BENTLEY PHARMACEUTICALS INC
Form DEFM14A
June 17, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant To Section 14(A) of the Securities Exchange Act of 1934

Filed by the Registrant þ
Filed By a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement

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

þ Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

BENTLEY PHARMACEUTICALS, INC.

(Name of Registrant as Specified In Its Charter)

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

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o No fee required.

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Bentley Park
2 Holland Way
Exeter, NH 03833

June 16, 2008

Dear Fellow Stockholder:

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

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

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

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

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

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

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

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

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

Thank you in advance for your cooperation and continued support.

Sincerely,

James R. Murphy
Chairman and Chief Executive Officer

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

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

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

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

To the Stockholders of Bentley Pharmaceuticals, Inc.:

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

1. To consider and vote on a proposal to adopt and approve the Agreement and Plan of Merger (the merger agreement), dated as of March 31, 2008, by and among Bentley Pharmaceuticals, Inc., Teva Pharmaceutical Industries Limited, an Israeli corporation (Teva), and Beryllium Merger Corporation., a Delaware corporation and a wholly owned subsidiary of Teva (Acquisition Sub). A copy of the merger agreement is attached as Annex A to the accompanying proxy statement. Pursuant to the terms of the merger agreement, Acquisition Sub will merge with and into Bentley (the merger) and each outstanding share of the Bentley common stock, par value $0.02 per share (other than shares held in treasury or owned by Teva or Acquisition Sub or any direct or indirect wholly owned subsidiary of Bentley, and shares held by stockholders who have properly demanded statutory appraisal rights, if any), will be converted into the right to receive $15.02 in cash, without interest and less any applicable withholding tax, subject to possible reduction in connection with the spin-off and pursuant to the terms of the merger agreement, as described in the accompanying proxy statement.

2. To consider and vote on any proposal to adjourn or postpone the special meeting to a later date, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement if there are insufficient votes at the time of the meeting to adopt and approve the merger agreement.

3. To consider and vote on such other business as may properly come before the special meeting or any adjournments or postponements thereof.

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

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

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

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

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

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

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

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

By Order of the Board of Directors,

Richard P. Lindsay
Secretary

Exeter, New Hampshire
June 16, 2008

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SUMMARY TERM SHEET

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

The Parties to the Merger (Page 13)

Bentley Pharmaceuticals, Inc.

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

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

Teva Pharmaceutical Industries Limited

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

Beryllium Merger Corporation

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

The Merger (Page 16)

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

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

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

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

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

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

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

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

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

The Spin-Off (Page 16)

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

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

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

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

The Special Meeting (Page 14)

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

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

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

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

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

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

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

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

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

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

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

by submitting a later-dated proxy card;

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

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

Treatment of Options and Restricted Stock Units (Page 41)

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

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

Recommendation of Our Board of Directors

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

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

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

Opinion of Deutsche Bank Securities Inc. (Page 27)

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

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

Regulatory Approvals (Page 38)

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

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

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

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

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

Conditions to the Merger (Page 46)

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

- the merger agreement must have been adopted by the affirmative vote of a majority of the outstanding shares of our common stock;
- the spin-off must have been completed;
- no governmental authority shall have enacted, issued, promulgated, enforced or entered any law or order which is in effect and has the effect of making the merger illegal or otherwise prohibiting the consummation of the merger; and
- all consents required under any applicable antitrust laws shall have been obtained and any applicable waiting period thereunder shall have expired or been terminated.

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

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

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

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

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

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

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

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

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merger agreement at or prior to the closing date; and

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

Restrictions on Recommendation Withdrawal (Page 49)

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

No Solicitation of Other Offers (Page 47)

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

Termination of the Merger Agreement (Page 49)

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

by mutual written consent of Bentley and Teva;

by either Bentley or Teva if:

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

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

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

by Bentley, if:

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

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

by Teva, if:

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

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

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

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

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

Termination Fees (Page 50)

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

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

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

Dissenters Rights of Appraisal (Page 54)

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

Market Price of Common Stock (Page 52)

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

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

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

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

Q. What is the proposed transaction?

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

Q. What will I receive in the merger?

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

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

Q. When and where is the special meeting?

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

Q. What will happen at the special meeting?

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

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

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

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Q. What vote of our stockholders is required to approve the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies?

A. The proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of a majority of the outstanding shares of our common stock present or represented by proxy at the special meeting and entitled to vote on the matter.

Q. How does Bentley s board of directors recommend that I vote?

A. The board of directors, after careful consideration of a variety of factors including the unanimous recommendation of a special committee of the board of directors, unanimously recommends that you vote FOR the proposal to adopt and approve the merger agreement and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt and approve the merger agreement. You should read The Merger Reasons for the Merger; Recommendation of the Board of Directors for a discussion of the factors that the special committee and the board of directors considered in deciding to recommend the adoption and approval of the merger agreement.

Q. What effects will the proposed merger have on Bentley?

A. As a result of the proposed merger, Bentley will cease to be a publicly-traded company and will be wholly owned by Teva. You will no longer have any interest in our future earnings or growth; however, consummation of the merger will not affect the shares of CPEX you may receive pursuant to the spin-off. Following consummation of the merger, the registration of our common stock and our reporting obligations with respect to our common stock under the Securities Exchange Act of 1934, as amended (the Exchange Act), will be terminated upon application to the Securities and Exchange Commission (the SEC). In addition, upon completion of the proposed merger, shares of our common stock will no longer be listed on any stock exchange or quotation system, including the NYSE.

Q. What happens if the merger is not consummated?

A. If the merger agreement is not adopted by stockholders or if the merger is not completed for any other reason, stockholders will not receive any payment for their shares in connection with the merger. Instead, Bentley will remain an independent public company and our common stock will continue to be listed and traded on the NYSE. Under specified circumstances, Bentley may be required to pay Teva a termination fee or reimburse Teva for its costs and expenses as described under the caption The Merger Agreement Termination Fees and Expenses. Consummation of the merger is not a condition to the consummation of the spin-off.

Q. What do I need to do now?

A. Even if you plan to attend the special meeting, after carefully reading and considering the information contained in this proxy statement, if you hold your shares in your own name as the stockholder of record, please vote your shares by completing, signing, dating and returning the enclosed proxy card; using the telephone number printed on your proxy card; or using the Internet voting instructions printed on your proxy card. If you have Internet access, we encourage you to record your vote via the Internet. You can also attend the special meeting and vote. If you hold your shares in street name, follow the procedures provided by your broker, bank or other nominee.

Q. How do I vote?

A. You may vote by:

signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope;

calling 1-800-PROXIES(1-800-776-9437) from any touch-tone telephone and following the instructions; or

following the instructions at www.voteproxy.com.

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You may vote at 1-800-PROXIES or www.voteproxy.com up until 11:59 PM Eastern Time the day before the cut-off or meeting date.

Please detach along the perforated line and mail in the envelope provided IF you are not voting via telephone or the Internet. If you return your signed proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted FOR the proposal to adopt and approve the merger agreement and FOR the adjournment proposal.

Q. How can I change or revoke my vote?

A. Any proxy given pursuant to this solicitation may be revoked any time prior to the exercise of the powers conferred thereby by notice in writing to Richard P. Lindsay, our Secretary, at Bentley Park, 2 Holland Way, Exeter, New Hampshire 03833, by execution and delivery of a written revocation or a duly executed proxy of a later date or by voting in person at the special meeting.

Q. If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?

A. Your broker, bank or other nominee will only be permitted to vote your shares if you instruct your broker, bank or other nominee how to vote. You should follow the procedures provided by your broker, bank or other nominee regarding the voting of your shares. If you do not instruct your broker, bank or other nominee to vote your shares, your shares will not be voted and the effect will be the same as a vote AGAINST the adoption and approval of the merger agreement, but will not have an effect on the proposal to adjourn the special meeting.

Q. What do I do if I receive more than one proxy or set of voting instructions?

A. If you also hold shares directly as a record holder in street name, or otherwise through a nominee, you may receive more than one proxy and/or set of voting instructions relating to the special meeting. These should each be voted and/or returned separately as described elsewhere in this proxy statement in order to ensure that all of your shares are voted.

Q. What happens if I sell my shares before the special meeting?

A. The record date of the special meeting is earlier than the special meeting and the date that the merger is expected to be completed. If you transfer your shares of common stock after the record date but before the special meeting, you will retain your right to vote at the special meeting, but will have transferred the right to receive $15.02 per share, as may be adjusted, in cash to be received by our stockholders in the merger. In order to receive the $15.02, per share, as may be adjusted, you must hold your shares through completion of the merger.

Q. What are the tax consequences of the merger?

A. The receipt of cash in exchange for shares of our common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. In general, for U.S. federal income tax purposes, a U.S. holder will recognize gain or loss in an amount equal to the difference, if any, between the amount of cash received with respect to such shares and the holder s adjusted tax basis in such shares. If you are a non-U.S. holder, your receipt of cash for shares of our common stock pursuant to the merger generally will be exempt from U.S. federal income tax, subject to certain exceptions. See The Merger Material U.S. Federal Income Tax Consequences beginning on page 36 for a more detailed explanation of the tax consequences of the merger.

Q. Am I entitled to exercise appraisal rights instead of receiving the merger consideration for my shares?

A. Yes. As a holder of our common stock, you are entitled to appraisal rights under Delaware law in connection with the merger if you meet certain conditions. See Dissenters Rights of Appraisal beginning on page 54.

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Q: Should I send in my stock certificates now?

A. No. PLEASE DO NOT SEND IN YOUR STOCK CERTIFICATES WITH YOUR PROXY.

Shortly after the merger is completed, you will receive a letter of transmittal with instructions informing you how to send in your stock certificates to the paying agent in order to receive the merger consideration in respect of your shares of our common stock. You should use the letter of transmittal to exchange your stock certificates for the merger consideration which you are entitled to receive as a result of the merger.

Q. When is the merger expected to be completed?

A. We are working toward completing the merger as quickly as possible, and we anticipate that it will be completed in the third quarter of 2008. However, the exact timing of the completion of the merger cannot be predicted. In order to complete the merger, we must obtain stockholder approval and the other closing conditions under the merger agreement must be satisfied or waived. We expect that the Bentley stockholder approval will be the last closing condition to be satisfied and if so, pursuant to the merger agreement, unless Tera and Bentley otherwise agree, the merger would be completed no later than two business days after the stockholder approval is obtained. See The Merger Agreement Effective Time and The Merger Agreement Conditions to the Merger beginning on pages 39 and 46, respectively.

Q. What is the spin-off transaction being contemplated by Bentley?

A. On June 12, 2008, Bentley approved the spin-off to its stockholders of its drug delivery division, CPEX. CPEX shares will be distributed to Bentley s stockholders on the basis of one share of CPEX common stock for every ten shares of Bentley common stock owned. The distribution of CPEX shares to all stockholders of record who hold shares of Bentley common stock on June 20, 2008, the record date for the spin-off, is scheduled to occur on June 30, 2008. Bentley stockholder approval is not needed for, and you are not being asked for a proxy in relation to, the spin-off. While consummation of the spin-off is a condition to the merger, consummation of the merger is not a condition to the spin-off.

Q. Will a proxy solicitor be used and who will bear the cost of this solicitation?

A. We have engaged The Proxy Advisory Group, LLC, to assist in the solicitation of proxies and provide related advice and informational support, for a services fee and the reimbursement of customary disbursements. The services fee and the reimbursement amount are not expected to exceed $20,000 in the aggregate.

Q. Who can help answer my other questions?

A. If you have additional questions about the merger, need assistance in submitting your proxy or voting your shares of our common stock, or need additional copies of the proxy statement or the enclosed proxy card, please call Richard P. Lindsay, our Secretary, at (603) 658-6100, or The Proxy Advisor Group, our proxy solicitor, at (212) 616-2180.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement, and the documents to which we refer you in this proxy statement, include forward-looking statements (as that term is defined under Section 21E of the Securities Exchange Act of 1934) based on estimates and assumptions. There are forward-looking statements throughout this proxy statement, including, without limitation, under the headings Summary Term Sheet, Questions and Answers about the Special Meeting and the Merger, The Merger, Opinion of Financial Advisor, Regulatory Approvals, and in statements containing words such as believes, estimates, anticipates, continues, contemplates, expects, may, will, could, should or would or othe phrases. These statements, which are based on information currently available to us, are not guarantees of future performance and may involve risks and uncertainties that could cause our actual growth, results of operations, performance and business prospects, and opportunities to materially differ from those expressed in, or implied by, these statements. These forward-looking statements speak only as of the date on which the statements were made and we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statement included in this proxy statement or elsewhere. In addition to other factors and matters contained or incorporated in this document, these statements are subject to risks, uncertainties, and other factors, including, among others:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement;
- the outcome of any legal proceedings that have been or may be instituted against Bentley and others relating or unrelated to the merger agreement;
- the inability to complete the merger due to the failure to obtain stockholder approval, failure to complete the spin-off, or the failure to satisfy other conditions to consummation of the merger;
- the failure of the merger to close for any other reason;
- risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the merger;
- the effect of the announcement of the merger on business relationships, operating results and business generally;
- the amount of the costs, fees, expenses and charges related to the merger;
- adverse developments in general business, economic, regulatory and political conditions or any outbreak or escalation of hostilities on a national, regional or international basis;
- our failure to comply with regulations and any changes in regulations, including, without limitation, changes in third-party reimbursement and government mandates that impact pharmaceutical pricing;
- our failure of obtain marketing authorizations to sell our products;
- fluctuations in the generic drug business;
- the loss of any of our senior management;

the outcome of the spin-off and any liabilities related to the Separation Agreement, Transition Services Agreement, Employee Matters Agreement or the Tax Sharing Agreement, each to be entered into by Bentley and CPEX in connection with the spin-off; and

other uncertainties detailed under Risk Factors in Bentley s 2007 Annual Report on Form 10-K and its other subsequent periodic reports filed with the SEC.

In addition, for a more detailed discussion of these risks and uncertainties and other factors, please refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, which was filed with the SEC on March 17, 2008, and the CPEX Form 10. Many of the factors that will determine our future results are beyond our ability to control or predict. In light of the significant uncertainties inherent in the forward-looking statements contained or incorporated by reference herein, readers should not place undue reliance on forward-looking statements, which reflect management s views only as of the date hereof. We cannot guarantee any future results, levels of activity, performance or achievements. The statements made in this proxy statement represent our views as of the date of this proxy statement, and it should not be assumed that the statements made herein remain accurate as of any future date. Moreover, we assume no obligation to update forward-looking statements or update the reasons that actual results could differ materially from those anticipated in forward-looking statements, except as required by law.

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THE PARTIES TO THE MERGER

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

Bentley Pharmaceuticals, Inc. is a specialty pharmaceutical company focused on advanced drug delivery technologies and generic pharmaceutical products. Bentley manufactures and markets a growing portfolio of generic and branded generic pharmaceuticals in Europe for the treatment of cardiovascular, gastrointestinal, infectious and central nervous system diseases through its subsidiaries, Laboratorios Belmac, Laboratorios Davur, Laboratorios Rimafar and Bentley Pharmaceuticals Ireland. Bentley also manufactures and markets active pharmaceutical ingredients through its subsidiary, Bentley API. On June 12, 2008, Bentley s board of directors approved the spin-off of Bentley s proprietary drug delivery division, which develops technologies that enhance the absorption of pharmaceutical compounds across various membranes. The spin-off is scheduled to occur on June 30, 2008.

For more information about Bentley, please visit our website at www.bentleypharm.com. Our website address is provided as an inactive textual reference only. The information provided on our website is not part of this proxy statement, and therefore is not incorporated herein by reference. See also Where You Can Find More Information beginning on page 57. Bentley common stock is publicly traded on the NYSE under the symbol BNT .

Teva
Teva Pharmaceutical Industries Limited
5 Basel Street
Petach Tikva, 49131, Israel

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

Acquisition Sub
Beryllium Merger Corporation
5 Basel Street
Petach Tikva, 49131, Israel

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

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THE SPECIAL MEETING

Date, Time, Place and Purpose of the Special Meeting

This proxy statement is being furnished to our stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting to be held on Tuesday, July 22, 2008, starting at 10:00 a.m. local time, at the Hilton Garden Inn, 100 High Street, Portsmouth, New Hampshire, or at any postponement or adjournment thereof. The purpose of the special meeting is for our stockholders to consider and vote upon adoption and approval of the merger agreement (and to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies). Our stockholders must adopt and approve the merger agreement in order for the merger to occur. If our stockholders fail to adopt and approve the merger agreement, the merger will not occur. A copy of the merger agreement is attached to this proxy statement as Annex A. This proxy statement and the enclosed form of proxy are first being mailed to our stockholders on or about June 18, 2008.

Record Date and Quorum

We have fixed the close of business on June 2, 2008 as the record date for the special meeting, and only holders of record of our common stock on the record date are entitled to vote at the special meeting. On the record date, there were 22,727,434 shares of our common stock outstanding and entitled to vote. Each share of our common stock entitles its holder to one vote on all matters properly coming before the special meeting.

A majority of the shares of our common stock issued, outstanding and entitled to vote at the special meeting constitutes a quorum for the purpose of considering the proposals. Shares of our common stock represented at the special meeting but not voted, including shares of our common stock for which proxies have been received but for which stockholders have abstained, will be treated as present at the special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. In the event that a quorum is not present at the special meeting, it is expected that the meeting will be adjourned or postponed to solicit additional proxies.

Vote Required for Approval

Adoption and approval of the merger agreement requires the affirmative vote of a majority of the shares of our common stock outstanding and entitled to vote as of the record date. For the proposal to adopt and approve the merger agreement, you may vote FOR, AGAINST or ABSTAIN. Abstentions will not be counted as votes cast or shares voting on the proposal to adopt and approve the merger agreement, but will count for the purpose of determining whether a quorum is present. **If you abstain, it will have the same effect as a vote AGAINST the adoption and approval of the merger agreement.**

Under the rules of the NYSE, brokers who hold shares in street name for customers have the authority to vote on routine proposals when they have not received instructions from beneficial owners. However, brokers are precluded from exercising their voting discretion with respect to approving non-routine matters such as the adoption and approval of the merger agreement and, as a result, absent specific instructions from the beneficial owner of such shares, brokers are not empowered to vote those shares, referred to generally as broker non-votes. **These broker non-votes will be counted for purposes of determining a quorum, but will have the same effect as a vote AGAINST the adoption and approval of the merger agreement.**

As of June 2, 2008, the record date, the directors and executive officers of Bentley held and are entitled to vote, in the aggregate, 3,243,820 shares of our common stock, representing 14.3% of the outstanding common stock. The

directors and executive officers have informed Bentley that they currently intend to vote all of their shares of common stock FOR the adoption and approval of the merger agreement. In addition, Mr. James Murphy, Bentley s Chairman and Chief Executive Officer, Mr. Michael McGovern, Bentley s Vice Chairman, and his wife, Mrs. Elizabeth McGovern, who currently hold an aggregate of approximately 13.7% of the outstanding Bentley shares of common stock, have entered into a voting agreement with Teva and Acquisition Sub whereby they have agreed to vote their shares in favor of the transaction.

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Proxies and Revocation

If you submit a proxy by telephone or the Internet or by returning a signed proxy card by mail, your shares will be voted at the special meeting as you indicate. If you sign your proxy card without indicating your vote, your shares will be voted FOR the adoption and approval of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies, and in accordance with the recommendations of our board of directors on any other matters properly brought before the special meeting for a vote.

If your shares of common stock are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted. If you do not instruct your broker to vote your shares, it has the same effect as a vote against adoption and approval of the merger agreement.

Proxies received at any time before the special meeting, and not revoked or superseded before being voted, will be voted at the special meeting. You have the right to change or revoke your proxy at any time before the vote taken at the special meeting: by notice in writing to Richard P. Lindsay, our Secretary, at Bentley Park, 2 Holland Way, Exeter, New Hampshire 03833, by execution and delivery of a written revocation or a duly executed proxy of a later date or by voting in person at the meeting.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies. Any adjournment may be made without notice (if the adjournment is not for more than 30 days and a new record date is not fixed for the adjourned meeting), other than by an announcement made at the special meeting of the time, date and place of the adjourned meeting. Whether or not a quorum exists, holders of a majority of our common stock present in person or represented by proxy at the special meeting and entitled to vote thereat may adjourn the special meeting. Any signed proxies received by Bentley in which no voting instructions are provided on such matter will be voted FOR an adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow Bentley s stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

Rights of Stockholders Who Object to the Merger

Stockholders are entitled to statutory appraisal rights under Delaware law in connection with the merger. This means that you are entitled to have the value of your shares determined by the Delaware Court of Chancery and to receive payment based on that valuation. The ultimate amount you receive as a dissenting stockholder in an appraisal proceeding may be more than, the same as or less than the amount you would have received under the merger agreement.

To exercise your appraisal rights, you must submit a written demand for appraisal to the Company before the vote is taken on the merger agreement and you must not vote in favor of the adoption and approval of the merger agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights. See Dissenters Rights of Appraisal beginning on page 54 and the text of the Delaware appraisal rights statute reproduced in its entirety as Annex C.

Questions and Additional Information

If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call Richard P. Lindsay, our Secretary, at (603) 658-6100 or the Proxy Advisor Group, our proxy solicitor, at (212) 616-2180.

Availability of Documents

Our list of stockholders entitled to vote at the special meeting will be available for inspection at our principal executive offices at least 10 days before the special meeting.

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THE SPIN-OFF

On June 12, 2008, Bentley s board of directors approved the distribution to its stockholders all of the common stock of CPEX, which will contain all of the assets and liabilities of Bentley s drug delivery business. The CPEX common stock will be distributed to Bentley s stockholders on the basis of one share of CPEX common stock for every 10. shares of Bentley common stock outstanding. As a result, a Bentley stockholder will receive one share of CPEX common stock for every 10 shares of Bentley common stock held by such stockholder, as more fully described in the CPEX Form 10. The distribution of the CPEX shares to all stockholders of record who hold shares of Bentley common stock on June 20, 2008, the record date for the spin-off, is scheduled to occur on June 30, 2008. Holders of Bentley common stock on the record date of the spin-off, as described in the CPEX Form 10, will also receive the final CPEX Information Statement. While consummation of the spin-off is a condition to the merger, consummation of the merger is not a condition to the spin-off.

The spin-off is conditioned on the following:

- the SEC shall have declared effective the CPEX Form 10, under the Exchange Act, and no stop order relating to the CPEX Form 10 shall be in effect; and

- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the spin-off or any of the transactions related thereto, including the transfers of assets and liabilities contemplated by the Separation and Distribution Agreement to be entered into between Bentley and CPEX in connection with the spin-off, shall be in effect.

Bentley has requested that the SEC accelerate effectiveness of the CPEX Form 10 to June 17, 2008. Bentley s stockholders are urged to read carefully the CPEX Form 10, which describes CPEX and the spin-off in greater detail and the final CPEX Information Statement, which will be mailed shortly after June 20, 2008 to Bentley stockholders holding Bentley common stock on June 20, 2008. Bentley s stockholders are also urged to read carefully the Bentley pro forma financial information that will give effect to the spin-off of the drug delivery business which will be filed with the SEC by Bentley in a Form 8-K on or about July 7, 2008.

THE MERGER

This discussion of the merger is qualified in its entirety by reference to the merger agreement, which is attached to this proxy statement as Annex A. You should read the entire merger agreement carefully as it is the legal document that governs the merger.

Background of the Merger

Our board of directors and management regularly evaluate our businesses and operations, and in furtherance thereof periodically review and assess strategic alternatives to enhance value to our stockholders. As part of these reviews, management and the board of directors on various occasions have received advice from Deutsche Bank, one of Bentley s financial advisors. Throughout late calendar-2006, at the request of management, Deutsche Bank and Skadden, Arps, Slate, Meagher and Flom LLP (Skadden) reviewed with management various strategic alternatives. On December 6, 2006, the board of directors met in New York with representatives of Deutsche Bank and Skadden to discuss the various opportunities available to Bentley, including maintaining the status quo, merging with a strategic partner, the sale of the specialty generics business or the drug delivery business, a taxable or tax-free spin-off of the specialty generics business or the drug delivery business, and various financing transactions. Skadden was engaged on

December 19, 2006 to provide legal advisory services to Bentley in connection with evaluating various strategic alternatives.

On May 23, 2007, our board of directors approved the formation of a special committee comprised of independent and disinterested directors to assist in the review, evaluation and negotiation of strategic alternatives for the drug delivery and specialty generics divisions of Bentley. The special committee was also authorized to retain financial and legal advisors. Messrs. John Spiegel, Miguel Fernandez, Ross Johnson and Edward Robinson were appointed to serve on the special committee, with Mr. Spiegel serving as chairman. The special committee officially engaged Deutsche Bank on June 1, 2007 to provide financial advisory services in connection with the board of directors strategic alternatives review.

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In June 2007, Deutsche Bank and Skadden began a due diligence process in connection with the preparation of a confidential information memorandum for use in a potential sale process. During this process, Skadden, Deutsche Bank and Bentley reviewed certain existing contractual relationships with Teva, including a right of first refusal of Teva to purchase a subsidiary of Bentley and its potential impact on the sale process. In late June 2007, Deutsche Bank had begun making preliminary, initial inquiries to certain parties that Deutsche Bank, in its judgment, viewed as potential acquirors (based on such parties experience with Bentley s industry sectors and, among other things, the perceived financial ability of such parties to complete a potential acquisition of one or both of Bentley s divisions) to determine their interest in a potential acquisition of Bentley s specialty generics business. At the direction of management, Deutsche Bank stopped contacting potential interested parties in early July 2007.

On July 10, 2007, the special committee, joined by the remainder of the board of directors, as well as representatives from Bentley s management team, Deutsche Bank and Skadden, met to discuss the next steps in the strategic alternatives review process. Management then provided an update on the forecasts for the specialty generics business. At the meeting, among other matters, Deutsche Bank and Skadden updated the special committee and the board of directors on the strategic alternatives process and timeline, as well as the responses received from potential acquirors who had been previously contacted. The board of directors and the special committee, in consultation with management, also decided to seek to amend or terminate the existing contractual relationships with Teva (including Teva s right of first refusal described above), in light of the fact that the current business relationship between Teva and Bentley was significantly less material than what had been anticipated when those contracts had been originally negotiated. This process continued over the remainder of the summer. Bentley and Deutsche Bank also used that time to prepare the specialty generics business for a potential sale and to consider and analyze separation alternatives for the drug delivery business of Bentley.

On August 20-21, 2007, the board of directors and a representative of Edwards Angell Palmer & Dodge LLP (Bentley s usual outside counsel, referred to in this proxy statement as EAPD) met for a regularly scheduled board meeting. Representatives from Skadden and Deutsche Bank joined the meeting by telephone. At that meeting, representatives of Deutsche Bank presented various materials on the separation of the specialty generics business and the drug delivery business. Deutsche Bank discussed the rationale for splitting up the two distinct businesses, as well as the issues that were associated with that process. In particular, Deutsche Bank highlighted that the break-up of Bentley into two separate companies could unlock the value of each independent business, alleviating investor confusion and addressing concerns of various investors that the Company s stock was undervalued. Deutsche Bank also noted that a spin-off of the drug delivery business could facilitate a more tax efficient sale of the generics business. In highlighting some of the issues of such a separation, Deutsche Bank listed financing difficulties, near-term trading dislocation, and increased costs of two publicly traded entities.

On October 22, 2007, Teva and Bentley entered into certain new license and supply agreements, terminating their previous agreements (including Teva s right of first refusal described above).

On October 22, 2007, the board of directors met by telephone conference. After discussing, among other matters, the status of the Teva agreements, the forecasts of the specialty generics business, and the strategic process and timeline generally, the board of directors concluded that separating Bentley s drug delivery and generics businesses would likely create greater stockholder value than the existing Company structure. The board of directors also resolved to pursue a taxable spin-off, rather than a tax free spin-off, in order to ensure flexibility for exploring strategic alternatives with respect to the specialty generics business. The board of directors, with the assistance of Deutsche Bank, determined that an auction process would be the most effective way to explore strategic opportunities and maximize stockholder value for the specialty generics division.

On October 23, 2007, Bentley announced that the board of directors had been conducting a strategic review of the Company, and had unanimously approved efforts to develop a plan to separate its drug delivery business from Bentley

in a transaction that would result in two independent and focused public companies. The board of directors also announced its intention to continue to explore strategic alternatives with respect to Bentley s specialty generics business.

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Deutsche Bank re-commenced the process of contacting and sending introductory information packages and confidentiality agreements to potential bidders on October 25, 2007. Between late October and mid-November 2007, Deutsche Bank contacted 117 parties, and circulated 85 introductory packages to potential acquirers of the business. Commencing on November 19, 2007, interested parties that executed a confidentiality agreement were provided with a confidential information memorandum containing information about the specialty generics business and a bid process letter setting forth the procedures for the submission of initial proposals for the acquisition of all of the outstanding capital stock of Bentley (assuming the spin-off of the drug delivery business was completed prior to the acquisition). The bid letter provided that all initial proposals had to be submitted in writing no later than December 12, 2007. Throughout October and November of 2007, Bentley entered into confidentiality agreements with 35 potential purchasers, and in December 2007 Bentley entered into the 36th and final confidentiality agreement.

On November 29, 2007, the board of directors met by telephone conference to receive an update on the auction process. The directors were informed that nine strategic bidders and 25 financial sponsor bidders had executed confidentiality agreements, two strategic bidders were in the process of negotiating confidentiality agreements, and five additional strategic bidders, including Teva, could potentially become involved in the process.

On November 30, 2007, Teva executed a confidentiality agreement with the Company and was provided with a confidential information memorandum. Only one other strategic bidder executed a confidentiality agreement after the November 29, 2007 telephone conference with the board of directors.

On December 6, 2007, the board of directors met by telephone conference, joined by members of Bentley s senior management and representatives of Skadden, EAPD and Deutsche Bank. Representatives from Deutsche Bank provided an update on the parties interested in participating in the auction process, which included multiple financial and strategic investors. Deutsche Bank also discussed plans for the review of the initial bids that were due the following week.

On December 12, 2007, 10 bidders submitted initial indications of interest, comprised of five strategic bidders and five financial sponsor bidders.

On December 14, 2007, the board of directors met by telephone conference for the purpose of reviewing with members of Bentley s senior management, Deutsche Bank, and Skadden the preliminary proposals received and to discuss how to proceed with the 10 bid proposals received. The initial indications of interest ranged in value from approximately $10.90 per share to approximately $18.60 per share. Deutsche Bank provided an analysis of the proposals received, as well as an update on which parties had dropped out of the process and which parties had indicated a proposal could be forthcoming but had not yet delivered a proposal. Additional proposals were not delivered by any other bidders. Based on the ten proposals received, the board of directors determined to continue the auction process, and that six of the bidders should be invited to proceed to the final round. The board of directors also instructed Deutsche Bank to contact two of the bidders not selected for the final round to clarify certain aspects of their bids to determine if they should be given an opportunity to proceed to the final round. The board of directors determined that they would be best positioned to evaluate Bentley s strategic alternatives following final bids, and reserved their decision on whether to proceed further toward a sale of Bentley.

In furtherance of the separation plan, on December 21, 2007, CPEX Pharmaceuticals, Inc., a newly formed subsidiary of Bentley that would hold Bentley s drug delivery division pursuant to the spin-off, filed its initial Registration Statement on Form 10.

Bentley and Deutsche Bank, with the assistance of Skadden, Iberforo Madrid Abogados (Iberforo), the Company s Spanish counsel, and Bentley s management team, prepared an electronic data room for the six bidders remaining in the auction process, which was opened to bidders on January 7, 2008. On January 10, Bentley and Deutsche Bank

began conducting management presentations for each of the six bidders. Skadden and Deutsche Bank engaged in several discussions with each of the interested bidders about the due diligence and bid process.

On February 4, 2008, Deutsche Bank distributed a final bid process letter to the six remaining bidders, instructing them to prepare a final proposal for the purchase of 100% of the outstanding equity of Bentley.

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Bidders were advised that final bids would be due February 22, 2008, and would need to include, among other things, a per share cash purchase price offer and a mark-up of the form of merger agreement to be distributed by Skadden shortly after receipt of the bid process letter.

On February 6, 2008, one non-strategic bidder (the Financial Bidder) contacted Deutsche Bank to discuss the auction process and voice certain concerns about the expenses associated with participating in the auction. The Financial Bidder had delivered an initial indication of interest on December 12, 2007, valuing Bentley at approximately $18.60 per share. The Financial Bidder was, accordingly, the highest bidder in the first round of the auction process. The Financial Bidder indicated that it was incurring significant expenses in connection with evaluating Bentley and making its proposal, and that it was reluctant to continue in the process without a commitment from Bentley that, if the Financial Bidder were to deliver a final proposal valued at the same level as or higher than their initial indication of interest, but not be selected as the winner of the auction, Bentley would reimburse certain costs of preparing the proposal. Deutsche Bank discussed the Financial Bidder s proposal with Skadden, members of the special committee and Bentley management. Bentley was reluctant to lose its potential highest bidder and determined to explore the possibility of an expense reimbursement arrangement.

On February 7, 2008, the Financial Bidder delivered a draft expense reimbursement agreement (the cost cover agreement). Following negotiations, Bentley and the Financial Bidder agreed to a cost cover agreement that provided that Bentley would become obligated to reimburse the Financial Bidder for 50% of the Financial Bidder s expenses incurred after February 1, 2008 up to a maximum of $1 million only if Bentley entered into a binding agreement with another bidder at a higher value and the Financial Bidder entered a bid that was at least at the level of previous bid. The cost cover agreement was executed by Bentley on February 21, 2008, and by the Financial Bidder on March 3, 2008, prior to submission of its final bid.

On February 9, 2008, Skadden circulated the draft merger agreement which interested parties were instructed to comment upon in writing for inclusion with their bids. Deutsche Bank communicated with several of the bidders and determined that the diligence process was taking longer than originally planned. In light of required delays in preparations for the spin-off transaction, and in order to permit more developed bids by alleviating some of the time pressure, Deutsche Bank and the special committee decided to extend the deadline for receipt of final bid proposals to March 3, 2008. A revised bid process letter was circulated to each of the bidders on February 12, 2008.

In anticipation of the final bid deadline on March 3, 2008, Bentley, Skadden and Deutsche Bank engaged in discussions with all six bidders and their respective counsel during January and February 2008 to discuss various issues such as tax structures, the spin-off, anti-trust issues and general due diligence matters.

During the week of March 3, 2008, four final bid proposals and revised merger agreements were submitted; three of the proposals received were from strategic bidders, and one of the proposals was from the Financial Bidder. The Financial Bidder would need to finance a portion of the purchase price for Bentley and accordingly also submitted draft debt commitment letters, but did not provide equity commitment letters for the equity investment in the bidder that would be needed to partially fund its purchase price for Bentley. The Financial Bidder s offer price was well below the valuation indicated in their December 12, 2007 indicative offer. Accordingly, Bentley and its advisors determined that Bentley would not be required to pay anything under the cost cover agreement. On March 4, 2008, Skadden and Deutsche Bank spoke with the special committee and members of management to provide an initial evaluation of the bids received, and the preliminary issues associated with each bid. Deutsche Bank told members of management and the special committee that an additional strategic player had indicated it would be delivering a proposal, however such delivery did not occur until March 7, 2008. Both Skadden and Deutsche Bank engaged in an in-depth analysis of the proposals received, comparing the various financial and legal aspects of the proposals.

On March 5, 2008, Deutsche Bank preliminarily followed up with Teva to request a per share purchase price (because Teva had provided only an aggregate purchase price), and with the Financial Bidder to request more complete commitment letters. The Financial Bidder submitted revised commitment letters on March 5, 2008 and term sheets the following day, although the term sheets were difficult to analyze since they were incomplete and certain terms were redacted.

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The board of directors met on March 7, 2008, with representatives from Deutsche Bank, Skadden and EAPD, to review in detail the prices, terms and conditions of and remaining due diligence required with respect to each proposal. Representatives from Duff & Phelps LLC also joined the meeting by telephone to provide an update on the solvency analysis and opinion they would be providing with respect to the spin-off.

Deutsche Bank provided a bid analysis from a financial perspective, including a discussion of the various issues with respect to certainty, additional diligence requirements, and the associated projected timeframe for each bidder to reach a closing. Their analysis demonstrated that the implied diluted share prices of the final bids were, in the aggregate, at levels significantly lower than those received in the indicative offers received in mid-December, ranging in value from approximately $8.20 per share to approximately $15.00 per share. The reason for the decrease in final bids was attributed to updated information that was provided to bidders between the December 12, 2007 initial bid date and the March 3, 2008 final bid date, specifically in relation to the fact that certain products that had been expected to generate further revenues were delayed or discontinued. Additionally, in the intervening months between the initial bids and the final bids, the debt markets continued to decline. Given that several bidders were relying on debt financing for at least a portion of their proposed offering prices, this may have contributed to the decreased offering prices. Two of the bidders, Teva and the Financial Bidder, were at prices that were several dollars per share above those offered by the other two proposals received, and in the case of the lowest bid received, at values almost twice as high. A fifth bid, received during the March 7, 2008 meeting of the board of directors, was also at an implied diluted per share value substantially less than the bids received from Teva and the Financial Bidder. At the board meeting, Deutsche Bank also provided a historical trading analysis of Bentley s stock and an analysis of the transaction metrics for each of the potential acquirors.

A representative of Skadden then advised the board of directors as to certain legal aspects of the proposals and reviewed the comments that had been made to the draft merger agreement. Specifically, Skadden reviewed the merger agreement mark-ups received from the two highest bidders, as well as the draft debt commitment letters delivered by the Financial Bidder. After a discussion among the directors and their advisors, it was decided that the board should focus its review on the two highest bidders.

While the prices offered by the Financial Bidder and Teva were relatively close, each bid presented different issues. Teva s bid provided that it would be funded with cash on hand, thus eliminating any financing uncertainty. Nevertheless, there were a number of other issues with Teva s bid, including without limitation, (i) no per share price was provided in the bid due to uncertainties associated with the number of Bentley common shares that would be outstanding at the closing, as a result of adjustments to options and restricted stock units in connection with the spin-off, (ii) extensive changes to the draft merger agreement were requested that could potentially require Bentley to undertake a burdensome documentation process, (iii) the potential for required anti-trust approvals, and the attendant risks and delays, (iv) a condition to closing, and in some cases to signing, requiring the termination of certain contractual relationships, and (v) the completion of additional confirmatory due diligence. The Financial Bidder offered a proposal that required financing, which was of special concern to the board of directors given the incomplete and inconsistent financing commitments delivered, as well as the present state of the debt markets. Additionally, the Financial Bidder s proposal presented the following issues: (i) a condition to closing the transaction that no more than 5% of stockholders could exercise dissenters rights, (ii) exposure to exchange rate fluctuation prior to the signing of a definitive agreement since the offer was presented in Euros and subsequently translated into dollars, (iii) a demand for immediate exclusivity, (iv) resistance to providing the Company with assurances related to the solvency of the acquiring corporation following the effective time of a merger and (v) the completion of additional due diligence regarding Bentley and the spin-off process. The issues presented by both Teva s and the Financial Bidder s bids raised significant concern in the board of directors and its advisors.

The board of directors discussed the proposals received and the immediate value to stockholders that would be realized upon a sale of the Company. The board of directors also discussed other alternatives, including maintaining

the status quo, and the possibility of revisiting a sale of the Company after allowing Bentley to operate as a stand alone company following the spin-off. Following extensive discussion, however, it was unanimously agreed among the directors that the risks of delaying a sale of the Company were too great, given the uncertainty of the Spanish generic drug market and the economy in general, and taking into account the attractive proposals received from two bona fide bidders.

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Based on the proposals received, the board of directors determined that the sale process should be continued with the Financial Bidder and Teva, as such proposals offered the highest prices and best value to stockholders. However, noting that the Financial Bidder and Teva each required additional due diligence in order to finalize their offers, the board of directors instructed Deutsche Bank to remain in contact with the other bidders and potential acquirers that were not part of the bid process, so as to keep alternative bidders available. The board of directors authorized Deutsche Bank and Skadden to negotiate the best price and terms with the Financial Bidder and Teva for the purpose of presenting a final proposal to the board of directors as soon as practicable.

Representatives of Deutsche Bank contacted Teva and the Financial Bidder on March 9, 2008 to indicate that the process was moving forward. Over the course of the following week, Bentley and its advisors engaged in various discussions with the Financial Bidder and Teva to clarify certain issues.

On March 10, 2008, Bentley, Deutsche Bank and Skadden had a telephonic meeting with the Financial Bidder and its advisors to discuss the financing commitment letters and other issues related to the proposal. Skadden advised that the debt commitment letters were unacceptable in their current form, given the inconsistencies inherent in the separate letters delivered from the multiple banks that would commit to provide debt financing. Bentley s advisors also requested to see the equity commitment letter from the Financial Bidder related to the equity infusion into the Financial Bidder that would be necessary for the Financial Bidder to be in a position to pay the proposed purchase price. The Financial Bidder clarified that it intended to have fully negotiated long form financing documentation in place prior to signing the merger agreement, and indicated that such documentation could be finalized within two weeks following the completion of its outstanding due diligence. The Financial Bidder agreed to revise the financing commitment papers and obtain an equity commitment letter as soon as possible, but reiterated its request for exclusivity.

On March 11, 2008, Bentley, Deutsche Bank and Skadden had a telephonic meeting with Teva to discuss various issues related to the bid proposal and merger agreement. Deutsche Bank requested that Teva provide a per share purchase price. Teva did not provide the per share number due to the uncertainties surrounding the number of options and restricted stock units for which it would be required to make payment as of closing. Specifically, Teva was concerned that the number of options and restricted stock units outstanding were subject to increase, and the exercise prices of such options were subject to decrease, based upon the equitable adjustment that would be made to maintain holders intrinsic value in connection with the spin-off. As a factual matter, neither Teva nor Bentley were able to predict the magnitude of this equitable adjustment, and Teva was unwilling to accept the risk that it might be required to pay in excess of its proposed purchase price. The parties reserved on this issue and Deutsche Bank agreed to provide an illustrative example using reasonable assumptions to model the effect of the spin-off on the number of outstanding options and restricted stock units and the exercise prices of such options. The group then discussed various merger agreement issues. Teva concluded the call by pledging to deliver mark-ups to the agreements effecting the spin-off.

On March 12, 2008, the Financial Bidder sent a letter to Deutsche Bank. The Financial Bidder proposed sending a revised final offer on March 20, 2008, covering the points discussed with Skadden and Deutsche Bank on March 10, 2008 and demanded that by March 21, 2008, the board of directors provide the price per share at which Bentley would be willing to grant exclusivity and commence final negotiations. The letter also demanded a commitment to reimburse expenses in an approximate amount of $350,000. The Financial Bidder threatened to drop out of the process if its demands were not met.

Deutsche Bank, Skadden and members of Bentley s management and special committee discussed the Financial Bidder s demands. On March 13, 2008, at the special committee s direction, Deutsche Bank responded that the board of directors would not consider exclusivity until the Financial Bidder delivered a revised offer with improved certainty, price and terms, as discussed on March 10, 2008. Deutsche Bank communicated to the Financial Bidder that the

process was competitive, but encouraged the Financial Bidder to continue with the process. The Financial Bidder did not withdraw from the process.

Following discussions with Teva and the Financial Bidder, Bentley requested that Skadden revise the draft merger agreements to reflect the comments from each bidder that were acceptable. A revised merger agreement was sent to Teva on March 13, 2008 and to the Financial Bidder on March 14, 2008.

On the evening of March 17, 2008, the Financial Bidder and Teva each responded with revised proposals.

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The Financial Bidder submitted a revised bid letter with an increase to the aggregate purchase price which, according to the Financial Bidder s analysis, increased the per share purchase price to $15.03, based on the then prevailing Euro exchange rate. The Financial Bidder provided draft equity commitment letters but did not indicate the proposed amount of equity to be contributed by the entities providing the letters. Additionally, the Financial Bidder provided a revised draft form of debt commitment letter that was drafted by the Financial Bidder s counsel, but that had not been agreed to by the debt financing parties. With respect to improvements to the other terms of the transaction, the Financial Bidder indicated it would be willing to enter into a hedging arrangement at the time it was granted exclusivity, limiting the currency risk. Since the March 3, 2008 proposal, the aggregate value of the Financial Bidder s proposal had increased solely due to favorable currency fluctuations, despite the aggregate purchase price, as denominated in Euros, being decreased. The Financial Bidder requested four days to finish its due diligence investigation, but did not provide any specific diligence requests or questions, and seven to 14 days to complete long form financing documentation prior to entering into a merger agreement, which would not be commenced until exclusivity was obtained. Finally, the Financial Bidder refused to return a revised mark up of the merger agreement, but listed (i) its position as to certain issues, (ii) issues subject to further diligence, and (iii) issues that were to be discussed at a face-to-face meeting.

Teva submitted a revised merger agreement, in which it maintained its original positions on most substantive issues, but conceded a few points. The draft merger agreement originally contained a purchase price adjustment to compensate the buyer for tax liabilities that Bentley may incur (and a buyer could indirectly assume) in connection with the spin-off. Teva s revised proposal significantly discounted the tax attributes that Bentley believed it had available to reduce such tax liabilities, thereby potentially increasing any possible purchase price reduction. Furthermore, as Teva had previously indicated, Teva s revised draft expanded the adjustment to cover both state and federal taxes that Bentley may incur in connection with the spin-off; the original merger agreement draft contemplated an adjustment with respect to federal taxes only.

On March 19, 2008 there was a telephonic meeting of the special committee, in which members of Bentley s senior management and representatives from Skadden, EAPD and Deutsche Bank participated. Skadden and Deutsche Bank reviewed recent discussions and developments with the bidders and the special committee evaluated the new proposals by the bidders. Deutsche Bank alerted the committee that the Financial Bidder was prepared to enter hedging arrangements at the time exclusivity was granted to limit further exchange rate risks, but that it would not be able to provide revised equity or debt commitment letters until March 25, 2008, due to the Easter holiday period in Spain, and that such commitment letters were important to a complete evaluation of the bid. Deutsche Bank also alerted the special committee about a reduction in Teva s aggregate purchase price from $360 million to $355 million (equating to approximately $14.83 per share), based on updated information provided to bidders in the final diligence process. The special committee agreed to continue to pursue possible transactions with both the Financial Bidder and Teva without granting exclusivity to either party. Deutsche Bank was directed to continue to push to obtain a higher price from both bidders.

On March 20, 2008, a member of Bentley s senior management team, Skadden, Deutsche Bank and Willkie Farr & Gallagher LLP (Willkie), Teva s outside counsel, met to discuss and negotiate the merger agreement and the voting agreement. A revised draft merger agreement reflecting the negotiations and agreed upon terms was circulated to Teva by Skadden on March 21, 2008.

During the weekend of March 21, 2008, Teva and its advisors requested that Teva be granted exclusivity to negotiate a merger agreement. Teva and its advisors also informed Bentley and Deutsche Bank that they had become frustrated with the pace of the progress being made, and Teva threatened to remove itself from the process if a merger agreement was not signed within the next few days. Teva was not granted exclusivity, but the parties continued to negotiate with a view to finalizing definitive documentation as quickly as possible.

On March 24, 2008, the legal advisors of the Financial Bidder and a representative from Skadden discussed issues relating to the merger agreement. The same day, Willkie delivered a draft of a proposed voting agreement to be entered into by certain Bentley insiders. Counsel for Teva engaged in discussions with Skadden and Iberforo regarding certain transaction issues. Following the discussions with Teva, Skadden revised the merger agreement again, and delivered a mark-up to Willkie on March 25, 2008.

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On March 25, 2008, Bentley received the revised equity commitment letter, addressed to Bentley, from the Financial Bidder, and revised separate debt commitment papers from the multiple banks committing to provide the debt financing. The Financial Bidder was prepared to provide equity financing for the transaction in excess of 50% of the aggregate merger consideration. However, the equity commitment was subject to two significant contingencies: first, the equity funding was conditioned on the debt funding, such that the equity did not need to be funded until the debt was funded (unless the debt was not funded solely due to the failure of the equity to be funded), and second, the equity commitment was subject to satisfactory completion by the Financial Bidder of its remaining due diligence. Skadden and Deutsche Bank discussed the revised equity commitments with Mr. Spiegel, chairman of the special committee, and members of Bentley s senior management.

On March 26, 2008, Deutsche Bank followed-up with the Financial Bidder to highlight areas of concern that were discussed with Mr. Spiegel the previous day. The Financial Bidder again refused to provide a revised merger agreement or perform the additional due diligence until exclusivity was granted. Deutsche Bank alerted them that they would not be granted exclusivity and encouraged them to propose their best price and address issues that were of great concern to Bentley because time was running out. Later that day, at a telephonic meeting of the board of directors, at which members of Bentley s senior management and representatives of Skadden, EAPD and Deutsche Bank were present, Skadden gave an update on the status of the merger agreement negotiations and discussions with both bidders. The board of directors discussed the outstanding issues that existed with respect to Teva and the Financial Bidder, and determined that the certainty of consummating a transaction with Teva was significantly greater than with the Financial Bidder. However, the board of directors instructed the advisors to continue the process as expeditiously as possible and continue to push to obtain the best price from each of the bidders. Skadden returned a further revised mark up of the merger agreement to Teva and Willkie later that evening.

On March 27 and 28, 2008, members of Bentley s management team and representatives from Deutsche Bank and Skadden met with Teva and Willkie to negotiate the business and legal issues in the transaction. At the March 28, 2008 meeting, among other changes to the merger agreement, Teva agreed to increase the merger consideration from $355 million to $358 million (equating to approximately $14.95 per share). Following the meeting on March 28, 2008, representatives from Deutsche Bank contacted Teva s management, and Teva agreed to further increase its aggregate merger consideration to $360 million (equating to approximately $15.02 per share), if Bentley would agree to resolve certain outstanding merger agreement issues consistent with Teva s proposal.

Concurrently, on March 27, 2008, various discussions with the Financial Bidder occurred. Deutsche Bank reached out to the Financial Bidder, and informed them that they would need to remove the uncertainty surrounding their bid, specifically the lack of certain financing, the remaining due diligence, and the contract conditionality. The Financial Bidder indicated a willingness to remove the financing condition to the equity commitment and to negotiate other outstanding issues. Deutsche Bank again stressed that time was of the essence, urged the submission of their highest price and best proposal and indicated that there was a board meeting scheduled for the afternoon of March 29, 2008.

On March 28, 2008, Deutsche Bank and Skadden discussed the developments with the Financial Bidder with Mr. Spiegel, and it was decided that Skadden and the Financial Bidder s counsel should discuss the outstanding issues on the merger agreement and financing commitments. Accordingly, representatives from Deutsche Bank and Skadden and representatives from the Financial Bidder s counsel met by telephone and discussed the outstanding issues in the merger agreement in great detail. During the discussions with the Financial Bidder s counsel, it became clear that many of the legal issues were resolved or could be resolved to the satisfaction of Bentley and its advisors, but that issues affecting certainty of closing, financing commitments and the price to Bentley s stockholders remained.

On March 29, 2008, representatives of the Financial Bidder contacted Deutsche Bank and Skadden to inform them that a revised bid would be delivered by the Financial Bidder and to discuss certain related issues and thereafter, the Financial Bidder submitted a revised bid proposal. The revised bid contained a price increase, which raised its bid to

approximately $15.52 per share based on the prevailing Euro exchange rate (which would be translated into a purchase price denominated in dollars at the time of signing a merger

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agreement), or approximately $0.50 per share higher than the price agreed to by Teva. The conditionality of the debt funding was removed from the equity commitment letters and the substantive issues in the merger agreement were largely resolved. However, the debt commitment letters were still subject to satisfactory due diligence review, and therefore were not fully committed. In addition, the revised bid proposal indicated that, assuming the board of directors accepted the Financial Bidder s terms and schedule, the earliest date by which the Financial Bidder would be prepared to execute a merger agreement was the following Friday, April 4, 2008. The Financial Bidder further requested a commitment from the board of directors that Bentley would sign a merger agreement on April 4, 2008 if the Financial Bidder was able to satisfy all of its obligations under the revised proposal by April 3, 2008. The revised bid also included a revised merger agreement. The advisors informed the board of directors that achieving this timeline was very aggressive and expressed their reservations about the Financial Bidder s ability to meet the proposed timeframe.

Later that day, the board of directors convened a special meeting by telephone, at which members of Bentley s senior management and representatives of Skadden, EAPD and Deutsche Bank were present. At the meeting representatives of Skadden and Deutsche Bank reviewed with the board of directors the developments in the negotiations with Teva and the Financial Bidder, including the current status of the terms of the merger agreement and the changes that had been effected to the merger agreement with both bidders since the last meeting of directors.

The parties discussed each of the bid proposals in detail. With respect to the Financial Bidder s revised proposal, although the financing terms were significantly improved and the price increased, there were still significant concerns: (i) the price remained subject to an exchange rate fluctuation until the signing of an agreement, (ii) the long form financing documentation was not finalized and (iii) the proposal and financing commitments were still conditioned on satisfactory completion of certain due diligence, which did not give certainty that the transaction would be consummated. Then the board of directors compared the Financial Bidder s proposal with Teva s proposal. The board of directors also discussed that the Teva merger agreement included purchase price adjustments to account for (i) the equitable adjustment to be made to Bentley options and restricted stock units, and (ii) potential state tax liabilities, in each case in connection with the spin-off; the Financial Bidder s proposal did not include these adjustments. The board of directors noted, however, that the Financial Bidder could reasonably be expected to request similar adjustments once their diligence was completed and final negotiations began.

The board of directors considered the revised proposal from the Financial Bidder and weighed the potential of additional monetary value to Bentley s stockholders against the more certain and committed transaction with Teva. It was determined that subject to finalizing documentation, an agreement could be signed between Bentley and Teva prior to the market opening on Monday, March 31, 2008. Deutsche Bank and several directors highlighted the real possibility that, if the transaction with Teva were delayed in order to further explore a possible transaction with the Financial Bidder, Teva could walk away from the transaction, as it had previously indicated. The board of directors engaged in a discussion of the risks and benefits associated with each of the potential options available to Bentley and reached the unanimous view that, subject to the completion of mutually acceptable definitive agreements with respect to a transaction, Bentley should proceed with a transaction substantially as proposed by Teva. The board of directors appointed James Murphy and John Spiegel to an oversight committee to address any final issues relating to the merger agreement. The board of directors then instructed Messrs. Murphy and Spiegel and Bentley s advisors to proceed with finalizing the definitive documentation for the transaction.

Representatives of Deutsche Bank made a financial presentation and rendered to Bentley s board of directors its oral opinion, which was subsequently confirmed by delivery of a written opinion, dated March 29, 2008, to the effect that, as of that date, and based on and subject to the various assumptions made, matters considered and limitations described in the opinion, the aggregate consideration, unadjusted, to be paid to the holders of Bentley common stock in the merger was fair, from a financial point of view, to such holders. Such opinion is attached to this proxy statement as Annex B.

Following careful consideration of the proposed merger agreement and merger, including consideration of the value to be delivered to Bentley s stockholders in the form of CPEX common stock pursuant to the spin-off, and including all of the circumstances surrounding the options available to the board of directors, the

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board of directors unanimously determined that the merger agreement and the merger with Teva are advisable and fair to, and in the best interests of, Bentley and its stockholders, approved the merger agreement and the merger and resolved to recommend that Bentley stockholders vote in favor of adoption and approval of the merger agreement.

Over the course of the next day, representatives of Skadden and Willkie revised and finalized the merger agreement, Company disclosure schedules and other related documents.

The parties executed the merger agreement and related documentation on Monday, March 31, 2008.

Reasons for the Merger; Recommendation of Our Board of Directors

The board of directors and the special committee, acting with the advice and assistance of its independent financial and legal advisors, Deutsche Bank and Skadden respectively, evaluated and negotiated the merger proposal, including the terms and conditions of the merger agreement. Our board of directors, at a meeting on March 29, 2008, unanimously (i) determined that the merger agreement and the merger are advisable, fair to and in the best interests of Bentley and its stockholders, (ii) approved the merger agreement and the merger and (iii) resolved to recommend the adoption and approval of the merger agreement to our stockholders.

In the course of reaching its determination, the board of directors considered the following factors and potential benefits of the merger, each of which the members of the board of directors believed supported its decision:

the financial analyses presented by Deutsche Bank that are described in Opinion of Financial Advisor and the opinion of Deutsche Bank delivered on March 29, 2008 that, as of such date and based upon and subject to the limitations, qualifications and assumptions set forth in the opinion, the merger consideration of $15.02 per share was fair, unadjusted, from a financial point of view, to our stockholders (other than the holders of excluded shares and dissenting shares) (the full text of the written opinion of Deutsche Bank, dated March 29, 2008, is attached as Annex B to this proxy statement);

the possible alternatives to a sale of Bentley, including continuing to operate as an independent company or continuing the auction process, and the risks and uncertainties associated with such alternatives, which alternatives the special committee of the board of directors determined to be less favorable to our stockholders than the merger under the merger agreement with Teva;

the fact that the merger consideration is all cash, in U.S. dollars, which provides certainty of value to our stockholders;

the fact that Bentley s stockholders will receive shares of CPEX common stock pursuant to the spin-off of Bentley s drug delivery business, and that potential downward adjustments in the merger consideration payable to Bentley s stockholders will be based on and offset by greater increases in the market value of the CPEX stock after the spin-off, and in any case such potential downward adjustments will only take effect once certain thresholds are reached;

the fact that the transaction was the result of an extended auction process, in which 117 strategic and financial bidders were solicited and interested parties were allowed to conduct extensive due diligence on Bentley s specialty generics business and propose to acquire it;

the fact that, under the terms of the merger agreement, the completion of the merger is not conditioned on Teva s ability to obtain financing and the special committee s view of the likelihood that the proposed acquisition will be consummated in light of Teva s experience with successful acquisitions, reputation as a

well-established player in the global pharmaceutical market and financial capability;

the board of directors expectation that there will not be significant antitrust or other regulatory impediments to the transaction and that the receipt of third party consents is not a condition to the completion of the merger;

the terms of the merger agreement and the related agreements, including:

our ability, under certain circumstances, to terminate the merger agreement in order to accept a financially superior proposal, subject to paying a termination fee of $13 million;