaged in the acquisition, development and commercialization of products to treat conditions in urology and endocrinology. Indevus currently markets two products through its approximately 80-person specialty sales force and it has six products in development. Indevus marketed products include SANCTURA[®] for overactive bladder, which it co-promotes with its partner Esprit Pharma, Inc., which we refer to in this joint proxy statement/prospectus as Esprit, and DELATESTRYL[®] (testosterone enanthate) for the treatment of male hypogonadism.

Indevus core urology and endocrinology portfolio contains four compounds in development in addition to its marketed products SANCTURA and DELATESTRYL. Its most advanced compound is SANCTURA XR, the once-daily formulation of SANCTURA. In October 2006, Indevus submitted a New Drug Application, or NDA, to the U.S. Food and Drug Administration, or FDA, seeking approval to market SANCTURA XR. NEBIDO[®], for male hypogonadism, is currently in a fully-enrolled, Phase III pharmacokinetic study and Indevus expects to submit an NDA for NEBIDO in mid-2007. PRO 2000, a topical microbicide for the prevention of infection by HIV and other sexually-transmitted diseases, is in two ongoing Phase III trials. IP 751 is for pain and inflammatory disorders, including interstitial cystitis.

In addition to its core urology and endocrinology portfolio, Indevus is preparing to begin a Phase III development program for pagoclone, a GABA-A (gamma amino butyric acid) receptor modulator which it is developing for the treatment of persistent developmental stuttering. Indevus product portfolio also contains aminocandin, an echinocandin for systemic fungal infections for which Indevus recently licensed worldwide rights to Novoxel S.A, a spin-out company from sanofi-aventis. Indevus also is receiving royalties under a patent it licensed to Eli Lilly & Company based on net sales of Sarafem[®] in the United States. Sarafem is prescribed to treat certain conditions and symptoms associated with pre-menstrual dysphoric disorder.

Strategy

Indevus goal is to become a leading specialty pharmaceutical company focused on urology and endocrinology. The key elements of the strategy that Indevus employs in its efforts to achieve its goal include:

- (1) Identifying and acquiring products or product candidates that have differentiating features and defined specialty markets within Indevus core focus area.
- (2) Adding value to acquired development stage compounds through research, pre-clinical development, clinical testing and regulatory activities.
- (3) Commercializing products with our specialty sales force or in collaboration with corporate partners in order to help ensure broader penetration of target markets.

Table of Contents**Core Focus Area Urology and Endocrinology**

In urology and endocrinology, Indevus believes it has developed strong capabilities in product development based on its research and development organization and in sales and marketing based on its approximately 80-person specialty sales force.

Through Indevus' business development efforts and its research and development capabilities, Indevus has a robust late-stage product pipeline. Indevus believes its capabilities will enable it to continue to successfully acquire, develop and commercialize products and product candidates and achieve its strategic goal of becoming a leading specialty pharmaceutical company in its core focus area.

The following table outlines the products in Indevus' core focus area:

Product Name	Indication/Use	Status	Commercial Rights
SANCTURA	Overactive bladder	Marketed	U.S. ¹
SANCTURA XR	Overactive bladder	NDA ² filed	Worldwide ³
DELATESTRYL	Hypogonadism	Marketed	U.S.
NEBIDO	Hypogonadism	Phase III	U.S.
PRO 2000	HIV and STD prevention	Phase III	Worldwide
IP 751	Interstitial cystitis/pain	Phase I	Worldwide

¹ Licensed to Esprit.

² NDA refers to a New Drug Application.

³ Licensed to Esprit in the U.S.; certain territories outside the U.S. licensed to Madaus GmbH.

Other Products

In addition to the products and product candidates in Indevus' core focus area, it has products and product candidates that address certain other specialty medical areas.

The following table summarizes the status of Indevus' other products:

Product Name	Indication/Use	Status	Commercial Rights
Sarafem	Premenstrual Dysphoric Disorder	Marketed	Worldwide ¹
Pagoclone	Stuttering	Phase III	Worldwide
Aminocandin	Systemic fungal infections	Phase I	Worldwide ²

¹ Licensed to Eli Lilly & Company

² Know-how licensed to Novoxel S.A.

Indevus Pharmaceuticals, Inc. is a Delaware corporation. Its principal office is located at 33 Hayden Avenue, Lexington, Massachusetts 02421-7971, and its main telephone number is (781) 861-8444. Reports, proxy statements and other information concerning Indevus may be accessed and reviewed through its website: <http://www.indevus.com>.

Indevus' registered trademark SANCTURA is assigned in the U.S. to Esprit Pharma Holding Company (subject to our co-exclusive right to use it) and NEBIDO is a registered trademark of Schering AG, Germany that Indevus exclusively licenses in the United States. DELATESTRYL is Indevus' registered trademark for its

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DELATESTRYL product. Indevus has pending trademark applications for SANCTURA XR. Other trademarks, trade names and service marks appearing in this registration statement are the property of their respective owners.

Valera (Page 139)

Overview

Valera Pharmaceuticals is a specialty pharmaceutical company concentrating on the development, acquisition and commercialization of products for the treatment of urological and endocrine conditions, diseases and disorders, including products that utilize Valera's proprietary drug delivery technology. Valera's first product, Vantas, was approved by the U.S. Food and Drug Administration, or FDA, in October 2004. Vantas is a 12-month implant indicated for the palliative treatment of advanced prostate cancer. Vantas slows prostate tumor growth by delivering histrelin, a luteinizing hormone-releasing hormone agonist, or LHRH agonist. Valera began marketing Vantas in November 2004 utilizing its sales force. In December 2006, Valera entered into a co-promotion agreement with Indevus and in January 2007, pursuant to the co-promotion arrangement, Valera and Indevus began to jointly promote Vantas with Indevus with an aggregate sales force of approximately 105 individuals that are currently calling on urologists in the United States that account for the majority of LHRH agonist product sales. In addition to Vantas, Valera is developing a pipeline of product candidates for indications that include central precocious puberty, acromegaly, bladder cancer, opioid addiction, interstitial cystitis, nocturnal enuresis and bladder cancer.

Total U.S sales of LHRH agonist products for the palliative treatment of prostate cancer were approximately \$850 million in 2006 based on Valera's estimates and IMS Health Incorporated data, with the leading products being three- and four-month injection formulations. Valera believes that total U.S. sales of LHRH agonist products declined by approximately 5% in 2006, primarily as a result of lower prices due to changes in Medicare reimbursement rates. Valera believes that Vantas has a competitive advantage over other products because it delivers an even, controlled dose of LHRH agonist over a 12-month period, and is the only product indicated for the palliative treatment of advanced prostate cancer that delivers histrelin, the most potent LHRH agonist available on the market.

Vantas is a hydrogel implant based on Valera's patented Hydron Technology, which is a drug delivery system that allows Valera to control the amount and timing of the release of drugs into the body for up to 12 months. Several of Valera's product candidates utilize its Hydron Technology delivery system. The hydrogel implant is a soft and flexible implant containing no moving parts. Valera intends to leverage its specialized sales force to market certain of its product candidates, if approved, since the indications of these product candidates are treated by many of the same physicians Valera is calling on for Vantas.

Valera's Competitive Strengths

Valera believes that its key competitive strengths that allow it to compete effectively in the urology and endocrinology markets include:

Technology. Valera believes that Hydron Technology offers significant advantages over existing drug delivery systems. Implants using Hydron Technology can be adapted to deliver many kinds of drugs over an extended period of time. In addition, Valera's implants are soft and flexible, enhancing patient comfort. Further, because Valera owns the manufacturing know-how to develop products utilizing Hydron Technology, Valera is able to control and maximize the potential commercial uses of this technology.

Development Capability. As demonstrated by Vantas, Valera has succeeded in developing a product, successfully taking it through the regulatory process to market in the United States in less than a year

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from the submission of a new drug application without utilizing an accelerated approval process. However, Valera may not be able to obtain FDA approval for its product candidates as quickly as it did for Vantas. Valera expects to continue to utilize this capability to efficiently develop future products.

Manufacturing Ability. Valera manufactures Vantas and Valera's product candidates utilizing Hydron Technology using a patented and proprietary process. In addition, Valera has developed proprietary equipment and scalable manufacturing methods to achieve cost-effective commercial production. Further, because Valera controls the manufacture of Vantas and Valera's product candidates that use Hydron Technology, Valera can ensure high quality and fully realize any manufacturing cost efficiencies.

Sales and Marketing. Valera and its co-marketing partner, Indevus, are currently calling on urologists that account for the majority of LHRH agonist product sales in the United States. By adjusting Valera's current sales force structure slightly, Valera will be able to call on physicians in additional specialty areas, such as pediatric endocrinology. These therapeutic areas are attractive because they can be effectively targeted with a small, focused sales force. Valera also believes that the direct physician distribution channel of Vantas may present a barrier to the future entry of competition from generic products because generic drug companies do not typically have field sales forces. Outside the United States, Valera has partnered with companies with a local presence and proven distribution channels in the urology market for distribution of Vantas.

Product Development

The following table summarizes certain information regarding Vantas and Valera's product candidates:

Product	Indication	Therapeutic Area	Delivery Method	Status
Vantas	Prostate Cancer	Urology	Implant	United States Commercial Sales; Approved in Denmark and Canada
Supprelin®-LA	Central Precocious Puberty (early onset of puberty)	Endocrinology	Implant	New Drug Application Filed
VP003 (Octreotide)	Acromegaly (giantism)	Endocrinology	Implant	Phases I/II
VP004 (Naltrexone)	Addiction Disorders	Central Nervous System	Implant	Phase I/II
VP005 (Anti-inflammatory)	Interstitial Cystitis (bladder inflammation)	Urology	Bladder Instillation	Pre-clinical
VP006 (Peptide)	Nocturnal Enuresis (bed wetting)	Urology	Oral Tablet	Phase I
Valstar® (Valrubicin)	Bladder Cancer	Urology	Bladder Instillation	New Drug Application Approved
Endoureteral Stent	Maintenance of Ureteral Patency	Urology	Insertion	Pivotal Animal Study

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Valera is a Delaware corporation. Its principal office is located at 7 Clarke Drive, Cranbury, NJ 08512, and its main telephone number is (609) 235-3000. Reports and other information concerning Valera may be accessed and reviewed through its website at www.valerapharma.com.

Hayden Merger Sub, Inc.

Hayden Merger Sub, Inc.

33 Hayden Avenue

Lexington, Massachusetts 02421-7971

Telephone: (781) 861-8444

Hayden Merger Sub, Inc., which we refer to as Merger Sub, is a Delaware corporation and a direct wholly-owned subsidiary of Indevus, formed on December 7, 2006 for the sole purpose of effecting the merger. If the merger is completed, Hayden Merger Sub, Inc. will cease to exist following its merger with and into Valera.

THE MERGER

The Merger (Page 79)

The boards of directors of Indevus and Valera each unanimously approved the merger of Indevus and Valera on the terms and subject to the conditions of an Agreement and Plan of Merger, dated as of December 11, 2006, by and among Indevus, Merger Sub and Valera, which we refer to as the merger agreement. We have included the merger agreement as *Annex A* to this joint proxy statement/prospectus, and encourage you to read the entire merger agreement carefully because it is the legal document governing the merger.

Under the terms of the merger agreement, Merger Sub will merge with and into Valera and the separate corporate existence of Merger Sub will cease. Valera will be the surviving corporation in the merger and will continue as a wholly-owned subsidiary of Indevus. Stockholders of Indevus will continue to own their existing shares of Indevus common and preferred stock.

If the stockholders of both Indevus and Valera approve their respective proposals related to the merger, we expect to complete the merger shortly after the stockholders' meetings, subject to the satisfaction or waiver of the other conditions to the merger. However, neither Indevus nor Valera can assure you when or if the merger will occur.

What Valera Stockholders Will Receive in the Merger (Page 113)

In the proposed merger, Valera stockholders will have the right to receive Indevus common stock and three contingent stock rights to receive additional shares of Indevus common stock.

Valera stockholders will receive shares of Indevus common stock for their shares of Valera common stock based on an exchange ratio to be determined prior to the Valera stockholders' meeting. This exchange ratio will be determined by dividing \$7.75 by the volume weighted average of the closing prices of Indevus common stock, which we refer to as the Indevus Common Stock Value, as reported by The Nasdaq Global Market during the 25 trading days ending five trading days prior to the date of the Valera stockholders' meeting. However, if the Indevus Common Stock Value is greater than \$8.05, then the exchange ratio will be fixed at 0.9626 of a share of Indevus common stock for each share of Valera common stock, and if the Indevus Common Stock Value is less than \$6.59, then the exchange ratio will be fixed at 1.1766 shares of Indevus common stock for each share of Valera common stock. Cash will be paid to Valera stockholders in lieu of any fractional shares of Indevus common stock a Valera stockholder would otherwise be entitled to receive.

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In addition, Valera stockholders will receive three contingent stock rights, which we refer to as CSRs, for each of their shares of Valera common stock. Each CSR relates to one of three Valera product candidates in development—Supprelin-LA, the ureteral stent and VP003 (Octreotide implant). Upon achievement of the applicable milestones—approval of the particular product by the U.S. Food and Drug Administration, or FDA, and, in the case of Supprelin-LA, Indevus possessing a specified amount of inventory of commercially saleable units—the CSRs relating to Supprelin-LA, the ureteral stent and VP003 (Octreotide implant) will become convertible into \$1.00, \$1.00 and \$1.50, respectively, worth of Indevus common stock calculated using the average of the per share closing sale prices of Indevus common stock as reported by The Nasdaq Global Market for the ten trading days ending three trading days prior to achieving the applicable milestone or milestones. The aggregate number of shares of Indevus common stock that may be issued in the event one or more CSRs become convertible into Indevus common stock is limited and may not exceed the number of shares of Indevus common stock issued as part of the merger consideration upon completion of the merger. If the applicable milestone or milestones are not achieved within three years of completing the merger in the case of Supprelin-LA and within five years of completing the merger in the case of the ureteral stent and VP003 (Octreotide implant), the respective CSRs will expire and no additional shares of Indevus common stock will be issued in connection with those CSRs.

What Holders of Valera Stock Options Will Receive in the Merger (Page 114)

Upon the closing of the merger, each outstanding option to purchase shares of Valera common stock will be cancelled in exchange for the right to receive the following consideration:

Option holders that consent to the proposed treatment of Valera options will receive the following with respect to each share of Valera common stock underlying the option:

Options with a per share exercise price below \$7.75 will receive, at closing, a number of shares of Indevus common stock equal to (x) the excess of \$7.75 over the per share exercise price of the option divided by (y) the Indevus Common Stock Value (but not less than \$6.59 nor more than \$8.05); and Indevus—unfunded and unsecured promise to issue, in the future, the number of shares of Indevus common stock that would have been issuable had option holders received CSRs.

Options with a per share exercise price of \$7.75 or greater will receive Indevus—unfunded and unsecured promise to issue, in the future, a number of shares of Indevus common stock determined by a formula intended to provide value equivalent to the CSRs, net of the option exercise price exceeding \$7.75.

Option holders that do not provide consent to the proposed treatment of Valera options will receive the following:

Options with a per share exercise price below the closing price of Valera common stock on the trading day immediately preceding the closing of the merger will receive shares of Indevus common stock based on the spread between Valera's closing stock price on the trading day immediately preceding the closing of the merger and the exercise price of the option, but will not receive CSRs.

Options with a per share exercise price equal to or greater than the closing price of Valera common stock on the trading day immediately preceding the closing of the merger will not be entitled to any consideration upon cancellation.

Cash will be paid to Valera option holders in lieu of any fractional shares of Indevus common stock an option holder would otherwise be entitled to receive.

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Ownership of Indevus after the Merger

The percentage ownership of Indevus by former Valera stockholders upon completion of the merger will depend upon the determination of the exchange ratio. Based upon the number of shares of Indevus and Valera capital stock outstanding on January 1, 2007 (excluding shares issuable upon exercise of outstanding Indevus and Valera stock options) we estimate that former Valera stockholders will own between approximately 21% and 25% of the then outstanding shares of Indevus common stock after completion of the merger (not including any shares of Indevus common stock that may be issued upon cancellation of Valera options or conversion of CSRs). In particular, we estimate that certain affiliates of Valera will own between approximately 13% and 15% of the then outstanding shares of Indevus common stock after completion of the merger (which does not account for any shares of Indevus common stock that may be issued upon cancellation of Valera options or conversion of the CSRs).

Voting Agreements with Significant Valera Stockholders (Page 130)

In connection with the execution of the merger agreement, two Valera stockholders entered into voting agreements with Indevus: affiliates of Sanders Morris Harris, Inc., or SMH, and Psilos Group Partners II-S, L.P., or Psilos. As of the record date for the Valera special meeting, SMH and Psilos were the record and/or beneficial owners, respectively, of 5,449,980 and 728,037 shares of Valera common stock. These shares represent approximately 36.37% and 4.86%, respectively, and approximately 41.23% in the aggregate, of Valera's outstanding shares of common stock as of the record date. Pursuant to these voting agreements these stockholders have agreed, among other things and subject to limited exceptions, to vote all their Valera shares in favor of adoption of the merger agreement. The voting agreement with each of SMH and Psilos is included as *Annex D-1* and *Annex D-2*, respectively, to this joint proxy statement/prospectus.

Recommendations of the Boards of Directors to Stockholders

Indevus (Page 82)

After careful consideration, Indevus' board of directors unanimously approved the merger agreement and the issuance of Indevus common stock and contingent stock rights pursuant to the merger agreement. Indevus' board of directors determined that the merger and the transactions contemplated by the merger agreement are fair to, and in the best interests of, Indevus' stockholders. **Indevus' board of directors unanimously recommends that Indevus stockholders vote FOR the proposal to issue Indevus common stock and contingent stock rights pursuant to the merger agreement.**

Indevus' board of directors considered a number of factors in determining to approve the merger agreement and the issuance of Indevus common stock and contingent stock rights pursuant to the merger agreement. These considerations are described in the section entitled "The Merger - Indevus' Reasons for the Merger" beginning on page 82.

Valera (Page 84)

After careful consideration, Valera's board of directors unanimously approved and adopted the merger agreement. Valera's board of directors determined that the merger and the transactions contemplated by the merger agreement are advisable and fair to, and in the best interests of, Valera's stockholders. **Valera's board of directors unanimously recommends that the Valera stockholders vote FOR the proposal to adopt the merger agreement.**

Valera's board of directors considered a number of factors in determining to approve and adopt the merger agreement and the merger. These considerations are described in the section entitled "The Merger - Valera's Reasons for the Merger" beginning on page 84.

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Opinions of Financial Advisors

Indevus (Page 86)

In connection with the merger, Indevus' board of directors received an opinion from Indevus' financial advisor, UBS Securities LLC, as to the fairness, from a financial point of view and as of the date of such opinion, to Indevus of the merger consideration to be paid by Indevus. For purposes of UBS' opinion, the merger consideration refers to (i) the number of shares of Indevus common stock equal to the quotient of \$7.75 divided by the Indevus Common Stock Value and (ii) the CSRs. The full text of UBS' written opinion, dated December 11, 2006, is attached to this joint proxy statement/prospectus as *Annex B*. Holders of Indevus common stock are encouraged to read this opinion carefully and in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken. **UBS opinion was provided to Indevus' board of directors in its evaluation of the merger consideration from a financial point of view, does not address any other aspect of the merger and does not constitute a recommendation to any stockholder as to how to vote or act with respect to the merger.**

Valera (Page 92)

In connection with the merger, Valera's board of directors considered the oral opinion of Banc of America Securities LLC, delivered on December 11, 2006, which was confirmed by a written opinion, dated December 11, 2006, that, as of the date of the opinion and based upon and subject to various assumptions and limitations set forth in the opinion, the merger consideration to be received by holders of Valera common stock (other than certain stockholders of Valera who have entered into voting agreements in connection with the merger) was fair, from a financial point of view, to such stockholders.

The full text of the written opinion of Banc of America Securities to Valera's board of directors which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as *Annex C* to this joint proxy statement/prospectus, and is incorporated into this joint proxy statement/prospectus by reference. Banc of America Securities provided its opinion for the information and assistance of Valera's board of directors in connection with its evaluation of the merger consideration. Banc of America Securities' opinion does not address any other aspect of the merger and does not constitute a recommendation as to how any Valera stockholder should vote or act on any matters relating to the merger. Holders of Valera common stock are encouraged to, and should, read this opinion carefully and in its entirety.

Additional Interests of Valera Directors and Executive Officers in the Merger (Page 99)

In considering the recommendation of Valera's board of directors, Valera stockholders should be aware of the interests that certain Valera executive officers and directors may have in the merger that may be different from, or in addition to, their interests as Valera stockholders generally. These interests include:

severance and other payments and benefits to certain executive officers of Valera pursuant to existing change in control and employment agreements with Valera and a consulting arrangement between Dr. David S. Tierney, Valera's President and Chief Executive Officer, and Indevus during a transition period after the completion of the merger;

share issuances to Valera executive officers and directors in consideration of the cancellation of all options to purchase Valera common stock in connection with the merger;

employment agreements expected to be entered into between Indevus and certain officers of Valera, and, in the case of James C. Gale, Valera's chairman of the board, an expected membership on Indevus' board of directors;

rights to continued director and executive officer indemnification and insurance coverage by Indevus after the merger for acts or omissions that occurred before the merger;

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registration rights covering the shares of Indevus common stock acquired by SMH (and affiliated entities; James C. Gale, Valera's chairman of the board, is the chief investment officer of those SMH affiliated entities) in connection with the merger for resale under the Securities Act on a Registration Statement on Form S-3 to be filed by Indevus within 30 days following the effective time of the merger; and

severance payments to another executive officer of Valera pursuant to the Severance Pay Plan established by Indevus in connection with the merger.

As a result, the directors and executive officers of Valera may be more likely to recommend approval of the merger proposal than if they did not have these interests. The Valera board of directors was aware of these interests and considered them, among other matters, in reaching its decisions to declare the merger and the other transactions contemplated by the merger agreement advisable, to adopt the merger agreement and to recommend that Valera's stockholders vote in favor of adopting the merger agreement.

Additional Interests of Indevus Directors and Officers in the Proposal to Amend Indevus Equity Incentive Plan and Employee Stock Purchase Plan

If either of the proposals to amend Indevus equity incentive plan to increase the number of shares of common stock reserved for issuance under the plan and to remove the 20% limitation on the types of awards that can be issued with respect to such additional shares is approved by Indevus stockholders, executive officers and directors of Indevus will be eligible to receive additional stock-based awards under the plan, including restricted and performance stock, stock options, phantom stock, stock bonus awards, and other awards (including stock appreciation rights). The additional awards may or may not be based on the performance of Indevus common stock, and no individual is guaranteed to receive any awards under the equity incentive plan. See the section entitled Proposal #4 Amendment No. 5 to Indevus 2004 Equity Incentive Plan, as Amended Description of Principal Features of the 2004 Plan beginning on page 243 for further information regarding the types of awards potentially available under the equity incentive plan.

If the proposal to amend Indevus employee stock purchase plan to increase the number of shares of common stock reserved for issuance under such plan is approved by Indevus stockholders, executive officers of Indevus will be eligible to purchase additional shares of common stock under the plan. See the section entitled Proposal #6 Amendment to Indevus 1995 Employee Stock Purchase Plan, as Amended Description of Principal Features of the 1995 Plan beginning on page 250 for further information regarding the stock purchase terms available under the stock purchase plan.

The Indevus compensation committee and board of directors were aware of these interests and considered them, among other matters, in reaching a decision to approve the amendments to the equity incentive plan and the stock purchase plan and to recommend that Indevus stockholders vote in favor of the amendments.

Directors and Management of Indevus Following the Merger (Page 104)

James C. Gale, chairman of the board of directors of Valera and chief investment officer of the Corporate Opportunities Funds and Life Sciences Opportunities Fund, affiliates of SMH, has been nominated for election to Indevus board of directors at Indevus annual and special meeting. Otherwise, the existence and composition of the board of directors of Indevus will continue unchanged by the merger. Indevus executive officers will not change as a result of the merger.

Material United States Federal Income Tax Consequences (Page 104)

The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming the merger qualifies as such a reorganization, for U.S. federal income tax purposes, holders of

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Valera common stock whose shares of Valera common stock are exchanged in the merger for shares of Indevus common stock and CSRs will not recognize a gain or loss, except to the extent of cash, if any, received in lieu of a fractional share of Indevus common stock. In addition, a portion of any additional shares of Indevus common stock issued pursuant to the CSRs may be treated as taxable interest income to the Valera stockholders at the time such shares are issued.

It is a condition to the completion of the merger that Indevus and Valera receive written opinions from their respective counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Neither Indevus nor Valera intends to waive this closing condition. In the event that either Indevus or Valera waives receipt of such opinion from its counsel, however, the waiving company will again solicit the approval of its stockholders after providing appropriate disclosure.

Tax matters are very complicated and the tax consequences of the merger to each Valera stockholder will depend on such stockholder's particular facts and circumstances.

Valera stockholders are urged to consult their tax advisors to understand fully the tax consequences to them of the merger.

Overview of the Merger Agreement (Page 112)

Conditions to Completion of the Merger (Page 126)

The completion of the merger depends on the satisfaction or waiver, where permitted by the merger agreement, of a number of conditions, including the following:

adoption of the merger agreement by Valera stockholders and approval of the issuance of Indevus common stock by Indevus stockholders;

absence of any order, statute or regulation prohibiting the merger;

authorization by Nasdaq of the listing on The Nasdaq Global Market of the shares of Indevus common stock issuable to Valera stockholders in the merger and the shares of Indevus common stock issuable upon conversion of the CSRs;

the Securities and Exchange Commission, or SEC, declaring effective the registration statement filed on Form S-4, of which this joint proxy statement/prospectus is a part;

absence of any governmental action challenging or seeking to enjoin the merger;

receipt of opinions of counsel to Valera and Indevus that the merger will qualify as a tax-free reorganization; and

other customary conditions specified in the merger agreement.

No Solicitation by Valera (Page 121)

Subject to certain exceptions, the merger agreement precludes Valera or any of its subsidiaries, whether directly or indirectly through officers, directors, employees, agents or representatives, from soliciting, initiating, encouraging, or taking any action to facilitate any inquiries that could reasonably be expected to lead to, entering into any agreement with respect to, or participating in any discussions or negotiations regarding, any third party's proposal with respect to the acquisition of assets that constitute 15% or more of the revenues, net income, EBITDA (earnings before interest expense, taxes, depreciation and amortization) or assets of Valera and its subsidiaries, taken as a whole, or of an equity interest representing a 15% or greater economic interest in Valera or any of its subsidiaries.

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However, under certain circumstances, Valera and its board of directors may furnish non-public information to, and enter into discussions or negotiations with, a third party in connection with an unsolicited written acquisition proposal that it determines (after consultation with outside counsel and its financial advisor) to be, or to be reasonably expected to lead to, a superior proposal, as defined in the merger agreement, if a majority of Valera's board of directors determines (after receiving the advice of outside counsel) that such action is necessary for it to comply with its fiduciary duties to its stockholders and other conditions specified in the merger agreement are satisfied.

Termination of the Merger Agreement (Page 127)

Indevus and Valera can mutually agree to terminate the merger agreement at any time without completing the merger. In addition, either Indevus or Valera may also terminate the merger agreement if the merger is not completed by August 11, 2007, or under other circumstances set forth in the merger agreement and described in this document.

Termination Fees and Expenses (Page 128)

Indevus and Valera will each bear one-half of the expenses incurred in connection with the preparation of this joint proxy statement/prospectus and otherwise, generally, will bear their own expenses related to the merger. In addition, upon termination of the merger agreement under specified circumstances, Valera or Indevus may be required to pay the other a termination fee of \$5,000,000. The merger agreement also provides that under specified circumstances where the termination fee is not otherwise payable, Valera or Indevus may be required to reimburse the non-terminating party for up to \$3,000,000 of reasonable out-of-pocket expenses. Any expenses reimbursed by Valera or Indevus will be credited against the termination fee if the termination fee subsequently becomes payable by that party.

Accounting Treatment (Page 107)

Indevus will account for the merger as a purchase of a business under United States generally accepted accounting principles, or GAAP. This means that Indevus will allocate the purchase price to the fair value of Valera's assets and liabilities, including intangible assets, at the acquisition date, with the excess purchase price being recorded as goodwill. The results of operations of Valera will be included in Indevus' results from the date of acquisition.

Regulatory Matters Related to the Merger (Page 108)

Indevus and Valera are not aware of any material governmental or regulatory requirements that must be complied with regarding the merger, other than the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part and compliance with applicable provisions of Delaware law.

Appraisal Rights for Valera Stockholders (Page 108)

Under Delaware law, Valera stockholders have the right to dissent from the merger and to receive payment in cash for the fair value of their shares of Valera common stock, as determined by the Delaware Chancery Court. This right of appraisal is subject to a number of restrictions and technical requirements. Generally, in order to exercise appraisal rights, a Valera stockholder must:

send to Valera a written demand for appraisal in compliance with Delaware law before the vote on the merger; and

not vote in favor of the merger.

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Merely voting against the merger will not protect a Valera stockholder's rights to appraisal. In order to protect such rights, the stockholder must adhere to all of the requirements set forth under Delaware law. The requirements under Delaware law for exercising appraisal rights are described in further detail in the section entitled *Appraisal Rights for Valera Stockholders* beginning on page 108. The relevant section of Delaware law regarding appraisal rights is reproduced and included as *Annex H* to his joint proxy statement/prospectus. **If you are a Valera stockholder and you vote on the merger, you will waive your rights to seek appraisal of your shares of Valera common stock under Delaware law.**

Indevus stockholders are not entitled to dissenters' or appraisal rights under Delaware law in connection with the merger.

How the Rights of Valera Stockholders Will Differ as Indevus Stockholders (Page 215)

Although both Indevus and Valera are Delaware corporations governed by the General Corporation Law of the State of Delaware, the rights of Indevus stockholders are different in some respects from the rights of Valera stockholders because of differences in the respective certificates of incorporation and bylaws of Indevus and Valera. Therefore, Valera stockholders will have different rights as stockholders once they become Indevus stockholders. These differences are described in detail in the section entitled *Comparison of Valera Stockholder Rights and Indevus Stockholder Rights* beginning on page 215.

Listing of Indevus Common Stock and Delisting of Valera Common Stock (Page 111)

Indevus will apply to have the shares of Indevus common stock issued in the merger and the shares of common stock issuable upon conversion of CSRs approved for listing on The Nasdaq Global Market, where shares of Indevus common stock currently are traded under the symbol IDEV. Indevus will not apply to have the CSRs themselves approved for listing on any securities market. If the merger is completed, Valera common stock will no longer be listed on The Nasdaq Global Market and will be deregistered under the Securities Exchange Act of 1934, which we refer to as the Exchange Act, and Valera will no longer file periodic reports with the SEC.

Comparative Stock Price Information (Page 32)

Shares of Indevus common stock are listed on The Nasdaq Global Market under the symbol IDEV. Shares of Valera common stock are listed on The Nasdaq Global Market under the symbol VLRX. On December 11, 2006, the last full trading day prior to the public announcement of the proposed merger, Indevus common stock closed at \$7.86 per share and Valera common stock closed at \$5.41 per share. On March 9, 2007, the last full trading day prior to the date of this joint proxy statement/prospectus, Indevus common stock closed at \$6.52 per share and Valera common stock closed at \$7.97 per share. Indevus and Valera stockholders should obtain current market price information for Indevus common stock and Valera common stock before considering and voting on the applicable merger proposals.

The Stockholders' Meetings

The Indevus Annual and Special Meeting (Page 69)

The Indevus annual and special meeting will be held on April 17, 2007, at 11:00 a.m., local time, at The Conference Center at Waltham Woods, 860 Winter Street, Waltham, MA 02451. At the Indevus annual and special meeting, Indevus stockholders will be asked to:

Approve the issuance of Indevus common stock and contingent stock rights pursuant to the merger agreement;

Elect eight members of Indevus' board of directors to serve until the 2008 annual meeting of stockholders and until their successors are elected and qualified;

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Approve an amendment to Indevus Restated Certificate of Incorporation to increase the number of authorized shares of Indevus common stock from 120 million to 200 million;

Approve an amendment to Indevus 2004 Equity Incentive Plan to increase the number of shares of Indevus common stock reserved for issuance under the plan from 6,000,000 to 9,000,000;

Approve an amendment to Indevus 2004 Equity Incentive Plan to remove the 20% limitation on the number of certain types of awards that can be made with respect to the additional 3,000,000 shares proposed to be added plan as set forth above;

Approve an amendment to Indevus 1995 Stock Purchase Plan to increase the number of shares of Indevus common stock available for purchase under the plan from 800,000 to 1,050,000; and

Ratify the appointment of PricewaterhouseCoopers LLP as Indevus independent registered public accounting firm.

The approval of the issuance of Indevus common stock and contingent stock rights pursuant to the merger agreement is a condition to the completion of the merger. Accordingly, if Indevus stockholders wish to approve the merger, they must approve this proposal.

Indevus stockholders also will be asked to transact any other business that may be properly brought before the annual and special meeting or any adjournments or postponements of the annual and special meeting.

You may vote at the Indevus annual and special meeting if you owned shares of Indevus common stock, Series B Preferred Stock or Series C Preferred Stock at the close of business on March 12, 2007. On that date, there were outstanding and entitled to vote 56,202,160 shares of Indevus common stock, 239,425 shares of Series B Preferred Stock and 5,000 shares of Series C Preferred Stock, which, together (and on an as-if-converted basis with respect to the preferred stock), are entitled to an aggregate of 56,771,010 votes on all matters at the annual and special meeting, other than the election of directors for which preferred stock is not eligible to vote.

The proposals require different percentages of votes in order to approve them:

The issuance of Indevus common stock and contingent stock rights pursuant to the merger agreement, the amendments to Indevus 2004 Equity Incentive Plan, the amendment to Indevus 1995 Employee Stock Purchase Plan and the ratification of PricewaterhouseCoopers LLP as Indevus independent registered public accounting firm, require approval by the affirmative vote of a majority of the total number of votes cast on the particular proposal (with the Indevus common stock and preferred stock voting together as a single class);

The election of eight directors to Indevus board of directors requires the affirmative vote of a plurality of votes cast by the holders of Indevus common stock (with preferred stock not entitled to vote on this matter); and

Approval of the amendment to Indevus Restated Certificate of Incorporation requires the affirmative vote of both (i) a majority of the total number of votes of Indevus common stock and preferred stock outstanding and entitled to vote, voting together as a single class (regardless of whether such holders are present in person or represented by proxy at the annual and special meeting) and (ii) a majority of the outstanding shares of Indevus common stock, voting separately as a class.

As of the close of business on the record date for the annual and special meeting, the directors and executive officers of Indevus collectively beneficially owned approximately 8,742,264 shares of Indevus common stock inclusive of shares subject to stock options that may be exercised within 60 days following that date. Such shares represented approximately 13.48% of the total Indevus voting power as of such date.

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The Valera Special Meeting (Page 75)

The Valera special meeting will be held on April 17, 2007, at 10:00 a.m., local time, at Valera's offices at 7 Clarke Drive, Cranbury, NJ 08512. At the Valera special meeting, Valera stockholders will be asked to adopt the merger agreement and to transact any other business that may be properly brought before the special meeting or any adjournments or postponements of the special meeting.

You may vote at the Valera special meeting if you owned shares of Valera common stock at the close of business on March 12, 2007. On that date, there were outstanding and entitled to vote on all matters at the special meeting 14,985,670 shares of Valera common stock.

Adoption of the merger agreement requires the affirmative vote of a majority of the shares of Valera common stock outstanding on the record date and entitled to vote at the special meeting (regardless of whether such shares are present in person or represented by proxy at the special meeting).

As of the close of business on the record date for the special meeting, the directors and executive officers of Valera collectively beneficially owned approximately 9,093,070 shares of Valera common stock or approximately 58% of the outstanding shares of Valera common stock (inclusive of shares subject to stock options that may be exercised within 60 days following that date).

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF INDEVUS**

The following information is being provided to aid in your analysis of the financial aspects of the merger. Indevus derived its financial information from audited financial statements for fiscal years 2002 through 2006 and from unaudited financial statements for the three months ended December 31, 2006 and 2005.

In the opinion of Indevus management, this unaudited interim period information reflects all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results of operations and financial condition for the three months ended December 31, 2006 and 2005. Results for interim periods should not be considered indicative of results for any other period or for the year. This information is only a summary. You should read it along with Indevus historical audited financial statements and related notes and the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Indevus annual reports, quarterly reports and other information on file with the SEC and incorporated by reference into this joint proxy statement/prospectus. See the section entitled Where You Can Find More Information beginning on page 257.

Consolidated Statements of Operations:

	Three Months Ended		Fiscal Years Ended September 30,				
	December 31, 2006	2005	2006	2005	2004	2003	2002
(in thousands, except per share amounts)							
Statement of Operations Data:							
Revenues:							
Product revenue	\$ 5,257	\$ 3,429	\$ 26,738	\$ 14,269	\$ 9,740	\$ 4,316	\$ 3,439
Contract and license fees	7,894	5,545	23,714	19,067	8,986	929	968
Total revenues	13,151	8,974	50,452	33,336	18,726	5,245	4,407
Cost of product revenue	4,276	1,870	19,692	8,593	7,950	1,073	