

MYLAN LABORATORIES INC

Form FWP

March 02, 2007

**Issuer Free Writing Prospectus  
Filed pursuant to Rule 433  
Registration Statement No 333-140778**

**(Supplementing the Preliminary Prospectus Supplement  
related to the Senior Convertible Notes dated February 20, 2007)**

**Mylan Laboratories Inc.**

**Terms and Conditions of Senior Convertible Notes due 2012 Offering**

|  |  |
|--|--|
| Maturity date  | March 15, 2012.  |
| Interest payments:                                     | 1.25% payable in cash semiannually in arrears.                                   |
| Interest payment dates:                                | March 15 and September 15 of each year, beginning September 15, 2007.            |
| Conversion rate:                                       | 44.5931 shares of common stock per \$1,000.00 principal amount of notes.         |
| Conversion rate cap:                                   | 51.2821  |
| Conversion trigger price:                              | \$29.15  |
| Last sale price of the common stock:                   | \$20.26  |
| Conversion price:                                      | \$22.43 per share, subject to adjustment.  |
| Public offering price per note:                        | \$1,000 (100%)   |
| Underwriting discount per note:                        | \$20.00 (2.00%)  |
| Aggregate principal amount:                            | \$550,000,000 (\$600,000,000 if the over-allotment option is exercised in full). |
| Proceeds, before expenses, to Mylan Laboratories Inc.: | \$539,000,000 (\$588,000,000 if the over-allotment option is exercised in full). |
| Pricing date:  | March 1, 2007.   |
| Settlement date:                                       | March 7, 2007.   |
| CUSIP:   | 628530AG2  |

Concurrently with this offering, the issuer is offering 22,750,000 shares (or 26,162,500 shares if the underwriters exercise in full their option to purchase additional shares) of its common stock in a separate public offering. No selling securityholders will participate in that offering. Neither offering is conditioned on the other.

**Make Whole Premium upon a Fundamental Change**

If certain fundamental changes occur and a holder elects to convert in connection with such transaction, the conversion rate will be increased by a number of shares. The number of additional shares will be determined by reference to the following table and is based on the date on which such fundamental change becomes effective and the price paid per share of common stock on the effective date:

| Stock Price<br>on<br>Effective<br>Date | Effective Date |           |           |           |           |           |
|--|----------------|-----------|-----------|-----------|-----------|-----------|
|  | 3/1/2007       | 3/15/2008 | 3/15/2009 | 3/15/2010 | 3/15/2011 | 3/15/2012 |
| \$ 19.50                               | 6.6890         | 6.6890    | 6.6890    | 6.6890    | 6.6890    | 6.6890    |
| \$ 22.50                               | 4.2293         | 4.1872    | 4.0387    | 3.7054    | 2.9796    | 0.0000    |
| \$ 25.00                               | 2.9554         | 2.8258    | 2.5899    | 2.1854    | 1.4427    | 0.0000    |
| \$ 27.50                               | 2.1121         | 1.9474    | 1.6900    | 1.2984    | 0.6829    | 0.0000    |
| \$ 30.00                               | 1.5441         | 1.3704    | 1.1234    | 0.7838    | 0.3253    | 0.0000    |
| \$ 35.00                               | 0.8835         | 0.7282    | 0.5360    | 0.3113    | 0.0920    | 0.0000    |
| \$ 40.00                               | 0.5491         | 0.4275    | 0.2855    | 0.1489    | 0.0494    | 0.0000    |
| \$ 45.00                               | 0.3689         | 0.2762    | 0.1812    | 0.0965    | 0.0384    | 0.0000    |
| \$ 50.00                               | 0.2789         | 0.2080    | 0.1346    | 0.0737    | 0.0336    | 0.0000    |
| \$ 75.00                               | 0.1354         | 0.1015    | 0.0681    | 0.0414    | 0.0223    | 0.0000    |
| \$ 100.00                              | 0.0958         | 0.0724    | 0.0484    | 0.0292    | 0.0166    | 0.0000    |

If the stock price on the effective date exceeds \$100.00 per share, subject to adjustment, no adjustment to the applicable conversion rate will be made.

If the stock price on the effective date is less than \$19.50 per share, subject to adjustment, no adjustment to the applicable conversion rate will be made.

Net cost of Convertible Note Hedge and Warrant Transaction: \$73,920,000

Shares Underlying Convertible Note Hedge and Warrant Transactions: 24,526,205

Exercise Price of Sold Warrant: \$31.20

Underwriters

Merrill Lynch & Co.

JPMorgan

Citigroup

ABN AMRO Rothschild LLC

BNY Capital Markets, Inc.

HSBC

Mitsubishi UFJ Securities

NatCity Investments, Inc.

PNC Capital Markets LLC

RBS Greenwich Capital

SunTrust Robinson Humphrey

The issuer has filed a registration statement (including prospectuses and supplements thereto) with the Securities and Exchange Commission, or SEC, for the offerings to which this communication relates. Before you invest, you should read the prospectuses (and the supplements thereto) in those registration statements and other documents the issuer has filed with the SEC for more complete information about the issuer and these offerings. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in these offerings will arrange to send you the prospectus if you request it by calling toll free 1-866-500-5408.