IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
DENDREON CORPORATION, et al.,	:	Case No. 14-12515 (LSS)
Debtors.[1]	:	Jointly Administered
	:	**Related Docket No. 472**

NOTICE OF FILING OF DISCLOSURE STATEMENT WITH RESPECT TO FIRST AMENDED PLAN OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY THE DEBTORS

PLEASE TAKE NOTICE that, on March 10, 2015, the debtors and debtors-in-possession in the above-captioned jointly administered bankruptcy cases (collectively, the "Debtors") filed the Disclosure Statement With Respect To Amended Plan Of Liquidation Pursuant To Chapter 11 Of The Bankruptcy Code Proposed By The Debtors (Docket No. 472) (the "Initial Disclosure Statement").

PLEASE TAKE FURTHER NOTICE that the Debtors have revised the Initial Disclosure Statement to, among other things, reflect comments from parties in interest and provide additional information (the "Amended Disclosure Statement"), a copy of which is attached hereto as Exhibit 1.

[1] The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Dendreon Corporation (3193), Dendreon Holdings, LLC (8047), Dendreon Distribution, LLC (8598) and Dendreon Manufacturing, LLC (7123). The address of the Debtors' corporate headquarters is 601 Union Street, Suite 4900, Seattle, Washington 98101.

PLEASE TAKE FURTHER NOTICE that a blackline version of the Amended Disclosure Statement is attached hereto as Exhibit 2, which blackline reflects all revisions to the Initial Disclosure Statement since its filing on March 10, 2015.

Dated: Wilmington, Delaware
April 10, 2015

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

/s/ Sarah E. Pierce

Anthony W. Clark (I.D. No. 2051)
Sarah E. Pierce (I.D. No. 4648)
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
Telephone: (302) 651-3000
Fax: (302) 651-3001

- and -

Kenneth S. Ziman
Raquelle L. Kaye
Four Times Square
New York, New York 10036-6522
Telephone: (212) 735-3000
Fax: (212) 735-2000

- and -

Felicia Gerber Perlman
155 N. Wacker Drive
Chicago, Illinois 60606-1720
Telephone: (312) 407-0700
Fax: (312) 407-0411

Counsel for Debtors and Debtors in Possession

EXHIBIT 1

THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE COURT

This proposed Disclosure Statement is not a solicitation of acceptance or rejection of the Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code Proposed by the Debtors. Acceptances or rejections may not be solicited until the Bankruptcy Code has approved this Disclosure Statement under section 1125 of the Bankruptcy Code. This proposed Disclosure Statement is being submitted for approval only, and has not yet been approved by the Bankruptcy Court.

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FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
DENDREON CORPORATION, et al.,	:	Case No. 14-12515 (LSS)
Debtors.[1]	:	Jointly Administered

DISCLOSURE STATEMENT WITH RESPECT TO FIRST AMENDED PLAN OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY THE DEBTORS

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

Anthony W. Clark (I.D. No. 2051)
Sarah E. Pierce (I.D. No. 4648)
One Rodney Square
P.O. Box 636
Wilmington, DE 19899
Telephone: (302) 651-3000
Fax: (302) 651-3001

Kenneth S. Ziman
Raquelle L. Kaye
Four Times Square
New York, NY 10036
Telephone: (212) 735-3000
Fax: (212) 735-2000

Felicia Gerber Perlman
Candice Korkis
155 N. Wacker Dr.
Chicago, IL 60606
Telephone: (312) 407-0700
Fax: (312) 407-0411

Counsel for Debtors and Debtors in Possession

Dated: Wilmington, DE
April 10, 2015

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DISCLAIMER[2]

THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY THE DEBTORS AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY PROVIDE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL HOLDERS OF CLAIMS AND INTERESTS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETIES BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT WITH RESPECT TO THE PLAN ARE QUALIFIED IN THEIR ENTIRETIES BY REFERENCE TO THE PLAN, THE EXHIBITS ATTACHED TO THE PLAN AND ANY PLAN SUPPLEMENT(S). THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-APPLICABLE BANKRUPTCY LAWS. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), AND THE SEC HAS NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OR CLAIMS OF THE DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSES FOR WHICH THEY WERE PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR WILL IT BE CONSTRUED TO CONSTITUTE ADVICE ON THE TAX, SECURITIES OR OTHER

[2] Terms used in this Disclaimer that are not otherwise defined will have the meanings ascribed to such terms elsewhere in the Disclosure Statement.

LEGAL EFFECTS OF THE PLAN AS IT RELATES TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTORS.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING VALEANT PHARMACEUTICALS INTERNATIONAL, INC. ("VALEANT") HAS BEEN PROVIDED BY VALEANT SPECIFICALLY FOR INCLUSION IN THIS DISCLOSURE STATEMENT. THE DEBTORS PROVIDE NO ASSURANCES AS TO THE ACCURACY OF THIS INFORMATION.

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ARTICLE I

INTRODUCTION

A. Purpose of the Disclosure Statement

On November 10, 2014 (the "Petition Date"), Dendreon Corporation, Dendreon Holdings, LLC, Dendreon Distribution, LLC and Dendreon Manufacturing, LLC (together, the "Debtors") filed voluntary petitions for relief, thereby commencing cases (together, the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 - 1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Court" or "Bankruptcy Court").

The Debtors have filed the Plan Of Liquidation Pursuant To Chapter 11 Of The Bankruptcy Code Proposed By The Debtors (including all exhibits and schedules attached thereto, and as may be amended, altered, modified or supplemented from time to time, the "Plan") with the Court. A copy of the Plan is attached hereto as Exhibit A.

Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Plan; provided, however, that any capitalized term used herein that is not defined herein or in the Plan, but is defined in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") will have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

The Debtors submit this disclosure statement (as may be amended, altered, modified, revised or supplemented from time to time, the "Disclosure Statement") pursuant to section 1125 of the Bankruptcy Code to Holders of Claims against the Debtors in connection with (i) the solicitation of acceptances of the Plan and (ii) the hearing to consider confirmation of the Plan.

The purpose of this Disclosure Statement is to describe the Plan and its provisions and to provide certain information, as required under section 1125 of the Bankruptcy Code, to creditors who will have the right to vote on the Plan so they can make informed decisions in doing so. Creditors entitled to vote to accept or reject the Plan will receive a Ballot (as defined herein) together with this Disclosure Statement to enable them to vote on the Plan.

This Disclosure Statement includes, among other things, information pertaining to the Debtors' prepetition business operations and financial history and the events leading to the filing of the Chapter 11 Cases. This Disclosure Statement also contains information regarding significant events that have occurred during the Chapter 11 Cases. In addition, an overview of the Plan is included, which overview sets forth certain terms and provisions of the Plan, the effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which distributions will be made under the Plan. This Disclosure Statement also discusses the confirmation process and the procedures for voting, which procedures must be followed by the Holders of Claims entitled to vote under the Plan for their votes to be counted.

B. Disclosure Statement Enclosures

Accompanying this Disclosure Statement are:

1. Order Approving the Disclosure Statement. A copy of the Court's order (the "Solicitation Procedures Order") approving this Disclosure Statement and, among other things, establishing procedures for voting on the Plan, setting the deadline for objecting to the Plan and scheduling the Confirmation Hearing (as defined herein).

2. Ballot. A ballot (the "Ballot") for voting to accept or reject the Plan, if you are the record Holder of a Claim in a Class entitled to vote on the Plan (each, a "Voting Class").

3. Notice. A notice setting forth: (i) the deadline for casting Ballots either accepting or rejecting the Plan; (ii) the deadline for filing objections to confirmation of the Plan; and (iii) the date, time and location of the Confirmation Hearing (the "Notice").

C. Confirmation of the Plan

1. Requirements. The requirements for confirmation of the Plan are set forth in section 1129 of the Bankruptcy Code. The requirements for the Disclosure Statement are set forth in section 1125 of the Bankruptcy Code.

2. Approval of the Plan and Confirmation Hearing. To confirm the Plan, the Court must hold a hearing to determine whether the Plan meets the requirements of section 1129 of the Bankruptcy Code.

3. Only Impaired Classes Vote. Pursuant to the provisions of the Bankruptcy Code, only classes of claims or interests that are "impaired" under a plan may vote to accept or reject such plan. Generally, a claim or interest is impaired under a plan if the holder's legal, equitable or contractual rights are changed under such plan. In addition, if the holders of claims or interests in an impaired class do not receive or retain any property under a plan on account of such claims or interests, such impaired class is deemed to have rejected such plan under section 1126(g) of the Bankruptcy Code and, therefore, such holders do not need to vote on such plan.

Under the Plan, Holders of Claims in Classes 1, 2, and 8 are Unimpaired and therefore deemed to accept the Plan.

Under the Plan, Holders of Claims in Classes 3 and 4 are Impaired and are entitled to vote on the Plan.

Under the Plan, Holders of Claims and Interests in Classes 5, 6, and 7 are deemed to reject the Plan and are not entitled to vote on the Plan.

ACCORDINGLY, A BALLOT FOR ACCEPTANCE OR REJECTION OF THE PLAN IS BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN CLASSES 3 AND 4.

D. Treatment and Classification of Claims and Interests; Impairment

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. For a summary of the treatment of each Class of Claims and Interests, see Article IV, "Summary of Plan," below.

Class Description	Status	Proposed Treatment
Administrative Claims Estimated Recovery: 100%	Unclassified	On the later of (i) the Distribution Date or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Administrative Claim (other than a Professional) will receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Administrative Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Priority Tax Claims Estimated Recovery: 100%	Unclassified	On the later of (i) the Distribution Date or (ii) the date such Priority Tax Claim becomes an Allowed Priority Tax Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Tax Claim will receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Tax Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing. For the avoidance of doubt, any payments made by the Plan Administrator on account of Allowed Priority Tax Claims will be paid solely from the Administrative and Priority Claims Reserve.
Class 1: Priority Non-Tax Claims Estimated Recovery: 100%	Unimpaired	On the later of (i) the Distribution Date or (ii) the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax

Class Description	Status	Proposed Treatment
		Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Non-Tax Claim will receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Priority Non-Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Non-Tax Claim or (b) such other treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Class 2: Secured Claims Estimated Recovery: 100%	Unimpaired	On the later of (i) the Distribution Date or (ii) the date such Secured Claim becomes an Allowed Secured Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Secured Claim will receive, in full satisfaction, settlement, and discharge of, and in exchange for, such Allowed Secured Claim, (a) Cash equal to the value of such Allowed Secured Claim, (b) a return of the Collateral securing the Secured Claim, (c) such treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be rendered Unimpaired or (d) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Class 3: 2016 Noteholder Claims Estimated Amount of Claims: $625,694,097 Estimated Recovery: 72% to 75%	Impaired	On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed 2016 Noteholder Claim will receive, in full satisfaction of, and in exchange for, such Allowed 2016 Noteholder Claim, (i) its Pro Rata share of 100% of the Valeant Shares (which will be distributed immediately upon the occurrence of the Effective Date) and (ii) its Pro Rata share of Available Cash in the amount necessary to provide such Holder its Pro Rata share of Total Distributable Value

Class Description	Status	Proposed Treatment
		available to Holders of Class 3 Claims and Class 4 Claims, or (iii) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Class 4: General Unsecured Claims Estimated Amount of Claims: $4,261,000 to $32,292,000 Estimated Recovery: 72% to 75%[3]	Impaired	On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed General Unsecured Claim will receive, in full satisfaction of, and in exchange for, such Allowed General Unsecured Claim, (i) its Pro Rata share of Total Distributable Value available to Holders of Class 3 Claims and Class 4 Claims, solely in the form of Available Cash or (ii) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Class 5: Intercompany Claims Estimated Recovery: 0%	Impaired	In connection with, and as a result of, the substantive consolidation of the Debtors' Estates and the Chapter 11 Cases, on the Effective Date, all Intercompany Claims will be eliminated and the Holders of Intercompany Claims will not be entitled to, and will not receive or retain, any property or interest in property on account of such Claims.
Class 6: Subordinated Claims Estimated Recovery: 0%	Impaired	On the Effective Date, all Subordinated Claims will be eliminated and the Holders of Subordinated Claims will not be entitled to, and will not receive or retain, any property or interest in property on account of such Claims.
Class 7: Interests Estimated Recovery: 0%	Impaired	On the Effective Date, the Interests will be deemed eliminated, cancelled and/or extinguished and each Holder thereof will not be entitled to, and will not receive or retain, any property under the Plan on

[3] As noted, the amount of claims provided is only an estimate. The variation in the range of the estimated amount of claims provided is largely due to the unknown value of the claim asserted by GSK. For further discussion of the GSK claim, see Article IIF.1.

Class Description	Status	Proposed Treatment
		account of such Interest.
Class 8: Intercompany Interests Estimated Recovery: 100%	Unimpaired	On the Effective Date, the Intercompany Interests will be reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

E. Voting Procedures and Voting Deadline

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purpose of voting on the Plan. To ensure your vote is counted, you must (i) complete the Ballot, (ii) indicate your decision either to accept or reject the Plan in the boxes provided, and (iii) sign and return the Ballot(s) in the envelope provided.

The Ballot also contains an election to opt out of the release provisions contained in Section 10.4 of the Plan for those who vote to reject the Plan. Unless you vote to reject the Plan and indicate your decision to opt-out of the releases described in Section 10.4 of the Plan on the Ballot, you will be deemed to consent to such releases.

TO BE COUNTED, YOUR BALLOT WITH YOUR ORIGINAL SIGNATURE INDICATING YOUR ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED NO LATER THAN **4:00 P.M. (EASTERN TIME) ON MAY 19, 2015** (THE "VOTING DEADLINE").

The following Ballots will not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected:

(i) any Ballot or Master Ballot (as defined in the Solicitation Procedures Order) received after the Voting Deadline (unless extended by the Debtors);

(ii) any Ballot or Master Ballot that is illegible or contains insufficient information to permit the identification of the claimant;

(iii) any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan;

(iv) any Ballot cast for a scheduled Claim designated as contingent, unliquidated or disputed or as zero or unknown in amount and for which no Rule 3018(a) Motion has been filed by the Rule 3018(a) Motion Deadline (as such terms are defined in the Solicitation Procedures Order);

(v) any Ballot that indicates neither an acceptance nor a rejection, or indicates both an acceptance and a rejection, of the Plan;

(vi) any Ballot (other than a Master Ballot) that casts part of its vote in the same Class to accept the Plan and part to reject the Plan;

(vii) any form of Ballot or Master Ballot other than the official form sent by Prime Clerk LLC ("Prime Clerk" or the "Voting Agent"), or a copy thereof;

(viii) any Ballot received that the Voting Agent cannot match to an existing database record;

(ix) any Ballot or Master Ballot that does not contain an original signature; or

(x) any Ballot or Master Ballot that is submitted by facsimile, email or by other electronic means.

In order for the Plan to be accepted by an Impaired Class of Claims, a majority in number and two-thirds in dollar amount of the Claims voting in such Class must vote to accept the Plan. At least one Voting Class, excluding the votes of insiders, must actually vote to accept the Plan.

YOU ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY MAIL THE BALLOT ENCLOSED WITH THE NOTICE. PLEASE BE SURE TO COMPLETE THE BALLOT PROPERLY AND LEGIBLY, AND IDENTIFY THE EXACT AMOUNT OF YOUR CLAIM AND THE NAME OF THE CREDITOR. IF YOU ARE A HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN AND YOU DID NOT RECEIVE A BALLOT, YOU RECEIVED A DAMAGED BALLOT OR YOU LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THE DISCLOSURE STATEMENT, THE PLAN OR PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE VOTING AGENT PRIME CLERK, AT 844-794-3479 OR AT DENDREONINFO@PRIMECLERK.COM. THE VOTING AGENT IS NOT AUTHORIZED TO AND WILL NOT PROVIDE LEGAL ADVICE.

F. Confirmation Hearing

The Court has scheduled a hearing to consider confirmation of the Plan for June 2, 2015 at 10:00 a.m. (Eastern Time) in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801 (the "Confirmation Hearing"). The Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before May 19, 2015 at 4:00 p.m. (Eastern Time) in the manner described in the Notice accompanying this Disclosure Statement. The Confirmation Hearing may be adjourned from time to time by way of announcement of such continuance in open Court or otherwise, without further notice to parties in interest.

THE DEBTORS URGE ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN TO VOTE TO ACCEPT THE PLAN.

ARTICLE II

GENERAL INFORMATION REGARDING THE DEBTORS

A. Overview

As described in further detail herein, prior to the filing of the Chapter 11 Cases, the Debtors entered into Plan Support Agreements with their Supporting Noteholders (each as defined herein). The keystone of the Plan Support Agreements was a competitive process pursuant to which the Debtors would sell all or substantially all of their assets. This competitive

process resulted in the sale of substantially all of their assets to a subsidiary of Valeant. The premise of this Plan is to distribute the proceeds of that sale.

B. The Debtors' Formation

Dendreon was incorporated in Delaware in 1992 as Activated Cell Therapy, Inc. and changed its corporate name to Dendreon Corporation in June 2000. Dendreon Holdings, LLC, Dendreon Distribution, LLC and Dendreon Manufacturing, LLC were each organized in Delaware in 2010.

C. The Debtors' Business and Employees

1. PROVENGE®

The Company[4] was a biotechnology company focused on the discovery, development and commercialization of novel cellular immunotherapies to significantly improve treatment options for cancer patients. The Company was primarily focused on commercializing PROVENGE® in the United States (the "U.S.") and around the world. PROVENGE is the first and only Food and Drug Administration (the "FDA") approved personalized immunotherapy. It is a first-in-class immunotherapy used to treat patients suffering from advanced-stage prostate cancer. PROVENGE is designed to target a certain prostate cancer antigen (prostatic acid phosphatase), an antigen that is expressed in more than 90% of all prostate cancers. The Company engineered these antigens to be used as key agents for the production of immunotherapies to fight the disease in which the antigen presents itself. While a typical immune response from the body triggers antibodies to help fight disease, the Company designed these agents to trigger and maximize cell-mediated immunity by activating the cells to deliver a signal to other components of the immune system to fight the antigen. This was achieved in part by fusing the antigen to an immune-stimulatory protein in the Company's proprietary Antigen Delivery Cassette.™ To obtain antigen-presenting cells, the Company acquired white blood cells removed from a patient via a standard blood collection process called leukapheresis. The cells were processed using the Company's proprietary cell separation technology, and the final product was re-infused into the patient. The process required less than three days from cell collection to the administration of the active immunotherapy product.

The primary market for PROVENGE is the U.S., where the drug was approved for marketing by the FDA and became commercially available for the treatment of men with asymptomatic or minimally symptomatic castrate-resistant (hormone-refractory) prostate cancer in April 2010. While most prostate cancer initially responds to hormone ablation therapy, the majority of these patients will experience disease progression after 18 to 24 months, as the cancer becomes resistant to hormone treatment. PROVENGE is used to treat patients in this advanced stage of prostate cancer.

While the Company was focused on the commercialization of PROVENGE, the Company had several other product candidates in research and development. These included: (i)

[4] References to the "Company" include the Debtors together with their non-debtor subsidiaries and affiliates.

DN24-02, the Company's investigational active cellular immunotherapy that potentially may be used for the treatment of patients with bladder, breast, ovarian and other solid tumors expressing the antigen HER2/neu; (ii) CA-9 antigen, which is a transmembrane protein highly expressed in over 75% of primary metastatic renal cell carcinomas, as well as other cancers, such as non-small cell lung and breast tumors; and (iii) CEA, an antigen found to be present on 70% of lung cancers, virtually all cases of colon cancers and approximately 65% of breast cancers. The Company was also exploring the application of small molecules for the treatment of a variety of cancers.

2. The Debtors' Corporate Headquarters

The Company's principal research, development and administrative facilities were located at its corporate headquarters in Seattle, Washington, where the Company leased approximately 112,915 square feet of office space and in Bridgewater, New Jersey, where the Company leased 39,937 square feet. The Company now maintains offices at 601 Union Street, Suite 4900, Seattle, WA 98101.

3. The Debtors' Employees

As of the Petition Date, the Debtors had approximately 700 employees. The employees provided a variety of essential functions, including: (i) sales and marketing, (ii) research and development (including clinical, regulatory, quality assurance and control, and manufacturing or production), and (iii) general and administrative (including executive, finance, legal, human resources, investor relations, information technology and operations). The employees were each offered a position with Valeant or one of Valeant's affiliates effective as of the closing of the sale of substantially all of the Debtors' assets (as further outlined below). Two employees accepted offers to return to Dendreon Corporation: Gregory R. Cox as Chief Financial Officer and Treasurer and Robert L. Crotty as President, General Counsel and Secretary.

D. The Debtors' Corporate and Capital Structure

The Debtors in the Chapter 11 Cases are Dendreon Corporation, Dendreon Holdings, Inc., Dendreon Distribution, LLC and Dendreon Manufacturing, LLC. Dendreon is the parent of Dendreon Holdings, Inc., which in turn is the parent of Dendreon Distribution, LLC and Dendreon Manufacturing, LLC. Dendreon Corporation was also the parent of its wholly-owned, non-Debtor subsidiary, Dendreon Holdings (Netherlands) B.V., which in turn is the parent of non-debtors Dendreon UK Limited, Dendreon Germany GmbH and Dendreon Operations B.V. The equity interests in Dendreon Holdings (Netherlands) B.V. were transferred to the Purchaser (as defined herein) as part of the sale of substantially all of the Debtors' assets (as further outlined herein).

1. The 2016 Notes

As of the Petition Date, the Debtors had one issuance of debt outstanding: the "2016 Notes".[5] Pursuant to a First Supplemental Indenture dated January 20, 2011, Dendreon Corporation issued $620 million aggregate principal amount of unsecured 2.875% Convertible Senior Notes with a maturity date of January 15, 2016 (the "2016 Notes").[6] The 2016 Notes were issued as part of an underwritten offer and sale, which included an initial issuance of $540 million of 2016 Notes and, after the exercise of an overallotment option by the underwriter, an additional issuance of $80 million of 2016 Notes. The Company received net cash proceeds of $607.1 million from the sale of the 2016 Notes, after deducting underwriting fees and expenses. The 2016 Notes are convertible at the option of the holder at an initial conversion price of $51.24 per share. As of the Petition Date, there were $620 million of 2016 Notes outstanding and accrued and unpaid interest thereon of $5,694,097.22, for an aggregate Allowed Claim in respect of the 2016 Notes of $625,694,097.22. In entering into the Plan Support Agreements and again in formulating the Plan's treatment of Class 3, the Debtors evaluated whether the 2016 Note Claims should be allowed at the face amount or whether the fact that the 2016 Note Claims were issued with a conversion feature should result in the 2016 Note Claims being allowed at something less than face amount. The Debtors determined that the 2016 Note Claims are not subject to any legitimate defenses, counterclaims or offsets and are properly Allowed at their full face amount plus accrued and unpaid interest.

2. Dendreon Common Stock

As of September 30, 2014, there were 158,716,893 shares of common stock in Dendreon Corporation outstanding.[7] On November 7, 2014, the closing price of Dendreon Corporation's stock was $0.942 per share. Dendreon Corporation's stock was traded on The NASDAQ Global Market.

On December 11, 2014, NASDAQ filed a Form 25 with the SEC to remove Dendreon Corporation's securities from listing and registration on NASDAQ, effective at the opening of the trading session on December 22, 2014. While shares of common stock of the Company are currently traded on the OTC Pink Marketplace under the trading symbol "DNDNQ", the Plan does not provide for any distributions on account of the shares of common stock of Dendreon Corporation and effects the cancellation of the stock on the effective date of the Plan (the "Effective Date").

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[5] On June 17, 2014, Company timely paid the final principal and interest payment on its 4.75% Convertible Senior Subordinated Notes due 2014.

[6] This indenture supplemented the indenture Dendreon Corporation entered into on March 16, 2007 for the issuance of debt securities in an unlimited amount.

[7] The Company currently has 10,000,000 shares, $0.01 par value, of authorized preferred stock, of which 2,500,000 shares have been designated as Series A Junior Participating Preferred Stock. As of the Petition Date, no preferred stock was issued or outstanding.

E. Summary of Events Leading to the Chapter 11 Filings

1. Challenges Faced by the Debtors and Restructuring Efforts

When PROVENGE was officially launched after receiving FDA approval in April 2010, expectations for the pioneering drug were high. It received a substantial amount of market attention and certain market analyst projections estimated that PROVENGE could generate over $4 billion of revenue by 2020. To support its efforts to commercialize PROVENGE and create a platform through which it could ultimately support the revenues predicted by the market, early in 2011, the Company raised capital through the issuance of the 2016 Notes, among other securities. Consistent with management and market expectations, the Company's operating structure and footprint was developed to support billions in revenue: at that time the Company employed nearly 1,500 individuals and had significantly invested in manufacturing facilities and related operations, including facilities in New Jersey, Georgia and California. However, with the passage of time after launch and by August 2011, it became apparent to the Company that revenue growth would take more time than initially anticipated and the Company predicted a more gradual adoption of use by physicians. While the Company remained optimistic about its potential for significant growth in the long term, it decided to aggressively manage its costs in the interim.

In furtherance of its efforts to increase revenue and manage costs, in September of 2011, the Company implemented a reduction of 25% of its workforce. Then, in July of 2012, the Board of Directors (the "Board") directed the Company to engage in additional efforts to reduce costs. To that end, the Company announced a 12-month strategic restructuring plan that included a re-configuration of the Company's manufacturing model, a restructuring of its administrative functions and a strengthening of the Company's marketing and sales operations. The Company hoped that the restructuring would allow a reduction in costs by approximately $150 million annually. In addition, the Company reduced headcount by more than 600 full-time and contractor positions and sold its manufacturing facility in Morris Plains, New Jersey. The Company projected that it would be able to continue to reduce cost of goods sold through, among other things, the implementation of certain automated manufacturing processes. The Company expected to see net benefits associated with this restructuring as early as the first half of 2013.

During the second half of 2013, after the 2012 restructuring was completed, the Debtors decided to begin exploring potential strategic alternatives for maximizing value and managing its debt load, including exploring exchange transactions and a potential sale. To that end, the Company worked with outside advisors to explore a potential debt exchange transaction. Further, in September of 2013 the Debtors retained J.P. Morgan Securities LLC ("JPM") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") to assist the Company with a potential sale or other transaction. At this time, the Company again assessed and evaluated its overall strategy and cost-structure to identify additional expense reductions. As a result, on November 13, 2013, at the direction of the Board, the Company announced that it was implementing additional cost reduction measures, including a reduction of cash operating expenses by approximately $125 million or 20% and a reduction in workforce of approximately 150 full-time employees.

Between October and December 2013, JPM and Merrill conducted a broad confidential auction process to solicit potential buyers for the Company. A significant number of parties conducted due diligence; however, no bids were ultimately submitted.

Although the Company remained positive about its longer-term prospects and its ability to ultimately maximize value, the Company continued to be concerned with its highly levered capital structure and inability to generate positive free cash flow in the near term. Therefore, in February 2014, the Debtors retained Lazard Frères & Co. LLC ("Lazard") as their investment banker to provide general financial advisory services and evaluate potential strategic alternatives, including assisting the Company in any potential restructuring, sale transaction or financing transaction. The Company's initial goal in hiring Lazard was to gain assistance with addressing the 2016 Notes, possibly through a refinancing, an extension of the maturity or a conversion of the 2016 Notes to new debt or equity. Soon thereafter, the Board directed the Company to hire AlixPartners, LLP ("AlixPartners") to, among other things, work with management to identify further cost reductions. Additionally, the Company engaged Trinity Partners, LLC, a life science strategic consulting firm, to prepare a valuation report and develop independent revenue forecast models. In March and April 2014, the Company discussed the possibility of a strategic combination with two separate third-parties, however, these discussions did not advance beyond the preliminary stages.

2. Consideration of Strategic Alternatives and Discussions with Creditors

The Company continued to consider its strategic alternatives, refine its business plan, and examine the possibility of further cost reductions throughout the spring and summer of 2014. While the Company had concluded (and disclosed in its Form 10-Q for the second quarter of 2014) that absent executing an alternative transaction there was significant risk that it would be unable to repay or refinance the 2016 Notes, it remained hopeful that such a transaction would occur and would provide value for all stakeholders, including equity.

In early summer 2014, the Company had completed its revised business plan and its analysis with respect to cost reductions and, as a result, came to several conclusions. First, the Company determined that its previously-held view that it would ultimately be able to increase revenues through an increase in its volume of units sold was unlikely to occur in the next few years. Second, while the Company had managed to cut costs significantly over the last several years, and AlixPartners has identified certain additional areas for cost reduction, the Company determined that cost reductions alone would not make the Company independently viable with its existing capital structure. Finally, the manufacturing process for PROVENGE has a relatively high cost because it is made manually by skilled lab technicians. The Company had begun to implement plans for automated manufacturing in 2012 to increase quality control and came to believe that automation would also result in significant cost savings. However, after analysis by AlixPartners and investigation by the Company's automation group, the results of which were presented to the Board, it became clear that while automation could improve quality control, there would be no meaningful cost savings resulting from automation.

As a result, the Company concluded that given that it was highly levered and faced significant challenges in achieving positive free cash flows in the near term, the business likely

would not be viable on a stand-alone basis absent a strategic transaction or a restructuring of its debt.

To that end, and beginning in July of 2014, the Board authorized Lazard, on behalf of the Company, to initiate discussions with the largest holder of the 2016 Notes, Deerfield Management Company, L.P. ("Deerfield") pursuant to a nondisclosure agreement ("NDA") regarding, among other things, a restructuring of the debt or a potential sale process.[8] Given that the 2016 Notes constitute the Company's only outstanding institutional debt and the overwhelming majority of the unsecured claims against the Debtors, the Debtors believed that it would be desirable to obtain input from the holders of such notes or their representatives. In August 2014, the Debtors executed an NDA with Brown Rudnick LLP as counsel to certain unaffiliated holders of approximately 48% of the 2016 Notes (collectively, the "Unaffiliated Noteholders"). The Debtors, subject to these NDAs, informed Deerfield and its counsel as well as counsel to the Unaffiliated Noteholders of the Company's investigation of strategic alternatives. In September 2014, the Company, Deerfield and the Unaffiliated Noteholders mutually agreed that, among the strategic alternatives considered, the appropriate path for the Company would involve pursuing a sale process that would be implemented through the filing of these Chapter 11 Cases.

3. The Pre-filing Marketing Process

The Company believed that, on account of the significant investments the Company had made in commercializing PROVENGE, the cutting edge technology, equipment and process it had developed and the intellectual "know-how", the Company's assets might be of additional value to a purchaser, particularly one with "synergies". Therefore, the Board directed the Company to conduct a marketing process, in parallel with discussions with Deerfield and counsel to the Unaffiliated Noteholders as an additional option to maximize value. To that end, and acknowledging that the in-court process would include a marketing process toward a potential sale, Lazard identified and developed a list of potentially interested parties and solicited such parties' interest in a sale transaction. Beginning in mid-September 2014, Lazard contacted approximately forty (40) potential buyers, a number of which had been contacted in the auction process conducted by JPM and Merrill in the third quarter of 2013. The goal in this pre-filing marketing process was to sign up potential buyers to NDAs and afford them time to evaluate the opportunity in advance of any in-court sale process. A virtual data room was made available containing extensive information about the Company, including documents describing the Company's business and financial results in considerable detail, and Lazard gave potential purchasers the opportunity to conduct due diligence via the electronic data room.

4. The Plan Support Agreements and the Competitive Process

Contemporaneous with the pre-filing marketing process, the Company continued discussions with Deerfield and counsel to the Unaffiliated Noteholders, as well as their financial advisors. In September and October of 2014, the Debtors entered into NDAs with individual

[8] Deerfield is represented by Willkie Farr & Gallagher LLP. Katten Muchin Rosenman LLP has also acted as counsel to Deerfield during the pendency of the Chapter 11 Cases.

Unaffiliated Noteholders. The Debtors periodically updated counsel to the Unaffiliated Noteholders and Deerfield regarding the process and strategic alternatives.

The Company continued discussions with the Unaffiliated Noteholders and Deerfield regarding a consensual stand-alone restructuring to right-size the Company's balance sheet. Good faith, arm's length negotiations culminated in the execution of two substantially similar agreements dated November 9, 2014 (the "Plan Support Agreements") one among the Debtors and the Unaffiliated Noteholders and the other among the Debtors and certain funds managed by Deerfield (the "Deerfield Noteholders" and, together with the Unaffiliated Noteholders, the "Supporting Noteholders"). Pursuant to the Plan Support Agreements, the Debtors and the Supporting Noteholders agreed to a restructuring in accordance with the terms of a term sheet attached to each of the Plan Support Agreements (the "PSA Term Sheet"). The Plan Support Agreements contemplated that the Debtors would, with the support of the Supporting Noteholders, pursue a dual path of third-party sale or plan transaction with a "stand-alone plan" backstop (the "Stand-Alone Plan"). Pursuant to the PSA Term Sheet, under the Stand-Alone Plan, the reorganized Debtors would issue new common stock in the reorganized entity, and holders of 2016 Noteholder Claims would receive, on a pro rata basis with holders of general unsecured claims, shares of the new common stock.

Specifically, the Plan Support Agreements provided the framework for a competitive process (the "Competitive Process") whereby prospective buyers could bid to purchase all or substantially all of the Debtors' non-cash assets either (i) in a sale pursuant to Bankruptcy Code section 363, or (ii) in the form of a recapitalization transaction effectuated through a plan of reorganization. Simultaneously with the filing of the Chapter 11 Cases, the Debtors filed the Sale and Bidding Procedures Motion (as defined herein) seeking approval of the Bidding Procedures (as defined herein) pursuant to which the Competitive Process would take place. A Qualified Bid (as defined in the Bidding Procedures Order, as defined herein) in the Competitive Process had to have a value in excess of $275 million as determined in accordance with the Bidding Procedures.

Pursuant to the PSA Term Sheet, whether the Competitive Process resulted in a sale pursuant to Bankruptcy Code section 363 followed by a plan of liquidation or in a recapitalization transaction followed by a plan of reorganization, the result would be the same for the Debtors' two largest creditor constituencies, holders of claims pursuant to the 2016 Notes and holders of general unsecured claims. In either case, these constituencies would share pro rata in the distributable cash or other assets of the Debtors' Estates. The PSA Term Sheet also contemplated that if the Competitive Process did not result in any Qualified Bid being received, the Debtors would prosecute the Stand-Alone Plan and emerge from bankruptcy as a reorganized entity whose equity would be owned by the Supporting Noteholders and other unsecured creditors. As such, the transaction contemplated by the Plan Support Agreements allowed the Debtors to pursue a competitive sale process that ensured that the value of their Estates would be maximized for the benefit of all stakeholders.

The Board met bi-weekly throughout the Debtors' process of considering strategic alternatives and was kept fully apprised of the status of proposals and options available to the Debtors. The Board directed the Company's actions throughout this process and was kept regularly informed of all actions taken by the Company in connection therewith. In addition to

the numerous other meetings that were regularly held throughout the strategic alternatives process, at a meeting of the Board held on November 5, 2014, the Board was updated and advised regarding the Plan Support Agreements negotiated with the Supporting Noteholders and other matters relevant to the Competitive Process and the Debtors strategic options. At the meeting (and in prior meetings throughout the process), the Board was advised by Lazard and by counsel regarding these matters. After full deliberation, on November 9, 2014, the Board determined that entering into the Plan Support Agreements, filing these Chapter 11 Cases and pursuing the Competitive Process contemplated in the Plan Support Agreements as part of these Chapter 11 Cases, was the best way to maximize value.

F. Summary of Material Pre-Petition Legal Proceedings

1. GSK Litigation

Dendreon Corporation received notice in November 2011 of a lawsuit filed in the Durham County Superior Court of North Carolina (the "Superior Court") against Dendreon Corporation by GlaxoSmithKline LLC ("GSK"). The lawsuit, captioned GlaxoSmithKline LLC v. Dendreon Corporation, Case No. 11 CVS 5458, asserts claims for monies due and owing and breach of Dendreon Corporation's obligations under the Development and Supply Agreement, effective September 15, 2010, between GSK and Dendreon Corporation. Under the agreement, GSK was to be Dendreon Corporation's second source antigen provider. The agreement was terminated by Dendreon Corporation as of October 31, 2011.

Dendreon Corporation filed a Counterclaim and Answer on January 6, 2012. On April 9, 2013, GSK amended its complaint to add a claim for breach of North Carolina's unfair and deceptive trade practices act. On November 4, 2014, the Superior Court issued an opinion and order on GSK's motion for summary judgment on its breach of contract claim and Dendreon Corporation's cross motion for summary judgment on GSK's breach of contract, breach of the covenant of good faith and fair dealing, and unfair and deceptive trade practices act claims, both of which had been fully briefed since March 2014. In its opinion and order, the Superior Court found that GSK is entitled to be paid for a firm order placed by Dendreon Corporation before it terminated the parties' agreement, but otherwise dismissed GSK's remaining claims. On its breach of contract claim GSK is seeking approximately $17.6 million in damages, plus interest and extension fees, but the Superior Court has not yet made any determination of amounts that may be owed for the firm order or whether any offsets, including amounts recoverable on the Company's counterclaims, would reduce any amounts owed. On June 11, 2014, GSK filed a second motion for summary judgment on Dendreon Corporation's counterclaims, which Dendreon Corporation opposed and is now fully briefed. The Superior Court has not yet scheduled oral argument or issued a ruling on Dendreon Corporation's second motion for summary judgment. There is currently no date set for trial. Dendreon Corporation's position remains that no monies are owed under the agreement.

GSK filed a proof of claim in the Chapter 11 Cases asserting a claim for $26,089,724. The Debtors filed an objection to GSK's proof of claim on March 30, 2015 [Docket No. 536]. The Debtors assert that the claim should be disallowed in full. The litigation surrounding the agreement with GSK is still pending and no final judgment determining amounts due, if any, has been rendered. The Debtors believe that the summary judgment decision reached by the

Superior Court would be overturned on appeal. In addition, the Debtors assert that GSK's proof of claim includes amounts expressly disallowed by the Superior Court.

As a consequence of the bankruptcy filings (as discussed below), all pending litigation against the Debtors was stayed automatically by section 362 of the Bankruptcy Code and, absent further order of the Court, no party may take any action in any such litigation to recover on prepetition Claims against the Debtors.

2. Bolling Securities Action and Related Actions and Investigations

a. Bolling Securities Action

Dendreon Corporation and three of its former officers are named defendants in a securities action pending in the United States District Court for the Western District of Washington (the "District Court") that was brought by a group of individual investors who elected to opt out of a securities class action lawsuit that was settled for $40 million in August 2013. The pending action, filed May 16, 2013, is captioned Christoph Bolling, et al. v. Dendreon Corporation, et al., Case No. 2:13-cv-0872 JLR. Plaintiffs allege generally that Dendreon Corporation made various false or misleading statements between April 29, 2010 and August 3, 2011 concerning Dendreon Corporation, its finances, business operations and prospects with a focus on the market launch of PROVENGE and related forecasts concerning physician adoption, and revenue from sales of PROVENGE. Based on information provided by plaintiffs' counsel, the plaintiff group, which totals approximately thirty (30) persons, purports to have purchased approximately 250,000 shares of Dendreon Corporation common stock during the relevant period. The Bolling plaintiffs filed an amended complaint on July 16, 2013, alleging both violations of certain provisions of the federal Securities Exchange Act of 1934 and provisions of Washington state law and seeking unspecified damages. In response to a motion by defendants, the federal claims were dismissed with leave to amend in January 2014. On February 17, 2014, plaintiffs filed a Second Amended Complaint which defendants moved to dismiss on March 24, 2014. After briefing, the District Court, by order dated June 5, 2014, again dismissed the federal claims, but denied the motion as to the plaintiffs' Washington state law claims for fraudulent and negligent misrepresentation. The case is now in the discovery phase. On September 4, 2014, the District Court entered an order setting a trial date of February 22, 2016 with discovery cut-off of October 26, 2015. On February 23, 2015, the plaintiffs filed motions to sever their claims against Dendreon from those against the individual defendants.

b. Stockholder Derivative Complaints

Dendreon Corporation is also the subject of stockholder derivative complaints first filed in August 2011 generally arising out of the facts and circumstances that are alleged to underlie the above-referenced previously settled securities class action. Derivative suits filed in the District Court were consolidated into a proceeding captioned In re Dendreon Corp. Derivative Litigation, Master Docket No. C 11-1345 JLR; others were filed in the Superior Court of Washington for King County and were consolidated into a proceeding captioned In re Dendreon Corporation Shareholder Derivative Litigation, Lead Case No. 11-2-29626-1 SEA. On June 22, 2012, another derivative action was filed in the Court of Chancery of the State of Delaware, captioned Herbert Silverberg, derivatively on behalf of Dendreon Corporation v. Mitchell H.

Gold, et al., Case No. 7646-VCP. The various derivative complaints name as defendants various current and former officers and directors of Dendreon Corporation (the "Individual Defendants"). While the complaints assert various legal theories of liability, the lawsuits generally allege that the defendants breached fiduciary duties owed to Dendreon Corporation in connection with the launch of PROVENGE and by purportedly subjecting Dendreon Corporation to potential liability for securities fraud. The complaints also include claims against certain defendants for supposed misappropriation of Dendreon Corporation's information and insider trading; the Silverberg complaint asserts only this latter claim. On July 18, 2014, a new derivative complaint was filed in the District Court captioned Liu v. Gold et al., Case No. 2-14cv1087. The allegations in the Liu complaint are substantially the same as those in the existing consolidated actions pending in the District Court. Plaintiffs have requested that the Liu action be consolidated into the existing consolidated federal actions.

After a formal mediation on June 24, 2014, and further post-mediation negotiations, the parties to the various derivative actions reached a tentative settlement of the actions, the terms of which are set out in a Memorandum of Understanding dated as of July 18, 2014. On November 6, 2014, the parties entered into a stipulation of settlement, which settlement required court approval, with respect to the litigation. While the derivative lawsuits do not seek relief against Dendreon Corporation, Dendreon Corporation has certain indemnification obligations, including obligations to advance legal expenses to the named defendants for defense of these lawsuits.

The stipulation of settlement provides that in connection with the settlement and in consideration of certain releases set forth in the stipulation, the Individual Defendants would cause to be paid $4,500,000 (the "Settlement Payment") into an escrow account. In recognition of certain coverage disputes and their obligation to fund the defense of the Individual Defendants in these derivative cases should the cases not settle, the insurers under certain remaining excess insurance policies have agreed to a buyback payment that will be used by the Individual Defendants to fund the Settlement Payment. In consideration of the buyback payment, certain remaining excess insurance policies will receive releases with regard to this derivative litigation. The Settlement Payment will be used to pay any attorneys' fees and expenses awarded by the Chancery Court to plaintiff's counsel as well as any costs of notice. Such fees and costs may not exceed $1,250,000 in the aggregate. The remaining amount of the Settlement Payment will be paid from the escrow account to Dendreon Corporation. In addition, as part of the Stipulation, the Debtor has agreed to implement certain corporate governance measures. As is customary, in exchange for the Settlement Payment and agreement to settle these actions, the Individual Defendants will receive certain releases from the plaintiffs and Dendreon Corporation, and the plaintiffs and Dendreon Corporation will receive certain releases from the Individual Defendants.

The Bankruptcy Court entered an order lifting the automatic stay to the extent necessary to allow the insurers to advance and/or to reimburse defense costs, settlements, and/or losses on December 17, 2014 [Docket No. 196]. On March 30, 2015, the Delaware Court of Chancery entered an order approving the proposed settlement. For additional details, see Article IIID.3.

c. SEC Investigation

The SEC has been conducting a formal investigation of Dendreon Corporation, which Dendreon Corporation believed related to some of the same issues raised in the aforementioned

securities and derivative actions. Dendreon Corporation cooperated fully with the SEC investigation. On March 23, 2015, Dendreon Corporation received written notice from the SEC indicating that the SEC had concluded its investigation of Dendreon Corporation and that the SEC did not intend to recommend an enforcement action by the SEC.

3. Quintal Stockholder Derivative Complaint

On March 7, 2014, a stockholder derivative complaint was filed in United States District Court for the District of Delaware (the "Delaware District Court"). The lawsuit, captioned Quintal v. Bayh, et al., No. 1:14-cv-00311-LPS, names as defendants both present and former members of Dendreon Corporation's Board. This derivative litigation is separate and apart from the stockholder litigation referenced in Article IIF.2.b. Plaintiff's purported derivative complaint alleges that members of Dendreon Corporation's Board violated the terms of Dendreon Corporation's 2009 equity incentive plan by granting to non-employee directors shares of Dendreon Corporation stock that vested immediately upon grant as part of the non-employee director's annual compensation package. Defendants filed a motion to dismiss the complaint on April 14, 2014. The Delaware District Court heard oral argument on Defendants' motion on July 29, 2014, and the motion is now under submission. While Dendreon Corporation has certain indemnification obligations, including obligations to advance legal expense to the named defendants for defense of this lawsuit, the lawsuit does not seek monetary relief against Dendreon Corporation.

ARTICLE III

THE CHAPTER 11 CASES

A. Commencement of the Chapter 11 Cases

As set forth above, on the Petition Date the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Court. By order dated November 12, 2014 [Docket No. 49], the Debtors' cases are being jointly administered for procedural purposes only. No trustee or examiner has been appointed in the Chapter 11 Cases.

Since the Petition Date, the Debtors have continued to operate their businesses and manage their properties as debtors and debtors-in-possession.

B. "First Day" Motions and Related Applications

On the Petition Date, the Debtors filed a number of "first-day" motions and applications designed to ease the Debtors' transition into chapter 11, maximize the Debtors' assets and minimize the effects of the commencement of the Chapter 11 Cases.[9] On November 12, 2014, the Court entered orders providing various first-day relief, including:

[9] In addition to the "first-day" motions, the Debtors filed certain other motions that are described more fully herein.

(i) authorizing the Debtors to continue use of their existing cash management system and bank accounts, business forms and deposit and investment practices; pay related prepetition obligations; waiver of certain operating guidelines relating to bank accounts; and continue intercompany transactions (final order entered December 9, 2014) [Docket No. 160];

(ii) authorizing the Debtors to pay prepetition wages, compensation and employee benefits; continue certain employee benefit programs in the ordinary course; and direct banks to honor prepetition checks for the payment of prepetition employee obligations (final order entered December 9, 2014) [Docket No. 157];

(iii) enforcing the "automatic stay" protections of 11 U.S.C. § 362 and the bankruptcy termination provisions of 11 U.S.C. § 365 [Docket No. 55];

(iv) authorizing the Debtors to honor certain prepetition obligations to customers; continue customer programs; and pay Medicaid and other obligations (final order entered December 9, 2014) [Docket No. 158];

(v) authorizing the Debtors to maintain existing insurance policies; pay all insurance obligations arising thereunder; and renew, revise, extend, supplement, change or enter into new insurance policies [Docket No. 53];

(vi) authorizing the Debtors to pay certain prepetition taxes and related obligations [Docket No. 54];

(vii) approving the Debtors' proposal for adequate assurance of payment; establishing procedures for resolving objections by utility companies; and prohibiting utility companies from altering, refusing or discontinuing service (final order entered December 9, 2014) [Docket No. 161];

(viii) extending the deadline for the Debtors to file their schedules of assets and liabilities and statements of financial affairs [Docket No. 59];

(ix) establishing notice and hearing procedures for trading in equity securities of the Debtors (final order entered December 9, 2014) [Docket No. 162]; and

(x) authorizing payment of prepetition claims of certain critical vendors [Docket No. 57].

C. Retention of Professionals and Appointment of the Committee

1. Retention of Debtors' Professionals

By orders entered December 9, 2014, the Debtors were authorized to retain (i) Skadden, Arps, Slate, Meagher & Flom LLP as their bankruptcy counsel [Docket No. 152], (ii) AlixPartners as their restructuring advisor [Docket No. 155], and (iii) Lazard as their investment banker [Docket No. 156].

The Debtors also were authorized to retain certain professionals utilized by the Debtors in the ordinary course of business prior to the Petition Date pursuant to an order [Docket No. 159] entered by the Court on December 9, 2014.

2. Retention of Claims and Noticing Agent and Administrative Agent

By order entered on November 12, 2014 [Docket No. 60], the Court authorized the Debtors to retain Prime Clerk as their claims and noticing agent in the Chapter 11 Cases. By order entered December 9, 2014 [Docket No. 154], the Court also authorized the Debtors to retain Prime Clerk as their administrative agent in the Chapter 11 Cases.

3. Appointment of Committee and Retention of Committee Professionals

On November 19, 2014, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an Official Committee of Unsecured Creditors in the Chapter 11 Cases (the "Committee") pursuant to section 1102(a) of the Bankruptcy Code [Docket No. 92]. The initial members of the Committee (the "Committee Members") were: (i) American Red Cross, (ii) Document Technologies, LLC, (iii) New York Blood Center, Inc., (iv) Piedmont – Bridgewater NJ, LLC and (v) GSK. On March 3, 2015, the U.S. Trustee filed an Amended Notice of Appointment of Committee of Unsecured Creditors [Docket No. 452], reflecting the resignation of New York Blood Center, Inc. from the Committee. On March 12, 2015, the U.S. Trustee filed a second Amended Notice of Appointment of Committee of Unsecured Creditors [Docket No. 480], reflecting the resignation of the American Red Cross from the Committee.

By orders entered January 28, 2015, the Committee was authorized to retain (i) Sullivan & Cromwell LLP as its counsel [Docket No. 322], (ii) Young Conaway Stargatt & Taylor, LLP as its co-counsel [Docket No. 323], and (iii) Centerview Partners LLP as its investment banker [Docket No. 324]. By an order entered January 26, 2015, the Committee was authorized to retain Deloitte Financial Advisory Services LLP as its financial advisor [Docket No. 312].

D. Significant Events During the Chapter 11 Cases

In addition to the first-day relief sought and received in the Chapter 11 Cases, the Debtors have sought and received authority with respect to various matters designed to assist in the administration of the Chapter 11 Cases and to maximize the value of the Debtors' Estates. Material events since the commencement of the Chapter 11 Cases are summarized below and include:

1. Approval of Plan Support Agreements

As noted in Article IIE.4, the Debtors negotiated and entered into the Plan Support Agreements with the Supporting Noteholders, which contemplated that the Debtors would, with the support of the Supporting Noteholders, pursue a dual path of a third-party sale or plan transaction with the Stand-Alone Plan backstop. On November 10, 2014, the Debtors filed a motion seeking authorization to assume the Plan Support Agreements [Docket No. 20]. Following its formation, the Committee raised certain concerns and potential objections to the assumption of the Plan Support Agreements. The Debtors, the Supporting Noteholders, and the Committee negotiated in good faith the resolution of those concerns and objections and reached a settlement. The Debtors and the Supporting Noteholders entered into amended plan support agreements as part of that settlement (the "Amended and Restated Plan Support Agreements"). The payment of professional fees was outlined pursuant to the UCC Settlement Term Sheet (the "Settlement Term Sheet") agreed to by the Debtors, the Committee, and the Supporting Noteholders for the consensual assumption of the Amended and Restated Plan Support Agreements. According to the Settlement Term Sheet, reimbursement of legal fees is limited to the reasonable fees and expenses of one counsel per group, plus local counsel per group. In addition, the Debtors and Supporting Noteholders agreed not to object to a substantial contribution fee award for counsel to members of the UCC, provided that the fees did not exceed $100,000 in the aggregate. The Court entered an order, over the U.S. Trustee's objection, authorizing the Debtors to assume the Amended and Restated Plan Support Agreements on December 23, 2014 (the "PSA Order") [Docket No. 215].

2. Approval of Key Employee Incentive Program

Prior to the Petition Date, the Debtors recognized a need to address the concerns of their employees and their creditors and to align the interests of these respective constituencies. With these objectives in mind, the Debtors, after extensive consultation with, and benchmarking analysis by, their employee benefits consultant, Mercer (US) Inc., developed the Key Employee Incentive Plan ("KEIP") to properly incentivize certain key employees identified by the Debtors.

The KEIP was designed to provide incentives to nine (9) eligible executives (the "Participants") to pursue a timely and successful reorganization or sale. The KEIP provided for variable payouts to the Participants based upon the distributable value of the Debtors' assets upon the occurrence of a qualifying sale (a "Qualifying Sale") or recapitalization of the Debtors' business effectuated through the Stand-Alone Plan.

The minimum threshold was a distributable value of (i) $50 million in the case of a Stand-Alone Plan and (ii) $325 million in the case of a Qualifying Sale (the "Minimum Threshold"). Participants were not eligible to receive a KEIP payment unless the Minimum Threshold was exceeded. A $250,000 discretionary pool was available at the Minimum Threshold and could be distributed to any employee if the Board determined that an employee's efforts in effecting the transaction merited some reward. The maximum threshold was a Distributable Value of (i) $345 million in the case of a Stand-Alone Plan and (ii) $620 million in the case of a Qualifying Sale (the "Maximum Threshold"). At the Maximum Threshold, the aggregate amount of the KEIP would be approximately $3.1 million. There were no additional amounts available if the Maximum Threshold was exceeded.

Therefore, a "Payment Event" would be triggered upon the earlier of (a) the effective date of a confirmed Plan of Reorganization if (i) in the case of a Stand-Alone Plan, the Debtors had distributable value of at least $50 million or (ii) if a Qualifying Sale was consummated, the Debtors had distributable value of at least $325 million or (b) on the ninetieth (90th) day following the consummation of a Qualifying Sale with distributable value of at least $325 million.

In the event that a Qualifying Sale was consummated and a Participant (i) commenced employment with the acquiror or (ii) did not receive an employment offer from the acquiror and was terminated by the Company without cause prior to the Payment Event (a "Sale Termination"), the Company was to pay such Participant his or her full bonus amount on the date such Participant's employment was so terminated.

The KEIP was not a "pay to stay" retention plan. Absent achievement of the Minimum Thresholds, Participants were not eligible for a KEIP payment. Accordingly, the KEIP successfully aligned the interests of the Debtors, their employees, and their creditors and was a true incentive plan.

The Debtors received comments from the Committee regarding the KEIP, which were resolved. By order entered December 17, 2014, the Court approved the implementation of the KEIP [Docket No. 194].

As a result of the Sale (as defined herein), which constituted a Qualifying Sale, a "Payment Event" under the KEIP was triggered. The Debtors are currently in the process of calculating the amount of such payments, which fall within the range of $1.6 million to $2.0 million.

3. Derivative Litigation Settlement

As noted in Article IIF.2.b., after a formal mediation on June 24, 2014, and further post-mediation negotiations, the parties to the certain derivative actions reached a tentative settlement, the terms of which are set out in a Memorandum of Understanding dated as of July 18, 2014. The settlement has been memorialized in a formal stipulation of settlement. The Debtors filed a motion in the Bankruptcy Court for an order (I) approving the stipulation; (II) authorizing the advancement and reimbursement of defense costs and other loss related thereto; (III) authorizing the advancement and reimbursement of defense costs and other loss by the remaining excess insurers; and (IV) granting related relief [Docket No. 93]. The Bankruptcy Court entered an order approving the motion (the "9019 Order") on December 17, 2014 [Docket No. 196]. Pursuant to the 9019 Order, the Bankruptcy Court lifted the automatic stay to the extent necessary to allow insurers to advance and/or to reimburse defense costs, settlements, and/or losses. The Bankruptcy Court also found pursuant to the 9019 Order, that the stipulation was a reasonable exercise of the Debtors' business judgment and could be presented to the Chancery Court for approval. On March 30, 2015, the Chancery Court entered an order approving the proposed settlement.

4. Sale to Valeant

a. A Brief Summary of the Sale Process

As described in further detail in this Article IIE.4, prior to the filing of the Chapter 11 Cases, the Debtors entered into Plan Support Agreements with their Supporting Noteholders. The keystone of the Plan Support Agreements was a competitive process pursuant to which the Debtors would sell all or substantially all of their assets. As described more fully below, on the Petition Date, the Debtors filed the Sale and Bidding Procedures Motion (as defined herein). Following several rounds of bidding between Valeant and another bidder, the Debtors selected Valeant as the stalking horse bidder. The Debtors did not receive any additional qualifying bids prior to the deadline for submitting such bids. The auction was, therefore, cancelled and Valeant became the successful bidder. Prior to the hearing to approve the sale to Valeant as the successful bidder, the Debtors and Valeant entered into the Second Amended Acquisition Agreement (as defined herein) that would provide the Debtors with an additional $15 million in incremental value. The Court entered an order approving the sale of substantially all of the Debtors' assets to a subsidiary of Valeant on February 20, 2015, and the sale transaction was consummated on February 23, 2015.

b. The Sale Motion and Bidding Procedures Order

On the Petition Date, the Debtors filed a motion [Docket No. 17] (the "Sale and Bidding Procedures Motion") seeking entry of an order (the "Bidding Procedures Order") (A)(i) establishing bidding procedures (the "Bidding Procedures") relating to the sale of substantially all of the Debtors' assets; (ii) establishing procedures for the Debtors to enter into stalking horse agreement with bid protections in connection with a sale of substantially all of the Debtors' assets (the "Acquired Assets"); (iii) establishing procedures for the assumption and assignment of executory contracts and unexpired leases, including notice of proposed cure amounts; (iv) approving the form and manner of notice of all procedures, protections, schedules and agreements; and (v) scheduling a hearing (the "Sale Hearing") to approve such sale (the "Sale"); and (B)(i) approving the Sale of the Debtors' assets free and clear of all liens, claims, encumbrances and interests; (ii) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (iii) granting certain related relief.

On December 17, 2014, the Court entered the Bidding Procedures Order [Docket No. 195] approving the Debtors' proposed bidding procedures. Among other things, the Bidding Procedures Order allowed the Debtors, in consultation with the Supporting Noteholders, the Committee, and any other official committee appointed in the Chapter 11 Cases, to select a stalking horse bidder (the "Stalking Horse Bidder") for the Acquired Assets for the purposes of establishing a minimum acceptable bid with which to begin an auction (the "Auction"). The Bidding Procedures Order set (i) December 29, 2014, as the deadline by which the Debtors were required to select a stalking horse bidder (the "Stalking Horse Deadline"); and (ii) January 27, 2015, as the deadline to submit qualified bids (the "Bid Deadline"). As the initial Stalking Horse Deadline approached, the Debtors had active participation in the sale process by a number of bidders and determined, in light of all of the circumstances, not to select a Stalking Horse Bidder at that time.

c. Selection of a Stalking Horse Bidder

As the original Bid Deadline approached, the Debtors received both conforming and non-conforming bids relative to the bid standards, seeking to qualify as Qualified Bids. As such, Lazard and the Debtors continued to work with interested parties. On January 23, 2015, just prior to the Bid Deadline, the Debtors became aware that Valeant, a large pharmaceutical company with a market capitalization exceeding $55 billion, was interested in participating in the process. On January 26, 2015, Valeant requested that the bid deadline be extended for approximately two weeks. In order to balance the Debtors' interest in accommodating Valeant's participation with the complaints that surfaced of others that had participated throughout the process, the Debtors agreed to work closely with one other interested party (the "Alternative Bidder") towards becoming a Stalking Horse Bidder. To that end, the Debtors determined to extend the Bid Deadline for two days until January 29, 2015.

After making the determination to extend the Bid Deadline, the Debtors further determined to retain certain assets previously offered for sale, including the Debtors' assets related to their enteric coated D-3263 hydrochloride product candidate (the "D-3263 Assets"), with the prospect that the Debtors could be reorganized around the development of the retained assets and the utilization of the Debtors' U.S. federal income tax attributes. The Debtors informed bidders of the determination to retain certain assets and that the Debtors would not entertain bids for the retained assets until the primary bidding process was completed.

Subsequently, Valeant also informed the Debtors that it was interested in becoming the Stalking Horse Bidder. Over the ensuing two days, from January 27, 2015 to January 29, 2015, significant negotiations occurred between the Debtors and each of the parties interested in becoming the Stalking Horse Bidder. The Debtors ultimately determined that Valeant submitted the highest and best offer at the time to become the Stalking Horse Bidder for the Acquired Assets. Notably, the Valeant contract included preferable contract provisions, including offers of employment for all employees. The Alternative Bidder's contract did not include such provisions.

On January 29, 2015, the Debtors filed the Emergency Motion for Order (A) Approving Stalking Horse Bidder and Authorizing Bid Protections in Connection with the Sale of Substantially All of the Debtors' Assets, (B) Rescheduling the Hearing to Approve Such Sale and (C) Granting Related Relief [Docket No. 330] (the "Stalking Horse Selection Motion"). Pursuant to this motion, the Debtors' sought approval of Valeant as the Stalking Horse Bidder at a purchase price of $296 million.

d. The Subsequent Bidding and Selection of a Successful Bidder

Subsequent negotiations and bidding occurred after the filing of the Stalking Horse Selection Motion. The subsequent bidding began on February 3, 2015 when the Alternative Bidder informed the Debtors that it would be submitting a new bid later that day or the following morning. It did in fact submit a fully executed and financed bid late in the evening on February 3, 2015. The net value of that bid (after deductions from the face value of the bid due to terms in the contract that differed from the Valeant contract) was materially higher than the value of Valeant's bid.

The Debtors engaged in numerous rounds of bidding with the Stalking Horse Bidder and the Alternative Bidder over the course of the day on February 4, 2015. At the conclusion of this bidding, Valeant's last bid was materially higher and better than the last bid received from the Alternative Bidder. The Alternative Bidder advised the Debtors that it would not bid again. The final Valeant bid provided a purchase price of $400 million, reflecting an increase of more than $100 million of value over the original bid filed with the Court in the Stalking Horse Selection Motion.

After a hearing on February 5, 2015, the Court entered an order granting the relief sought in the Stalking Horse Selection Motion, namely approving Valeant as the Stalking Horse Bidder [Docket No. 355] (the "Stalking Horse Order"). Following entry of the Stalking Horse Order, the Debtors filed a Notice of Selection of Stalking Horse Bidder and Rescheduled Sale Hearing [Docket No. 356], rescheduling the Sale Hearing for February 20, 2015 at 10:00 a.m. and setting out the Bid Deadline as February 10, 2015 at 5:00 p.m. The Notice of Selection of Stalking Horse Bidder and Rescheduled Sale Hearing was served on (i) the U.S. Trustee; (ii) counsel to the indenture trustee for the 2.875% Convertible Senior Notes due 2016; (iii) counsel to the Unaffiliated Noteholders; (iv) counsel to the Deerfield Noteholders; (v) the Committee; (vi) all entities known to have expressed an interest in a transaction with respect to some or all of the Acquired Assets at any time; (vii) all entities known to have asserted any lien, claim, interest or encumbrance in or upon any of the Debtors' assets to be acquired; (viii) all federal, state and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested by the Stalking Horse Selection Motion; (ix) the United States Attorney's office; (x) the SEC; (xi) the Internal Revenue Service; (xii) the Debtors' full creditor matrix; (xiii) all known equity holders and noteholders; and (xiv) all parties entitled to notice pursuant to Bankruptcy Rule 2002. As of the Bid Deadline, the Debtors did not receive any Qualified Bids other than that submitted by Valeant as the Stalking Horse Bidder. Therefore, the Debtors cancelled the Auction and accepted the bid of Valeant for the purchase of all or substantially all of the Debtors' assets. On February 12, 2015, the Debtors filed a proposed order approving the sale to Valeant on the terms agreed to in the Amended and Restated Acquisition Agreement, dated as of February 4, 2015 (the "Amended Acquisition Agreement") [Docket No. 380].

Subsequent to entering into the Amended Acquisition Agreement, the Debtors were willing to entertain bids for the assets retained by the Debtors, including the D-3263 Assets, pursuant to a transaction that would allow for the transfer to the purchaser of the Debtors' U.S. federal income tax attributes. Valeant and the Debtors engaged in negotiations regarding the acquisition by Valeant of such assets retained by the Debtors, including the D-3263 Assets.

e. The Second Amended Acquisition Agreement, the Sale Hearing and Closing

Prior to the Sale Hearing, the Debtors and Valeant entered into a Second Amended and Restated Acquisition Agreement among the Debtors, Valeant and Valeant's wholly-owned subsidiary, Drone Acquisition Sub Inc. (the "Purchaser"), dated as of February 19, 2015 (the "Second Amended Acquisition Agreement" or, as referred to in the Plan, the "Asset Purchase Agreement"). The Second Amended Acquisition Agreement provided for a higher purchase price, consisting of common shares of Valeant, having an aggregate value of $49.5 million as of

the close of the market on the Trading Day immediately prior to the Effective Date, paid to the Debtors as partial consideration for the assets acquired by the Purchaser pursuant to the Sale Order (the "Valeant Shares"), plus $445.5 million in cash to be delivered at closing of the sale transaction. Pursuant to the Second Amended Acquisition Agreement, if the amount of the allowed prepetition general unsecured claims (other than the 2016 Noteholder Claims) did not exceed $200 million in the aggregate, then the Valeant Shares could be distributed proportionately in respect of the 2016 Noteholder Claims. The consideration under the Second Amended Acquisition Agreement provided an additional $15 million in incremental value to the Debtors' Estates over that provided for under the Amended Acquisition Agreement, and $140 million more than the minimum Qualified Bid. The Acquired Assets under the Second Amended Acquisition Agreement included all of the assets contemplated under the Amended Acquisition Agreement, plus the D-3263 Assets and $80 million of cash and cash equivalents of the Debtors. In addition, the parties agreed that the agreement will constitute a "plan of reorganization" of Dendreon and the Purchaser for purposes of sections 368 and 354 of the Internal Revenue Code of 1986, as amended (the "Tax Code") (which plan includes the liquidation of Dendreon and the distribution of the Valeant Shares).

As the Court's electronic filing system was unexpectedly unavailable, the Debtors first served and posted on the Debtors' website hosted by the Debtors' claims and noticing agent, Prime Clerk, a Notice of Filing of Second Amended Acquisition Agreement and Proposed Sale Orders on February 19, 2015, which included a chart with the key differences between the Amended Acquisition Agreement and the Second Amended Acquisition Agreement (the "Notice of Second Amended APA"). The Debtors filed the Notice of Second Amended APA once the electronic filing system became available later on February 19, 2015 [Docket No. 400]. The Court found that notice of the Second Amended Acquisition Agreement was sufficient under the circumstances, relying in part on the fact that the Supporting Noteholders and the Committee were kept involved and informed throughout the negotiation of the Second Amended Acquisition Agreement and were supportive of its terms.

An order was entered on February 20, 2015 (the "Sale Order"), approving the sale of substantially all of the Debtors' assets to the Purchaser pursuant to the terms of the Second Amended Acquisition Agreement as it may be amended, authorizing the assumption and assignment of certain executory contracts and unexpired leases, and granting related relief [Docket No. 410] (the "Sale Transaction"). On February 23, 2015, the Sale Transaction was consummated.

5. The Claims Process

a. Schedules

On January 9, 2015 the Debtors filed their Schedules of Assets and Liabilities [Docket Nos. 246 through 249] and Statements of Financial Affairs [Docket Nos. 250 through 253] (collectively, the "Schedules"). Among other things, the Schedules set forth the claims of known creditors against the Debtors as of the Petition Date, based upon the Debtors' books and records. The Debtors retain the right to amend the Schedules during the pendency of the Chapter 11 Cases. On February 20, 2015, the Debtors filed an Amended Schedule B23 for Dendreon Corporation, to list additional licenses and permits of the Debtors [Docket No. 413].

b. Bar Date Order

On February 5, 2015, an order establishing bar dates for filing claims against the Debtors and approving the form and manner of notice was entered [Docket No. 352] (the "Bar Date Order"). The Bar Date Order establishes the below deadlines for filing claims against the Debtors (the "Bar Dates").

> General Bar Date. Each person or entity (including, without limitation, each individual, partnership, joint venture, corporation, limited liability company, estate, trust or governmental unit) holding or asserting a claim against one or more of the Debtors that arose (or is deemed to have arisen) on or before the Petition Date (including any claims arising under section 503(b)(9) of the Bankruptcy Code) is required to file a proof of claim form so that it is actually received by Prime Clerk on or before March 16, 2015 at 4:00 p.m. (Eastern Time) (the "General Bar Date").
>
> Governmental Bar Date. Each governmental unit holding or asserting a claim against one or more of the Debtors that arose (or is deemed to have arisen) on or before the Petition Date must file a proof of claim form so that it is actually received by Prime Clerk on or before May 11, 2015 at 4:00 p.m. (Eastern Time) (the "Governmental Bar Date").
>
> Rejection Bar Date. If the Debtors reject pursuant to section 365 of the Bankruptcy Code any executory contract or unexpired lease, each person or entity holding or asserting a claim arising from such rejection must file a proof of claim form so that it is actually received by Prime Clerk on or before the later of (i) the General Bar Date or (ii) thirty (30) days after entry of any order authorizing the rejection of an executory contract or unexpired lease (the "Rejection Bar Date").

c. Claims Objections

The Debtors and their professionals are investigating claims filed against the Debtors to determine the validity of such claims and anticipate filing objections or have already filed objections to claims that are filed in improper amounts or classifications, or are otherwise subject to objection under the Bankruptcy Code or other applicable law. As of the filing of this Disclosure Statement, the Debtors have filed objections to the claim of GSK [Docket No. 536]; the plaintiffs in the Bolling securities action [Docket No. 537]; and William K. Jenkinson [Docket No. 538]. The Debtors have also filed two omnibus objections to claims [Docket Nos. 539, 540].

d. Deerfield Substantial Contribution Claim

Section 503(b)(3)(D) allows as an administrative expense costs a creditor incurs in making "a substantial contribution in a case under … chapter 11" of the Bankruptcy Code. Section 503(b)(4), in turn, allows reasonable compensation for professional services of an attorney of a creditor whose expense is allowable under section 503(b)(3)(D). In making a substantial contribution determination, courts consider whether the efforts of the applicant resulted in an actual and demonstrable benefit to the debtor's estate and creditors. As noted,

subsequent bidding occurred after the filing of the Stalking Horse Selection Motion. In addition to Valeant, there was one additional bidder, i.e., the Alternative Bidder. Deerfield provided committed financing to the Alternative Bidder. As counsel to Deerfield, Katten Muchin Rosenman LLP ("Katten Muchin") expended significant time and resources during this period drafting the financing documents to support the Alternative Bidder's bid. As a result of this competitive bidding process, the purchase price increased to $400 million, $125 million or 45.5% above the minimum for Qualified Bids. Thus, the Debtors believe Deerfield made a substantial contribution within the meaning of section 503. Pursuant to Section 9.2 of the Plan, the Deerfield Substantial Contribution Claim will be deemed allowed if there are no objections received by the deadline to object to confirmation of the Plan.

e. Committee Members Substantial Contribution Claim

The Debtors also believe that the Committee Members made a substantial contribution within the meaning of section 503. The Committee Members worked closely with their counsel (i) in evaluating materials related to the sale of substantially all of the Debtors' assets, including bids submitted to the Debtors, (ii) in negotiating with the Debtors and the Supporting Noteholders the terms of the potential plans for disposition of those assets, and (iii) in facilitating compromise among the various parties. In approving the Sale Transaction and in finding sufficient notice of the Second Amended Acquisition Agreement had been provided, the Court noted the variety of the claimants that the Committee had as part of its constituency. The Court also noted that the Committee was kept involved and informed throughout the negotiation of the Second Amended Acquisition Agreement. In part based upon this, the Court was able to find sufficient notice and to approve the Sale Transaction, which brought an effective $415 million of value to the Debtors' Estates. The efforts of the Committee Members resulted in an actual and demonstrable benefit to the Debtors' Estates and all creditors. Pursuant to Section 9.2 of the Plan, the Committee Members' Substantial Contribution Claims will be deemed allowed if there are no objections received by the deadline to object to confirmation of the Plan.

6. Extension of Time to Remove Actions

As of the Petition Date, the Debtors were party to certain judicial and/or administrative proceedings in various courts and/or administrative agencies (collectively, the "Actions"). Some of the Actions may be subject to removal to the Court pursuant to 28 U.S.C. § 1452, which applies to claims relating to bankruptcy cases. Although the Debtors may find it appropriate and beneficial to remove certain of the Actions to federal court, the Debtors had not completed their analysis with respect to desirability or feasibility of removing the Actions as of mid-January 2015. As such, on January 15, 2015, the Debtors filed a motion [Docket No. 274] seeking to extend the February 9, 2015 removal deadline by 150 days through and until July 9, 2015. An order was entered granting the extension of time for removing the Actions on February 5, 2015 [Docket No. 350].

7. Motion to Extend Exclusivity

On March 6, 2015, the Debtors filed the Motion for Order Under Bankruptcy Code Section 1121(d) Extending Exclusive Periods During Which Debtors May File and Solicit Acceptances of a Chapter 11 Plan (the "Motion to Extend Exclusivity") [Docket No. 461].

Bankruptcy Code section 1121(b) provides for an initial 120-day period after the Petition Date within which a debtor has the exclusive right to file a chapter 11 plan (the "Plan Period"). Bankruptcy Code section 1121(c) further provides for an initial 180-day period after the Petition Date within which a debtor has the exclusive right to solicit and obtain acceptances of a plan filed by the debtor during the Plan Period (the "Solicitation Period" and, together with the Plan Period, the "Exclusive Periods"). In the Chapter 11 Cases, the Plan Period is set to expire on March 10, 2015, and the Solicitation Period is set to expire on May 9, 2015. By the Motion to Extend Exclusivity, the Debtors requested entry of an order (i) extending each of the Exclusive Periods for 110 days, whereby the Plan Period would be extended through June 29, 2015, and the Solicitation Period would be extended through August 27, 2015, and (ii) prohibiting any party, other than the Debtors, from filing a competing plan or soliciting acceptances of a competing plan during the extended Exclusive Periods.

ARTICLE IV

SUMMARY OF PLAN

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN. THIS SECTION IS QUALIFIED IN ITS ENTIRETY BY AND IS SUBJECT TO THE PLAN AS WELL AS THE EXHIBITS THERETO AND DEFINITIONS THEREIN. THE PLAN IS ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT A.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN. REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN CONTROL THE ACTUAL TREATMENT OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS UNDER THE PLAN. UPON OCCURRENCE OF THE EFFECTIVE DATE, THE PLAN AND ALL SUCH DOCUMENTS WILL BE BINDING UPON ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS AND THEIR ESTATES AND ALL OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT, ON THE ONE HAND, AND THE PLAN, THE PLAN ADMINISTRATOR AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT, ON THE OTHER HAND, THE TERMS OF THE PLAN, THE PLAN ADMINISTRATOR AGREEMENT AND SUCH OTHER OPERATIVE DOCUMENT WILL CONTROL.

A. Classification and Treatment of Claims and Interests

Section 1123 of the Bankruptcy Code provides that a plan must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with section 1123 of

the Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than Administrative Claims and Priority Tax Claims, which pursuant to section 1123(a)(1) of the Bankruptcy Code need not be and have not been classified. The Debtors also are required, under section 1122 of the Bankruptcy Code, to classify Claims against and Interests in, the Debtors (except for certain claims classified for administrative convenience) into Classes that contain Claims and Interests that are substantially similar to the other Claims and Interests in such Class.

The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the claim holder or interest holder agrees to a less favorable treatment of its claim or interest. The Debtors believe that they have complied with such standard. If the Court finds otherwise, however, it could deny confirmation of the Plan if the Claimholders and Interest Holders affected do not consent to the treatment afforded them under the Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim also is placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released or otherwise settled prior to the Effective Date.

The Debtors believe that the Plan has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law. It is possible that a holder of a Claim or Interest may challenge the Debtors' classification of Claims and Interests and that the Court may find that a different classification is required for the Plan to be confirmed. If such a situation develops, the Debtors intend, in accordance with the terms of the Plan, to make such permissible modifications to the Plan as may be necessary to permit its confirmation. Any such reclassification could adversely affect holders of Claims by changing the composition of one or more Classes and the vote required of such Class or Classes for approval of the Plan. UNLESS SUCH MODIFICATION OF CLASSIFICATION MATERIALLY ADVERSELY AFFECTS THE TREATMENT OF A HOLDER OF A CLAIM AND REQUIRES RESOLICITATION, ACCEPTANCE OF THE PLAN BY ANY HOLDER OF A CLAIM OR INTEREST PURSUANT TO THIS SOLICITATION WILL BE DEEMED TO BE A CONSENT TO THE PLAN'S TREATMENT OF SUCH HOLDER OF A CLAIM REGARDLESS OF THE CLASS AS TO WHICH SUCH HOLDER ULTIMATELY IS DEEMED TO BE A MEMBER.

The amount of any Impaired Claim that ultimately is Allowed by the Court may vary from any estimated Allowed amount of such Claim and, accordingly, the total Claims that are ultimately Allowed by the Court with respect to each Impaired Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any Impaired Class. Thus, the value of property that ultimately will be received by a particular Holder of an Allowed Claim may be adversely or favorably affected by the aggregate amount of Claims Allowed in the applicable Class.

The classification of Claims and Interests and the nature of Distributions to members of each Class are summarized below. The Debtors believe that the consideration, if any, provided under the Plan to holders of Claims and Interests reflects an appropriate resolution of their Claims and Interests, taking into account the differing nature and priority (including applicable contractual subordination) of such Claims and Interests. The Court must find, however, that a number of statutory tests are met before it may confirm the Plan. Many of these tests are designed to protect the interests of holders of Claims or Interests who are not entitled to vote on the Plan, or do not vote to accept the Plan, but who will be bound by the provisions of the Plan if it is confirmed by the Court.

1. Unclassified Claims

a. Administrative Claims

An Administrative Claim means a Claim for payment of an administrative expense of a kind specified in sections 503(b) or 1114(e)(2) of the Bankruptcy Code and entitled to priority in payment under sections 507(a)(2) or 507(b) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries or commissions for services and payments for goods and other services and leased premises) and Claims by Governmental Units for taxes accruing after the Petition Date (but excluding Claims related to taxes accruing on or before the Petition Date); (b) Professional Fee Claims; (c) all fees and charges assessed against the Estates under 28 U.S.C. § 1930; (d) obligations designated as Administrative Claims pursuant to an order of the Court; and (e) Claims under section 503(b)(9) of the Bankruptcy Code.

On the later of (i) the Distribution Date or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Administrative Claim (other than a Professional) will receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Administrative Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by a Debtor in the ordinary course of business during the Chapter 11 Cases may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto (x) on or prior to the Effective Date, by the Debtors, and (y) after the Effective Date, by the Disbursing Agent. Allowed Professional Fee Claims will be paid from the Professional Fee Reserve pursuant to Section 5.9(a) of the Plan. For the avoidance of doubt, any payments made by the Plan Administrator on account of Allowed Administrative Claims (other than Professional Fee Claims) will be paid solely from the Administrative and Priority Claims Reserve.

b. Priority Tax Claims

A Priority Tax Claim means any Claim accorded priority in right of payment under section 507(a)(8) of the Bankruptcy Code.

On the later of (i) the Distribution Date or (ii) the date such Priority Tax Claim becomes an Allowed Priority Tax Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Tax Claim will receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Tax Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing. For the avoidance of doubt, any payments made by the Plan Administrator on account of Allowed Priority Tax Claims will be paid solely from the Administrative and Priority Claims Reserve.

2. Unimpaired Claims

a. Class 1: Priority Non-Tax Claims

A Priority Non-Tax Claim means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

On the later of (i) the Distribution Date or (ii) the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Non-Tax Claim will receive, in full satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Priority Non-Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Non-Tax Claim or (b) such other treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.

b. Class 2: Secured Claims

A Secured Claim means a Claim (a) that is secured by a Lien on property in which an Estate has an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or (b) that is subject to setoff under section 553 of the Bankruptcy Code and such right of setoff has been asserted by the holder of such right prior to the Confirmation Date in a properly filed motion for relief from the automatic stay, to the extent of the value of the Claimholder's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

On the later of (i) the Distribution Date or (ii) the date such Secured Claim becomes an Allowed Secured Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Secured Claim will receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Secured Claim, (a) Cash equal to the value of such Allowed Secured Claim, (b) a return of the Collateral securing the Secured Claim, (c) such treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be rendered Unimpaired or (d) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.

Any Holder of a Secured Claim will retain its Lien in the Collateral or the proceeds of the Collateral (to the extent that such Collateral is sold by the Debtors or the Plan Administrator free and clear of such Lien) to the same extent and with the same priority as such Lien held as of

Petition Date until such time as (A) the Holder of such Secured Claim (i) has been paid Cash equal to the value of its Allowed Secured Claim, (ii) has received a return of the Collateral securing the Secured Claim, (iii) has received such treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be rendered Unimpaired, or (iv) has been afforded such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing; or (B) such purported Lien has been determined by an order of the Court to be invalid or otherwise avoidable.

3. Impaired Claims

a. Class 3: 2016 Noteholder Claims

A 2016 Noteholder Claim means, individually, a Claim of a holder of the 2016 Notes arising under or as a result of such notes and, collectively, the Claims of all such holders arising under or as a result of such notes, which Claims will be deemed Allowed in the aggregate amount of $625,694,097.22 as of the Effective Date.

On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed 2016 Noteholder Claim will receive, in full satisfaction of, and in exchange for, such Allowed 2016 Noteholder Claim, (i) its Pro Rata share of 100% of the Valeant Shares (which will be distributed immediately upon the occurrence of the Effective Date) and (ii) its Pro Rata share of Available Cash in the amount necessary to provide such Holder its Pro Rata share of Total Distributable Value available to Holders of Class 3 Claims and Class 4 Claims, or (iii) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing; provided, however, that each Holder of an Allowed 2016 Noteholder Claim will not receive an amount that exceeds 100% of the amount of such Allowed 2016 Noteholder Claim.

b. Class 4: General Unsecured Claims

A General Unsecured Claim means a Claim against any or all of the Debtors that is not an Administrative Claim, Priority Tax Claim, Secured Claim, Priority Non-Tax Claim, Intercompany Claim, Subordinated Claim or 2016 Noteholder Claim.

On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed General Unsecured Claim will receive, in full satisfaction of, and in exchange for, such Allowed General Unsecured Claim, (i) its Pro Rata share of Total Distributable Value available to Holders of Class 3 and Class 4 Claims, solely in the form of Available Cash or (ii) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing; provided, however, that each Holder of an Allowed General Unsecured Claim will not receive an amount that exceeds 100% of the amount of such Allowed General Unsecured Claim.

c. Class 5: Intercompany Claims

An Intercompany Claim means any Claim, if any, held by a Debtor against another Debtor, including, without limitation: (i) any account reflecting intercompany book entries by a Debtor with respect to another Debtor, (ii) any Claim not reflected in such book entries that is

held by a Debtor against another Debtor, and (iii) any derivative Claim asserted by or on behalf of one Debtor against another Debtor.

In connection with, and as a result of, the substantive consolidation of the Debtors' Estates and the Chapter 11 Cases, on the Effective Date, all Intercompany Claims will be eliminated and the Holders of Intercompany Claims will not be entitled to, and will not receive or retain, any property or interest in property on account of such Claims.

d. Class 6: Subordinated Claims

A Subordinated Claim means any Claim subordinated pursuant to sections 510(b) or 510(c) of the Bankruptcy Code.

On the Effective Date, all Subordinated Claims will be eliminated and the Holders of Subordinated Claims will not be entitled to, and will not receive or retain, any property or interest in property on account of such Claims.

4. Impaired Interests

a. Class 7: Interests

Interest means the legal interests, equitable interests, contractual interests, equity interests or ownership interests, or other rights of any Person in the Debtors, including all capital stock, stock certificates, common stock, preferred stock, partnership interests, limited liability company or membership interests, rights, treasury stock, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtors, partnership interests in the Debtors' stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights, subscription rights and liquidation preferences, puts, calls, awards or commitments of any character whatsoever relating to any such equity, common stock, preferred stock, ownership interests or other shares of capital stock of the Debtors or obligating the Debtors to issue, transfer or sell any shares of capital stock whether or not certificated, transferable, voting or denominated stock or a similar security.

On the Effective Date, the Interests will be deemed eliminated, cancelled and/or extinguished and each Holder thereof will not be entitled to, and will not receive or retain, any property under the Plan on account of such Interest.

5. Unimpaired Interests

a. Class 8: Intercompany Interests

Intercompany Interest means an Interest in a Debtor held by another Debtor.

On the Effective Date, the Intercompany Interests will be reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

6. Special Provision Regarding Unimpaired Claims

Except as otherwise provided in the Plan, the Confirmation Order, any other order of the Court or any document or agreement enforceable pursuant to the terms of the Plan, nothing will affect the rights and defenses, both legal and equitable, of the Debtors and the Plan Administrator with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims and the rights to assert all Causes of Action against the holders of such Unimpaired Claims that the Debtors had immediately prior to the Petition Date as if the Chapter 11 Cases had not been commenced.

7. Allowed Claims

Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent will only make Distributions to Holders of Allowed Claims. No Holder of a Disputed Claim will receive any Distribution on account thereof until (and then only to the extent that) its Disputed Claim becomes an Allowed Claim. The Debtors and/or the Plan Administrator may, in their discretion, withhold Distributions otherwise due under the Plan to any Claimholder until the Claims Objection Deadline, to enable a timely objection thereto to be filed. Any Holder of a Claim that becomes an Allowed Claim after the Effective Date will receive its Distribution in accordance with the terms and provisions of the Plan.

8. Special Provisions Regarding Insured Claims

Distributions under the Plan to each Holder of an Insured Claim will be in accordance with the treatment provided under the Plan for the Class in which such Insured Claim is classified; provided, however, that the maximum amount of any Distribution under the Plan on account of an Allowed Insured Claim will be limited to an amount equal to: (a) the applicable deductible or self-insured retention under the relevant insurance policy minus (b) any reimbursement obligations of the Debtors to the insurance carrier for sums expended by the insurance carrier on account of such Claim (including defense costs); provided further, however, that, to the extent that a Claimholder has an Allowed Insured Claim, the amount of which exceeds the total coverage available from the relevant insurance policies of the Debtors, such Claimholder will have an Allowed General Unsecured Claim in the amount by which such Allowed Insured Claim exceeds the coverage available from the relevant Debtor's insurance policies. Nothing in this Section will constitute a waiver of any Cause of Action the Debtors may hold against any Person, including the Debtors' insurance carriers, or is intended to, will or will be deemed to preclude any Holder of an Allowed Insured Claim from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtors in addition to any Distribution such Holder may receive under the Plan; provided, however, that the Debtors do not waive, and expressly reserve their rights to assert that any insurance coverage is property of the Estates to which they are entitled.

The Plan will not expand the scope of, or alter in any other way, the obligations of the Debtors' insurers under their policies, and the Debtors' insurers will retain any and all defenses to coverage that such insurers may have. The Plan will not operate as a waiver of any other Claims

the Debtors' insurers have asserted or may assert in any Proof of Claim or the Debtors' rights and defenses to such Proofs of Claim.

B. Means for Implementation of the Plan

1. Substantive Consolidation

a. Consolidation of the Chapter 11 Estates

The Plan contemplates and is predicated upon entry of an order substantively consolidating the Debtors' Estates and Chapter 11 Cases for all purposes, including voting, Distribution and Confirmation. On the Effective Date, (i) all Intercompany Claims, if any, between the Debtors will be eliminated, (ii) all assets and liabilities of the Affiliate Debtors will be merged or treated as if they were merged with the assets and liabilities of Dendreon, (iii) any obligation of a Debtor and any guarantee thereof by the other Debtor will be deemed to be one obligation of Dendreon, and any such guarantee will be eliminated, (iv) the issued and outstanding Intercompany Interests will be reinstated, (v) each Claim Filed or to be Filed against any Debtor will be deemed Filed only against Dendreon and will be deemed a single Claim against and a single obligation of Dendreon, and (vi) any joint or several liability of the Debtors will be deemed one obligation of Dendreon. On the Effective Date, and in accordance with the terms of the Plan and the consolidation of the assets and liabilities of the Debtors, all Claims based upon guarantees of collection, payment or performance made by one Debtor as to the obligations of another Debtor will be released and of no further force and effect.

The substantive consolidation effected pursuant to Section 5.1(a) of the Plan (x) will not affect the rights of any Holder of a Secured Claim with respect to the Collateral securing such Claims and (y) will not, and will not be deemed to, prejudice the Causes of Action and the Avoidance Actions (subject to the releases set forth in Section 10.4 of the Plan), which will survive entry of the Substantive Consolidation Order, as if there had been no substantive consolidation. Notwithstanding the substantive consolidation provided for herein, each and every Debtor will remain responsible for the payment of fees pursuant to 28 U.S.C. § 1930 until a particular case is closed, dismissed or converted.

b. Substantive Consolidation Order

The Plan will serve as, and will be deemed to be, a motion for entry of an order substantively consolidating the Debtors' Chapter 11 Cases. If no objection to substantive consolidation is timely Filed and served by any Holder of an Impaired Claim affected by the Plan as provided in the Plan on or before the deadline to object to Confirmation of the Plan, or such other date as may be fixed by the Court, the Substantive Consolidation Order (which may be the Confirmation Order) may be approved by the Court. If any such objections are timely Filed and served, a hearing with respect to the substantive consolidation of the Chapter 11 Cases and the objections thereto will be scheduled by the Court, which hearing may, but is not required to, coincide with the Confirmation Hearing.

2. Corporate Action

a. Merger and Dissolution of Debtors

Immediately following the occurrence of the Effective Date, (a) the respective boards of directors of the Debtors will be terminated and the members of the boards of directors of the Debtors will be deemed to have resigned and (b) the Debtors will continue to exist as the Liquidating Debtors after the Effective Date in accordance with the laws of the State of Delaware and pursuant to their respective certificates of incorporation, by-laws, articles of formation, operating agreements, and other organizational documents in effect prior to the Effective Date, except to the extent such organizational documents are amended under the Plan, for the limited purposes of liquidating all of the assets of the Estates and making Distributions in accordance with the Plan.

On December 31, 2015 (the "Outside Date"), and without further order of the Court, the Affiliate Debtors will be deemed merged with and into Dendreon, without the necessity of any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that the Debtors, the Liquidating Debtors or the Plan Administrator may execute and file documents and take all other actions as they deem appropriate relating to the foregoing corporate actions under the laws of the State of Delaware and, in such event, all applicable regulatory or governmental agencies will take all steps necessary to allow and effect the prompt merger of the Affiliate Debtors as provided in the Plan, without the payment of any fee, Tax or charge and without need for the filing of reports or certificates.

Moreover, on and after the first day following the Outside Date, the Affiliate Debtors (i) will be deemed to have withdrawn their business operations from any state in which they were previously conducting, or are registered or licensed to conduct, their business operations, and will not be required to file any document, pay any sum or take any other action in order to effectuate such withdrawal, and (ii) will not be liable in any manner to any taxing or other authority for franchise, business, license or similar Taxes accruing on or after the Outside Date.

As soon as practicable after the Plan Administrator exhausts substantially all of the assets of the Debtors' Estates by making the final Distribution of Cash under the Plan, the Plan Administrator will at the expense of the Debtors' Estates (i) provide for the retention and storage of the books, records and files that will have been delivered to or created by the Plan Administrator until such time as all such books, records and files are no longer required to be retained under applicable law, and File a certificate informing the Court of the location at which such books, records and files are being stored; provided that any Tax records will be turned over to the Purchaser in accordance with the Asset Purchase Agreement no later than the issuance of the final decree in the Chapter 11 Cases; (ii) File a certification stating that the assets of the Debtors' Estates have been exhausted and final Distributions of Cash have been made under the Plan; (iii) File the necessary paperwork in the state of Delaware to effectuate the dissolution of Dendreon in accordance with the laws of such jurisdiction; and (iv) resign as the sole shareholder, officer, director and manager, as applicable, of the Liquidating Debtors. Upon the Filing of the certificate described in clause (ii) of the preceding sentence, Dendreon will be deemed dissolved for all purposes without the necessity for any other or further actions to be

taken by or on behalf of the Liquidating Debtors or payments to be made in connection therewith other than the filing of a motion for final decree.

In furtherance of the liquidation of the Liquidating Debtors and as necessary to comply with section 8.1(h) of the Asset Purchase Agreement, on or prior to December 31, 2015, a liquidating trust may be established pursuant to documentation, including a liquidating trust agreement, approved by the Liquidating Debtors, the Plan Administrator and the Oversight Committee, for the primary purpose of receiving assets of the Estates, continuing the wind down of such Estates in a commercially reasonable but expeditious manner, and distributing any such assets pursuant to this Plan, with no objective to continue or engage in the conduct of a trade or business except to the extent reasonably necessary to and consistent with, the liquidating purpose of the trust (any such trust, the "Liquidating Trust").

If established, the Liquidating Trust will be structured to qualify as a "liquidating trust" within the meaning of Treasury Regulations Section 301.7701-4(d) and in compliance with Revenue Procedure 94-45, 1994-2 C.B. 684, and, thus, as a "grantor trust" within the meaning of Sections 671 through 679 of the Tax Code to the Holders of Claims, consistent with the terms of the Plan; provided, however, that the Plan Administrator in its role as liquidating trustee, after consultation with the Oversight Committee, may make an election under Treasury Regulations Section 1.468B-9(c)(2)(ii) to treat the Liquidating Trust (or any portion thereof) as a disputed ownership fund. Accordingly, unless an election is made to treat the Liquidating Trust as a disputed ownership fund, such Holders will be treated for U.S. federal income tax purposes, (i) as direct recipients of an undivided interest in the assets transferred to the Liquidating Trust and as having immediately contributed such assets to the Liquidating Trust, and (ii) thereafter, as the grantors and deemed owners of the Liquidating Trust and thus, the direct owners of an undivided interest in the assets held by the Liquidating Trust. All parties (including Claimholders) will report consistent with the valuation of the assets transferred to the Liquidating Trust as established by the Plan Administrator or its designee. The Plan Administrator will be deemed appointed in such instance pursuant to section 1123(b)(3)(B) of the Bankruptcy Code to handle all of the Debtors' tax matters, including without limitation, the filing of all tax returns, and the handling of tax audits and proceedings, of the Debtors. The liquidating trustee will be responsible for filing information on behalf of the Liquidating Trust as grantor trust pursuant to Treasury Regulation Section 1.671-4(a) or as a disputed ownership fund.

b. Certificate of Incorporation and By-laws

The certificate and articles of incorporation and by-laws of each Debtor will be amended as necessary to satisfy the provisions of the Plan and the Bankruptcy Code and will include, among other things, a provision (a) prohibiting the issuance of non-voting equity securities under section 1123(a)(6) of the Bankruptcy Code and (b) limiting the activities of the Liquidating Debtors to matters authorized under the Plan. The amended certificate of incorporation and by-laws of each Debtor will be reasonably acceptable to the Committee, the Deerfield Requisite Supporting Noteholders and the Unaffiliated Requisite Supporting Noteholders and will be Filed on or before the date of the Confirmation Hearing.

c. Cancellation of Existing Securities and Agreements

Except as otherwise provided in the Plan, and in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article III of the Plan, any promissory notes, share certificates, whether for preferred or common stock (including treasury stock), other instruments evidencing any Claims or Interests, other than a Claim or Interest that is being reinstated and rendered unimpaired, and all options, warrants, calls, rights, puts, awards, commitments or any other agreements of any character to acquire such Interests will be deemed cancelled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the Debtors under the notes, share certificates and other agreements and instruments governing such Claims and Interests will be discharged; provided, however, that certain instruments, documents and credit agreements related to Claims will continue in effect solely for the purposes of allowing the agents to make distributions to the beneficial holders and lenders thereunder. The holders of or parties to such cancelled notes, share certificates and other agreements and instruments will have no rights arising from or relating to such notes, share certificates and other agreements and instruments or the cancellation thereof, except the rights provided pursuant to the Plan.

The Final Order Pursuant to Bankruptcy Code Sections 105(a), 362(a)(3) and 541 and Bankruptcy Rule 3001 Establishing Notice and Hearing Procedures for Trading in Equity Securities in Debtors [Docket No. 162], entered on December 9, 2014, will remain in full force and effect on and after the Effective Date to enforce any violations of such order that occurred prior to the Effective Date.

Notwithstanding anything to the contrary in the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article III of the Plan, the 2016 Notes Indenture will be cancelled except to the extent required for the purposes of permitting the 2016 Notes Trustee to enforce its right to compensation and related lien rights under section 6.07 of the 2016 Notes Indenture, subject to Section 5.14 of the Plan.

d. No Further Action

Each of the matters provided for under the Plan involving the corporate structure of the Debtors or corporate action to be taken by or required of the Debtors will, as of the Effective Date, be deemed to have occurred and be effective as provided in the Plan, and will be authorized and approved in all respects without any requirement of further action by any Person, including but not limited to, the Plan Administrator, Holders of Claims or Interests against or in the Debtors, or directors or officers of the Debtors, as permitted by section 303 of the Delaware General Corporation Law.

e. Effectuating Documents

Prior to the Effective Date, any appropriate officer of Dendreon or the Affiliate Debtors, as the case may be, will be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of

the Plan. The secretary of Dendreon or the Affiliate Debtors, as the case may be, will be authorized to certify or attest to any of the foregoing actions.

f. Directors and Officers; Further Transactions

Immediately upon the occurrence of the Effective Date, the Plan Administrator will serve as the sole shareholder, officer, director or manager of each of the Liquidating Debtors. The Plan Administrator will be authorized to execute, deliver, file or record such documents, instruments, releases and other agreements and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

3. Compliance with the Asset Purchase Agreement

Notwithstanding anything in the Plan to the contrary, nothing in the Plan will eliminate any post-closing obligations of the Debtors under the Asset Purchase Agreement, including, without limitation, that (i) the Valeant Shares may be distributed proportionately solely to the Holders of the Allowed 2016 Noteholder Claims provided that the total amount of Allowed General Unsecured Claims does not exceed $200 million, and (ii) Dendreon will liquidate as determined for U.S. federal income tax purposes no later than December 31, 2015.

4. Privilege Matters

a. Legal Representation of the Debtors and Committee After the Effective Date

Upon the Effective Date, the attorney-client relationship between (i) the Debtors and their current counsel, Skadden, Arps, Slate, Meagher & Flom LLP, and (ii) the Committee and its current counsel, Sullivan & Cromwell LLP, and Young Conaway Stargatt & Taylor, LLP, will be deemed terminated. No successor to the Debtors and/or the Committee, whether under the Plan or otherwise, including but not limited to the Liquidating Debtors and the Plan Administrator, will be deemed to succeed to the attorney-client relationship that currently exists between the Debtors and its counsel and the Committee and its counsel. Subject only to the applicable ethical rules governing attorneys, their receipt of confidential information and their relationship with former clients, current counsel for the Debtors or the Committee will not be precluded from representing any party in any action that might be brought by or against the Liquidating Debtors and/or the Plan Administrator.

b. Transfer of Evidentiary Privileges; Document Requests

On the Effective Date, the Liquidating Debtors and the Plan Administrator will succeed to the evidentiary privileges, including attorney-client privilege, formerly held by the Debtors.

Accordingly, to the extent that documents are requested from current counsel to the Debtors by any Person, after the Effective Date, only the Liquidating Debtors and the Plan Administrator will have the ability to waive such attorney-client or other privileges. In addition, unless otherwise ordered by the Court, current counsel to the Debtors will have no obligation to produce any documents currently in their possession as a result of or arising in any way out of their representation of the Debtors unless (i) the Person requesting such documents serves their

request on the Plan Administrator; (ii) the Plan Administrator consents in writing to such production and any waiver of the attorney-client or other privilege such production might cause; and (iii) the Plan Administrator or the Person requesting such production, agrees to pay the reasonable costs and expenses incurred by current counsel for the Debtors in connection with such production.

5. Dissolution of the Committee

The Committee will continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code and will perform such other duties as it may have been assigned by the Court prior to the Effective Date. On the Effective Date, the Committee will be dissolved and its members will have no further duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Committee's attorneys, financial advisors and other agents will terminate, except with respect to (i) all Professional Fee Claims and (ii) any appeals of the Confirmation Order. All expenses of Committee members and the reasonable fees and expenses of the Committee's Professionals through the Effective Date will be paid in accordance with the terms and conditions of the Professional Fee Order and/or the Plan, as applicable. Professionals employed by the Committee will be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities, including the preparation, filing and prosecution of final fee applications.

6. The Plan Administrator

a. Appointment of the Plan Administrator

From and after the Effective Date, a Person or Entity to be designated by the Debtors, and subject to the consent of the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee, which consent will not be unreasonably withheld, will serve as the Plan Administrator pursuant to the Plan Administrator Agreement and the Plan, until the resignation or discharge and the appointment of a successor Plan Administrator in accordance with the Plan Administrator Agreement and the Plan. The Debtors will file a notice providing the information set forth in sections 1129(a)(4) and (5) of the Bankruptcy Code on a date that is not less than ten (10) days prior to the hearing to consider confirmation of the Plan designating the Person who it has selected as Plan Administrator. The appointment of the Plan Administrator will be approved in the Confirmation Order, and such appointment will be as of the Effective Date. The Plan Administrator will have and perform all of the duties, responsibilities, rights and obligations set forth in the Plan and Plan Administrator Agreement.

b. The Plan Administrator Agreement

Prior to or on the Effective Date, the Debtors will execute a Plan Administrator Agreement in substantially the same form as set forth in Exhibit A to the Plan, which will be reasonably acceptable to the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee. Any nonmaterial modifications to the Plan Administrator Agreement made by the Debtors, and reasonably acceptable to the Deerfield

Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee, prior to the Effective Date are deemed ratified by the Plan. The Plan Administrator Agreement will contain provisions permitting the amendment or modification of the Plan Administrator Agreement necessary to implement the provisions of the Plan.

c. Rights, Powers and Duties of the Liquidating Debtors and the Plan Administrator

The Liquidating Debtors will retain and have all the rights, powers and duties necessary to carry out its responsibilities under the Plan. Such rights, powers and duties, which will be exercisable by the Plan Administrator on behalf of the Liquidating Debtors and the Estates pursuant to the Plan and the Plan Administrator Agreement, will include, among others, (i) investigating and, if appropriate, pursuing Causes of Action, (ii) administering and pursuing the Liquidating Debtors' assets, (iii) resolving all Disputed Claims and any Claim objections pending as of the Effective Date and (iv) making Distributions to Holders of Allowed Claims as provided for in the Plan.

d. Compensation of the Plan Administrator

The Plan Administrator will be compensated from the Wind-down Reserve pursuant to the terms of the Plan Administrator Agreement. Any professionals retained by the Plan Administrator will be entitled to reasonable compensation for services rendered and reimbursement of expenses incurred from the Wind-down Reserve. The payment of the fees and expenses of the Plan Administrator and its retained professionals will be made in the ordinary course of business and will not be subject to the approval of the Court; provided, however, that any disputes related to such fees and expenses will be brought before the Court.

e. Indemnification

The Liquidating Debtors will indemnify and hold harmless (i) the Plan Administrator (in its capacity as such and as officer and director of the Liquidating Debtors), (ii) such individuals that may serve as officers and directors of the Liquidating Debtors, if any, and (iii) the Plan Administrator Professionals (collectively, the "Indemnified Parties"), from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including but not limited to attorneys' fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, other than acts or omissions resulting from such Indemnified Party's willful misconduct or gross negligence, with respect to the Liquidating Debtors or the implementation or administration of the Plan or Plan Administrator Agreement. To the extent an Indemnified Party asserts a claim for indemnification as provided above, the legal fees and related costs incurred by counsel to the Plan Administrator in monitoring and participating in the defense of such claims giving rise to the asserted right of indemnification will be advanced to such Indemnified Party (and such Indemnified Party undertakes to repay such amounts if it ultimately will be determined that such Indemnified Party is not entitled to be indemnified therefore) out of the Wind-down Reserve or any insurance purchased using the Wind-down Reserve. The indemnification provisions of the Plan Administrator Agreement will remain available to and be binding upon any former Plan Administrator or the estate of any decedent of the Plan Administrator and will survive the termination of the Plan Administrator Agreement.

f. Insurance

The Plan Administrator will be authorized to obtain and pay for out of the Wind-down Reserve all reasonably necessary insurance coverage for itself, its agents, representatives, employees or independent contractors, and the Liquidating Debtors, including, but not limited to, coverage with respect to (i) any property that is or may in the future become the property of the Liquidating Debtors or their Estates and (ii) the liabilities, duties and obligations of the Plan Administrator and its agents, representatives, employees or independent contractors under the Plan Administrator Agreement (in the form of an errors and omissions policy or otherwise), the latter of which insurance coverage may remain in effect for a reasonable period of time as determined by the Plan Administrator after the termination of the Plan Administrator Agreement.

g. Revesting of Assets.

Except as expressly provided elsewhere in the Plan, on the Effective Date, the property of each Debtor's Estate, if any, will revest in the applicable Liquidating Debtor.

7. Distributions to Holders of 2016 Noteholder Claims and General Unsecured Claims

a. Initial Distributions

On the Distribution Date, the Plan Administrator will make, or will make adequate reserves in the Disputed Claims Reserve for, the Distributions required to be made under the Plan to Holders of Allowed 2016 Noteholder Claims and Allowed General Unsecured Claims. The Disbursing Agent will not make any Distributions to the Holders of Allowed 2016 Noteholder Claims or Allowed General Unsecured Claims unless the Plan Administrator retains and reserves in the Disputed Claims Reserve such amounts as are required under Section 6.9(c) of the Plan.

b. Interim Distributions

The Disbursing Agent will make interim Distributions of Cash in accordance with the Plan (i) to Holders of Allowed 2016 Noteholder Claims and Allowed General Unsecured Claims at least once each three-month period, unless the aggregate amount of such Distributions, except for the last anticipated Distributions, is $100,000.00 or less, and (ii) from the Disputed Claims Reserve as Disputed General Unsecured Claims become Allowed Claims.

c. Final Distributions

The Liquidating Debtors will be dissolved and their affairs wound up and the Plan Administrator will make the final Distributions on the date when, (A) in the reasonable judgment of the Plan Administrator, substantially all of the assets of the Liquidating Debtors have been liquidated and there are no substantial potential sources of additional Cash for Distribution, and (B) there remain no substantial Disputed Claims. The date on which the Plan Administrator determines that all obligations under the Plan and Plan Administrator Agreement have been satisfied is referred to as the "Plan Termination Date." On the Plan Termination Date, the Plan

Administrator will, to the extent not already done, request that the Court enter an order closing the Chapter 11 Cases.

Upon dissolution of the Liquidating Debtors in accordance with Section 5.2(a) of the Plan, if the Plan Administrator reasonably determines that any remaining assets of the Liquidating Debtors are valued at $10,000.00 or less, or exceed the amounts required to be paid under the Plan, the Plan Administrator will transfer such remaining funds to a charitable institution selected by the Plan Administrator, which charitable institution will be qualified as a not-for-profit corporation under applicable federal and state laws. If the Plan Administrator determines that any remaining assets of the Liquidating Debtors are valued at more than $10,000.00, the Plan Administrator may seek to transfer such remaining assets to a charitable institution in accordance with Section 5.7(c) of the Plan upon a motion to the Court.

8. Limited Release of Liens

On the Effective Date, all mortgages, deeds of trust, liens or other security interests against property of the Estates will be released, subject to the requirements of Section 3.2(b) of the Plan.

9. Accounts and Reserves

a. Professional Fee Reserve

On or before the Effective Date, the Debtors will create and fund the Professional Fee Reserve in Cash in the Amount of the Professional Fee Estimate. Subject to Section 5.9(e) of the Plan, the Cash so transferred will not be used for any purpose other than to pay Allowed Professional Fee Claims and Supporting Noteholders Professional Fee Claims, and no payments on account of such claims will be made from any source other than the Professional Fee Reserve. The Plan Administrator (i) will segregate and will not commingle the Cash held in the Professional Fee Reserve, (ii) subject to the terms and conditions of the Plan, will pay each Professional Fee Claim of a Professional employed by the Debtors or the Committee, on or as soon as reasonably practicable after the date such Claim becomes an Allowed Claim, upon entry of a Final Order allowing such Claim and (iii) will pay the Supporting Noteholders Professional Fee Claims upon satisfaction of the conditions to payment provided under the PSA Order. After all Professional Fee Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid by the Plan Administrator, any remaining Cash in the Professional Fee Reserve will be transferred to the Administrative and Priority Claims Reserve until such time as all Administrative Claims (except Professional Fee Claims), Priority Tax Claims and Priority Non-Tax Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid by the Plan Administrator, then such remaining Cash, if any, will be available for Pro Rata distribution to Holders of Allowed Class 3 Claims and Allowed Class 4 Claims. Only Professionals employed in the Chapter 11 Cases by the Debtors or the Committee and the Supporting Noteholders Professionals will be entitled to payment from the Professional Fee Reserve. For the avoidance of doubt, the Supporting Noteholders Professionals will not be required to file final fee applications and will only be required to meet the conditions necessary to payment as set forth in the PSA Order.

The Professionals employed by the Debtors and the Committee, as applicable, the Supporting Noteholders and the 2016 Notes Trustee, will be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities, including the preparation, filing and prosecution of final fee applications (if applicable), upon the submission of redacted invoices to the Plan Administrator for payment from the Professional Fee Reserve. Any Supporting Noteholders Professional that serves as a member of the Oversight Committee will be entitled to such post-Effective Date fees and expenses incurred for serving in such capacity and, separately, in its capacity as a Supporting Noteholders Professional; provided, however, that in no event will any such Supporting Noteholders Professional be entitled to receive fees and expenses in more than one such capacity on account of any given efforts. Any time or expenses incurred in the preparation, filing and prosecution of final fee applications will be disclosed by each Professional in its final fee application and will be subject to approval of the Court.

b. Administrative and Priority Claims Reserve

On or before the Effective Date, the Debtors will create and fund the Administrative and Priority Claims Reserve in Cash in the Amount of the Administrative and Priority Claims Estimate. The Cash so transferred will not be used for any purpose other than to pay Allowed Administrative Claims (except Professional Fee Claims, which will be paid from the Professional Fee Reserve), Priority Tax Claims and Priority Non-Tax Claims, and, subject to Section 5.9(e), no payments on account of the foregoing claims will be made from any source other than the Administrative and Priority Claims Reserve. The Plan Administrator (i) will segregate and will not commingle the Cash held in the Administrative and Priority Claims Reserve and (ii) will pay each Administrative Claim (except Professional Fee Claims, which will be paid from the Professional Fee Reserve), Priority Tax Claim and Priority Non-Tax Claim, on or as soon as reasonably practicable after the date such Claim becomes an Allowed Claim. After all Administrative Claims (including Professional Fee Claims), Priority Tax Claims and Priority Non-Tax Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid by the Plan Administrator, any remaining Cash in the Administrative and Priority Claims Reserve will be available for Pro Rata distribution to Holders of Allowed Class 3 Claims and Allowed Class 4 Claims.

c. Disputed Claims Reserve

On or before the Effective Date, the Debtors will create and fund the Disputed Claims Reserve in Cash in the amount of the Disputed Claims Estimate. Subject to Section 5.9(e) of the Plan, no payments made on account of Disputed General Unsecured Claims that become Allowed Claims after the Effective Date will be made from any source other than the Disputed Claims Reserve.

d. Wind-down Reserve

On or before the Effective Date, the Debtors will create and fund the Wind-down Reserve in Cash in the amount of the Wind-down Budget. Subject to Section 5.9(e) of the Plan, no payments to the Plan Administrator and Plan Administrator Professionals will be made from any

source other than the Wind-down Reserve. Any recovery from Causes of Action will be deposited by the Plan Administrator into the Wind-down Reserve.

e. Other Reserves and Modifications to Reserves

Subject to and in accordance with the provisions of the Plan Administrator Agreement and the Wind-down Budget, the Plan Administrator may establish and administer any other necessary reserves that may be required under the Plan or Plan Administrator Agreement, subject to the consent of the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders and the Committee prior to the Effective Date, or the Oversight Committee on and after the Effective Date, which consent will not be unreasonably withheld. Notwithstanding anything to the contrary contained in the Plan, the Plan Administrator may, in consultation with the Oversight Committee, make transfers of money between the reserves established under the Plan to satisfy Claims and other obligations in accordance with the Plan and the Wind-down Budget.

10. Exemption from Certain Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the Confirmation Order will direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents without the payment of any such tax or governmental assessment. In Florida Dept. of Revenue v. Piccadilly Cafeterias, 554 U.S. 33 (2008), the Supreme Court held that such exemption only applies to sales and transfers made after confirmation of a chapter 11 plan. Therefore, this exemption is not being sought in connection with the Sale Order.

11. Exemption from Securities Laws

As provided in the Solicitation Procedures Order, the offer and sale of the Valeant Shares pursuant to the Plan is exempt from the registration requirements of the Securities Act and similar state and local statutes pursuant and subject to section 1145 of the Bankruptcy Code. The Debtors are authorized to offer the Valeant Shares pursuant to the safe harbor contained in section 1125(e) of the Bankruptcy Code. The Valeant Shares may be resold by the holders thereof without restriction except to the extent that any such holder is deemed to be (i) an underwriter as defined in section 1145(b)(1) of the Bankruptcy Code, (ii) an issuer or an affiliate of an issuer, or (iii) a dealer.

12. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, the Debtors and their Estates will retain all of the Causes of Action, a nonexclusive list of which is set forth on Exhibit C, annexed to the Plan. The Plan Administrator, on behalf of the Liquidating Debtors, may enforce all rights to commence and pursue, as appropriate, the Causes of Action, and the Plan Administrator's rights to commence, prosecute or settle such Causes of Action will be preserved notwithstanding the occurrence of the Effective Date or the dissolution of the Debtors. The Plan

Administrator expressly reserves all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Court order, the Plan Administrator expressly reserves all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppels (judicial, equitable or otherwise) or laches, will apply to such Causes of Action upon, after or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, the Plan Administrator will waive and will not commence, pursue or prosecute claims, if any, pursuant to section 547 of the Bankruptcy Code against any non-Insiders of the Debtors.

The Plan Administrator will be authorized to (i) enforce, (ii) prosecute, and (iii) settle or compromise (subject to the consent of the Oversight Committee for settlements in the amount of $100,000.00 and above) the Causes of Action. The Plan Administrator may pursue such Causes of Action, with the consent of the Oversight Committee, which consent will not be unreasonably withheld, in accordance with the obligations of the Plan and the best interests of all of the beneficiaries of the Plan. The method of distribution of the Estates' assets pursuant to the Plan will not, and will not be deemed to, prejudice the Causes of Action, which will survive entry of the Confirmation Order for the beneficiaries of the Plan. At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in the Plan to the contrary, the Debtors may settle any or all of the Causes of Action with the approval of the Court pursuant to Fed. R. Bankr. P. 9019.

The Debtors have not conducted an investigation into the Causes of Action. Accordingly, in considering the Plan, each party in interest should understand that any and all Causes of Action that may exist against such Person or Entity may be pursued by the Plan Administrator, regardless of whether, or the manner in which, such Causes of Action are listed on Exhibit C to the Plan or described in the Plan. The failure of the Debtors to list a claim, right, cause of action, suit or proceeding on Exhibit C to the Plan will not constitute a waiver or release by the Debtors or their Estates of such claim, right of action, suit or proceeding.

The substantive consolidation of the Debtors and their Estates pursuant to the Confirmation Order and Section 5.1 of the Plan will not, and will not be deemed to, prejudice any of the Causes of Action, which will survive entry of the Confirmation Order for the benefit of the Debtors and their Estates, and, upon the Effective Date, for the benefit of the Liquidating Debtors.

13. Effectuating Documents; Further Transactions

The Plan Administrator, subject to the terms and conditions of the Plan and the Plan Administrator Agreement, will be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the conveyance and transfer of assets and liabilities provided for by the Asset Purchase Agreement.

14. 2016 Notes Trustee Fee Claims

The Debtors or the Liquidating Debtors, on the Effective Date to the extent invoiced, or as soon as reasonably practicable following receipt of redacted invoices post-Effective Date (which invoices will also be provided to the Supporting Noteholders and the Committee), will pay the 2016 Notes Trustee Fee Claims incurred through the Effective Date; provided, however, if the Debtors, the Liquidating Debtors, the Committee or the Supporting Noteholders, as applicable, and the 2016 Notes Trustee cannot agree with respect to the reasonableness of the fees and expenses to be paid, the Debtors or the Liquidating Debtors, as applicable, will (i) pay the undisputed portion of any invoices submitted with respect to 2016 Notes Trustee Fee Claims, (ii) place the disputed amounts of any such invoices in escrow, and (iii) notify the 2016 Notes Trustee of any dispute within ten (10) days after the presentation of such invoices. After the parties have attempted in good faith to resolve any such dispute for at least fifteen (15) days after the notification of the dispute, the 2016 Notes Trustee may submit such dispute for resolution to the Court; provided, however, that the Court's review will be limited to a determination under the reasonableness standard in accordance with the 2016 Notes Indenture. Nothing in the Plan (including, without limitation, any release, discharge or injunction provided under the Plan) will impair, waive, discharge or negatively affect any charging lien for any fees, costs and expenses not paid pursuant to the Plan and otherwise claimed by the 2016 Notes Trustee in accordance with the 2016 Notes Indenture.

15. Oversight Committee

As of the Effective Date, a post-confirmation committee (the "Oversight Committee") will be formed. The members of the Oversight Committee will be identified in the Plan Supplement. After the Effective Date, the Plan Administrator will consult with the Oversight Committee regarding (i) Causes of Action and Disputed Claims for which the Plan Administrator proposes a settlement in the amount of $100,000.00 and above) and (ii) the disposition of property of the Debtors and the Liquidating Debtors for $100,000.00 and above in accordance with the terms of the Plan and the Plan Administrator Agreement.

The compensation of the members of the Oversight Committee will be provided in the Plan Supplement.

C. Provisions Governing Distributions

1. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in the Plan or as ordered by the Court, all Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date will be made on the Distribution Date by the Disbursing Agent in accordance with Section 5.7(a) of the Plan; provided that the Pro Rata Distribution of the Valeant Shares to the Holders of Allowed 2016 Noteholder Claims will be made immediately upon the occurrence of the Effective Date and the Liquidating Debtors will make reasonable efforts to make a Pro Rata Distribution of Available Cash to Holders of Allowed 2016 Noteholder Claims and Holders of Allowed General Unsecured Claims on the Effective Date. Distributions on account of Claims that first become Allowed Claims after the Effective Date will be made pursuant to the terms and conditions of the

Plan. Notwithstanding any other provision of the Plan to the contrary, no Distribution will be made on account of any Allowed Claim or portion thereof that (i) has been satisfied after the Petition Date; (ii) is listed in the Schedules as contingent, unliquidated, disputed or in a zero amount, and for which a Proof of Claim has not been timely filed; or (iii) is evidenced by a Proof of Claim that has been amended by a subsequently filed Proof of Claim.

2. Disbursing Agent

The Disbursing Agent will make all Distributions required under the Plan, subject to the terms and provisions of the Plan. If the Disbursing Agent is an independent third party designated to serve in such capacity, such Disbursing Agent will receive, without further Court approval, reasonable compensation from the Wind-down Reserve for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses. No Disbursing Agent will be required to give any bond or surety or other security for the performance of its duties. The Disbursing Agent will be authorized and directed to rely upon the Debtors' Books and Records and the Plan Administrator's representatives and professionals in determining Allowed Claims not entitled to Distributions under the Plan in accordance with the terms and conditions of the Plan. Class 3 Distributions of the Valeant Shares on account of the Allowed 2016 Noteholder Claims will be made immediately upon the occurrence of the Effective Date to such Holders.

3. Delivery of Distributions and Undeliverable or Unclaimed Distributions

a. Delivery of Distributions in General

Distributions to Holders of Allowed Claims will be made by the Disbursing Agent (a) at the addresses set forth on the Proofs of Claim filed by such Holders (or at the last known addresses of such Holders if no Proof of Claim is filed or if the Debtors have been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent after the date of any related Proof of Claim, after sufficient evidence of such addresses as may be requested by the Disbursing Agent is provided, (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Disbursing Agent has not received a written notice of a change of address, (d) at the addresses set forth in the other records of the Debtors or the Disbursing Agent at the time of the Distribution or (e) in the case of the Holder of a Claim that is governed by an agreement and is administered by an agent or servicer, at the addresses contained in the official records of such agent or servicer.

In making Distributions under the Plan, the Disbursing Agent may rely upon the accuracy of the Claims register maintained by the Claims Agent in the Chapter 11 Cases, as modified by any Final Order of the Court disallowing Claims in whole or in part.

b. Undeliverable and Unclaimed Distributions

If the Distribution to any Holder of an Allowed Claim is returned to the Disbursing Agent as undeliverable or is otherwise unclaimed, no further Distributions will be made to such Holder unless and until the Disbursing Agent is notified in writing of such Holder's then-current address and such Holder provides sufficient evidence of such address as may be requested by the Disbursing Agent, at which time all missed Distributions will be made to such Holder without

interest, subject to the time limitations set forth below. Amounts in respect of undeliverable Distributions made by the Disbursing Agent will be returned to the Disbursing Agent until such Distributions are claimed. The Disbursing Agent will segregate and, with respect to Cash, deposit in a segregated account designated as an unclaimed Distribution reserve undeliverable and unclaimed Distributions for the benefit of all such similarly-situated Persons until such time as a Distribution becomes deliverable or is claimed, subject to the time limitations set forth below.

Any Holder of an Allowed Claim that does not assert a claim pursuant to the Plan for an undeliverable or unclaimed Distribution within ninety (90) days after the date such Distribution was returned undeliverable will be deemed to have forfeited its Claim for such undeliverable or unclaimed Distribution and will be forever barred and enjoined from asserting any such claim for an undeliverable or unclaimed Distribution against the Debtors and their Estates, the Liquidating Debtors, the Plan Administrator, and their respective agents, attorneys, representatives, employees or independent contractors, and/or any of its or their property. In the case of undeliverable or unclaimed Distributions on account of Administrative Claims, Priority Tax Claims or Priority Non-Tax Claims, any Cash otherwise reserved for undeliverable or unclaimed Distributions will revert to the Administrative and Priority Claims Reserve. In the case of undeliverable or unclaimed Distributions on account of Allowed General Unsecured Claims, any Cash otherwise reserved for undeliverable or unclaimed Distributions will revert to the Disputed Claims Reserve, and all title to and all beneficial interests in the Available Cash represented by any such undeliverable Distributions will revert to and/or remain in the Liquidating Debtors and will be distributed in accordance with the Plan. The reversion of such Cash to the Administrative and Priority Claims Reserve or the Disputed Claims Reserve, as applicable, will be free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary and will be treated in accordance with the terms of the Plan. Nothing contained in the Plan or the Plan Administrator Agreement will require the Debtors, the Liquidating Debtors, the Plan Administrator, or any Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

This Article IVC.3.b of the Disclosure Statement and Section 6.3(b) of the Plan are not applicable to the 2016 Notes Trustee or the holders of the 2016 Notes.

4. Prepayment

Except as otherwise provided in the Plan or in the Confirmation Order, the Debtors or the Plan Administrator, on behalf of the Liquidating Debtors, as applicable, will have the right to prepay, without penalty, all or any portion of an Allowed Administrative Claim, Allowed Priority Tax Claim, Allowed Priority Non-Tax Claim or Allowed Secured Claim at any time.

5. Means of Cash Payment

Cash payments made pursuant to the Plan will be in U.S. dollars and will be made at the option and in the sole discretion of the Disbursing Agent by (i) checks drawn on or (ii) wire transfers from a domestic bank selected by the Disbursing Agent. In the case of foreign creditors, Cash payments may be made, at the option of the Disbursing Agent, in such funds and by such means as are necessary or customary in a particular jurisdiction.

6. Interest on Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest will not accrue or be paid on any Claims, and no Claimholder will be entitled to interest accruing on or after the Petition Date on any Claim. Interest will not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final Distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

7. Withholding and Reporting Requirements

In connection with the Plan and all Distributions thereunder, the Disbursing Agent or the Plan Administrator, as applicable, on behalf of the Liquidating Debtors, is authorized to take any and all actions that may be necessary or appropriate to comply with all withholding, payment and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Allowed Claims and Distributions under the Plan will be subject to any such withholding and reporting requirements. The Disbursing Agent or the Plan Administrator, as applicable, on behalf of the Liquidating Debtors, will be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding, payment and reporting requirements. All Holders of Claims will be required to provide any information necessary to allow the Plan Administrator to comply with all withholding, payment and reporting requirements with respect to such Taxes. The Disbursing Agent or the Plan Administrator will withhold the full amount required by law on any Distribution on account of any Holder of an Allowed Claim that fails to timely provide to the Disbursing Agent or the Plan Administrator the required information.

8. Setoffs

Subject to the terms and conditions of the Plan Administrator Agreement, the Debtors and/or the Plan Administrator may, but will not be required to, set off against any Claim and the payments or other Distributions to be made under the Plan on account of the Claim, claims of any nature whatsoever that the Debtors may have against the Holder thereof, provided that any such right of setoff that is exercised will be allocated, first, to the principal amount of the related Claim, and thereafter to any interest portion thereof, but neither the failure to do so nor the allowance of any Claim under the Plan will constitute a waiver or release by the Debtors, the Liquidating Debtors or the Plan Administrator of any such claim that the Debtors may have against such Holder.

9. Procedure for Treating and Resolving Disputed, Contingent and/or Unliquidated Claims

a. Objection Deadline; Prosecution of Objections

Except as set forth in the Plan with respect to Professional Fee Claims, all objections to Claims must be filed and served on the Holders of such Claims by the Claims Objection Deadline, as the same may be extended by the Court. If an objection has not been filed to a Proof of Claim or the Schedules have not been amended with respect to a Claim that (i) was Scheduled by the Debtors but (ii) was not Scheduled as contingent, unliquidated and/or disputed, by the Claims Objection Deadline, as the same may be extended by order of the Court, the Claim

to which the Proof of Claim or Scheduled Claim relates will be treated as an Allowed Claim if such Claim has not been Allowed earlier. Notice of any motion for an order extending the Claims Objection Deadline will be required to be given only to those persons or entities that have requested notice in the Chapter 11 Cases in accordance with Bankruptcy Rule 2002.

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, on and after the Effective Date, the Plan Administrator will have the authority to: (1) file, withdraw or litigate to judgment objections to and requests for estimation of Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Court, subject to the consent of the Oversight Committee for proposed settlements in the amount of $100,000.00 and above, which consent will not be unreasonably withheld; and (3) administer and adjust the Claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Court; provided, however, that the objection to and settlement of Professional Fee Claims will not be subject to Section 6.9(a) of the Plan, but rather will be governed by Section 9.1(a) of the Plan. In the event that any objection filed by the Debtors or the Committee remains pending as of the Effective Date, the Plan Administrator will be deemed substituted for the Debtors or the Committee, as applicable, as the objecting party.

The Plan Administrator will be entitled to assert all of the Debtors' rights, claims, defenses, offsets, rights of recoupment, setoffs, rights of disallowance, subrogation, recharacterization and/or equitable subordination and counter-claims with respect to Claims.

b. No Distributions Pending Allowance

Notwithstanding any other provision of the Plan or the Plan Administrator Agreement, no payments or Distributions will be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim. To the extent that a Claim is not a Disputed Claim but is held by a Holder that is or may be liable to the Debtors or the Liquidating Debtors on account of a Cause of Action, no payments or Distributions will be made with respect to all or any portion of such Claim unless and until such Claim and liability have been settled or withdrawn or have been determined by Final Order of the Court or such other court having jurisdiction over the matter.

c. Disputed Claims Reserve

On the Distribution Date and on each subsequent Periodic Distribution Date, the Plan Administrator will withhold on a Pro Rata basis from property that would otherwise be distributed to Holders of 2016 Noteholder Claims and Holders of General Unsecured Claims entitled to Distributions under the Plan on such date, in a separate Disputed Claims Reserve, such amounts or property as may be necessary to equal one hundred percent (100%) of Distributions to which Holders of such Disputed General Unsecured Claims would be entitled under the Plan if such Disputed General Unsecured Claims were allowed in their Disputed Claim Amounts. The Plan Administrator may request, if necessary, estimation for any Disputed General Unsecured Claim that is contingent or unliquidated, or for which the Plan Administrator determines to reserve less than the Face Amount. The Plan Administrator will withhold the applicable Disputed Claim Amounts with respect to such Claims based upon the estimated

amount of each such Claim as estimated by the Court. If practicable, the Plan Administrator will invest any Cash that is withheld as the Disputed Claims Reserve in an appropriate manner to ensure the safety of the investment, in accordance with the Plan Administrator Agreement. Nothing in the Plan, the Disclosure Statement or the Plan Administrator Agreement will be deemed to entitle the Holder of a Disputed General Unsecured Claim to postpetition interest on such Claim.

d. Distributions After Allowance or Disallowance

Payments and Distributions to Holders of Disputed Claims that ultimately become Allowed Claims will be made in accordance with provisions of the Plan that govern Distributions to Holders of 2016 Noteholder Claims and Allowed General Unsecured Claims and Holders of Allowed Administrative Claims, Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims. The Plan Administrator will no longer reserve for and will distribute to the Holders of Allowed Class 3 Claims and Allowed Class 4 Claims, on the next Periodic Distribution Date and pursuant to the Plan, their Pro Rata shares of the funds held in the Disputed Claims Reserve on account of any Disputed General Unsecured Claim that becomes a Disallowed Claim.

e. De Minimis Distributions

The Plan Administrator will not be required to make any distributions to Holders of Allowed Claims (other than Priority Tax Claims or Administrative Claims) aggregating less than fifty dollars ($50.00). Cash that otherwise would be payable under the Plan to Holders of Allowed General Unsecured Claims but for Section 6.9(e) of the Plan will be available for Distributions to Holders of Allowed Class 3 Claims and Allowed Class 4 Claims. Subject to Section 5.9(e) of the Plan, Cash that otherwise would be payable under the Plan to Holders of Administrative Claims, Priority Tax Claims and Priority Non-Tax Claims but for Section 6.9(e) of the Plan will remain in the Administrative and Priority Claims Reserve until such time as all such Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid.

f. Fractional Dollars

Any other provision of the Plan notwithstanding, the Disbursing Agent will not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment will reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

g. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, such Distribution will, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

h. Distribution Record Date

The Disbursing Agent will have no obligation to recognize the transfer of or sale of any participation in any Allowed Claim that occurs after the close of business on the Distribution Record Date. Instead, the Disbursing Agent will be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on the official Claims register or the Debtors' Books and Records, as applicable, as of the close of business on the Distribution Record Date.

D. Treatment of Executory Contracts and Unexpired Leases

1. Rejected Contracts and Leases

Except as otherwise provided in the Plan, the Sale Order, or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, each of the Executory Contracts and Unexpired Leases to which any Debtor is a party will be deemed automatically rejected by the applicable Debtor as of the Effective Date, unless such contract or lease (i) previously has been assumed or rejected by the Debtors, (ii) expired or terminated pursuant to its own terms, (iii) is the subject of a motion to assume or reject pending before the Court as of the Confirmation Date or (iv) is identified on Exhibit B hereto as a contract to be assumed; provided, however, that nothing contained in the Plan will constitute an admission by any Debtor that any such contract or lease is an Executory Contract or Unexpired Lease or that any Debtor or its successors and assigns has any liability thereunder; and, provided further, that the Debtors reserve their right, at any time before the Confirmation Date, to assume any Executory Contract or Unexpired Lease that was not already rejected prior to the Confirmation Date. The Confirmation Order will constitute an order of the Court approving the rejections described in Section 7.1 of the Plan, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date.

2. Rejection Damages Bar Date

If the rejection of an Executory Contract or Unexpired Lease pursuant to Section 7.1 of the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim will be forever barred and will not be enforceable against the applicable Debtor or its Estate, the Liquidating Debtors or their respective successors or properties unless a Proof of Claim is filed with the Court and served on counsel for the Plan Administrator within thirty (30) days after service of notice of entry of the Confirmation Order.

3. Assumed Contracts and Leases

Except as otherwise provided in the Confirmation Order, the Plan, the Plan Administrator Agreement or any other document entered into after the Petition Date or in connection with the Plan, the Confirmation Order will constitute an order under Bankruptcy Code section 365 assuming, as of the Effective Date, those contracts listed on Exhibit B to the Plan; provided, however, that the Debtors may amend such Exhibit at any time prior to the Confirmation Date; provided further, however, that listing an insurance agreement on such Exhibit will not constitute an admission by a Debtor that such agreement is an executory contract or that any Debtor has any liability thereunder.

Any monetary amounts by which each executory contract and unexpired lease to be assumed pursuant to the Plan is in default, if any, will be satisfied, under section 365(b)(1) of the Bankruptcy Code, by Cure, with such Cure being provided by, at the option of the Liquidating Debtors or the Plan Administrator, either (x) Dendreon or (y) the assignee to whom such contract or lease is being assigned. If there is a dispute regarding (a) the nature or amount of any Cure, (b) the ability of Dendreon or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (c) any other matter pertaining to assumption, Cure will occur following the entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment, as the case may be; provided that if there is a dispute as to the amount of Cure that cannot be resolved consensually among the parties, the Liquidating Debtors or the Plan Administrator will have the right to reject the contract or lease for a period of five (5) days after entry of a Final Order establishing a Cure amount in excess of that provided by the Debtors. The Confirmation Order, if applicable, will contain provisions providing for notices of proposed assumptions and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto (which will provide not less than twenty (20) days' notice of such procedures and any deadlines pursuant thereto) and resolution of disputes by the Court.

4. Indemnification Obligations

Any obligations of the Debtors pursuant to their corporate charters and bylaws or agreements, including amendments, entered into any time prior to the Effective Date, to indemnify, reimburse or limit the liability of any Person pursuant to the Debtors' certificates of incorporation, bylaws, policy of providing employee indemnification, applicable state law or specific agreement in respect of any claims, demands, suits, causes of action or proceedings against such Persons based upon any act or omission related to such Persons' service with, for or on behalf of the Debtors prior to the Effective Date with respect to all present and future actions, suits and proceedings relating to the Debtors will survive confirmation of the Plan and except as set forth in the Plan, remain unaffected thereby, and will not be discharged, irrespective of whether such defense, indemnification, reimbursement or limitation of liability accrued or is owed in connection with an occurrence before or after the Petition Date; provided, however, that all obligations under Section 7.4 of the Plan will be limited solely to available insurance coverage and neither the Liquidating Debtors, the Plan Administrator nor any of their assets will be liable for any such obligations. Any Claim based on the Debtors' obligations set forth in Section 7.4 of the Plan will not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code. This provision for indemnification obligations will not apply to or cover any Claims, suits or actions against a Person that result in a final order determining that such Covered Person is liable for fraud, willful misconduct, gross negligence, bad faith, self-dealing or breach of the duty of loyalty.

E. Conditions Precedent to Confirmation and Consummation of the Plan

1. Conditions to Confirmation

The following are conditions precedent to confirmation of the Plan, each of which must be satisfied or waived in accordance with Section 8.3 of the Plan:

a. the Confirmation Order will be in form and substance reasonably acceptable to the Debtors, the Committee, the Unaffiliated Noteholders and the Deerfield Noteholders and will, among other things:

(i) provide that the Debtors are authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the agreements or documents created under or in connection with the Plan; and

(ii) provide that, notwithstanding Bankruptcy Rule 3020(e), the Confirmation Order will be immediately effective, subject to the terms and conditions of the Plan; and

b. the amounts of the Administrative and Priority Claims Estimate, the Disputed Claims Estimate, the Wind-down Reserve, the Professional Fee Estimate, and the Wind-down Budget will be reasonably acceptable to the Committee, the Deerfield Requisite Supporting Noteholders and the Unaffiliated Requisite Supporting Noteholders;

c. the Plan Administrator Agreement will be in form and substance reasonably acceptable to the Committee, the Deerfield Requisite Supporting Noteholders, and the Unaffiliated Requisite Supporting Noteholders; and

d. the Confirmation Order will have been entered by the Court.

2. Conditions to Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Section 8.3 of the Plan:

a. the Confirmation Order will not then be stayed pending appeal, vacated or reversed and will not have been amended without the agreement of the Debtors, the Committee, the Unaffiliated Noteholders and the Deerfield Noteholders;

b. the Professional Fee Reserve, the Administrative and Priority Claims Reserve and the Disputed Claims Reserve will have been funded in Cash in full and the Wind-down Reserve will have been funded with the amount agreed pursuant to Section 5.9(d) of the Plan;

c. the Plan Administrator will have been appointed and assumed its rights and responsibilities under the Plan and the Plan Administrator Agreement, as applicable;

d. the Debtors will have retained and pre-paid appropriate professionals for the preparation of the Debtors' tax returns for 2014 and 2015;

e. all actions, documents and agreements necessary to implement the provisions of the Plan to be effectuated on or prior to the Effective Date will be reasonably satisfactory to the Debtors, the Committee, the Unaffiliated Noteholders and the Deerfield Noteholders, and such actions, documents and agreements will have been effected or executed and delivered. The Plan Administrator Agreement will be

completed and in final form and, as applicable, executed by the parties thereto and all conditions precedent contained in any of the foregoing will have been satisfied or waived; and

f. the Debtors will have received the Valeant Shares.

3. Waiver of Conditions

Each of the conditions to the Effective Date set forth in Section 8.2 of the Plan may be waived in whole or in part by the Debtors without any other notice to parties in interest or the Court, provided that the Debtors have received the consent of the Committee, the Deerfield Requisite Supporting Noteholders and the Unaffiliated Requisite Supporting Noteholders, which consent will not unreasonably be withheld, provided further that it will be deemed reasonable to withhold consent if the Debtors are not in receipt of the Valeant Shares. The failure of any party to exercise any of its foregoing rights will not be deemed a waiver of any of its other rights, and each such right will be deemed an ongoing right that may be asserted thereby at any time.

4. Consequences of Non-Occurrence of Effective Date

If the Effective Date does not occur within 180 days of the Confirmation Date, or by such date, after notice and a hearing, as approved by the Court, (a) the Plan will be null and void in all respects; (b) any settlement of claims will be null and void without further order of the Court; and (c) the time within which the Debtors may assume and assign or reject all Executory Contracts will be extended for a period of thirty (30) days after such motion is granted.

F. Allowance and Payment of Certain Administrative Claims

1. Professional Fee Claims

a. Final Fee Applications

All final requests for payment of Professional Fee Claims (the "Final Fee Applications") must be filed no later than forty-five (45) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the Liquidating Debtors, the Plan Administrator, counsel to the Deerfield Noteholders, counsel to the Unaffiliated Noteholders, the requesting Professional and the Office of the United States Trustee no later than twenty (20) days from the date on which each such Final Fee Application is served and filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Court, the Allowed amounts of such Professional Fee Claims will be determined by the Court.

b. Employment of Professionals after the Effective Date

From and after the Effective Date, any requirement that professionals comply with sections 327 through 331 of the Bankruptcy Code or any order previously entered by the Court in seeking retention or compensation for services rendered or expenses incurred after such date will terminate.

2. Substantial Contribution Compensation and Expenses Bar Date

Any Person who wishes to make a Substantial Contribution Claim based on facts or circumstances arising after the Petition Date must file an application with the clerk of the Court, on or before the Administrative Claims Bar Date, and serve such application on the Liquidating Debtors and the Plan Administrator and as otherwise required by the Court and the Bankruptcy Code on or before the Administrative Claims Bar Date, or be forever barred from seeking such compensation or expense reimbursement. Objections, if any, to the Substantial Contribution Claim must be filed no later than the Claims Objection Deadline, unless otherwise extended by Order of the Court. For the avoidance of doubt, this Article IVF.2 and Section 9.2 of the Plan will not apply to the Committee Member Substantial Contribution Claim and the Deerfield Substantial Contribution Claim.

3. Other Administrative Claims

All other requests for payment of an Administrative Claim arising after the Petition Date, other than Professional Fee Claims and Claims arising under section 503(b)(9) of the Bankruptcy Code, must be filed with the Court and served on the Liquidating Debtors and the Plan Administrator no later than the Administrative Claims Bar Date. Unless the Plan Administrator or any other party in interest objects to an Administrative Claim by the Claims Objection Deadline, such Administrative Claim will be deemed Allowed in the amount requested. In the event that the Plan Administrator or any other party in interest objects to an Administrative Claim, the Court will determine the Allowed amount of such Administrative Claim.

G. Effects of Confirmation

1. Satisfaction of Claims

Distributions made under the Plan on account of Claims or Interests will satisfy the obligations of the Debtors and the Liquidating Debtors, as adjusted by the Plan, in respect of such Claims or Interests. The entry of the Confirmation Order will constitute the Court's approval of such treatment and satisfaction of all such Claims and Interests, as well as a finding by the Court that such treatment and satisfaction is in the best interests of the Debtors, their Estates and Holders of Claims and Interests and is fair, equitable and reasonable.

2. Binding Effect

The Plan will be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, whether or not such Holders will receive or retain any property or interest in property under the Plan, and their respective successors and assigns, including, but not limited to, the Liquidating Debtors and the Plan Administrator and all other parties in interest in the Chapter 11 Cases.

3. Effects of Confirmation

No Claimholder or Interest Holder may, on account of a Claim or Interest, seek or receive any payment or other Distribution from, or seek recourse against, any Debtor or its respective successors, assigns and/or property, except as expressly provided in the Plan.

4. Releases

a. Releases by the Debtors

Pursuant to section 1123(b) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise specifically provided in the Plan, upon the Effective Date, each of the Debtors will release unconditionally, and hereby is deemed to forever release unconditionally (i) the Committee and, solely in their respective capacities as members or representatives of the Committee, (and not as individual lenders or creditors to or on behalf of the Debtors), each member of the Committee; (ii) the Released Parties; (iii) each of the respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives of any of the foregoing or of the Debtors, solely in their respective capacities as such; and (iv) all individuals serving, or who have served, since the Petition Date, as a director or officer of the Debtors, from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever (other than the right to enforce the performance of their respective obligations, if any, to the Debtors or the Liquidating Debtors under the Plan, the Plan Administrator Agreement and the contracts, instruments, releases and other agreements delivered under the Plan and the Plan Administrator Agreement), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan or the Disclosure Statement, other than Claims or liabilities arising out of or relating to any act or omission that constitutes a failure to perform the duty to act in good faith and where such failure to perform constitutes willful misconduct, gross negligence, or fraud.

b. Release by Holders of Claims

Except as otherwise specifically provided in the Plan and to the fullest extent permissible under applicable law, on the Effective Date, the Released Parties and each Holder of a Claim (excluding any of the Debtors), including each Claimholder deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, will release unconditionally, and hereby is deemed to forever release unconditionally (i) the Released Parties, (ii) the Committee, (iii) each of their respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives, solely in their respective capacities as such, and only with respect to their activities and conduct during or in connection with the Chapter 11 Cases, (iv) all individuals serving, or who have served, since the Petition Date, as a manager, director, managing member, officer, partner, agent, employee, attorney or other advisor of the Debtors and (v) any successors or assigns of the foregoing, from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever (other than the right to enforce the performance of their respective obligations, if any, to the Debtors under the Plan, the Plan Administrator Agreement and the contracts, instruments, releases and other agreements delivered under the Plan and the Plan Administrator Agreement), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, whether or not by or in the right

of any of the Debtors, that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan or the Disclosure Statement other than Claims or liabilities arising out of or relating to any act or omission that constitutes a failure to perform the duty to act in good faith and where such failure to perform constitutes willful misconduct, gross negligence, or fraud; provided, that this subsection will not release any Person from any Claim or cause of action existing as of the Effective Date, based on (x) the Internal Revenue Code or any other domestic state, city or municipal tax code, (y) the environmental laws of the United States or any domestic state, city or municipality or (z) any criminal laws of the United States or any domestic state, city or municipality. Notwithstanding anything to the contrary in Section 10.4(b) of the Plan, a Holder of a Claim (other than a Released Party) will be deemed not to provide the releases in Section 10.4(b) if such Holder (i) votes to reject the Plan and (ii) "opts out" of the releases provided in section 10.4(b) of the Plan in a timely submitted, valid Ballot. For the avoidance of doubt, each Released Party that is the Holder of a Claim will be deemed to have given the releases in Section 10.4(b) of the Plan.

5. Exculpation and Limitation of Liability

Except as otherwise specifically provided in the Plan, to the maximum extent permitted by the Bankruptcy Code and applicable law, none of (i) the Debtors, (ii) the Liquidating Debtors, (iii) the Plan Administrator, (iv) the Committee, (v) the Supporting Noteholders, nor (vi) any of their respective members, officers, directors, shareholders, employees, advisors, attorneys or agents acting in such capacity on or after the Petition Date, will have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or an Interest, or (with respect to such Claims or Interests) any of their respective agents, affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Debtors' Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct or gross negligence, and in all respects will be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan.

6. Injunction

Except as otherwise expressly provided in the Plan, the Plan Supplement or related documents, or for obligations issued pursuant to the Plan, all Persons who have held, hold or may hold Claims against or Interests in the Debtors are permanently enjoined, from and after the Effective Date, from taking any of the following actions against any of the Estate(s), the Plan Administrator, any of the property of the foregoing, the property of the Liquidating Debtors, or any successors or assigns of the foregoing on account of any such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting or enforcing any lien or encumbrance; (D) asserting a setoff or right of subrogation of any kind against any debt, liability or obligation due to the Debtors; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the

provisions of the Plan. By accepting Distributions pursuant to the Plan, each Holder of an Allowed Claim receiving any Distribution pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth in Section 10.6 of the Plan.

The releases pursuant to Article X of the Plan shall also act as a permanent injunction against any party that has provided such releases from commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim released under this Plan to the fullest extent authorized by applicable law.

7. Satisfaction of Subordination Rights

All Claims against the Debtors and all rights and claims between or among Claimholders relating in any manner whatsoever to Distributions on account of Claims against the Debtors based upon any subordination rights, whether asserted or unasserted, legal or equitable, will be deemed satisfied by the Distributions under the Plan to Claimholders having such subordination rights, and such subordination rights will be deemed waived, released, discharged and terminated as of the Effective Date. Distributions to the various Classes of Claims under the Plan will not be subject to levy, garnishment, attachment or like legal process by any Claimholder by reason of any subordination rights or otherwise, so that each Claimholder will have and receive the benefit of the Distributions in the manner set forth in the Plan.

H. Retention of Jurisdiction

1. Retention of Jurisdiction by the Court

Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order, substantial consummation of the Plan and occurrence of the Effective Date, the Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases, the Plan, and the Plan Administrator Agreement to the fullest extent permitted by law, including, among other things, jurisdiction to:

1. To the extent not otherwise determined by the Plan, determine (i) the allowance, classification or priority of Claims upon objection by any party in interest entitled to file an objection, or (ii) the validity, extent, priority and nonavoidability of consensual and nonconsensual Liens and other encumbrances against assets of the Estates, Causes of Action, or property of the Estates or the Liquidating Debtors;

2. Issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Entity or Person, construe and to take any other action to enforce and execute the Plan, the Confirmation Order or any other order of the Court, issue such orders as may be necessary for the implementation, execution, performance and consummation of the Plan and all matters referred to in the Plan, and determine all matters that may be pending before the Court in the Chapter 11 Cases on or before the Effective Date with respect to any Entity or Person;

3. Protect the assets or property of the Estates and/or the Liquidating Debtors, including Causes of Action, from claims against, or interference with, such assets or property, including actions to quiet or otherwise clear title to such property or to resolve any dispute concerning Liens or other encumbrances on any assets of the Estates;

4. Determine any and all applications for allowance of Professional Fee Claims;

5. Determine any Priority Tax Claims, Priority Non-Tax Claims or Administrative Claims, entitled to priority under section 507(a) of the Bankruptcy Code;

6. Resolve any dispute arising under or related to the implementation, execution, consummation or interpretation of the Plan and the making of Distributions under the Plan;

7. Determine any and all motions related to the rejection, assumption or assignment of Executory Contracts or Unexpired Leases or determine any issues arising from the deemed rejection of Executory Contracts and Unexpired Leases set forth in Article VII of the Plan;

8. Except as otherwise provided in the Plan, determine all applications, motions, adversary proceedings, contested matters, actions and any other litigated matters instituted in and prior to the closing of the Chapter 11 Cases, including any remands;

9. Enter a Final Order closing each of the Chapter 11 Cases;

10. Modify the Plan under section 1127 of the Bankruptcy Code, remedy any defect, cure any omission or reconcile any inconsistency in the Plan or the Confirmation Order so as to carry out their intent and purposes;

11. Issue such orders in aid of consummation of the Plan and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Entity or Person, to the full extent authorized by the Bankruptcy Code;

12. Determine any Tax liability pursuant to section 505 of the Bankruptcy Code;

13. Enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

14. Resolve any disputes concerning whether an Entity or Person had sufficient notice of the Chapter 11 Cases, the applicable Bar Date, the hearing to

consider approval of the Disclosure Statement or the Confirmation Hearing or for any other purpose;

15. Resolve any dispute or matter arising under or in connection with any order of the Court entered in the Chapter 11 Cases;

16. Authorize, as may be necessary or appropriate, sales of assets as necessary or desirable and resolve objections, if any, to such sales;

17. Resolve any disputes concerning any release, injunction, exculpation or other waiver or protection provided in the Plan;

18. Approve, if necessary, any Distributions, or objections thereto, under the Plan;

19. Approve, as may be necessary or appropriate, any Claims settlement entered into or offset exercised by the Plan Administrator;

20. Resolve any dispute or matter arising under or in connection with the Liquidating Debtors or the Plan Administrator;

21. Order the production of documents, disclosures or information, or to appear for deposition demanded pursuant to Bankruptcy Rule 2004; and

22. Determine such other matters, and for such other purposes, as may be provided in the Confirmation Order or as may be authorized under provisions of the Bankruptcy Code.

2. Retention of Non-Exclusive Jurisdiction by the Court

Notwithstanding anything else in the Plan, the Court will retain non-exclusive jurisdiction over all Causes of Action prosecuted by the Plan Administrator on behalf of the Liquidating Debtors.

3. Failure of Court to Exercise Jurisdiction

If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in Section 11.1 of the Plan, the provisions of Article XI of the Plan will have no effect upon and will not control, prohibit or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

I. Miscellaneous Provisions

1. Modifications and Amendments

The Debtors may alter, amend or modify the Plan or any Exhibits thereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date provided that the

Debtors have received the prior consent of the Committee, the Deerfield Requisite Supporting Noteholders, and the Unaffiliated Requisite Supporting Noteholders, which consent will not unreasonably be withheld. After the Confirmation Date and prior to substantial consummation of the Plan as defined in section 1101(2) of the Bankruptcy Code, the Debtors may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims under the Plan; provided, however, that prior notice of such proceedings will be served in accordance with the Bankruptcy Rules or order of the Court.

2. Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, then the Court, at the request of the Debtors, will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

3. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan will be binding on, and will inure to the benefit of, any heir, executor, administrator, successor or assign of that Person.

4. Payment of Statutory Fees

All fees payable through the Effective Date pursuant to 28 U.S.C. § 1930 will be paid on the Effective Date. The Debtors, prior to the Effective Date, and the Plan Administrator, on behalf of the Liquidating Debtors, from and after the Effective Date, will pay U.S. Trustee Fees in accordance with 28 U.S.C. § 1930 until the Chapter 11 Cases are closed or converted and/or the entry of final decrees. In addition, the Plan Administrator will file post-confirmation quarterly reports or any pre-confirmation monthly operating reports not filed as of the Confirmation Hearing in conformance with the U.S. Trustee Guidelines. The U.S. Trustee will not be required to file a request for payment of its quarterly fees.

5. Revocation, Withdrawal or Non-Consummation

The Debtors reserve the right to revoke or withdraw the Plan as to any or all of the Debtors prior to the Confirmation Date and to file subsequent plans. If the Debtors revoke or withdraw the Plan as to any or all of the Debtors, or if Confirmation or consummation of the Plan as to any or all of the Debtors does not occur, then, with respect to such Debtors, (a) the

Plan will be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, will be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, will (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of such Debtors or any other Person or (iii) constitute an admission of any sort by such Debtors or any other Person.

6. Insurance Policies

The Debtors or the Plan Administrator, on behalf of the Liquidating Debtors, may cancel, terminate, or surrender any insurance policies in accordance with the terms thereof and the applicable insurer is authorized to accept such cancellation, termination, or surrender of any such policy. Any insurer is authorized to pay, and the Debtors or the Plan Administrator, on behalf of the Liquidating Debtors, may collect any proceeds of such cancellation, termination or surrender.

7. Service of Documents

Any notice, request or demand required or permitted to be made or provided to or upon a Debtor, a Liquidating Debtor, the Committee, or the Plan Administrator will be (a) in writing, (b) served by (i) certified mail, return receipt requested, (ii) hand delivery, (iii) overnight delivery service, or (iv) facsimile transmission, (c) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed and (d) addressed as follows:

The Debtors:

Dendreon Corporation
601 Union Street
Suite 4900
Seattle, WA 98101
Attn: Rob Crotty, Esq.
Title: General Counsel and Secretary
Telephone: (888) 369-8915

with a copy to:
Ken Ziman, Esq.
Skadden, Arps, Slate, Meager & Flom LLP
Four Times Square
New York, New York 10036-6522
Telephone: (212) 735-3000
Fax: (212) 735-2000

with a copy to:
Felicia Gerber Perlman, Esq.

Skadden, Arps, Slate, Meager & Flom LLP
155 N. Wacker Dr.
Chicago, IL 60606-1720
Telephone: (312) 407-0700
Fax: (312) 407-0411

The Liquidating Debtors:

Dendreon Corporation
601 Union Street
Suite 4900
Seattle, WA 98101
Attn: Rob Crotty, Esq.
Title: General Counsel and Secretary
Telephone: (888) 369-8915

Committee:

c/o Michael Torkin, Esq.
Mark Schneiderman, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Telephone: (212) 558-4000
Facsimile: (212) 558-3588

Deerfield Noteholders:

c/o John C. Longmire, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

Unaffiliated Noteholders:

c/o Steven D. Pohl, Esq.
Brown Rudnick LLP
One Financial Center
Boston, Massachusetts 02111
Telephone: (617) 856-8200
Facsimile: (617) 856-8201

and

c/o John Storz, Esq.

Seven Times Square
New York, NY 10036
Telephone: (212) 209-4800
Facsimile: (212) 209-4801

Plan Administrator:

Name
Address
Telephone:
Facsimile:

8. Plan Supplement(s)

Exhibits to the Plan not attached to the Plan will be filed in one or more Plan Supplements by the Plan Supplement Filing Date. Any Plan Supplement (and amendments thereto) filed by the Debtors will be deemed an integral part of the Plan and will be incorporated by reference as if fully set forth in the Plan. Substantially contemporaneously with their filing, the Plan Supplements may be viewed at the Debtors' case website (https://cases.primeclerk.com/dendreon/) or the Court's website (http://www.deb.uscourts.gov). Copies of case pleadings, including the Plan Supplements, also may be examined between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday, excluding federal holidays, at the Office of the Clerk of the Court, 824 N. Market St., 3rd Floor, Wilmington, Delaware 19801. Finally, copies of case pleadings also may be obtained by written request to the Claims Agent, at dendreoninfo@primeclerk.com. The documents contained in any Plan Supplements will be approved by the Court pursuant to the Confirmation Order.

ARTICLE V

ISSUANCE OF VALEANT SHARES UNDER THE PLAN

A. Valuation of Valeant Shares

Pursuant to the Second Amended Acquisition Agreement, the Valeant Shares will be valued at the closing price of the Valeant Shares on the New York Stock Exchange as reported by Bloomberg L.P. (or, if not reported therein, in another authoritative source mutually selected by the parties) on the trading day immediately prior to the Effective Date. The Second Amended Acquisition Agreement also provides that Valeant will use commercially reasonable efforts to cause the Valeant Shares issued as consideration for the purchase of the Acquired Assets to be approved for listing on the New York Stock Exchange and the Toronto Stock Exchange on or prior to the date of issuance of such Valeant Shares. A discussion of certain federal and securities laws can be found at Article XI.

B. Delivery of Valeant Shares to the Debtors

Pursuant to the Second Amended Acquisition Agreement, the Debtors will provide at least three (3) business days prior written notice to Valeant and the Purchaser of the anticipated Effective Date. On the same date, the Debtors will also file a notice on the docket in these

Chapter 11 Cases. The Valeant Shares will be delivered by Valeant through Valeant's transfer agent to Dendreon Corporation on the Effective Date of the Plan through the facilities of The Depository Trust Company by crediting the account of Dendreon Corporation's prime broker with The Depository Trust Company. Distributions of the Valeant Shares on account of Allowed 2016 Noteholder Claims will be made immediately to such Holders upon the occurrence of the Effective Date.

C. Information Concerning Valeant

As more fully detailed in its public filings with the SEC, Valeant is a multinational, specialty pharmaceutical and medical device company that develops, manufactures, and markets a broad range of products and medical devices which are marketed directly or indirectly in over 100 countries. Valeant is a public company with a market capitalization exceeding $55 billion that is traded on the New York Stock Exchange and the Toronto Stock Exchange under the ticker symbol VRX. This Disclosure Statement hereby incorporates by reference the publicly filed financial statements of Valeant. For additional information regarding Valeant, please see Valeant's most recent Form 10-K attached to this Disclosure Statement as Exhibit B. As of April 13, 2015, shares of Valeant were trading at [__] with a daily volume of [__].

ARTICLE VI

VOTING REQUIREMENTS; ACCEPTANCE AND CONFIRMATION OF THE PLAN

A. General

The Bankruptcy Code requires that, in order to confirm the Plan, the Court must make a series of findings concerning the Plan and the Debtors, including that (i) the Plan has classified Claims in a permissible manner; (ii) the Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Plan has been proposed in good faith and not by any means forbidden by law; (iv) the disclosure required by section 1125 of the Bankruptcy Code has been made; (v) the Plan has been accepted by the requisite votes of Holders of Claims (except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code); (vi) the Plan is feasible and confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors unless such liquidation or reorganization is proposed in the Plan; (vii) the Plan is in the "best interests" of all Holders of Claims in an Impaired Class by providing to such Holders on account of their Claims property of a value, as of the Effective Date, that is not less than the amount that such Holders would receive or retain in a chapter 7 liquidation, unless each Holder of a Claim in such Class has accepted the Plan; and (viii) all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Court at the hearing on confirmation, have been paid or the Plan provides for the payment of such fees on the Effective Date.

B. Parties in Interest Entitled to Vote

Pursuant to the Bankruptcy Code, only Classes of Claims that are "impaired" (as defined in section 1124 of the Bankruptcy Code) under the Plan are entitled to vote to accept or reject the

Plan. A Class is impaired if the legal, equitable or contractual rights to which the Claims of that Class entitled the Holders of such Claims are modified, other than by curing defaults and reinstating the Claims. Classes that are not impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the Plan. In addition, Classes that receive no distributions under the Plan are not entitled to vote on the Plan and are deemed to have rejected the Plan.

C. Classes Impaired and Entitled to Vote under the Plan

The following Classes are Impaired under the Plan and entitled to vote on the Plan:

Class	Claim	Status	Voting Right
3	2016 Noteholder Claims	Impaired	Entitled to Vote
4	General Unsecured Claims	Impaired	Entitled to Vote

Acceptances of the Plan are being solicited only from Holders of Claims in Classes 3 and 4 that will or may receive consideration under the Plan. Holders of Claims and Interests in Classes 5, 6, and 7 are deemed to reject the Plan. Holders of Claims in Classes 1, 2, and 8 are deemed to accept the Plan and are not entitled to vote.

D. Voting Procedures and Requirements

1. Ballots

The Solicitation Procedures Order sets April 7, 2015, as the record date for voting on the Plan (the "Record Date"). Accordingly, only Holders of record as of the Record Date that are otherwise entitled to vote under the Plan will receive a Ballot and may vote on the Plan.

In voting for or against the Plan, please use only the Ballot sent to you with this Disclosure Statement. If you are a Holder of a Claim in Classes 3 or 4 and did not receive a Ballot, if your Ballot is damaged or lost or if you have any questions concerning voting procedures, please contact the Voting Agent at (844) 794-3479 or at dendreoninfo@PrimeClerk.com.

2. Returning Ballots

If you are entitled to vote to accept or reject the Plan, you should read carefully, complete, sign and return your Ballot, with original signature, in the enclosed envelope.

TO BE COUNTED, YOUR BALLOT WITH YOUR ORIGINAL SIGNATURE INDICATING YOUR ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED NO LATER THAN **4:00 P.M. (EASTERN TIME) ON MAY 19, 2015** (THE "VOTING DEADLINE").

3. Voting

Pursuant to section 105(a) of the Bankruptcy Code, Bankruptcy Rules 2002(a)(7) and 3003(c)(2) and the Bar Date Order, any creditors whose claims are not the subject of a timely-filed proof of claim, or a proof of claim deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or other order of the Court, or otherwise deemed timely filed under applicable law and (a) are scheduled in Debtors' Schedules as disputed, contingent or unliquidated; or (b) are not scheduled (the "Non-Voting Claims"), will be denied treatment as creditors with respect to such claims for purposes of voting on the Plan and receiving distributions under the Plan.

For purposes of voting, the amount of a Claim used to calculate acceptance or rejection of the Plan under section 1126 of the Bankruptcy Code will be determined in accordance with the following hierarchy:

a. if an order has been entered by the Court determining the amount of such Claim, whether pursuant to Bankruptcy Rule 3018 or otherwise, then in the amount prescribed by the order;

b. if no such order has been entered, then in the liquidated amount contained in a timely-filed proof of claim that is not the subject of a timely-filed objection; and

c. if no such proof of claim has been timely filed, then in the liquidated, noncontingent and undisputed amount contained in the Debtors' Schedules.

For purposes of voting, the following conditions will apply to determine the amount and/or classification of a Claim:

a. if a Claim is partially liquidated and partially unliquidated, such Claim will be allowed for voting purposes only in the liquidated amount;

b. if a scheduled or filed Claim has been paid, such Claim will be disallowed for voting purposes;

c. the holder of a timely-filed proof of claim that is filed in a wholly unliquidated, contingent, disputed and/or unknown amount, and is not the subject of a timely-filed objection, is entitled to vote in the amount of $1.00; and

d. Claims filed for $0.00 are not entitled to vote.

Pursuant to the Solicitation Procedures Order, the deadline for filing and serving motions pursuant to Bankruptcy Rule 3018(a) seeking temporary allowance of claims for the purpose of accepting or rejecting the Plan will be May 12, 2015 at 4:00 p.m. (Eastern Time).

E. Acceptance of Plan

As a condition to confirmation, the Bankruptcy Code requires that each class of impaired claims vote to accept the Plan, except under certain circumstances. See "Confirmation Without

Necessary Acceptances; Cramdown" below. A plan is accepted by an impaired class of claims if holders of at least two-thirds in dollar amount and more than one-half in number of claims of those that vote in such class vote to accept the plan. Only those holders of claims who actually vote count in these tabulations. Holders of claims who fail to vote are not counted as either accepting or rejecting a plan.

In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan be accepted by each holder of a claim or interest in an impaired class or that the plan otherwise be found by a court to be in the best interests of each holder of a claim or interest in such class. See "Best Interests Test" below. Moreover, each impaired class must accept the plan for the plan to be confirmed without application of the "fair and equitable" and "unfair discrimination" tests set forth in section 1129(b) of the Bankruptcy Code discussed below. See "Confirmation Without Necessary Acceptances; Cramdown" below.

F. Confirmation Without Necessary Acceptances; Cramdown

In the event that any impaired class of claims or interests does not accept a plan, a debtor nevertheless may move for confirmation of the plan. A plan may be confirmed, even if it is not accepted by all impaired classes, if the plan has been accepted by at least one impaired class of claims, and the plan meets the "cramdown" requirements set forth in section 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code requires that a court find that a plan (i) "does not discriminate unfairly" and (ii) is "fair and equitable," with respect to each non-accepting impaired class of claims or interests.

Here, because Classes 5, 6, and 7 are deemed to reject the Plan, and Classes 3 and 4 are entitled to vote on the Plan, the Debtors will seek confirmation of the Plan from the Court by satisfying the "cramdown" requirements set forth in section 1129(b) of the Bankruptcy Code. The Debtors believe that such requirements are satisfied as no Claim or Interest Holder junior to those in Classes 5-7 will receive any property under the Plan.

1. No Unfair Discrimination

A plan "does not discriminate unfairly" if (a) the legal rights of a nonaccepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the nonaccepting class, and (b) no class receives payments in excess of that which it is legally entitled to receive for its claims or interests. The Debtors believe that under the Plan all impaired Classes of Claims and Interests are treated in a manner that is consistent with the treatment of other Classes of Claims and Interests that are similarly situated, if any, and no class of Claims or Interests will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims or Allowed Interests in such Class. Accordingly, the Debtors believe the Plan does not discriminate unfairly as to any Impaired Class of Claims or Interests.

2. Fair and Equitable Test

With respect to a dissenting class of claims or interests, the "fair and equitable" standard requires that a plan provide that either the claims or interests in each class received everything to which they are legally entitled or that classes junior in priority to the class receive nothing. The

strict requirement of the allocation of full value to dissenting classes before any junior class can receive distribution is known as the "absolute priority rule."

The Bankruptcy Code establishes different "fair and equitable" tests for holders of secured claims, unsecured claims and interests, which may be summarized as follows:

a. *Secured Claims.* Either (i) each holder of a claim in an impaired class of secured claims retains its liens securing its secured claim and it receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each holder of a claim in an impaired class of secured claims realizes the indubitable equivalent of its allowed secured claim or (iii) the property securing the claim is sold free and clear of liens, with such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.

b. *Unsecured Claims.* Either (i) each holder of a claim in an impaired class of unsecured claims receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

c. *Equity Interests.* Either (i) each holder of an equity interest in an impaired class of interests will receive or retain under the chapter 11 plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock or (b) the value of the stock or (ii) the holders of interests that are junior to the stock will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

As discussed above, the Debtors believe that the distributions provided under the Plan satisfy the absolute priority rule.

ARTICLE VII

FEASIBILITY AND BEST INTERESTS OF CREDITORS

A. Best Interests Test

As noted above, even if the Plan is accepted by the holders of each class of claims and interests, the Bankruptcy Code requires a bankruptcy court to determine that such Plan is in the best interests of all holders of claims or interests that are impaired by that Plan and that have not accepted the Plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to holders of each impaired class of claims and interests if the Debtors were liquidated under chapter 7, a bankruptcy court must first determine

the aggregate dollar amount that would be generated from a debtor's assets if its chapter 11 cases were converted to chapter 7 cases under the Bankruptcy Code. Because the Plan is a liquidating plan, the "liquidation value" in the hypothetical chapter 7 liquidation analysis for purposes of the "best interests" test is substantially similar to the estimates of the results of the chapter 11 liquidation contemplated by the Plan. However, the Debtors believe that in a chapter 7 liquidation, there would be additional costs and expenses that the Estates would incur as a result of liquidating the Estates in a chapter 7 case.

Costs of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a trustee, as well as of counsel and other professionals retained by the trustee, all unpaid expenses incurred by the debtor in its Chapter 11 Cases (such as compensation of attorneys, financial advisors and accountants) that are allowed in the chapter 7 cases, litigation costs, and claims arising from the operations of the debtor during the pendency of the Chapter 11 Cases.

B. Liquidation Analysis

If these cases were to be converted to chapter 7 cases, the Debtors' Estates would incur the costs of payment of a statutorily allowed commission to the chapter 7 trustee, as well as the costs of counsel and other professionals retained by the trustee. The Debtors believe such amount would exceed the amount of expenses that would be incurred in implementing the Plan and winding up the affairs of the Debtors. Conversion also would likely delay the liquidation process and ultimately distribution to unsecured creditors. The Debtors' Estates would also be obligated to pay all unpaid expenses incurred by the Debtors during these Chapter 11 Cases (such as compensation for professionals) which are allowed in the chapter 7 cases. Accordingly, the Debtors believe that holders of Allowed Claims would receive less than anticipated under the Plan if the Chapter 11 Cases were converted to chapter 7 cases. A hypothetical liquidation analysis is included as Exhibit C.

C. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successors to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan. Inasmuch as the Debtors have been liquidated and the Plan provides for the distribution of all of the proceeds of that liquidation to holders of claims that are allowed as of the Effective Date, the Plan is effectively exempted from the feasibility requirements in accordance with the express terms of section 1129(a)(11) of the Bankruptcy Code.

ARTICLE VIII

EFFECT OF CONFIRMATION

A. Binding Effect of Confirmation

Confirmation will bind the Debtors and all Holders of Claims and Interests to the provisions of the Plan, whether or not the Claim or Interest of any such Holder is Impaired under

the Plan and whether or not any such Holder of a Claim or Interest has accepted the Plan. Confirmation will have the effect of converting all claims into rights to receive the treatment specified in Article IVA hereof and cancelling all Interests in Dendreon Corporation.

B. Good Faith

Confirmation of the Plan will constitute a finding that: (i) the Plan has been proposed in good faith and in compliance with applicable provisions of the Bankruptcy Code; and (ii) all solicitations of acceptances or rejections of the Plan have been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

ARTICLE IX

RELEASES

Pursuant to Section 10.4 of the Plan, the Debtors will provide releases (the "Debtor Third Party Releases"), as of the Effective Date, of, among other things, certain claims, rights, and causes of action that the Debtors may have against the following: (a) the Committee and, solely in their respective capacities as members or representatives of the Committee, (and not as individual lenders or creditors to or on behalf of the Debtors), each member of the Committee; (b) the Released Parties;[10] (c) each of the respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives of any of the foregoing or of the Debtors, solely in their respective capacities as such; and (d) all individuals serving, or who have served, since the Petition Date, as a director or officer of the Debtors (the "Debtor Third Party Releasees").

Section 10.4 of the Plan also provides for certain releases by the Released Parties and Holders of Claims (excluding any of the Debtors), including each Claimholder deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code (the "Non Debtor Third Party Releases", and together with the Debtor Third Party Releases, the "Third Party Releases") of (a) the Released Parties, (b) the Committee, (c) each of their respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives, solely in their respective capacities as such, and only with respect to their activities and conduct during or in connection with the Chapter 11 Cases, (d) all individuals serving, or who have served, since the Petition Date, as a manager, director, managing member, officer, partner, agent, employee, attorney or other advisor of the Debtors and (e) any successors or assigns of the foregoing (the "Non Debtor Third Party Releasees", and together with the Debtor Third Party Releasees, the "Releasees").

[10] "Released Party" as defined in the Plan means each of the following (a) the Deerfield Noteholders, (b) the Unaffiliated Noteholders, (c) the 2016 Notes Trustee, and (d) with respect to each of the foregoing persons in clauses (a) through (c), such Person's current and former subsidiaries, Affiliates, members, directors, officers, principals, agents, financial advisors, restructuring advisors, accountants, investment bankers, consultants, attorneys, employees, partners, equity holders, representatives, and other professionals, in each case, only in their capacity as such.

The Third Party Releases satisfy the test applied to third party releases in In re Master Mortgage Investment Fund, Inc., 168 B.R. 930, 934-35 (Bankr. W.D. Mo. 1994) and applied to debtor releases in In re Zenith Electronics Corp., 241 B.R. 92 (Bankr. D. Del. 1999). The Master Mortgage factors include: (a) whether an identity of interest between the debtors and the releasees exists, such that a suit against the releasees is, in essence, a suit against the debtors or would deplete assets of the estates; (b) whether the releasees have made a substantial contribution to the reorganization; (c) the essential nature of the releases to the likelihood of success of the reorganization; (d) whether a substantial majority of the impacted creditors support the plan; and (e) whether the plan pays substantially all of the claims of the impacted creditors. 168 B.R. at 935. The Master Mortgage factors are not a rigid test; rather, the court should engage "in a fact specific review, weighing the equities of [the individual] case." Id. Further, the factors are not "an exclusive list of considerations, nor are they a list of conjunctive requirements." Id.

The Debtors submit that the Third Party Releases set forth in the Plan satisfy the Master Mortgage factors. First, certain of the Releasees share an identity of interest with the Debtors because the Debtors have an obligation to indemnify them for claims arising out of their services or contracts with the Debtors. Thus, a suit against these Releasees would, in essence, be a claim against the Debtors. In addition, the Debtors and many of the Released Parties share the common goal of confirming the Plan, as the Plan represents the culmination of the broad negotiations among the Debtors, the Supporting Noteholders and the Committee that were documented in the settlement in connection with the Amended and Restated Plan Support Agreements.

Second, all of the Releasees have made substantial contributions to the Chapter 11 Cases and to the Plan process. The Supporting Noteholders' releases were negotiated as part of the Plan Support Agreements. The keystone of the Plan Support Agreements was a competitive process pursuant to which the Debtors would sell all or substantially all of their assets. The Plan Support Agreements allowed the Debtors to set a floor price for a potential sale, which resulted in the successful sale of substantially all of the Debtors' assets to a subsidiary of Valeant. The premise of the Plan is to distribute the proceeds of that sale. The Plan Support Agreements further assisted the Debtors by providing concrete evidence to the market of the support of the Supporting Noteholders, which in turn provided stability to the Debtors' business while they navigated the chapter 11 process and pursued a sale of their assets. The Plan Support Agreements enabled the Debtors to make a strong statement to all stakeholders, including doctors, patients, distributors, vendors and employees that the business was secure and viable and to assure such parties that PROVENGE would continue to be available. This stability also provided certainty to potential purchasers as to the viability of the Debtors' business, allowing the Debtors to maximize value for all stakeholders through the sale process. The Supporting Noteholders have continued to contribute to the Chapter 11 Cases through their oversight of the Debtors' liquidation efforts and by negotiating and supporting the Plan.

The Committee has also contributed substantially to the Chapter 11 Cases in that it ultimately supported the Debtors' entry into the Plan Support Agreements, was instrumental in negotiating the Plan [and will assist in securing votes in favor of the Plan through its Letter of Support in connection with the Plan.] In addition, as noted with respect to the Committee Members' Substantial Contribution claim, the Committee assisted greatly with the sale,

specifically by (i) evaluating materials related to the sale of substantially all of the Debtors' assets, including bids submitted to the Debtors, (ii) negotiating with the Debtors and the Supporting Noteholders the terms of the potential plans for disposition of those assets, and (iii) facilitating compromise among the various parties.

The directors and officers of the Debtors similarly contributed to the Chapter 11 Cases, among other ways, through maintaining the stability of the Debtors' business operations during the liquidation, managing a work force in an uncertain work environment, assisting in negotiating the terms of the Plan Support Agreements, participating in the sale process throughout these Chapter 11 Cases, and assisting in an orderly and efficient wind-down of the Debtors' estates.

In addition, the releases were an integral part of the Supporting Noteholders agreement to enter into the Plan Support Agreements and, therefore, to support the Plan. Likewise, the releases are an integral part of the Committee's decision to support the Plan and the Debtors' entry into the Plan Support Agreements.

Moreover, while it remains to be determined, the Debtors are optimistic that those classes entitled to vote, will vote in favor of the Plan. The Supporting Noteholders hold approximately 85% of the Class 3, 2016 Noteholder Claims. [Additionally, the Committee has provided a letter of support recommending that holders of Class 4 General Unsecured Claims vote in favor of the Plan.]

Further, the Plan provides a substantial distribution to the creditors in exchange for the Releases. The Debtors estimate that the recovery under the Plan for holders of claims in Classes 3 and 4 will be approximately 72% to 75%. The Liquidation Analysis establishes that the distribution to creditors under the Plan would be lower in a liquidation, and absent the support of the Releasees, liquidation of the Debtors may have been necessary. Finally, the Debtors do not believe there is any basis for the assertion of any claims against any of the Releasees. Based on the foregoing the Debtors believe the Third Party Releases are appropriate and the Debtors will be prepared to meet their burden to establish the basis for each of the Third Party Releases as part of the confirmation of the Plan.

ARTICLE X

CERTAIN RISK FACTORS TO BE CONSIDERED

THE PLAN AND ITS IMPLEMENTATION ARE SUBJECT TO CERTAIN RISKS, INCLUDING, BUT NOT LIMITED TO, THE RISK FACTORS SET FORTH BELOW. HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE ON THE PLAN SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE PLAN, BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation. No representations concerning or related to the Debtors, the Chapter 11 Cases or the Plan are authorized by the Court or the

Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are not contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

A. Plan May Not Be Accepted

There can be no assurance that the requisite acceptances to confirm the Plan will be obtained. Thus, while the Debtors believe the Plan is confirmable under the standards set forth in section 1129 of the Bankruptcy Code, there is no guarantee that the Plan will be accepted by the requisite Classes entitled to vote on the Plan.

B. Certain Bankruptcy Law Considerations

Even if the Holders of Claims who are entitled to vote accept the Plan, the Court, which may exercise substantial discretion as a court of equity, may choose not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, that the value of distributions to dissenting Holders of Claims or Interests may not be less than the value such Holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Although the Debtors believe the Plan meets such requirement, there can be no assurance the Court will reach the same conclusion.

C. Distributions to Holders of Allowed Claims Under The Plan

Projected distributions are based upon good faith estimates of the total amount of Claims ultimately Allowed and the funds available for distribution. Both the actual amount of Allowed Claims in a particular Class and the funds available for distribution to such Class may differ from the Debtors' estimates. If the total amount of Allowed Claims in a Class is higher than the Debtors' estimates, or the funds available for distribution to such Class are lower than the Debtors' estimates, the percentage recovery to Holders of Allowed Claims in such Class will be less than projected.

D. Classification and Treatment of Claims and Equity Interests

Section 1122 of the Bankruptcy Code requires that the Plan classify Claims against, and Interests in, the Debtors. The Bankruptcy Code also provides that the Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests of such Class. The Debtors believe that all Claims and Interests have been appropriately classified in the Plan.

To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtors would seek (i) to modify the Plan to provide for whatever classification might be required for confirmation and (ii) to use the acceptances received from any creditor pursuant to this solicitation for the purpose of obtaining the approval of the Class or Classes of which such creditor ultimately is deemed to be a member. Any such reclassification of creditors, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such creditor was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required for approval of

the Plan. There can be no assurance that the Bankruptcy Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of classification in the Plan requires resolicitation, the Debtors will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan of any Holder of Claims pursuant to this solicitation will constitute a consent to the Plan's treatment of such Holder regardless of the Class as to which such Holder is ultimately deemed to be a member. The Debtors believe that under the Bankruptcy Rules, they would be required to resolicit votes for or against the Plan only when a modification adversely affects the treatment of the claim of any creditor or equity holder.

The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim or Interest of a particular Class unless the Holder of a particular Claim or Interest agrees to a less favorable treatment of its Claim or Interest. The Debtors believe that the Plan complies with the requirement of equal treatment. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such requirement, the Bankruptcy Court could deny confirmation of the Plan.

Issues or disputes relating to classification and/or treatment could result in a delay in the confirmation and consummation of the Plan and could increase the risk that the Plan will not be consummated.

E. Conditions Precedent to Consummation of the Plan

The Plan provides for certain conditions that must be satisfied (or waived) prior to confirmation of the Plan and for certain other conditions that must be satisfied (or waived) prior to the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, there can be no assurance that the Plan will be confirmed by the Court. Further, if the Plan is confirmed, there can be no assurance that the Plan will be consummated.

F. Certain Tax Considerations

There are a number of material income tax considerations, risks and uncertainties associated with consummation of the Plan. Holders of Claims and other interested parties should read carefully the discussion of certain U.S. federal income tax consequences of the Plan set forth below.

ARTICLE XI

CERTAIN FEDERAL AND SECURITIES LAW MATTERS

The Debtors believe that, subject to certain exceptions described below, various provisions of the Securities Act, the Bankruptcy Code, and state securities laws exempt from federal and state securities registration requirements (a) the offer and sale of securities pursuant to the Plan and (b) subsequent transfers of such securities.

A. Offer and Sale of Valeant Shares: Bankruptcy Code Exemption

Pursuant to the Plan, in full satisfaction, settlement, release and discharge of their allowed claims, each holder of a 2016 Noteholder Claim will receive, among other consideration, its pro rata distribution of Valeant Shares. Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan from registration under Section 5 of the Securities Act and state laws if three principal requirements are satisfied: (1) the securities must be offered or sold "under a plan" by the debtor or its successor under a plan or by an affiliate participating in a joint plan of reorganization with the debtor; (2) the recipients of the securities must hold a claim against, an interest in, or a claim for administrative expenses in the case concerning the debtor or such affiliate; and (3) the securities must be offered or sold in exchange for the recipient's claim against or interest in the debtor, or such affiliate, or "principally" in such exchange and "partly" for cash or property. In reliance upon this exemption, the Debtors believe that the offer and sale of the Valeant Shares under the Plan (including the distribution of Valeant Shares to each holder of a 2016 Noteholder Claim) will be exempt from registration under the Securities Act and state securities laws, and the rules and regulations promulgated thereunder.

[As part of the relief in connection with the approval of this Disclosure Statement, the Debtors sought an order from the Court authorizing the Debtors to offer and sell the Valeant Shares exempt from registration under the Securities Act and state securities laws pursuant to section 1145(a)(1) of the Bankruptcy Code and pursuant to the safe harbor contained in Bankruptcy Code section 1125(e). The Court entered the Solicitation Procedures Order authorizing this relief on [ ], 2015. The Solicitation Procedures Order also provides that Valeant is a successor to the Company under the Plan for purposes of section 1145 of the Bankruptcy Code.]

B. Subsequent Transfers of Valeant Shares Received under the Plan

Section 1145(c) of the Bankruptcy Code provides that the offer or sale of securities in a transaction of the kind referred to in Section 1145(a)(1) is deemed to be a public offering, except with respect to an "underwriter" under Section 1145(b) of the Bankruptcy Code, which includes any "affiliate" of the issuer. As such, the securities received in such offering are not "restricted securities" under Rule 144 of the Securities Act. Moreover, the exemption set forth in Section 4(a)(1) of the Securities Act would apply to resales of such securities without registration as long as such person is not (i) an "underwriter", (ii) an issuer, or (iii) a "dealer." Further, Section 1145(b)(3) specifically provides that if a recipient of securities issued under a plan pursuant to Bankruptcy Code Section 1145(a) is not an "underwriter" under section 1145(b)(1) Bankruptcy Code, then such a person is not deemed to be an "underwriter" under section 2(a)(11) of the Securities Act. Therefore, unless such person is an "affiliate of the issuer or a "dealer," the exemption under Section 4(a)(1) of the Securities Act will apply in these circumstances.

[As part of the relief in connection with the approval of this Disclosure Statement, the Debtors sought an order from the Court finding that the Valeant Shares may be resold by the holders thereof without restriction except to the extent that any such holder is deemed to be (i) an "underwriter" as defined in Section 1145(b)(1) of the Bankruptcy Code, (ii) an issuer or an "affiliate" of an issuer, or (iii) a "dealer". As noted previously, the Court entered the Solicitation Procedures Order authorizing this relief on [ ], 2015.]

Section 1145(b) of the Bankruptcy Code defines the term "underwriter" for purposes of the Securities Act as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer", (1) purchases a claim against, interest in, or claim for an administrative expense in the case concerning the debtor, if such purchase is with a view to distributing any security received in exchange for such a claim or interest; (2) offers to sell securities offered or sold under a plan for the holders of such securities; (3) offers to buy securities offered or sold under the plan from the holders of such securities, if the offer to buy is: (a) with a view to distribution of such securities and (b) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (4) is an "issuer" with respect to the securities, as the term "issuer" is defined in Section 2(a)(11) of the Securities Act.

The term "issuer" is defined in Section 2(a)(4) of the Securities Act; however, the reference contained in Sections 1145(b)(1)(D) and 1145(b)(3) of the Bankruptcy Code to Section 2(a)(11) of the Securities Act purports to include as statutory underwriters all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. "Control" (as such term is defined in Rule 405 of Regulation C under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor (or its successor) under a plan may be deemed to be a "control person", particularly if such management position is coupled with the ownership of a significant percentage of the debtor's (or successor's) voting securities. Ownership of a significant amount of voting securities of a reorganized debtor or its successor could also result in a person being considered to be a "control person".

Section 2(a)(12) of the Securities Act defines a "dealer" as any person who engages either for all or part of his time, directly or indirectly, as agent, broker, or principal, in the business of offering, buying, selling, or otherwise dealing or trading in securities issued by another person.

To the extent that persons deemed to be "underwriters", "affiliates" of the issuer or "dealers" receive Valeant Shares pursuant to the Plan, resales by such persons would not be exempted by Section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Such persons would not be permitted to resell such Valeant Shares, unless such securities were registered under the Securities Act or an exemption from such registration requirements were available. Entities deemed to be statutory underwriters for purposes of Section 1145 of the Bankruptcy Code may, however, be able, at a future time and under certain conditions, to sell securities without registration pursuant to the resale provisions of Rule 144 under the Securities Act or another available exemption under the Securities Act.

Whether or not any particular person would be deemed to be an "underwriters", "affiliates" of the issuer or "dealers" with respect to the Valeant Shares to be issued pursuant to the Plan, or an "affiliate" of the Debtor(s), would depend upon various facts and circumstances applicable to that person.

Accordingly, the Debtors express no view as to whether any such person would be such an "underwriters", "affiliates" of the issuer or "dealers". PERSONS WHO RECEIVE VALEANT

SHARES UNDER THE PLAN ARE URGED TO CONSULT THEIR OWN LEGAL ADVISOR WITH RESPECT TO THE RESTRICTIONS APPLICABLE UNDER THE SECURITIES LAWS AND THE CIRCUMSTANCES UNDER WHICH SECURITIES MAY BE SOLD IN RELIANCE ON SUCH LAWS.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING, AND DO NOT PROVIDE, ANY OPINIONS OR ADVICE WITH RESPECT TO THE VALEANT SHARES OR THE BANKRUPTCY MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT. IN LIGHT OF THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS, THE DEBTORS ENCOURAGE EACH 2016 NOTEHOLDER AND PARTY IN INTEREST TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH MATTERS. BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR 2016 NOTEHOLDER MAY BE AN UNDERWRITER, AFFILIATE OF AN ISSUER OR DEALER, THE DEBTORS MAKE NO REPRESENTATION CONCERNING THE ABILITY OF A PERSON TO DISPOSE OF THE VALEANT SHARES.

ARTICLE XII

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion is a summary of certain U.S. federal income tax consequences of the Plan to the Debtors and to holders of 2016 Noteholder Claims and General Unsecured Claims. This discussion is based on the Tax Code, Treasury Regulations promulgated and proposed thereunder, judicial decisions and published administrative rules and pronouncements of the Internal Revenue Service ("IRS"), all as in effect on the date hereof.

Due to the complexity of certain aspects of the Plan, the lack of applicable legal precedent, the possibility of changes in the law, the differences in the nature of the Claims, each holder's status and method of accounting and the potential for disputes as to legal and factual matters with the IRS, the tax consequences described herein are uncertain. No legal opinions have been requested from counsel with respect to any of the tax aspects of the Plan and no rulings have been or will be requested from the IRS with respect to the any of the issues discussed below. Further, legislative, judicial or administrative changes may occur, perhaps with retroactive effect, which could affect the accuracy of the statements and conclusions set forth below as well as the tax consequences to the Debtors and the holders of 2016 Noteholder Claims and General Unsecured Claims.

The following summary does not address the U.S. federal income tax consequences to creditors whose Claims are unimpaired or otherwise entitled to payment in full in Cash under the Plan (e.g., Priority Non-Tax Claims and Secured Claims), holders of Interests or Subordinated Claims, or purchasers of Claims following the Effective Date. This discussion assumes that the holder has not taken a bad debt deduction with respect to a Claim (or any portion thereof) in the current or any prior year and such Claim did not become completely or partially worthless in a

prior taxable year. This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtors or the holders of 2016 Noteholder Claims or General Unsecured Claims in light of their personal circumstances, nor does the discussion deal with tax issues with respect to taxpayers subject to special treatment under the U.S. federal income tax laws (including, for example, broker dealers, insurance companies, financial institutions, real estate investment trusts, tax-exempt organizations, small business investment companies, regulated investment companies, persons whose functional currency is not the U.S. dollar, persons subject to the alternative minimum tax or the unearned income "Medicare" contribution tax, persons owning 5% or more of Valeant after the Effective Date, and persons holding Claims as part of a "straddle," "hedge," "constructive sale" or "conversion transaction" with other investments). No aspect of foreign, state, local or estate and gift taxation is addressed.

The Debtors believe, and the following discussion generally assumes, that the Plan implements the liquidation of the Debtors for U.S. federal income tax purposes and that all distributions to holders of Claims will be taxed accordingly (including as distributions pursuant to the Plan for U.S. federal income tax purposes).

EACH HOLDER OF A 2016 NOTEHOLDER CLAIM OR GENERAL UNSECURED CLAIM IS URGED TO CONSULT SUCH HOLDER'S TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF THE PLAN.

A. Tax Consequences to Certain Creditors

The following generally discusses the U.S. federal income tax consequences of the Plan to holders of 2016 Noteholder Claims and General Unsecured Claims. Additional potential U.S. federal income tax consequences potentially applicable to such holders are discussed below under "Tax Treatment of Liquidating Trusts."

1. Holders of 2016 Noteholder Claims

It is intended that the receipt of Valeant Shares and Available Cash in exchange for 2016 Noteholder Claims be treated as part of a "reorganization" for U.S. federal income tax purposes. The classification of an exchange as part of a reorganization for U.S. federal income tax purposes generally serves to defer the recognition of any gain or loss realized by the holder. Assuming qualification as a reorganization:

- a holder should recognize any gain to the extent of any cash and the fair market value of any property (other than Valeant Shares, but including, if a liquidating trust is established, the fair market value of its share of the assets of the liquidating trust, as described below) received. Such holder will also have interest income to the extent of any consideration allocable to accrued but unpaid interest. See "Distributions With Respect to Accrued But Unpaid Interest," below.

- A holder's aggregate tax basis in the Valeant Shares received should equal the holder's aggregate adjusted tax basis in the 2016 Noteholder Claims exchanged therefor, increased by any gain or interest income recognized by the holder with

respect to the exchange, and decreased by any deductions claimed in respect of any previously accrued but unpaid interest and any consideration received other than Valeant Shares (i.e., any Cash and the fair market value of any other property received, whether on or after the Effective Date).

- A holder's holding period in the Valeant Shares received should include the holder's holding period in the Claims exchanged therefor, except to the extent of any exchange consideration received in respect of a Claim for accrued but unpaid interest (which will commence a new holding period for the Valeant Shares attributed thereto).

If the exchange does not qualify for reorganization treatment, the holder should generally have tax consequences as described below with respect to General Unsecured Claims (taking into account the fair market value of the Valeant Shares received).

2. Holders of General Unsecured Claims

Pursuant to the Plan, the holders of General Unsecured Claims will receive, in respect of their Claims, solely their share of Available Cash. Generally, a holder of a General Unsecured Claim should in most, but not all circumstances, recognize gain or loss equal to the difference between the amount of cash (and, if a liquidating trust is established, the fair market value of their share of the assets of the liquidating trust, as described below) received by such holder pursuant to the Plan in exchange for its Claim and such holder's adjusted tax basis in the Claim.

3. Character of Gain or Loss

To the extent applicable, the character of any recognized gain or loss (e.g., ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the holder, the nature of the Claim in the holder's hands, the purpose and circumstances of its acquisition, the holder's holding period of the Claim, whether payments are received in respect thereof in more than one taxable year, and the extent to which the holder previously claimed a deduction for the worthlessness of all or a portion of the Claim. Generally, if the Claim is a capital asset in the holder's hands, any gain or loss realized generally will be characterized as capital gain or loss, and will constitute long-term capital gain or loss if the holder has held such Claim for more than one year.

If a holder acquired its Claim after its original issuance at a "market discount" (generally defined as the amount, if any, by which the debt obligation's adjusted issue price exceeds the holder's tax basis in a debt obligation immediately after its acquisition, subject to a de minimis exception), the holder generally will be required to treat any gain recognized pursuant to the Plan as ordinary income to the extent of the market discount accrued during the holder's period of ownership, unless the holder elected to include the market discount in income as it accrued.

The treatment of accrued market discount in a nonrecognition transaction is subject to the issuance of Treasury Regulations that have not yet been promulgated. In the absence of such regulations, the application of the market discount rules in the present transaction is uncertain. In the case of a reorganization exchange, the Tax Code indicates that, under Treasury regulations to

be issued, any accrued market discount in respect of a Claim in excess of the gain recognized in the exchange should not be currently includible in income. However, such accrued market discount should carry over to any non-recognition property received in exchange therefor (i.e., to the Valeant Shares received in the exchange), such that any gain recognized by the holder upon a subsequent disposition of such exchange consideration would be treated as ordinary income to the extent of the accrued market discount allocable thereto not previously included in income. A holder of a market discount bond that is required under the market discount rules of the Tax Code to defer deduction of all or a portion of the interest on indebtedness incurred or maintained to acquire or carry the bond may be allowed to deduct such interest, in whole or in part, on disposition of such bond for cash. However, continued deferral of the deduction for interest may be required to the extent attributable to the Valeant Shares received in exchange for the Claim, and would be treated as interest paid or accrued in the year in which the Valeant Shares are disposed. To date, specific Treasury regulations implementing this rule have not been issued.

4. Distributions with Respect to Accrued but Unpaid Interest.

In general, to the extent that any consideration received pursuant to the Plan by a holder of a Claim (whether in cash, Valeant Shares or other property) is received in satisfaction of interest accrued but unpaid during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, a holder generally recognizes a deductible loss to the extent that any accrued interest was previously included in its gross income and is not paid in full.

Pursuant to the Plan, all distributions in respect of Allowed Claims will be allocated first to the principal amount of such Claims, as determined for U.S. federal income tax purposes, and thereafter to any remaining portion of such Claim (including accrued but unpaid interest). However, there is no assurance that such allocation would be respected by the IRS for U.S. federal income tax purposes. Each holder of a Claim is urged to consult its tax advisor regarding the allocation of consideration to, and the deductibility of a loss with respect to, accrued but unpaid interest for U.S. federal income tax purposes.

5. Non-United States Persons

A holder of a Claim that is not a "United States Person" within the meaning of the Tax Code (a "Non-U.S. Holder") generally will not be subject to United States federal income tax with respect to property (including money) received in exchange for such Claim pursuant to the Plan, unless (i) such holder is engaged in a trade or business in the United States to which income, gain or loss (unless an applicable income tax treaty provides otherwise) from the exchange is "effectively connected" for United States federal income tax purposes, or (ii) if such holder is an individual, such holder is present in the United States for 183 days or more during the taxable year of the exchange and certain other requirements are met (unless an applicable income tax treaty provides otherwise).

Payments to a Non-U.S. Holder that are attributable to accrued interest generally will not be subject to U.S. federal income or withholding tax, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, an IRS Form W-

8BEN IRS Form W-8BEN-E, or a successor form) establishing that the Non-U.S. Holder is not a U.S. person, unless:

(i) the Non-U.S. Holder actually or constructively owns 10% or more of the total combined voting power of all classes of Dendreon's stock that are entitled to vote,

(ii) the Non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to Dendreon (each, within the meaning of the Tax Code), or

(iii) such interest is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (in which case, provided the Non-U.S. Holder provides a properly-executed IRS Form W-8ECI (or successor form) to the withholding agent, the Non-U.S. Holder (x) generally will not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the interest at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty).

A Non-U.S. Holder that does not qualify for exemption from withholding tax with respect to interest that is not effectively connected income generally will be subject to withholding of U.S. federal income tax at a 30% rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on payments that are attributable to accrued interest. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business. To claim the benefits of a treaty, a Non-U.S. Holder must provide a properly-executed IRS Form W-8BEN or W8BEN-E (or a successor form) prior to the payment.

Non-U.S. Holders of Valeant Shares should consult their own tax advisors concerning the tax consequences of receiving and holding such stock in their particular circumstances.

B. Tax Consequences to the Debtors

The Debtors expect to remain in existence following the Effective Date, but in accordance with the Asset Purchase Agreement, in no event will they remain in existence for U.S. federal income tax purposes beyond December 31, 2015; however, the sole purpose of their remaining in existence is the liquidation of any remaining assets and the winding-up of their affairs. Accordingly, the Debtors intend to treat the Plan as the implementation of the liquidation of the Debtors in furtherance of the Plan for U.S. federal income tax purposes and in furtherance of the treatment of the Plan, in conjunction with the Sale Transaction, as a reorganization pursuant to Section 368(a)(1)(G) of the Tax Code.

Pursuant to the terms of the Sale Transaction, the parties will elect to treat Dendreon's tax year as ending on the closing date of the Sale Transaction. As a result of the election, pursuant to the Tax Code and regulations promulgated thereunder, Dendreon's tax attributes (e.g., tax asset basis, net operating losses ("NOLs") and NOL carryforwards), as reduced by any cancellation of

indebtedness ("COD") income realized by Dendreon after the Sale Transaction, will transfer to Purchaser as of the closing date.

Because of the lack of direct authoritative guidance as to the survival and utilization of NOL carryforwards and the timing of recognition of COD in the context of a bankruptcy liquidation, there is a risk that certain favorable tax attributes of the Debtors (including any NOL carryforwards incurred since the Sale Transaction and any NOLs incurred through the end of the taxable year in which the Plan becomes effective) may be substantially reduced, eliminated, or subjected to significant limitations as the result of implementation of the Plan. The Debtors believe that, notwithstanding the potential for attribute reduction, elimination, or limitation, implementation of the Plan (including any distribution to a liquidating trust or other liquidating vehicle) should not cause them to incur a material amount of U.S. federal income tax.

C. Tax Treatment of Liquidating Trusts

A liquidating trust may be established for the benefit of holders of 2016 Noteholder Claims and General Unsecured Claims in furtherance of the liquidation of the Debtors for U.S. federal income tax purposes. This Section applies unless an election is made under Treasury Regulations Section 1.468B-9 treat the trust as a disputed ownership fund.

1. Classification of Liquidating Trusts

If established, such liquidating trust will be intended to qualify as a "liquidating trust" for U.S. federal income tax purposes. In general, a liquidating trust is not a separate taxable entity but rather is treated for U.S. federal income tax purposes as a "grantor" trust (i.e., a pass-through entity). The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, set forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. The liquidating trust will be structured with the intention of complying with such general criteria. Pursuant to the Plan, and in conformity with Revenue Procedure 94-45, all parties (including the liquidating trustee and the holders of beneficial interests in the liquidating trust) will be required to treat for U.S. federal income tax purposes the liquidating trust as a grantor trust of which the holders of 2016 Noteholder Claims and General Unsecured Claims are the owners and grantors. While the following discussion assumes that the liquidating trust would be so treated for U.S. federal income tax purposes, no ruling will be requested from the IRS concerning the tax status of the liquidating trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the liquidating trust as a grantor trust. If the IRS were to challenge successfully such classification, the U.S. federal income tax consequences to the liquidating trust and the holders of Claims could vary from those discussed herein.

2. General Tax Reporting by Trusts and Beneficiaries

For all U.S. federal income tax purposes, all parties (including the liquidating trustee and the holders of beneficial interests in the liquidating trust) will be required to treat the transfer of assets to the liquidating trust, in accordance with the terms of the Plan, as a transfer of those assets directly to the holders of 2016 Noteholder Claims and General Unsecured Claims in respect of their Allowed Claims (see Article XIIA for a discussion of the tax treatment of such

Claims) followed by the transfer of such assets by such holders to the liquidating trust. Consistent therewith, all parties will be required to treat the liquidating trust as a grantor trust of which such holders are to be owners and grantors. Thus, such holders (and any subsequent holders of interests in the liquidating trust) will be treated as the direct owners of an undivided beneficial interest in the assets of the liquidating trust for all U.S. federal income tax purposes. Accordingly, each holder of a beneficial interest in the liquidating trust will be required to report on its U.S. federal income tax return(s) the holder's allocable share of all income, gain, loss, deduction or credit recognized or incurred by the liquidating trust.

The U.S. federal income tax reporting obligation of a holder of a beneficial interest in the liquidating trust is not dependent upon the liquidating trust distributing any cash or other proceeds. Therefore, a holder of a beneficial interest in the liquidating trust may incur a U.S. federal income tax liability regardless of the fact that the liquidating trust has not made, or will not make, any concurrent or subsequent distributions to the holder. If a holder incurs a federal tax liability but does not receive distributions commensurate with the taxable income allocated to it in respect of its beneficial interests in the liquidating trust it holds, the holder may be allowed a subsequent or offsetting loss.

The liquidating trustee will file tax returns with the IRS for the liquidating trust as a grantor trust pursuant to Treasury Regulations Section 1.671-4(a). The liquidating trustee will also send to each holder of a beneficial interest in the liquidating trust a separate statement setting forth the holder's share of items of income, gain, loss, deduction or credit and will instruct the holder to report such items on its U.S. federal income tax return.

3. Allocations of Taxable Income and Loss

The liquidating trust's taxable income will be allocated to the holders of beneficial interests in the liquidating trust in accordance with each such holder's pro rata share of the liquidating trust's interests. The character of items of income, deduction and credit to any holder and the ability of such holder to benefit from any deductions or losses may depend on the particular situation of such holder.

Any amount a holder receives as a distribution from the liquidating trust in respect of its beneficial interest in the liquidating trust should not be included, for U.S. federal income tax purposes, in the holder's amount realized in respect of its Allowed Claim but should be separately treated as a distribution received in respect of such holder's beneficial interest in the liquidating trust.

In general, a holder's aggregate tax basis in its undivided beneficial interest in the assets transferred to the liquidating trust will equal the fair market value of such undivided beneficial interest in the assets as of the date the assets are transferred to the trust and the holder's holding period in such assets will begin the day following its receipt of such interest.

If established, the liquidating trustee will, in good faith, value the liquidating trust assets, and will (to the extent relevant, from time to time) apprise the holders of beneficial interests in the liquidating trust of such valuation. The valuation is required to be used consistently by all parties (including the Debtors, the trustee and the holders) for all U.S. federal income tax

purposes, including applicable reporting requirements. The Court will resolve any dispute regarding the valuation of the assets.

D. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIM HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, CLAIM HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

ARTICLE XIII

RECOMMENDATION AND CONCLUSION

This Disclosure Statement was approved by the Court after notice and a hearing. The Court has determined that this Disclosure Statement contains information adequate to permit holders of Claims to make an informed judgment about the Plan. Such approval, however, does not mean that the Court recommends either acceptance or rejection of the Plan.

The Debtors believe that confirmation and consummation of the Plan is in the best interests of the Debtors, their Estates and their creditors. The Plan provides for an equitable distribution to creditors. The Debtors believe that any alternative to confirmation of the Plan, such as liquidation under chapter 7 of the Bankruptcy Code, could result in significant delay, litigation and additional costs, as well as a reduction in the distributions to Holders of Claims in certain Classes. Consequently, the Debtors urge all eligible Holders of Impaired Claims to vote to ACCEPT the Plan, and to complete and return their Ballots so that they will be RECEIVED by the Voting Agent on or before the Voting Deadline.

Dated: Wilmington, Delaware
April 10, 2015

DENDREON CORPORATION, et al.,
Debtors and Debtors-in-Possession
DRAFT
Name: Robert L. Crotty
Title: President, General Counsel and Secretary

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
DRAFT
Anthony W. Clark (I.D. No. 2051)
Sarah E. Pierce (I.D. No. 4648)
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
Telephone: (302) 651-3000
Fax: (302) 651-3001

- and -

Kenneth S. Ziman
Raquelle L. Kaye
Four Times Square
New York, New York 10036-6522
Telephone: (212) 735-3000
Fax: (212) 735-2000

- and -

Felicia Gerber Perlman
155 N. Wacker Drive
Chicago, Illinois 60606-1720
Telephone: (312) 407-0700
Fax: (312) 407-0411

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
DENDREON CORPORATION, et al.,	:	Case No. 14-12515 (LSS)
Debtors.[1]	:	Jointly Administered

FIRST AMENDED PLAN OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY THE DEBTORS

Nothing contained herein shall constitute an offer, an acceptance or a legally binding obligation of the Debtors or any other party in interest. This Plan is subject to approval of the Bankruptcy Court and other customary conditions. This Plan is not an offer with respect to any securities. You should not rely on the information contained in, or the terms of, this Plan for any purpose (including in connection with the purchase or sale of the Debtors' securities) prior to the confirmation of this Plan by the Bankruptcy Court.

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

Anthony W. Clark (I.D. No. 2051)
Sarah E. Pierce (I.D. No. 4648)
One Rodney Square
P.O. Box 636
Wilmington, DE 19899
Telephone: (302) 651-3000
Fax: (302) 651-3001

Kenneth S. Ziman
Raquelle L. Kaye
Four Times Square
New York, NY 10036
Telephone: (212) 735-3000
Fax: (212) 735-2000

Felicia Gerber Perlman
Candice Korkis
155 N. Wacker Dr.
Chicago, IL 60606
Telephone: (312) 407-0700
Fax: (312) 407-0411

Counsel for Debtors and Debtors in Possession

Dated: April 10, 2015

[1] The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Dendreon Corporation (3193), Dendreon Holdings, LLC (8047), Dendreon Distribution, LLC (8598) and Dendreon Manufacturing, LLC (7123). The address of the Debtors' corporate headquarters is 601 Union Street, Suite 4900, Seattle, Washington 98101.

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Note: To the extent that the foregoing Exhibits are not attached to this Plan, such Exhibits will be filed with the Court in Plan Supplement(s) filed on or before the date(s) set for the filing of such documents and forms of documents.

INTRODUCTION[2]

The debtors and debtors-in-possession in the above-captioned Chapter 11 Cases propose the following plan of liquidation. The Plan contemplates the liquidation of the Debtors and the resolution of outstanding Claims against and Interests in the Debtors pursuant to section 1121(a) of the Bankruptcy Code. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

For a discussion of the Debtors' history, businesses, properties, operations, the Chapter 11 Cases, risk factors, a summary of this Plan and certain other related matters, reference is hereby made to the Disclosure Statement that is being distributed herewith. In the event of any inconsistencies between the Plan and the Disclosure Statement, the terms and provisions of the Plan shall control.

All Holders of Claims that are eligible to vote on the Plan are encouraged to read the Plan and the Disclosure Statement in their entirety before voting to accept or reject the Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019 and Section 12.1 of this Plan, the Debtors reserve the right to alter, amend, modify (one or more times), revoke or withdraw the Plan prior to its substantial consummation.

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION

1.1 Rules of Construction

For purposes of this Plan, except as expressly provided herein or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them in Article I of this Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine, and the feminine gender shall include the masculine.

1.2 Definitions

"2016 Noteholder Claim" means, individually, a Claim of a holder of the 2016 Notes arising under or as a result of such notes and, collectively, the Claims of all such holders arising under or as a result of such notes, which Claims shall be deemed Allowed in the aggregate amount of $625,694,097.22 (which amount includes any accrued and unpaid interest as of the Petition Date) as of the Effective Date.

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[2] Capitalized terms used in this Introduction shall have the meanings ascribed to such terms in Article I hereof.

"2016 Notes" means the 2.875% Convertible Senior Notes due 2016, issued pursuant to that certain First Supplemental Indenture, dated January 20, 2011, to the base Indenture, dated March 16, 2007, by and between Dendreon Corporation, as issuer, and Bank of New York Mellon Trust Company, N.A., as indenture trustee.

"2016 Notes Indenture" that certain First Supplemental Indenture, dated January 20, 2011, to the base Indenture, dated March 16, 2007, by and between Dendreon Corporation, as issuer, and Bank of New York Mellon Trust Company, N.A., as indenture trustee, pursuant to which the 2016 Notes were issued.

"2016 Notes Trustee" means Bank of New York Mellon Trust Company, N.A. in its capacity as indenture trustee for the 2016 Notes under the 2016 Notes Indenture.

"2016 Notes Trustee Fee Claims" means the Claims for reasonable, actual fees and expenses, including reasonable, actual attorneys' fees and expenses, incurred by the 2016 Notes Trustee through the Effective Date and payable under the 2016 Notes Indenture.

"Administrative Claim" means a Claim for payment of an administrative expense of a kind specified in sections 503(b) or 1114(e)(2) of the Bankruptcy Code and entitled to priority in payment under sections 507(a)(2) or 507(b) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries or commissions for services and payments for goods and other services and leased premises) and Claims by Governmental Units for Taxes accruing after the Petition Date; (b) Professional Fee Claims; (c) all fees and charges assessed against the Estates under 28 U.S.C. § 1930; (d) obligations designated as Administrative Claims pursuant to an order of the Court; and (e) Claims under section 503(b)(9) of the Bankruptcy Code.

"Administrative Claims Bar Date" means for Administrative Claims arising on the Petition Date and through the Effective Date, other than Professional Fee Claims, claims arising under section 503(b)(9) of the Bankruptcy Code and Claims by Governmental Units for Taxes accruing after the Petition Date, the date that falls on the first Business Day that is at least thirty (30) days after the Effective Date, in each case by which Holders of such Administrative Claims shall File with the Claims Agent and serve on the Debtors or the Plan Administrator, as applicable, requests for payment, in writing, together with supporting documents, substantially complying with the Bar Date Order, the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

"Administrative and Priority Claims Estimate" means, as of the Effective Date, the estimated amount, exclusive of Professional Fee Claims, of all unpaid Claims that will be Allowed Administrative Claims, Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims.

"Administrative and Priority Claims Reserve" means the reserve of Cash initially funded by the Debtors and maintained by the Plan Administrator, on behalf of the Liquidating Debtors (or the Liquidating Trust, if established), for the benefit of Holders of Allowed Administrative Claims (exclusive of Holders of Professional Fee Claims, the reserve for which Holders shall be

the Professional Fee Reserve), Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims in an amount equal to the Administrative and Priority Claims Estimate.

"Affiliate" means "affiliate" as defined in section 101(2) of the Bankruptcy Code.

"Affiliate Debtors" means Dendreon Holdings, LLC, Dendreon Distribution, LLC and Dendreon Manufacturing, LLC, the debtors and debtors-in-possession in Chapter 11 Cases No. 14-12516 (LSS), No. 14-12517 (LSS) and No. 14-12518 (LSS), respectively, which cases are pending in the Court.

"Allowed" means, when used in reference to a Claim within a particular Class, an Allowed Claim in the specified Class or of a specified type.

"Allowed Claim" means a Claim or any portion thereof (a) that has been allowed by a Final Order of the Court, (b) that either (x) has been Scheduled as a liquidated, non-contingent and undisputed Claim in an amount greater than zero in the Schedules, or (y) is the subject of a timely filed Proof of Claim and, as to both (x) and (y), either (i) no objection to its allowance has been filed on or before the Claims Objection Deadline (as may be extended) or the expiration of such other applicable period fixed by the Court or (ii) any objection to its allowance has been settled, waived through payment or withdrawn, or has been denied by a Final Order, or (c) that is expressly allowed in a liquidated amount (x) in the Plan or (y) after the Effective Date, by the Plan Administrator in writing; provided, however, that with respect to an Administrative Claim, "Allowed Claim" means an Administrative Claim as to which a timely written request for payment has been made in accordance with applicable bar dates for such requests set by the Court (if such written request is required) in each case as to which (a) the Debtors or the Plan Administrator, as applicable, or any other party in interest (x) has not filed an objection on or before the Claims Objection Deadline (as may be extended) or the expiration of such other applicable period fixed by the Court or (y) has interposed a timely objection and such objection has been settled, waived through payment or withdrawn, or has been denied by Final Order, or (b) after the Effective Date, the Plan Administrator has expressly allowed in a liquidated amount in writing with the consent of the Oversight Committee (to the extent required under the Plan). For purposes of computing Distributions under this Plan, a Claim that has been deemed "Allowed" shall not include interest, fees, costs or charges on such Claim from and after the Petition Date, except as provided in section 506(b) of the Bankruptcy Code, applicable law, or as otherwise expressly set forth in this Plan.

"Asset Purchase Agreement" means that certain Second Amended and Restated Acquisition Agreement by and between the Debtors, the Purchaser and Valeant Pharmaceuticals International, Inc., dated as of February 19, 2015, as may be amended from time to time.

"Available Cash" means all of the Cash held by the Debtors' Estates on the Effective Date plus all Cash realized by the Liquidating Debtors after the Effective Date, including any recovery from Causes of Action, less the amounts used to fund the Professional Fee Reserve, the Administrative and Priority Claims Reserve, the Disputed Claims Reserve and the Wind-down Reserve.

"Avoidance Actions" means any and all claims and Causes of Action of the Debtors arising under chapter 5 of the Bankruptcy Code, including, without limitation, sections 544, 545, 547, 548, 549 and 550 thereof or their state law analogs.

"Ballot" means each of the ballot or master ballot forms distributed with the Disclosure Statement to Holders of Impaired Claims entitled to vote under Section 4.4 hereof in connection with the solicitation of acceptances of the Plan.

"Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as such title has been, or may be, amended from time to time, to the extent that any such amendment is applicable to these Chapter 11 Cases.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, the Official Bankruptcy Forms and the Local Rules, as each has been, or may be, amended from time to time, to the extent that any such amendment is applicable to these Chapter 11 Cases.

"Bar Date" means, with respect to any particular Claim, the specific date set by the Court as the last day for Filing Proofs of Claim against the Debtors or requests in these Chapter 11 Cases for that specific Claim.

"Bar Date Order" means the Order Pursuant to Sections 105, 501, 502, 503 and 1111(a) of the Bankruptcy Code, Bankruptcy Rules 2002 and 3003(c)(3), and Local Rules 1009-2 and 2002-1(e) (I) Establishing Bar Dates for Filing Claims Against the Debtors and (II) Approving Form and Manner of Notice Thereof [Docket No. 352].

"Books and Records" means any and all books and records of the Debtors, including computer generated or computer maintained books and records and computer data, as well as electronically generated or maintained books and records or data, along with books and records of any Debtor maintained by or in the possession of third parties, wherever located.

"Business Day" means any day, other than a Saturday, Sunday or a legal holiday (as that term is defined in Bankruptcy Rule 9006(a)).

"Cash" means legal tender of the United States of America or equivalents thereof.

"Causes of Action" means any and all claims, actions, proceedings, causes of action, Avoidance Actions (excluding Avoidance Actions pursuant to section 547 of the Bankruptcy Code against non-Insiders of the Debtors), suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Bankruptcy Cases, through and including the Effective Date, that any Debtor and/or Estate may hold against any Person.

"Chapter 11 Cases" means the chapter 11 cases commenced by the Debtors and jointly administered under case number 14-12515 (LSS) in the Court.

"Claim" means a claim against any Debtor, whether or not asserted, as such term is defined in section 101(5) of the Bankruptcy Code.

"Claimholder" means the holder of a Claim.

"Claims Agent" means Prime Clerk LLC, or any successor thereto.

"Claims Objection Deadline" means the last day for filing objections to Claims (other than Disallowed Claims for which no objection is required), which day shall be one hundred and twenty (120) days after the Effective Date, or such later date as may be ordered by the Court.

"Class" means each category or group of Holders of Claims or Interests that has been designated as a class in Article III of this Plan.

"Collateral" means any property or interest in property of a Debtor's Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

"Committee" means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases.

"Committee Member Substantial Contribution Claim" means, individually, any Substantial Contribution Claim by a member or members of the Committee for services provided by counsel to such member or members (for which redacted invoices shall be provided to the Debtors and the Supporting Noteholders), and, collectively, all such Claims, which shall be deemed Allowed as of the Effective Date in the amount of such Claims, the aggregate amount of which shall not exceed $100,000.

"Confirmation" means the entry of the Confirmation Order, subject to all conditions specified in Section 8.1 having been satisfied or waived pursuant to Section 8.3.

"Confirmation Date" means the date of entry of the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

"Confirmation Hearing" means the hearing(s) before the Court to consider confirmation of the Plan and related matters pursuant to section 1128 of the Bankruptcy Code, as such hearing(s) may be adjourned or continued from time to time.

"Confirmation Order" means the order entered by the Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

"Consummation" means the occurrence of the Effective Date.

"Contingent" means, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which, or the obligation to make payment on which, is dependent upon a future event that may or may not occur.

"Court" means the United States Bankruptcy Court for the District of Delaware or such other court as may have jurisdiction over the Chapter 11 Cases.

"Cure" means the distribution within a reasonable period of time following the Effective Date of Cash, or such other property as may be agreed upon by the parties or ordered by the Court, with respect to the assumption or assumption and assignment of an executory contract or unexpired lease, pursuant to section 365(b) of the Bankruptcy Code, in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the parties under such executory contract or unexpired lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law.

"Debtors" means, together, Dendreon Corporation, Dendreon Holdings, LLC, Dendreon Distribution, LLC and Dendreon Manufacturing, LLC.

"Deerfield Noteholders" means Deerfield Management Company, L.P. and certain funds managed by it that are holders of 2016 Notes.

"Deerfield Noteholders PSA" means that certain Amended and Restated Plan Support Agreement dated December 17, 2014, as amended from time to time, by and among the Debtors and each holder of the 2016 Notes that is a signatory thereto.

"Deerfield Requisite Supporting Noteholders" has the meaning ascribed to "Requisite Supporting Noteholders" in the Deerfield Noteholders PSA.

"Deerfield Substantial Contribution Claim" means the Substantial Contribution Claim of the Deerfield Noteholders for the services performed by Katten Muchin Rosenman LLP (for which redacted invoices shall be provided to the Debtors, the Unaffiliated Noteholders and the Committee), which shall be deemed Allowed in the amount of $152,953.00 as of the Effective Date.

"Dendreon" means Dendreon Corporation.

"Disallowed" means (with reference to a Claim) any Claim, or any portion thereof, that (a) has been disallowed by a Final Order, (b) is Scheduled at zero or as contingent, disputed or unliquidated and as to which no Proof of Claim has been filed by the Bar Date or deemed timely filed with the Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, (c) is not Scheduled, and as to which (i) no Proof of Claim has been filed by the Bar Date or deemed timely filed with the Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, and (ii) no request for payment of an Administrative Claim has been filed by the Bar Date or deemed timely filed with the Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (d) after the Effective Date, has been disallowed in a written agreement by and between the Plan Administrator and the Holder of such Claim.

"Disbursing Agent" means (a) prior to the Effective Date, the Debtors, and (b) on and after the Effective Date, the Plan Administrator; provided, however, that the Debtors or the Plan Administrator may, in their discretion, retain a third party to act as Disbursing Agent.

"Disclosure Statement" means the written disclosure statement (including all exhibits and schedules thereto) that relates to the Plan, as the same may be amended, supplemented, revised or modified from time to time, as approved by the Court pursuant to the Disclosure Statement Approval Order.

"Disclosure Statement Approval Order" means the Final Order approving, among other things, the adequacy of the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code.

"Disputed" means, when used in reference to a Claim, a Claim, or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim.

"Disputed Claim Amount" means (a) if a liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) the liquidated amount set forth in the Proof of Claim relating to a Disputed Claim; (ii) an amount agreed to by the Debtors or the Plan Administrator, as applicable, and the Holder of such Disputed Claim; or (iii) if a request for estimation is filed by any party, the amount at which such Claim is estimated by the Court; (b) if no liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) an amount agreed to by the Debtors or the Plan Administrator, as applicable, and the Holder of such Disputed Claim; (ii) the amount estimated by the Court with respect to such Disputed Claim; or (c) if the Claim is a Disallowed Claim, zero.

"Disputed Claims Estimate" means, as of any date of determination, the aggregate amount that would be distributed to all holders of Disputed General Unsecured Claims if each such claim became an Allowed General Unsecured Claim in the Face Amount of such Claim on such date.

"Disputed Claims Reserve" means the reserve of Cash in the amount of the Disputed Claims Estimate initially funded by the Debtors and maintained by the Plan Administrator, on behalf of the Liquidating Debtors (or the Liquidating Trust, if established), for the payment of Disputed General Unsecured Claims that become Allowed Claims after the Effective Date.

"Distribution" means the distributions to be made by the Disbursing Agent in accordance with the Plan of, as the case may be: (a) Cash or (b) any other consideration or residual value distributed to Holders of Allowed Claims under the terms and provisions of the Plan.

"Distribution Date" means the Effective Date, or the date occurring as soon as practicable after the Effective Date, on which the initial Distributions are made to Holders of Allowed Claims.

"Distribution Record Date" means the record date for the purpose of determining Holders of Allowed Claims entitled to receive Distributions under the Plan on account of Allowed Claims, which date shall be the Confirmation Date or such other date designated in the Confirmation Order or any subsequent Court order; provided, however, that such Distribution Record Date shall not apply to public securities.

"Effective Date" means the first Business Day on which all conditions to the consummation of the Plan set forth in Section 8.2 hereof have been satisfied or waived in accordance with Section 8.3.

"Entity" has the meaning ascribed to such term in section 101(15) of the Bankruptcy Code.

"Estate(s)" means, individually, the estate of any Debtor in these Chapter 11 Cases and, together, the estates of the Debtors created under section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases on the Petition Date.

"Executory Contract" means a contract to which the Debtor is a party that is subject to assumption or rejection under 365 of the Bankruptcy Code.

"Exhibit" means an exhibit either attached to this Plan or attached as an appendix to the Disclosure Statement.

"Face Amount" means (i) when used in reference to a Disputed or Disallowed Claim, the Disputed Claim Amount, and (ii) when used in reference to an Allowed Claim, the Allowed amount of such Claim.

"File," "Filed" or "Filing" means, respectively, file, filed or filing with the Court or its authorized designee in these Chapter 11 Cases.

"Final Fee Applications" has the meaning ascribed to such term in Section 9.1(a).

"Final Order" means an order of the Court (x) as to which the time to appeal, petition for certiorari, or move for reargument, rehearing or new trial has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument, rehearing or new trial shall then be pending; (y) as to which any right to appeal, petition for certiorari, reargue, rehear or retry shall have been waived in writing; or (z) in the event that an appeal, writ of certiorari, reargument, rehearing or new trial has been sought, as to which (i) such order of the Court shall have been affirmed by the highest court to which such order is appealed, (ii) certiorari has been denied as to such order, or (iii) reargument or rehearing or new trial from such order shall have been denied, and the time to take any further appeal, petition for certiorari or move for reargument, rehearing or new trial shall have expired without such actions having been taken; provided, however, that the fact that a petition for reargument or rehearing could be filed, after the applicable deadline for commencing an appeal, shall not prevent an order from being a Final Order if no such petition has been filed.

"General Unsecured Claim" means a Claim against any or all of the Debtors that is not an Administrative Claim, Priority Tax Claim, Secured Claim, Priority Non-Tax Claim, Intercompany Claim, Subordinated Claim or 2016 Noteholder Claim.

"Governmental Unit" has the meaning ascribed to such term in section 101(27) of the Bankruptcy Code.

"Holder" means a holder of a Claim or Interest, as applicable.

"Impaired" means, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

"Impaired Class" means a Class of Claims or Interests that is Impaired.

"Indemnified Parties" has the meaning ascribed to such term in Section 5.6(e).

"Insider" has the meaning ascribed to such term in section 101(31) of the Bankruptcy Code.

"Insured Claim" means any Claim, other than a Subordinated Claim, or portion of a Claim that is insured under the Debtors' insurance policies, but only to the extent of such coverage.

"Intercompany Claims" means any Claim, if any, held by a Debtor against another Debtor, including, without limitation: (i) any account reflecting intercompany book entries by a Debtor with respect to another Debtor, (ii) any Claim not reflected in such book entries that is held by a Debtor against another Debtor, and (iii) any derivative Claim asserted by or on behalf of one Debtor against another Debtor.

"Intercompany Interest" means an Interest in a Debtor held by another Debtor.

"Interest" means the legal interests, equitable interests, contractual interests, equity interests or ownership interests, or other rights of any Person in the Debtors, including all capital stock, stock certificates, common stock, preferred stock, partnership interests, limited liability company or membership interests, rights, treasury stock, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtors, partnership interests in the Debtors' stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights, subscription rights and liquidation preferences, puts, calls, awards or commitments of any character whatsoever relating to any such equity, common stock, preferred stock, ownership interests or other shares of capital stock of the Debtors or obligating the Debtors to issue, transfer or sell any shares of capital stock whether or not certificated, transferable, voting or denominated stock or a similar security.

"Lien" has the meaning ascribed to such term in section 101(37) of the Bankruptcy Code.

"Liquidating Debtors" means the Debtors, or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

"Liquidating Trust" has the meaning ascribed to such term in Section 5.2(a).

"Local Rules" means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

"Objection(s)" means any objection, application, motion, complaint or any other legal proceeding seeking, in whole or in part, to disallow, determine, liquidate, classify, reclassify or

establish the priority, expunge, subordinate or estimate any Claim (including the resolution of any request for payment of any Administrative Claim).

"Official Bankruptcy Forms" means the Official Bankruptcy Forms, prescribed by the Judicial Conference of the United States, the observance and use of which is required pursuant to Bankruptcy Rule 9009, as such forms may be amended, revised or supplemented from time to time.

"Outside Date" has the meaning ascribed to such term in Section 5.2(a).

"Ordinary Course Professionals" means those professionals authorized to be paid by the Debtors pursuant to the Order Pursuant to 11 U.S.C. §§ 105(a), 327, 330 and 331 Authorizing Debtors to Employ and Pay Professionals Utilized in the Ordinary Course of Business [Docket No. 159].

"Oversight Committee" has the meaning ascribed to such term in Section 5.15.

"Periodic Distribution Date" means each date selected by the Plan Administrator, on behalf of the Liquidating Debtors, for making a Distribution to Holders of Allowed 2016 Noteholder Claims and Allowed General Unsecured Claims in accordance with the Plan Administrator Agreement, which dates shall be no less frequent than quarterly unless the aggregate amount of any such Distributions to be made on any such date, except the last distribution date, is $100,000.00 or less.

"Person" has the meaning ascribed to such term in section 101(41) of the Bankruptcy Code.

"Petition Date" means November 10, 2014, the date on which the Debtors filed their petitions for relief commencing the Chapter 11 Cases.

"Plan" means this chapter 11 plan of liquidation proposed by the Debtors including all exhibits and schedules attached hereto or otherwise incorporated herein, as such Plan may be altered, amended, modified or supplemented from time to time, including in accordance with its terms and the Bankruptcy Code and the Bankruptcy Rules.

"Plan Administrator" means the Person or Entity designated by the Debtors, subject to the consent of the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders and the Committee, which consent shall not be unreasonably withheld, prior to the Confirmation Date and approved by the Court pursuant to the Confirmation Order to administer the Plan in accordance with the terms of the Plan and the Plan Administrator Agreement and to take such other actions as may be authorized under the Plan Administrator Agreement, and any successor thereto.

"Plan Administrator Agreement" means the agreement between and among the Debtors and the Plan Administrator, specifying the rights, duties and responsibilities of and to be performed by the Plan Administrator under the Plan, in substantially the form set forth in Exhibit A.

"Plan Administrator Professionals" means the agents, financial advisors, attorneys, consultants, independent contractors, representatives and other professionals of the Plan Administrator and the Liquidating Debtors (in their capacities as such).

"Plan Supplement" means the compilation(s) of documents and forms of documents, including any exhibits to the Plan not included herewith, that the Debtors shall file with the Court on or before the Plan Supplement Filing Date.

"Plan Supplement Filing Date" means the date on which the Plan Supplement shall be filed with the Court, which date shall be at least five (5) days prior to the Voting Deadline or such other date as may be approved by the Court without further notice to parties in interest.

"Plan Termination Date" has the meaning ascribed to such term in Section 5.7(c).

"Priority Non-Tax Claim" means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

"Priority Tax Claim" means any Claim accorded priority in right of payment under section 507(a)(8) of the Bankruptcy Code.

"Professional" means, other than Ordinary Course Professionals, (i) any professional employed by the Debtors or the Committee in the Chapter 11 Cases pursuant to sections 327, 328, 363 or 1103 of the Bankruptcy Code and (ii) any professionals seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code, other than those whose claims are specifically allowed pursuant to the Plan.

"Professional Fee Claim" means a Claim of a Professional pursuant to sections 327, 328, 330, 331 or 503(b) for compensation or reimbursement of costs and expenses relating to services performed after the Petition Date and prior to and including the Effective Date.

"Professional Fee Estimate" means, collectively, (i) with respect to any Professional employed by the Debtors or the Committee, a good-faith estimate of such Professional's anticipated accrued unpaid Professional Fee Claims as of the Effective Date and (ii) the Supporting Noteholders Professional Fee Estimate.

"Professional Fee Holdback Amount" means the amount equal to 20% of fees billed to the Debtors for a given month that were retained by the Debtors as a holdback on payment of Professional Fee Claims pursuant to the Professional Fee Order.

"Professional Fee Order" means the Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Interim Compensation Procedures [Docket No. 153].

"Professional Fee Reserve" means the reserve of Cash in the amount of the Professional Fee Estimate initially funded by the Debtors and maintained by the Plan Administrator, on behalf of the Liquidating Debtors (or the Liquidating Trust, if established), in an amount sufficient to fund (a) all Professional Fee Claims of Professionals employed by the Debtors or the Committee,

including but not limited to an amount sufficient to pay (i) all unpaid Professional Fee Holdback Amounts and other expenses billed by Professionals of the Debtors or the Committee prior to the Effective Date; (ii) all outstanding fee applications of Professionals of the Debtors or the Committee not ruled upon by the Court as of the Effective Date; and (iii) the estimated aggregate amount of all reasonable fees and expenses due to Professionals of the Debtors or the Committee for periods that have not been billed as of the Effective Date; (b) the Supporting Noteholders Professionals Fee Estimate; (c) the Allowed Deerfield Substantial Contribution Claim; and (d) the Allowed Committee Member Substantial Contribution Claims.

"Proof of Claim" means the proof of claim that must be filed before the applicable Bar Date, which term shall include a request for payment of an administrative expense claim.

"Pro Rata" means, at any time, the proportion that the Face Amount of a Claim in a particular Class bears to the aggregate Face Amount of all Claims (including Disputed Claims, but excluding Disallowed Claims) in such Class, unless the Plan provides otherwise.

"PSA Order" means the Order (A) Authorizing the Debtors to Assume Plan Support Agreements and (B) Granting Related Relief [Docket No. 215].

"Purchaser" means Drone Acquisition Sub Inc., a wholly-owned subsidiary of Valeant Pharmaceuticals International, Inc., the Entity that acquired substantially all of the Debtors' assets pursuant to the Asset Purchase Agreement and the Sale Order.

"Released Party" means each of the following (a) the Deerfield Noteholders, (b) the Unaffiliated Noteholders, (c) the 2016 Notes Trustee, and (d) with respect to each of the foregoing persons in clauses (a) through (c), such Person's current and former subsidiaries, Affiliates, members, directors, officers, principals, agents, financial advisors, restructuring advisors, accountants, investment bankers, consultants, attorneys, employees, partners, equity holders, representatives, and other professionals, in each case, only in their capacity as such.

"Sale" means the sale of substantially all of the Debtors' assets to the Purchaser pursuant to the Asset Purchase Agreement and the Sale Order.

"Sale Order" means the Order Pursuant to Bankruptcy Code Sections 105(a), 363, 365, 503 and Bankruptcy Rules 2002, 6004, 6006 (I) Approving the Sale of The Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (III) Granting Certain Related Relief [Docket No. 410], entered on February 20, 2015.

"Scheduled" means, with respect to any Claim, the status and amount, if any, of that Claim as set forth in the Schedules.

"Schedules" mean the schedules of assets and liabilities, schedules of executory contracts and statements of financial affairs Filed by each Debtor pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rule 1007 and the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements have been or may be supplemented or amended from time to time in accordance with Bankruptcy Rule 1009 or any orders of the Court.

"Secured Claim" means a Claim (a) that is secured by a Lien on property in which an Estate has an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or (b) that is subject to setoff under section 553 of the Bankruptcy Code and such right of setoff has been asserted by the holder of such right prior to the Confirmation Date in a properly filed motion for relief from the automatic stay, to the extent of the value of the Claimholder's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

"Solicitation Procedures Order" means the [Order (A) Approving the Form and Manner of Notice of the Disclosure Statement Hearing; (B) Approving Disclosure Statement; (C) Authorizing the Offer and Sale of Valeant Shares Exempt from Registration Under Securities Laws Pursuant to Bankruptcy Code Section 1145 and Pursuant to Bankruptcy Code Section 1125(e) Safe Harbor; (D) Scheduling Hearing on Confirmation of Plan; (E) Establishing Deadlines and Procedures for Filing Objections to Confirmation of Plan; (F) Establishing Deadline and Procedures for Voting on the Plan; (G) Approving Solicitation Procedures; (H) Establishing Procedures for Tabulation of Votes; and (I) Granting Related Relief.]

"Subordinated Claim" means any Claim subordinated pursuant to sections 510(b) or 510(c) of the Bankruptcy Code.

"Substantial Contribution Claim" means a Claim under subsections 503(b)(3), (b)(4) or (b)(5) of the Bankruptcy Code for compensation or reimbursement of expenses incurred in making a substantial contribution in the Chapter 11 Cases.

"Substantive Consolidation Order" means the order of the Court, which may be the Confirmation Order, authorizing substantive consolidation of the Estates pursuant to 5.1 hereof.

"Supporting Noteholders" means the Deerfield Noteholders and the Unaffiliated Noteholders.

"Supporting Noteholders Professional" means, individually, each of the following professionals employed by the Supporting Noteholders whose fees and expenses are permitted to be paid pursuant to the PSA Order: Brown Rudnick LLP, Fox Rothschild LLP, Jefferies LLC, Willkie Farr & Gallagher LLP and Morris, Nichols, Arsht & Tunnell LLP, and, collectively, all such professionals.

"Supporting Noteholders Professional Fee Claim" means a Claim of a Supporting Noteholders Professional for compensation or reimbursement of costs and expenses relating to services performed after the Petition Date and prior to and including the Effective Date.

"Supporting Noteholders Professional Fee Estimate" means, individually, a good-faith estimate of each such professional's anticipated accrued unpaid fees and expenses as of the Effective Date and, collectively, all such estimates of the Supporting Noteholders Professionals.

"Tax" or "Taxes" means all income, gross receipts, sales, use, transfer, payroll, employment, franchise, profits, property, excise or other similar taxes, estimated import duties, stamp taxes and duties, value added taxes, levies, assessments or charges of any kind whatsoever

(whether payable directly or by withholding), together with any interest and any penalties, additions to tax, or additional amounts imposed by any taxing authority with respect thereto.

"Total Distributable Value" means the sum of the amount of Available Cash and the aggregate value of $49,500,000 of the Valeant Shares available for distribution to the Holders of Allowed Class 3 and Class 4 Claims.

"Trading Day" means a day on which shares of Valeant Pharmaceuticals International, Inc. are traded on the New York Stock Exchange.

"Unaffiliated Noteholders" means certain unaffiliated holders of 2016 Notes who are party to the Unaffiliated Noteholders PSA.

"Unaffiliated Noteholders PSA" means that certain that certain Amended and Restated Plan Support Agreement dated December 17, 2014, as amended from time to time, by and among the Debtors and each holder of the 2016 Notes that is a signatory thereto.

"Unaffiliated Requisite Supporting Noteholders" has the meaning ascribed to "Requisite Supporting Noteholders" in the Unaffiliated Noteholders PSA.

"Unexpired Lease(s)" means a lease to which any Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

"Unimpaired" means, when used in reference to a Claim or a Class, a Claim or a Class that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

"U.S. Trustee Fees" means fees payable pursuant to 28 U.S.C. § 1930.

"Valeant Shares" means the common shares of Valeant Pharmaceuticals International, Inc., having an aggregate value of $49,500,000 as of the close of the market on the Trading Day immediately prior to the Effective Date, paid to the Debtors as partial consideration for the assets acquired by the Purchaser pursuant to the Asset Purchase Agreement and the Sale Order.

"Voting Deadline" means [May 19], 2015, at 4:00 p.m. (Eastern time), the date and time by which all Ballots to accept or reject the Plan must be received in order to be counted, as set forth by the Solicitation Procedures Order.

"Wind-down Budget" means a budget to be prepared by the Debtors, and reasonably acceptable to the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee, which shall be filed with the Court as part of the Plan Supplement, and which may be amended from time to time after entry of the Confirmation Order, subject to the consent of the Oversight Committee, which consent shall not be unreasonably withheld, and which shall estimate the funds necessary to administer the Plan and wind down the Debtors' affairs, including the costs of holding and liquidating the Estates' remaining property, objecting to Claims, making the Distributions required by the Plan, prosecuting claims and Causes of Action that may be held by the Estates against third parties that are not released, waived or transferred pursuant to the Plan (including pursuant to Article X) or otherwise, paying Taxes, filing Tax returns, paying professionals' fees and expenses, paying the

fees and expenses of the Oversight Committee, funding payroll and other employee costs, providing for the purchase of errors and omissions insurance and/or other forms of indemnification for the Plan Administrator, and for all such items and other costs of administering the Plan, the Estates and the Liquidating Debtors (other than the Administrative and Priority Claims Reserve, the Disputed Claims Reserve, and the Professional Fee Reserve).

"Wind-down Reserve" means the reserve account initially funded by the Debtors in the amount of the Wind-down Budget and maintained by the Plan Administrator, on behalf of the Liquidating Debtors (or the Liquidating Trust, if established).

1.3 Rules of Interpretation

For purposes of the Plan, (a) any reference in the Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (b) any reference in the Plan to an existing document or exhibit Filed or to be Filed means such document or exhibit as it may have been or may be amended, modified or supplemented, (c) unless otherwise specified, all references in the Plan to Sections, Articles, Schedules and Exhibits are references to Sections, Articles, Schedules and Exhibits of or to the Plan, (d) the words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to the Plan in its entirety rather than to a particular portion of the Plan, (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan, and (f) the rules of construction set forth in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

1.4 Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

1.5 Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) and except as otherwise provided herein or therein, the laws of (i) the State of Delaware shall govern the construction and implementation of the Plan and any agreements, documents and instruments executed in connection with the Plan and (ii) the laws of the state of incorporation of each Debtor shall govern corporate governance matters with respect to such Debtor, in either case without giving effect to the principles of conflicts of law thereof.

ARTICLE II

CLASSIFICATION OF CLAIMS AND INTERESTS

2.1 Introduction

All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy

Code, Administrative Claims and Priority Tax Claims, as described below, have not been classified.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim also is placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released or otherwise settled prior to the Effective Date.

2.2 Unclassified Claims (not entitled to vote on the Plan)

(a) Administrative Claims

(b) Priority Tax Claims

2.3 Unimpaired Classes of Claims (deemed to have accepted the Plan and not entitled to vote on the Plan)

(a) Class 1 (Priority Non-Tax Claims): Class 1 consists of all Priority Non-Tax Claims.

(b) Class 2 (Secured Claims): Class 2 consists of all Secured Claims.

2.4 Impaired Classes of Claims (entitled to vote on the Plan)

(a) Class 3 (2016 Noteholder Claims): Class 3 consists of all 2016 Noteholder Claims.

(b) Class 4 (General Unsecured Claims): Class 4 consists of all General Unsecured Claims.

2.5 Impaired Classes of Claims (not entitled to vote on the Plan)

(a) Class 5 (Intercompany Claims): Class 5 consists of all Intercompany Claims.

(b) Class 6 (Subordinated Claims): Class 6 consists of all Subordinated Claims.

2.6 Impaired Classes of Interests (not entitled to vote on the Plan)

(a) Class 7 (Interests): Class 7 consists of all Interests.

2.7 Unimpaired Classes of Interests (not entitled to vote on the Plan)

(a) Class 8 (Intercompany Interests): Class 8 consists of all Intercompany Interests.

ARTICLE III

TREATMENT OF CLAIMS AND INTERESTS

3.1 Unclassified Claims

(a) Administrative Claims

On the later of (i) the Distribution Date or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Administrative Claim (other than a Professional) shall receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Administrative Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, shall have agreed upon in writing; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by a Debtor in the ordinary course of business during the Chapter 11 Cases may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto (x) on or prior to the Effective Date, by the Debtors, and (y) after the Effective Date, by the Disbursing Agent. Allowed Professional Fee Claims shall be paid from the Professional Fee Reserve pursuant to Section 5.9(a) of the Plan. For the avoidance of doubt, any payments made by the Plan Administrator on account of Allowed Administrative Claims (other than Professional Fee Claims) shall be paid solely from the Administrative and Priority Claims Reserve.

(b) Priority Tax Claims

On the later of (i) the Distribution Date or (ii) the date such Priority Tax Claim becomes an Allowed Priority Tax Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Tax Claim shall receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Tax Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, shall have agreed upon in writing. For the avoidance of doubt, any payments made by the Plan Administrator on account of Allowed Priority Tax Claims shall be paid solely from the Administrative and Priority Claims Reserve.

3.2 Unimpaired Claims

(a) Class 1: Priority Non-Tax Claims

On the later of (i) the Distribution Date or (ii) the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Non-Tax Claim shall receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Priority Non-Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Non-Tax Claim or (b) such other treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, shall have agreed upon in writing.

(b) Class 2: Secured Claims

On the later of (i) the Distribution Date or (ii) the date such Secured Claim becomes an Allowed Secured Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Secured Claim shall receive, in full satisfaction, settlement and discharge of, and in exchange for, such Allowed Secured Claim, (a) Cash equal to the value of such Allowed Secured Claim, (b) a return of the Collateral securing the Secured Claim, (c) such treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be rendered Unimpaired or (d) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, shall have agreed upon in writing.

Any Holder of a Secured Claim shall retain its Lien in the Collateral or the proceeds of the Collateral (to the extent that such Collateral is sold by the Debtors or the Plan Administrator free and clear of such Lien) to the same extent and with the same priority as such Lien held as of Petition Date until such time as (A) the Holder of such Secured Claim (i) has been paid Cash equal to the value of its Allowed Secured Claim, (ii) has received a return of the Collateral securing the Secured Claim, (iii) has received such treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be rendered Unimpaired, or (iv) has been afforded such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, shall have agreed upon in writing; or (B) such purported Lien has been determined by an order of the Court to be invalid or otherwise avoidable.

3.3 Impaired Claims Entitled to Vote on the Plan

(a) Class 3: 2016 Noteholder Claims

On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed 2016 Noteholder Claim shall receive, in full satisfaction of, and in exchange for, such Allowed 2016 Noteholder Claim, (i) its Pro Rata share of 100% of the Valeant Shares (which shall be distributed immediately upon the occurrence of the Effective Date) and (ii) its Pro Rata share of Available Cash in the amount necessary to provide such Holder its Pro Rata share of Total Distributable Value available to Holders of Class 3 Claims and Class 4 Claims, or (iii) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, shall have agreed upon in writing; provided, however, that each Holder of an Allowed 2016 Noteholder Claim shall not receive an amount that exceeds 100% of the amount of such Allowed 2016 Noteholder Claim.

(b) Class 4: General Unsecured Claims

On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed General Unsecured Claim shall receive, in full satisfaction of, and in exchange for, such Allowed General Unsecured Claim, (i) its Pro Rata share of Total Distributable Value available to Holders of Class 3 Claims and Class 4 Claims, solely in the form of Available Cash or (ii) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, shall have agreed upon in writing; provided, however, that each Holder of an Allowed General Unsecured Claim shall not receive an amount that exceeds 100% of the amount of such Allowed General Unsecured Claim.

3.4 Impaired Claims Not Entitled to Vote on the Plan

(a) Class 5: Intercompany Claims

In connection with, and as a result of, the substantive consolidation of the Debtors' Estates and the Chapter 11 Cases, on the Effective Date, all Intercompany Claims shall be eliminated and the Holders of Intercompany Claims shall not be entitled to, and shall not receive or retain, any property or interest in property on account of such Claims.

(b) Class 6: Subordinated Claims

On the Effective Date, all Subordinated Claims shall be eliminated and the Holders of Subordinated Claims shall not be entitled to, and shall not receive or retain, any property or interest in property on account of such Claims.

3.5 Impaired Interests

(a) Class 7: Interests

On the Effective Date, the Interests shall be deemed eliminated, cancelled and/or extinguished and each Holder thereof shall not be entitled to, and shall not receive or retain, any property under the Plan on account of such Interest.

3.6 Unimpaired Interests

(a) Class 8: Intercompany Interests

On the Effective Date, the Intercompany Interests shall be reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

3.7 Special Provision Regarding Unimpaired Claims

Except as otherwise provided in the Plan, the Confirmation Order, any other order of the Court or any document or agreement enforceable pursuant to the terms of the Plan, nothing shall affect the rights and defenses, both legal and equitable, of the Debtors and the Plan Administrator with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims and the rights to assert all Causes of Action against the holders of such Unimpaired Claims that the Debtors had immediately prior to the Petition Date as if the Chapter 11 Cases had not been commenced.

3.8 Allowed Claims

Notwithstanding any provision herein to the contrary, the Disbursing Agent shall only make Distributions to Holders of Allowed Claims. No Holder of a Disputed Claim shall receive any Distribution on account thereof until (and then only to the extent that) its Disputed Claim becomes an Allowed Claim. The Debtors and/or the Plan Administrator may, in their discretion, withhold Distributions otherwise due hereunder to any Claimholder until the Claims Objection

Deadline, to enable a timely objection thereto to be filed. Any Holder of a Claim that becomes an Allowed Claim after the Effective Date shall receive its Distribution in accordance with the terms and provisions of the Plan.

3.9 Special Provisions Regarding Insured Claims

Distributions under the Plan to each Holder of an Insured Claim shall be in accordance with the treatment provided under the Plan for the Class in which such Insured Claim is classified; provided, however, that the maximum amount of any Distribution under the Plan on account of an Allowed Insured Claim shall be limited to an amount equal to: (a) the applicable deductible or self-insured retention under the relevant insurance policy minus (b) any reimbursement obligations of the Debtors to the insurance carrier for sums expended by the insurance carrier on account of such Claim (including defense costs); provided further, however, that, to the extent that a Claimholder has an Allowed Insured Claim, the amount of which exceeds the total coverage available from the relevant insurance policies of the Debtors, such Claimholder shall have an Allowed General Unsecured Claim in the amount by which such Allowed Insured Claim exceeds the coverage available from the relevant Debtor's insurance policies. Nothing in this Section shall constitute a waiver of any Cause of Action the Debtors may hold against any Person, including the Debtors' insurance carriers, or is intended to, shall or shall be deemed to preclude any Holder of an Allowed Insured Claim from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtors in addition to any Distribution such Holder may receive under the Plan; provided, however, that the Debtors do not waive, and expressly reserve their rights to assert that any insurance coverage is property of the Estates to which they are entitled.

The Plan shall not expand the scope of, or alter in any other way, the obligations of the Debtors' insurers under their policies, and the Debtors' insurers shall retain any and all defenses to coverage that such insurers may have. The Plan shall not operate as a waiver of any other Claims the Debtors' insurers have asserted or may assert in any Proof of Claim or the Debtors' rights and defenses to such Proofs of Claim.

ARTICLE IV

ACCEPTANCE OR REJECTION OF THE PLAN

4.1 Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have timely and properly voted to accept or reject the Plan.

4.2 Presumed Acceptances by Unimpaired Classes

Classes 1, 2 and 8 are Unimpaired by the Plan. Under section 1126(f) of the Bankruptcy Code, such Claimholders and Interest Holders are conclusively presumed to accept the Plan, and the votes of such Claimholders and Interest Holders shall not be solicited.

4.3 Classes Deemed to Reject Plan

Holders of Claims in Classes 5 and 6 and Interest Holders in Class 7 are not entitled to receive or retain any property under the Plan. Under section 1126(g) of the Bankruptcy Code, such Claimholders and Interest Holders are deemed to reject the Plan, and the votes of such Claimholders and Interest Holders shall not be solicited.

4.4 Impaired Classes of Claims Entitled to Vote

Because Claims in Class 3 and Class 4 are Impaired under the Plan and Holders of such Claims shall receive or retain property under the Plan, Holders of Claims in Class 3 and Class 4 are entitled to vote and shall be solicited with respect to the Plan.

4.5 Elimination of Vacant Classes

Any Class or sub-Class of Claims or Interests that does not contain as of the date of the commencement of the Confirmation Hearing at least one Allowed Claim or Allowed Interest, as applicable, or at least one Claim or Interest, as applicable, temporarily Allowed under Bankruptcy Rule 3018, shall be deemed deleted from the Plan for all purposes, including for purposes of (i) voting on the acceptance or rejection of the Plan and (ii) determining acceptance or rejection of the Plan by such Class under section 1129(a)(8) of the Bankruptcy Code.

4.6 Voting Classes; Deemed Acceptance by Non-Voting Classes

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the Holders of such Claims or Interests in such Class.

4.7 Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

Because Classes 5, 6, and 7 are deemed to reject the Plan, and Classes 3 and 4 are entitled to vote on the Plan, the Debtors shall (i) seek confirmation of the Plan from the Court by employing the "cramdown" procedures set forth in section 1129(b) of the Bankruptcy Code and/or (ii) modify the Plan in accordance with Section 12.1 hereof. The Debtors reserve the right to alter, amend, modify, revoke or withdraw the Plan or any Plan Exhibit or schedule, including to amend or modify the Plan or such exhibits or schedules to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

ARTICLE V

MEANS FOR IMPLEMENTATION OF THE PLAN

5.1 Substantive Consolidation

(a) Consolidation of the Chapter 11 Estates

The Plan contemplates and is predicated upon entry of an order substantively consolidating the Debtors' Estates and Chapter 11 Cases for all purposes, including voting,

Distribution and Confirmation. On the Effective Date, (i) all Intercompany Claims, if any, between the Debtors shall be eliminated, (ii) all assets and liabilities of the Affiliate Debtors shall be merged or treated as if they were merged with the assets and liabilities of Dendreon, (iii) any obligation of a Debtor and any guarantee thereof by the other Debtor shall be deemed to be one obligation of Dendreon, and any such guarantee shall be eliminated, (iv) the issued and outstanding Intercompany Interests shall be reinstated, (v) each Claim Filed or to be Filed against any Debtor shall be deemed Filed only against Dendreon and shall be deemed a single Claim against and a single obligation of Dendreon, and (vi) any joint or several liability of the Debtors shall be deemed one obligation of Dendreon. On the Effective Date, and in accordance with the terms of the Plan and the consolidation of the assets and liabilities of the Debtors, all Claims based upon guarantees of collection, payment or performance made by one Debtor as to the obligations of another Debtor shall be released and of no further force and effect.

The substantive consolidation effected pursuant to this Section 5.1(a) of the Plan (x) shall not affect the rights of any Holder of a Secured Claim with respect to the Collateral securing such Claims and (y) shall not, and shall not be deemed to, prejudice the Causes of Action and the Avoidance Actions (subject to the releases set forth in Section 10.4 of the Plan), which shall survive entry of the Substantive Consolidation Order, as if there had been no substantive consolidation. Notwithstanding the substantive consolidation provided for herein, each and every Debtor shall remain responsible for the payment of fees pursuant to 28 U.S.C. § 1930 until a particular case is closed, dismissed or converted.

(b) Substantive Consolidation Order

The Plan shall serve as, and shall be deemed to be, a motion for entry of an order substantively consolidating the Debtors' Chapter 11 Cases. If no objection to substantive consolidation is timely Filed and served by any Holder of an Impaired Claim affected by the Plan as provided herein on or before the deadline to object to Confirmation of the Plan, or such other date as may be fixed by the Court, the Substantive Consolidation Order (which may be the Confirmation Order) may be approved by the Court. If any such objections are timely Filed and served, a hearing with respect to the substantive consolidation of the Chapter 11 Cases and the objections thereto shall be scheduled by the Court, which hearing may, but is not required to, coincide with the Confirmation Hearing.

5.2 Corporate Action

(a) Merger and Dissolution of Debtors

Immediately following the occurrence of the Effective Date, (a) the respective boards of directors of the Debtors shall be terminated and the members of the boards of directors of the Debtors shall be deemed to have resigned and (b) the Debtors shall continue to exist as the Liquidating Debtors after the Effective Date in accordance with the laws of the State of Delaware and pursuant to their respective certificates of incorporation, by-laws, articles of formation, operating agreements, and other organizational documents in effect prior to the Effective Date, except to the extent such organizational documents are amended under the Plan, for the limited purposes of liquidating all of the assets of the Estates and making Distributions in accordance with the Plan.

On December 31, 2015 (the "Outside Date"), and without further order of the Court, the Affiliate Debtors shall be deemed merged with and into Dendreon, without the necessity of any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that the Debtors, the Liquidating Debtors or the Plan Administrator may execute and file documents and take all other actions as they deem appropriate relating to the foregoing corporate actions under the laws of the State of Delaware and, in such event, all applicable regulatory or governmental agencies shall take all steps necessary to allow and effect the prompt merger of the Affiliate Debtors as provided herein, without the payment of any fee, Tax or charge and without need for the filing of reports or certificates.

Moreover, on and after the first day following the Outside Date, the Affiliate Debtors (i) shall be deemed to have withdrawn their business operations from any state in which they were previously conducting, or are registered or licensed to conduct, their business operations, and shall not be required to file any document, pay any sum or take any other action in order to effectuate such withdrawal, and (ii) shall not be liable in any manner to any taxing or other authority for franchise, business, license or similar Taxes accruing on or after the Outside Date.

As soon as practicable after the Plan Administrator exhausts substantially all of the assets of the Debtors' Estates by making the final Distribution of Cash under the Plan, the Plan Administrator shall at the expense of the Debtors' Estates (i) provide for the retention and storage of the books, records and files that shall have been delivered to or created by the Plan Administrator until such time as all such books, records and files are no longer required to be retained under applicable law, and File a certificate informing the Court of the location at which such books, records and files are being stored; provided that any Tax records shall be turned over to the Purchaser in accordance with the Asset Purchase Agreement no later than the issuance of the final decree in the Chapter 11 Cases; (ii) File a certification stating that the assets of the Debtors' Estates have been exhausted and final Distributions of Cash have been made under the Plan; (iii) File the necessary paperwork in the state of Delaware to effectuate the dissolution of Dendreon in accordance with the laws of such jurisdiction; and (iv) resign as the sole shareholder, officer, director and manager, as applicable, of the Liquidating Debtors. Upon the Filing of the certificate described in clause (ii) of the preceding sentence, Dendreon shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Liquidating Debtors or payments to be made in connection therewith other than the filing of a motion for final decree.

In furtherance of the liquidation of the Liquidating Debtors and as necessary to comply with section 8.1(h) of the Asset Purchase Agreement, on or prior to December 31, 2015, a liquidating trust may be established pursuant to documentation, including a liquidating trust agreement, approved by the Liquidating Debtors, the Plan Administrator and the Oversight Committee, for the primary purpose of receiving assets of the Estates, continuing the wind down of such Estates in a commercially reasonable but expeditious manner, and distributing any such assets pursuant to this Plan, with no objective to continue or engage in the conduct of a trade or business except to the extent reasonably necessary to and consistent with, the liquidating purpose of the trust (any such trust, the "Liquidating Trust").

If established, the Liquidating Trust shall be structured to qualify as a "liquidating trust" within the meaning of Treasury Regulations Section 301.7701-4(d) and in compliance with Revenue Procedure 94-45, 1994-2 C.B. 684, and, thus, as a "grantor trust" within the meaning of Sections 671 through 679 of the Tax Code to the Holders of Claims, consistent with the terms of the Plan; provided, however, that the Plan Administrator in its role as liquidating trustee, after consultation with the Oversight Committee, may make an election under Treasury Regulations Section 1.468B-9(c)(2)(ii) to treat the Liquidating Trust (or any portion thereof) as a disputed ownership fund. Accordingly, unless an election is made to treat the Liquidating Trust as a disputed ownership fund, such Holders shall be treated for U.S. federal income tax purposes, (i) as direct recipients of an undivided interest in the assets transferred to the Liquidating Trust and as having immediately contributed such assets to the Liquidating Trust, and (ii) thereafter, as the grantors and deemed owners of the Liquidating Trust and thus, the direct owners of an undivided interest in the assets held by the Liquidating Trust. All parties (including Claimholders) shall report consistent with the valuation of the assets transferred to the Liquidating Trust as established by the Plan Administrator or its designee. The Plan Administrator is hereby appointed in such instance pursuant to section 1123(b)(3)(B) of the Bankruptcy Code to handle all of the Debtors' tax matters, including without limitation, the filing of all tax returns, and the handling of tax audits and proceedings, of the Debtors. The liquidating trustee shall be responsible for filing information on behalf of the Liquidating Trust as grantor trust pursuant to Treasury Regulation Section 1.671-4(a) or as a disputed ownership fund.

(b) Certificate of Incorporation and By-laws

The certificate and articles of incorporation and by-laws of each Debtor shall be amended as necessary to satisfy the provisions of the Plan and the Bankruptcy Code and shall include, among other things, a provision (a) prohibiting the issuance of non-voting equity securities under section 1123(a)(6) of the Bankruptcy Code and (b) limiting the activities of the Liquidating Debtors to matters authorized under the Plan. The amended certificate of incorporation and by-laws of each Debtor shall be reasonably acceptable to the Committee, the Deerfield Requisite Supporting Noteholders and the Unaffiliated Requisite Supporting Noteholders and shall be Filed on or before the date of the Confirmation Hearing.

(c) Cancellation of Existing Securities and Agreements

Except as otherwise provided in the Plan, and in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article III hereof, any promissory notes, share certificates, whether for preferred or common stock (including treasury stock), other instruments evidencing any Claims or Interests, other than a Claim or Interest that is being reinstated and rendered unimpaired, and all options, warrants, calls, rights, puts, awards, commitments or any other agreements of any character to acquire such Interests shall be deemed cancelled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the Debtors under the notes, share certificates and other agreements and instruments governing such Claims and Interests shall be discharged; provided, however, that certain instruments, documents and credit agreements related to Claims shall continue in effect solely for the purposes of allowing the agents to make distributions to the beneficial holders and lenders thereunder. The holders of or

parties to such cancelled notes, share certificates and other agreements and instruments shall have no rights arising from or relating to such notes, share certificates and other agreements and instruments or the cancellation thereof, except the rights provided pursuant to the Plan.

The Final Order Pursuant to Bankruptcy Code Sections 105(a), 362(a)(3) and 541 and Bankruptcy Rule 3001 Establishing Notice and Hearing Procedures for Trading in Equity Securities in Debtors [Docket No. 162], entered on December 9, 2014, shall remain in full force and effect on and after the Effective Date to enforce any violations of such order that occurred prior to the Effective Date.

Notwithstanding anything to the contrary in this Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article III hereof, the 2016 Notes Indenture shall be cancelled except to the extent required for the purposes of permitting the 2016 Notes Trustee to enforce its right to compensation and related lien rights under section 6.07 of the 2016 Notes Indenture, subject to Section 5.14 hereof.

(d) No Further Action

Each of the matters provided for under the Plan involving the corporate structure of the Debtors or corporate action to be taken by or required of the Debtors shall, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement of further action by any Person, including but not limited to, the Plan Administrator, Holders of Claims or Interests against or in the Debtors, or directors or officers of the Debtors, as permitted by section 303 of the Delaware General Corporation Law.

(e) Effectuating Documents

Prior to the Effective Date, any appropriate officer of Dendreon or the Affiliate Debtors, as the case may be, shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The secretary of Dendreon or the Affiliate Debtors, as the case may be, shall be authorized to certify or attest to any of the foregoing actions.

(f) Directors and Officers; Further Transactions

Immediately upon the occurrence of the Effective Date, the Plan Administrator shall serve as the sole shareholder, officer, director or manager of each of the Liquidating Debtors. The Plan Administrator shall be authorized to execute, deliver, file or record such documents, instruments, releases and other agreements and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

5.3 Compliance with the Asset Purchase Agreement

Notwithstanding anything in the Plan to the contrary, nothing herein shall eliminate any post-closing obligations of the Debtors under the Asset Purchase Agreement, including, without limitation, that (i) the Valeant Shares may be distributed proportionately solely to the Holders of

the Allowed 2016 Noteholder Claims provided that the total amount of Allowed General Unsecured Claims does not exceed $200 million, and (ii) Dendreon shall liquidate as determined for U.S. federal income tax purposes no later than December 31, 2015.

5.4 Privilege Matters

(a) Legal Representation of the Debtors and Committee After the Effective Date

Upon the Effective Date, the attorney-client relationship between (i) the Debtors and their current counsel, Skadden, Arps, Slate, Meagher & Flom LLP, and (ii) the Committee and its current counsel, Sullivan & Cromwell LLP, and Young Conaway Stargatt & Taylor, LLP, shall be deemed terminated. No successor to the Debtors and/or the Committee, whether under this Plan or otherwise, including but not limited to the Liquidating Debtors and the Plan Administrator, shall be deemed to succeed to the attorney-client relationship that currently exists between the Debtors and its counsel and the Committee and its counsel. Subject only to the applicable ethical rules governing attorneys, their receipt of confidential information and their relationship with former clients, current counsel for the Debtors or the Committee shall not be precluded from representing any party in any action that might be brought by or against the Liquidating Debtors and/or the Plan Administrator.

(b) Transfer of Evidentiary Privileges; Document Requests

On the Effective Date, the Liquidating Debtors and the Plan Administrator shall succeed to the evidentiary privileges, including attorney-client privilege, formerly held by the Debtors.

Accordingly, to the extent that documents are requested from current counsel to the Debtors by any Person, after the Effective Date, only the Liquidating Debtors and the Plan Administrator shall have the ability to waive such attorney-client or other privileges. In addition, unless otherwise ordered by the Court, current counsel to the Debtors shall have no obligation to produce any documents currently in their possession as a result of or arising in any way out of their representation of the Debtors unless (i) the Person requesting such documents serves their request on the Plan Administrator; (ii) the Plan Administrator consents in writing to such production and any waiver of the attorney-client or other privilege such production might cause; and (iii) the Plan Administrator or the Person requesting such production, agrees to pay the reasonable costs and expenses incurred by current counsel for the Debtors in connection with such production.

5.5 Dissolution of the Committee

The Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code and shall perform such other duties as it may have been assigned by the Court prior to the Effective Date. On the Effective Date, the Committee shall be dissolved and its members shall have no further duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Committee's attorneys, financial advisors and other agents shall terminate, except with respect to (i) all Professional Fee Claims and (ii) any appeals of the Confirmation Order. All expenses of Committee members and the

reasonable fees and expenses of the Committee's Professionals through the Effective Date shall be paid in accordance with the terms and conditions of the Professional Fee Order and/or the Plan, as applicable. Professionals employed by the Committee shall be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities, including the preparation, filing and prosecution of final fee applications.

5.6 The Plan Administrator

(a) Appointment of the Plan Administrator

From and after the Effective Date, a Person or Entity to be designated by the Debtors, and subject to the consent of the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee, which consent shall not be unreasonably withheld, shall serve as the Plan Administrator pursuant to the Plan Administrator Agreement and the Plan, until the resignation or discharge and the appointment of a successor Plan Administrator in accordance with the Plan Administrator Agreement and the Plan. The Debtors shall file a notice providing the information set forth in sections 1129(a)(4) and (5) of the Bankruptcy Code on a date that is not less than ten (10) days prior to the hearing to consider confirmation of the Plan designating the Person who it has selected as Plan Administrator. The appointment of the Plan Administrator shall be approved in the Confirmation Order, and such appointment shall be as of the Effective Date. The Plan Administrator shall have and perform all of the duties, responsibilities, rights and obligations set forth in the Plan and Plan Administrator Agreement.

(b) The Plan Administrator Agreement

Prior to or on the Effective Date, the Debtors shall execute a Plan Administrator Agreement in substantially the same form as set forth in Exhibit A, which shall be reasonably acceptable to the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee. Any nonmaterial modifications to the Plan Administrator Agreement made by the Debtors, and reasonably acceptable to the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee, prior to the Effective Date are hereby ratified. The Plan Administrator Agreement will contain provisions permitting the amendment or modification of the Plan Administrator Agreement necessary to implement the provisions of the Plan.

(c) Rights, Powers and Duties of the Liquidating Debtors and the Plan Administrator

The Liquidating Debtors shall retain and have all the rights, powers and duties necessary to carry out its responsibilities under the Plan. Such rights, powers and duties, which shall be exercisable by the Plan Administrator on behalf of the Liquidating Debtors and the Estates pursuant to the Plan and the Plan Administrator Agreement, shall include, among others, (i) investigating and, if appropriate, pursuing Causes of Action, (ii) administering and pursuing the Liquidating Debtors' assets, (iii) resolving all Disputed Claims and any Claim objections pending as of the Effective Date and (iv) making Distributions to Holders of Allowed Claims as provided for in the Plan.

(d) Compensation of the Plan Administrator

The Plan Administrator shall be compensated from the Wind-down Reserve pursuant to the terms of the Plan Administrator Agreement. Any professionals retained by the Plan Administrator shall be entitled to reasonable compensation for services rendered and reimbursement of expenses incurred from the Wind-down Reserve. The payment of the fees and expenses of the Plan Administrator and its retained professionals shall be made in the ordinary course of business and shall not be subject to the approval of the Court; provided, however, that any disputes related to such fees and expenses shall be brought before the Court.

(e) Indemnification

The Liquidating Debtors shall indemnify and hold harmless (i) the Plan Administrator (in its capacity as such and as officer and director of the Liquidating Debtors), (ii) such individuals that may serve as officers and directors of the Liquidating Debtors, if any, and (iii) the Plan Administrator Professionals (collectively, the "Indemnified Parties"), from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including but not limited to attorneys' fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, other than acts or omissions resulting from such Indemnified Party's willful misconduct or gross negligence, with respect to the Liquidating Debtors or the implementation or administration of the Plan or Plan Administrator Agreement. To the extent an Indemnified Party asserts a claim for indemnification as provided above, the legal fees and related costs incurred by counsel to the Plan Administrator in monitoring and participating in the defense of such claims giving rise to the asserted right of indemnification shall be advanced to such Indemnified Party (and such Indemnified Party undertakes to repay such amounts if it ultimately shall be determined that such Indemnified Party is not entitled to be indemnified therefore) out of the Wind-down Reserve or any insurance purchased using the Wind-down Reserve. The indemnification provisions of the Plan Administrator Agreement shall remain available to and be binding upon any former Plan Administrator or the estate of any decedent of the Plan Administrator and shall survive the termination of the Plan Administrator Agreement.

(f) Insurance

The Plan Administrator shall be authorized to obtain and pay for out of the Wind-down Reserve all reasonably necessary insurance coverage for itself, its agents, representatives, employees or independent contractors, and the Liquidating Debtors, including, but not limited to, coverage with respect to (i) any property that is or may in the future become the property of the Liquidating Debtors or their Estates and (ii) the liabilities, duties and obligations of the Plan Administrator and its agents, representatives, employees or independent contractors under the Plan Administrator Agreement (in the form of an errors and omissions policy or otherwise), the latter of which insurance coverage may remain in effect for a reasonable period of time as determined by the Plan Administrator after the termination of the Plan Administrator Agreement.

(g) Revesting of Assets

Except as expressly provided elsewhere in this Plan, on the Effective Date, the property of each Debtor's Estate, if any, shall revest in the applicable Liquidating Debtor.

5.7 Distributions to Holders of 2016 Noteholder Claims and General Unsecured Claims

(a) Initial Distributions

On the Distribution Date, the Plan Administrator shall make, or shall make adequate reserves in the Disputed Claims Reserve for, the Distributions required to be made under the Plan to Holders of Allowed 2016 Noteholder Claims and Allowed General Unsecured Claims. The Disbursing Agent shall not make any Distributions to the Holders of Allowed 2016 Noteholder Claims or Allowed General Unsecured Claims unless the Plan Administrator retains and reserves in the Disputed Claims Reserve such amounts as are required under Section 6.9(c) of the Plan.

(b) Interim Distributions

The Disbursing Agent shall make interim Distributions of Cash in accordance with this Plan (i) to Holders of Allowed 2016 Noteholder Claims and Allowed General Unsecured Claims at least once each three-month period, unless the aggregate amount of such Distributions, except for the last anticipated Distributions, is $100,000.00 or less, and (ii) from the Disputed Claims Reserve as Disputed General Unsecured Claims become Allowed Claims.

(c) Final Distributions

The Liquidating Debtors shall be dissolved and their affairs wound up and the Plan Administrator shall make the final Distributions on the date when, (A) in the reasonable judgment of the Plan Administrator, substantially all of the assets of the Liquidating Debtors have been liquidated and there are no substantial potential sources of additional Cash for Distribution, and (B) there remain no substantial Disputed Claims. The date on which the Plan Administrator determines that all obligations under the Plan and Plan Administrator Agreement have been satisfied is referred to as the "Plan Termination Date." On the Plan Termination Date, the Plan Administrator shall, to the extent not already done, request that the Court enter an order closing the Chapter 11 Cases.

Upon dissolution of the Liquidating Debtors in accordance with Section 5.2(a), if the Plan Administrator reasonably determines that any remaining assets of the Liquidating Debtors are valued at $10,000.00 or less, or exceed the amounts required to be paid under the Plan, the Plan Administrator shall transfer such remaining funds to a charitable institution selected by the Plan Administrator, which charitable institution shall be qualified as a not-for-profit corporation under applicable federal and state laws. If the Plan Administrator determines that any remaining assets of the Liquidating Debtors are valued at more than $10,000.00, the Plan Administrator may seek to transfer such remaining assets to a charitable institution in accordance with this Section 5.7(c) upon a motion to the Court.

5.8 Limited Release of Liens

On the Effective Date, all mortgages, deeds of trust, liens or other security interests against property of the Estates shall be released, subject to the requirements of Section 3.2(b).

5.9 Accounts and Reserves

(a) Professional Fee Reserve

On or before the Effective Date, the Debtors shall create and fund the Professional Fee Reserve in Cash in the Amount of the Professional Fee Estimate. Subject to Section 5.9(e), the Cash so transferred shall not be used for any purpose other than to pay Allowed Professional Fee Claims and Supporting Noteholders Professional Fee Claims, and no payments on account of such claims shall be made from any source other than the Professional Fee Reserve. The Plan Administrator (i) shall segregate and shall not commingle the Cash held in the Professional Fee Reserve, (ii) subject to the terms and conditions of the Plan, shall pay each Professional Fee Claim of a Professional employed by the Debtors or the Committee, on or as soon as reasonably practicable after the date such Claim becomes an Allowed Claim, upon entry of a Final Order allowing such Claim and (iii) shall pay the Supporting Noteholders Professional Fee Claims upon satisfaction of the conditions to payment provided under the PSA Order. After all Professional Fee Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid by the Plan Administrator, any remaining Cash in the Professional Fee Reserve shall be transferred to the Administrative and Priority Claims Reserve until such time as all Administrative Claims (except Professional Fee Claims), Priority Tax Claims and Priority Non-Tax Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid by the Plan Administrator, then such remaining Cash, if any, shall be available for Pro Rata distribution to Holders of Allowed Class 3 Claims and Allowed Class 4 Claims. Only Professionals employed in the Chapter 11 Cases by the Debtors or the Committee and the Supporting Noteholders Professionals shall be entitled to payment from the Professional Fee Reserve. For the avoidance of doubt, the Supporting Noteholders Professionals shall not be required to file final fee applications and shall only be required to meet the conditions necessary to payment as set forth in the PSA Order.

The Professionals employed by the Debtors and the Committee, as applicable, the Supporting Noteholders and the 2016 Notes Trustee, shall be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities, including the preparation, filing and prosecution of final fee applications (if applicable), upon the submission of redacted invoices to the Plan Administrator for payment from the Professional Fee Reserve. Any Supporting Noteholders Professional that serves as a member of the Oversight Committee shall be entitled to such post-Effective Date fees and expenses incurred for serving in such capacity and, separately, in its capacity as a Supporting Noteholders Professional; provided, however, that in no event shall any such Supporting Noteholders Professional be entitled to receive fees and expenses in more than one such capacity on account of any given efforts. Any time or expenses incurred in the preparation, filing and prosecution of final fee applications shall be disclosed by each Professional in its final fee application and shall be subject to approval of the Court.

(b) Administrative and Priority Claims Reserve

On or before the Effective Date, the Debtors shall create and fund the Administrative and Priority Claims Reserve in Cash in the Amount of the Administrative and Priority Claims Estimate. The Cash so transferred shall not be used for any purpose other than to pay Allowed

Administrative Claims (except Professional Fee Claims, which shall be paid from the Professional Fee Reserve), Priority Tax Claims and Priority Non-Tax Claims, and, subject to Section 5.9(e), no payments on account of the foregoing claims shall be made from any source other than the Administrative and Priority Claims Reserve. The Plan Administrator (i) shall segregate and shall not commingle the Cash held in the Administrative and Priority Claims Reserve and (ii) shall pay each Administrative Claim (except Professional Fee Claims, which shall be paid from the Professional Fee Reserve), Priority Tax Claim and Priority Non-Tax Claim, on or as soon as reasonably practicable after the date such Claim becomes an Allowed Claim. After all Administrative Claims (including Professional Fee Claims), Priority Tax Claims and Priority Non-Tax Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid by the Plan Administrator, any remaining Cash in the Administrative and Priority Claims Reserve shall be available for Pro Rata distribution to Holders of Allowed Class 3 Claims and Allowed Class 4 Claims.

(c) Disputed Claims Reserve

On or before the Effective Date, the Debtors shall create and fund the Disputed Claims Reserve in Cash in the amount of the Disputed Claims Estimate. Subject to Section 5.9(e), no payments made on account of Disputed General Unsecured Claims that become Allowed Claims after the Effective Date shall be made from any source other than the Disputed Claims Reserve.

(d) Wind-down Reserve

On or before the Effective Date, the Debtors shall create and fund the Wind-down Reserve in Cash in the amount of the Wind-down Budget. Subject to Section 5.9(e), no payments to the Plan Administrator and Plan Administrator Professionals shall be made from any source other than the Wind-down Reserve. Any recovery from Causes of Action shall be deposited by the Plan Administrator into the Wind-down Reserve.

(e) Other Reserves and Modifications to Reserves

Subject to and in accordance with the provisions of the Plan Administrator Agreement and the Wind-down Budget, the Plan Administrator may establish and administer any other necessary reserves that may be required under the Plan or Plan Administrator Agreement, subject to the consent of the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders and the Committee prior to the Effective Date, or the Oversight Committee on and after the Effective Date, which consent shall not be unreasonably withheld. Notwithstanding anything to the contrary contained in the Plan, the Plan Administrator may, in consultation with the Oversight Committee, make transfers of money between the reserves established hereunder to satisfy Claims and other obligations in accordance with the Plan and the Wind-down Budget.

5.10 Exemption from Certain Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate

state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents without the payment of any such tax or governmental assessment.

5.11 Exemption from Securities Laws

As provided in the Solicitation Procedures Order, the offer and sale of the Valeant Shares pursuant to the Plan is exempt from the registration requirements of the Securities Act and similar state and local statutes pursuant and subject to section 1145 of the Bankruptcy Code. The Debtors are authorized to offer the Valeant Shares pursuant to the safe harbor contained in section 1125(e) of the Bankruptcy Code. The Valeant Shares may be resold by the holders thereof without restriction except to the extent that any such holder is deemed to be (i) an underwriter as defined in section 1145(b)(1) of the Bankruptcy Code, (ii) an issuer or an affiliate of an issuer, or (iii) a dealer.

5.12 Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, the Debtors and their Estates shall retain all of the Causes of Action, a nonexclusive list of which is set forth on Exhibit C, annexed to this Plan. The Plan Administrator, on behalf of the Liquidating Debtors, may enforce all rights to commence and pursue, as appropriate, the Causes of Action, and the Plan Administrator's rights to commence, prosecute or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date or the dissolution of the Debtors. The Plan Administrator expressly reserves all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Court order, the Plan Administrator expressly reserves all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppels (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action upon, after or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, the Plan Administrator shall waive and shall not commence, pursue or prosecute claims, if any, pursuant to section 547 of the Bankruptcy Code against any non-Insiders of the Debtors.

The Plan Administrator shall be authorized to (i) enforce, (ii) prosecute, and (iii) settle or compromise (subject to the consent of the Oversight Committee for settlements in the amount of $100,000.00 and above) the Causes of Action. The Plan Administrator may pursue such Causes of Action, with the consent of the Oversight Committee, which consent shall not be unreasonably withheld, in accordance with the obligations of the Plan and the best interests of all of the beneficiaries of the Plan. The method of distribution of the Estates' assets pursuant to the Plan shall not, and shall not be deemed to, prejudice the Causes of Action, which shall survive entry of the Confirmation Order for the beneficiaries of the Plan. At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in the Plan to the contrary, the Debtors may settle any or all of the Causes of Action with the approval of the Court pursuant to Fed. R. Bankr. P. 9019.

The Debtors have not conducted an investigation into the Causes of Action. Accordingly, in considering this Plan, each party in interest should understand that any and all Causes of Action that may exist against such Person or Entity may be pursued by the Plan Administrator, regardless of whether, or the manner in which, such Causes of Action are listed on Exhibit C to this Plan or described herein. The failure of the Debtors to list a claim, right, cause of action, suit or proceeding on Exhibit C to this Plan shall not constitute a waiver or release by the Debtors or their Estates of such claim, right of action, suit or proceeding.

The substantive consolidation of the Debtors and their Estates pursuant to the Confirmation Order and Section 5.1 of this Plan shall not, and shall not be deemed to, prejudice any of the Causes of Action, which shall survive entry of the Confirmation Order for the benefit of the Debtors and their Estates, and, upon the Effective Date, for the benefit of the Liquidating Debtors.

5.13 Effectuating Documents; Further Transactions

The Plan Administrator, subject to the terms and conditions of this Plan and the Plan Administrator Agreement, shall be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the conveyance and transfer of assets and liabilities provided for by the Asset Purchase Agreement.

5.14 2016 Notes Trustee Fee Claims

The Debtors or the Liquidating Debtors, on the Effective Date to the extent invoiced, or as soon as reasonably practicable following receipt of redacted invoices post-Effective Date (which invoices shall also be provided to the Supporting Noteholders and the Committee), shall pay the 2016 Notes Trustee Fee Claims incurred through the Effective Date; provided, however, if the Debtors, the Liquidating Debtors, the Committee or the Supporting Noteholders, as applicable, and the 2016 Notes Trustee cannot agree with respect to the reasonableness of the fees and expenses to be paid, the Debtors or the Liquidating Debtors, as applicable, shall (i) pay the undisputed portion of any invoices submitted with respect to 2016 Notes Trustee Fee Claims, (ii) place the disputed amounts of any such invoices in escrow, and (iii) notify the 2016 Notes Trustee of any dispute within ten (10) days after the presentation of such invoices. After the parties have attempted in good faith to resolve any such dispute for at least fifteen (15) days after the notification of the dispute, the 2016 Notes Trustee may submit such dispute for resolution to the Court; provided, however, that the Court's review shall be limited to a determination under the reasonableness standard in accordance with the 2016 Notes Indenture. Nothing herein (including, without limitation, any release, discharge or injunction provided under the Plan) shall impair, waive, discharge or negatively affect any charging lien for any fees, costs and expenses not paid pursuant to this Plan and otherwise claimed by the 2016 Notes Trustee in accordance with the 2016 Notes Indenture.

5.15 Oversight Committee

As of the Effective Date, a post-confirmation committee (the "Oversight Committee") shall be formed. The members of the Oversight Committee shall be identified in the Plan Supplement. After the Effective Date, the Plan Administrator shall consult with the Oversight Committee regarding (i) Causes of Action and Disputed Claims for which the Plan Administrator proposes a settlement in the amount of $100,000.00 and above) and (ii) the disposition of property of the Debtors and the Liquidating Debtors for $100,000.00 and above in accordance with the terms of the Plan and the Plan Administrator Agreement.

The compensation of the members of the Oversight Committee shall be provided in the Plan Supplement.

ARTICLE VI

PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided herein or as ordered by the Court, all Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date shall be made on the Distribution Date by the Disbursing Agent in accordance with Section 5.7(a); provided that the Pro Rata Distribution of the Valeant Shares to the Holders of Allowed 2016 Noteholder Claims shall be made immediately upon the occurrence of the Effective Date and the Liquidating Debtors shall make reasonable efforts to make a Pro Rata Distribution of Available Cash to Holders of Allowed 2016 Noteholder Claims and Holders of Allowed General Unsecured Claims on the Effective Date. Distributions on account of Claims that first become Allowed Claims after the Effective Date shall be made pursuant to the terms and conditions of this Plan. Notwithstanding any other provision of the Plan to the contrary, no Distribution shall be made on account of any Allowed Claim or portion thereof that (i) has been satisfied after the Petition Date; (ii) is listed in the schedules as contingent, unliquidated, disputed or in a zero amount, and for which a Proof of Claim has not been timely filed; or (iii) is evidenced by a Proof of Claim that has been amended by a subsequently filed Proof of Claim.

6.2 Disbursing Agent

The Disbursing Agent shall make all Distributions required under this Plan, subject to the terms and provisions of this Plan. If the Disbursing Agent is an independent third party designated to serve in such capacity, such Disbursing Agent shall receive, without further Court approval, reasonable compensation from the Wind-down Reserve for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties. The Disbursing Agent shall be authorized and directed to rely upon the Debtors' Books and Records and the Plan Administrator's representatives and professionals in determining Allowed Claims not entitled to Distributions under the Plan in accordance with the terms and conditions of this Plan. Class 3 Distributions of the Valeant Shares on account of

Allowed 2016 Noteholder Claims shall be made immediately upon the occurrence of the Effective Date to such Holders.

6.3 Delivery of Distributions and Undeliverable or Unclaimed Distributions

(a) Delivery of Distributions in General

Distributions to Holders of Allowed Claims shall be made by the Disbursing Agent (a) at the addresses set forth on the Proofs of Claim filed by such Holders (or at the last known addresses of such Holders if no Proof of Claim is filed or if the Debtors have been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent after the date of any related Proof of Claim, after sufficient evidence of such addresses as may be requested by the Disbursing Agent is provided, (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Disbursing Agent has not received a written notice of a change of address, (d) at the addresses set forth in the other records of the Debtors or the Disbursing Agent at the time of the Distribution or (e) in the case of the Holder of a Claim that is governed by an agreement and is administered by an agent or servicer, at the addresses contained in the official records of such agent or servicer.

In making Distributions under the Plan, the Disbursing Agent may rely upon the accuracy of the Claims register maintained by the Claims Agent in the Chapter 11 Cases, as modified by any Final Order of the Court disallowing Claims in whole or in part.

(b) Undeliverable and Unclaimed Distributions

If the Distribution to any Holder of an Allowed Claim is returned to the Disbursing Agent as undeliverable or is otherwise unclaimed, no further Distributions shall be made to such Holder unless and until the Disbursing Agent is notified in writing of such Holder's then-current address and such Holder provides sufficient evidence of such address as may be requested by the Disbursing Agent, at which time all missed Distributions shall be made to such Holder without interest, subject to the time limitations set forth below. Amounts in respect of undeliverable Distributions made by the Disbursing Agent shall be returned to the Disbursing Agent until such Distributions are claimed. The Disbursing Agent shall segregate and, with respect to Cash, deposit in a segregated account designated as an unclaimed Distribution reserve undeliverable and unclaimed Distributions for the benefit of all such similarly-situated Persons until such time as a Distribution becomes deliverable or is claimed, subject to the time limitations set forth below.

Any Holder of an Allowed Claim that does not assert a claim pursuant to this Plan for an undeliverable or unclaimed Distribution within ninety (90) days after the date such Distribution was returned undeliverable shall be deemed to have forfeited its Claim for such undeliverable or unclaimed Distribution and shall be forever barred and enjoined from asserting any such claim for an undeliverable or unclaimed Distribution against the Debtors and their Estates, the Liquidating Debtors, the Plan Administrator, and their respective agents, attorneys, representatives, employees or independent contractors, and/or any of its or their property. In the case of undeliverable or unclaimed Distributions on account of Administrative Claims, Priority Tax Claims or Priority Non-Tax Claims, any Cash otherwise reserved for undeliverable or

unclaimed Distributions shall revert to the Administrative and Priority Claims Reserve. In the case of undeliverable or unclaimed Distributions on account of Allowed General Unsecured Claims, any Cash otherwise reserved for undeliverable or unclaimed Distributions shall revert to the Disputed Claims Reserve, and all title to and all beneficial interests in the Available Cash represented by any such undeliverable Distributions shall revert to and/or remain in the Liquidating Debtors and shall be distributed in accordance with the Plan. The reversion of such Cash to the Administrative and Priority Claims Reserve or the Disputed Claims Reserve, as applicable, shall be free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary and shall be treated in accordance with the terms of this Plan. Nothing contained in this Plan or the Plan Administrator Agreement shall require the Debtors, the Liquidating Debtors, the Plan Administrator, or any Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

This Section 6.3(b) is not applicable to the 2016 Notes Trustee or the holders of the 2016 Notes.

6.4 Prepayment

Except as otherwise provided in this Plan or in the Confirmation Order, the Debtors or the Plan Administrator, on behalf of the Liquidating Debtors, as applicable, shall have the right to prepay, without penalty, all or any portion of an Allowed Administrative Claim, Allowed Priority Tax Claim, Allowed Priority Non-Tax Claim or Allowed Secured Claim at any time.

6.5 Means of Cash Payment

Cash payments made pursuant to this Plan shall be in U.S. dollars and shall be made at the option and in the sole discretion of the Disbursing Agent by (i) checks drawn on or (ii) wire transfers from a domestic bank selected by the Disbursing Agent. In the case of foreign creditors, Cash payments may be made, at the option of the Disbursing Agent, in such funds and by such means as are necessary or customary in a particular jurisdiction.

6.6 Interest on Claims

Unless otherwise specifically provided for in this Plan or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no Claimholder shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final Distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

6.7 Withholding and Reporting Requirements

In connection with the Plan and all Distributions thereunder, the Disbursing Agent or the Plan Administrator, as applicable, on behalf of the Liquidating Debtors, is authorized to take any and all actions that may be necessary or appropriate to comply with all withholding, payment and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Allowed Claims and Distributions hereunder shall be subject to any such withholding and reporting requirements. The Disbursing Agent or the Plan Administrator, as applicable, on

behalf of the Liquidating Debtors, shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding, payment and reporting requirements. All Holders of Claims shall be required to provide any information necessary to allow the Plan administrator to comply with all withholding, payment and reporting requirements with respect to such Taxes. The Disbursing Agent or the Plan Administrator shall withhold the full amount required by law on any Distribution on account of any Holder of an Allowed Claim that fails to timely provide to the Disbursing Agent or the Plan Administrator the required information.

6.8 Setoffs

Subject to the terms and conditions of the Plan Administrator Agreement, the Debtors and/or the Plan Administrator may, but shall not be required to, set off against any Claim and the payments or other Distributions to be made under the Plan on account of the Claim, claims of any nature whatsoever that the Debtors may have against the Holder thereof, provided that any such right of setoff that is exercised shall be allocated, first, to the principal amount of the related Claim, and thereafter to any interest portion thereof, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors, the Liquidating Debtors or the Plan Administrator of any such claim that the Debtors may have against such Holder.

6.9 Procedure for Treating and Resolving Disputed, Contingent and/or Unliquidated Claims

(a) Objection Deadline; Prosecution of Objections

Except as set forth in the Plan with respect to Professional Fee Claims, all objections to Claims must be filed and served on the Holders of such Claims by the Claims Objection Deadline, as the same may be extended by the Court. If an objection has not been filed to a Proof of Claim or the Schedules have not been amended with respect to a Claim that (i) was Scheduled by the Debtors but (ii) was not Scheduled as contingent, unliquidated and/or disputed, by the Claims Objection Deadline, as the same may be extended by order of the Court, the Claim to which the Proof of Claim or Scheduled Claim relates shall be treated as an Allowed Claim if such Claim has not been Allowed earlier. Notice of any motion for an order extending the Claims Objection Deadline shall be required to be given only to those persons or entities that have requested notice in the Chapter 11 Cases in accordance with Bankruptcy Rule 2002.

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, on and after the Effective Date, the Plan Administrator shall have the authority to: (1) file, withdraw or litigate to judgment objections to and requests for estimation of Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Court, subject to the consent of the Oversight Committee for proposed settlements in the amount of $100,000.00 and above, which consent shall not be unreasonably withheld; and (3) administer and adjust the Claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Court; provided, however, that the objection to and settlement of Professional Fee Claims shall not be subject to this Section 6.9(a), but rather shall be governed by Section 9.1(a) of the Plan. In the event that any objection filed by the Debtors or

the Committee remains pending as of the Effective Date, the Plan Administrator shall be deemed substituted for the Debtors or the Committee, as applicable, as the objecting party.

The Plan Administrator shall be entitled to assert all of the Debtors' rights, claims, defenses, offsets, rights of recoupment, setoffs, rights of disallowance, subrogation, recharacterization and/or equitable subordination and counter-claims with respect to Claims.

(b) No Distributions Pending Allowance

Notwithstanding any other provision of the Plan or the Plan Administrator Agreement, no payments or Distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim. To the extent that a Claim is not a Disputed Claim but is held by a Holder that is or may be liable to the Debtors or the Liquidating Debtors on account of a Cause of Action, no payments or Distributions shall be made with respect to all or any portion of such Claim unless and until such Claim and liability have been settled or withdrawn or have been determined by Final Order of the Court or such other court having jurisdiction over the matter.

(c) Disputed Claims Reserve

On the Distribution Date and on each subsequent Periodic Distribution Date, the Plan Administrator shall withhold on a Pro Rata basis from property that would otherwise be distributed to Holders of 2016 Noteholder Claims and Holders of General Unsecured Claims entitled to Distributions under the Plan on such date, in a separate Disputed Claims Reserve, such amounts or property as may be necessary to equal one hundred percent (100%) of Distributions to which Holders of such Disputed General Unsecured Claims would be entitled under this Plan if such Disputed General Unsecured Claims were allowed in their Disputed Claim Amounts. The Plan Administrator may request, if necessary, estimation for any Disputed General Unsecured Claim that is contingent or unliquidated, or for which the Plan Administrator determines to reserve less than the Face Amount. The Plan Administrator shall withhold the applicable Disputed Claim Amounts with respect to such Claims based upon the estimated amount of each such Claim as estimated by the Court. If practicable, the Plan Administrator shall invest any Cash that is withheld as the Disputed Claims Reserve in an appropriate manner to ensure the safety of the investment, in accordance with the Plan Administrator Agreement. Nothing in this Plan, the Disclosure Statement or the Plan Administrator Agreement shall be deemed to entitle the Holder of a Disputed General Unsecured Claim to postpetition interest on such Claim.

(d) Distributions After Allowance or Disallowance

Payments and Distributions to Holders of Disputed Claims that ultimately become Allowed Claims shall be made in accordance with provisions of the Plan that govern Distributions to Holders of 2016 Noteholder Claims and Allowed General Unsecured Claims and Holders of Allowed Administrative Claims, Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims. The Plan Administrator shall no longer reserve for and shall distribute to the Holders of Allowed Class 3 Claims and Allowed Class 4 Claims, on the next Periodic

Distribution Date and pursuant to the Plan, their Pro Rata shares of the funds held in the Disputed Claims Reserve on account of any Disputed General Unsecured Claim that becomes a Disallowed Claim.

(e) De Minimis Distributions

The Plan Administrator shall not be required to make any distributions to Holders of Allowed Claims (other than Priority Tax Claims or Administrative Claims) aggregating less than fifty dollars ($50.00). Cash that otherwise would be payable under the Plan to Holders of Allowed General Unsecured Claims but for this Section 6.9(e) shall be available for Distributions to Holders of Allowed Class 3 Claims and Allowed Class 4 Claims. Subject to Section 5.9(e), Cash that otherwise would be payable under the Plan to Holders of Administrative Claims, Priority Tax Claims and Priority Non-Tax Claims but for this Section 6.9(e) shall remain in the Administrative and Priority Claims Reserve until such time as all such Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid.

(f) Fractional Dollars

Any other provision of this Plan notwithstanding, the Disbursing Agent shall not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar under this Plan would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

(g) Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under this Plan is composed of indebtedness and accrued but unpaid interest thereon, such Distribution shall, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

(h) Distribution Record Date

The Disbursing Agent shall have no obligation to recognize the transfer of or sale of any participation in any Allowed Claim that occurs after the close of business on the Distribution Record Date. Instead, the Disbursing Agent shall be entitled to recognize and deal for all purposes under this Plan with only those record Holders stated on the official Claims register or the Debtors' Books and Records, as applicable, as of the close of business on the Distribution Record Date.

ARTICLE VII

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.1 Rejected Contracts and Leases

Except as otherwise provided in the Plan, the Sale Order, or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, each of the Executory Contracts and Unexpired Leases to which any Debtor is a party shall be deemed automatically rejected by the applicable Debtor as of the Effective Date, unless such contract or lease (i) previously has been assumed or rejected by the Debtors, (ii) expired or terminated pursuant to its own terms, (iii) is the subject of a motion to assume or reject pending before the Court as of the Confirmation Date or (iv) is identified on Exhibit B hereto as a contract to be assumed; provided, however, that nothing contained in this Plan shall constitute an admission by any Debtor that any such contract or lease is an Executory Contract or Unexpired Lease or that any Debtor or its successors and assigns has any liability thereunder; and, provided further, that the Debtors reserve their right, at any time before the Confirmation Date, to assume any Executory Contract or Unexpired Lease that was not already rejected prior to the Confirmation Date. The Confirmation Order shall constitute an order of the Court approving the rejections described in this Section 7.1, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date.

7.2 Rejection Damages Bar Date

If the rejection of an Executory Contract or Unexpired Lease pursuant to Section 7.1 above gives rise to a Claim by the other party or parties to such contract or lease, such Claim shall be forever barred and shall not be enforceable against the applicable Debtor or its Estate, the Liquidating Debtors or their respective successors or properties unless a Proof of Claim is filed with the Court and served on counsel for the Plan Administrator within thirty (30) days after service of notice of entry of the Confirmation Order.

7.3 Assumed Contracts and Leases

Except as otherwise provided in the Confirmation Order, this Plan, the Plan Administrator Agreement or any other document entered into after the Petition Date or in connection with this Plan, the Confirmation Order shall constitute an order under Bankruptcy Code section 365 assuming, as of the Effective Date, those contracts listed on Exhibit B to this Plan; provided, however, that the Debtors may amend such Exhibit at any time prior to the Confirmation Date; provided further, however, that listing an insurance agreement on such Exhibit shall not constitute an admission by a Debtor that such agreement is an executory contract or that any Debtor has any liability thereunder.

Any monetary amounts by which each executory contract and unexpired lease to be assumed pursuant to the Plan is in default, if any, shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by Cure, with such Cure being provided by, at the option of the Liquidating Debtors or the Plan Administrator, either (x) Dendreon or (y) the assignee to whom such contract or lease is being assigned. If there is a dispute regarding (a) the nature or amount of

any Cure, (b) the ability of Dendreon or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (c) any other matter pertaining to assumption, Cure shall occur following the entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment, as the case may be; provided that if there is a dispute as to the amount of Cure that cannot be resolved consensually among the parties, the Liquidating Debtors or the Plan Administrator shall have the right to reject the contract or lease for a period of five (5) days after entry of a Final Order establishing a Cure amount in excess of that provided by the Debtors. The Confirmation Order, if applicable, shall contain provisions providing for notices of proposed assumptions and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto (which shall provide not less than twenty (20) days' notice of such procedures and any deadlines pursuant thereto) and resolution of disputes by the Court.

7.4 Indemnification Obligations

Any obligations of the Debtors pursuant to their corporate charters and bylaws or agreements, including amendments, entered into any time prior to the Effective Date, to indemnify, reimburse or limit the liability of any Person pursuant to the Debtors' certificates of incorporation, bylaws, policy of providing employee indemnification, applicable state law or specific agreement in respect of any claims, demands, suits, causes of action or proceedings against such Persons based upon any act or omission related to such Persons' service with, for or on behalf of the Debtors prior to the Effective Date with respect to all present and future actions, suits and proceedings relating to the Debtors shall survive confirmation of the Plan and except as set forth herein, remain unaffected thereby, and shall not be discharged, irrespective of whether such defense, indemnification, reimbursement or limitation of liability accrued or is owed in connection with an occurrence before or after the Petition Date; provided, however, that all obligations under this Section 7.4 shall be limited solely to available insurance coverage and neither the Liquidating Debtors, the Plan Administrator nor any of their assets shall be liable for any such obligations. Any Claim based on the Debtors' obligations set forth in this Section 7.4 shall not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code. This provision for indemnification obligations shall not apply to or cover any Claims, suits or actions against a Person that result in a final order determining that such Covered Person is liable for fraud, willful misconduct, gross negligence, bad faith, self-dealing or breach of the duty of loyalty.

ARTICLE VIII

CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

8.1 Conditions to Confirmation

The following are conditions precedent to confirmation of the Plan, each of which must be satisfied or waived in accordance with Section 8.3 of the Plan:

(a) the Confirmation Order shall be in form and substance reasonably acceptable to the Debtors, the Committee, the Unaffiliated Noteholders and the Deerfield Noteholders and shall, among other things:

(i) provide that the Debtors are authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the agreements or documents created under or in connection with the Plan; and

(ii) provide that, notwithstanding Bankruptcy Rule 3020(e), the Confirmation Order shall be immediately effective, subject to the terms and conditions of the Plan; and

(b) The amounts of the Administrative and Priority Claims Estimate, the Disputed Claims Estimate, the Wind-down Reserve, the Professional Fee Estimate, and the Wind-down Budget shall be reasonably acceptable to the Committee, the Deerfield Requisite Supporting Noteholders and the Unaffiliated Requisite Supporting Noteholders.

(c) The Plan Administrator Agreement shall be in form and substance reasonably acceptable to the Committee, the Deerfield Requisite Supporting Noteholders, and the Unaffiliated Requisite Supporting Noteholders; and

(d) the Confirmation Order shall have been entered by the Court.

8.2 Conditions to Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Section 8.3 of the Plan:

(a) the Confirmation Order shall not then be stayed pending appeal, vacated or reversed and shall not have been amended without the agreement of the Debtors, the Committee, the Unaffiliated Noteholders and the Deerfield Noteholders;

(b) the Professional Fee Reserve, the Administrative and Priority Claims Reserve and the Disputed Claims Reserve shall have been funded in Cash in full and the Wind-down Reserve shall have been funded with the amount agreed pursuant to Section 5.9(d) of the Plan;

(c) the Plan Administrator shall have been appointed and assumed its rights and responsibilities under the Plan and the Plan Administrator Agreement, as applicable;

(d) the Debtors shall have retained and pre-paid appropriate professionals for the preparation of the Debtors' tax returns for 2014 and 2015;

(e) all actions, documents and agreements necessary to implement the provisions of the Plan to be effectuated on or prior to the Effective Date shall be reasonably satisfactory to the Debtors, the Committee, the Unaffiliated Noteholders and the Deerfield Noteholders, and such actions, documents and agreements shall have been effected or executed

and delivered. The Plan Administrator Agreement shall be completed and in final form and, as applicable, executed by the parties thereto and all conditions precedent contained in any of the foregoing shall have been satisfied or waived; and

(f) the Debtors shall have received the Valeant Shares.

8.3 Waiver of Conditions

Each of the conditions to the Effective Date set forth in Section 8.2 of the Plan may be waived in whole or in part by the Debtors without any other notice to parties in interest or the Court, provided that the Debtors have received the consent of the Committee, the Deerfield Requisite Supporting Noteholders, and the Unaffiliated Requisite Supporting Noteholders, which consent shall not unreasonably be withheld, provided further that it shall be deemed reasonable to withhold consent if the Debtors are not in receipt of the Valeant Shares. The failure of any party to exercise any of its foregoing rights shall not be deemed a waiver of any of its other rights, and each such right shall be deemed an ongoing right that may be asserted thereby at any time.

8.4 Consequences of Non-Occurrence of Effective Date

If the Effective Date does not occur within 180 days of the Confirmation Date, or by such date, after notice and a hearing, as approved by the Court, (a) the Plan shall be null and void in all respects; (b) any settlement of claims shall be null and void without further order of the Court; and (c) the time within which the Debtors may assume and assign or reject all Executory Contracts shall be extended for a period of thirty (30) days after such motion is granted.

ARTICLE IX

ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS

9.1 Professional Fee Claims

(a) Final Fee Applications

All final requests for payment of Professional Fee Claims (the "Final Fee Applications") must be filed no later than forty-five (45) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the Liquidating Debtors, the Plan Administrator, counsel to the Deerfield Noteholders, counsel to the Unaffiliated Noteholders, the requesting Professional and the Office of the United States Trustee no later than twenty (20) days from the date on which each such Final Fee Application is served and filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Court, the Allowed amounts of such Professional Fee Claims shall be determined by the Court.

(b) Employment of Professionals after the Effective Date

From and after the Effective Date, any requirement that professionals comply with sections 327 through 331 of the Bankruptcy Code or any order previously entered by the Court in

seeking retention or compensation for services rendered or expenses incurred after such date shall terminate.

9.2 Substantial Contribution Compensation and Expenses Bar Date

Any Person who wishes to make a Substantial Contribution Claim based on facts or circumstances arising after the Petition Date must file an application with the clerk of the Court, on or before the Administrative Claims Bar Date, and serve such application on the Liquidating Debtors and the Plan Administrator and as otherwise required by the Court and the Bankruptcy Code on or before the Administrative Claims Bar Date, or be forever barred from seeking such compensation or expense reimbursement. Objections, if any, to the Substantial Contribution Claim must be filed no later than the Claims Objection Deadline, unless otherwise extended by Order of the Court. For the avoidance of doubt, this Section 9.2 shall not apply to the Committee Member Substantial Contribution Claim and the Deerfield Substantial Contribution Claim.

9.3 Other Administrative Claims

All other requests for payment of an Administrative Claim arising after the Petition Date, other than Professional Fee Claims and Claims arising under section 503(b)(9) of the Bankruptcy Code, must be filed with the Court and served on the Liquidating Debtors and the Plan Administrator no later than the Administrative Claims Bar Date. Unless the Plan Administrator or any other party in interest objects to an Administrative Claim by the Claims Objection Deadline, such Administrative Claim shall be deemed Allowed in the amount requested. In the event that the Plan Administrator or any other party in interest objects to an Administrative Claim, the Court shall determine the Allowed amount of such Administrative Claim.

ARTICLE X

EFFECTS OF CONFIRMATION

10.1 Satisfaction of Claims

Distributions made under the Plan on account of Claims or Interests shall satisfy the obligations of the Debtors and the Liquidating Debtors, as adjusted by the Plan, in respect of such Claims or Interests. The entry of the Confirmation Order shall constitute the Court's approval of such treatment and satisfaction of all such Claims and Interests, as well as a finding by the Court that such treatment and satisfaction is in the best interests of the Debtors, their Estates and Holders of Claims and Interests and is fair, equitable and reasonable.

10.2 Binding Effect

The Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, whether or not such Holders shall receive or retain any property or interest in property under the Plan, and their respective successors and assigns, including, but not limited to, the Liquidating Debtors and the Plan Administrator and all other parties in interest in the Chapter 11 Cases.

10.3 Effects of Confirmation

No Claimholder or Interest Holder may, on account of a Claim or Interest, seek or receive any payment or other Distribution from, or seek recourse against, any Debtor or its respective successors, assigns and/or property, except as expressly provided in this Plan.

10.4 Releases

(a) Releases by the Debtors

Pursuant to section 1123(b) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise specifically provided in the Plan, upon the Effective Date, each of the Debtors shall release unconditionally, and hereby is deemed to forever release unconditionally (i) the Committee and, solely in their respective capacities as members or representatives of the Committee, (and not as individual lenders or creditors to or on behalf of the Debtors), each member of the Committee; (ii) the Released Parties; (iii) each of the respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives of any of the foregoing or of the Debtors, solely in their respective capacities as such; and (iv) all individuals serving, or who have served, since the Petition Date, as a director or officer of the Debtors, from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever (other than the right to enforce the performance of their respective obligations, if any, to the Debtors or the Liquidating Debtors under the Plan, the Plan Administrator Agreement and the contracts, instruments, releases and other agreements delivered under the Plan and the Plan Administrator Agreement), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan or the Disclosure Statement, other than Claims or liabilities arising out of or relating to any act or omission that constitutes a failure to perform the duty to act in good faith and where such failure to perform constitutes willful misconduct, gross negligence, or fraud.

(b) Release by Holders of Claims

Except as otherwise specifically provided in the Plan and to the fullest extent permissible under applicable law, on the Effective Date, the Released Parties and each Holder of a Claim (excluding any of the Debtors), including each Claimholder deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, shall release unconditionally, and hereby is deemed to forever release unconditionally (i) the Released Parties, (ii) the Committee, (iii) each of their respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives, solely in their respective capacities as such, and only with respect to their activities and conduct during or in connection with the Chapter 11 Cases, (iv) all individuals serving, or who have served, since the Petition Date, as a manager, director, managing member, officer, partner, agent, employee, attorney or other advisor of the Debtors and (v) any successors or assigns of the foregoing, from any and all claims, obligations, suits, judgments, damages, rights, causes of

action and liabilities whatsoever (other than the right to enforce the performance of their respective obligations, if any, to the Debtors under the Plan, the Plan Administrator Agreement and the contracts, instruments, releases and other agreements delivered under the Plan and the Plan Administrator Agreement), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, whether or not by or in the right of any of the Debtors, that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan or the Disclosure Statement other than Claims or liabilities arising out of or relating to any act or omission that constitutes a failure to perform the duty to act in good faith and where such failure to perform constitutes willful misconduct, gross negligence, or fraud; provided, that this subsection shall not release any Person from any Claim or cause of action existing as of the Effective Date, based on (x) the Internal Revenue Code or any other domestic state, city or municipal tax code, (y) the environmental laws of the United States or any domestic state, city or municipality or (z) any criminal laws of the United States or any domestic state, city or municipality. Notwithstanding anything to the contrary in this Section 10.4(b), a Holder of a Claim (other than a Released Party) shall be deemed not to provide the releases in this section if such Holder (i) votes to reject the Plan and (ii) "opts out" of the releases provided in Section 10.4(b) of the Plan in a timely submitted, valid Ballot. For the avoidance of doubt, each Released Party that is the Holder of a Claim shall be deemed to have given the releases in this Section 10.4(b).

10.5 Exculpation and Limitation of Liability

Except as otherwise specifically provided in the Plan, to the maximum extent permitted by the Bankruptcy Code and applicable law, none of (i) the Debtors, (ii) the Liquidating Debtors, (iii) the Plan Administrator, (iv) the Committee, (v) the Supporting Noteholders, nor (vi) any of their respective members, officers, directors, shareholders, employees, advisors, attorneys or agents acting in such capacity on or after the Petition Date, shall have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or an Interest, or (with respect to such Claims or Interests) any of their respective agents, affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Debtors' Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct or gross negligence, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan.

10.6 Injunction

Except as otherwise expressly provided in the Plan, the Plan Supplement or related documents, or for obligations issued pursuant to the Plan, all Persons who have held, hold or may hold Claims against or Interests in the Debtors are permanently enjoined, from and after the Effective Date, from taking any of the following actions against any of the Estate(s), the Plan Administrator, any of the property of the foregoing, the property of the Liquidating Debtors, or any successors or assigns of the foregoing on account of any such

Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting or enforcing any lien or encumbrance; (D) asserting a setoff or right of subrogation of any kind against any debt, liability or obligation due to the Debtors; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan. By accepting Distributions pursuant to the Plan, each Holder of an Allowed Claim receiving any Distribution pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth in this Section 10.6.

The releases pursuant to Article X of this Plan shall also act as a permanent injunction against any party that has provided such releases from commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim released under this Plan to the fullest extent authorized by applicable law.

10.7 Satisfaction of Subordination Rights

All Claims against the Debtors and all rights and claims between or among Claimholders relating in any manner whatsoever to Distributions on account of Claims against the Debtors based upon any subordination rights, whether asserted or unasserted, legal or equitable, shall be deemed satisfied by the Distributions under the Plan to Claimholders having such subordination rights, and such subordination rights shall be deemed waived, released, discharged and terminated as of the Effective Date. Distributions to the various Classes of Claims hereunder shall not be subject to levy, garnishment, attachment or like legal process by any Claimholder by reason of any subordination rights or otherwise, so that each Claimholder shall have and receive the benefit of the Distributions in the manner set forth in the Plan.

ARTICLE XI

RETENTION OF JURISDICTION

11.1 Retention of Jurisdiction by the Court

Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order, substantial consummation of the Plan and occurrence of the Effective Date, the Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases, the Plan, and the Plan Administrator Agreement to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) To the extent not otherwise determined by the Plan, determine (i) the allowance, classification or priority of Claims upon objection by any party in interest entitled to file an objection, or (ii) the validity, extent, priority and nonavoidability of consensual and nonconsensual Liens and other encumbrances against assets of the Estates, Causes of Action, or property of the Estates or the Liquidating Debtors;

(b) Issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Entity or Person, construe and to take any other action to enforce and

execute the Plan, the Confirmation Order or any other order of the Court, issue such orders as may be necessary for the implementation, execution, performance and consummation of the Plan and all matters referred to herein, and determine all matters that may be pending before the Court in the Chapter 11 Cases on or before the Effective Date with respect to any Entity or Person;

(c) Protect the assets or property of the Estates and/or the Liquidating Debtors, including Causes of Action, from claims against, or interference with, such assets or property, including actions to quiet or otherwise clear title to such property or to resolve any dispute concerning Liens or other encumbrances on any assets of the Estates;

(d) Determine any and all applications for allowance of Professional Fee Claims;

(e) Determine any Priority Tax Claims, Priority Non-Tax Claims or Administrative Claims, entitled to priority under section 507(a) of the Bankruptcy Code;

(f) Resolve any dispute arising under or related to the implementation, execution, consummation or interpretation of the Plan and the making of Distributions hereunder;

(g) Determine any and all motions related to the rejection, assumption or assignment of Executory Contracts or Unexpired Leases or determine any issues arising from the deemed rejection of Executory Contracts and Unexpired Leases set forth in Article VII of the Plan;

(h) Except as otherwise provided herein, determine all applications, motions, adversary proceedings, contested matters, actions and any other litigated matters instituted in and prior to the closing of the Chapter 11 Cases, including any remands;

(i) Enter a Final Order closing each of the Chapter 11 Cases;

(j) Modify the Plan under section 1127 of the Bankruptcy Code, remedy any defect, cure any omission or reconcile any inconsistency in the Plan or the Confirmation Order so as to carry out their intent and purposes;

(k) Issue such orders in aid of consummation of the Plan and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Entity or Person, to the full extent authorized by the Bankruptcy Code;

(l) Determine any Tax liability pursuant to section 505 of the Bankruptcy Code;

(m) Enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

(n) Resolve any disputes concerning whether an Entity or Person had sufficient notice of the Chapter 11 Cases, the applicable Bar Date, the hearing to consider approval of the Disclosure Statement or the Confirmation Hearing or for any other purpose;

(o) Resolve any dispute or matter arising under or in connection with any order of the Court entered in the Chapter 11 Cases;

(p) Authorize, as may be necessary or appropriate, sales of assets as necessary or desirable and resolve objections, if any, to such sales;

(q) Resolve any disputes concerning any release, injunction, exculpation or other waiver or protection provided in the Plan;

(r) Approve, if necessary, any Distributions, or objections thereto, under the Plan;

(s) Approve, as may be necessary or appropriate, any Claims settlement entered into or offset exercised by the Plan Administrator;

(t) Resolve any dispute or matter arising under or in connection with the Liquidating Debtors or the Plan Administrator;

(u) Order the production of documents, disclosures or information, or to appear for deposition demanded pursuant to Bankruptcy Rule 2004; and

(v) Determine such other matters, and for such other purposes, as may be provided in the Confirmation Order or as may be authorized under provisions of the Bankruptcy Code.

11.2 Retention of Non-Exclusive Jurisdiction by the Court

Notwithstanding anything else in the Plan, the Court shall retain non-exclusive jurisdiction over all Causes of Action prosecuted by the Plan Administrator on behalf of the Liquidating Debtors.

11.3 Failure of Court to Exercise Jurisdiction

If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in Section 11.1 of the Plan, the provisions of this Article XI shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Modifications and Amendments

The Debtors may alter, amend or modify the Plan or any Exhibits thereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date provided that the Debtors have received the prior consent of the Committee, the Deerfield Requisite Supporting

Noteholders, and the Unaffiliated Requisite Supporting Noteholders which consent shall not unreasonably be withheld. After the Confirmation Date and prior to substantial consummation of the Plan as defined in section 1101(2) of the Bankruptcy Code, the Debtors may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims under the Plan; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Court.

12.2 Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, then the Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

12.3 Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of that Person.

12.4 Payment of Statutory Fees

All fees payable through the Effective Date pursuant to 28 U.S.C. § 1930 shall be paid on the Effective Date. The Debtors, prior to the Effective Date, and the Plan Administrator, on behalf of the Liquidating Debtors, from and after the Effective Date, shall pay U.S. Trustee Fees in accordance with 28 U.S.C. § 1930 until the Chapter 11 Cases are closed or converted and/or the entry of final decrees. In addition, the Plan Administrator shall file post-confirmation quarterly reports or any pre-confirmation monthly operating reports not filed as of the Confirmation Hearing in conformance with the U.S. Trustee Guidelines. The U.S. Trustee shall not be required to file a request for payment of its quarterly fees.

12.5 Revocation, Withdrawal or Non-Consummation

The Debtors reserve the right to revoke or withdraw the Plan as to any or all of the Debtors prior to the Confirmation Date and to file subsequent plans. If the Debtors revoke or withdraw the Plan as to any or all of the Debtors, or if Confirmation or consummation of the Plan as to any or all of the Debtors does not occur, then, with respect to such Debtors, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the

Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of such Debtors or any other Person or (iii) constitute an admission of any sort by such Debtors or any other Person.

12.6 Insurance Policies

The Debtors or the Plan Administrator, on behalf of the Liquidating Debtors, may cancel, terminate, or surrender any insurance policies in accordance with the terms thereof and the applicable insurer is authorized to accept such cancelation, termination, or surrender of any such policy. Any insurer is authorized to pay, and the Debtors or the Plan Administrator, on behalf of the Liquidating Debtors, may collect any proceeds of such cancellation, termination or surrender.

12.7 Service of Documents

Any notice, request or demand required or permitted to be made or provided to or upon a Debtor, a Liquidating Debtor, the Committee, or the Plan Administrator shall be (a) in writing, (b) served by (i) certified mail, return receipt requested, (ii) hand delivery, (iii) overnight delivery service, or (iv) facsimile transmission, (c) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed and (d) addressed as follows:

The Debtors:

Dendreon Corporation
601 Union Street
Suite 4900
Seattle, WA 98101
Attn: Rob Crotty, Esq.
Title: General Counsel and Secretary
Telephone: (888) 369-8915

with a copy to:

Ken Ziman, Esq.
Skadden, Arps, Slate, Meager & Flom LLP
Four Times Square
New York, New York 10036-6522
Telephone: (212) 735-3000
Fax: (212) 735-2000

with a copy to:

Felicia Gerber Perlman, Esq.
Skadden, Arps, Slate, Meager & Flom LLP
155 N. Wacker Dr.
Chicago, IL 60606-1720
Telephone: (312) 407-0700
Fax: (312) 407-0411

The Liquidating Debtors:

Dendreon Corporation
601 Union Street
Suite 4900
Seattle, WA 98101
Attn: Rob Crotty, Esq.
Title: General Counsel and Secretary
Telephone: (888) 369-8915

Committee:

c/o Michael Torkin, Esq.
Mark Schneiderman, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Telephone: (212) 558-4000
Facsimile: (212) 558-3588

Deerfield Noteholders:

c/o John C. Longmire, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

Unaffiliated Noteholders:

c/o Steven D. Pohl, Esq.
Brown Rudnick LLP
One Financial Center
Boston, Massachusetts 02111
Telephone: (617) 856-8200
Facsimile: (617) 856-8201

and

c/o John Storz, Esq.
Seven Times Square
New York, NY 10036
Telephone: (212) 209-4800
Facsimile: (212) 209-4801

Plan Administrator:

Name
Address
Telephone:
Facsimile:

12.8 Plan Supplement(s)

Exhibits to the Plan not attached hereto shall be filed in one or more Plan Supplements by the Plan Supplement Filing Date. Any Plan Supplement (and amendments thereto) filed by the Debtors shall be deemed an integral part of the Plan and shall be incorporated by reference as if fully set forth herein. Substantially contemporaneously with their filing, the Plan Supplements may be viewed at the Debtors' case website (https://cases.primeclerk.com/dendreon/) or the Court's website (http://www.deb.uscourts.gov). Copies of case pleadings, including the Plan Supplements, also may be examined between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday, excluding federal holidays, at the Office of the Clerk of the Court, 824 N. Market St., 3rd Floor, Wilmington, Delaware 19801. Finally, copies of case pleadings also may be obtained by written request to the Claims Agent, at dendreoninfo@primeclerk.com. The documents contained in any Plan Supplements shall be approved by the Court pursuant to the Confirmation Order.

Dated: Wilmington, Delaware
April 10, 2015

DENDREON CORPORATION, et al.,
Debtors and Debtors-in-Possession

By: /s/
Name: Robert L. Crotty
Title: President, General Counsel and Secretary

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

By: /s/
Anthony W. Clark (I.D. No. 2051)
Sarah E. Pierce (I.D. No. 4648)
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
Telephone: (302) 651-3000
Fax: (302) 651-3001

- and -

Kenneth S. Ziman
Raquelle L. Kaye
Four Times Square
New York, New York 10036-6522
Telephone: (212) 735-3000
Fax: (212) 735-2000

- and -

Felicia Gerber Perlman
155 N. Wacker Drive
Chicago, Illinois 60606-1720
Telephone: (312) 407-0700
Fax: (312) 407-0411

Counsel for Debtors and Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
DENDREON CORPORATION, et al.,	:	Case No. 14-12515 (LSS)
Debtors.[1]	:	Jointly Administered

PLAN SUPPLEMENT TO FIRST AMENDED PLAN OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY THE DEBTORS

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

Anthony W. Clark (I.D. No. 2051)
Sarah E. Pierce (I.D. No. 4648)
One Rodney Square
P.O. Box 636
Wilmington, DE 19899
Telephone: (302) 651-3000
Fax: (302) 651-3001

Kenneth S. Ziman
Raquelle L. Kaye
Four Times Square
New York, NY 10036
Telephone: (212) 735-3000
Fax: (212) 735-2000

Felicia Gerber Perlman
Candice Korkis
155 N. Wacker Dr.
Chicago, IL 60606
Telephone: (312) 407-0700
Fax: (312) 407-0411

Counsel for Debtors and Debtors in Possession

Dated: [●], 2015

[1] The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Dendreon Corporation (3193), Dendreon Holdings, LLC (8047), Dendreon Distribution, LLC (8598) and Dendreon Manufacturing, LLC (7123). The address of the Debtors' corporate headquarters is 601 Union Street, Suite 4900, Seattle, Washington 98101.

TABLE OF EXHIBITS

THE DEBTORS RESERVE THE RIGHT TO REVISE THIS PLAN SUPPLEMENT AT ANY TIME PRIOR TO THE HEARING ON CONFIRMATION OF THE DEBTORS' PLAN OF LIQUIDATION

EXHIBIT A

Plan Administrator Agreement

EXHIBIT B

Contracts To Be Assumed Under Plan[3]

The Debtors will assume under the Plan any and all insurance policies maintained by the Debtors that have not expired or terminated pursuant to their own terms on or before the Effective Date of the Debtors' plan of liquidation, including but not limited to policies issued by [●] or their respective affiliates providing directors and officers insurance coverage, products liability insurance coverage, fiduciary liability insurance coverage or employment practices liability insurance coverage.

[3] The inclusion by the Debtors of an agreement on this Exhibit B does not constitute an admission by the Debtors that such agreement is an executory contract or unexpired lease.

EXHIBIT C

Non-Exclusive List of Retained Claims and Causes of Action

The following is a non-exclusive list of potential or actual parties against whom the Debtors could assert or have asserted a claim or cause of action, which claims and causes of action are being retained by the Debtors under the Plan and pursuant to the authority of Bankruptcy Code section 1123(b)(3)(B). Capitalized terms not defined herein are used as defined in the Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code Proposed by the Debtors to which this Exhibit C is attached. The Debtors reserve their rights to modify this list to amend parties or otherwise update this list, but disclaim any obligation to do so. In addition to possible causes of action and claims against the persons or entities listed herein, the Debtors may have, in the ordinary course of business, causes of action, claims, or rights against vendors or others with whom they deal in the ordinary course of business ("Ordinary Course Claims") to the extent such causes of action, claims or rights have not been assigned to a third party. The Plan Administrator reserves its right to enforce, sue on, settle or compromise (or decline to do any of the foregoing) the Ordinary Course Claims and all other claims and causes of action of the Debtors and the Estates, including but not limited to the specific claims and causes of action described below, subject to any release, exculpations and/or indemnifications in the Plan and/or the Sale Order:

EXHIBIT B

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

FORM 10-K
(Annual Report)

Filed 02/25/15 for the Period Ending 12/31/14

Telephone	514-744-6792
CIK	0000885590
Symbol	VRX
SIC Code	2834 - Pharmaceutical Preparations
Industry	Biotechnology & Drugs
Sector	Healthcare
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **December 31, 2014**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-14956

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in its Charter)

BRITISH COLUMBIA, CANADA	**98-0448205**
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

2150 St. Elzéar Blvd. West
Laval, Quebec
Canada, H7L 4A8
(Address of principal executive offices)

Registrant's telephone number, including area code **(514) 744-6792**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, No Par Value	**New York Stock Exchange, Toronto Stock Exchange**

Securities registered pursuant to section 12(g) of the Act:

None
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the common shares held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was $37,219,586,000 based on the last reported sale price on the New York Stock Exchange on June 30, 2014.

The number of outstanding shares of the registrant's common stock as of February 18, 2015 was 336,202,718.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the registrant's proxy statement for the 2015 Annual Meeting of Shareholders. Such proxy statement will be filed no later than 120 days after the close of the registrant's fiscal year ended December 31, 2014.

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GENERAL INFORMATION

Basis of Presentation

General

Except where the context otherwise requires, all references in this Annual Report on Form 10-K ("Form 10-K") to the "Company", "we", "us", "our" or similar words or phrases are to Valeant Pharmaceuticals International, Inc. and its subsidiaries, taken together. In this Form 10-K, references to "$" and "US$" are to United States dollars. Unless otherwise indicated, the statistical and financial data contained in this Form 10-K are presented as of December 31, 2014 .

Trademarks

The following words are some of the trademarks in our Company's trademark portfolio and are the subject of either registration, or application for registration, in one or more of Canada, the United States of America (the "U.S.") or certain other jurisdictions: ACANYA®, AFEXA®, AKREOS®, ANTI-ANGIN®, ANTIGRIPPIN®, ARESTIN®, ATRALIN®, B&L®, B+L®, BAUSCH & LOMB®, BAUSCH + LOMB®, BAUSCH + LOMB ULTRA®, BEDOYECTA®, BENZACLIN®, BESIVANCE®, BIAFINE®, BIOTRUE®, BIOVAIL®, BOSTON®, CALADRYL®, CARAC®, CARDIZEM®, CEFZIL®, CERAVE®, CESAMET®, CLEAR + BRILLIANT®, CLINDAGEL®, CLODERM®, COLD-FX®, COLDSORE-FX®, COMFORTMOIST®, CONDITION & ENHANCE®, CORTAID®, CRYSTALENS®, DERMAGLOW®, DERMIK®, DIASTAT®, DIFFLAM®, DURACEF®, DUROMINE®, DURO-TUSS®, EFUDEX®, ELASTIDERM®, ENVISTA®, ERTACZO®, FRAXEL®, HYPERGEL™, JUBLIA®, LACRISERT®, LIPOSONIX®, LOCOID®, LODALIS™, LOTEMAX®, LUZU®, MEDICIS®, MEGACE®, MEPHYTON®, METERMINE®, MOISTURESEAL®, MONOPRIL®, NU-DERM®, OBAGI®, OBAGI CLENZIDERM®, OBAGI-C®, OBAGI NU-DERM®, OCUVITE®, ONSET DERMATOLOGICS®, ORTHO DERMATOLOGICS®, POTIGA®, PRESERVISION®, PROLENSA®, PUREVISION®, PURPOSE®, RENU®, RENU MULTIPLUS®, RETIN-A®, RETIN-A MICRO®, RIKODEINE®, SHOWER TO SHOWER®, SOFLENS®, SOLODYN®, SOLTA MEDICAL®, STELLARIS®, SYPRINE®, TARGRETIN®, THERMAGE®, THERMAGE CPT®, TIAZAC®, VALEANT®, VALEANT V & DESIGN®, VALEANT PHARMACEUTICALS & DESIGN®, VANOS®, VESNEO™, VICTUS®, XENAZINE®, ZIANA®, and ZYCLARA®.

WELLBUTRIN®, WELLBUTRIN XL® and ZOVIRAX® are trademarks of The GlaxoSmithKline Group of Companies and are used by us under license. ULTRAM® is a trademark of Johnson & Johnson and is used by us under license. MVE® is a registered trademark of DFB Technology Ltd. and is used by us under license. ELIDEL® and XERESE® are registered trademarks of Meda Pharma SARL and are used by us under license. VISUDYNE® is a registered trademark of Novartis Pharma AG and is used by us under license. BENSAL HP® is a registered trademark and is used by us under license from SMG Pharmaceuticals, LLC. EMERADE® is a registered trademark of Medeca Pharma AB and is used by us under license from Namtall AB.

In addition to the trademarks noted above, we have filed trademark applications and/or obtained trademark registrations for many of our other trademarks in the U.S., Canada and in other jurisdictions and have implemented, on an ongoing basis, a trademark protection program for new trademarks.

Forward-Looking Statements

Caution regarding forward-looking information and statements and "Safe-Harbor" statements under the U.S. Private Securities Litigation Reform Act of 1995:

To the extent any statements made in this Annual Report on Form 10-K contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and may be forward-looking information within the meaning defined under applicable Canadian securities legislation (collectively, "forward-looking statements").

These forward-looking statements relate to, among other things: the expected benefits of our acquisitions and other transactions (including the proposed acquisition of Salix Pharmaceuticals, Ltd. ("Salix")), such as cost savings, operating synergies and growth potential of the Company; business plans and prospects, prospective products or product approvals, future performance or results of current and anticipated products; exposure to foreign currency exchange rate changes and interest rate changes; the outcome of contingencies, such as certain litigation and regulatory proceedings; general market conditions; and our expectations regarding our financial performance, including revenues, expenses, gross margins, liquidity and income taxes.

Forward-looking statements can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "estimate", "plan", "continue", "will", "may", "could", "would", "should", "target", "potential", "opportunity", "tentative", "positioning", "designed", "create", "predict", "project", "seek", "ongoing", "increase", or "upside" and variations or other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are

forward-looking statements. These forward-looking statements may not be appropriate for

other purposes. Although we have indicated above certain of these statements set out herein, all of the statements in this Form 10-K that contain forward-looking statements are qualified by these cautionary statements. These statements are based upon the current expectations and beliefs of management. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including, but not limited to, factors and assumptions regarding the items outlined above. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following:

- *the challenges and difficulties associated with managing the rapid growth of our Company and a large complex business;*
- *our ability to retain, motivate and recruit executives and other key employees;*
- *the introduction of products that compete against our products that do not have patent or data exclusivity rights;*
- *our ability to compete against companies that are larger and have greater financial, technical and human resources than we do, as well as other competitive factors, such as technological advances achieved, patents obtained and new products introduced by our competitors;*
- *our ability to identify, finance, acquire, close and integrate acquisition targets successfully and on a timely basis;*
- *factors relating to the acquisition and integration of the companies, businesses and products acquired by the Company, such as the time and resources required to integrate such companies, businesses and products, the difficulties associated with such integrations (including potential disruptions in sales activities and potential challenges with information technology systems integrations), the difficulties and challenges associated with entering into new business areas and new geographic markets, the difficulties, challenges and costs associated with managing and integrating new facilities, equipment and other assets, and the achievement of the anticipated benefits from such integrations, as well as risks associated with the acquired companies, businesses and products;*
- *factors relating to our ability to achieve all of the estimated synergies from our acquisitions as a result of cost-rationalization and integration initiatives. These factors may include greater than expected operating costs, the difficulty in eliminating certain duplicative costs, facilities and functions, and the outcome of many operational and strategic decisions, some of which have not yet been made;*
- *factors relating to our proposed acquisition of Salix, including our ability to consummate such transaction on a timely basis, if at all; the impact of substantial additional debt on our financial condition and results of operations; our ability to effectively and timely integrate the operations of the Company and Salix; our ability to achieve the estimated synergies from this proposed transaction; and, once integrated, the effects of such business combination on our future financial condition, operating results, strategy and plans;*
- *our ability to secure and maintain third party research, development, manufacturing, marketing or distribution arrangements;*
- *our eligibility for benefits under tax treaties and the continued availability of low effective tax rates for the business profits of certain of our subsidiaries;*
- *our substantial debt and debt service obligations and their impact on our financial condition and results of operations;*
- *our future cash flow, our ability to service and repay our existing debt, our ability to raise additional funds, if needed, and any restrictions that are or may be imposed as a result of our current and future indebtedness, in light of our current and projected levels of operations, acquisition activity and general economic conditions;*
- *any downgrade by rating agencies in our corporate credit ratings, which may impact, among other things, our ability to raise additional debt capital and implement elements of our growth strategy;*
- *interest rate risks associated with our floating rate debt borrowings;*
- *the risks associated with the international scope of our operations, including our presence in emerging markets and the challenges we face when entering new geographic markets (including the challenges created by new and different regulatory regimes in such countries);*

- *adverse global economic conditions and credit market and foreign currency exchange uncertainty in the countries in which we do business (such as the recent instability in Russia, Ukraine and the Middle East);*

- *economic factors over which the Company has no control, including changes in inflation, interest rates, foreign currency rates, and the potential effect of such factors on revenues, expenses and resulting margins;*

- *the introduction of generic competitors of our branded products;*

- *our ability to obtain and maintain sufficient intellectual property rights over our products and defend against challenges to such intellectual property;*

- *the outcome of legal proceedings, arbitrations, investigations and regulatory proceedings;*

- *the risk that our products could cause, or be alleged to cause, personal injury and adverse effects, leading to potential lawsuits, product liability claims and damages and/or withdrawals of products from the market;*

- *the availability of and our ability to obtain and maintain adequate insurance coverage and/or our ability to cover or insure against the total amount of the claims and liabilities we face, whether through third party insurance or self-insurance;*

- *the difficulty in predicting the expense, timing and outcome within our legal and regulatory environment, including with respect to approvals by the U.S. Food and Drug Administration, Health Canada and similar agencies in other countries, legal and regulatory proceedings and settlements thereof, the protection afforded by our patents and other intellectual and proprietary property, successful generic challenges to our products and infringement or alleged infringement of the intellectual property of others;*

- *the results of continuing safety and efficacy studies by industry and government agencies;*

- *the availability and extent to which our products are reimbursed by government authorities and other third party payors, as well as the impact of obtaining or maintaining such reimbursement on the price of our products;*

- *the inclusion of our products on formularies or our ability to achieve favorable formulary status, as well as the impact on the price of our products in connection therewith;*

- *the impact of price control restrictions on our products, including the risk of mandated price reductions;*

- *the success of preclinical and clinical trials for our drug development pipeline or delays in clinical trials that adversely impact the timely commercialization of our pipeline products, as well as factors impacting the commercial success of our currently marketed products, which could lead to material impairment charges;*

- *the results of management reviews of our research and development portfolio, conducted periodically and in connection with certain acquisitions, the decisions from which could result in terminations of specific projects which, in turn, could lead to material impairment charges;*

- *negative publicity or reputational harm to our products and business;*

- *the uncertainties associated with the acquisition and launch of new products, including, but not limited to, the acceptance and demand for new pharmaceutical products, and the impact of competitive products and pricing;*

- *our ability to obtain components, raw materials or finished products supplied by third parties and other manufacturing and related supply difficulties, interruptions and delays;*

- *the disruption of delivery of our products and the routine flow of manufactured goods;*

- *the seasonality of sales of certain of our products;*

- *declines in the pricing and sales volume of certain of our products that are distributed or marketed by third parties, over which we have no or limited control;*

- *compliance with, or the failure to comply with, health care "fraud and abuse" laws and other extensive regulation of our marketing, promotional and pricing practices, worldwide anti-bribery laws (including the U.S. Foreign Corrupt Practices Act), worldwide environmental laws and regulation and privacy and security regulations;*

- *the impacts of the Patient Protection and Affordable Care Act (as amended) and other legislative and regulatory healthcare reforms in the countries in which we operate;*

- *interruptions, breakdowns or breaches in our information technology systems; and*

- *other risks detailed from time to time in our filings with the U.S. Securities and Exchange Commission (the "SEC") and the Canadian Securities Administrators (the "CSA"), as well as our ability to anticipate and manage the risks associated with the foregoing.*

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found elsewhere in this Form 10-K, under Item 1A. "Risk Factors" and in the Company's other filings with the SEC and CSA. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect actual outcomes, except as required by law. We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the foregoing list of important factors that may affect future results is not exhaustive and should not be considered a complete statement of all potential risks and uncertainties.

PART I

Item 1. Business

Biovail Corporation ("Biovail") was formed under the *Business Corporations Act* (Ontario) on February 18, 2000, as a result of the amalgamation of TXM Corporation and Biovail Corporation International. Biovail was continued under the *Canada Business Corporations Act* (the "CBCA") effective June 29, 2005. In connection with the acquisition of Valeant Pharmaceuticals International ("Valeant") in September 2010, Biovail was renamed "Valeant Pharmaceuticals International, Inc."

Effective August 9, 2013, we continued from the federal jurisdiction of Canada to the Province of British Columbia, meaning that we became a company registered under the laws of the Province of British Columbia as if we had been incorporated under the laws of the Province of British Columbia. As a result of this continuance, our legal domicile became the Province of British Columbia, the Canada Business Corporations Act ceased to apply to us and we became subject to the British Columbia Business Corporations Act.

Unless the context indicates otherwise, when we refer to "we", "us", "our" or the "Company" in this Annual Report on Form 10-K ("Form 10-K"), we are referring to Valeant Pharmaceuticals International, Inc. and its subsidiaries on a consolidated basis.

Introduction

We are a multinational, specialty pharmaceutical and medical device company that develops, manufactures, and markets a broad range of branded, generic and branded generic pharmaceuticals, over-the-counter ("OTC") products, and medical devices (contact lenses, intraocular lenses, ophthalmic surgical equipment, and aesthetics devices), which are marketed directly or indirectly in over 100 countries. In the Developed Markets segment, we focus most of our efforts in the eye health, dermatology and neurology therapeutic classes. In the Emerging Markets segment, we focus primarily on branded generics, OTC products, and medical devices. We are diverse not only in our sources of revenue from our broad drug and medical device portfolio, but also among the therapeutic classes and geographies we serve.

Business Strategy

Our strategy is to focus our business on core geographies and therapeutic classes that offer attractive growth opportunities while maintaining our lower selling, general and administrative cost model and decentralized operating structure. We have an established portfolio of durable products with a focus in the eye health and dermatology therapeutic areas. We believe these products have the potential for strong operating margins and solid growth and are particularly attractive for a number of reasons including:

- They are largely cash pay, or are reimbursed through private insurance, and, as a result, are less dependent on increasing government reimbursement pressures than other products;
- They tend to have established brand names and do not rely primarily on patent or regulatory exclusivity;
- They tend to have the potential for line extensions and life-cycle management programs; and
- They tend to be smaller on an individual basis, and therefore typically not the focus of larger pharmaceutical companies.

Another critical element of our strategy is business development. We have completed numerous transactions over the past few years to expand our portfolio offering and geographic footprint, including, among others, the acquisitions of Bausch & Lomb Holdings Incorporated ("B&L") and Medicis Pharmaceutical Corporation ("Medicis"). We will continue to pursue value-added business development opportunities as they arise.

The growth of our business is further augmented through our lower risk, output-focused research and development model. This model allows us to advance certain development programs to drive future commercial growth, while minimizing our research and development expense. This is achieved primarily by:

- focusing on innovation through our internal research and development, acquisitions, and in-licensing;
- focusing on productivity through measures such as leveraging industry overcapacity and outsourcing commodity services;

- focusing on critical skills and capabilities needed to bring new technologies to the market;

- pursuing life-cycle management programs for currently marketed products to increase such products' value during their commercial lives; and

- acquiring dossiers and registrations for branded generic products, which require limited manufacturing start-up and development activities.

In addition to selective acquisitions and product development, our strategy also involves deploying cash through debt repayments and repurchases, as well as share buybacks.

We believe this strategy will allow us to maximize both the growth rate and profitability of the Company and to enhance shareholder value.

Segment Information

We have two operating and reportable segments: (i) Developed Markets and (ii) Emerging Markets. Comparative segment information for 2014, 2013 and 2012 is presented in note 22 of notes to consolidated financial statements in Item 15 of this Form 10-K.

Our current product portfolio comprises approximately 1,600 products.

Developed Markets

The Developed Markets segment consists of (i) sales in the U.S. of pharmaceutical products, OTC products, and medical device products, as well as alliance and contract service revenues, in the areas of eye health, dermatology and podiatry, aesthetics, and dentistry, (ii) sales in the U.S. of pharmaceutical products indicated for the treatment of neurological and other diseases, as well as alliance revenue from the licensing of various products we developed or acquired, and (iii) pharmaceutical products, OTC products, and medical device products sold in Canada, Australia, New Zealand, Western Europe and Japan.

Pharmaceutical Products — Our principal pharmaceutical products are:

- An Acne franchise, which includes Solodyn®, a prescription oral antibiotic approved to treat only the red, pus-filled pimples of moderate to severe acne in patients 12 years of age and older, as well as Ziana®, Acanya®, Atralin®, Retin-A Micro® Microsphere 0.08% and ONEXTON™ Gel, a fixed combination 1.2% clindamycin phosphate and 3.75% benzoyl peroxide medication for the once-daily treatment of comedonal (non-inflammatory) and inflammatory acne in patients 12 years of age and older.

- Wellbutrin XL® is an extended-release formulation of bupropion indicated for the treatment of major depressive disorder in adults.

- Jublia® (efinaconazole 10% topical solution), is a topical azole approved for the treatment of onychomycosis of the toenails (toenail fungus).

- Xenazine® is indicated for the treatment of chorea associated with Huntington's disease. In the U.S., Xenazine® is distributed for us by Lundbeck Inc. under an exclusive marketing, distribution and supply agreement.

- Targretin® Capsules is a retinoid indicated for treatment of Cutaneous T-Cell Lymphoma.

- Arestin® (minocycline hydrochloride) is a subgingival sustained-release antibiotic. Arestin® is indicated as an adjunct to scaling and root planing (SRP) procedures for reduction of pocket depth in patients with adult periodontitis. Arestin® may be used as part of a periodontal maintenance program, which includes good oral hygiene and SRP.

- Zovirax® is a prescription topical antiviral which is active against herpes viruses. Zovirax® Cream is indicated for the treatment of recurrent herpes labialis (cold sores) in adults and adolescents (12 years of age and older). Zovirax® Ointment is indicated for the management of initial genital herpes.

- Syprine® is a chelating agent indicated for treatment of patients with Wilson's disease (disorder of copper metabolism) who are intolerant of the first-line treatment.

- Elidel® is a topical formulation used to treat mild to moderate atopic dermatitis, a form of eczema. Elidel® Cream 1% is indicated as second-line therapy for the short-term and non-continuous chronic treatment of mild to moderate atopic dermatitis in nonimmunocompromised adults and children 2 years of age and older, who have failed to respond adequately to other topical prescription treatments, or when those treatments are not advisable.

- Prolensa® is a non-steroidal anti-inflammatory ophthalmic solution for the treatment of inflammation and pain following cataract surgery.

- Duromine® is a weight loss drug that acts through appetite suppression. Duromine® contains the active ingredient, phentermine, in a once daily formulation.

- Lotemax® Gel is a topical corticosteroid indicated for the treatment of post-operative inflammation and pain following ocular surgery. This formulation is a technology that allows the drug to adhere to the ocular surface and offers dose uniformity, which eliminates the need to shake the product in order to ensure the drug is in suspension, a low concentration of preservative, and two known moisturizers.

OTC Products — Our principal OTC products are:

- PreserVision® is an antioxidant eye vitamin and mineral supplement.

- CeraVe® is a range of OTC products with essential ceramides and other skin-nourishing and skin-moisturizing ingredients (humectants and emollients) combined with a unique, patented Multivesicular Emulsion (MVE®) delivery technology that, together, work to rebuild and repair the skin barrier. CeraVe® formulations incorporate ceramides, cholesterol and fatty acids, all of which are essential for skin barrier repair and are used as adjunct therapy in the management of various skin conditions.

- ReNu Multiplus® is a sterile, preserved solution used to lubricate and rewet soft (hydrophilic) contact lenses. ReNu Multiplus® product contains povidone, a lubricant that can be used with daily, overnight, and disposable soft contact lenses.

- Biotrue® multi-purpose solution uses a lubricant also found in eyes and it is pH balanced to match healthy tears and helps prevent certain tear proteins from denaturing and fights germs for healthy contact lens wear.

- Ocuvite® is a lutein eye vitamin and mineral supplement that contains lutein (an antioxidant carotenoid), a nutrient that supports macular health by helping filter harmful blue light.

- Boston® solution is a specialty cleansing solution design for gas permeable (GP) contact lenses.

- Artelac™ is a solution in the form of eye drops to treat dry eyes caused by chronic tear dysfunction.

Device Products — Our principal device products are:

- SofLens® Daily Disposable Contact Lenses use ComfortMoist® Technology (a combination of thin lens design and slow releasing packaging solution) and High Definition Optics™, an aspheric design that reduces aspheric aberration over the range of powers.

- PureVision® is a Silicone Hydrogel Frequent Replacement Contact Lens using AerGel™ material (which allows natural levels of oxygen to reach the eyes and resists protein buildup), and an aspheric optical design.

- Various ophthalmic surgical products, including intraocular lenses such as Akreos® and Crystalens®, and surgical equipment products such as the VICTUS® femtosecond laser and the Stellaris® PC, a vitreoretinal and cataract surgery system.

- Biotrue® ONEday lens is made from the bio-inspired material HyperGel™ that mimics the actions of the natural tear film, matches the water content of the eye, and meets the oxygen needs of the eye for daily wear of contact lenses.

- Medical device systems for aesthetic applications, acquired as part of the Solta Medical, Inc. acquisition in January 2014, including the Thermage CPT® system that provides non-invasive treatment options using radiofrequency energy for skin tightening.

- Bausch + Lomb Ultra® is a silicone hydrogel contact lens, with MoistureSeal® technology. MoistureSeal® is a unique combination of material chemistry and production process that retain moisture throughout the day, which can help reduce blurriness or visual fluctuations associated with lens dryness.

Generic Products — Our principal branded and other generic products are:

- Tobramycin and Dexamethasone ophthalmic suspension is indicated for steroid responsive inflammatory ocular conditions where superficial bacterial ocular infection or a risk of bacterial ocular infection exists.

- Cardizem® CD is a calcium channel blocker used to treat hypertension (high blood pressure) and angina (chest pain).

- Retin-A Micro® (tretinoin gel) microsphere, 0.04%/0.1% Pump, is an oil-free prescription-strength acne treatment.

- Latanoprost is one of a group of medicines known as prostaglandins and is indicated to treat a type of glaucoma called open angle glaucoma and also ocular hypertension.

Other Revenues — We generate alliance revenue and service revenue from the licensing of products and from contract services mainly in the areas of dermatology and topical medication. Contract service revenue is derived primarily from contract manufacturing for third parties.

Emerging Markets

The Emerging Markets segment consists of branded generic pharmaceutical products and branded pharmaceuticals, OTC products, and medical device products. Products are sold primarily in Central and Eastern Europe (primarily Poland and Russia), Asia, Latin America (Mexico, Brazil, and Argentina and exports out of Mexico to other Latin American markets), Africa and the Middle East.

Branded and Other Generic Products and Branded Pharmaceuticals — Our branded generics and branded pharmaceuticals businesses in Europe, the Middle East, Asia, and Latin America cover a broad range of treatments, including antibiotics, treatments for cardiovascular and neurological diseases, dermatological products, diabetic therapies, and eye health products, among many others.

OTC — Our principal OTC products are:

- ReNu Multiplus® is a sterile, preserved solution used to lubricate and rewet soft (hydrophilic) contact lenses. ReNu Multiplus® product contains povidone, a lubricant that can be used with daily, overnight, and disposable soft contact lenses.

- AntiGrippin® is for symptomatic treatment of acute respiratory diseases, acute respiratory viral diseases, and influenza.

- Ocuvite® is a lutein eye vitamin and mineral supplement that contains lutein (an antioxidant carotenoid), a nutrient that supports macular health by helping filter harmful blue light.

- Bedoyecta® is a brand of vitamin B complex (B1, B6 and B12 vitamins) products. Bedoyecta® products act as energy improvement agents for fatigue related to age or chronic diseases, and as nervous system maintenance agents to treat neurotic pain and neuropathy. Bedoyecta® is sold in an injectable form, as well as in a tablet form.

Device Products — Our principal device products are:

- SofLens® Daily Disposable Contact Lenses use ComfortMoist® Technology (a combination of thin lens design and slow releasing packaging solution) and High Definition Optics™, an aspheric design that reduces aspheric aberration over the range of powers.

- Various ophthalmic surgical products including intraocular lenses such as Akreos®, and surgical equipment products such as the VICTUS® femtosecond laser and the Stellaris® PC, a vitreoretinal and cataract surgery system.

- PureVision® is a Silicone Hydrogel Frequent Replacement Contact Lens using AerGel™ material (which allows natural levels of oxygen to reach the eyes and resists protein buildup), and an aspheric optical design.

- Medical device systems for aesthetic applications, acquired as part of the Solta Medical acquisition in January 2014, including the Thermage CPT® system that provides non-invasive treatment options using radiofrequency energy for skin tightening.

Research and Development

Our research and development (“R&D”) organization focuses on the development of products through clinical trials. Our research and development expenses for the years ended December 31, 2014, 2013 and 2012 were $246.0 million , $156.8 million and $79.1 million , respectively, excluding impairment charges. As of December 31, 2014 , approximately 800 employees (including regulatory affairs and quality assurance employees) were involved in our R&D efforts.

For more information regarding our products in clinical development, see Item 7 titled “Management’s Discussion and Analysis of Financial Condition and Results of Operation — Products in Development” of this Form 10-K.

Trademarks, Patents and Proprietary Rights

We rely on a combination of contractual provisions, confidentiality policies and procedures and patent, trademark, copyright and trade secrecy laws to protect the proprietary aspects of our technology and business. Our policy is to vigorously protect, enforce and defend our rights to our intellectual property and proprietary rights, as appropriate.

Trademarks

We believe that trademark protection is an important part of establishing product and brand recognition. We own or license a number of registered trademarks and trademark applications in the U.S., Canada and in various other countries throughout the world. U.S. federal registrations for trademarks remain in force for 10 years and may be renewed every 10 years after issuance, provided the mark is still being used in commerce. Trademark registrations in Canada remain in force for 15 years and may be renewed every 15 years after issuance, provided that, as in the case of U.S. federal trademark registrations, the mark is still being used in commerce. Other countries generally have similar but varying terms and renewal policies with respect to trademarks registered in those countries.

Data and Patent Exclusivity

For certain of our products, we rely on a combination of regulatory and patent rights to protect the value of our investment in the development of these products.

A patent is the grant of a property right which allows its holder to exclude others from, among other things, selling the subject invention in, or importing such invention into, the jurisdiction that granted the patent. In the U.S., Canada and the European Union ("EU"), generally patents expire 20 years from the date of application. We have obtained, acquired or in-licensed a number of patents and patent applications covering key aspects of our principal products. In the aggregate, our patents are of material importance to our business taken as a whole. However, we do not consider any single patent material to our business as a whole.

In the U.S., the Hatch-Waxman Act provides non-patent regulatory exclusivity for five years from the date of the first FDA approval of a new drug compound in a New Drug Application ("NDA"). The FDA, with one exception, is prohibited during those five years from accepting for filing a generic, or ANDA, that references the NDA. In reference to the foregoing exception, if a patent is indexed in the FDA Orange Book for the new drug compound, a generic may file an ANDA four years from the NDA approval date if it also files a Paragraph IV Certification with the FDA challenging the patent. Protection under the Hatch-Waxman Act will not prevent the filing or approval of another full NDA. However, the NDA applicant would be required to conduct its own pre-clinical and adequate and well-controlled clinical trials to independently demonstrate safety and effectiveness.

A similar data exclusivity scheme exists in the EU, whereby only the pioneer drug company can use data obtained at the pioneer's expense for up to eight years from the date of the first approval of a drug by the European Medicines Agency ("EMA") and no generic drug can be marketed for ten years from the approval of the innovator product. Under both the U.S. and the EU data exclusivity programs, products without patent protection can be marketed by others so long as they repeat the clinical trials necessary to show safety and efficacy. Canada employs a similar data exclusivity regulatory regime for innovative drugs.

Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a disease or condition that affects populations of fewer than 200,000 individuals in the U.S. or a disease whose incidence rates number more than 200,000 where the sponsor establishes that it does not realistically anticipate that its product sales will be sufficient to recover its costs. The sponsor that obtains the first marketing approval for a designated orphan drug for a given rare disease is eligible to receive marketing exclusivity for use of that drug for the orphan indication for a period of seven years.

Proprietary Know-How

We also rely upon unpatented proprietary know-how, trade secrets and technological innovation in the development and manufacture of many of our principal products. We protect our proprietary rights through a variety of methods, including confidentiality agreements and proprietary information agreements with vendors, employees, consultants and others who may have access to proprietary information.

Government Regulations

Government authorities in the U.S., at the federal, state and local level, in Canada, in the EU and in other countries extensively regulate, among other things, the research, development, testing, approval, manufacturing, labeling, post-approval monitoring and reporting, packaging, advertising and promotion, storage, distribution, marketing and export and import of pharmaceutical products and medical devices. As such, our products and product candidates are subject to extensive regulation both before and after approval. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with these regulations could result in, among other things, warning letters, civil penalties, delays in approving or refusal to approve a product

candidate, product recall, product seizure, interruption of production, operating restrictions, suspension or withdrawal of product approval, injunctions or criminal prosecution.

Prior to human use, FDA approval must be obtained in the U.S., approval by Health Canada must be obtained in Canada, EMA approval (drugs) or a CE Marking (devices) must be obtained for countries that are part of the EU and approval must be obtained from comparable agencies in other countries prior to manufacturing or marketing new pharmaceutical products or medical devices.

Regulation by other federal agencies, such as the Drug Enforcement Administration ("DEA"), and state and local authorities in the U.S., and by comparable agencies in certain foreign countries, is also required. In the U.S., the FTC, the FDA and state and local authorities regulate the advertising of medical devices, prescription drugs, over-the-counter drugs and cosmetics. The Federal Food, Drug and Cosmetic Act, as amended and the regulations promulgated thereunder, and other federal and state statutes and regulations, govern, among other things, the testing, manufacture, safety, effectiveness, labeling, storage, record keeping, approval, sale, distribution, advertising and promotion of our products. The FDA requires a Boxed Warning (sometimes referred to as a "Black Box" Warning) for products that have shown a significant risk of severe or life-threatening adverse events and similar warnings are also required to be displayed on the product in certain other jurisdictions.

Manufacturers of pharmaceutical products and medical devices are required to comply with manufacturing regulations, including current good manufacturing practices and quality system management requirements, enforced by the FDA and Health Canada, in the U.S. and Canada respectively, and similar regulations enforced by regulatory agencies in other countries. In addition, we are subject to price control restrictions on our pharmaceutical products in many countries in which we operate.

We are also subject to extensive U.S. federal and state health care marketing and fraud and abuse regulations, such as the federal False Claims Act, federal and provincial marketing regulation in Canada and similar regulations in foreign countries in which we may conduct our business. The federal False Claims Act imposes civil and criminal liability on individuals or entities who submit (or cause the submission of) false or fraudulent claims for payment to the government. The U.S. federal Anti-Kickback Statute prohibits persons or entities from knowingly and willfully soliciting, receiving, offering or providing remuneration, directly or indirectly, to induce either the referral of an individual, or the furnishing, recommending, or arranging for a good or service, for which payment may be made under a federal healthcare program such as the Medicare and Medicaid programs. Due to recent legislative changes, violations of the Anti-Kickback Statute also carry potential federal False Claims Act liability. In addition, in the U.S., companies may not promote drugs or medical devices for "off-label" uses - that is, uses that are not described in the product's labeling and that differ from those that were approved or cleared by the FDA - and "off-label promotion" has also formed the predicate for False Claims Act liability resulting in significant financial settlements. These and other laws and regulations, rules and policies may significantly impact the manner in which we are permitted to market our products. If our operations are found to be in violation of any of these laws, regulations, rules or policies or any other law or governmental regulation, or if interpretations of the foregoing change, we may be subject to civil and criminal penalties, damages, fines, exclusion from the Medicare and Medicaid programs and the curtailment or restructuring of our operations.

Environmental Regulation

Our facilities and operations are subject to national, federal, state and local environmental and occupational health and safety laws and regulations in both the U.S. and countries outside the U.S., including those governing the discharges of substances into the air, water and land, the handling, storage and disposal of hazardous wastes, wastewater and solid waste, the cleanup of properties affected by known pollutants and other environmental matters. Certain of our development and manufacturing activities involve the controlled use of hazardous materials. We believe we are in compliance in all material respects with applicable environmental laws and regulations. Existing environmental protection legislation and regulations, and compliance therewith, have had no material adverse effect on our capital expenditures, earnings or competitive position. Although we continue to make capital expenditures for environmental protection, we do not anticipate any significant expenditures in order to comply with such laws and regulations that would have a material impact on our earnings or competitive position. We are not aware of any pending litigation or significant financial obligations arising from current or past environmental practices that are likely to have a material adverse effect on our financial position. We cannot assure, however, that environmental problems relating to facilities owned or operated by us will not develop in the future, and we cannot predict whether any such problems, if they were to develop, would require significant expenditures on our part. In addition, we are unable to predict what legislation or regulations may be adopted or enacted in the future with respect to environmental protection and waste disposal.

Marketing and Customers

Our top four geographic markets by country, based on 2014 revenue, are: the U.S. and Puerto Rico, Canada, Poland and Russia, which represent 54%, 5%, 3% and 3% of our total revenue for the year ended December 31, 2014, respectively.

The following table identifies external customers that accounted for 10% or more of our total revenue during the year ended December 31, 2014 :

	Percentage of Total Revenue 2014
McKesson Corporation	17%
AmerisourceBergen Corporation	10%

No other customer generated over 10% of our total revenues.

We currently promote our pharmaceutical products to physicians, hospitals, pharmacies and wholesalers through our own sales force and sell through wholesalers. In some limited markets, we additionally sell directly to physicians, hospitals and large drug store chains and we sell through distributors in countries where we do not have our own sales staff. As part of our marketing program for pharmaceuticals, we use direct to customer advertising, direct mailings, advertise in trade and medical periodicals, exhibit products at medical conventions and sponsor medical education symposia.

Competition

Competitive Landscape for Products and Products in Development

The pharmaceutical and medical device industries are highly competitive. Our competitors include specialty and other large pharmaceutical companies, medical device companies, biotechnology companies, OTC companies and generic manufacturers, in the U.S., Canada, Europe, Asia, Latin America and in other countries in which we market our products. The market for eye health products is very competitive, both across product categories and geographies. In addition to larger diversified pharmaceutical and medical device companies, we face competition in the eye health market from mid-size and smaller, regional and entrepreneurial companies with fewer products in niche areas or regions. The dermatology competitive landscape is highly fragmented, with a large number of mid-size and smaller companies competing in both the prescription sector and the OTC and cosmeceutical sectors.

Our competitors are pursuing the development and/or acquisition of pharmaceuticals, medical devices and OTC products that target the same diseases and conditions that we are targeting in eye health, dermatology, neurology, podiatry, aesthetics, dentistry and other therapeutic areas. Academic and other research and development institutions may also develop products or technologies that compete with our products, which technologies and products may be acquired or licensed by our competitors. These competitors may have greater financial, R&D or marketing resources than we do. If competitors introduce new products, delivery systems or processes with therapeutic or cost advantages, our products can be subject to progressive price reductions or decreased volume of sales, or both. Most new products that we introduce must compete with other products already on the market or products that are later developed by competitors.

We sell a broad range of products, and competitive factors vary by product line and geographic area in which the products are sold. The principal methods of competition for our products include quality, efficacy, market acceptance, price, and marketing and promotional efforts.

Generic Competition

We face increased competition from manufacturers of generic pharmaceutical products when patents covering certain of our currently marketed products expire or are successfully challenged or when the regulatory exclusivity for our products expires or it is otherwise lost. Generic versions are generally significantly less expensive than branded versions, and, where available, may be required in preference to the branded version under third party reimbursement programs, or substituted by pharmacies. Manufacturers of generic pharmaceuticals typically invest far less in research and development than research-based pharmaceutical companies and therefore can price their products significantly lower than branded products. Accordingly, when a branded product loses its market exclusivity, it normally faces intense price competition from generic forms of the product. To successfully compete for business with managed care and pharmacy benefits management organizations, we must often demonstrate that our products offer not only medical benefits but also cost advantages as compared with other forms of care.

A number of our products already face generic competition, including, among others, Vanos® (in the U.S.), Wellbutrin XL® (in the U.S. and Canada), Zovirax® ointment, Retin-A Micro® and Carac®, all of which faced generic competitors during 2014. In addition, certain of our products face the expiration of their patent or regulatory exclusivity in 2015 or in later years, following which we anticipate generic competition of these products. In addition, in certain cases, as a result of negotiated settlements of some of our patent infringement proceedings against generic competitors, we have granted licenses to such generic companies, which will permit them to enter the market with their generic products prior to the expiration of our applicable patent or regulatory exclusivity. Our products facing a potential loss of exclusivity in 2015 and in later

years include, among others, the following: in

2015, Xenazine® and Targretin® Capusles; in 2016, Ziana®, Zirgan® and Visudyne®; in 2017, Lotemax® Gel and Macugen®; in 2018, Acanya® Gel, Solodyn® and Istalol®; and in 2019, Zyclara®.

In addition, for a number of our products, we have commenced infringement proceedings against potential generic competitors in the U.S. and Canada. If we are not successful in these proceedings, we may face increased generic competition for these products. See note 20 of notes to consolidated financial statements in Item 15 of this Form 10-K for additional details regarding certain of these infringement proceedings.

Manufacturing

We currently operate approximately 40 manufacturing plants worldwide. All of our manufacturing facilities that require certification from the FDA, Health Canada or foreign agencies have obtained such approval.

We also subcontract the manufacturing of certain of our products, including products manufactured under the rights acquired from other pharmaceutical companies. Generally, acquired products continue to be produced for a specific period of time by the selling company. During that time, we integrate the products into our own manufacturing facilities or initiate toll manufacturing agreements with third parties.

Products representing slightly less than half of our product sales are produced by third party manufacturers under toll manufacturing arrangements.

In some cases, the principal raw materials, including active pharmaceutical ingredient, used by us (or our third party manufacturers) for our various products are purchased in the open market or are otherwise available from several sources. However, some of the active pharmaceutical ingredient and other raw materials are currently available from a single source and others may in the future become available from only one source. In addition, in some cases, only a single source of such active pharmaceutical ingredient is identified in filings with regulatory agencies, including the FDA, and cannot be changed without prior regulatory approval. Any disruption in the supply of any such active pharmaceutical ingredient or other raw material or an increase in the cost of such material could adversely impact our ability to manufacture such products, the ability of our third party manufacturers to supply us with such products, or our profitability. We attempt to manage the risks associated with reliance on single sources of active pharmaceutical ingredient or other raw materials by carrying additional inventories or, where possible, developing second sources of supply.

Employees

As of December 31, 2014 , we had approximately 16,800 employees. These employees included approximately 8,200 in production, 6,200 in sales and marketing, 1,600 in general and administrative positions and 800 in the R&D (including regulatory affairs and quality assurance). Collective bargaining exists for some employees in a number of countries in which we do business. We consider our relations with our employees to be good and have not experienced any work stoppages, slowdowns or other serious labor problems that have materially impeded our business operations.

Product Liability Insurance

Effective March 31, 2014, we self-insure substantially all of our product liability risk for claims arising after that date. In the future, we will continue to reevaluate our decision to self-insure and may purchase product liability insurance to cover some of or all of our product liability risk.

Seasonality of Business

Historically, revenues from our business tend to be weighted toward the second half of the year. Sales in the fourth quarter tend to be higher based on consumer and customer purchasing patterns associated with healthcare reimbursement programs. Further, the third quarter “back to school” period impacts demand for certain of our dermatology products. However, as we continue our strategy of selective acquisitions to expand our product portfolio, there are no assurances that these historical trends will continue in the future.

Geographic Areas

A significant portion of our revenues is generated from operations or otherwise earned outside the U.S. and Canada. All of our foreign operations are subject to risks inherent in conducting business abroad, including price and currency exchange controls, fluctuations in the relative values of currencies, political and economic instability and restrictive governmental actions including

possible nationalization or expropriation. Changes in the relative values of currencies may materially affect our results of operations. For a discussion of these risks, see Item 1A., Risk Factors in this Form 10-K.

See note 22 of notes to consolidated financial statements in Item 15 of this Form 10-K for detailed information regarding revenues and long-lived assets by geographic area.

In 2014, a material portion of our revenue and income was earned in Ireland, Luxembourg and Switzerland, which have low tax rates. See Item 1A., Risk Factors in this Form 10-K relating to tax rates.

Available Information

Our Internet address is *www.valeant.com* . We post links on our website to the following filings as soon as reasonably practicable after they are electronically filed or furnished to the SEC: annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendment to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended. All such filings are available through our website free of charge. The information on our Internet website is not incorporated by reference into this Form 10-K or our other securities filings and is not a part of such filings.

We are also required to file reports and other information with the securities commissions in all provinces in Canada. You are invited to read and copy any reports, statements or other information, other than confidential filings, that we file with the provincial securities commissions. These filings are also electronically available from the Canadian System for Electronic Document Analysis and Retrieval (“SEDAR”) (http://www.sedar.com), the Canadian equivalent of the SEC’s electronic document gathering and retrieval system.

Our filings may also be read and copied at the SEC’s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website at *www.sec.gov* that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC.

Item 1A. Risk Factors

Our business, operations and financial condition are subject to various risks and uncertainties. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Form 10-K, including those risks set forth under the heading entitled "Forward-Looking Statements", and in other documents that we file with the SEC and the CSA, before making any investment decision with respect to our securities. If any of the risks or uncertainties actually occur or develop, our business, financial condition, results of operations and future growth prospects could change. Under these circumstances, the market value of our securities could decline, and you could lose all or part of your investment in our securities.

Competitive Risks

We operate in extremely competitive industries. If competitors develop or acquire more effective or less costly pharmaceutical products or medical devices for our target indications, it could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

The pharmaceutical and medical device industries are extremely competitive. Our success and future growth depend, in part, on our ability to acquire, license or develop products that are more effective than those of our competitors or that incorporate the latest technologies and our ability to effectively manufacture and market those products. Many of our competitors, particularly larger pharmaceutical and medical device companies, have substantially greater financial, technical and human resources than we do. Many of our competitors spend significantly more on research and development related activities than we do. Others may succeed in developing or acquiring products that are more effective or less costly than those currently marketed or proposed for development by us. In addition, academic institutions, government agencies and other public and private organizations conducting research may seek patent protection with respect to potentially competitive products and may also establish exclusive collaborative or licensing relationships with our competitors. These competitors and the introduction of competing products (that may be more effective or less costly than our products) could make our products less competitive or obsolete, which could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Products representing a significant amount of our revenue are not protected by patent or data exclusivity rights or are nearing the end of their exclusivity period. In addition, we have faced generic competition in the past and expect to face additional generic competition in the future. Competitors (including generic competitors) of our products could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

A significant number of the products we sell have no meaningful exclusivity protection via patent or data exclusivity rights or are protected by patents or regulatory exclusivity periods that will be expiring in the near future. These products represent a significant amount of our revenues. Without exclusivity protection, competitors face fewer barriers in introducing competing products. Upon the expiration or loss of patent protection for our products, or upon the "at-risk" launch (despite pending patent infringement litigation against the generic product) by a generic competitor of a generic version of our products (which may be sold at significantly lower prices than our products), we could lose a significant portion of sales of that product in a very short period. The introduction of competing products (including generic products) could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Acquisition-related Risks

We have grown at a very rapid pace. Our inability to properly manage or support this growth could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

We have grown very rapidly over the past few years as a result of our acquisitions. This growth has put significant demands on our processes, systems and people. We have made and expect to make further investments in additional personnel, systems and internal control processes to help manage our growth. If we are unable to successfully manage and support our rapid growth and the challenges and difficulties associated with managing a larger, more complex business, this could cause a material adverse effect on our business, financial position and results of operations, and the market value of our common stock could decline.

We may be unable to identify, acquire, close or integrate acquisition targets successfully.

Part of our business strategy includes acquiring and integrating complementary businesses, products, technologies or other assets, and forming strategic alliances, joint ventures and other business combinations, to help drive future growth. We may also in-license new products or compounds. Acquisitions or similar arrangements may be complex, time consuming and expensive. In some cases, we move very rapidly to negotiate and consummate the transaction, once we identify the acquisition target. We may not consummate some negotiations for acquisitions

or other arrangements, which could result in significant diversion of

management and other employee time, as well as substantial out-of-pocket costs. In addition, there are a number of risks and uncertainties relating to our closing transactions. If such transactions are not completed for any reason, we will be subject to several risks, including the following: (i) the market price of our common shares may reflect a market assumption that such transactions will occur, and a failure to complete such transactions could result in a negative perception by the market of us generally and a decline in the market price of our common shares; and (ii) many costs relating to the such transactions may be payable by us whether or not such transactions are completed.

If an acquisition is consummated, the integration of the acquired business, product or other assets into our Company may also be complex and time-consuming and, if such businesses, products and assets are not successfully integrated, we may not achieve the anticipated benefits, cost-savings or growth opportunities. Potential difficulties that may be encountered in the integration process include the following: integrating personnel, operations and systems, while maintaining focus on selling and promoting existing and newly-acquired products; coordinating geographically dispersed organizations; distracting management and employees from operations; retaining existing customers and attracting new customers; maintaining the business relationships the acquired company has established, including with healthcare providers; and managing inefficiencies associated with integrating the operations of the Company.

Furthermore, we have incurred, and may incur in the future, restructuring and integration costs and a number of non-recurring transaction costs associated with these acquisitions, combining the operations of the Company and the acquired company and achieving desired synergies. These fees and costs may be substantial. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. Additional unanticipated costs may be incurred in the integration of the businesses of the Company and the acquired company. There can be no assurance that the elimination of certain duplicative costs, as well as the realization of other efficiencies related to the integration of the acquired business, will offset the incremental transaction-related costs over time. Therefore, any net benefit may not be achieved in the near term, the long term or at all.

Finally, these acquisitions and other arrangements, even if successfully integrated, may fail to further our business strategy as anticipated or to achieve anticipated benefits and success, expose us to increased competition or challenges with respect to our products or geographic markets, and expose us to additional liabilities associated with an acquired business, product, technology or other asset or arrangement. Any one of these challenges or risks could impair our ability to realize any benefit from our acquisition or arrangement after we have expended resources on them.

Our proposed transaction with Salix Pharmaceuticals, Ltd. (“Salix”) represents a significant acquisition for the Company and may expose us to a number of the risks identified above. We cannot guarantee that we will satisfy the various conditions to the tender offer and subsequent merger, including with respect to the minimum number of Salix shares to be tendered in such offer. If we are unable to consummate the proposed acquisition of Salix, for any reason, we may face some or all of the risks described above. In addition, even if the proposed acquisition is consummated, we may still face difficulties in connection with the integration of the Salix business into our Company, which integration activities may be complex, time-consuming and disruptive to the operation of our business generally. We have estimated that the Salix transaction will result in significant synergies. We may not achieve all of the anticipated synergies we have identified or we may not achieve these synergies in the anticipated time frame, whether due to difficulties in integration or otherwise. In addition, the costs incurred in connection with such integration activities may be more substantial than we have anticipated and, as a result, may significantly reduce or even outweigh any benefits and efficiencies realized during our integration efforts. Finally, we may not be successful in implementing all of our plans with respect to the Salix business and, as a result, we may not be able to achieve all of the anticipated benefits of this proposed transaction. Following the completion of the acquisition of Salix, we will be subject to the risks associated with Salix’s business, including those discussed in Salix’s annual and quarterly reports filed with the Securities and Exchange Commission. Any of these factors could have a material adverse effect on our business, financial condition or results of operations or could cause the market value of our common stock to decline.

Tax-related Risks

Our effective tax rates may increase.

We have operations in various countries that have differing tax laws and rates. Our tax reporting is supported by current domestic tax laws in the countries in which we operate and the application of tax treaties between the various countries in which we operate. Our income tax reporting is subject to audit by domestic and foreign authorities. Our effective tax rate may change from year to year based on changes in the mix of activities and income earned among the different jurisdictions in which we operate; changes in tax laws in these jurisdictions; changes in the tax treaties between various countries in which we operate; changes in our eligibility for benefits under those tax treaties; and changes in the estimated values of deferred tax assets and liabilities. Such changes could result in a substantial increase in the effective tax rate on all or a portion of our income.

Our provision for income taxes is based on certain estimates and assumptions made by management. Our consolidated income tax rate is affected by the amount of net income earned in our various operating jurisdictions, the availability of benefits under tax treaties, and the rates of taxes payable in respect of that income. We enter into many transactions and arrangements in the ordinary course of business in respect of which the tax treatment is not entirely certain. We therefore make estimates and judgments based on our knowledge and understanding of applicable tax laws and tax treaties, and the application of those tax laws and tax treaties to our business, in determining our consolidated tax provision. For example, certain countries could seek to tax a greater share of income than will be provided for by us. The final outcome of any audits by taxation authorities may differ from the estimates and assumptions that we may use in determining our consolidated tax provisions and accruals. This could result in a material adverse effect on our consolidated income tax provision, financial condition and the net income for the period in which such determinations are made.

Our deferred tax liabilities, deferred tax assets and any related valuation allowances are affected by events and transactions arising in the ordinary course of business, acquisitions of assets and businesses, and non-recurring items. The assessment of the appropriate amount of a valuation allowance against the deferred tax assets is dependent upon several factors, including estimates of the realization of deferred income tax assets, which realization will be primarily based on forecasts of future taxable income. Significant judgment is applied to determine the appropriate amount of valuation allowance to record. Changes in the amount of any valuation allowance required could materially increase or decrease our provision for income taxes in a given period.

Debt-related Risks

We have incurred significant indebtedness, which may restrict the manner in which we conduct business and limit our ability to implement elements of our growth strategy.

We have incurred significant indebtedness, including in connection with our acquisitions. We may also incur additional long-term debt and working capital lines of credit to meet future financing needs, subject to certain restrictions under our indebtedness, which would increase our total debt. This additional debt may be substantial. In particular, we will incur significant additional indebtedness in connection with our proposed acquisition of Salix and, to the extent certain amendments to our Credit Agreement being sought in connection with that transaction are not obtained, we may incur further costs. Our current indebtedness contains certain restrictive covenants which impose certain limitations on the way we conduct our business, including limitations on the amount of additional debt we are able to incur and restrictions on our ability to make certain investments and other restricted payments. Any additional debt may further restrict the manner in which we conduct business. Such restrictions could limit our ability to implement elements of our growth strategy. Some restrictions could include:

- limitations on our ability to obtain additional debt financing on favorable terms or at all;
- instances in which we are unable to meet the financial covenants contained in our debt agreements or to generate cash sufficient to make required debt payments, which circumstances would have the potential of resulting in the acceleration of the maturity of some or all of our outstanding indebtedness (which we may not have the ability to pay);
- the allocation of a substantial portion of our cash flow from operations to service our debt, thus reducing the amount of our cash flow available for other purposes, including operating costs and capital expenditures that could improve our competitive position and results of operations;
- requiring us to issue debt or equity securities or to sell some of our core assets (subject to certain restrictions under our existing indebtedness), possibly on unfavorable terms, to meet payment obligations;
- compromising our flexibility to plan for, or react to, competitive challenges in our business and the pharmaceutical and medical device industries;
- the possibility that we are put at a competitive disadvantage relative to competitors that do not have as much debt as us, and competitors that may be in a more favorable position to access additional capital resources; and
- limitations on our ability to execute business development activities to support our strategies.

Our current corporate credit rating is Ba3 for Moody’s Investors Service and BB- for Standard and Poor’s. A downgrade may increase our cost of borrowing and may negatively impact our ability to raise additional debt capital.

To service our debt, we will be required to generate a significant amount of cash. Our ability to generate cash depends on a number of factors, some of which are beyond our control, and any failure to meet our debt service obligations would have a material adverse effect on

our business, financial condition and results of operations and could cause the market value of our common stock to decline.

We have a significant amount of indebtedness. Our ability to satisfy our debt obligations will depend principally upon our future operating performance. As a result, prevailing economic conditions and financial, business and other factors, many of which are beyond our control, may affect our ability to make payments on our debt. If we do not generate sufficient cash flow to satisfy our debt service obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Our ability to restructure or refinance our debt will depend on the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Our inability to generate sufficient cash flow to satisfy our debt service obligations or to refinance our obligations on commercially reasonable terms would have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Certain non-guarantor subsidiaries include non-U.S. subsidiaries that may be prohibited by law or other regulations from distributing funds to us and/or we may be subject to payment of repatriation taxes and withholdings. In the event that we do not receive distributions from our subsidiaries or receive cash via cash repatriation strategies for services rendered and intellectual property, we may be unable to make required principal and interest payments on our indebtedness.

We are exposed to risks related to interest rates.

Our senior secured credit facilities bear interest based on U.S. dollar London Interbank Offering Rates, or U.S. Prime Rate, or Federal Funds effective rate. Thus, a change in the short-term interest rate environment could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline. As of December 31, 2014, we do not have any outstanding interest rate swap contracts.

Risks related to the International Scope of our Business

Our business, financial condition and results of operations are subject to risks arising from the international scope of our operations.

We conduct a significant portion of our business outside the U.S. and Canada and, in light of our growth strategy, we anticipate continuing to expand our operations into new countries, including emerging markets. We sell our pharmaceutical and medical device products in many countries around the world. All of our foreign operations are subject to risks inherent in conducting business abroad, including, among other things:

- difficulties in coordinating and managing foreign operations, including ensuring that foreign operations comply with foreign laws as well as U.S. laws applicable to U.S. companies with foreign operations, such as export laws and the U.S. Foreign Corrupt Practices Act, or FCPA, and other applicable worldwide anti-bribery laws;
- price and currency exchange controls;
- restrictions on the repatriation of funds;
- political and economic instability;
- compliance with multiple regulatory regimes;
- less established legal and regulatory regimes in certain jurisdictions, including as relates to enforcement of anti-bribery and anti-corruption laws and the reliability of the judicial systems;
- differing degrees of protection for intellectual property;
- unexpected changes in foreign regulatory requirements, including quality standards and other certification requirements;
- new export license requirements;
- adverse changes in tariff and trade protection measures;

- differing labor regulations;
- potentially negative consequences from changes in or interpretations of tax laws;
- restrictive governmental actions;

- possible nationalization or expropriation;
- credit market uncertainty;
- differing local practices, customs and cultures, some of which may not align or comply with our company practices or U.S. laws and regulations;
- difficulties with licensees, contract counterparties, or other commercial partners; and
- differing local product preferences and product requirements.

Any of these factors, or any other international factors, could have a material adverse impact on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Similarly, adverse economic conditions impacting our customers in these countries or uncertainty about global economic conditions could cause purchases of our products to decline, which would adversely affect our revenues and operating results. Moreover, our projected revenues and operating results are based on assumptions concerning certain levels of customer spending. Any failure to attain our projected revenues and operating results as a result of adverse economic or market conditions could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Due to the large portion of our business conducted in currency other than U.S. dollars, we have significant foreign currency risk.

We face foreign currency exposure on the translation into U.S. dollars of the financial results of our operations in Europe, Canada, Australia, Latin America, Asia and Africa, including, for example, as a result of the recent strengthening of the U.S. dollar against other foreign currencies, including the Russian ruble, euro and yen. Where possible, we manage foreign currency risk by managing same currency revenue in relation to same currency expenses, as we face foreign currency exposure in those countries where we have revenue denominated in the local foreign currency and expenses denominated in other currencies. As a result, both favorable and unfavorable foreign currency impacts to our foreign currency-denominated operating expenses are mitigated to a certain extent by the natural, opposite impact on our foreign currency-denominated revenue. In addition, the repurchase of principal under our U.S. dollar denominated debt may result in foreign exchange gains or losses for Canadian income tax purposes. One half of any foreign exchange gains or losses will be included in our Canadian taxable income. Any foreign exchange gain will result in a corresponding reduction in our available Canadian tax attributes.

Employment-related Risks

We must continue to retain, motivate and recruit executives and other key employees, and failure to do so could have a material adverse impact on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

We must continue to retain and motivate our executives, including our Chief Executive Officer, J. Michael Pearson, and other key employees, and to recruit other executives and employees, in order to strengthen our management team and workforce, especially in light of the growth of our Company. A failure by us to retain, motivate and recruit executives and other key employees could have a material adverse impact on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Risks related to Intellectual Property and Legal Proceedings

The Company may fail to obtain, maintain, enforce or defend the intellectual property rights required to conduct its business, which could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

We strive to acquire, maintain and defend patent, trademark and other intellectual property protections over our products and the processes used to manufacture these products. However, we may not be successful in obtaining such protections, or the patent, trademark and intellectual property rights we do obtain may not be sufficient in breadth and scope to fully protect our products or prevent competing products, or such patent and intellectual property rights may be susceptible to third party challenges. The failure to obtain, maintain, enforce or defend such intellectual property rights, for any reason, could allow third parties to manufacture and sell products that compete with our products or may impact our ability to develop, manufacture and market our own products, which could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

For certain of our products and manufacturing processes, we rely on trade secrets and other proprietary information, which we seek to

protect, in part, by confidentiality and nondisclosure agreements with our employees, consultants, advisors and partners.

We also attempt to enter into agreements whereby such employees, consultants, advisors and partners assign to us the rights in any intellectual property they develop. These agreements may not effectively prevent disclosure of such information and disputes may still arise with respect to the ownership of intellectual property. The disclosure of such proprietary information or the loss of such intellectual property rights may impact our ability to develop, manufacture and market our own products or may assist competitors in the development, manufacture and sale of competing products, which could have a material adverse effect on our revenues, financial condition or results of operations and could cause the market value of our common stock to decline.

We may also incur substantial costs and resources in applying for and prosecuting these patent, trademark and other intellectual property rights and in defending or litigating these rights against third parties.

We are involved in various legal proceedings that are uncertain, costly and time-consuming and could have a material adverse impact on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

We are involved in a number of legal proceedings and may be involved in litigation in the future. These proceedings are complex and extended and occupy the resources of our management and employees. These proceedings are also costly to prosecute and defend and may involve substantial awards or damages payable by us if not found in our favor. We may also be required to pay substantial amounts or grant certain rights on unfavorable terms in order to settle such proceedings. Defending against or settling such claims and any unfavorable legal decisions, settlements or orders could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline. For more information regarding legal proceedings, see note 20 of notes to consolidated financial statements in Item 15 of this Form 10-K.

In particular, the pharmaceutical and medical device industries historically have generated substantial litigation concerning the manufacture, use and sale of products and we expect this litigation activity to continue. As a result, we expect that patents related to our products will be routinely challenged, and our patents may not be upheld. In order to protect or enforce patent rights, we may initiate litigation against third parties. If we are not successful in defending an attack on our patents and maintaining exclusive rights to market one or more of our products still under patent protection, we could lose a significant portion of sales in a very short period. We may also become subject to infringement claims by third parties and may have to defend against charges that we violated patents or the proprietary rights of third parties. If we infringe the intellectual property rights of others, we could lose our right to develop, manufacture or sell products, including our generic products, or could be required to pay monetary damages or royalties to license proprietary rights from third parties.

In addition, in the U.S., it has become increasingly common for patent infringement actions to prompt claims that antitrust laws have been violated during the prosecution of the patent or during litigation involving the defense of that patent. Such claims by direct and indirect purchasers and other payers are typically filed as class actions. The relief sought may include treble damages and restitution claims. Similarly, antitrust claims may be brought by government entities or private parties following settlement of patent litigation, alleging that such settlements are anti-competitive and in violation of antitrust laws. In the U.S. and Europe, regulatory authorities have continued to challenge as anti-competitive so-called “reverse payment” settlements between branded and generic drug manufacturers. We may also be subject to other antitrust litigation involving competition claims unrelated to patent infringement and prosecution. A successful antitrust claim by a private party or government entity against us could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

If our products cause, or are alleged to cause, serious or widespread personal injury, we may have to withdraw those products from the market and/or incur significant costs, including payment of substantial sums in damages, and we may be subject to exposure relating to product liability claims.

We face an inherent business risk of exposure to significant product liability and other claims in the event that the use of our products caused, or is alleged to have caused, adverse effects. Furthermore, our products may cause, or may appear to have caused, adverse side effects (including death) or potentially dangerous drug interactions that we may not learn about or understand fully until the drug has been administered to patients for some time. The withdrawal of a product following complaints and/or incurring significant costs, including the requirement to pay substantial damages in personal injury cases or product liability cases, could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline. In addition, effective March 31, 2014, we self-insure substantially all of our product liability risk for claims arising after that date.

Development and Regulatory Risks

The successful development of our pipeline products is highly uncertain and requires significant expenditures and time. In addition, obtaining necessary government approvals is time consuming and not assured. The failure to commercialize certain

of our pipeline products could have an adverse impact on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

We currently have a number of pipeline products in development. We and our development partners, as applicable, conduct extensive preclinical studies and clinical trials to demonstrate the safety and efficacy in humans of our pipeline products in order to obtain regulatory approval for the sale of our pipeline products. Preclinical studies and clinical trials are expensive, complex, can take many years and have uncertain outcomes. Only a small number of our research and development programs may actually result in the commercialization of a product. We will not be able to commercialize our pipeline products if preclinical studies do not produce successful results or if clinical trials do not demonstrate safety and efficacy in humans. Furthermore, success in preclinical studies or early-stage clinical trials does not ensure that later stage clinical trials will be successful nor does it ensure that regulatory approval for the product candidate will be obtained. In addition, the process for the completion of pre-clinical and clinical trials is lengthy and may be subject to a number of delays for various reasons, which will delay the commercialization of any successful product. If our development projects are not successful or are significantly delayed, we may not recover our substantial investments in the pipeline product and our failure to bring these pipeline products to market on a timely basis, or at all, could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

In addition, FDA and Health Canada approval must be obtained in the U.S. and Canada, respectively, EMA approval (drugs) and CE Marking (devices) must be obtained in countries in the EU and similar approvals must be obtained from comparable agencies in other countries, prior to marketing or manufacturing new pharmaceutical and medical device products for use by humans. Obtaining such regulatory approvals for new products and devices and manufacturing processes can take a number of years and involves the expenditure of substantial resources. Even if such products appear promising in development stages, regulatory approval may not be achieved and no assurance can be given that we will obtain approval in those countries where we wish to commercialize such products. Nor can any assurance be given that if such approval is secured, the approved labeling will not have significant labeling limitations, including limitations on the indications for which we can market a product, or require onerous risk management programs. Furthermore, from time to time, changes to the applicable legislation or regulations may be introduced that change these review and approval processes for our products, which changes may make it more difficult and costly to obtain or maintain regulatory approvals.

Our marketed drugs will be subject to ongoing regulatory review.

Following initial regulatory approval of any products we or our partners may develop or acquire, we will be subject to continuing regulatory review by various government authorities in those countries where our products are marketed or intended to be marketed, including the review of adverse drug events and clinical results that are reported after product candidates become commercially available. If we fail to comply with the regulatory requirements in those countries where our products are sold, we could lose our marketing approvals or be subject to fines or other sanctions. In addition, incidents of adverse drug reactions, unintended side effects or misuse relating to our products could result in additional regulatory controls or restrictions, or even lead to the regulatory authority requiring us to withdraw the product from the market. Further, if faced with these incidents of adverse drug reactions, unintended side effects or misuse relating to our products, we may elect to voluntarily implement a recall or market withdrawal of our product. A recall or market withdrawal, whether voluntary or required by a regulatory authority, may involve significant costs to us, potential disruptions in the supply of our products to our customers and reputational harm to our products and business, all of which could harm our ability to market our products and could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline. Also, as a condition to granting marketing approval of a product, the applicable regulatory agencies may require a company to conduct additional clinical trials, the results of which could result in the subsequent loss of marketing approval, changes in product labeling or new or increased concerns about side effects or efficacy of a product.

Our marketing, promotional and pricing practices, as well as the manner in which sales forces interact with purchasers, prescribers and patients, are subject to extensive regulation and any material failure to comply could result in significant sanctions against us.

The marketing, promotional, and pricing practices of pharmaceutical and medical device companies, as well as the manner in which companies' in-house or third-party sales forces interact with purchasers, prescribers, and patients, are subject to extensive regulation, enforcement of which may result in the imposition of civil and/or criminal penalties, injunctions, and/or limitations on marketing practice for our products. Many companies, including us, have been the subject of claims related to these practices asserted by federal authorities. These claims have resulted in fines and other consequences. We are still operating under a Corporate Integrity Agreement ("CIA") that requires us to maintain a comprehensive compliance program governing our sales, marketing and government pricing and contracting functions. Material failures to comply with the CIA could result in significant sanctions against us, including monetary penalties and exclusion from federal health care programs. Companies may not promote drugs for "off-label" uses - that is, uses that are not described in the product's labeling and that differ from those approved by the FDA,

Health Canada, EMA or other applicable regulatory agencies. A company that is found to have improperly promoted off-label uses may be subject to significant liability, including civil and administrative remedies as well as criminal sanctions. In addition, management's attention could be diverted from our business operations and our reputation could be damaged.

For certain of our products, we depend on reimbursement from third party payors and a reduction in the extent of reimbursement could reduce our product sales and revenue. In addition, failure to be included in formularies developed by managed care organizations and other organizations may negatively impact the utilization of our products, which could harm our market share and could negatively impact our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Sales of certain of our products are dependent, in part, on the availability and extent of reimbursement from government health administration authorities, private health insurers and other organizations of the costs of our products and our continued participation in such programs. Changes in government regulations or private third-party payors' reimbursement policies may reduce reimbursement for our products and adversely affect our future results.

Managed care organizations and other third-party payors try to negotiate the pricing of medical services and products to control their costs. Managed care organizations and pharmacy benefit managers typically develop formularies to reduce their cost for medications. Formularies can be based on the prices and therapeutic benefits of the available products. Due to their lower costs, generic products are often favored. The breadth of the products covered by formularies varies considerably from one managed care organization to another, and many formularies include alternative and competitive products for treatment of particular medical conditions. Failure to be included in such formularies or to achieve favorable formulary status may negatively impact the utilization and market share of our products. If our products are not included within an adequate number of formularies or adequate reimbursement levels are not provided, or if those policies increasingly favor generic products, this could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Manufacturing and Supply Risks

If we or our third-party manufacturers are unable to manufacture our products or the manufacturing process is interrupted due to failure to comply with regulations or for other reasons, the interruption of the manufacture of our products could adversely affect our business. Other manufacturing and supply difficulties or delays may also adversely affect our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Our manufacturing facilities and those of our contract manufacturers must be inspected and found to be in full compliance with current good manufacturing practices ("cGMP"), quality system management requirements or similar standards before approval for marketing. While we attempt to build in certain contractual obligations on such third party manufacturers, we may not be able to ensure that such third parties comply with these obligations. Our failure or that of our contract manufacturers to comply with cGMP regulations, quality system management requirements or similar regulations outside of the U.S. could result in enforcement action by the FDA or its foreign counterparts, including, but not limited to, warning letters, fines, injunctions, civil or criminal penalties, recall or seizure of products, total or partial suspension of production or importation, suspension or withdrawal of regulatory approval for approved or in-market products, refusal of the government to renew marketing applications or approve pending applications or supplements, suspension of ongoing clinical trials, imposition of new manufacturing requirements, closure of facilities and criminal prosecution. These enforcement actions could lead to a delay or suspension in production. In addition, our manufacturing and other processes use complicated and sophisticated equipment, which sometimes requires a significant amount of time to obtain and install. Manufacturing complexity, testing requirements and safety and security processes combine to increase the overall difficulty of manufacturing these products and resolving manufacturing problems that we may encounter. Although we endeavor to properly maintain our equipment (and require our contract manufacturers to properly maintain their equipment), including through on-site quality control and experienced manufacturing supervision, and have key spare parts on hand, our business could suffer if certain manufacturing or other equipment, or all or a portion of our or their facilities, were to become inoperable for a period of time. We could experience substantial production delays or inventory shortages in the event of any such occurrence until we or they repair such equipment or facility or we or they build or locate replacement equipment or a replacement facility, as applicable, and seek to obtain necessary regulatory approvals for such replacement. Any interruption in our manufacture of products could adversely affect the sales of our current products or introduction of new products and could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

The supply of our products to our customers (or, in some case, supply from our contract manufacturers to us) is subject to and dependent upon the use of transportation services. Disruption of transportation services (including as a result of weather conditions) could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline. In addition, any prolonged disruption in the operations of our existing distribution facilities, whether due to technical, labor or other difficulties, weather conditions, equipment malfunction, contamination, failure

to follow specific protocols and procedures, destruction of or damage to any facility or other reasons, could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

For some of our finished products and raw materials, we obtain supply from one or a limited number of sources. If we are unable to obtain components or raw materials, or products supplied by third parties, our ability to manufacture and deliver our products to the market would be impeded, which could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Some components and raw materials used in our manufactured products, and some finished products sold by us, are currently available only from one or a limited number of domestic or foreign suppliers. In the event an existing supplier fails to supply product on a timely basis and/or in the requested amount, supplies product that fails to meet regulatory requirements, becomes unavailable through business interruption or financial insolvency or loses its regulatory status as an approved source or we are unable to renew current supply agreements when such agreements expire and we do not have a second supplier, we may be unable to obtain the required components, raw materials or products on a timely basis or at commercially reasonable prices. We attempt to mitigate these risks by maintaining safety stock of these products, but such safety stock may not be sufficient. A prolonged interruption in the supply of a single-sourced raw material, including the active pharmaceutical ingredient, could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

In addition, these third party manufacturers may have the ability to increase the supply price payable by us for the manufacture and supply of our products, in some cases without our consent. Our dependence upon others to manufacture our products may adversely affect our profit margins and our ability to obtain approval for and produce our products on a timely and competitive basis, which could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Commercialization and Distribution Risks

Our approved products may not achieve or maintain expected levels of market acceptance.

Even if we are able to obtain and maintain regulatory approvals for our pharmaceutical and medical device products, generic or branded, the success of these products is dependent upon achieving and maintaining market acceptance. Commercializing products is time consuming, expensive and unpredictable. There can be no assurance that we will be able to, either by ourselves or in collaboration with our partners or through our licensees or distributors, successfully commercialize new products or gain market acceptance for such products. New product candidates that appear promising in development may fail to reach the market or may have only limited or no commercial success. Levels of market acceptance for our new products could be impacted by several factors, some of which are not within our control, including but not limited to the:

- safety, efficacy, convenience and cost-effectiveness of our products compared to products of our competitors;
- scope of approved uses and marketing approval;
- availability of patent or regulatory exclusivity;
- timing of market approvals and market entry;
- availability of alternative products from our competitors;
- acceptance of the price of our products;
- effectiveness of our sales forces and promotional efforts;
- the level of reimbursement of our products;
- acceptance of our products on government and private formularies;
- ability to market our products effectively at the retail level or in the appropriate setting of care; and

- the reputation of our products.

Further, the market perception and reputation of our products and their safety and efficacy are important to our business and the continued acceptance of our products. Any negative publicity about our products, such as the discovery of safety issues with our products, adverse events involving our products, or even public rumors about such events, may have a material adverse effect on our business. In addition, the discovery of significant problems with a product similar to one of our products that implicate

(or are perceived to implicate) an entire class of products or the withdrawal or recall of such similar products could have an adverse effect on sales of our products. Accordingly, new data about our products, or products similar to our products, could cause us reputational harm and could negatively impact demand for our products due to real or perceived side effects or uncertainty regarding safety or efficacy and, in some cases, could result in product withdrawal.

If our products fail to gain, or lose, market acceptance, our revenues would be adversely impacted which could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Our business may be impacted by seasonality, which may cause our operating results and financial condition to fluctuate.

Demand for certain of our products may be impacted by seasonality. Historically, revenues from our business tend to be weighted toward the second half of the year. Sales in the fourth quarter tend to be higher based on consumer and customer purchasing patterns associated with healthcare reimbursement programs. Further, the third quarter "back to school" period impacts demand for certain of our dermatology products. This seasonality may cause our operating results to fluctuate. However, as we continue our strategy of selective acquisitions to expand our product portfolio, there are no assurances that these historical trends will continue in the future.

We have entered into distribution agreements with other companies to distribute certain of our products at supply prices based on net sales. Declines in the pricing and/or volume, over which we have no or limited control, of such products, and therefore the amounts paid to us, could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Certain of our products are the subject of third party distribution agreements, pursuant to which we manufacture and sell products to other companies, which distribute such products at a supply price, typically based on net sales. Our ability to control pricing and volume of these products is limited and, in some cases, these companies make all distribution and pricing decisions independently of us. If the pricing or volume of such products declines, our revenues would be adversely impacted which could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

We may experience declines in sales volumes or prices of certain of our products as the result of the concentration of sales to wholesalers and the continuing trend towards consolidation of such wholesalers and other customer groups and this could have a material adverse impact on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

For certain of our products, a significant portion of our sales are to a relatively small number of customers. If our relationship with one or more of such customers is disrupted or changes adversely or if one or more of such customers experience financial difficulty or other material adverse change in their businesses, it could materially and adversely affect our sales and financial results, which could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

In addition, wholesalers and retail drug chains have undergone, and are continuing to undergo, significant consolidation. This consolidation may result in these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures facing our business. The result of these developments could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

Risks related to Specific Legislation and Regulations

We are subject to various laws and regulations, including "fraud and abuse" laws, anti-bribery laws, environmental laws and privacy and security regulations, and a failure to comply with such laws and regulations or prevail in any litigation related to noncompliance could have a material adverse impact on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Pharmaceutical and medical device companies have faced lawsuits and investigations pertaining to violations of health care "fraud and abuse" laws, such as the federal False Claims Act, the federal Anti-Kickback Statute ("AKS") and other state and federal laws and regulations. The AKS prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce or in return for purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under federally financed healthcare programs. This statute has been interpreted to apply to arrangements between pharmaceutical or medical device manufacturers, on the one hand, and prescribers, purchasers, formulary managers and other health care related professionals, on the other hand. More generally, the federal False Claims Act, among other things, prohibits any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government. Pharmaceutical and medical device companies have been prosecuted or faced civil liability under these laws for a

variety of alleged promotional and marketing activities, including engaging in off-label promotion that caused claims to be submitted for non-covered off-label uses.

We also face increasingly strict data privacy and security laws in the U.S. and in other countries, the violation of which could result in fines and other sanctions. The United States Department of Health and Human Services Office of Inspector General recommends, and increasingly states require pharmaceutical companies to have comprehensive compliance programs. In addition, the Physician Payment Sunshine Act enacted in 2010 imposes reporting and disclosure requirements on device and drug manufacturers for any "transfer of value" made or distributed to prescribers and other healthcare providers. Failure to submit this required information may result in significant civil monetary penalties. While we have developed corporate compliance programs based on what we believe to be current best practices, we cannot assure you that we or our employees or agents are or will be in compliance with all applicable federal, state or foreign regulations and laws. If we are in violation of any of these requirements or any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant criminal and civil fines and penalties, exclusion from federal healthcare programs or other sanctions.

The U.S. Foreign Corrupt Practices Act ("FCPA") and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti-bribery laws. We operate in many parts of the world that have experienced governmental corruption and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices or may require us to interact with doctors and hospitals, some of which may be state controlled, in a manner that is different than in the U.S. and Canada. We cannot assure you that our internal control policies and procedures will protect us from reckless or criminal acts committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in criminal or civil penalties or remedial measures, any of which could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

We are subject to laws and regulations concerning the environment, safety matters, regulation of chemicals and product safety in the countries where we manufacture and sell our products or otherwise operate our business. These requirements include regulation of the handling, manufacture, transportation, use and disposal of materials, including the discharge of pollutants into the environment. In the normal course of our business, hazardous substances may be released into the environment, which could cause environmental or property damage or personal injuries, and which could subject us to remediation obligations regarding contaminated soil and groundwater or potential liability for damage claims. Under certain laws, we may be required to remediate contamination at certain of our properties regardless of whether the contamination was caused by us or by previous occupants of the property or by others. In recent years, the operations of all companies have become subject to increasingly stringent legislation and regulation related to occupational safety and health, product registration and environmental protection. Such legislation and regulations are complex and constantly changing, and future changes in laws or regulations may require us to install additional controls for certain of our emission sources, to undertake changes in our manufacturing processes or to remediate soil or groundwater contamination at facilities where such cleanup is not currently required.

We are also subject to various privacy and security regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (as amended, "HIPAA"). HIPAA mandates, among other things, the adoption of uniform standards for the electronic exchange of information in common health care transactions (e.g., health care claims information and plan eligibility, referral certification and authorization, claims status, plan enrollment, coordination of benefits and related information), as well as standards relating to the privacy and security of individually identifiable health information, which require the adoption of administrative, physical and technical safeguards to protect such information. In addition, many states have enacted comparable laws addressing the privacy and security of health information, some of which are more stringent than HIPAA. Failure to comply with these laws can result in the imposition of significant civil and criminal penalties. The costs of compliance with these laws and the potential liability associated with the failure to comply with these laws could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Legislative or regulatory reform of the healthcare system may affect our ability to sell our products profitably and could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

In the U.S. and certain foreign jurisdictions, there have been a number of legislative and regulatory proposals to change the healthcare system in ways that could impact our ability to sell our products profitably. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the "Health Care Reform Act") may affect the operational results of companies in the pharmaceutical and medical device industries, including the Company and other healthcare related industries, by imposing on them additional costs. Effective January 1, 2010, the Health Care Reform Act increased the minimum Medicaid drug rebates for pharmaceutical companies, expanded the 340B drug discount program, and made changes

to affect the Medicare Part D coverage gap, or "donut hole". The law also revised the definition of "average manufacturer price" for reporting purposes, which may affect the amount of our Medicaid drug rebates to states. Beginning in 2011, the law imposed a significant annual fee on companies that manufacture or import branded prescription drug products. Finally, the law imposed an annual tax on manufacturers of certain medical devices.

The Health Care Reform Act and further changes to health care laws or regulatory framework that reduce our revenues or increase our costs could also have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common stock to decline.

Other Risks

Our operating results and financial condition may fluctuate.

Our operating results and financial condition may fluctuate from quarter to quarter for a number of reasons. The following events or occurrences, among others, could cause fluctuations in our financial performance from period to period:

- development and launch of new competitive products;
- the timing and receipt of FDA approvals or lack of approvals;
- costs related to business development transactions;
- changes in the amount we spend to promote our products;
- delays between our expenditures to acquire new products, technologies or businesses and the generation of revenues from those acquired products, technologies or businesses;
- changes in treatment practices of physicians that currently prescribe certain of our products;
- increases in the cost of raw materials used to manufacture our products;
- manufacturing and supply interruptions;
- our responses to price competition;
- expenditures as a result of legal actions (and settlements thereof), including the defense of our patents and other intellectual property;
- market acceptance of our products;
- the timing of wholesaler and distributor purchases;
- general economic and industry conditions, including potential fluctuations in foreign currency and interest rates;
- changes in seasonality of demand for certain of our products; and
- foreign currency exchange rate fluctuations.

As a result, we believe that quarter-to-quarter comparisons of results from operations, or any other similar period-to-period comparisons, should not be construed as reliable indicators of our future performance. In any quarterly period, our results may be below the expectations of market analysts and investors, which could cause the market value of our common stock to decline.

We have significant goodwill and other intangible assets and potential impairment of goodwill and other intangibles may significantly impact our profitability.

Goodwill and intangible assets represent a significant portion of our total assets. Finite-lived intangible assets are subject to an impairment

analysis whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Goodwill and indefinite-lived intangible assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. If an impairment exists, we would be required to take an impairment charge with respect to the impaired asset. Events giving rise to impairment are difficult to predict and are an inherent risk in the pharmaceutical and medical device industries. As a result of the significance of goodwill and intangible assets, our financial condition and results of operations in a future period could be negatively impacted should such an impairment of goodwill or intangible assets occur, which could cause the market value of our common stock to decline.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We own and lease a number of important properties. Our headquarters and one of our manufacturing facilities are located in Laval, Quebec. We have several manufacturing facilities throughout the United States. We also own or have an interest in manufacturing plants or other properties outside the United States, including Canada, Mexico, and certain countries in Europe and Asia.

We consider our facilities to be in satisfactory condition and suitable for their intended use, although some limited investments to improve our manufacturing and other related facilities are contemplated, based on the needs and requirements of our business. Our administrative, marketing, research/laboratory, distribution and warehousing facilities are located in various parts of the world. We co-locate our R&D activities with our manufacturing at the plant level in a number of facilities. Our scientists, engineers, quality control and manufacturing technicians work side-by-side in designing and manufacturing products that fit the needs and requirements of our customers, regulators and business units.

We believe that we have sufficient facilities to conduct our operations during 2015. Our facilities include, among others, the following list of principal properties by segment:

Location	Purpose	Owned or Leased	Approximate Square Footage
Laval, Quebec, Canada	Corporate headquarters, manufacturing and warehouse facility	Owned	337,000
Bridgewater, New Jersey	Administration	Leased	310,000
Developed Markets			
Rochester, New York	Office, R&D and manufacturing facility	Owned	953,000
Waterford, Ireland	R&D and manufacturing facility	Owned	379,000
Greenville, South Carolina	Distribution facility	Leased	320,000
Greenville, South Carolina	Manufacturing and distribution facility	Owned	225,000
Tampa, Florida	R&D and manufacturing facility	Owned	171,000
Berlin, Germany	Manufacturing, distribution and office facility	Owned	339,000
Steinbach, Manitoba, Canada	Offices, manufacturing and warehouse facility	Owned	250,000
Chattanooga, Tennessee	Distribution facility	Leased	150,000
Emerging Markets			
Jinan, China	Office and manufacturing facility	Owned	416,000
Mexico City, Mexico	Offices and manufacturing facility	Owned	161,000
San Juan del Rio, Mexico	Offices and manufacturing facility	Owned	816,000
Indaiatuba, Brazil	Manufacturing facility	Owned	165,000
Jelenia Gora, Poland	Offices, R&D and manufacturing and warehouse facility	Owned	546,000
Rzeszow, Poland	Offices, R&D and manufacturing facility	Owned	412,000
Belgrade, Serbia	Offices and manufacturing facility	Owned	161,000
Long An, Vietnam	Offices, manufacturing and warehouse facility	Owned	323,000
Cianjur, Indonesia	Offices, manufacturing and warehouse facility	Owned	343,000

Item 3. Legal Proceedings

See note 20 of notes to consolidated financial statements in Item 15 of this Form 10-K, which is incorporated by reference herein.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common shares are traded on the New York Stock Exchange ("NYSE") and on the Toronto Stock Exchange ("TSX") under the symbol "VRX". The following table sets forth the high and low per share sales prices for our common shares on the NYSE and TSX for the periods indicated.

	NYSE		TSX	
	High $	Low $	High C$	Low C$
2014				
First quarter	153.10	112.26	170.45	119.66
Second quarter	139.00	115.14	152.52	126.02
Third quarter	131.87	106.00	147.23	116.01
Fourth quarter	149.90	111.41	174.08	125.50
2013				
First quarter	75.10	59.34	76.58	58.53
Second quarter	96.25	69.87	99.49	70.99
Third quarter	106.98	86.89	109.93	92.41
Fourth quarter	118.25	102.60	125.71	107.30

Source: NYSEnet, TSX Historical Data Access

Market Price Volatility of Common Shares

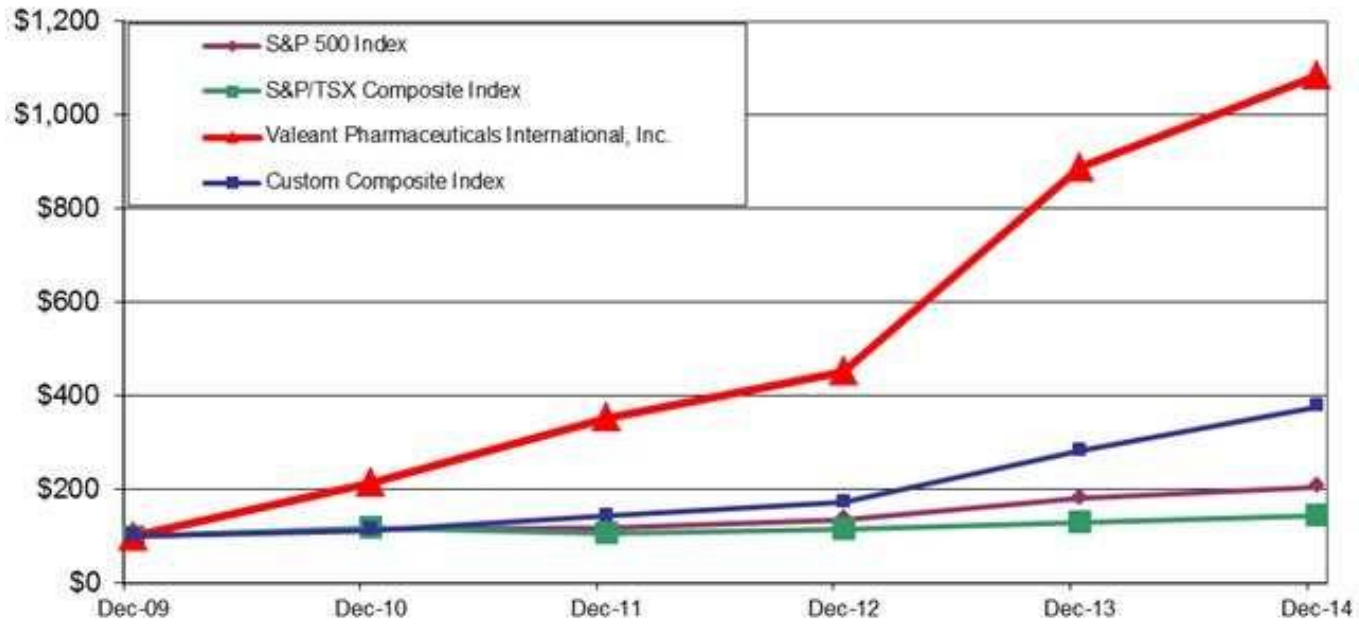
Market prices for the securities of pharmaceutical, medical devices and biotechnology companies, including our securities, have historically been highly volatile, and the market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. Factors such as fluctuations in our operating results, the aftermath of public announcements by us, concern as to safety of drugs and medical devices and general market conditions can have an adverse effect on the market price of our common shares and other securities.

Holders

The approximate number of holders of record of our common shares as of February 18, 2015 is 3,328.

Performance Graph

The following graph compares the cumulative total return on our common shares with the cumulative return on the S&P 500 Index, the TSX/S&P Composite Index and a 13-stock Custom Composite Index for the five years ended December 31, 2014 , in all cases, assuming reinvestment of dividends. The Custom Composite Index consists of Actavis Inc.; Allergan Inc.; Amgen Inc.; Biogen Idec Inc.; Bristol Myers Squibb & Co.; Celgene Corporation; Danaher Corporation; Gilead Sciences Inc.; Lilly (Eli) & Co.; Shire plc; Mylan Inc.; Perrigo Co. and Vertex Pharmaceuticals Inc.



	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
S&P 500 Index	100	115	117	136	180	205
S&P/TSX Composite Index	100	118	107	115	130	144
Valeant Pharmaceuticals International, Inc.	100	214	353	452	888	1,083
Custom Composite Index	100	113	143	172	282	377

Dividends

No dividends were declared or paid in 2014, 2013 or 2012.

While our Board of Directors will review our dividend policy from time to time, we currently do not intend to pay any cash dividends in the foreseeable future. In addition, the covenants contained in the Third Amended and Restated Credit and Guaranty Agreement, as amended and our bond indentures include restrictions on the payment of dividends.

Restrictions on Share Ownership by Non-Canadians

There are no limitations under the laws of Canada or in our organizational documents on the right of foreigners to hold or vote securities of our Company, except that the *Investment Canada Act (Canada)* (the "Investment Canada Act") may require review and approval by the Minister of Industry (Canada) of certain acquisitions of "control" of our Company by a "non-Canadian".

Investment Canada Act

An acquisition of control of a Canadian business by a non-Canadian is either reviewable (a "Reviewable Transaction"), in which case it is subject to both a reporting obligation and an approval process, or notifiable, in which case it is subject to only a reporting obligation. In the case of a Reviewable Transaction, the non-Canadian acquirer must submit an application for review with the prescribed information. The responsible Minister is then required to determine whether the Reviewable Transaction is likely to be of net benefit to Canada, taking into account the assessment factors specified in the Investment Canada Act and any written undertakings that may have been given by the non-Canadian acquirer.

Any investment by a non-Canadian in a Canadian business, even where control has not been acquired, can be reviewed on grounds of whether it may be injurious to national security. Where an investment is determined to be injurious to national security, Cabinet can prohibit closing or, if closed, can order the investor to divest control. Short of a prohibition or divestment order, Cabinet can impose terms or conditions on the investment or can require the investor to provide binding undertakings to remove the national security concern.

Competition Act

Part IX of the *Competition Act* (Canada) (the "Competition Act") requires that a pre-merger notification filing be submitted to the Commissioner of Competition (the "Commissioner") in respect of certain classes of merger transactions that exceed certain prescribed thresholds. If a proposed transaction exceeds such thresholds, subject to certain exceptions, the notification filing must be submitted to the Commissioner and the statutory waiting period must expire or be terminated early or waived by the Commissioner before the transaction can be completed.

All mergers, regardless of whether they are subject to Part IX of the Competition Act, are subject to the substantive mergers provisions under Section 92 of the Competition Act. In particular, the Commissioner may challenge a transaction before the Competition Tribunal where the transaction prevents or lessens, or is likely to prevent or lessen, competition substantially in a market. The Commissioner may not make an application to the Competition Tribunal under Section 92 of the Competition Act more than one year after the merger has been substantially completed.

Exchange Controls

Canada has no system of exchange controls. There are no Canadian restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no laws in Canada or exchange restrictions affecting the remittance of dividends, profits, interest, royalties and other payments to non-resident holders of our securities, except as discussed in "Taxation" below.

Taxation

Canadian Federal Income Taxation

The following discussion is a summary of the principal Canadian federal income tax considerations generally applicable to a holder of our common shares who, at all relevant times, for purposes of the Income Tax Act (Canada) and the Income Tax Regulations (collectively, the "Canadian Tax Act") deals at arm's-length with, and is not affiliated with, our Company, beneficially owns its common shares as capital property, does not use or hold and is not deemed to use or hold such common shares in carrying on a business in Canada, does not with respect to common shares enter into a "derivative forward agreement" as defined in the Income Tax Act, and who, at all relevant times, for purposes of the application of the Canadian Tax Act and the Canada-U.S. Income Tax Convention (1980, as amended) (the "U.S. Treaty"), is resident in the U.S., is not, and is not deemed to be, resident in Canada and is eligible for benefits under the U.S. Treaty (a "U.S. Holder"). Special rules, which are not discussed in the summary, may apply to a non-resident holder that is an insurer that carries on an insurance business in Canada and elsewhere or that is an "authorized foreign bank" as defined in the Canadian Tax Act.

The U.S. Treaty includes limitation on benefits rules that restrict the ability of certain persons who are resident in the U.S. to claim any or all benefits under the U.S. Treaty. Furthermore, limited liability companies ("LLCs") that are not taxed as corporations pursuant to the provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code") do not generally qualify as resident in the U.S. for purposes of the U.S. Treaty. Under the U.S. Treaty, a resident of the U.S. who is a member of such an LLC and is otherwise eligible for benefits under the U.S. Treaty may generally be entitled to claim benefits under the U.S. Treaty in respect of income, profits or gains derived through the LLC. Residents of the U.S. should consult their own tax advisors with respect to their eligibility for benefits under the U.S. Treaty, having regard to these rules.

This summary is based upon the current provisions of the U.S. Treaty and the Canadian Tax Act and our understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the U.S. Treaty and the Canadian Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. This summary does not otherwise take into account or anticipate changes in law or administrative policies and assessing practices, whether by judicial, regulatory, administrative or legislative decision or action, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice generally or to any particular holder. Holders should consult their own tax advisors with respect to their own particular circumstances.

Gains on Disposition of Common Shares

In general, a U.S. Holder will not be subject to tax under the Canadian Tax Act on capital gains arising on the disposition of such holder's common shares unless the common shares are "taxable Canadian property" to the U.S. Holder and are not "treaty-protected property".

As long as the common shares are then listed on a "designated stock exchange", which currently includes the NYSE and TSX, the common shares generally will not constitute taxable Canadian property of a U.S. Holder, unless (a) at any time during the 60-month period preceding the disposition, the U.S. Holder, persons not dealing at arm's length with such U.S. Holder or the U.S. Holder together with all such persons, owned 25% or more of the issued shares of any class or series of the capital stock of the Company and more than 50% of the fair market value of the common shares was derived, directly or indirectly, from any combination of (i) real or immoveable property situated in Canada, (ii) "Canadian resource property" (as such term is defined in the Tax Act), (iii) "timber resource property" (as such terms are defined in the Tax Act), or (iv) options in respect of, or interests in, or for civil law rights in, any such properties whether or not the property exists, or (b) the common shares are otherwise deemed to be taxable Canadian property.

Common shares will be treaty-protected property where the U.S. Holder is exempt from income tax under the Canadian Tax Act on the disposition of common shares because of the U.S. Treaty. Common shares owned by a U.S. Holder will generally be treaty-protected property where the value of the common shares is not derived principally from real property situated in Canada, as defined in the U.S. Treaty.

Dividends on Common Shares

Dividends paid or credited on the common shares or deemed to be paid or credited on the common shares to a U.S. Holder that is the beneficial owner of such dividends will generally be subject to non-resident withholding tax under the Canadian Tax Act and the U.S. Treaty at the rate of (a) 5% of the amounts paid or credited if the U.S. Holder is a company that owns (or is deemed to own) at least 10% of our voting stock, or (b) 15% of the amounts paid or credited in all other cases. The rate of withholding under the Canadian Tax Act in respect of dividends paid to non-residents of Canada is 25% where no tax treaty applies.

Securities Authorized for Issuance under Equity Compensation Plans

Information required under this Item will be included in our definitive proxy statement for the 2015 Annual Meeting of Shareholders expected to be filed with the SEC no later than 120 days after the end of the fiscal year covered by this Form 10-K (the "2015 Proxy Statement"), and such required information is incorporated herein by reference.

Purchases of Equity Securities by the Company and Affiliated Purchases

Set forth below is the information regarding our purchases of equity securities during the fourth quarter of the year ended December 31, 2014:

Period	Total Number of Shares (or Units) Purchased [1][2]	Average Price Paid Per Share [3]	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Number (Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plan [1]
				(In millions)
October 1, 2014 to October 31, 2014	—	$ —	—	$ 1,500
November 1, 2014 to November 30, 2014	—	$ —	—	$ 2,000
December 1, 2014 to December 31, 2014	175	$ 143.39	—	$ 2,000

(1) On November 21, 2013, our Board of Directors authorized the repurchase of up to $1.5 billion of convertible notes, senior notes, common shares and/or other future debt or shares, subject to any restrictions in our financing agreements and applicable law (the "2013 Securities Repurchase Program"). The 2013 Securities Repurchase Program terminated on November 21, 2014. On November 20, 2014, our Board of Directors authorized the repurchase of up to $2.0 billion of senior notes, common shares and/or other securities, subject to any restrictions in our financing agreements and applicable law (the "2014 Securities Repurchase Program"). The 2014 Securities Repurchase Program will terminate on November 20, 2015 or at such time as we complete our purchases. During the three-month period ended December 31, 2014, we did not make any repurchases of our senior notes or common shares under the 2013 Securities Repurchase Program or the 2014 Securities Repurchase Program. For more information regarding our repurchase programs, see note 14 of notes to consolidated financial statements in Item 15 of this Form 10-K.

(2) Includes 175 shares purchased (subsequently cancelled) under the employee stock purchase program. Such purchases were not made under the 2014 Securities Repurchase Program.

(3) The average price paid per share excludes any broker commissions.

Item 6. Selected Financial Data

The following table of selected consolidated financial data of our Company has been derived from financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The data is qualified by reference to, and should be read in conjunction with the consolidated financial statements and related notes thereto prepared in accordance with U.S. GAAP (see Item 15 of this Form 10-K) as well as the discussion in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations". All dollar amounts are expressed in millions of U.S. dollars, except per share data.

	Years Ended December 31,				
	2014	2013 [1]	2012	2011	2010
Consolidated operating data:					
Revenues	$ 8,263.5	$ 5,769.6	$ 3,480.4	$ 2,427.5	$ 1,181.2
Operating income (loss)	2,039.7	(409.5)	79.7	300.0	(110.1)
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	913.5	(866.1)	(116.0)	159.6	(208.2)
Earnings (loss) per share attributable to Valeant Pharmaceuticals International, Inc.:					
Basic	$ 2.72	$ (2.70)	$ (0.38)	$ 0.52	$ (1.06)
Diluted	$ 2.67	$ (2.70)	$ (0.38)	$ 0.49	$ (1.06)
Cash dividends declared per share	$ —	$ —	$ —	$ —	$ 1.28

	At December 31,				
	2014	2013 [1]	2012	2011	2010
Consolidated balance sheet:					
Cash and cash equivalents	$ 322.6	$ 600.3	$ 916.1	$ 164.1	$ 394.3
Working capital	1,462.3	1,373.4	954.7	433.2	327.7
Total assets	26,353.0	27,970.8	17,950.4	13,108.1	10,795.1
Long-term obligations	15,254.6	17,367.7	11,015.6	6,651.0	3,595.3
Common shares	8,349.2	8,301.2	5,940.7	5,963.6	5,251.7
Valeant Pharmaceuticals International, Inc. shareholders' equity	5,312.2	5,118.7	3,717.4	3,929.8	4,911.1
Number of common shares issued and outstanding (in millions)	334.4	333.0	303.9	306.4	302.4

(1) In 2013, we recognized an impairment charge of $551.6 million related to ezogabine/retigabine (immediate-release formulation), and we wrote off an IPR&D asset of $93.8 million relating to a modified-release formulation of ezogabine/retigabine. For more information regarding these impairment charges and other impairment charges, see note 6 and note 10 of notes to consolidated financial statements in Item 15 of this Form 10-K.

The amounts presented in the tables above also include the impact of several acquisitions and divestitures of businesses. For more information regarding our acquisitions and divestitures, see note 3 and note 4 of notes to consolidated financial statements in Item 15 of this Form 10-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the audited consolidated financial statements, and notes thereto, prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP") as of December 31, 2014 and 2013 and each of the three years in the period ended December 31, 2014 (the "2014 Financial Statements").

Additional information relating to the Company, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (the "2014 Form 10-K"), is available on SEDAR at www.sedar.com and on the U.S. Securities and Exchange Commission (the "SEC") website at www.sec.gov.

Unless otherwise indicated herein, the discussion and analysis contained in this MD&A is as of February 25, 2015.

All dollar amounts are expressed in U.S. dollars, unless otherwise noted.

OVERVIEW

Valeant Pharmaceuticals International, Inc. ("we", "us", "our" or the "Company") is a multinational, specialty pharmaceutical and medical device company that develops, manufactures, and markets a broad range of branded, generic and branded generic pharmaceuticals, over-the-counter ("OTC") products, and medical devices (contact lenses, intraocular lenses, ophthalmic surgical equipment, and aesthetics devices), which are marketed directly or indirectly in over 100 countries. In the Developed Markets segment, we focus most of our efforts in the eye health, dermatology and neurology therapeutic classes. In the Emerging Markets segment, we focus primarily on branded generics, OTC products, and medical devices. We are diverse not only in our sources of revenue from our broad drug and medical device portfolio, but also among the therapeutic classes and geographies we serve.

On August 5, 2013, we acquired Bausch & Lomb Holdings Incorporated ("B&L"), pursuant to an Agreement and Plan of Merger (the "Merger Agreement") dated May 24, 2013 (the "B&L Acquisition"). B&L is a global eye health company that focuses primarily on the development, manufacture and marketing of eye health products, including contact lenses, contact lens care solutions, ophthalmic pharmaceuticals and ophthalmic surgical products. We believe we will continue to grow the B&L business due primarily to the expected growth of the overall eye health market and the introduction of new products. Further, we have substantially integrated the B&L business into our decentralized structure which has allowed us to realize operational efficiencies and cost synergies. For more information regarding the B&L Acquisition, see note 3 of notes to consolidated financial statements in Item 15 of this Form 10-K.

Our strategy is to focus our business on core geographies and therapeutic classes that offer attractive growth opportunities while maintaining our lower selling, general and administrative cost model and decentralized operating structure. We have an established portfolio of durable products with a focus in the eye health and dermatology therapeutic areas. Further, we have completed numerous transactions over the past few years to expand our portfolio offering and geographic footprint, including, among others, the acquisitions of B&L and Medicis Pharmaceutical Corporation ("Medicis"), and we will continue to pursue value-added business development opportunities as they arise. The growth of our business is further augmented through our lower risk, output-focused research and development model, which allows us to advance certain development programs to drive future commercial growth, while minimizing our research and development expense. We believe this strategy will allow us to maximize both the growth rate and profitability of the Company and to enhance shareholder value.

We measure our success through total shareholder return and, on that basis, as of February 18, 2015, the market price of our common shares on the New York Stock Exchange ("NYSE") has increased approximately 550%, and the market price of our common shares on the Toronto Stock Exchange ("TSX") has increased approximately 670%, since the Company's (then named Biovail Corporation ("Biovail")) acquisition of Valeant Pharmaceuticals International ("Valeant") on September 28, 2010 (the "Merger"), as adjusted for the post-Merger special dividend of $1.00 per common share (the "post-Merger special dividend").

ACQUISITIONS AND DIVESTITURES

We have completed several transactions in 2014, 2013, and 2012, including, among others, the following acquisitions and divestitures.

Acquisitions of businesses and product rights	Acquisition Date
2014	
PreCision Dermatology, Inc. ("PreCision")	July 2014
Solta Medical, Inc. ("Solta Medical")	January 2014
2013	
B&L	August 2013
Obagi Medical Products, Inc. ("Obagi")	April 2013
Natur Produkt International, JSC ("Natur Produkt")	February 2013
2012	
Medicis	December 2012
OraPharma Topco Holdings, Inc. ("OraPharma")	June 2012
Certain assets of Gerot Lannach	March 2012

Divestitures	Divestiture Date
2014	
Facial aesthetic fillers and toxins	July 2014
Metronidazole 1.3%	July 2014
Tretin-X® (tretinoin) cream and generic tretinoin gel and cream products	July 2014
2013	
Divestiture of certain skincare products sold in Australia	October 2013
2012	
Divestitures of 1% clindamycin and 5% benzoyl peroxide gel ("IDP-111") and 5% fluorouracil cream ("5-FU")	February 2012

For more information regarding our acquisitions and divestitures, see note 3 and note 4 of notes to consolidated financial statements in Item 15 of this Form 10-K.

PRODUCTS IN DEVELOPMENT

The following products, among others, are currently in development:

- Envista® Toric is a one-piece hydrophobic acrylic toric intraocular lens (IOL). The lens is designed to minimize Posterior Capsular Opacification (PCO), a common post-surgical complication with IOLs that causes vision to become clouded post-surgery. The clinical study is ongoing.

- Brimonidine tartrate 0.025% is being developed as an ocular redness reliever. Phase 2 studies have demonstrated fast onset and long-lasting efficacy, with low potential for rebound redness. The product is in Phase 3.

- Vesneo™ (latanoprostene bunod), a nitric-oxide donating prostaglandin, is being developed for the reduction of intraocular pressure (IOP) in patients with glaucoma or ocular hypertension. In September 2014, we announced positive top-line results from the pivotal Phase 3 studies. These studies met their primary endpoint and showed positive results on a number of secondary endpoints.

- Lotemax® Gel Next Generation (loteprednol etabonate 0.38%), an ophthalmic steroid, is being developed for the reduction of inflammation and pain following cataract surgery. The product is in Phase 3.

- Ultra Plus Toric and Multi-Focal contact lenses (Ultra Plus Powers) are made with a novel silicone hydrogel which allows more oxygen to the eyes for ocular health. These contact lenses contain a higher water content and have less dehydration as compared to our other lenses. We are expanding the power range of these contact lenses to provide these new lenses to more patients.

- Biotrue® OneDay Toric is a daily disposable toric contact lens made from a polymer designed with a surface that resists dehydration and thus provides a constant water content. The clinical study is anticipated to commence in 2015.

- IDP-118 is a fixed combination product with two different mechanisms of action for treating psoriasis. This project has completed Phase 2.

- IDP-120 is a combination acne treatment anticipated to commence Phase 2 in 2015.

- Emerade® is an adrenaline (epinephrine) auto-injector used for the emergency treatment of severe acute allergic reactions (anaphylaxis) to foods, medicines or insect stings. Emerade® is in the pre-Investigational New Drug Application (pre-IND) stage, and the clinical study is anticipated to commence in 2015.

- Arestin® (life-cycle management) is an antibiotic treatment for periodontal (gum) disease. The product is in Phase 3.

RESTRUCTURING AND INTEGRATION

In connection with the B&L and Medicis acquisitions, as well as other smaller acquisitions, we have implemented cost-rationalization and integration initiatives to capture operating synergies and generate cost savings across the Company. These measures included:

- workforce reductions across the Company and other organizational changes;

- closing of duplicative facilities and other site rationalization actions company-wide, including research and development facilities, sales offices and corporate facilities;

- leveraging research and development spend; and

- procurement savings.

B&L Acquisition-Related Cost-Rationalization and Integration Initiatives

The complementary nature of the Company and B&L businesses has provided an opportunity to capture significant operating synergies from reductions in sales and marketing, general and administrative expenses, and research and development. In total, we have identified greater than $900 million of cost synergies on an annual run rate basis that were substantially achieved by the end of 2014. This amount does not include revenue synergies or the benefits of incorporating B&L's operations into the Company's corporate structure. We estimate that we will incur total costs of approximately $600 million (excluding the charges of $52.8 million described in note 5 of notes to consolidated financial statements in Item 15 of this Form 10-K) in connection with these cost-rationalization and integration initiatives, which were substantially completed by the end of 2014.

Medicis Acquisition-Related Cost-Rationalization and Integration Initiatives

The complementary nature of the Company and Medicis businesses has provided an opportunity to capture significant operating synergies from reductions in sales and marketing, general and administrative expenses, and research and development. In total, we realized over $300 million of cost synergies on a run rate basis as of December 31, 2013. We estimate that we will incur total costs of approximately $200 million (excluding the charges of $77.3 million described in note 5 of notes to consolidated financial statements in Item 15 of this Form 10-K) in connection with these cost-rationalization and integration initiatives, which were substantially completed by the end of 2013. However, additional costs have been incurred in 2014, and we expect to incur certain costs during the next three months.

See note 5 of notes to consolidated financial statements in Item 15 of this Form 10-K for detailed information summarizing the major components of costs incurred in connection with our B&L and Medicis acquisition-related initiatives through December 31, 2014.

U.S. HEALTHCARE REFORM

In March 2010, the Patient Protection and Affordable Care Act (the "Act") was enacted in the U.S. The Act contains several provisions that impact our business. Certain provisions of the Act became effective in 2010 or 2011, while other provisions have or will become effective on subsequent dates. The principal provisions affecting our industry provide for the following: (i) an increase in the minimum Medicaid rebate to states participating in the Medicaid program from 15.1% to 23.1% on covered drugs (effective January 1, 2010); (ii) the extension of the Medicaid rebates to Managed Care Organizations that dispense drugs to Medicaid beneficiaries (effective March 23, 2010); (iii) the expansion of the 340(B) Public Health Services drug pricing program, which provides outpatient drugs at reduced rates, to include additional hospitals, clinics, and healthcare centers (effective January 1, 2010); and (iv) a fee payable to the federal government based on our prior-calendar-year share relative to other companies of branded prescription drug sales to specified government programs (effective January 1, 2011, with the total

fee to be paid each year by the pharmaceutical industry increasing annually through 2018).

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

In addition to the above, in 2013: (i) federal subsidies began to be phased in for brand-name prescription drugs filled in the Medicare Part D cover gap and (ii) the law requires the medical device industry to subsidize healthcare reform in the form of a 2.3% excise tax on U.S. sales of most medical devices. In 2014, the Act's private health insurance exchanges began to operate along with the mandate on individuals to purchase health insurance. The Act also allows states to expand Medicaid coverage with most of the expansion's cost paid for by the federal government.

The Act did not have a material impact on our financial condition or results of operations in 2014, 2013 or 2012. In 2014, 2013 and 2012, we incurred costs of $9.3 million, $3.1 million and $1.8 million, respectively, related to the annual fee assessed on prescription drug manufacturers and importers that sell branded prescription drugs to specified U.S. government programs (e.g., Medicare and Medicaid). We also incurred costs of $42.8 million, $28.8 million and $9.8 million on Medicare Part D utilization incurred by beneficiaries whose prescription drug costs cause them to be subject to the Medicare Part D coverage gap (i.e., the "donut hole") in 2014, 2013 and 2012, respectively. Under the legislation, the total cost incurred by us for the medical device excise tax during 2014 and 2013 was $6.0 million and $4.2 million, respectively.

In July 2014, the Internal Revenue Service issued final regulations related to the branded pharmaceutical drug annual fee pursuant to the Act. Under the final regulations, an entity's obligation to pay the annual fee is triggered by qualifying sales in the current year, rather than the liability being triggered upon the first qualifying sale of the following year. We adopted this guidance in the third quarter of 2014, and it did not have a material impact on our financial position or results of operations.

The financial impact of the Act may be affected by certain additional developments over the next few years, including pending implementation guidance and certain healthcare reform proposals.

SELECTED FINANCIAL INFORMATION

The following table provides selected financial information for each of the last three years:

	Years Ended December 31,			Change			
	2014	2013	2012	2013 to 2014		2012 to 2013	
($ in millions, except per share data)	$	$	$	$	%	$	%
Revenues	8,263.5	5,769.6	3,480.4	2,493.9	43	2,289.2	66
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	913.5	(866.1)	(116.0)	1,779.6	NM	(750.1)	647
Earnings (loss) per share attributable to Valeant Pharmaceuticals International, Inc.:							
Basic	2.72	(2.70)	(0.38)	5.42	NM	(2.32)	611
Diluted	2.67	(2.70)	(0.38)	5.37	NM	(2.32)	611

NM — Not meaningful

Financial Performance

Changes in Revenues

Total revenues increased $2.5 billion , or 43% , to $8.3 billion in 2014, primarily due to incremental product sales revenue of $2,279.9 million, in the aggregate, from all 2013 acquisitions and all 2014 acquisitions and an increase of $30.6 million in other revenues, partially offset by (i) a negative impact from divestitures, discontinuations and supply interruptions of $322.8 million in 2014 and (ii) a negative foreign currency exchange impact on the existing business of $164.5 million in 2014. Excluding the items described above, we realized incremental product sales revenue of $670.7 million in 2014 related to growth from the remainder of the existing business, partially offset by the impact of generic competition in the Developed Markets segment.

Total revenues increased $2.3 billion , or 66% , to $5.8 billion in 2013, primarily due to incremental product sales revenue of $2,466.6 million, in the aggregate, from all 2012 acquisitions and all 2013 acquisitions, partially offset by (i) a decrease in product sales in the Developed Markets segment of $293.9 million, in the aggregate, due to the impact of generic competition, (ii) a negative impact from divestitures, discontinuations and supply interruptions of $67.8 million in 2013, (iii) a decrease in alliance and royalty revenue of $53.0 million, primarily related to the $45.0 million milestone payment received from GlaxoSmithKline ("GSK") in connection with the launch of Potiga® recognized in the second quarter of 2012 that did not similarly occur in 2013, (iv) a negative foreign currency exchange impact on the existing business of $24.4 million in 2013, and (v) a decrease in service revenue of $9.5 million in 2013, primarily due to lower contract manufacturing revenue from

facility. Excluding the items described above, we realized incremental product sales revenue of $271.2 million in 2013 related to growth from the remainder of the existing business.

The above changes in revenues are further described below under "Results of Operations — Revenues by Segment".

As is customary in the pharmaceutical industry, our gross product sales are subject to a variety of deductions in arriving at reported net product sales. Provisions for these deductions are recorded concurrently with the recognition of gross product sales revenue and include cash discounts and allowances, chargebacks, and distribution fees, which are paid to direct customers, as well as rebates and returns, which can be paid to both direct and indirect customers. Provision balances relating to estimated amounts payable to direct customers are netted against accounts receivable, and balances relating to indirect customers are included in accrued liabilities. The provisions recorded to reduce gross product sales to net product sales for each of the last three years were as follows:

	Years Ended December 31,		
	2014	2013	2012
($ in millions)	$	$	$
Gross product sales	11,593.9	7,849.8	4,067.5
Provisions to reduce gross product sales to net product sales	3,490.3	2,209.5	778.9
Net product sales	8,103.6	5,640.3	3,288.6
Percentage of provisions to gross sales	30%	28%	19%

Provisions as a percentage of gross sales increased to 30% in 2014 from 28% in 2013 . The increase was driven primarily by higher provisions for returns and rebates, including the new co-pay assistance programs for launch products including Jublia®, Luzu®, and Retin-A Micro® Microsphere 0.08% ("RAM 0.08%"), as well as increased sales of generic products and Wellbutrin XL® (to the U.S. government), which have higher rebate percentages.

Provisions as a percentage of gross sales increased to 28% in 2013 from 19% in 2012. The increase was driven primarily by higher provisions from the acquisition of Medicis products, including Solodyn®, Zyclara® and Ziana®, which have higher rebate percentages.

Changes in Earnings Attributable to Valeant Pharmaceuticals International, Inc.

Net income attributable to Valeant Pharmaceuticals International, Inc. was $913.5 million in 2014, compared with net loss attributable to Valeant Pharmaceuticals International, Inc. of $866.1 million in 2013, reflecting the following factors: (i) an increase in contribution (product sales revenue less cost of goods sold, exclusive of amortization and impairments of finite-lived intangible assets) of $2,113.4 million in 2014, (ii) higher impairment charges in 2013 (primarily driven by the impairment charge for ezogabine/retigabine) and (iii) a net gain related to the divestiture of facial aesthetic fillers and toxins assets in 2014, partially offset by (iv) an increase in selling, general and administrative expenses, (v) an increase in the provision for income taxes and (iv) an increase in non-operating expense, net which included increases in interest expense, loss on extinguishment of debt, and foreign exchange and other which were partially offset by the net gain recognized in connection with the sale by PS Fund 1, LLC ("PS Fund 1") of the Allergan Inc. ("Allergan") shares.

Net loss attributable to Valeant Pharmaceuticals International, Inc. increased $750.1 million , to $866.1 million in 2013, reflecting the following factors: (i) an increase in operating expenses (driven largely by higher impairments charges in 2013) and (ii) an increase in non-operating expenses (driven by an increase in interest expense in 2013), partially offset by (iii) an increase in contribution (product sales revenue less cost of goods sold, exclusive of amortization and impairments of finite-lived intangible assets) of $1,410.5 million in 2013.

The above changes are further described below under "Results of Operations".

Net (Loss) Income Attributable to Noncontrolling Interest

Net loss attributable to noncontrolling interest was $1.3 million in 2014 and net income attributable to noncontrolling interest was $2.5 million in 2013. Net (loss) income attributable to noncontrolling interest is primarily related to the performance of joint ventures acquired in connection with the B&L Acquisition.

RESULTS OF OPERATIONS

Reportable Segments

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

We have two operating and reportable segments: (i) Developed Markets, and (ii) Emerging Markets. The following is a brief description of our segments as of December 31, 2014:

- ***Developed Markets*** consists of (i) sales in the U.S. of pharmaceutical products, OTC products, and medical device products, as well as alliance and contract service revenues, in the areas of eye health, dermatology and podiatry, aesthetics, and dentistry, (ii) sales in the U.S. of pharmaceutical products indicated for the treatment of neurological and other diseases, as well as alliance revenue from the licensing of various products we developed or acquired, and (iii) pharmaceutical products, OTC products, and medical device products sold in Canada, Australia, New Zealand, Western Europe and Japan.

- ***Emerging Markets*** consists of branded generic pharmaceutical products and branded pharmaceuticals, OTC products, and medical device products. Products are sold primarily in Central and Eastern Europe (primarily Poland and Russia), Asia, Latin America (Mexico, Brazil, and Argentina and exports out of Mexico to other Latin American markets), Africa and the Middle East.

Revenues By Segment

Our primary sources of revenues are the sale of pharmaceutical products, OTC products, and medical devices. The following table displays revenues by segment for each of the last three years, the percentage of each segment's revenues compared with total revenues in the respective year, and the dollar and percentage change in the dollar amount of each segment's revenues. Percentages may not sum due to rounding.

	Years Ended December 31,						Change			
	2014		2013		2012		2013 to 2014		2012 to 2013	
($ in millions)	$	%	$	%	$	%	$	%	$	%
Developed Markets	6,167.1	75	4,293.2	74	2,502.3	72	1,873.9	44	1,790.9	72
Emerging Markets	2,096.4	25	1,476.4	26	978.1	28	620.0	42	498.3	51
Total revenues	8,263.5	100	5,769.6	100	3,480.4	100	2,493.9	43	2,289.2	66

Total revenues increased $2.5 billion , or 43% , to $8.3 billion in 2014 primarily due to growth from acquisitions, including the B&L Acquisition. The remaining growth in 2014 reflected both price and volume, with slightly more than half of the growth from price. In the Developed Markets, the majority of growth was driven by price, and in the Emerging Markets, the growth was driven almost entirely by volume. The growth was mainly attributable to the effect of the following factors:

Developed Markets segment :

- the incremental product sales revenue of $1,699.1 million, in the aggregate, from all 2013 acquisitions and all 2014 acquisitions, primarily from (i) the 2013 acquisition of B&L (driven by Ocuvite®/PreserVision®, Lotemax®, ReNu Multiplus®, and Biotrue® MultiPurpose Solution product sales) and (ii) the 2014 acquisitions of Solta Medical (mainly driven by Thermage CPT® system product sales) and PreCision (mainly driven by Clindagel® product sales); and

- an increase in other revenues of $22.6 million in 2014, primarily related to higher royalty revenue.

Those factors were partially offset by:

- a negative impact from divestitures, discontinuations and supply interruptions of $262.5 million in 2014, primarily driven by a decrease of $173.6 million related to the divestiture in the third quarter of 2014 of facial aesthetic fillers and toxins, as well as the discontinuation of Maxair® and the divestiture of Buphenyl® in 2013; and

- a negative foreign currency exchange impact on the existing business of $59.7 million in 2014 due to the impact of a strengthening of the U.S. dollar against certain currencies, including the Canadian dollar, Japanese yen, and Australian dollar.

Excluding the items described above, we realized incremental product sales revenue from the remainder of the existing business of $474.4 million in 2014. The growth reflected (1) higher sales of (i) orphan products (Syprine® and Xenazine®), (ii) Targretin®, (iii) Jublia®, and (iv) Wellbutrin XL® (U.S.) and (2) higher sales from recent product launches, including the launches of RAM 0.08% and Luzu®, partially offset by a decrease in product sales of $167.8 million, in the aggregate, due to generic competition. The decrease from generic competition related to a decline in sales of the Vanos®, Retin-A Micro® (excluding RAM 0.08%), and Zovirax® franchises and

Wellbutrin® XL (Canada). We anticipate a continuing decline in sales of the Vanos® franchise and Wellbutrin® XL (Canada) due to continued generic erosion. However, the rate

of decline is expected to decrease in the future, and these brands are expected to represent a declining percentage of total revenues primarily due to anticipated growth in other parts of our business and recent acquisitions.

Emerging Markets segment :

- the incremental product sales revenue of $580.8 million (which includes a negative foreign currency exchange impact of $22.3 million), in the aggregate, from all 2013 acquisitions and all 2014 acquisitions, primarily from the 2013 acquisition of B&L (driven by ReNu Multiplus®, Ocuvite®, and Artelac™ product sales) and the 2014 acquisition of Solta Medical (mainly driven by Thermage CPT® system product sales).

This factor was partially offset by:

- a negative foreign currency exchange impact on the existing business of $104.8 million in 2014 due to the impact of a strengthening of the U.S. dollar against certain currencies, including the Russian ruble; and

- a negative impact from divestitures, discontinuations and supply interruptions of $60.3 million in 2014, primarily from Eastern Europe and Brazil.

Excluding the items described above, we realized incremental product sales revenue from the remainder of the existing business of $196.3 million in 2014. The growth reflected higher sales in Eastern Europe, Middle East and North Africa, Southeast Asia and Mexico.

Total revenues increased $2.3 billion , or 66% , to $5.8 billion in 2013, mainly attributable to the effect of the following factors:

Developed Markets segment :

- the incremental product sales revenue of $2,051.0 million (which includes a negative foreign currency exchange impact of $12.5 million), in the aggregate, from all 2012 acquisitions and all 2013 acquisitions, primarily from (i) the 2012 acquisitions of Medicis (mainly driven by Solodyn®, Restylane®, Dysport®, Vanos®, Ziana® and Perlane® product sales) and OraPharma (mainly driven by Arestin® product sales), and (ii) the 2013 acquisitions of B&L (driven by Lotemax® Gel, PreserVision® and SofLens® Daily Disposable Contact Lenses product sales) and Obagi (mainly driven by Nu-Derm® and Obagi-C® product sales).

This factor was partially offset by:

- decrease in product sales of $293.9 million in 2013, primarily related to a decline in sales of the Zovirax® franchise, Retin-A Micro®, BenzaClin® and Cesamet® due to generic competition;

- a decrease in alliance and royalty revenue of $59.8 million, primarily related to the $45.0 million milestone payment received from GSK in connection with the launch of Potiga® recognized in the second quarter of 2012 that did not similarly occur in 2013;

- a negative impact from divestitures, discontinuations and supply interruptions of $44.8 million in 2013. The largest contributors were the discontinuation of Dermaglow® and the divestitures of certain brands sold primarily in Australia;

- a negative foreign currency exchange impact on the existing business of $19.9 million in 2013; and

- a decrease in service revenue of $5.1 million in 2013, primarily due to lower contract manufacturing revenue from the Laval, Quebec facility.

Excluding the items described above, we realized incremental product sales revenue from the remainder of the existing business of $163.4 million in 2013, driven by growth of the core dermatology brands, including CeraVe® and Acanya®. The growth in 2013 was driven primarily by price.

Emerging Markets segment :

- the incremental product sales revenue of $415.6 million (which includes a negative foreign currency exchange impact of $9.7 million), in the aggregate, from all 2012 acquisitions and all 2013 acquisitions, primarily from (i) the 2012 acquisition of certain assets of Gerot Lannach and (ii) the 2013 acquisitions of B&L (driven by ReNu Multiplus®, SofLens® and SofLens® Daily Disposable Contact Lenses product sales) and Natur Produkt.

This factor was partially offset by:

- a negative impact from divestitures, discontinuations and supply interruptions of $23.0 million in 2013; and

- a negative foreign currency exchange impact on the existing business of $4.5 million in 2013.

Excluding the items described above, we realized incremental product sales revenue from the remainder of the existing business of $107.8 million in 2013 driven by growth in Poland and Russia. The main driver of this growth was volume.

Segment Profit

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as restructuring and acquisition-related costs, in-process research and development impairments and other charges and other (income) expense, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance. In addition, a portion of share-based compensation is not allocated to segments, since the amount of such expense depends on company-wide performance rather than the operating performance of any single segment.

The following table displays profit by segment for each of the last three years, the percentage of each segment's profit compared with corresponding segment revenues in the respective year, and the dollar and percentage change in the dollar amount of each segment's profit. Percentages may not add due to rounding.

	Years Ended December 31,						Change			
	2014		2013		2012		2013 to 2014		2012 to 2013	
($ in millions)	$	% [1]	$	% [1]	$	% [1]	$	%	$	%
Developed Markets	2,019.7	33	573.2	13	815.9	33	1,446.5	252	(242.7)	(30)
Emerging Markets	337.3	16	93.0	6	69.0	7	244.3	263	24.0	35
Total segment profit	2,357.0	29	666.2	12	884.9	25	1,690.8	254	(218.7)	(25)

(1) — Represents profit as a percentage of the corresponding revenues.

Total segment profit increased $1.7 billion , or 254% , to $2.4 billion in 2014, mainly attributable to the effect of the following factors:

Developed Markets segment :

- an increase in contribution of $1,140.2 million, in the aggregate, from all 2013 acquisitions and all 2014 acquisitions, primarily from the product sales of B&L, Solta Medical and PreCision, including higher expenses for acquisition accounting adjustments related to inventory of $28.8 million, in the aggregate, in 2014; and

- a favorable impact of $307.4 million related to the existing business acquisition accounting adjustments related to inventory in 2013 that did not similarly occur in 2014.

Those factors were partially offset by:

- a decrease in contribution related to divestitures, discontinuations and supply interruptions of $214.2 million in 2014, primarily driven by a decrease in contribution of $149.0 million related to the divestiture of facial aesthetic fillers and toxins in the third quarter of 2014;

- an increase in operating expenses (including amortization and impairments of finite-lived intangible assets) of $202.2 million in 2014 primarily due to the acquisitions of new businesses within the segment, partially offset by the impairment charge of $551.6 million related to ezogabine/retigabine in the third quarter of 2013; and

- a negative foreign currency exchange impact on the existing business contribution of $45.4 million in 2014 due to the impact of a strengthening of the U.S. dollar against certain currencies, including the Canadian dollar, Japanese yen, and Australian dollar.

Excluding the items described above, we realized incremental contribution from product sales from the remainder of the existing business

of $434.4 million in 2014, driven by (1) higher sales of (i) orphan products (Syprine® and Xenazine®), (ii) Targretin®, (iii) Jublia®, and (iv) Wellbutrin XL® (U.S.) and (2) higher sales from recent product launches, including the launches of RAM 0.08% and Luzu®, partially offset by a decrease in contribution of $160.2 million related to a decline in sales of the Vanos®, Retin-A Micro® (excluding RAM 0.08%), and Zovirax® franchises and Wellbutrin® XL (Canada) as a result of the continued impact of generic competition.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Emerging Markets segment :

- an increase in contribution of $378.6 million, in the aggregate, from all 2013 acquisitions and all 2014 acquisitions, primarily from the sale of B&L and Solta Medical products; and

- a favorable impact of $65.3 million related to the existing business acquisition accounting adjustments related to inventory in 2013 that did not similarly occur in 2014.

Those factors were partially offset by:

- an increase in operating expenses (including amortization and impairments of finite-lived intangible assets) of $250.3 million in 2014, primarily associated with the acquisitions of new businesses within the segment;

- a negative foreign currency exchange impact on the existing business contribution of $65.0 million in 2014 due to the impact of a strengthening of the U.S. dollar against certain currencies, including the Russian ruble; and

- a decrease in contribution related to divestitures, discontinuations and supply interruptions of $38.2 million in 2014.

Excluding the items described above, we realized incremental contribution from product sales from the remainder of the existing business of $149.2 million in 2014. The growth reflected higher sales in Eastern Europe, Middle East and North Africa, Southeast Asia and Mexico.

Total segment profit decreased $218.7 million , or 25% , to $666.2 million in 2013, mainly attributable to the effect of the following factors:

Developed Markets segment :

- an increase in contribution of $1,278.5 million, in the aggregate, from all 2012 acquisitions and all 2013 acquisitions, primarily from the product sales of Medicis, B&L, Obagi and OraPharma, including higher expenses for acquisition accounting adjustments related to inventory of $285.6 million, in the aggregate; and

- a favorable impact of $54.1 million related to the existing business acquisition accounting adjustments related to inventory in 2012 that did not similarly occur in 2013.

Those factors were more than offset by:

- an increase in operating expenses (including amortization and impairments of finite-lived intangible assets) of $1,333.6 million in 2013, primarily due to an impairment charge of $551.6 million related to ezogabine/retigabine in the third quarter of 2013 and the acquisitions of new businesses within the segment. See note 6 to the 2014 Financial Statements for additional information regarding the ezogabine/retigabine impairment;

- a decrease in contribution of $286.7 million in 2013, primarily related to the lower sales of the Zovirax® franchise, Retin-A Micro®, BenzaClin® and Cesamet® as a result of the continued impact of generic competition;

- alliance revenue of $45.0 million recognized in the second quarter of 2012, related to the milestone payment received from GSK in connection with the launch of Potiga® that did not similarly occur in 2013;

- a decrease in contribution of $39.6 million in 2013, primarily related to divestitures, discontinuations and supply interruptions; and

- a negative foreign currency exchange impact on the existing business contribution of $14.3 million in 2013.

Excluding the items described above, we realized incremental contribution from product sales from the remainder of the existing business of $155.2 million, driven by growth of the core dermatology brands, including CeraVe® and Acanya®.

Emerging Markets segment :

- an increase in contribution of $201.5 million, in the aggregate, from all 2012 acquisitions and all 2013 acquisitions, primarily from the sale of B&L, Natur Produkt and Gerot Lannach products, including higher expenses for acquisition accounting adjustments related to inventory of $62.1 million, in the aggregate; and

- an increase in alliance contribution of $6.1 million in 2013.

Those factors were partially offset by:

- an increase in operating expenses (including amortization and impairments of finite-lived intangible assets) of $240.0 million in 2013, primarily associated with the acquisitions of new businesses within the segment;

- a decrease in contribution of $12.0 million in 2013 related to divestitures, discontinuations and supply interruptions; and

- a negative foreign currency exchange impact on the existing business contribution of $2.4 million in 2013.

Excluding the items described above, we realized incremental contribution from product sales from the remainder of the existing business of $70.9 million in 2013.

Operating Expenses

The following table displays the dollar amount of each operating expense category for each of the last three years, the percentage of each category compared with total revenues in the respective year, and the dollar and percentage changes in the dollar amount of each category. Percentages may not sum due to rounding.

	Years Ended December 31,						Change			
	2014		2013		2012		2013 to 2014		2012 to 2013	
($ in millions)	$	% [1]	$	% [1]	$	% [1]	$	%	$	%
Cost of goods sold (exclusive of amortization and impairments of finite-lived intangible assets shown separately below)	2,196.2	27	1,846.3	32	905.1	26	349.9	19	941.2	104
Cost of other revenues	58.4	1	58.8	1	64.6	2	(0.4)	(1)	(5.8)	(9)
Selling, general and administrative	2,026.3	25	1,305.2	23	756.1	22	721.1	55	549.1	73
Research and development	246.0	3	156.8	3	79.1	2	89.2	57	77.7	98
Amortization and impairments of finite-lived intangible assets	1,550.7	19	1,902.0	33	928.9	27	(351.3)	(18)	973.1	105
Restructuring, integration and other costs	381.7	5	462.0	8	267.1	8	(80.3)	(17)	194.9	73
In-process research and development impairments and other charges	41.0	—	153.6	3	189.9	5	(112.6)	(73)	(36.3)	(19)
Acquisition-related costs	6.3	—	36.4	1	78.6	2	(30.1)	(83)	(42.2)	(54)
Acquisition-related contingent consideration	(14.1)	—	(29.2)	(1)	(5.3)	—	15.1	(52)	(23.9)	451
Other (income) expense	(268.7)	(3)	287.2	5	136.6	4	(555.9)	NM	150.6	110
Total operating expenses	6,223.8	75	6,179.1	107	3,400.7	98	44.7	1	2,778.4	82

(1) — Represents the percentage for each category as compared to total revenues.

NM — Not meaningful

Cost of Goods Sold (exclusive of amortization and impairments of finite-lived intangible assets)

Cost of goods sold includes: manufacturing and packaging; the cost of products we purchase from third parties; royalty payments we make to third parties; depreciation of manufacturing facilities and equipment; and lower of cost or market adjustments to inventories. Cost of goods sold excludes the amortization and impairments of finite-lived intangible assets described separately below under "— Amortization and Impairments of Finite-Lived Intangible Assets".

Cost of goods sold increased $349.9 million , or 19% , to $2.2 billion in 2014. As a percentage of revenue, Cost of goods sold decreased to 27% in 2014 as compared to 32% in 2013, primarily due to:

- the impact of lower acquisition accounting adjustments of $345.1 million in 2014, primarily related to the fair value step-up for acquired inventory from the B&L and Medicis acquisitions which was expensed in 2013 that did not similarly occur in 2014; and

- a favorable impact from product mix driven by new product launches, including Jublia®, Luzu®, and RAM 0.08%. These products

have a higher gross profit margin than our overall margin.

Those factors were partially offset by:

- an unfavorable impact from product mix related to (i) the product portfolio acquired as part of the B&L Acquisition and (ii) decreased sales of certain products in the Developed Markets segment due to generic competition (as described above) which have a higher gross profit margin than our overall margin.

Cost of goods sold increased $941.2 million , or 104% , to $1.8 billion in 2013. As a percentage of revenue, Cost of goods sold increased to 32% in 2013 as compared to 26% in 2012, primarily due to:

- the impact of higher acquisition accounting adjustments of $293.6 million in 2013, primarily related to the fair value step-up for acquired inventories that were sold in 2013;
- an unfavorable impact from product mix related to the product portfolio acquired as part of the B&L Acquisition;
- decreased sales of the Zovirax® franchise, Retin-A Micro®, BenzaClin® and Cesamet® which have a higher gross profit margin than our overall margin; and
- higher sales of Xenazine® which has a lower margin than our overall margin.

These factors were partially offset by:

- a favorable impact from product mix related to the Medicis product portfolio; and
- the benefits realized from worldwide manufacturing rationalization initiatives primarily from Latin America and Canada.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include: employee compensation costs associated with sales and marketing, finance, legal, information technology, human resources, and other administrative functions; outside legal fees and consultancy costs; product promotion expenses; overhead and occupancy costs; depreciation of corporate facilities and equipment; and other general and administrative costs.

Selling, general and administrative expenses increased $721.1 million , or 55% , to $2.0 billion in 2014, primarily due to increased expenses in our Developed Markets segment ($531.2 million) and Emerging Markets segment ($181.4 million), primarily driven by the acquisitions of new businesses within each segment, including the B&L Acquisition, partially offset by the realization of cost synergies.

As a percentage of revenue, Selling, general and administrative expenses increased to 25% in 2014 as compared to 23% in 2013, primarily due to (i) incremental costs incurred from the full year impact of expenses related to the B&L Acquisition, (ii) higher expenses related to recent and upcoming product launches, including the recent launches of Jublia®, Luzu®, and RAM 0.08%, (iii) expenses associated with sales force expansion for the dermatology and contact lens businesses, and (iv) higher share-based compensation expenses. See note 15 to the 2014 Financial Statements for additional information related to share-based compensation.

Selling, general and administrative expenses increased $549.1 million , or 73% , to $1.3 billion in 2013, primarily due to (i) increased expenses in our Developed Markets segment ($367.8 million) and Emerging Markets segment ($155.2 million), primarily driven by the acquisitions of new businesses within each segment, including the B&L and Medicis acquisitions, partially offset by the realization of cost synergies and (ii) net incremental compensation expense of $15.5 million in the second quarter of 2013 related to certain equity awards held by current non-management directors which were modified from units settled in common shares to units settled in cash. See note 15 to the 2014 Financial Statements for additional information.

As a percentage of revenue, Selling, general and administrative expenses increased to 23% in 2013 as compared to 22% in 2012, primarily due to timing of costs incurred and realization of synergies from the B&L Acquisition. The increase in 2013 was also impacted by the net incremental compensation expense of $15.5 million recognized in the second quarter of 2013 (equates to 0.3% of 2013 revenue) described in the preceding paragraph.

Research and Development Expenses

Expenses related to research and development programs include: employee compensation costs; overhead and occupancy costs; depreciation of research and development facilities and equipment; clinical trial costs; clinical manufacturing and scale-up costs; and other third-party development costs.

Research and development expenses increased $89.2 million , or 57% , to $246.0 million in 2014, primarily due to higher spending on

programs acquired in the B&L Acquisition, including Vesneo™ (latanoprostene bunod), Lotemax® life cycle programs, and brimonidine, partially offset by lower spending on Jublia® (efinaconazole 10% topical solution). In June 2014, the FDA approved the NDA for Jublia®, and the product was launched.

Research and development expenses increased $77.7 million , or 98% , to $156.8 million in 2013, primarily due to spending on programs acquired in the B&L Acquisition, including latanoprostene bunod and the next generation silicone hydrogel lens (Bausch + Lomb Ultra®), partially offset by lower spending on ezogabine/retigabine reflecting the U.S. launch in the second quarter of 2012.

See note 3 to the 2014 Financial Statements for additional information relating to the B&L Acquisition.

Amortization and Impairments of Finite-Lived Intangible Assets

Amortization and impairments of finite-lived intangible assets decreased $351.3 million , or 18% , to $1.6 billion in 2014, primarily due to (i) a decrease of $631.0 million for ezogabine/retigabine due to the impairment charge of $551.6 million recognized in the third quarter of 2013 (which also resulted in lower amortization expense in 2014), (ii) a decrease in amortization of the divested facial aesthetic fillers and toxins assets which were divested in July 2014 of $43.7 million, (iii) impairment charges of $31.5 million recognized in 2013 related to the write-down of the carrying values of assets held for sale related to certain suncare and skincare brands sold primarily in Australia, and (iv) a $22.2 million write-off recognized in 2013 related to the Opana® intangible asset, partially offset by (v) an increase in amortization of the B&L, Solta Medical and PreCision identifiable intangible assets of $242.6 million, in the aggregate, in 2014, (vi) a $55.2 million write-off recognized in 2014 related to the Kinerase® intangible asset, and (vii) a $32.4 million write-off in 2014 related to the Grifulvin® intangible asset.

Amortization and impairments of finite-lived intangible assets increased $973.1 million , or 105% , to $1.9 billion in 2013, primarily due to (i) a net increase of $525.1 million for ezogabine/retigabine, as the impairment charge of $551.6 million in the third quarter of 2013 was partially offset by lower amortization for ezogabine/retigabine of $26.5 million in the fourth quarter of 2013, (ii) the amortization of $351.9 million, in the aggregate, in 2013, primarily related to the Medicis, B&L, and Obagi identifiable intangible assets, (iii) impairment charges of $31.5 million related to the write-down of the carrying values of assets held for sale related to certain suncare and skincare brands sold primarily in Australia in 2013, (iv) $22.2 million related to the write-off of the carrying value of the Opana® intangible asset in 2013, (v) an increase in the write-offs of $16.9 million, in the aggregate, in 2013, primarily related to the discontinuation of certain products in the Brazilian, Canadian, and Polish markets, and (vi) $10.0 million related to the write-off of certain OTC skincare products in the U.S. in 2013.

As part of our ongoing assessment of potential impairment indicators related to our finite-lived and indefinite-lived intangible assets, we will closely monitor the performance of our product portfolio. If our ongoing assessments reveal indications of impairment, we may determine that an impairment charge is necessary and such charge could be material.

Restructuring, Integration and Other Costs

We recognized restructuring, integration, and other costs of $381.7 million in 2014, compared with $462.0 million and $267.1 million in 2013 and 2012, respectively, primarily related to the B&L, Solta Medical and PreCision acquisitions. Refer to note 5 to the 2014 Financial Statements for further details.

In-Process Research and Development Impairments and Other Charges

In-process research and development impairments and other charges represents impairments and other costs associated with compounds, new indications, or line extensions under development that have not received regulatory approval for marketing at the time of acquisition. IPR&D acquired through an asset acquisition is written off at the acquisition date if the assets have no alternative future use. IPR&D acquired in a business combination is capitalized as indefinite-lived intangible assets (irrespective of whether these assets have an alternative future use) until completion or abandonment of the related research and development activities. Costs associated with the development of acquired IPR&D assets are expensed as incurred.

In 2014, we recorded charges of $41.0 million primarily due to (i) the write-off of an IPR&D asset of $12.5 million related to analysis of Phase 2 study data for a dermatological product candidate acquired in the December 2012 Medicis acquisition, (ii) an up-front payment of $12.0 million made in connection with an amendment to a license and distribution agreement with a third party, and (iii) payments to third parties associated with the achievement of specific development milestones prior to regulatory approval under our research and development programs, including Jublia®, in 2014.

In 2013, we recorded charges of $153.6 million , primarily due to the write-off of (i) $93.8 million relating to the modified-release formulation of ezogabine/retigabine, (ii) $27.3 million of IPR&D assets, mainly related to the termination of the A007 (Lacrisert®) development program, (iii) $14.4 million related to the termination of the Mapracorat development program, and (iv) $8.8 million related to a Xerese® life-cycle product. Refer note 10 to the 2014 Financial Statements for additional information.

In 2012, we recorded charges of $189.9 million, primarily due to (i) $133.4 million for the write-off of an acquired IPR&D asset related to the IDP-107 dermatology program, which was acquired in September 2010 as part of the merger with Valeant, (ii)

an impairment charge of $24.7 million related to a Xerese® life-cycle product, and (iii) $12.0 million related to a payment to terminate a research and development commitment with a third party. Refer note 10 to the 2014 Financial Statements for additional information.

Acquisition-Related Costs

Acquisition-related costs decreased $30.1 million , or 83% , to $6.3 million in 2014, reflecting higher expenses incurred in 2013 related to the B&L, Obagi and Natur Produkt acquisitions, as well as other acquisitions, partially offset by acquisition activities in 2014, primarily related to the PreCision and Solta Medical acquisitions.

Acquisition-related costs decreased $42.2 million , or 54% , to $36.4 million in 2013, reflecting higher expenses incurred in 2012 related to the Medicis and OraPharma acquisitions and other 2012 acquisitions, partially offset by acquisition activities in 2013 primarily related to the B&L, Obagi and Natur Produkt acquisitions.

See note 3 to the 2014 Financial Statements for additional information regarding business combinations. Certain costs related to our investment in PS Fund 1 were recorded in Gain on investments, net. See note 23 for additional information relating to these costs.

Acquisition-Related Contingent Consideration

In 2014, we recognized an acquisition-related contingent consideration gain of $14.1 million . The net gain was primarily driven by net fair value adjustments of $19.0 million related to the Elidel®/Xerese®/Zovirax® agreement entered into with Meda Pharma SARL ("Meda") in June 2011 (the "Elidel®/Xerese®/Zovirax® agreement"), as a result of continued assessment of the impact from generic competition on performance trends and future revenue forecasts for Zovirax®.

In 2013, we recognized an acquisition-related contingent consideration gain of $29.2 million . The net gain was primarily driven by a net gain related to the Elidel®/Xerese®/Zovirax® agreement. As a result of analysis in the third quarter of 2013 of performance trends since the launch of a generic Zovirax® ointment in April 2013, we adjusted the projected revenue forecast, resulting in an acquisition-related contingent consideration net gain of $20.0 million in 2013. Also contributing to the acquisition-related contingent net gain was a net gain of $6.9 million, which resulted from the termination, in the third quarter of 2013, of the A007 (Lacrisert®) development program, which impacted the probability associated with potential milestone payments. Refer to note 6 to the 2014 Financial Statements for further information.

In 2012, we recognized an acquisition-related contingent consideration gain of $5.3 million, primarily driven by (i) a net gain of $10.3 million related to the iNova acquisition in December 2011 due to changes in the estimated probability of achieving the related milestones, partially offset by (ii) a net loss of $6.5 million related to the Elidel®/Xerese®/Zovirax® agreement, due to fair value adjustments to reflect accretion for the time value of money, partially offset by changes in the projected revenue forecast.

Other (Income) Expense

Other (income) expense primarily includes: legal settlements and related fees and gains/losses from the sale of assets and businesses.

In 2014, we recognized other income of $268.7 million , primarily related to (i) a net gain of $323.9 million related to the divestiture of facial aesthetic fillers and toxins in the third quarter of 2014 and (ii) the reversal of a $50.0 million reserve related to the AntiGrippin® litigation in the first quarter of 2014, partially offset by (iii) a net loss of $58.5 million related to the divestiture of Metronidazole 1.3% in the third quarter of 2014, (iv) a post-combination expense of $20.4 million in the third quarter of 2014 related to the acceleration of unvested stock options for PreCision employees, and (v) a loss on sale of $8.8 million related to the divestiture of the generic tretinoin product rights in the third quarter of 2014, acquired in the PreCision acquisition. Refer to note 4, note 20 and note 3 to the 2014 Financial Statements for further details related to the divestitures of facial aesthetic fillers and toxins and Metronidazole 1.3%, the AntiGrippin® litigation and the acquisition of PreCision, respectively.

In 2013, we recognized other expense of $287.2 million , primarily due to (i) a charge of $142.5 million in the third quarter of 2013 related to a settlement agreement with Anacor Pharmaceuticals, Inc. ("Anacor"), (ii) a post-combination expense of $52.8 million, in the aggregate, related to B&L's previously cancelled performance-based options and the acceleration of unvested stock options for B&L employees as a result of the B&L Acquisition, (iii) a charge of $50.0 million in the fourth quarter of 2013 related to AntiGrippin® litigation **,** and (iv) a loss of $10.2 million related to the sale of certain skincare products sold primarily in Australia in the fourth quarter of 2013. Refer to note 4, note 3, and note 20 to the 2014 Financial Statements for further details related to the divestiture of certain skincare products sold in Australia, the B&L Acquisition, and the AntiGrippin® litigation, respectively.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

In 2012, we recorded other expense of $136.6 million , primarily due to (i) a post-combination expense of $77.3 million, related to the acceleration of unvested stock options, restricted stock awards, and share appreciation rights for Medicis employees that was triggered by the change in control and (ii) legal settlement charges of $56.8 million, mainly related to a settlement of antitrust litigation and the associated legal fees. Refer to note 3 to the 2014 Financial Statements for further details.

Non-Operating Income (Expense)

The following table displays each non-operating income or expense category for each of the last three years, and the dollar and percentage changes in the dollar amount of each category.

	Years Ended December 31,			Change			
	2014	2013	2012	2013 to 2014		2012 to 2013	
($ in millions; Income (Expense))	$	$	$	$	%	$	%
Interest income	5.0	8.0	6.0	(3.0)	(38)	2.0	33
Interest expense	(971.0)	(844.3)	(481.6)	(126.7)	15	(362.7)	75
Loss on extinguishment of debt	(129.6)	(65.0)	(20.1)	(64.6)	99	(44.9)	223
Foreign exchange and other	(144.1)	(9.4)	19.7	(134.7)	NM	(29.1)	NM
Gain on investments, net	292.6	5.8	2.1	286.8	NM	3.7	176
Total non-operating expense	(947.1)	(904.9)	(473.9)	(42.2)	5	(431.0)	91

NM — Not meaningful

Interest Expense

Interest expense increased $126.7 million , or 15% , to $971.0 million in 2014, primarily due to an increase of (i) $170.3 million related to higher debt balances, driven by the borrowings in the third quarter of 2013 in conjunction with the B&L Acquisition, (ii) $46.5 million related to the issuance of 5.625% senior notes due 2021 in December 2013, partially offset by (iii) a decrease of $65.6 million, in the aggregate, related to the early redemption of 6.50% senior notes due 2016 (the "2016 Notes") in December 2013 and 6.75% senior notes due 2017 (the "2017 Notes") in October 2014, and (iv) a decrease of $19.5 million, in the aggregate, related to the non-cash amortization and write-off of debt discounts and debt issuance costs.

Interest expense increased $362.7 million , or 75% , to $844.3 million in 2013, primarily due to (i) an increase of $308.1 million primarily related to higher debt balances, driven by the new borrowings during the period and (ii) an increase of $53.1 million , in the aggregate, related to the non-cash amortization of debt discounts and deferred financing costs, including the write-off of deferred financing costs related to the commitment letter entered into in connection with the financing of the B&L Acquisition.

Refer to note 12 to the 2014 Financial Statements for further details.

Loss on Extinguishment of Debt

In 2014, we recognized losses of $129.6 million , primarily related to (i) the refinancing of our Series E tranche B term loan facility on February 6, 2014, (ii) the redemption of the 2017 Notes in October 2014, and (iii) the redemption of 6.875% senior notes due 2018 (the "December 2018 Notes") in December 2014. Refer to note 12 to the 2014 Financial Statements for further details.

In 2013, we recognized losses of $65.0 million , related primarily due to (i) the redemption of the 2016 Notes in December 2013, (ii) the repricing of our Series D tranche B term loan facility and our Series C of the tranche B term loan facility on February 21, 2013, and (iii) the redemption of 9.875% senior notes assumed in connection with the B&L Acquisition in the third quarter of 2013 (see note 3 to the 2014 Financial Statements for additional information). Refer to note 12 to the 2014 Financial Statements for further details.

In 2012, we recognized losses of $20.1 million, mainly on refinancing of our term loan B facility on October 2, 2012 and the settlement of convertible notes **.**

Foreign Exchange and Other

In 2014, we recognized foreign exchange losses of $144.1 million , primarily due to (i) a foreign exchange loss on a euro-denominated intercompany loan and (ii) translation losses from intercompany transactions within our European operations.

Foreign exchange and other loss was $9.4 million in 2013, compared with a gain of $19.7 million in 2012, reflecting a decrease of $29.1 million , primarily due to (i) the $29.4 million gain realized in 2012 on an intercompany loan that was not designated as permanent in nature that did not similarly occur in 2013, (ii) an unrealized foreign exchange loss of $8.3 million on an intercompany financing arrangement in the first quarter of 2013, partially offset by (iii) the translation gains on intercompany loans in 2013.

Gain on Investments, Net

In 2014, we recognized a gain on investment, net of $292.6 million . The gain on investment, net was primarily driven by a net gain of $286.7 million recognized in connection with the sale by PS Fund 1 of the Allergan shares. Refer to note 23 to the 2014 Financial Statements for additional information.

In 2013, we recognized gain on investment, net of $5.8 million . The gain on investment, net was primarily driven by a realized gain of $4.0 million on the sale of an equity investment acquired as part of the Medicis acquisition in December 2012.

Income Taxes

The following table displays the dollar amount of the current and deferred provisions for (recovery of) income taxes for each of the last three years, and the dollar and percentage changes in the dollar amount of each provision. Percentages may not sum due to rounding.

	Years Ended December 31,			Change			
	2014	2013	2012	2013 to 2014		2012 to 2013	
($ in millions; Expense (Income))	$	$	$	$	%	$	%
Current income tax expense	150.7	83.4	63.5	67.3	81	19.9	31
Deferred income tax expense (benefit)	29.7	(534.2)	(341.7)	563.9	NM	(192.5)	56
Total provision for (recovery of) income taxes	180.4	(450.8)	(278.2)	631.2	NM	(172.6)	62

NM — Not meaningful

In 2014, our effective tax rate was different from our statutory Canadian tax rate due to (i) income earned in jurisdictions with a lower statutory rate than in Canada, (ii) tax expense of $82.1 million associated with the divestiture of facial aesthetic fillers and toxins to Galderma S.A. ("Galderma") in July 2014, which is reflected as a component of tax expense on taxable foreign income set forth in the effective tax rate reconciliation in the tax footnote, and (iii) a $147.3 million tax benefit related to intra-entity integration efforts of which $129.2 million relates to current year items including the creation of deferred tax assets as a result of a liquidation of one of our foreign affiliates, a reduction of deferred tax liabilities, and the amortization of intangibles for tax purposes in jurisdictions with tax rates lower than Canada. Our consolidated foreign rate differential reflects the net total of the tax cost or benefit of income earned or losses incurred in jurisdictions outside of Canada as compared to the net total tax cost or benefit of such income (on a jurisdictional basis) at the Canadian statutory rate. Tax costs below the Canadian statutory rate generate a beneficial foreign rate differential as do tax benefits generated in jurisdictions where the statutory tax rate exceeds the Canadian statutory tax rate. It is not expected that the net total of the foreign rate differentials generated in each jurisdiction in which we operate will bear a direct relationship to the net total amount of foreign income (or loss) earned outside of Canada.

We record a valuation allowance against our deferred tax assets to reduce the net carrying value to an amount that we believe is more likely than not to be realized. When we establish or reduce the valuation allowance against our deferred tax assets, the provision for income taxes will increase or decrease, respectively, in the period such determination is made. The majority of the increase in 2014 is due to changes in the deferred tax asset balance in Canada, the maintenance of the valuation allowance on foreign tax credits recorded in the U.S. and the establishment of a valuation allowance on certain previously recorded U.S. State deferred tax assets due to our internal restructuring, the effect of which is deferred under U.S. GAAP. In determining the amount of the valuation allowance that was necessary, we considered the amount of U.S. tax loss carryforwards, Canadian tax loss carryforwards, scientific research and experimental development pool, and investment tax credits that we would more likely than not be able to utilize based on future sources of income. Our taxes payable is impacted by our ability to use net operating losses on a current basis.

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The following table presents a summary of our unaudited quarterly results of operations and operating cash flows in 2014 and 2013:

	2014				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
($ in millions)	$	$	$	$	$	$	$	$
Revenue	1,886.2	2,041.1	2,056.2	2,280.0	1,068.4	1,095.7	1,541.7	2,063.8
Expenses [(1)]	1,529.6	1,686.0	1,372.3	1,635.9	951.4	954.2	2,433.2	1,840.3
Operating income (loss)	356.6	355.1	683.9	644.1	117.0	141.5	(891.5)	223.5
Net (loss) income attributable to Valeant Pharmaceuticals International, Inc.	(22.6)	125.8	275.4	534.9	(27.5)	10.8	(973.2)	123.8
(Loss) earnings per share attributable to Valeant Pharmaceuticals International, Inc.:								
Basic	(0.07)	0.38	0.82	1.59	(0.09)	0.04	(2.92)	0.37
Diluted	(0.07)	0.37	0.81	1.56	(0.09)	0.03	(2.92)	0.36
Net cash provided by operating activities	484.3	376.0	618.7	815.7	255.3	305.1	201.7	279.9

(1) In the third quarter of 2013, we recognized an impairment charge of $551.6 million related to ezogabine/retigabine (immediate-release formulation) which is co-developed and marketed under a collaboration agreement with GSK. In addition, in the third quarter of 2013, we wrote off an IPR&D asset of $93.8 million relating to a modified-release formulation of ezogabine/retigabine. See note 6 to the 2014 Financial Statements for additional information regarding these charges.

Fourth Quarter of 2014 Compared to Fourth Quarter of 2013

Results of Operations

Total revenues increased $216.2 million , or 10% , to $2.3 billion in the fourth quarter of 2014. The growth in the fourth quarter of 2014 reflected both price and volume, with slightly more than half of the growth from price. The growth also reflected the following factors:

- the incremental product sales revenue of $95.6 million, in the aggregate, from all 2014 acquisitions primarily from Solta Medical (mainly driven by Thermage CPT® system product sales) and PreCision (mainly driven by Clindagel® product sales); and
- an increase in other revenues of $12.2 million in the fourth quarter of 2014, primarily related to higher royalty revenue.

Those factors were partially offset by:

- a negative foreign currency impact on the existing business of $107.6 million in the fourth quarter of 2014 due to the impact of a strengthening of the U.S. dollar against certain currencies, including the Russian ruble and Euro; and
- a negative impact from divestitures and discontinuations of $96.7 million in the fourth quarter of 2014, primarily driven by the divestitures of facial aesthetic fillers and toxins in the third quarter of 2014.

Excluding the items described above, we realized incremental product sales revenue from the remainder of the existing business of $312.7 million in the fourth quarter of 2014. The growth reflected (1) higher sales of (i) Jublia® and (ii) Targretin®, and (iii) orphan products (Syprine® and Xenazine®) and (2) higher sales from recent product launches, including the launches of RAM 0.08% and Luzu®, partially offset by a decrease in product sales of $26.5 million, in the aggregate, due to generic competition. The decrease from generic competition related to a decline in sales of the Vanos® franchise and Wellbutrin® XL (Canada).

Net income attributable to Valeant Pharmaceuticals International, Inc. increased $411.1 million , or 332% , to $534.9 million in the fourth quarter of 2014, reflecting the following factors: (i) an increase in contribution (product sales revenue less cost of goods sold, exclusive of amortization and impairments of finite-lived intangible assets) of $344.7 million , primarily from the product sales from the existing business and all 2014 acquisitions, (ii) a decrease in non-operating expenses driven largely by a net gain of $286.7 million recognized in connection with the sale by PS Fund 1 of Allergan shares, as further described above under "Results of Operations — Non-Operating Income (Expenses)", partially offset by (iii) an increase in provision for income taxes, as further described above under "Results of Operations — Income Taxes".

Cash Flows From Operations

Net cash provided by operating activities increased $535.8 million , to $815.7 million in the fourth quarter of 2014, primarily due to:

- the inclusion of cash flows from the operations in the fourth quarter of 2014 from the 2014 acquisitions, primarily the PreCision and Solta Medical acquisitions;
- $397.5 million of cash proceeds representing the return on our investment in PS Fund 1 from the appreciation in the Allergan share price and our right to 15% of the net profits realized by Pershing Square on the sale of Allergan shares. Refer to note 23 to the 2014 Financial Statements for additional information;
- lower payments of $92.3 million related to restructuring, integration and other costs in the fourth quarter of 2014; and
- incremental cash flows from the continued growth of the existing business, including new product launches, partially offset by a decrease in contribution of $25.5 million in the fourth quarter of 2014 related to the lower sales of the Vanos® franchise and Wellbutrin® XL (Canada) as a result of generic competition.

Those factors were partially offset by:

- an increase in investment in working capital of $143.4 million in the fourth quarter of 2014, primarily related to (i) an increase in receivables driven by higher gross sales and product mix and (ii) the impact of changes related to timing of payments, including prepaid expenses, interest, severance, and integration payments, and receipts in the ordinary course of business, partially offset by an increase in accrued liabilities due to higher gross to net sales reserves.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Selected Measures of Financial Condition

The following table presents a summary of our financial condition as of December 31, 2014 and 2013 :

	As of December 31,			
	2014	2013	Change	
($ in millions; Asset (Liability))	**$**	**$**	**$**	**%**
Cash and cash equivalents	322.6	600.3	(277.7)	(46)
Long-lived assets [(1)]	21,912.8	23,834.5	(1,921.7)	(8)
Total debt, including current portion	(15,254.6)	(17,367.7)	2,113.1	(12)

(1) Long-lived assets comprise property, plant and equipment, intangible assets and goodwill.

Cash and Cash Equivalents

Cash and cash equivalents decreased $277.7 million , or 46% , to $322.6 million as of December 31, 2014 , which primarily reflected the following uses of cash:

- $1.3 billion in net repayments, in the aggregate, under our senior secured credit facilities in 2014;
- $1.3 billion paid, in the aggregate, in connection with the purchases of businesses and intangible assets, mainly in respect of the PreCision and Solta Medical acquisitions in 2014;
- $500.0 million paid in connection with the redemption of the 2017 Notes in October 2014;
- $445.0 million paid in connection with the redemption of the December 2018 Notes in December 2014;
- purchases of property, plant and equipment of $291.6 million ;

- contingent consideration payments within financing activities of $106.1 million primarily related to the OraPharma and Eisai (Targretin®) acquisitions and the Elidel®/Xerese®/Zovirax® agreement entered into in June 2011;

- $55.2 million related to debt financing costs paid primarily due to (i) a call premiums paid in connection with the redemption of the 2017 Notes and the December 2018 Notes and (ii) the refinancing of our Series E tranche B term loan facility in February 2014. Refer to note 12 to the 2014 Financial Statements for additional information regarding the call premiums paid with the redemption of the 2017 Notes and December 2018 Notes; and

- $44.1 million of employee withholding taxes paid in connection with the exercise of share-based awards.

Those factors were partially offset by the following sources of cash:

- $2.3 billion in operating cash flows, including $397.5 million of cash proceeds representing the return on our investment in PS Fund 1 from the appreciation in the Allergan share price and our right to 15% of the net profits realized by Pershing Square on the sale of Allergan shares. Refer to note 23 to the 2014 Financial Statements for additional information; and

- $1.5 billion of net cash proceeds from divestitures primarily related to the divestitures of facial aesthetic fillers and toxins in July 2014. Refer to note 4 to the 2014 Financial Statements for additional information.

Long-Lived Assets

Long-lived assets decreased $1.9 billion , or 8% , to $21.9 billion as of December 31, 2014 , primarily due to:

- the depreciation of property, plant and equipment and amortization of intangible assets of $1.7 billion , in the aggregate;

- a reduction of the carrying amount of intangible assets and goodwill of $1.0 billion and $91.0 million, in the aggregate, related to the divestitures of (i) facial aesthetic fillers and toxins and (ii) Metronidazole 1.3%, respectively, which were each divested in July 2014. Refer to note 4 to the 2014 Financial Statements for additional information; and

- a negative foreign currency exchange impact of $776.9 million.

Those factors were partially offset by:

- the inclusion of the identifiable intangible assets, goodwill and property, plant and equipment from the 2014 acquisitions of $1.2 billion, in the aggregate, primarily related to the PreCision and Solta Medical acquisitions; and

- purchases of property, plant and equipment of $291.6 million .

Long-Term Debt

Long-term debt (including the current portion) decreased $2.1 billion , or 12% , to $15.3 billion as of December 31, 2014 , primarily due to (i) $1.3 billion in net repayments, in the aggregate, under our senior secured credit facilities in 2014, (ii) the redemption of $500.0 million aggregate principal amount of the 2017 Notes in October 2014, and (iii) the redemption of $445.0 million aggregate principal amount of the December 2018 Notes in December 2014. Refer to note 12 to the 2014 Financial Statements for additional information.

Cash Flows

Our primary sources of cash include: cash collected from customers, funds available from our revolving credit facility, issuances of long-term debt and issuances of equity. Our primary uses of cash include: business development transactions, funding ongoing operations, interest and principal payments, securities repurchases and restructuring activities. The following table displays cash flow information for each of the last three years:

	Years Ended December 31,			Change			
	2014	2013	2012	2013 to 2014		2012 to 2013	
($ in millions)	**$**	**$**	**$**	**$**	**%**	**$**	**%**
Net cash provided by operating activities	2,294.7	1,042.0	656.6	1,252.7	120	385.4	59
Net cash used in investing activities	(99.7)	(5,380.3)	(2,965.7)	5,280.6	(98)	(2,414.6)	81
Net cash (used in) provided by financing activities	(2,443.7)	4,027.7	3,057.3	(6,471.4)	NM	970.4	32
Effect of exchange rate changes on cash and cash equivalents	(29.0)	(5.2)	3.8	(23.8)	458	(9.0)	NM
Net (decrease) increase in cash and cash equivalents	(277.7)	(315.8)	752.0	38.1	(12)	(1,067.8)	NM

Cash and cash equivalents, beginning of year	600.3	916.1	164.1	(315.8)	(34)	752.0	458
Cash and cash equivalents, end of year	322.6	600.3	916.1	(277.7)	(46)	(315.8)	(34)

NM — Not meaningful

Operating Activities

Net cash provided by operating activities increased $1.3 billion , or 120% , to $2.3 billion in 2014 , primarily due to:

- the inclusion of cash flows in 2014 from all 2013 acquisitions, primarily the B&L and Obagi acquisitions, as well as all 2014 acquisitions;

- $397.5 million of cash proceeds representing the return on our investment in PS Fund 1 from the appreciation in the Allergan share price and our right to 15% of the net profits realized by Pershing Square on the sale of Allergan shares. Refer to note 23 to the 2014 Financial Statements for additional information; and

- incremental cash flows from the continued growth of the existing business, including new product launches, partially offset by a decrease in contribution of $160.2 million in 2014 related to the lower sales of the Vanos®, Retin-A Micro® (excluding RAM 0.08%), and Zovirax® franchises and Wellbutrin® XL (Canada) as a result of generic competition.

Those factors were partially offset by:

- an increased investment in working capital of $290.1 million in 2014, primarily related to (i) an increase in receivables driven by higher gross sales and product mix and (ii) the impact of changes related to timing of payments, including prepaid expenses, interest, severance, and integration payments, and receipts in the ordinary course of business, partially offset by an increase in accrued liabilities due to higher gross to net sales reserves; and

- higher payments of $55.6 million related to restructuring, integration and other costs in 2014.

Net cash provided by operating activities increased $385.4 million , or 59% , to $1.0 billion in 2013 , primarily due to:

- the inclusion of cash flows in 2013 from all 2012 acquisitions, primarily the Medicis, OraPharma, and Gerot Lannach acquisitions, as well as all 2013 acquisitions, primarily the B&L, Natur Produkt and Obagi acquisitions; and

- incremental cash flows from continued growth in the existing business.

Those factors were partially offset by:

- a decrease in contribution of $286.7 million in 2013, primarily related to the lower sales of the Zovirax® franchise, Retin-A Micro®, BenzaClin® and Cesamet® as a result of generic competition;

- higher payments of $140.7 million related to restructuring, integration and other costs in 2013, primarily driven by the B&L Acquisition;

- an increase in payments of legal settlements and related fees of $139.0 million mainly related to a settlement agreement with Anacor in 2013;

- an increased investment in working capital of $125.0 million in 2013, primarily related to (i) the impact of the changes related to timing of payments in the ordinary course of business and (ii) an increase in accounts receivable, reflecting the growth of the business as well as the unfavorable impact from mix between geographies and businesses; and

- the receipt of the $45.0 million milestone payment from GSK in connection with the launch of Potiga® in 2012 that did not similarly occur in 2013.

Investing Activities

Net cash used in investing activities decreased $5.3 billion , or 98% , to $99.7 million in 2014 , primarily due to:

- a decrease of $4.0 billion , in the aggregate, related to lower purchases of businesses (net of cash acquired) and intangible assets in 2014, driven mainly by the August 2013 B&L Acquisition; and

- a decrease of $1.5 billion , related to higher proceeds from the sale of assets and businesses, net of costs to sell, primarily attributable to

the cash proceeds of approximately $1.4 billion for the divestiture of facial aesthetic fillers and toxins to Galderma in the third quarter of 2014.

Those factors were partially offset by:

- an increase of $176.3 million related to higher purchases of property, plant and equipment.

Net cash used in investing activities increased $2.4 billion , or 81% , to $5.4 billion in 2013, primarily due to:

- an increase of $1.8 billion, in the aggregate, related to the purchases of businesses (net of cash acquired) and intangible assets, in the aggregate;

- an increase of $607.8 million, mainly related to the higher proceeds received in 2012 from the sale of marketable securities acquired as part of the Medicis acquisition; and

- an increase of $50.9 million, related to lower proceeds from sales of assets, primarily attributable to the cash proceeds of $66.3 million for the sale of the IDP-111 and 5-FU products in the first quarter of 2012, partially offset by the proceeds related to the sale of Buphenyl® in the second quarter of 2013.

Financing Activities

Net cash used in financing activities was $2.4 billion in 2014 , compared with the net cash provided by financing activities of $4.0 billion in 2013 , reflecting a decrease of $6.5 billion , primarily due to:

- a decrease of $4.7 billion, in the aggregate, related to net proceeds from our senior secured credit facilities primarily due to (i) the borrowings of $3.9 billion in the third quarter of 2013 in connection with the B&L Acquisition and (ii) the repayments of $1.0 billion, in the aggregate, in the third quarter of 2014, partially offset by (iii) the issuance of $225.6 million in incremental term loans in the first quarter of 2014. Refer to note 12 to the 2014 Financial Statements for additional information;

- a decrease related to net proceeds of $4.1 billion from the issuance of senior notes in 2013; and

- a decrease of $2.3 billion related to the net proceeds from the issuance of common stock in June 2013, which were utilized to fund the B&L Acquisition.

Those factors were partially offset by:

- an increase of $4.2 billion related to the repayment of long-term debt assumed in connection with the B&L Acquisition in 2013 that did not similarly occur in 2014;

- an increase of $233.6 million related to the repayments of long-term debt assumed in connection with the Medicis acquisition in 2013 that did not similarly occur in 2014;

- an increase of $61.1 million related to the lower debt financing costs paid in 2014 due to the lower refinancing activities in 2014;

- an increase of $55.6 million related to the repurchases of common shares in 2013 that did not similarly occur in 2014; and

- an increase of $37.6 million related to the repayments of short-term borrowings and long-term debt, in the aggregate, assumed in connection with the Natur Produkt acquisition in 2013 that did not similarly occur in 2014.

Net cash provided by financing activities increased $970.4 million , or 32% , to $4.0 billion in 2013, primarily due to:

- an increase related to net proceeds of $4.1 billion from the issuance of senior notes in 2013;

- the net proceeds of $2.3 billion primarily related to the issuance of common stock in June 2013, which were utilized to fund the B&L Acquisition;

- an increase of $1.4 billion of net borrowings under senior secured credit facilities, in the aggregate, in 2013;

- an increase of $606.3 million related to cash settlement of convertible debt in 2012 that did not similarly occur in 2013; and

- an increase of $225.1 million related to lower repurchases of common shares in 2013.

Those factors were partially offset by:

- a decrease of $4.2 billion related to the repayment of long-term debt assumed in connection with the B&L Acquisition in August 2013;
- a decrease related to net proceeds of $2.2 billion from the issuance of senior notes in 2012;
- $915.5 million paid in connection with the redemption of the 2016 Notes in December 2013;

- $233.6 million related to the repayment of long-term debt assumed in connection with the Medicis acquisition in December 2012;

- a decrease of $83.1 million related to the higher debt financing costs paid (including call premium of $29.8 million paid in connection with the redemption of the 2016 Notes in December 2013), primarily due to the issuance of senior notes and the Series E tranche B term loans in 2013, in the aggregate;

- $37.6 million in repayments of short-term borrowings and long-term debt, in the aggregate, assumed in connection with the Natur Produkt acquisition; and

- a decrease due to higher contingent consideration payments of $26.1 million, in 2013, primarily due to a payment of $40.0 million and $20.1 million, related to the OraPharma and Gerot Lannach acquisitions, respectively, partially offset by (i) lower contingent consideration payments related to the Elidel®/Xerese®/Zovirax® agreement entered into with Meda in June 2011 and (ii) a contingent consideration payment in the second quarter of 2012 related to the PharmaSwiss S.A. acquisition in March 2011.

Debt

See note 12 and note 24 of notes to consolidated financial statements in Item 15 of this Form 10-K for detailed information regarding our long-term debt.

The senior notes issued by us are our senior unsecured obligations and are jointly and severally guaranteed on a senior unsecured basis by each of our subsidiaries that is a guarantor under our senior secured credit facilities. The senior notes issued by our subsidiary Valeant are senior unsecured obligations of Valeant and are jointly and severally guaranteed on a senior unsecured basis by us and each of our subsidiaries (other than Valeant) that is a guarantor under our senior secured credit facilities. Certain of the future subsidiaries of the Company and Valeant may be required to guarantee the senior notes. The non-guarantor subsidiaries had total assets of $6.5 billion and total liabilities of $3.2 billion as of December 31, 2014, and net revenues of $2.0 billion and net earnings from operations of $435.9 million for the year ended December 31, 2014.

Our primary sources of liquidity are our cash, cash collected from customers, funds available from our revolving credit facility, issuances of long-term debt and issuances of equity. We believe these sources will be sufficient to meet our current liquidity needs. We have commitments approximating $70 million for expenditures related to property, plant and equipment. Since part of our business strategy is to expand through strategic acquisitions, we may be required to seek additional debt financing, issue additional equity securities or sell assets, as necessary, to finance future acquisitions, including the additional debt financing that will be required in connection with the proposed acquisition of Salix Pharmaceuticals, Ltd. ("Salix") (see note 24 to the 2014 Financial Statements for information regarding our proposed acquisition of Salix), or for other general corporate purposes. Our current corporate credit rating is Ba3 for Moody's Investors Service and BB- for Standard and Poor's. A downgrade may increase our cost of borrowing and may negatively impact our ability to raise additional debt capital. An inability to obtain certain amendments to our Credit Agreement in connection with the proposed acquisition of Salix may increase our cost of borrowing.

As of December 31, 2014, we were in compliance with all of our covenants related to our outstanding debt. As of December 31, 2014, our short-term portion of long-term debt amounted to $0.9 million , in the aggregate. We believe our existing cash and cash generated from operations will be sufficient to cover our short-term debt maturities as they become due.

Securities Repurchase Programs

See note 14 of notes to consolidated financial statements in Item 15 of this Form 10-K for detailed information regarding our various securities repurchase programs.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

We have no off-balance sheet arrangements that have a material current effect or that are reasonably likely to have a material future effect on our results of operations, financial condition, capital expenditures, liquidity, or capital resources.

The following table summarizes our contractual obligations as of December 31, 2014 :

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

	Payments Due by Period				
	Total	**2015**	**2016 and 2017**	**2018 and 2019**	**Thereafter**
($ in millions)	**$**	**$**	**$**	**$**	**$**
Long-term debt obligations, including interest [(1)]	20,266.8	817.8	2,715.3	6,672.0	10,061.7
Acquisition-related consideration [(2)]	50.0	40.0	10.0	—	—
Lease obligations	195.7	44.2	64.5	33.7	53.3
Purchase obligations [(3)]	327.3	257.3	54.8	13.1	2.1
Total contractual obligations	20,839.8	1,159.3	2,844.6	6,718.8	10,117.1

(1) Expected interest payments assume repayment of the principal amount of the debt obligations at maturity.

(2) Reflects the minimum guaranteed obligations related to the Elidel®/Xerese®/Zovirax® agreement. These amounts do not include contingent obligations related to potential royalty payments in excess of the minimum guaranteed obligations related to the Elidel®/Xerese®/Zovirax® agreement. Such contingent obligations are recorded at fair value in our consolidated financial statements.

(3) Purchase obligations consist of agreements to purchase goods and services that are enforceable and legally binding and include obligations for minimum inventory and capital expenditures, and outsourced information technology, product promotion and clinical research services.

The above table does not reflect (i) contingent payments related to contingent milestone payments to third parties as part of certain development, collaboration and license agreements and (ii) acquisition-related contingent consideration. See note 21 of notes to consolidated financial statements in Item 15 of this Form 10-K for additional information related to these contingent payments.

Also excluded from the above table is a liability for uncertain tax positions totaling $109.4 million . This liability has been excluded because we cannot currently make a reliable estimate of the period in which the liability will be payable, if ever.

On January 30, 2015, we issued $1.0 billion aggregate principal amount of 5.50% senior unsecured notes due 2023 (the "2023 Notes"). The net proceeds of the 2023 Notes offering were used to (i) redeem all of the remaining December 2018 Notes on February 17, 2015, (ii) repay amounts drawn under our revolving credit facility, and (iii) for general corporate purposes. In addition, on January 22, 2015, we entered into joinder agreements to allow for an increase in commitments under our revolving credit facility to $1.5 billion and the issuance of $250.0 million in incremental term loans under the Series A-3 Tranche A Term Loan Facility. See note 24 of notes to consolidated financial statements in Item 15 of this Form 10-K for additional information.

OUTSTANDING SHARE DATA

Our common shares are listed on the TSX and the NYSE under the ticker symbol "VRX".

At February 18, 2015, we had 336,202,718 issued and outstanding common shares. In addition, as of February 18, 2015, we had 7,625,003 stock options and 806,873 time-based RSUs that each represent the right of a holder to receive one of the Company's common shares, and 1,597,351 performance-based RSUs that represent the right of a holder to receive up to 400% of the RSUs granted. A maximum of 5,265,558 common shares could be issued upon vesting of the performance-based RSUs outstanding.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business and financial results are affected by fluctuations in world financial markets, including the impacts of foreign currency exchange rate and interest rate movements. We evaluate our exposure to such risks on an ongoing basis, and seek ways to manage these risks to an acceptable level, based on management's judgment of the appropriate trade-off between risk, opportunity and cost. We may use derivative financial instruments from time to time as a risk management tool and not for trading or speculative purposes. Currently, we do not hold any market risk sensitive instruments whose value is subject to market price risk.

Inflation; Seasonality

We are subject to price control restriction on our pharmaceutical products in the majority of countries in which we now operate. As a result, our ability to raise prices in a timely fashion in anticipation of inflation may be limited in some markets.

Historically, revenues from our business tend to be weighted toward the second half of the year. Sales in the fourth quarter tend to be higher based on consumer and customer purchasing patterns associated with healthcare reimbursement

programs. Further, the third quarter "back to school" period impacts demand for certain of our dermatology products. However, as we continue our strategy of selective acquisitions to expand our product portfolio, there are no assurances that these historical trends will continue in the future.

Foreign Currency Risk

In 2014, a majority of our revenue and expense activities and capital expenditures were denominated in U.S. dollars. We have exposure to multiple foreign currencies, including, among others, the Euro, Canadian dollar, Russian ruble, Japanese yen, and Australian dollar. Our operations are subject to risks inherent in conducting business abroad, including price and currency exchange controls and fluctuations in the relative values of currencies. In addition, to the extent that we require, as a source of debt repayment, earnings and cash flows from some of our operations located in foreign countries, we are subject to risk of changes in the value of the U.S. dollar, relative to all other currencies in which we operate, which may materially affect our results of operations. Where possible, we manage foreign currency risk by managing same currency revenues in relation to same currency expenses. As of December 31, 2014, a 1% increase in foreign currency exchange rates would have impacted our shareholders' equity by approximately $56.1 million.

In 2012, the repurchase of $18.7 million principal amount of the U.S. dollar-denominated 5.375% Convertible Notes resulted in a foreign exchange gain for Canadian income tax purposes of approximately $1.0 million. The 2012 payment represents the settlement of the 5.375% Convertible Notes outstanding balance. In 2012, the repurchase of principal amount of the U.S. dollar denominated revolving credit facility resulted in a foreign exchange gain of $8.0 million. As of December 31, 2014, the aggregate unrealized foreign exchange loss on the translation of the remaining principal amount of the senior secured credit facilities and senior notes was approximately $1,318.3 million ($843.3 million and $475.0 million, respectively) for Canadian income tax purposes. Additionally, as of December 31, 2014, the unrealized foreign exchange gain on certain intercompany balances was equal to $461.6 million. One-half of any realized foreign exchange gain or loss will be included in our Canadian taxable income. Any resulting gain will result in a corresponding reduction in our available Canadian Non-Capital Losses, Scientific Research and Experimental Development Pool, and/or Investment Tax Credit carryforward balances. However, the repayment of the senior secured credit facilities and the intercompany loans denominated in U.S. dollars does not result in a foreign exchange gain or loss being recognized in our consolidated financial statements, as these statements are prepared in U.S. dollars.

Interest Rate Risk

We currently do not hold financial instruments for speculative purposes. Our financial assets are not subject to significant interest rate risk due to their short duration. The primary objective of our policy for the investment of temporary cash surpluses is the protection of principal, and accordingly, we generally invest in high quality, money market investments and time deposits with varying maturities, but typically less than three months. As it is our intent and policy to hold these investments until maturity, we do not have a material exposure to interest rate risk.

As of December 31, 2014, we had $8.8 billion and $6.6 billion principal amount of issued fixed rate debt and variable rate debt, respectively, that requires U.S. dollar repayment. The estimated fair value of our issued fixed rate debt as of December 31, 2014 was $9.3 billion. If interest rates were to increase by 100 basis-points, the fair value of our long-term debt would decrease by approximately $257.2 million. If interest rates were to decrease by 100 basis-points, the fair value of our long-term debt would increase by approximately $145.0 million. We are subject to interest rate risk on our variable rate debt as changes in interest rates could adversely affect earnings and cash flows. A 100 basis-points increase in interest rates, based on 3-month LIBOR, would have an annualized pre-tax effect of approximately $43.8 million in our consolidated statements of income (loss) and cash flows, based on current outstanding borrowings and effective interest rates on our variable rate debt. For the tranches in our credit facility that have a LIBOR floor, an increase in interest rates would only impact interest expense on those term loans to the extent LIBOR exceeds the floor. While our variable-rate debt may impact earnings and cash flows as interest rates change, it is not subject to changes in fair value.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies and estimates are those policies and estimates that are most important and material to the preparation of our consolidated financial statements, and which require management's most subjective and complex judgments due to the need to select policies from among alternatives available, and to make estimates about matters that are inherently uncertain. We base our estimates on historical experience and other factors that we believe to be reasonable under the circumstances. On an ongoing basis, we review our estimates to ensure that these estimates appropriately reflect changes in our business and new information as it becomes available. If historical experience and other factors we use to make these estimates do not reasonably reflect future activity, our results of operations and financial condition could be materially impacted.

Revenue Recognition

We recognize product sales revenue when title has transferred to the customer and the customer has assumed the risks and rewards of ownership, the timing of which is based on the specific contractual terms with each customer. In most instances, transfer of title as well as the risks and rewards of ownership occurs upon delivery of the product to the customer. Revenue from product sales is recognized net of provisions for estimated cash discounts, allowances, returns, rebates, and chargebacks, as well as distribution fees paid to certain of our wholesale customers. We establish these provisions concurrently with the recognition of product sales revenue.

Under certain product manufacturing and supply agreements, we rely on estimates for future returns, rebates and chargebacks made by our commercialization counterparties. We make adjustments as needed to state these estimates on a basis consistent with our revenue recognition policy and our methodology for estimating returns, rebates, and chargebacks related to our own direct product sales.

We continually monitor our product sales provisions and evaluate the estimates used as additional information becomes available. We make adjustments to these provisions periodically to reflect new facts and circumstances that may indicate that historical experience may not be indicative of current and/or future results. We are required to make subjective judgments based primarily on our evaluation of current market conditions and trade inventory levels related to our products. This evaluation may result in an increase or decrease in the experience rate that is applied to current and future sales, or an adjustment related to past sales, or both.

Product Sales Provisions

The following table presents the activity and ending balances for our product sales provisions for each of the last three years.

($ in millions)	**Discounts and Allowances** **$**	**Returns** **$**	**Rebates** **$**	**Chargebacks** **$**	**Distribution Fees** **$**	**Total** **$**
Reserve balance, January 1, 2012	7.8	119.1	121.1	15.2	11.5	274.7
Acquisition of Medicis	2.4	61.0	148.4	2.4	7.7	221.9
Current year provision	67.1	57.4	432.2	191.4	44.8	792.9
Prior year provision	—	(10.5)	2.0	—	—	(8.5)
Payments or credits	(58.6)	(55.9)	(334.4)	(181.0)	(50.1)	(680.0)
Reserve balance, December 31, 2012	18.7	171.1	369.3	28.0	13.9	601.0
Acquisition of B&L	49.0	55.4	104.1	20.8	11.7	241.0
Current year provision	241.8	124.6	1,277.1	407.1	156.9	2,207.5
Prior year provision	(0.6)	1.7	—	0.9	—	2.0
Payments or credits	(218.2)	(127.3)	(1,183.9)	(378.0)	(136.3)	(2,043.7)
Reserve balance, December 31, 2013	90.7	225.5	566.6	78.8	46.2	1,007.8
Acquisition of PreCision	3.5	20.7	31.4	1.5	—	57.1
Current year provision	422.1	285.9	1,271.5	985.1	515.4	3,480.0
Prior year provision	0.9	10.3	(0.9)	—	—	10.3
Payments or credits	(390.8)	(162.1)	(1,153.7)	(877.9)	(476.5)	(3,061.0)
Reserve balance, December 31, 2014	126.4	380.3	714.9	187.5	85.1	1,494.2

Use of Information from External Sources

In the U.S., we use information from external sources to estimate our product sales provisions. We have data sharing agreements with the three largest wholesalers in the U.S. Where we do not have data sharing agreements, we use third-party data to estimate the level of product inventories and product demand at wholesalers and retail pharmacies. Third-party data with respect to prescription demand and inventory levels are subject to the inherent limitations of estimates that rely on information from external sources, as this information may itself rely on certain estimates and reflect other limitations.

Our distribution agreements with the three largest wholesalers in the U.S. contain target inventory levels between ½ and 1½ months supply of our products, calculated using historical demand. Inventory levels can fluctuate based on changes in demand, such as the launch of a new

product (such as Jublia®). The inventory data from these wholesalers is provided to us in the aggregate

rather than by specific lot number, which is the level of detail that would be required to determine the original sale date and remaining shelf life of the inventory.

Cash Discounts and Allowances

We offer cash discounts for prompt payment and allowances for volume purchases to customers. Provisions for cash discounts are estimated at the time of sale and recorded as direct reductions to accounts receivable and revenue. We estimate provisions for cash discounts and allowances based on contractual sales terms with customers, an analysis of unpaid invoices, and historical payment experience. Estimated cash discounts and allowances have historically been predictable and less subjective, due to the limited number of assumptions involved, the consistency of historical experience, and the fact that we generally settle these amounts within one month of incurring the liability.

Returns

Consistent with industry practice, we generally allow customers to return product within a specified period before and after its expiration date, excluding our European businesses which generally do not carry a right of return. Our product returns provision is estimated based on historical sales and return rates over the period during which customers have a right of return. We utilize the following information to estimate our provision for returns:

- historical return and exchange levels;
- external data with respect to inventory levels in the wholesale distribution channel;
- external data with respect to prescription demand for our products;
- remaining shelf lives of our products at the date of sale; and
- estimated returns liability to be processed by year of sale based on an analysis of lot information related to actual historical returns.

In determining our estimates for returns, we are required to make certain assumptions regarding the timing of the introduction of new products and the potential of these products to capture market share. In addition, we make certain assumptions with respect to the extent and pattern of decline associated with generic competition. To make these assessments, we utilize market data for similar products as analogs for our estimates. We use our best judgment to formulate these assumptions based on past experience and information available to us at the time. We continually reassess and make the appropriate changes to our estimates and assumptions as new information becomes available to us. A change of 1% in the estimated return rates would have impacted our pre-tax earnings by approximately $50 million for the year ended December 31, 2014.

Our estimate for returns may be impacted by a number of factors, but the principal factor relates to the level of inventory in the distribution channel. When we are aware of an increase in the level of inventory of our products in the distribution channel, we consider the reasons for the increase to determine if the increase may be temporary or other-than-temporary. Increases in inventory levels assessed as temporary will not differ from our original estimates of our provision for returns. Other-than-temporary increases in inventory levels, however, may be an indication that future product returns could be higher than originally anticipated, and, as a result, we may need to adjust our estimate for returns. Some of the factors that may suggest that an increase in inventory levels will be temporary include:

- recently implemented or announced price increases for our products;
- new product launches or expanded indications for our existing products; and
- timing of purchases by our wholesale customers.

Conversely, factors that may suggest that an increase in inventory levels will be other-than-temporary include:

- declining sales trends based on prescription demand;

- introduction of new products or generic competition;

- increasing price competition from generic competitors; and

- recent changes to the U.S. National Drug Codes (“NDC”) of our products, which could result in a period of higher returns related to products with the old NDC, as our U.S. customers generally permit only one NDC per product for identification and tracking within their inventory systems.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Rebates and Chargebacks

We are subject to rebates on sales made under governmental and managed-care pricing programs in the U.S. We participate in state government-managed Medicaid programs, as well as certain other qualifying federal and state government programs whereby discounts and rebates are provided to participating government entities. Medicaid rebates are generally billed 45 days after the quarter, but can be billed up to 270 days after the quarter in which the product is dispensed to the Medicaid participant. As a result, our Medicaid rebate reserve includes an estimate of outstanding claims for end-customer sales that occurred but for which the related claim has not been billed and/or paid, and an estimate for future claims that will be made when inventory in the distribution channel is sold through to plan participants. Our calculation also requires other estimates, such as estimates of sales mix, to determine which sales are subject to rebates and the amount of such rebates. A change of 1% in the volume of product sold through to Medicaid plan participants would have impacted our pre-tax earnings by approximately $48 million for the year ended December 31, 2014. Periodically, we adjust the Medicaid rebate reserve based on actual claims paid. Due to the delay in billing, adjustments to actual claims paid may incorporate revisions of that reserve for several periods.

Managed Care rebates relate to our contractual agreements to sell products to managed care organizations and pharmacy benefit managers at contractual rebate percentages in exchange for volume and/or market share. The reserve balance for Managed Care rebates was $263.3 million, $147.7 million and $139.1 million as of December 31, 2014, 2013 and 2012, respectively.

Chargebacks relate to our contractual agreements to sell products to group purchasing organizations and other indirect customers at contractual prices that are lower than the list prices we charge wholesalers. When these group purchasing organizations or other indirect customers purchase our products through wholesalers at these reduced prices, the wholesaler charges us for the difference between the prices they paid us and the prices at which they sold the products to the indirect customers.

In estimating our provisions for rebates and chargebacks, we consider relevant statutes with respect to governmental pricing programs and contractual sales terms with managed-care providers and group purchasing organizations. We estimate the amount of our product sales subject to these programs based on historical utilization levels. Changes in the level of utilization of our products through private or public benefit plans and group purchasing organizations will affect the amount of rebates and chargebacks that we are obligated to pay. We continually update these factors based on new contractual or statutory requirements, and any significant changes in sales trends that may impact the percentage of our products subject to rebates or chargebacks.

The amount of managed care, Medicaid, and other rebates and chargebacks has become more significant as a result of a combination of deeper discounts due to the price increases we implemented in each of the last three years, changes in our product portfolio due to recent acquisitions and increased Medicaid utilization due to existing economic conditions in the U.S. Our estimate for rebates and chargebacks may be impacted by a number of factors, but the principal factor relates to the level of inventory in the distribution channel.

Rebate provisions are based on factors such as timing and terms of plans under contract, time to process rebates, product pricing, sales volumes, amount of inventory in the distribution channel and prescription trends. Accordingly, we generally assume that adjustments made to rebate provisions relate to sales made in the prior years due to the delay in billing. However, we assume that adjustments made to chargebacks are generally related to sales made in the current year, as we settle these amounts within a few months of original sale. Our adjustments to actual in 2014, 2013 and 2012 were not material to our revenues or earnings.

Consumer Rebates and Loyalty Programs are rebates we offer on many of our products. We generally account for these programs by establishing an accrual based on our estimate of the rebate and loyalty incentives attributable to a sale. We accrue our estimates on historical experience and other relevant factors. We adjust our accruals periodically throughout each quarter based on actual experience and changes in other factors, if any, to ensure the balance is fairly stated. The reserve balance for consumer rebates and loyalty programs was $25.2 million, $113.6 million and $66.8 million as of December 31, 2014, 2013 and 2012, respectively. The decrease in the reserve balance as of December 31, 2014 was due to the sale of the aesthetic brands (facial aesthetic fillers and toxins assets) to Galderma in July 2014. The increase in the reserve balance as of December 31, 2013 compared to December 31, 2012 was due to the launch of physician rebate incentive program for the aesthetic brands.

Distribution Fees

We sell product primarily to wholesalers, and in some instances to large pharmacy chains such as CVS and Wal-Mart. We have entered into Distribution Services Agreements (DSAs) with several large wholesale customers such as McKesson, AmerisourceBergen Corporation, Cardinal, and McKesson Specialty. Under the DSA agreements, the wholesalers agree to provide services, and we pay contracted DSA Fees for these services based on product volumes.

Acquisitions

We have completed several acquisitions of companies, as well as acquisitions of certain assets of companies. To determine whether such acquisitions qualify as business combinations or asset acquisitions, we make certain judgments, which include assessment of the inputs, processes, and outputs associated with the acquired set of activities. If we determine that the acquisition consists of inputs, as well as processes that when applied to those inputs have the ability to create outputs, the acquisition is determined to be a business combination. In instances where the acquired set of activities does not include all of the inputs and processes used by the seller in operating the business, we make judgments as to whether market participants would be capable of acquiring the business and continuing to produce outputs, for example, by integrating the business with their own inputs and processes. If we conclude that market participants would have this capability, the acquisition is determined to be business combination.

In a business combination, we account for acquired businesses using the acquisition method of accounting, which requires that assets acquired and liabilities assumed be recorded at fair value, with limited exceptions. The judgments made in determining the estimated fair value assigned to each class of asset acquired and liability assumed can materially impact our results of operations. As part of our valuation procedures, we typically consult an independent advisor. There are several methods that can be used to determine fair value. For intangible assets, we typically use an excess earnings or relief from royalty method. The excess earnings method starts with a forecast of the net cash flows expected to be generated by the asset over its estimated useful life. These cash flows are then adjusted to present value by applying an appropriate discount rate that reflects the risk factors associated with the cash flow streams. Some of the more significant estimates and assumptions inherent in the excess earnings method include:

- the amount and timing of projected future cash flows, adjusted for the probability of technical success of products in the IPR&D stage;
- the amount and timing of projected costs to develop IPR&D into commercially viable products;
- the discount rate selected to measure the risks inherent in the future cash flows; and
- an assessment of the asset's life-cycle and the competitive trends impacting the asset, including consideration of any technical, legal, regulatory, or economic barriers to entry.

The relief from royalty method involves estimating the amount of notional royalty income that could be generated if the intangible asset was licensed to a third party. The fair value of the intangible asset is the net present value of the prospective stream of the notional royalty income that would be generated over the expected useful life of the intangible asset. Values derived using the relief from royalty method are based on royalty rates observed for comparable intangible assets.

We believe the fair values assigned to the assets acquired and liabilities assumed are based on reasonable assumptions, however, these assumptions may be incomplete or inaccurate, and unanticipated events and circumstances may occur. We will finalize these amounts as we obtain the information necessary to complete the measurement processes. Any changes resulting from facts and circumstances that existed as of the acquisition dates may result in retrospective adjustments to the provisional amounts recognized at the acquisition dates. These changes could be significant. We will finalize these amounts no later than one year from the respective acquisition dates.

Determining the useful life of an intangible asset also requires judgment, as different types of intangible assets will have different useful lives and certain assets may even be considered to have indefinite useful lives. Useful life is the period over which the intangible asset is expected to contribute directly or indirectly to our future cash flows. We determine the useful lives of intangible assets based on a number of factors, such as legal, regulatory, or contractual provisions that may limit the useful life, and the effects of obsolescence, anticipated demand, existence or absence of competition, and other economic factors on useful life. We determined that the B&L corporate trademark has an indefinite useful life as there are no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of this intangible asset.

Acquisition-Related Contingent Consideration

Some of the business combinations that we have consummated include contingent consideration to be potentially paid based upon the occurrence of future events, such as sales performance and the achievement of certain future development, regulatory and sales milestones. Acquisition-related contingent consideration associated with a business combination is initially recognized at fair value and then remeasured each reporting period, with changes in fair value recorded in the consolidated statements of income (loss). The estimates of fair value contain uncertainties as they involve assumptions about the likelihood of achieving specified milestone criteria, projections of future financial performance, and assumed discount rates. Changes in the fair value of the acquisition-related contingent consideration obligations result from several factors including changes in discount periods and rates, changes in the timing and amount of revenue estimates and changes in

probability assumptions with respect to the likelihood

of achieving specified milestone criteria. A change in any of these assumptions could produce a different fair value, which could have a material impact on our results of operations.

Intangible Assets

We evaluate potential impairments of amortizable intangible assets acquired through asset acquisitions or business combinations if events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. Our evaluation is based on an assessment of potential indicators of impairment, such as:

- an adverse change in legal factors or in the business climate that could affect the value of an asset. For example, a successful challenge of our patent rights resulting in earlier than expected generic competition;

- an adverse change in the extent or manner in which an asset is used or is expected to be used. For example, a decision not to pursue a product line-extension strategy to enhance an existing product due to changes in market conditions and/or technological advances; or

- current or forecasted reductions in revenue, operating income, or cash flows associated with the use of an asset. For example, the introduction of a competing product that results in a significant loss of market share.

Impairment exists when the carrying amount of an amortizable intangible asset is not recoverable and its carrying value exceeds its estimated fair value. A discounted cash flow analysis is typically used to determine fair value using estimates and assumptions that market participants would apply. Some of the estimates and assumptions inherent in a discounted cash flow model include the amount and timing of the projected future cash flows, and the discount rate used to reflect the risks inherent in the future cash flows. A change in any of these estimates and assumptions could produce a different fair value, which could have a material impact on our results of operations. In addition, an intangible asset's expected useful life can increase estimation risk, as longer-lived assets necessarily require longer-term cash flow forecasts, which for some of our intangible assets can be up to 25 years. In connection with an impairment evaluation, we also reassess the remaining useful life of the intangible asset and modify it, as appropriate.

Indefinite-lived intangible assets, including IPR&D and the B&L corporate trademark, are tested for impairment annually, or more frequently if events or changes in circumstances between annual tests indicate that the asset may be impaired. Impairment losses on indefinite-lived intangible assets are recognized based solely on a comparison of their fair value to carrying value, without consideration of any recoverability test. In particular, we will continue to monitor closely the progression of our R&D programs, including Vesneo™ (which represents a large portion of our IPR&D asset balance), as their likelihood of success is contingent upon the achievement of future development milestones. Refer to "Products in Development" above for additional information regarding our R&D programs.

Goodwill

Goodwill is not amortized but is tested for impairment at least annually at the reporting unit level. A reporting unit is the same as, or one level below, an operating segment. The fair value of a reporting unit refers to the price that would be received to sell the unit as a whole in an orderly transaction between market participants. We operate in two operating/reportable segments: Developed Markets and Emerging Markets. The Developed Markets segment consists of four reporting units based on geography, namely (i) U.S., (ii) Canada and Australia, (iii) Western Europe, and (iv) Japan. The Emerging Markets segment consists of three reporting units based on geography, namely (i) Central/Eastern Europe, Middle East and North Africa, (ii) Latin America, and (iii) Asia/South Africa. We conducted our annual goodwill impairment test in the fourth quarter of 2014. We estimated the fair values of our reporting units using a discounted cash flow analysis approach. These calculations contain uncertainties as they require us to make assumptions about future cash flows and the appropriate discount rate to reflect the risk inherent in the future cash flows. A change in any of these estimates and assumptions could produce a different fair value, which could have a material impact on our results of operations. We determined that none of the goodwill associated with our reporting units was impaired. The estimated fair values of each reporting unit substantially exceeded their carrying values at the date of testing. We applied a hypothetical 15% decrease to the fair values of each reporting unit, which at such date, would not have triggered additional impairment testing and analysis.

Contingencies

In the normal course of business, we are subject to loss contingencies, such as claims and assessments arising from litigation and other legal proceedings, contractual indemnities, product and environmental liabilities, and tax matters. We are required to accrue for such loss contingencies if it is probable that the outcome will be unfavorable and if the amount of the loss can be reasonably estimated. We evaluate our exposure to loss based on the progress of each contingency, experience in similar

contingencies, and consultation with our legal counsel. We re-evaluate all contingencies as additional information becomes available. Given the uncertainties inherent in complex litigation and other contingencies, these evaluations can involve significant judgment about future events. The ultimate outcome of any litigation or other contingency may be material to our results of operations, financial condition, and cash flows. For a discussion of our current legal proceedings, see note 20 to the 2014 Financial Statements.

Income Taxes

We have operations in various countries that have differing tax laws and rates. Our tax structure is supported by current domestic tax laws in the countries in which we operate and the application of tax treaties between the various countries in which we operate. Our income tax reporting is subject to audit by domestic and foreign tax authorities. Our effective tax rate may change from year to year based on changes in the mix of activities and income allocated or earned among the different jurisdictions in which we operate, changes in tax laws in these jurisdictions, changes in tax treaties between various countries in which we operate, changes in our eligibility for benefits under those tax treaties, and changes in the estimated values of deferred tax assets and liabilities. Such changes could result in an increase in the effective tax rate on all or a portion of our income and/or any of our subsidiaries.

Our provision for income taxes is based on a number of estimates and assumptions made by management. Our consolidated income tax rate is affected by the amount of income earned in our various operating jurisdictions, the availability of benefits under tax treaties, and the rates of taxes payable in respect of that income. We enter into many transactions and arrangements in the ordinary course of business in which the tax treatment is not entirely certain. We must therefore make estimates and judgments based on our knowledge and understanding of applicable tax laws and tax treaties, and the application of those tax laws and tax treaties to our business, in determining our consolidated tax provision. For example, certain countries could seek to tax a greater share of income than has been provided for by us. The final outcome of any audits by taxation authorities may differ from the estimates and assumptions we have used in determining our consolidated income tax provisions and accruals. This could result in a material effect on our consolidated income tax provision, results of operations, and financial condition for the period in which such determinations are made.

Our income tax returns are subject to audit in various jurisdictions. Existing and future audits by, or other disputes with, tax authorities may not be resolved favorably for us and could have a material adverse effect on our reported effective tax rate and after-tax cash flows. We record liabilities for uncertain tax positions, which involve significant management judgment. New laws and new interpretations of laws and rulings by tax authorities may affect the liability for uncertain tax positions. Due to the subjectivity and complex nature of the underlying issues, actual payments or assessments may differ from our estimates. To the extent that our estimates differ from amounts eventually assessed and paid our income and cash flows may be materially and adversely affected.

We assess whether it is more likely than not that we will realize the tax benefits associated with our deferred tax assets and establish a valuation allowance for assets that are not expected to result in a realized tax benefit. A significant amount of judgment is used in this process, including preparation of forecasts of future taxable income and evaluation of tax planning initiatives. If we revise these forecasts or determine that certain planning events will not occur, an adjustment to the valuation allowance will be made to tax expense in the period such determination is made.

Share-Based Compensation

We recognize employee share-based compensation, including grants of stock options and RSUs, at estimated fair value. As there is no market for trading our employee stock options, we use the Black-Scholes option-pricing model to calculate stock option fair values, which requires certain assumptions related to the expected life of the stock option, future stock price volatility, risk-free interest rate, and dividend yield. The expected life of the stock option is based on historical exercise and forfeiture patterns. The expected volatility of our common stock is estimated by using implied volatility in market traded options. The risk-free interest rate is based on the rate at the time of grant for U.S. Treasury bonds with a remaining term equal to the expected life of the stock option. Dividend yield is based on the stock option's exercise price and expected annual dividend rate at the time of grant. Changes to any of these assumptions, or the use of a different option-pricing model, such as the lattice model, could produce a different fair value for share-based compensation expense, which could have a material impact on our results of operations.

We determine the fair value of each RSU granted based on the trading price of our common shares on the date of grant, unless the vesting of the RSU is conditional on the attainment of any applicable performance goals, in which case we use a Monte Carlo simulation model. The Monte Carlo simulation model utilizes multiple input variables to estimate the probability that the performance condition will be achieved. Changes to any of these inputs could materially affect the measurement of the fair value of the performance-based RSUs.

Employee Benefits

Our benefits plans include defined benefit pension plans, defined contribution plans and a participatory defined benefit postretirement plan. The determination of defined benefit pension and postretirement plan obligations and their associated expenses requires the use of actuarial valuations to estimate the benefits employees earn while working, as well as the present value of those benefits. Inherent in these valuations are economic assumptions including expected returns on plan assets, discount rates at which liabilities could be settled, rates of increase in healthcare costs, rates of future compensation increases as well as employee demographic assumptions such as retirement patterns, mortality and turnover. The actuarial assumptions used may differ materially from actual results due to changing market and economic conditions, higher or lower turnover rates or longer or shorter life spans of participants. Actual results that differ from the actuarial assumptions used are recorded as actuarial gains and losses. We review the assumptions annually (and more frequently if a significant event occurs) and make any necessary changes.

Our U.S. defined benefit pension plan and our Ireland plans incurred net actuarial losses of $30.3 million and $84.7 million in 2014, respectively, reflecting the increase in the plan's obligation resulting primarily from a lower discount rate, partially offset by an actual return on plan assets exceeding expected returns for the Ireland plan.

The following is a discussion of the most significant assumptions used in connection with our employee benefit plans **.** The expected long-term rate of return on plan assets was developed based on a capital markets model that uses expected asset class returns, variance and correlation assumptions. The expected asset class returns were developed starting with current Treasury (for the U.S. pension plan) or Eurozone (for the Ireland pension plans) government yields and then adding corporate bond spreads and equity risk premiums to develop the return expectations for each asset class. The expected asset class returns are forward-looking. The variance and correlation assumptions are also forward-looking. They take into account historical relationships, but are adjusted to reflect expected capital market trends. The expected return on plan assets for the Company's U.S. pension plan for 2014 was 7.50% and for the postretirement benefit plan was 5.50%. The expected return for the postretirement plan is based on the expected return for the U.S. pension plan reduced by 2.00% to reflect an estimate of additional administrative expenses. The expected return on plan assets for the Company's Ireland pension plans was 6.00% for 2014.

The 2015 expected rate of return for the U.S. pension plan and postretirement plan will remain at 7.50% and 5.50%, respectively. The 2015 expected rate of return for the Ireland pension benefit plans will remain at 6.00%.

The discount rate reflects the current rate at which the benefit plan liabilities could be effectively settled considering the timing of expected payments for plan participants. The discount rates for the U.S. pension and postretirement benefit plans and the Ireland pension plans were based on models that calculate a discount rate as an average of semi-annual spot rates weighted by the estimated projected plan cash flows. The models for the U.S. pension and postretirement benefit plans were derived from pricing and yield information on high quality non-callable U.S. corporate bonds.

Due to the long-term nature of the Ireland pension plans projected cash flows and the lack of long-term high quality corporate bonds in the Eurozone, the model for the Ireland pension plans was derived from pricing and yield information on Eurozone treasury bonds. An option-adjusted spread was added to the resulting Eurozone treasury yield curve to produce a proxy to high quality corporate bonds. The discount rate used for the U.S. pension and postretirement plans at December 31, 2014 was 3.90% and 3.70%, respectively. The discount rate used for the Ireland plans at December 31, 2014 was 2.40%.

The following table illustrates the sensitivity of the U.S. pension and postretirement plan and Ireland plan obligations and expenses to changes in the above assumptions, assuming all other assumptions remain constant.

Changes in Assumption	Pre-Tax Impact on U.S. Pension Benefit Plan Expenses (Decrease) Increase	Impact on U.S. Pension Benefit Plan Liabilities (Decrease) Increase
	($ in millions)	
Expected return on plan assets		
Increase one percentage point	$ (1.9)	Not applicable
Decrease one percentage point	1.9	Not applicable
Discount rate		
Increase one percentage point	(1.3)	$ (24.0)
Decrease one percentage point	(0.3)	26.3

Changes in Assumption	Pre-Tax Impact on Postretirement Benefit Plan Expenses (Decrease) Increase	Impact on Postretirement Benefit Plan Liabilities (Decrease) Increase
	($ in millions)	
Expected return on plan assets		
Increase one percentage point	$ (0.1)	Not applicable
Decrease one percentage point	0.1	Not applicable
Discount rate		
Increase one percentage point	0.4	$ (4.6)
Decrease one percentage point	(0.4)	5.4

Changes in Assumption	Pre-Tax Impact on Ireland Plan Expenses (Decrease) Increase	Impact on Ireland Plan Liabilities (Decrease) Increase
	($ in millions)	
Expected return on plan assets		
Increase one percentage point	$ (1.2)	Not applicable
Decrease one percentage point	1.2	Not applicable
Discount rate		
Increase one percentage point	(2.0)	$ (50.4)
Decrease one percentage point	0.4	66.6

NEW ACCOUNTING STANDARDS

Information regarding the recently issued new accounting guidance (adopted and not adopted as of December 31, 2014) is contained in note 2 to the 2014 Financial Statements.

FORWARD-LOOKING STATEMENTS

Caution regarding forward-looking information and statements and "Safe-Harbor" statements under the U.S. Private Securities Litigation Reform Act of 1995:

To the extent any statements made in this Annual Report on Form 10-K contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and may be forward-looking information within the meaning defined under applicable Canadian securities legislation (collectively, "forward-looking statements").

These forward-looking statements relate to, among other things: the expected benefits of our acquisitions and other transactions (including the proposed acquisition of Salix), such as cost savings, operating synergies and growth potential of the Company; business plans and prospects, prospective products or product approvals, future performance or results of current and anticipated products; exposure to foreign currency exchange rate changes and interest rate changes; the outcome of contingencies, such as certain litigation and regulatory proceedings; general market conditions; and our expectations regarding our financial performance, including revenues, expenses, gross margins, liquidity and

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Forward-looking statements can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "estimate", "plan", "continue", "will", "may", "could", "would", "should", "target", "potential", "opportunity", "tentative", "positioning", "designed", "create", "predict", "project", "seek", "ongoing", "increase", or "upside" and variations or other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements may not be appropriate for other purposes. Although we have indicated above certain of these statements set out herein, all of the statements in this Form 10-K that contain forward-looking statements are qualified by these cautionary statements. These statements are based upon the current expectations and beliefs of management. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including, but not limited to, factors and assumptions regarding the items outlined above. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following:

- the challenges and difficulties associated with managing the rapid growth of our Company and a large complex business;
- our ability to retain, motivate and recruit executives and other key employees;
- the introduction of products that compete against our products that do not have patent or data exclusivity rights;
- our ability to compete against companies that are larger and have greater financial, technical and human resources than we do, as well as other competitive factors, such as technological advances achieved, patents obtained and new products introduced by our competitors;
- our ability to identify, finance, acquire, close and integrate acquisition targets successfully and on a timely basis;
- factors relating to the acquisition and integration of the companies, businesses and products acquired by the Company, such as the time and resources required to integrate such companies, businesses and products, the difficulties associated with such integrations (including potential disruptions in sales activities and potential challenges with information technology systems integrations), the difficulties and challenges associated with entering into new business areas and new geographic markets, the difficulties, challenges and costs associated with managing and integrating new facilities, equipment and other assets, and the achievement of the anticipated benefits from such integrations, as well as risks associated with the acquired companies, businesses and products;
- factors relating to our ability to achieve all of the estimated synergies from our acquisitions as a result of cost-rationalization and integration initiatives. These factors may include greater than expected operating costs, the difficulty in eliminating certain duplicative costs, facilities and functions, and the outcome of many operational and strategic decisions, some of which have not yet been made;
- factors relating to our proposed acquisition of Salix, including our ability to consummate such transaction on a timely basis, if at all; the impact of substantial additional debt on our financial condition and results of operations; our ability to effectively and timely integrate the operations of the Company and Salix; our ability to achieve the estimated synergies from this proposed transaction; and, once integrated, the effects of such business combination on our future financial condition, operating results, strategy and plans;
- our ability to secure and maintain third party research, development, manufacturing, marketing or distribution arrangements;
- our eligibility for benefits under tax treaties and the continued availability of low effective tax rates for the business profits of certain of our subsidiaries;
- our substantial debt and debt service obligations and their impact on our financial condition and results of operations;
- our future cash flow, our ability to service and repay our existing debt, our ability to raise additional funds, if needed, and any restrictions that are or may be imposed as a result of our current and future indebtedness, in light of our current and projected levels of operations, acquisition activity and general economic conditions;
- any downgrade by rating agencies in our corporate credit ratings, which may impact, among other things, our ability to raise additional debt capital and implement elements of our growth strategy;

- interest rate risks associated with our floating rate debt borrowings;

- the risks associated with the international scope of our operations, including our presence in emerging markets and the challenges we face when entering new geographic markets (including the challenges created by new and different regulatory regimes in such countries);

- adverse global economic conditions and credit market and foreign currency exchange uncertainty in the countries in which we do business (such as the recent instability in Russia, Ukraine and the Middle East);

- economic factors over which the Company has no control, including changes in inflation, interest rates, foreign currency rates, and the potential effect of such factors on revenues, expenses and resulting margins;

- the introduction of generic competitors of our branded products;

- our ability to obtain and maintain sufficient intellectual property rights over our products and defend against challenges to such intellectual property;

- the outcome of legal proceedings, arbitrations, investigations and regulatory proceedings;

- the risk that our products could cause, or be alleged to cause, personal injury and adverse effects, leading to potential lawsuits, product liability claims and damages and/or withdrawals of products from the market;

- the availability of and our ability to obtain and maintain adequate insurance coverage and/or our ability to cover or insure against the total amount of the claims and liabilities we face, whether through third party insurance or self-insurance;

- the difficulty in predicting the expense, timing and outcome within our legal and regulatory environment, including with respect to approvals by the U.S. Food and Drug Administration, Health Canada and similar agencies in other countries, legal and regulatory proceedings and settlements thereof, the protection afforded by our patents and other intellectual and proprietary property, successful generic challenges to our products and infringement or alleged infringement of the intellectual property of others;

- the results of continuing safety and efficacy studies by industry and government agencies;

- the availability and extent to which our products are reimbursed by government authorities and other third party payors, as well as the impact of obtaining or maintaining such reimbursement on the price of our products;

- the inclusion of our products on formularies or our ability to achieve favorable formulary status, as well as the impact on the price of our products in connection therewith;

- the impact of price control restrictions on our products, including the risk of mandated price reductions;

- the success of preclinical and clinical trials for our drug development pipeline or delays in clinical trials that adversely impact the timely commercialization of our pipeline products, as well as factors impacting the commercial success of our currently marketed products, which could lead to material impairment charges;

- the results of management reviews of our research and development portfolio, conducted periodically and in connection with certain acquisitions, the decisions from which could result in terminations of specific projects which, in turn, could lead to material impairment charges;

- negative publicity or reputational harm to our products and business;

- the uncertainties associated with the acquisition and launch of new products, including, but not limited to, the acceptance and demand for new pharmaceutical products, and the impact of competitive products and pricing;

- our ability to obtain components, raw materials or finished products supplied by third parties and other manufacturing and related supply difficulties, interruptions and delays;

- the disruption of delivery of our products and the routine flow of manufactured goods;

- the seasonality of sales of certain of our products;

- declines in the pricing and sales volume of certain of our products that are distributed or marketed by third parties, over which we have no or limited control;

- compliance with, or the failure to comply with, health care "fraud and abuse" laws and other extensive regulation of our marketing, promotional and pricing practices, worldwide anti-bribery laws (including the U.S. Foreign Corrupt Practices Act), worldwide environmental laws and regulation and privacy and security regulations;

- the impacts of the Patient Protection and Affordable Care Act (as amended) and other legislative and regulatory healthcare reforms in the countries in which we operate;

- interruptions, breakdowns or breaches in our information technology systems; and

- other risks detailed from time to time in our filings with the SEC and the Canadian Securities Administrators (the "CSA"), as well as our ability to anticipate and manage the risks associated with the foregoing.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found elsewhere in this Form 10-K, under Item 1A. "Risk Factors", and in the Company's other filings with the SEC and CSA. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect actual outcomes, except as required by law. We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the foregoing list of important factors that may affect future results is not exhaustive and should not be considered a complete statement of all potential risks and uncertainties.

MANAGEMENT'S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

We performed an evaluation of the effectiveness of our disclosure controls and procedures that are designed to ensure that the material financial and non-financial information required to be disclosed on reports and filed or submitted with the SEC is recorded, processed, summarized, and reported in a timely manner. Based on our evaluation, our management, including Chief Executive Officer (the "CEO") and Chief Financial Officer ("CFO"), has concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) as of December 31, 2014 are effective. Notwithstanding the foregoing, there can be no assurance that our disclosure controls and procedures will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be set forth in our reports.

Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Under the supervision and with the participation of management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework described in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation under this framework, management concluded that our internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of the Company's internal controls over financial reporting as of December 31, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report on page F-3 of the 2014 Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting identified in connection with the evaluation thereof by our management, including the CEO and CFO, during the quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Information relating to quantitative and qualitative disclosures about market risk is detailed in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosures About Market Risk" and is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The information required by this Item is contained in the financial statements set forth in Item 15. "Exhibits, Financial Statement Schedules" as part of this Form 10-K and is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this annual report (the "Evaluation Date"). Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective.

Internal Control Over Financial Reporting

(a) Management's Annual Report on Internal Control Over Financial Reporting . Management's Annual Report on Internal Control Over Financial Reporting is incorporated herein by reference from Part II, Item 8 of this report.

(b) Report of the Registered Public Accounting Firm . The Report of the Registered Public Accounting Firm on the Company's internal control over financial reporting is incorporated herein by reference from Part II, Item 8 of this report.

(c) Changes in Internal Control Over Financial Reporting . There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the last fiscal quarter of 2014 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required under this Item is incorporated herein by reference from information included in the 2015 Proxy Statement.

The Board of Directors has adopted a Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer, the principal accounting officer, controller, and all vice presidents and above in the finance department of the Company worldwide. A copy of the Code of Ethics can be found as an annex to our Standards of Business Conduct, which is located on our website at: www.valeant.com. We intend to satisfy the SEC disclosure requirements regarding amendments to, or waivers from, any provisions of our Code of Ethics on our website.

Item 11. Executive Compensation

Information required under this Item relating to executive compensation is incorporated herein by reference from information included in the 2015 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required under this Item relating to securities authorized for issuance under equity compensation plans and to security ownership of certain beneficial owners and management is incorporated herein by reference from information included in the 2015 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required under this Item relating to certain relationships and transactions with related parties and about director independence is incorporated herein by reference from information included in the 2015 Proxy Statement.

Item 14. Principal Accounting Fees and Services

Information required under this Item relating to the fees for professional services rendered by our independent auditors in 2014 and 2013 is incorporated herein by reference from information included in the 2015 Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Documents filed as a part of the report:

(1) The consolidated financial statements required to be filed in the Annual Report on Form 10-K are listed on page F-1 hereof.

(2) Schedule II — Valuation and Qualifying Accounts.

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
(All dollar amounts expressed in millions of U.S. dollars)

	Balance at Beginning of Year	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Year
Year ended December 31, 2014					
Allowance for doubtful accounts	$ 27.6	$ 5.2	$ 7.9	$ (4.8)	$ 35.9
Deferred tax asset valuation allowance	$ 477.6	$ 272.6	$ 109.0	$ —	$ 859.2
Year ended December 31, 2013					
Allowance for doubtful accounts	$ 12.5	$ 5.8	$ 10.2	$ (0.9)	$ 27.6
Deferred tax asset valuation allowance	$ 124.5	$ 214.1	$ 139.0	$ —	$ 477.6
Year ended December 31, 2012					
Allowance for doubtful accounts	$ 12.3	$ 0.8	$ (0.5)	$ (0.1)	$ 12.5
Deferred tax asset valuation allowance	$ 128.7	$ (2.2)	$ (2.0)	$ —	$ 124.5

With respect to the deferred tax valuation allowance, the amount in 2014 charged to other accounts relates primarily to foreign currency fluctuations on debt. The amount in 2013 charged to other accounts relates primarily to valuation allowances assumed as part of acquisitions consummated during the year, with the most significant contributor being the B&L Acquisition.

(3) Exhibits

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description
2.1	Agreement and Plan of Merger, dated as of June 20, 2010, among Valeant, the Company, Biovail Americas Corp. and Beach Merger Corp., originally filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on June 23, 2010, which is incorporated by reference herein.††
2.2	Stock Purchase Agreement, dated January 31, 2011, between Biovail International S.a.r.l. and the stockholders of PharmaSwiss SA, originally filed as Exhibit 2.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on February 28, 2011, which is incorporated by reference herein.**††
2.3	Asset Purchase Agreement, dated February 2, 2011, between Biovail Laboratories International SRL and GlaxoSmithKline LLC, originally filed as Exhibit 2.8 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on February 28, 2011, which is incorporated by reference herein.**††
2.4	Asset Purchase Agreement dated July 8, 2011 among the Company, Valeant International (Barbados) SRL and Sanofi, originally filed as Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2011 filed on August 8, 2011, which is incorporated by reference herein. **††
2.5	Asset Purchase Agreement dated July 15, 2011 among the Company (as guarantor only), Valeant International (Barbados) SRL, Valeant Pharmaceuticals North America LLC and Janssen Pharmaceuticals, Inc., originally filed as Exhibit 2.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2011 filed on August 8, 2011, which is incorporated by reference herein.**††
2.6	Agreement and Plan of Merger, dated as of September 2, 2012, among the Company, Valeant, Merlin Merger Sub, Inc. and Medicis Pharmaceutical Corporation, originally filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on September 4, 2012, which is incorporated by reference herein.
2.7	Agreement and Plan of Merger, dated as of March 19, 2013, by and among Valeant, Odysseus Acquisition Corp., the Company and Obagi Medical Products, Inc., originally filed as Exhibit 2.1 to Obagi Medical Products, Inc.'s Current Report on Form 8-K filed on March 20, 2013, which is incorporated by reference herein.
2.8	Amendment to Agreement and Plan of Merger, dated as of April 3, 2013, by and among Valeant, Odysseus Acquisition Corp., Obagi Medical Products, Inc. and the Company, originally filed as Exhibit 2.1 to Obagi Medical Products, Inc.'s Current Report on Form 8-K filed on April 3, 2013, which is incorporated by reference herein.
2.9	Agreement and Plan of Merger, dated as of May 24, 2013, by and among the Company, Valeant, Stratos Merger Corp. and Bausch & Lomb Holdings Incorporated, originally filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on May 31, 2013, which is incorporated by reference herein.
2.10	Amendment No. 1, dated August 2, 2013, to the Agreement and Plan of Merger, dated as of May 24, 2013, by and among the Company, Valeant, Stratos Merger Corp. and Bausch & Lomb Holdings Incorporated, originally filed as Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013 filed on November 1, 2013, which is incorporated by reference herein.
2.11	Amendment No. 2, dated August 5, 2013, to the Agreement and Plan of Merger, dated as of May 24, 2013, by and among the Company, Valeant, Stratos Merger Corp. and Bausch & Lomb Holdings Incorporated, originally filed as Exhibit 2.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013 filed on November 1, 2013, which is incorporated by reference herein.
2.12††	Agreement and Plan of Merger, dated as of February 20, 2015, among the Company, Valeant, Salix Merger Sub, Inc. and Salix Pharmaceuticals, Ltd., originally filed as Exhibit 2.1 to the Company's Form 8-K filed on February 23, 2015, which is incorporated by reference herein.
3.1	Certificate of Continuation, dated August 9, 2013, originally filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 13, 2013, which is incorporated by reference herein.
3.2	Notice of Articles of Valeant Pharmaceuticals International, Inc., dated August 9, 2013, originally filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed on August 13, 2013, which is incorporated by reference herein.
3.3	Articles of Valeant Pharmaceuticals International, Inc., dated August 8, 2013, originally filed as Exhibit 3.3 to the Company's Current Report on Form 8-K filed on August 13, 2013, which is incorporated by reference herein.
4.1	Indenture, dated as of September 28, 2010, among Valeant, the Company, The Bank of New York Mellon Trust Company, N.A., as trustee, and the guarantors named therein, governing the 6.75% Senior Notes due 2017 and the 7.00% Senior Notes due 2020, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 1, 2010, which is incorporated by reference herein.
4.2	Indenture, dated as of November 23, 2010, by and among Valeant, the Company, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee, governing the 6.875% Senior Notes due 2018, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 26, 2010, which is incorporated by reference herein.

4.3	Indenture, dated as of February 8, 2011, by and among Valeant, the Company, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee, governing the 6.750% Senior Notes due 2021, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 9, 2011, which is incorporated by reference herein.
4.4	Indenture, dated as of March 8, 2011, by and among Valeant, the Company, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee, governing the 6.500% Senior Notes due 2016 and the 7.250% Senior Notes due 2022, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 10, 2011, which is incorporated by reference herein.
4.5	Indenture, dated as of October 4, 2012 (the "Escrow Corp Indenture"), by and among VPI Escrow Corp. and The Bank of New York Mellon Trust Company, N.A., as Trustee, governing the 6.375% Senior Notes due 2020 (the "2020 Senior Notes"), originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 9, 2012, which is incorporated by reference herein.
4.6	Supplemental Indenture to the Escrow Corp Indenture, dated as of October 4, 2012, by and among VPI Escrow Corp., Valeant, the Company, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee governing the 2020 Senior Notes, originally filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 9, 2012, which is incorporated by reference herein.
4.7	Indenture, dated as of October 4, 2012, by and among Valeant, the Company, the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee, governing the 6.375% Senior Notes due 2020 (the "6.375% Senior Notes"), originally filed as Exhibit 4.3 to the Company's Current Report on Form 8-K filed on October 9, 2012, which is incorporated by reference herein.
4.8	Indenture, dated as of July 12, 2013, between VPII Escrow Corp. and the Bank of New York Mellon Trust Company, N.A., as trustee, respecting the 6.75% Senior Notes due 2018 and the 7.50% Senior Notes due 2021, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 12, 2013, which is incorporated by reference herein.
4.9	Supplemental Indenture to the Indenture, dated as of July 12, 2013, among the Company, the guarantors named therein and the Bank of New York Mellon Trust Company, N.A., as trustee, respecting the 6.75% Senior Notes due 2018 and the 7.50% Senior Notes due 2021, originally filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on July 12, 2013, which is incorporated by reference herein.
4.10	Indenture, dated as of December 2, 2013, between the Company, the guarantors named therein and the Bank of New York Mellon Trust Company, N.A., as trustee, respecting the 5.625% Senior Notes due 2021, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 2, 2013, which is incorporated by reference herein.
4.11	Indenture, dated as of January 30, 2015, between the Company, the guarantors named therein and the Bank of New York Mellon Trust Company, N.A., as trustee, respecting the 5.50% Senior Notes due 2023, originally filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 30, 2015, which is incorporated by reference herein.
10.1†	Valeant Pharmaceuticals International, Inc. 2014 Omnibus Incentive Plan (the "2014 Omnibus Incentive Plan"), as approved by the shareholders on May 20, 2014, originally filed as Exhibit B to the Company's Management Proxy Circular and Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 22, 2014, which is incorporated by reference herein.
10.2†*	Form of Share Unit Grant Agreement (Performance Vesting) (Performance Restricted Share Units), under the 2014 Omnibus Incentive Plan.
10.3†*	Form of Stock Option Grant Agreement (Nonstatutory Stock Options), under the 2014 Omnibus Incentive Plan.
10.4†*	Form of Matching Restricted Stock Unit Award Agreement (Matching Units), under the 2014 Omnibus Incentive Plan.
10.5†	Valeant Pharmaceuticals International, Inc. 2011 Omnibus Incentive Plan (the "2011 Omnibus Incentive Plan"), effective as of April 6, 2011, as amended on and approved by the shareholders on May 16, 2011, originally filed as Annex A to the Company's Management Proxy Circular and Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 14, 2011, as amended by the Supplement dated May 10, 2011 to the Company's Management Proxy Circular and Proxy Statement filed with the Securities and Exchange Commission on May 10, 2011, which is incorporated by reference herein.
10.6†	Form of Stock Option Grant Agreement under the 2011 Omnibus Incentive Plan, originally filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed on February 28, 2012, which is incorporated by reference herein.
10.7†	Form of Matching Restricted Stock Unit Grant Agreement under the 2011 Omnibus Incentive Plan, originally filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed on February 28, 2012, which is incorporated by reference herein.
10.8†	Form of Share Unit Grant Agreement (Performance Vesting) under the 2011 Omnibus Incentive Plan, originally filed as Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed on February 28, 2012, which is incorporated by reference herein.

10.9†	Biovail Corporation 2007 Equity Compensation Plan (the "2007 Equity Compensation Plan") dated as of May 16, 2007, originally filed as Exhibit 10.49 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed on February 26, 2010, which is incorporated by reference herein.
10.10†	Amendment No. 1 to the 2007 Equity Compensation Plan dated as of December 18, 2008, originally filed as Exhibit 10.50 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed on February 26, 2010, which is incorporated by reference herein.
10.11†	Amendment, dated April 6, 2011 and approved by the shareholders on May 16, 2011, to the 2007 Equity Compensation Plan, originally filed as Annex B to the Company's Management Proxy Circular and Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 14, 2011, which is incorporated by reference herein.
10.12†	Form of Stock Option Grant Notice and Form of Stock Option Grant Agreement under the 2007 Equity Compensation Plan, originally filed as Exhibit 10.44 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on February 28, 2011, which is incorporated by reference herein.
10.13†	Form of Unit Grant Notice and Form of Unit Grant Agreement under the 2007 Equity Compensation Plan, originally filed as Exhibit 10.45 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on February 28, 2011, which is incorporated by reference herein.
10.14†	Form of Unit Grant Notice (Performance Vesting) and Form of Unit Grant Agreement (Performance Vesting) under the 2007 Equity Compensation Plan, originally filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on February 28, 2011, which is incorporated by reference herein.
10.15†	Valeant Pharmaceuticals International, Inc. Directors Share Unit Plan, effective May 16, 2011, originally filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2011 filed on August 8, 2011, which is incorporated by reference herein.
10.16†	Biovail Americas Corp. Executive Deferred Compensation Plan, as amended and restated effective January 1, 2009, originally filed as Exhibit 10.60 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed on February 26, 2010, which is incorporated by reference herein.
10.17†	Employment Agreement between Valeant Pharmaceuticals International, Inc. and J. Michael Pearson, dated as of January 7, 2015, originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 13, 2015, which is incorporated by reference herein.
10.18†	Employment Letter between the Company and Howard Schiller, dated as of November 10, 2011, originally filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed on February 29, 2012, which is incorporated by reference herein.
10.19†	Employment Letter between the Company and Robert Chai-Onn, dated as of January 13, 2014, originally filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on February 28, 2014, which is incorporated by reference herein.
10.20†*	Employment Letter between the Company and Ari Kellen dated as of December 30, 2014.
10.21†*	Employment Letter between the Company and Pavel Mirovsky dated as of April 2, 2012.
10.22	Third Amended and Restated Credit and Guaranty Agreement, dated as of February 13, 2012, among the Company, certain subsidiaries of the Company as guarantors, each of the lenders named therein, J.P. Morgan Securities LLC, Goldman Sachs Lending Partners LLC ("GSLP") and Morgan Stanley Senior Funding, Inc. ("Morgan Stanley"), as Joint Lead Arrangers and Joint Bookrunners, JPMorgan Chase Bank, N.A. ("JPMorgan") and Morgan Stanley, as Co-Syndication Agents, JPMorgan, as Issuing Bank, GSLP, as Administrative Agent and Collateral Agent, and the other agents party thereto (the "Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc."), originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 17, 2012, which is incorporated by reference herein.
10.23	Amendment No. 1, dated March 6, 2012, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012 filed on November 5, 2012, which is incorporated by reference herein.
10.24	Amendment No. 2, dated September 10, 2012, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012 filed on November 5, 2012, which is incorporated by reference herein.
10.25	Amendment No. 3, dated January 24, 2013, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed on February 28, 2013, which is incorporated by reference herein.
10.26	Amendment No. 4, dated February 21, 2013, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed on February 28, 2013, which is incorporated by reference herein.

10.27	Amendment No. 5, dated as of June 6, 2013, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2013 filed on August 7, 2013, which is incorporated by reference herein.
10.28	Amendment No. 6, dated June 26, 2013, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2013 filed on August 7, 2013, which is incorporated by reference herein.
10.29	Amendment No. 7, dated September 17, 2013, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013 filed on November 1, 2013, which is incorporated by reference herein.
10.30	Amendment No. 8, dated December 20, 2013, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on February 28, 2014, which is incorporated by reference herein.
10.31*	Successor Agent Agreement and Amendment No. 9 to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc. , dated as of January 8, 2015, by and among the Company, certain subsidiaries of the Company as guarantors, each of the lenders named therein, Barclays Bank PLC, as the successor agent, and GSLP.
10.32	Joinder Agreement, dated June 14, 2012, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 15, 2012, which is incorporated by reference herein.
10.33	Joinder Agreement, dated July 9, 2012, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2012 filed on August 3, 2012, which is incorporated by reference herein.
10.34	Joinder Agreement, dated as of September 11, 2012, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012 filed on November 5, 2012, which is incorporated by reference herein.
10.35	Joinder Agreement, dated as of October 2, 2012, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 9, 2012, which is incorporated by reference herein.
10.36	Joinder Agreement, dated as of December 11, 2012, to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc. originally filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed on February 28, 2013, which is incorporated by reference herein.
10.37	Joinder Agreement dated August 5, 2013 to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., relating to the Series A-2 Tranche A Term Loans, originally filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed on August 7, 2013, which is incorporated by reference herein.
10.38	Joinder Agreement dated August 5, 2013 to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., relating to the Series E Tranche B Term Loans, originally filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed on August 7, 2013, which is incorporated by reference herein.
10.39	Joinder Agreement dated February 6, 2014 to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., relating to the Additional Series A-3 Tranche A Term Loan Commitment, originally filed as Exhibit 10.36 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on February 28, 2014, which is incorporated by reference herein.
10.40	Joinder Agreement dated February 6, 2014 to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., relating to the Series E-1 Tranche B Term Loan Commitment, originally filed as Exhibit 10.37 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on February 28, 2014, which is incorporated by reference herein.
10.41*	Joinder Agreement dated January 22, 2015 to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., relating to the New Revolving Loan Commitment.
10.42*	Joinder Agreement dated January 22, 2015 to the Third Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., relating to the Additional Series A-3 Tranche A Term Loan Commitment.
10.43	Commitment Letter, dated as of May 24, 2013, among the Company, Valeant, Goldman Sachs Lending Partners LLC and Goldman Sachs Bank USA, originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 31, 2013, which is incorporated by reference herein.

10.44	Second Amended and Restated Credit and Guaranty Agreement, dated as of October 20, 2011, among the Company, certain subsidiaries of the Company, as Guarantors, each of the lenders named therein, GSLP and J.P. Morgan Securities LLC, as Joint Lead Arrangers and Joint Bookrunners, JPMorgan, as Syndication Agent and Issuing Bank, GSLP, as Administrative Agent and Collateral Agent, and the other agents party thereto (the "Second Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc."), originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 26, 2011, which is incorporated by reference herein.
10.45	Amendment No. 1, dated as of February 13, 2012, to the Second Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, Inc., originally filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on February 17, 2012, which is incorporated by reference herein.
10.46	Amended and Restated Credit and Guaranty Agreement, dated as of August 10, 2011, among Valeant, and the Company and certain subsidiaries of the Company, as Guarantors, each of the lenders named therein, GSLP as Sole Lead Arranger, Sole Bookrunner and Syndication Agent, and GSLP, as Administrative Agent and Collateral Agent (the "Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International"), originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 15, 2011, which is incorporated by reference herein.
10.47	Amendment No. 1, dated as of August 12, 2011, to the Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, originally filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 15, 2011, which is incorporated by reference herein.
10.48	Amendment No. 2, dated as of September 6, 2011, to the Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, originally filed as Exhibit 10.32 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed on February 29, 2012, which is incorporated by reference herein.
10.49	Amendment No. 3, dated as of October 20, 2011, to the Amended and Restated Credit and Guaranty Agreement of Valeant Pharmaceuticals International, originally filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on October 26, 2011, which is incorporated by reference herein.
10.50	Credit and Guaranty Agreement, dated June 29, 2011, among Valeant, the Company and certain subsidiaries of the Company, as Guarantors, each of the lenders named therein, GSLP as Sole Lead Arranger, Sole Bookrunner and Syndication Agent, and GSLP, as Administrative Agent and Collateral Agent (the "Credit and Guaranty Agreement of Valeant Pharmaceuticals International"), originally filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 6, 2011, which is incorporated by reference herein.
10.51	Amendment No. 1, dated as of August 10, 2011, to the Credit and Guaranty Agreement of Valeant Pharmaceuticals International, originally filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 15, 2011, which is incorporated by reference herein.
10.52	Trademark and Domain Name License Agreement, dated as of February 22, 2011, by and between GlaxoSmithKline LLC and Biovail Laboratories International SRL, originally filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on February 28, 2011, which is incorporated by reference herein.
10.53	Plea Agreement and Side Letter, dated as of May 16, 2008, between United States Attorney for the District of Massachusetts and Biovail Pharmaceuticals, Inc., originally filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed on February 26, 2010, which is incorporated by reference herein.
10.54	Corporate Integrity Agreement, dated as of September 11, 2009, between the Company and the Office of Inspector General of the Department of Health and Human Services, originally filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed on February 26, 2010, which is incorporated by reference herein.
10.55	Settlement Agreement, dated as of September 11, 2009, among the United States of America, United States Department of Justice, Office of Inspector General of the Department of Health and Human Services and the Company, originally filed as Exhibit 10.32 to the Company's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2009 filed on February 26, 2010, which is incorporated by reference herein.
10.56	Securities Litigation, Stipulation and Agreement of Settlement, dated as of April 4, 2008, between the United States District Court, Southern District of New York and the Company, originally filed as Exhibit 10.33 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed on February 26, 2010, which is incorporated by reference herein.
10.57	Settlement Agreement, dated January 7, 2009, between Staff of the Ontario Securities Commission and the Company, originally filed as Exhibit 10.34 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed on February 26, 2010, which is incorporated by reference herein.
10.58	Settlement Agreement, dated March 2008, between the U.S. Securities and Exchange Commission and the Company, originally filed as Exhibit 10.35 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed on February 26, 2010, which is incorporated by reference herein.
10.59	Letter Agreement, dated May 30, 2014, between the Company and Pershing Square Capital Management, L.P., originally filed as Exhibit 99.3 to the Company's Schedule 13D/A filed on June 2, 2014, which is incorporated by reference herein.

10.60	Letter Agreement, dated February 25, 2014, between the Company and Pershing Square Capital Management L.P., originally filed as Exhibit 99.3 to the Company's Schedule 13D filed on April 21, 2014, which is incorporated by reference herein.
10.61	Commitment Letter, dated as of February 20, 2015, among the Company, Valeant, Deutsche Bank AG New York Branch, Deutsche Bank AG Cayman Islands Branch, Deutsche Bank Securities Inc., HSBC Bank USA, National Association, HSBC Bank Canada, The Hongkong and Shanghai Banking Corporation Limited, HSBC Securities (USA) Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., DNB Capital LLC, DNB Markets, Inc., SunTrust Bank and SunTrust Robinson Humphrey, Inc., originally filed as Exhibit 10.1 to the Company's Form 8-K filed on February 23, 2015, which is incorporated by reference herein.
21.1*	Subsidiaries of Valeant Pharmaceuticals International, Inc.
23.1*	Consent of PricewaterhouseCoopers LLP.
31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certificate of the Chief Executive Officer of Valeant Pharmaceuticals International, Inc. pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certificate of the Chief Financial Officer of Valeant Pharmaceuticals International, Inc. pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Schema Document
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

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* Filed herewith.

** Portions of this exhibit have been omitted pursuant to an application for, or an order with respect to, confidential treatment. Such information has been omitted and filed separately with the SEC.

† Management contract or compensatory plan or arrangement.

†† One or more exhibits or schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. We undertake to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
(Registrant)

Date: February 25, 2015

By: /s/ J. MICHAEL PEARSON

J. Michael Pearson
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ J. MICHAEL PEARSON J. Michael Pearson	Chairman of the Board and Chief Executive Officer	February 25, 2015
/s/ HOWARD B. SCHILLER Howard B. Schiller	Executive Vice-President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) and Director	February 25, 2015
/s/ ROBERT A. INGRAM Robert A. Ingram	Lead Director	February 25, 2015
/s/ RONALD H. FARMER Ronald H. Farmer	Director	February 25, 2015
/s/ COLLEEN GOGGINS Colleen Goggins	Director	February 25, 2015
/s/ ANDERS O. LÖNNERS Anders O. Lönners	Director	February 25, 2015
/s/ THEO MELAS-KYRIAZI Theo Melas-Kyriazi	Director	February 25, 2015
/s/ ROBERT N. POWER Robert N. Power	Director	February 25, 2015
/s/ NORMA A. PROVENCIO Norma A. Provencio	Director	February 25, 2015
/s/ KATHARINE B. STEVENSON Katharine B. Stevenson	Director	February 25, 2015
/s/ JEFFREY W. UBBEN Jeffrey W. Ubben	Director	February 25, 2015

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORTS OF MANAGEMENT ON FINANCIAL STATEMENTS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Financial Statements

The Company's management is responsible for preparing the accompanying consolidated financial statements in conformity with United States generally accepted accounting principles ("U.S. GAAP"). In preparing these consolidated financial statements, management selects appropriate accounting policies and uses its judgment and best estimates to report events and transactions as they occur. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Financial information included throughout this Annual Report is prepared on a basis consistent with that of the accompanying consolidated financial statements.

PricewaterhouseCoopers LLP has been engaged by the Company's shareholders to audit the consolidated financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board of Directors carries out this responsibility principally through its Audit and Risk Committee. The members of the Audit and Risk Committee are outside Directors. The Audit and Risk Committee considers, for review by the Board of Directors and approval by the shareholders, the engagement or reappointment of the external auditors. PricewaterhouseCoopers LLP has full and free access to the Audit and Risk Committee.

Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework described in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation under this framework, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report on page F-3 herein.

/s/ J. MICHAEL PEARSON
J. Michael Pearson
Chairman of the Board and
Chief Executive Officer

/s/ HOWARD B. SCHILLER
Howard B. Schiller
Executive Vice President and
Chief Financial Officer

February 25, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Valeant Pharmaceuticals International, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity, and cash flows present fairly, in all material respects, the financial position of Valeant Pharmaceuticals International, Inc. and its subsidiaries (the "Company") at December 31, 2014 and December 31, 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule appearing under item 15 (2) presents fairly, in all material respects, the information set forth therein, when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Florham Park, New Jersey
February 25, 2015

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
(All dollar amounts expressed in millions of U.S. dollars)

	As of December 31,	
	2014	**2013**
Assets		
Current assets:		
Cash and cash equivalents	$ 322.6	$ 600.3
Trade receivables, net	2,075.8	1,676.4
Inventories, net	950.6	883.0
Prepaid expenses and other current assets	641.9	343.4
Assets held for sale	8.9	15.9
Deferred tax assets, net	193.3	366.9
Total current assets	4,193.1	3,885.9
Property, plant and equipment, net	1,310.5	1,234.2
Intangible assets, net	11,255.9	12,848.2
Goodwill	9,346.4	9,752.1
Deferred tax assets, net	54.0	54.9
Other long-term assets, net	193.1	195.5
Total assets	$ 26,353.0	$ 27,970.8
Liabilities		
Current liabilities:		
Accounts payable	$ 398.0	$ 327.0
Accrued and other current liabilities	2,179.4	1,800.2
Acquisition-related contingent consideration	141.8	114.5
Current portion of long-term debt	0.9	204.8
Deferred tax liabilities, net	10.7	66.0
Total current liabilities	2,730.8	2,512.5
Acquisition-related contingent consideration	167.0	241.3
Long-term debt	15,253.7	17,162.9
Pension and other benefit liabilities	239.8	172.0
Liabilities for uncertain tax positions	102.6	169.1
Deferred tax liabilities, net	2,227.5	2,319.2
Other long-term liabilities	197.1	160.5
Total liabilities	20,918.5	22,737.5
Commitments and contingencies (Notes 20 and 21)		
Equity		
Common shares, no par value, unlimited shares authorized, 334,402,964 and 333,036,637 issued and outstanding at December 31, 2014 and 2013, respectively	8,349.2	8,301.2
Additional paid-in capital	243.9	228.8
Accumulated deficit	(2,365.0)	(3,278.5)
Accumulated other comprehensive loss	(915.9)	(132.8)
Total Valeant Pharmaceuticals International, Inc. shareholders' equity	5,312.2	5,118.7
Noncontrolling interest	122.3	114.6
Total equity	5,434.5	5,233.3
Total liabilities and equity	$ 26,353.0	$ 27,970.8

On behalf of the Board:

/s/ J. MICHAEL PEARSON
J. Michael Pearson

/s/ NORMA A. PROVENCIO
Norma A. Provencio

Chairman of the Board and Chief Executive Officer Chairperson, Audit and Risk Committee

The accompanying notes are an integral part of these consolidated financial statements.

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(All dollar amounts expressed in millions of U.S. dollars, except per share data)

	Years Ended December 31,		
	2014	**2013**	**2012**
Revenues			
Product sales	$ 8,103.6	$ 5,640.3	$ 3,288.6
Other revenues	159.9	129.3	191.8
	8,263.5	5,769.6	3,480.4
Expenses			
Cost of goods sold (exclusive of amortization and impairments of finite-lived intangible assets shown separately below)	2,196.2	1,846.3	905.1
Cost of other revenues	58.4	58.8	64.6
Selling, general and administrative	2,026.3	1,305.2	756.1
Research and development	246.0	156.8	79.1
Amortization and impairments of finite-lived intangible assets (see Note 10)	1,550.7	1,902.0	928.9
Restructuring, integration and other costs	381.7	462.0	267.1
In-process research and development impairments and other charges	41.0	153.6	189.9
Acquisition-related costs	6.3	36.4	78.6
Acquisition-related contingent consideration	(14.1)	(29.2)	(5.3)
Other (income) expense (see Notes 3, 4, and 20)	(268.7)	287.2	136.6
	6,223.8	6,179.1	3,400.7
Operating income (loss)	2,039.7	(409.5)	79.7
Interest income	5.0	8.0	6.0
Interest expense	(971.0)	(844.3)	(481.6)
Loss on extinguishment of debt	(129.6)	(65.0)	(20.1)
Foreign exchange and other	(144.1)	(9.4)	19.7
Gain on investments, net (see Note 23)	292.6	5.8	2.1
Income (loss) before provision for (recovery of) income taxes	1,092.6	(1,314.4)	(394.2)
Provision for (recovery of) income taxes	180.4	(450.8)	(278.2)
Net income (loss)	912.2	(863.6)	(116.0)
Less: Net (loss) income attributable to noncontrolling interest	(1.3)	2.5	—
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	$ 913.5	$ (866.1)	$ (116.0)
Earnings (loss) per share attributable to Valeant Pharmaceuticals International, Inc.:			
Basic	$ 2.72	$ (2.70)	$ (0.38)
Diluted	$ 2.67	$ (2.70)	$ (0.38)
Weighted-average common shares (in millions)			
Basic	335.4	321.0	305.4
Diluted	341.5	321.0	305.4

The accompanying notes are an integral part of these consolidated financial statements.

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(All dollar amounts expressed in millions of U.S. dollars)

	Years Ended December 31,		
	2014	**2013**	**2012**
Net income (loss)	$ 912.2	$ (863.6)	$ (116.0)
Other comprehensive (loss) income			
Foreign currency translation adjustment	(717.8)	(50.5)	161.0
Unrealized gain on equity method investment, net of tax:			
Arising in period	51.3	—	—
Reclassification to net income (loss)	(51.3)	—	—
Net unrealized holding gain on available-for-sale equity securities:			
Arising in period	1.8	3.6	0.4
Reclassification to net income (loss)	(1.8)	(4.0)	(1.6)
Net unrealized holding loss on available-for-sale debt securities:			
Reclassification to net income (loss)	—	—	0.2
	(717.8)	(50.9)	160.0
Pension and postretirement benefit plan adjustments:			
Newly established prior service credit	29.4	27.9	—
Net actuarial (loss) gain arising during the year	(127.3)	24.5	(0.5)
Amortization of prior service credit	(2.5)	—	—
Amortization or settlement recognition of net loss	0.9	0.6	0.7
Income tax benefit (expense)	27.4	(15.4)	—
Currency impact	5.2	0.2	—
	(66.9)	37.8	0.2
Other comprehensive (loss) income	(784.7)	(13.1)	160.2
Comprehensive income (loss)	127.5	(876.7)	44.2
Less: Comprehensive (loss) income attributable to noncontrolling interest	(2.9)	2.8	—
Comprehensive income (loss) attributable to Valeant Pharmaceuticals International, Inc.	$ 130.4	$ (879.5)	$ 44.2

The accompanying notes are an integral part of these consolidated financial statements.

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(All dollar amounts expressed in millions of U.S. dollars)

	Valeant Pharmaceuticals International, Inc. Shareholders							
	Common Shares		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Valeant Pharmaceuticals International, Inc. Shareholders' equity	Noncontrolling Interest	Total Equity
	Shares	Amount						
Balance, January 1, 2012	306.4	$ 5,963.6	$ 276.1	$ (2,030.3)	$ (279.6)	$ 3,929.8	$ —	$ 3,929.8
Settlement of 5.375% Convertible Notes	—	—	(0.2)	(43.6)	—	(43.8)	—	(43.8)
Repurchase of equity component of 5.375% Convertible Notes	—	—	(0.2)	(2.7)	—	(2.9)	—	(2.9)
Common shares issued under share-based compensation plans	2.8	79.4	(56.2)	—	—	23.2	—	23.2
Repurchase of common shares	(5.3)	(102.3)	—	(178.4)	—	(280.7)	—	(280.7)
Share-based compensation	—	—	66.2	—	—	66.2	—	66.2
Employee withholding taxes related to share-based awards	—	—	(31.1)	—	—	(31.1)	—	(31.1)
Tax benefits from stock options exercised	—	—	12.5	—	—	12.5	—	12.5
	303.9	5,940.7	267.1	(2,255.0)	(279.6)	3,673.2	—	3,673.2
Comprehensive income:								
Net loss	—	—	—	(116.0)	—	(116.0)	—	(116.0)
Other comprehensive income	—	—	—	—	160.2	160.2	—	160.2
Total comprehensive income						44.2	—	44.2
Balance, December 31, 2012	303.9	5,940.7	267.1	(2,371.0)	(119.4)	3,717.4	—	3,717.4
Issuance of common stock (see Note 14)	27.6	2,306.9	—	—	—	2,306.9	—	2,306.9
Common shares issued under share-based compensation plans	2.2	67.8	(61.4)	—	—	6.4	—	6.4
Repurchase of common shares (see Note 14)	(0.7)	(14.2)	—	(41.4)	—	(55.6)	—	(55.6)
Share-based compensation	—	—	45.5	—	—	45.5	—	45.5
Employee withholding taxes related to share-based awards	—	—	(46.6)	—	—	(46.6)	—	(46.6)
Tax benefits from stock options exercised	—	—	24.2	—	—	24.2	—	24.2
Noncontrolling interest from business combinations	—	—	—	—	—	—	113.9	113.9
Noncontrolling interest distributions	—	—	—	—	—	—	(2.1)	(2.1)
	333.0	8,301.2	228.8	(2,412.4)	(119.4)	5,998.2	111.8	6,110.0
Comprehensive loss:								
Net loss	—	—	—	(866.1)	—	(866.1)	2.5	(863.6)
Other comprehensive loss	—	—	—	—	(13.4)	(13.4)	0.3	(13.1)
Total comprehensive loss						(879.5)	2.8	(876.7)
Balance, December 31, 2013	333.0	8,301.2	228.8	(3,278.5)	(132.8)	5,118.7	114.6	5,233.3
Common shares issued under share-based compensation plans	1.4	48.0	(31.9)	—	—	16.1	—	16.1
Settlement of stock options	—	—	(3.1)	—	—	(3.1)	—	(3.1)
Share-based compensation	—	—	78.2	—	—	78.2	—	78.2
Employee withholding taxes related to share-based awards	—	—	(44.1)	—	—	(44.1)	—	(44.1)
Tax benefits from stock options exercised	—	—	17.1	—	—	17.1	—	17.1
Noncontrolling interest from business combinations	—	—	—	—	—	—	15.0	15.0
Acquisition of noncontrolling interest	—	—	(1.1)	—	—	(1.1)	(2.2)	(3.3)
Noncontrolling interest distributions	—	—	—	—	—	—	(2.2)	(2.2)
	334.4	8,349.2	243.9	(3,278.5)	(132.8)	5,181.8	125.2	5,307.0
Comprehensive income:								
Net income	—	—	—	913.5	—	913.5	(1.3)	912.2
Other comprehensive loss	—	—	—	—	(783.1)	(783.1)	(1.6)	(784.7)
Total comprehensive income						130.4	(2.9)	127.5
Balance, December 31, 2014	334.4	$ 8,349.2	$ 243.9	$ (2,365.0)	$ (915.9)	$ 5,312.2	$ 122.3	$ 5,434.5

The accompanying notes are an integral part of these consolidated financial statements.

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All dollar amounts expressed in millions of U.S. dollars)

	Years Ended December 31,		
	2014	2013	2012
Cash Flows From Operating Activities			
Net income (loss)	$ 912.2	$ (863.6)	$ (116.0)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization, including impairments of finite-lived intangible assets	1,737.6	2,015.8	986.2
Amortization and write-off of debt discounts and debt issuance costs	70.0	89.5	36.4
In-process research and development impairments	21.0	151.9	167.7
Acquisition accounting adjustment on inventory sold	27.3	372.4	78.8
Acquisition-related contingent consideration	(14.1)	(29.2)	(5.3)
Allowances for losses on accounts receivable and inventories	81.3	68.3	21.8
Deferred income taxes	81.8	(515.9)	(319.6)
(Gain) loss on disposal of assets and businesses	(253.5)	10.2	10.8
(Reduction) additions to accrued legal settlements	(44.7)	220.5	56.8
Payments of accrued legal settlements	(3.2)	(180.8)	(41.8)
Share-based compensation	78.2	45.5	66.2
Tax benefits from stock options exercised	(17.1)	(24.2)	(12.5)
Foreign exchange loss (gain)	135.1	9.8	(23.8)
Loss on extinguishment of debt	129.6	65.0	20.1
Payment of accreted interest on contingent consideration	(10.7)	(11.1)	(2.3)
Other	32.3	(3.8)	(13.6)
Changes in operating assets and liabilities:			
Trade receivables	(572.4)	(300.6)	(175.8)
Inventories	(174.3)	(122.7)	(80.3)
Prepaid expenses and other current assets	(110.3)	121.5	11.2
Accounts payable, accrued and other liabilities	188.6	(76.5)	(8.4)
Net cash provided by operating activities	2,294.7	1,042.0	656.6
Cash Flows From Investing Activities			
Acquisition of businesses, net of cash acquired	(1,102.6)	(5,253.5)	(3,485.3)
Acquisition of intangible assets and other assets	(179.0)	(69.6)	(73.5)
Purchases of property, plant and equipment	(291.6)	(115.3)	(107.6)
Proceeds from sale of assets and businesses, net of costs to sell	1,492.3	41.1	92.0
Proceeds from sales and maturities of marketable securities and short-term investments	53.2	35.2	624.8
Purchases of marketable securities and short-term investments	(72.0)	(18.2)	(7.2)
Purchase of equity method investment	(75.9)	—	—
Proceeds from sale of equity method investment	75.9	—	—
Increase in restricted cash	—	—	(8.9)
Net cash used in investing activities	(99.7)	(5,380.3)	(2,965.7)
Cash Flows From Financing Activities			
Issuance of long-term debt, net of discount	1,632.6	8,429.6	6,005.8
Repayments of long-term debt	(3,888.0)	(6,326.2)	(1,929.1)
Short-term debt borrowings	19.4	27.4	35.4
Short-term debt repayments	(28.4)	(75.1)	(31.1)
Issuance of common stock, net	—	2,307.4	—
Repurchases of common shares	—	(55.6)	(280.7)
Proceeds from exercise of stock options	17.2	10.0	23.0
Tax benefits from stock options exercised	17.1	24.2	12.5
Cash settlement of convertible debt	—	—	(606.3)
Payment of employee withholding tax upon vesting of share-based awards	(44.1)	(65.5)	(21.1)

Payments of contingent consideration	(106.1)	(130.1)	(103.9)
Payments of financing costs	(55.2)	(116.3)	(33.2)
Other	(8.2)	(2.1)	(4.0)
Net cash (used in) provided by financing activities	(2,443.7)	4,027.7	3,057.3
Effect of exchange rate changes on cash and cash equivalents	(29.0)	(5.2)	3.8
Net (decrease) increase in cash and cash equivalents	(277.7)	(315.8)	752.0
Cash and cash equivalents, beginning of year	600.3	916.1	164.1
Cash and cash equivalents, end of year	$ 322.6	$ 600.3	$ 916.1
Non-Cash Investing and Financing Activities			
Acquisition of businesses, contingent consideration at fair value	$ (93.8)	$ (76.1)	$ (145.7)
Acquisition of businesses, debt assumed	(11.2)	(4,264.7)	(825.2)

The accompanying notes are an integral part of these consolidated financial statements.

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

1. DESCRIPTION OF BUSINESS

Valeant Pharmaceuticals International, Inc. (the "Company") is a multinational, specialty pharmaceutical and medical device company that develops, manufactures, and markets a broad range of branded, generic and branded generic pharmaceuticals, over-the-counter ("OTC") products, and medical devices (contact lenses, intraocular lenses, ophthalmic surgical equipment, and aesthetics devices), which are marketed directly or indirectly in over 100 countries. Effective August 9, 2013, the Company continued from the federal jurisdiction of Canada to the Province of British Columbia, meaning that the Company became a company registered under the laws of the Province of British Columbia as if it had been incorporated under the laws of the Province of British Columbia. As a result of this continuance, the legal domicile of the Company became the Province of British Columbia, the Canada Business Corporations Act ceased to apply to the Company and the Company became subject to the British Columbia Business Corporations Act.

On August 5, 2013, the Company acquired Bausch & Lomb Holdings Incorporated ("B&L"), pursuant to an Agreement and Plan of Merger, as amended (the "Merger Agreement") dated May 24, 2013, with B&L surviving as a wholly-owned subsidiary of Valeant Pharmaceuticals International ("Valeant"), a wholly-owned subsidiary of the Company (the "B&L Acquisition"). B&L is a global eye health company that focuses primarily on the development, manufacture and marketing of eye health products, including contact lenses, contact lens care solutions, ophthalmic pharmaceuticals and ophthalmic surgical products.

For further information regarding the B&L Acquisition, see note 3 titled "BUSINESS COMBINATIONS".

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared by the Company in United States ("U.S.") dollars and in accordance with U.S. generally accepted accounting principles ("GAAP"), applied on a consistent basis.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and those of its subsidiaries and any variable interest entities ("VIEs") for which the Company is the primary beneficiary. All significant intercompany transactions and balances have been eliminated.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform with the current year presentation. Such amounts include a reclassification of (i) $52.8 million recognized in the third quarter of 2013 related to B&L's previously cancelled performance-based options and the acceleration of unvested stock options for B&L employees from Restructuring, integration and other costs to Other (income) expense on the consolidated statement of income (loss) and (ii) $77.3 million recognized in the fourth quarter of 2012 related to the acceleration of unvested stock options, restricted stock awards, and share appreciation rights for Medicis Pharmaceutical Corporation ("Medicis") employees that was triggered by the change in control from Restructuring, integration and other costs to Other (income) expense on the consolidated statement of income (loss).

The reclassifications described above had no effect on the Company's previously reported results of operations, financial position or cash flows.

Acquisitions

Acquired businesses are accounted for using the acquisition method of accounting, which requires that assets acquired and liabilities assumed be recorded at fair value, with limited exceptions. Any excess of the purchase price over the fair value of the net assets acquired is recorded as goodwill. Transaction costs and costs to restructure the acquired company are expensed as incurred. The operating results of the acquired business are reflected in our consolidated financial statements after the date of acquisition. Acquired in-process research and development ("IPR&D") is recognized at fair value and initially characterized as an indefinite-lived intangible asset, irrespective of whether the acquired IPR&D has an alternative future use. If the acquired net assets do not constitute a business under the acquisition method of accounting, the transaction is accounted for as an asset acquisition and no goodwill is recognized. In an asset acquisition, the amount allocated to acquired IPR&D with no alternative future use is charged to expense at the acquisition date.

Use of Estimates

In preparing the Company's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates made by management include: provisions for product returns, rebates, chargebacks, discounts and allowances, and distribution fees paid to certain wholesalers; useful lives of amortizable intangible assets and property, plant and equipment; expected future cash flows used in evaluating intangible assets for impairment; reporting unit fair values in testing goodwill for impairment; provisions for loss contingencies; provisions for income taxes, uncertain tax positions and realizability of deferred tax assets; and the allocation of the purchase price for acquired assets and businesses, including the fair value of contingent consideration. Under certain product manufacturing and supply agreements, management relies on estimates for future returns, rebates and chargebacks made by the Company's commercialization counterparties. On an ongoing basis, management reviews its estimates to ensure that these estimates appropriately reflect changes in the Company's business and new information as it becomes available. If historical experience and other factors used by management to make these estimates do not reasonably reflect future activity, the Company's consolidated financial statements could be materially impacted.

Fair Value of Financial Instruments

The estimated fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short maturity periods. The fair value of acquisition-related contingent consideration is based on estimated discounted future cash flows and assessment of the probability of occurrence of potential future events. The fair values of marketable securities and long-term debt are based on quoted market prices, if available, or estimated discounted future cash flows.

Cash and Cash Equivalents

Cash and cash equivalents include certificates of deposit, treasury bills, certain money-market funds and term deposits with maturities of three months or less when purchased.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities and accounts receivable.

The Company invests its excess cash in high-quality, money market instruments and term deposits with varying maturities, but typically less than three months. The Company maintains its cash and cash equivalents with major financial institutions. The Company has not experienced any significant losses on its cash or cash equivalents.

The Company's accounts receivable primarily represent amounts due from wholesale distributors, retail pharmacies, government entities and group purchasing organizations. Outside of the U.S., concentrations of credit risk with respect to trade receivables, which are typically unsecured, are limited due to the number of customers using the Company's products, as well as their dispersion across many different geographic areas. The Company performs periodic credit evaluations of customers and does not require collateral. The Company monitors economic conditions, including volatility associated with international economies, and related impacts on the relevant financial markets and its business, especially in light of sovereign credit issues. The credit and economic conditions within Italy, Portugal, Spain and Greece, among other members of the European Union, have remained weak in recent years. These conditions have increased, and may continue to increase, the average length of time that it takes to collect on the Company's accounts receivable outstanding in these countries. An allowance for doubtful accounts is maintained for potential credit losses based on the aging of accounts receivable, historical bad debts experience, and changes in customer payment patterns. Accounts receivables balances are written off against the allowance when it is probable that the receivable will not be collected.

As of December 31, 2014, the Company's three largest U.S. wholesaler customers accounted for approximately one-third of net trade receivables. In addition, as of December 31, 2014 and 2013 , the Company's net trade receivable balance from Greece, Spain, Italy and Portugal amounted to $81.6 million and $84.5 million , respectively, of which the majority has been outstanding for less than 90 days. The portion of the net trade receivable from these countries that is past due more than 90 days amounted to $10.8 million as of December 31, 2014 and is primarily comprised of public hospitals. Based on analysis of bad debts experience and assessment of historical payment patterns for such customers, the Company determined that the substantial majority of such balance was collectible and, as such, the reserve established on the balance was not significant. The Company has not experienced any significant losses from uncollectible accounts in the three-year period ended December 31, 2014 .

Inventories

Inventories comprise raw materials, work in process, and finished goods, which are valued at the lower of cost or market, on a first-in, first-out basis. Cost for work in process and finished goods inventories includes materials, direct labor, and an allocation of overheads. Market for raw materials is replacement cost, and for work in process and finished goods is net realizable value.

The Company evaluates the carrying value of inventories on a regular basis, taking into account such factors as historical and anticipated future sales compared with quantities on hand, the price the Company expects to obtain for products in their respective markets compared with historical cost and the remaining shelf life of goods on hand.

Property, Plant and Equipment

Property, plant and equipment are reported at cost, less accumulated depreciation. Costs incurred on assets under construction are capitalized as construction in progress. Depreciation is calculated using the straight-line method, commencing when the assets become available for productive use, based on the following estimated useful lives:

Buildings	Up to 40 years
Machinery and equipment	3 - 20 years
Other equipment	3 - 10 years
Equipment on operating lease	Up to 5 years
Leasehold improvements and capital leases	Lesser of term of lease or 10 years

Intangible Assets

Intangible assets are reported at cost, less accumulated amortization. Intangible assets with finite lives are amortized over their estimated useful lives. Amortization is calculated using the straight-line method based on the following estimated useful lives:

Product brands	1 - 25 years
Corporate brands [(1)]	4 - 20 years
Product rights	1 - 15 years
Partner relationships	2 - 9 years
Out-licensed technology and other	1 - 10 years

(1) Corporate brands useful lives shown in the table above does not include the B&L corporate trademark, which has an indefinite useful life and is not amortizable. See note 3 “BUSINESS COMBINATIONS” for further information.

Divestitures of Non-core Products

The Company nets the proceeds on the divestitures of non-core products with the carrying amount of the related assets and records a gain/loss on sale within Other (income) expense. Any contingent payments that are potentially due to the Company as a result of these divestitures are recorded when realizable.

IPR&D

The fair value of IPR&D acquired through a business combination is capitalized as an indefinite-lived intangible asset until the completion or abandonment of the related research and development activities. When the related research and development is completed, the asset will be assigned a useful life and amortized.

The fair value of an IPR&D intangible asset is determined using an income approach. This approach starts with a forecast of the net cash flows expected to be generated by the asset over its estimated useful life. The net cash flows reflect the asset’s stage of completion, the probability of technical success, the projected costs to complete, expected market competition, and an assessment of the asset’s life-cycle. The net cash flows are then adjusted to present value by applying an appropriate discount rate that reflects the risk factors associated with the cash flow streams.

Impairment of Long-Lived Assets

Long-lived assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If indicators of impairment are present, the asset is tested for recoverability by comparing the carrying value of the asset to the related estimated undiscounted future cash flows expected to be derived from the asset. If the expected cash flows are less than the carrying value of the asset, then the asset is considered to be impaired and its carrying value is written down to fair value, based on the related estimated discounted future cash flows.

Indefinite-lived intangible assets, including acquired IPR&D, are tested for impairment annually or more frequently if events or changes in circumstances between annual tests indicate that the asset may be impaired. Impairment losses on indefinite-lived intangible assets are recognized based solely on a comparison of the fair value of the asset to its carrying value, without consideration of any recoverability test.

Goodwill

Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair value of the identifiable net assets acquired. Goodwill is not amortized but is tested for impairment at least annually at the reporting unit level. A reporting unit is the same as, or one level below, an operating segment.

An interim goodwill impairment test in advance of the annual impairment assessment may be required if events occur that indicate an impairment might be present. For example, a substantial decline in the Company's market capitalization, unexpected adverse business condition, economic factors and unanticipated competitive activities may signal that an interim impairment test is needed. Accordingly, among other factors, the Company monitors changes in its share price between annual impairment tests to ensure that its market capitalization continues to exceed the carrying value of its consolidated net assets. The Company considers a decline in its share price that corresponds to an overall deterioration in stock market conditions to be less of an indicator of goodwill impairment than a unilateral decline in its share price reflecting adverse changes in its underlying operating performance, cash flows, financial condition, and/or liquidity. In the event that the Company's market capitalization does decline below its book value, the Company would consider the length and severity of the decline and the reason for the decline when assessing whether potential goodwill impairment exists. The Company believes that short-term fluctuations in share prices may not necessarily reflect underlying values.

During the fourth quarter of 2014, the Company performed its annual goodwill impairment test and determined that none of the goodwill associated with its reporting units was impaired.

Deferred Financing Costs

Deferred financing costs are reported at cost, less accumulated amortization, and are recorded in other long-term assets. Amortization expense is included in interest expense.

Foreign Currency Translation

The assets and liabilities of the Company's foreign operations having a functional currency other than the U.S. dollar are translated into U.S. dollars at the exchange rate prevailing at the balance sheet date, and at the average exchange rate for the reporting period for revenue and expense accounts. The cumulative foreign currency translation adjustment is recorded as a component of accumulated other comprehensive income in shareholders' equity.

Foreign currency exchange gains and losses on transactions occurring in a currency other than an operation's functional currency are recognized in net income.

Revenue Recognition

Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the customer is fixed or determinable, and collectibility is reasonably assured.

Product Sales

Product sales revenue is recognized when title has transferred to the customer and the customer has assumed the risks and rewards of

ownership, the timing of which is based on the specific contractual terms with each customer. In most instances, transfer of title as well as the risks and rewards of ownership occurs upon delivery of the product to the customer. Amounts received from customers as prepayments for products to be shipped in the future are recorded in deferred revenue.

Revenue from product sales is recognized net of provisions for estimated discounts, allowances, returns, rebates, chargebacks and distribution fees paid to certain of our wholesale customers. The Company offers discounts for prompt payment and other incentive allowances to customers. Provisions for discounts and allowances are estimated based on contractual sales terms with customers and historical payment experience. The Company allows customers to return product within a specified period of time before and after its expiration date. Provisions for returns are estimated based on historical return levels, taking into account additional available information on competitive products and contract changes. The Company has data sharing agreements with the three largest wholesalers in the U.S. Where the Company does not have data sharing agreements, it uses third party data to estimate the level of product inventories and product demand at wholesalers and retail pharmacies. The Company reviews its methodology and adequacy of the provision for returns on a quarterly basis, adjusting for changes in assumptions, historical results and business practices, as necessary. The Company is subject to rebates on sales made under governmental and commercial rebate programs, and chargebacks on sales made to government agencies, retail pharmacies and group purchasing organizations. Provisions for rebates and chargebacks are estimated based on historical experience, relevant statutes with respect to governmental pricing programs, and contractual sales terms.

The Company is party to manufacturing and supply agreements with a number of commercialization counterparties in the U.S. Under the terms of these agreements, the Company's supply prices for its products are determined after taking into consideration estimates for future returns, rebates, and chargebacks provided by each counterparty. The Company makes adjustments as needed to state these estimates on a basis consistent with this policy and its methodology for estimating returns, rebates and chargebacks related to its own direct product sales.

Research and Development Expenses

Costs related to internal research and development programs, including costs associated with the development of acquired IPR&D, are expensed as goods are delivered or services are performed. Under certain research and development arrangements with third parties, the Company may be required to make payments that are contingent on the achievement of specific developmental, regulatory and/or commercial milestones. Before a product receives regulatory approval, milestone payments made to third parties are expensed when the milestone is achieved **.** Milestone payments made to third parties after regulatory approval is received are capitalized and amortized over the estimated useful life of the approved product.

Amounts due from third parties as reimbursement of development activities conducted under certain research and development arrangements are recognized as a reduction of research and development expenses.

Legal Costs

Legal fees and other costs related to litigation and other legal proceedings are expensed as incurred and are included in Selling, general and administrative expenses. Certain legal costs associated with acquisitions are included in Acquisition-related costs, and certain legal costs associated with divestitures, legal settlements, and other business development activity are included in Other (income) expense or Gain on investments, net (see note 23 titled "PS FUND 1 INVESTMENT"), as appropriate. Legal costs expensed are reported net of expected insurance recoveries. A claim for insurance recovery is recognized when the claim becomes probable of realization.

Advertising Costs

Advertising costs comprise product samples, print media, promotional materials and television advertising. Advertising costs related to new product launches are expensed on the first use of the advertisement. Prepaid advertising costs are recorded in Prepaid expenses and other current assets in the consolidated balance sheet and were not material as of December 31, 2014 and 2013.

Advertising costs expensed in 2014, 2013 and 2012 were $435.4 million , $277.3 million and $157.6 million , respectively. These costs are included in selling, general and administrative expenses.

Share-Based Compensation

The Company recognizes all share-based payments to employees, including grants of employee stock options and restricted share units ("RSUs"), at estimated fair value. The Company amortizes the fair value of stock option or RSU grants on a straight-line basis over the requisite service period of the individual stock option or RSU grant, which generally equals the vesting period. Stock option and RSU forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Share-based compensation is recorded in cost of goods sold, research and development expenses, selling, general and administrative expenses and restructuring, integration and other costs, as appropriate.

Acquisition-Related Contingent Consideration

Acquisition-related contingent consideration, which consists primarily of potential milestone payments and royalty obligations, is recorded in the consolidated balance sheets at its acquisition date estimated fair value, in accordance with the acquisition method of accounting. The fair value of the acquisition-related contingent consideration is remeasured each reporting period, with changes in fair value recorded in the consolidated statements of income (loss). The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement as defined in fair value measurement accounting.

Interest Expense

Interest expense includes standby fees and the amortization of debt discounts and deferred financing costs. Interest costs are expensed as incurred, except to the extent such interest is related to construction in progress, in which case interest is capitalized. The capitalized interest recorded in 2014, 2013, and 2012 was not material.

Income Taxes

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are recognized for the differences between the financial statement and income tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. A valuation allowance is provided for the portion of deferred tax assets that is more likely than not to remain unrealized. Deferred tax assets and liabilities are measured using enacted tax rates and laws.

The tax benefit from an uncertain tax position is recognized only if it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority, based on the technical merits of the position. The tax benefits recognized from such position are measured based on the amount that is greater than 50% likely of being realized upon settlement. Liabilities associated with uncertain tax positions are classified as long-term unless expected to be paid within one year. Interest and penalties related to uncertain tax positions, if any, are recorded in the provision for income taxes and classified with the related liability on the consolidated balance sheets.

Earnings Per Share

Basic earnings per share attributable to Valeant Pharmaceuticals International, Inc. is calculated by dividing net income attributable to Valeant Pharmaceuticals International, Inc. by the weighted-average number of common shares outstanding during the reporting period. Diluted earnings per share is calculated by dividing net income attributable to Valeant Pharmaceuticals International, Inc. by the weighted-average number of common shares outstanding during the reporting period after giving effect to dilutive potential common shares for stock options, RSUs and convertible debt, determined using the treasury stock method.

Comprehensive Income

Comprehensive income comprises net income and other comprehensive income. Other comprehensive income includes items such as foreign currency translation adjustments, unrealized holding gains and losses on available-for-sale and other investments and certain pension and other postretirement benefit plan adjustments. Accumulated other comprehensive income is recorded as a component of shareholders' equity.

Contingencies

In the normal course of business, the Company is subject to loss contingencies, such as claims and assessments arising from litigation and other legal proceedings, contractual indemnities, product and environmental liabilities, and tax matters. Accruals for loss contingencies are recorded when the Company determines that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. If the estimate of the amount of the loss is a range and some amount within the range appears to be a better estimate than any other amount within the range, that amount is accrued as a liability. If no amount within the range is a better estimate than any other amount, the minimum amount of the range is accrued as a liability. These accruals are adjusted periodically as assessments change or additional

information becomes available.

If no accrual is made for a loss contingency because the amount of loss cannot be reasonably estimated, the Company will disclose contingent liabilities when there is at least a reasonable possibility that a loss or an additional loss may have been incurred.

Employee Benefit Plans

The Company sponsors various retirement and pension plans, including defined benefit pension plans, defined contribution plans and a participatory defined benefit postretirement plan. The determination of defined benefit pension and postretirement plan obligations and their associated expenses requires the use of actuarial valuations to estimate the benefits employees earn while working, as well as the present value of those benefits. Net actuarial gains and losses that exceed 10 percent of the greater of the plan's projected benefit obligations or the market-related value of assets are amortized to earnings over the shorter of the estimated average future service period of the plan participants (or the estimated average future lifetime of the plan participants if the majority of plan participants are inactive) or the period until any anticipated final plan settlements.

Adoption of New Accounting Standards

In July 2013, the Financial Accounting Standard Board ("FASB") issued guidance to eliminate the diversity in practice in presentation of unrecognized tax benefits when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists at the reporting date. This new guidance requires the netting of unrecognized tax benefits against a deferred tax asset for a loss or other carryforward that would apply in settlement of the uncertain tax positions. Under the new guidance, unrecognized tax benefits are netted against all available same-jurisdiction loss or other tax carryforward that would be utilized, rather than only against carryforwards that are created by the unrecognized tax benefits. The guidance was effective for reporting periods beginning after December 15, 2013. As this guidance relates to presentation only, the adoption of this guidance did not have a material impact on the Company's financial position or results of operations.

In April 2014, the FASB issued guidance which changes the criteria for reporting a discontinued operation while enhancing disclosures in this area. Under the new guidance, a disposal of a component of an entity or group of components of an entity that represents a strategic shift that has, or will have, a major effect on operations and financial results is a discontinued operation when any of the following occurs: (i) it meets the criteria to be classified as held for sale, (ii) it is disposed of by sale, or (iii) it is disposed of other than by sale. Also, a business that, on acquisition, meets the criteria to be classified as held for sale is reported in discontinued operations. Additionally, the new guidance requires expanded disclosures about discontinued operations, as well as disclosure of the pre-tax profit or loss attributable to a disposal of an individually significant component of an entity that does not qualify for discontinued operations presentation. The Company early adopted this guidance in the second quarter of 2014, and the Company applied this guidance to the divestitures described in note 4 titled "DIVESTITURES".

Recently Issued Accounting Standards, Not Adopted as of December 31, 2014

In May 2014, the FASB and the International Accounting Standards Board issued converged guidance on recognizing revenue from contracts with customers. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying the revenue model to contracts within its scope, an entity will: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. In addition to these provisions, the new standard provides implementation guidance on several other topics, including the accounting for certain revenue-related costs, as well as enhanced disclosure requirements. The new guidance requires entities to disclose both quantitative and qualitative information that enables users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016. Early application is not permitted. Entities have the option of using either a full retrospective or a modified approach to adopt the guidance. The Company is evaluating the impact of adoption of this guidance on its financial position and results of operations.

In August 2014, the FASB issued guidance which requires management to assess an entity's ability to continue as a going concern and to provide related disclosures in certain circumstances. Under the new guidance, disclosures are required when conditions give rise to substantial doubt about an entity's ability to continue as a going concern within one year from the financial statement issuance date. The guidance is effective for annual periods ending after December 15, 2016, and all annual and interim periods thereafter. Early application is permitted. The adoption of this guidance will not have any impact on the

Company's financial position and results of operations and, as this time, the Company does not expect any impact on its disclosures.

In February 2015, the FASB issued guidance which amends certain consolidation requirements. The new guidance has the following stipulations, among others: (i) eliminates the presumption that a general partner should consolidate a limited partnership and eliminates the consolidation model specific to limited partnerships, (ii) clarifies when fees paid to a decision maker should be a factor to include in the consolidation of VIEs, (iii) amends the guidance for assessing how relationships of related parties affect the consolidation analysis of VIEs, and (iv) reduces the number of VIE consolidation models from two to one by eliminating the indefinite deferral for certain investment funds. The guidance is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2015. Early application is permitted. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt the guidance. The Company is evaluating the impact of adoption of this guidance on its financial position and results of operations.

3. BUSINESS COMBINATIONS

The Company's business strategy involves selective acquisitions with a focus on core geographies and therapeutic classes.

(a) Business combinations in 2014 included the following:

In the year ended December 31, 2014, the Company completed business combinations, which included the acquisition of the following businesses, for an aggregate purchase price of $1.4 billion . The aggregate purchase price included contingent consideration payment obligations with an aggregate acquisition date fair value of $93.8 million .

- On July 7, 2014, the Company acquired all of the outstanding common stock of PreCision Dermatology, Inc. ("PreCision") for an aggregate purchase price of $454.5 million . Under the terms of the merger agreement, the Company may also pay contingent consideration of $25.0 million upon the achievement of a sales-based milestone. The fair value of this contingent consideration was determined to be nominal as of the acquisition date, based on the sales forecast. As of December 31, 2014, the assumptions used for determining the fair value of contingent consideration have not changed significantly from those used at the acquisition date. The Company recognized a post-combination expense of $20.4 million within Other (income) expense in the third quarter of 2014 related to the acceleration of unvested stock options for PreCision employees. In connection with the acquisition of PreCision, the Company was required by the Federal Trade Commission ("FTC") to divest the rights to PreCision's Tretin-X® (tretinoin) cream product and PreCision's generic tretinoin gel and cream products. For further details, see note 4 titled "DIVESTITURES". PreCision develops and markets a range of medical dermatology products, treating a number of topical disease states such as acne and atopic dermatitis with products such as Locoid® and Clindagel®.

- On January 23, 2014, the Company acquired all of the outstanding common stock of Solta Medical, Inc. ("Solta Medical") for $292.5 million , which includes $2.92 per share in cash and $44.2 million for the repayment of Solta Medical's long-term debt, including accrued interest. In connection with the acquisition, the Company recognized a charge of $5.6 million in the first quarter of 2014 relating to a settlement of a pre-existing relationship with Solta Medical, which is included in Other (income) expense in the consolidated statements of income (loss). Solta Medical designs, develops, manufactures, and markets energy-based medical device systems for aesthetic applications. Solta Medical's products include the Thermage CPT® system that provides non-invasive treatment options using radiofrequency energy for skin tightening, the Fraxel® repair system for use in dermatological procedures requiring ablation, coagulation, and resurfacing of soft tissue, the Clear + Brilliant® system to improve skin texture and help prevent the signs of aging skin, and the Liposonix® system that destroys unwanted fat cells resulting in waist circumference reduction.

- During the year ended December 31, 2014, the Company completed other smaller acquisitions, including the consolidation of variable interest entities, which are not material individually or in the aggregate. These acquisitions are included in the aggregated amounts presented below.

Assets Acquired and Liabilities Assumed

These transactions have been accounted for as business combinations under the acquisition method of accounting. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed related to the business combinations, in the aggregate, as of the applicable acquisition dates. The following recognized amounts related to the PreCision acquisition, as well as certain smaller acquisitions, are provisional and subject to change:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

- amounts for intangible assets, property and equipment, inventories, receivables and other working capital adjustments pending finalization of the valuation;

- amounts for income tax assets and liabilities, pending finalization of estimates and assumptions in respect of certain tax aspects of the transaction; and

- amount of goodwill pending the completion of the valuation of the assets acquired and liabilities assumed.

The Company will finalize these amounts as it obtains the information necessary to complete the measurement processes. Any changes resulting from facts and circumstances that existed as of the acquisition dates may result in retrospective adjustments to the provisional amounts recognized at the acquisition dates. These changes could be significant. The Company will finalize these amounts no later than one year from the respective acquisition dates.

	Amounts Recognized as of Acquisition Dates	Measurement Period Adjustments [a]	Amounts Recognized as of December 31, 2014 (as adjusted)
Cash and cash equivalents	$ 33.6	$ (0.5)	$ 33.1
Accounts receivable [b]	87.7	(5.7)	82.0
Assets held for sale [c]	125.7	—	125.7
Inventories	170.4	(14.8)	155.6
Other current assets	19.1	(1.0)	18.1
Property, plant and equipment, net	58.5	(1.5)	57.0
Identifiable intangible assets, excluding acquired IPR&D [d]	697.2	23.7	720.9
Acquired IPR&D [e]	65.8	(2.7)	63.1
Other non-current assets	4.0	(2.0)	2.0
Current liabilities	(152.0)	(11.8)	(163.8)
Long-term debt, including current portion	(11.2)	—	(11.2)
Deferred income taxes, net	(116.0)	22.6	(93.4)
Other non-current liabilities	(13.4)	(0.1)	(13.5)
Total identifiable net assets	969.4	6.2	975.6
Noncontrolling interest	(15.0)	—	(15.0)
Goodwill [f]	410.4	(14.1)	396.3
Total fair value of consideration transferred	$ 1,364.8	$ (7.9)	$ 1,356.9

(a) The measurement period adjustments primarily reflect: (i) a decrease in the net deferred tax liability primarily related to the PreCision and Solta Medical acquisitions, (ii) increases in the estimated fair value of intangible assets for the Solta Medical and other smaller acquisitions, and (iii) reductions in the estimated fair value of inventory for Solta Medical and other smaller acquisitions. The measurement period adjustments were made to reflect facts and circumstances existing as of the acquisition date, and did not result from intervening events subsequent to the acquisition date. These adjustments did not have a significant impact on the Company's previously reported consolidated financial statements and, therefore, the Company has not retrospectively adjusted those financial statements.

(b) The fair value of trade accounts receivable acquired was $82.0 million , with the gross contractual amount being $88.2 million , of which the Company expects that $6.2 million will be uncollectible.

(c) Assets held for sale relate to the divestitures of the Tretin-X® product rights and the product rights for the generic tretinoin gel and cream products acquired in the PreCision acquisition. See note 4 titled "DIVESTITURES" for further information.

(d) The following table summarizes the provisional amounts and useful lives assigned to identifiable intangible assets:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	Weighted-Average Useful Lives (Years)	Amounts Recognized as of Acquisition Dates	Measurement Period Adjustments	Amounts Recognized as of December 31, 2014 (as adjusted)
Product brands	10	$ 506.0	$ 22.8	$ 528.8
Product rights	8	95.2	(0.9)	94.3
Corporate brand	15	28.9	1.7	30.6
In-licensed products	8	1.5	0.1	1.6
Partner relationships	9	37.5	—	37.5
Other	9	28.1	—	28.1
Total identifiable intangible assets acquired	10	$ 697.2	$ 23.7	$ 720.9

(e) The acquired IPR&D assets primarily relate to programs from smaller acquisitions. In addition, the Solta Medical acquisition includes a program for the development of a next generation Thermage® product.

(f) The goodwill relates primarily to the PreCision and Solta Medical acquisitions. Goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. Substantially all of the goodwill is not expected to be deductible for tax purposes. The goodwill recorded from the PreCision and Solta Medical acquisitions represents the following:

- cost savings, operating synergies and other benefits expected to result from combining the operations of PreCision and Solta Medical with those of the Company;
- the Company's expectation to develop and market new products and technology; and
- intangible assets that do not qualify for separate recognition (for instance, PreCision's and Solta Medical's assembled workforce).

The provisional amount of goodwill from the PreCision acquisition has been allocated to the Company's Developed Markets segment ($170.5 million). The amount of goodwill from the Solta Medical acquisition has been allocated to both the Company's Developed Markets segment ($56.4 million) and Emerging Markets segment ($37.8 million).

Acquisition-Related Costs

The Company has incurred to date $5.0 million , in the aggregate, of transaction costs directly related to business combinations which closed in 2014, which includes expenditures for advisory, legal, valuation, accounting and other similar services. These costs have been expensed as acquisition-related costs.

Revenue and Net Income

The revenues of these business combinations for the period from the respective acquisition dates to December 31, 2014 were $250.6 million , in the aggregate, and net income was $9.1 million , in the aggregate. The net income includes the effects of the acquisition accounting adjustments and acquisition-related costs.

(b) Business combinations in 2013 included the following:

B&L

Description of the Transaction

On August 5, 2013, the Company acquired B&L for an aggregate purchase price equal to $8.7 billion minus B&L's existing indebtedness for borrowed money (which was paid off by Valeant in accordance with the terms of the Merger Agreement) and related fees and costs, minus certain of B&L's transaction expenses, minus certain payments with respect to certain cancelled B&L performance-based options (which were not outstanding immediately prior to such effective time), plus the aggregate exercise price applicable to B&L's outstanding options immediately prior to such effective time, and plus certain cash amounts, all as further described in the Merger Agreement. The B&L Acquisition was financed with debt and equity issuances (see note 12 titled "LONG-TERM DEBT" for additional information). Each B&L

restricted share and stock option, whether vested or unvested, that was outstanding immediately prior to such effective time, was cancelled and converted into the right to receive the per share merger consideration in the case of restricted shares or, in the case of stock options, the excess, if any, of the per share merger consideration over the exercise price of such stock option.

Fair Value of Consideration Transferred

The following table indicates the consideration transferred to effect the B&L Acquisition:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	Fair Value
Enterprise value	$ 8,700.0
Adjusted for the following:	
B&L's outstanding debt, including accrued interest	(4,248.3)
B&L's company expenses	(6.4)
Payment in B&L's performance-based option [(a)]	(48.5)
Payment for B&L's cash balance [(b)]	149.0
Additional cash payment [(b)]	75.0
Other	(3.2)
Equity purchase price	4,617.6
Less: Cash consideration paid for B&L's unvested stock options [(c)]	(4.3)
Total fair value of consideration transferred	$ 4,613.3

(a) The cash consideration paid for previously cancelled B&L's performance-based options was recognized as a post-combination expense within Other (income) expense in the third quarter of 2013.

(b) As defined in the Merger Agreement.

(c) The cash consideration paid for B&L stock options and restricted stock attributable to pre-combination services has been included as a component of purchase price. The remaining $4.3 million balance related to the acceleration of unvested stock options for B&L employees was recognized as a post-combination expense within Other (income) expense in the third quarter of 2013.

Assets Acquired and Liabilities Assumed

The transaction has been accounted for as a business combination under the acquisition method of accounting. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of acquisition date.

	Amounts Recognized as of Acquisition Date (as previously reported)	Measurement Period Adjustments [(a)]	Amounts Recognized as of December 31, 2014 (as adjusted)
Cash and cash equivalents	$ 209.5	$ (31.4)	$ 178.1
Accounts receivable [(b)]	547.9	(7.2)	540.7
Inventories [(c)]	675.8	(34.0)	641.8
Other current assets	146.6	0.3	146.9
Property, plant and equipment, net [(d)]	761.4	33.2	794.6
Identifiable intangible assets, excluding acquired IPR&D [(e)]	4,316.1	17.3	4,333.4
Acquired IPR&D [(f)]	398.1	17.0	415.1
Other non-current assets	58.8	(1.9)	56.9
Current liabilities	(885.6)	2.1	(883.5)
Long-term debt, including current portion [(g)]	(4,209.9)	—	(4,209.9)
Deferred income taxes, net [(h)]	(1,410.9)	36.0	(1,374.9)
Other non-current liabilities [(i)]	(280.2)	(1.0)	(281.2)
Total identifiable net assets	327.6	30.4	358.0
Noncontrolling interest [(j)]	(102.3)	(0.4)	(102.7)
Goodwill [(k)]	4,388.0	(30.0)	4,358.0
Total fair value of consideration transferred	$ 4,613.3	$ —	$ 4,613.3

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

(a) The measurement period adjustments primarily reflect: (i) a decrease in the net deferred tax liability, (ii) a reduction in the estimated fair value of inventory, (iii) an increase in the estimated fair value of property, plant and equipment mainly related to certain machinery and equipment in Western Europe and the U.S., partially offset by a reduction in the estimated fair value related to certain manufacturing facilities and an office building, (iv) an adjustment between cash and accounts payable, and (v) increases in the estimated fair value of intangible assets, which included a net increase to IPR&D assets driven by a higher fair value for the next generation silicone hydrogel lens (Bausch + Lomb Ultra®). The measurement period adjustments were made to reflect facts and circumstances existing as of the acquisition date, and did not result from intervening events subsequent to the acquisition date. These adjustments did not have a significant impact on the Company's previously reported consolidated financial statements and, therefore, the Company has not retrospectively adjusted those financial statements.

(b) The fair value of trade accounts receivable acquired was $540.7 million , with the gross contractual amount being $555.6 million , of which the Company expects that $14.9 million will be uncollectible.

(c) Includes an estimated fair value adjustment to inventory of $269.1 million .

(d) The following table summarizes the amounts and useful lives assigned to property, plant and equipment:

	Weighted-Average Useful Lives (Years)	Amounts Recognized as of Acquisition Date (as previously reported)	Measurement Period Adjustments	Amounts Recognized as of December 31, 2014 (as adjusted)
Land	NA	$ 47.4	$ (12.6)	$ 34.8
Buildings	24	273.1	(23.8)	249.3
Machinery and equipment	5	273.5	76.3	349.8
Leasehold improvements	5	22.5	(0.3)	22.2
Equipment on operating lease	3	13.8	(0.2)	13.6
Construction in progress	NA	131.1	(6.2)	124.9
Total property, plant and equipment acquired		$ 761.4	$ 33.2	$ 794.6

The Company sold an office building in Rochester, New York, with an adjusted carrying amount of $14.2 million , in the third quarter of 2014. There was no gain or loss associated with the sale.

(e) The following table summarizes the amounts and useful lives assigned to identifiable intangible assets:

	Weighted-Average Useful Lives (Years)	Amounts Recognized as of Acquisition Date (as previously reported)	Measurement Period Adjustments	Amounts Recognized as of December 31, 2014 (as adjusted)
Product brands	10	$ 1,770.2	$ 4.6	$ 1,774.8
Product rights	8	855.4	5.7	861.1
Corporate brand	Indefinite	1,690.5	7.0	1,697.5
Total identifiable intangible assets acquired	9	$ 4,316.1	$ 17.3	$ 4,333.4

The corporate brand represents the B&L corporate trademark and has an indefinite useful life as there are no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of this intangible asset. The estimated fair value was determined using the relief from royalty method.

(f) The significant components of the acquired IPR&D assets primarily relate to the development of (i) various vision care products ($223.4 million in the aggregate), such as the next generation silicone hydrogel lens (Bausch + Lomb Ultra®), (ii) various pharmaceutical products ($170.9 million , in the aggregate), such as latanoprostene bunod, a nitric oxide-donating prostaglandin for reduction of elevated intraocular pressure in patients with glaucoma or ocular hypertension, and (iii) various surgical products ($20.8 million , in the aggregate). See note 21 titled "COMMITMENTS AND CONTINGENCIES" for further information related to the worldwide licensing agreement with NicOx, S.A. ("NicOx") for latanoprostene bunod. A multi-period excess earnings methodology (income approach) was used to determine the estimated fair values of the acquired IPR&D assets from market participant perspective. The projected cash flows from these assets were adjusted for the probabilities of successful development and commercialization of each project, and a risk-adjusted discount rate of 10% was used to present value the projected cash flows. In determining fair value for latanoprostene bunod and Bausch + Lomb Ultra®, the Company assumed, as of the acquisition date, that material cash inflows for these products would commence in 2016 and 2014, respectively. In September 2013, the U.S. Food and Drug Administration ("FDA") approved Bausch + Lomb Ultra®, and the product was launched in February 2014. As of December 31, 2014, the Company estimated that it will incur remaining development costs, including certain milestone payments, of approximately

$80 million , in the aggregate, to complete the development of the IPR&D assets.

(g) In 2013, the Company repaid in full the amounts outstanding, with the exception of certain debentures. In connection with the redemption of the assumed 9.875% senior notes, the Company recognized a loss on extinguishment of debt of $8.2 million in the third quarter of 2013. As of December 31, 2014 and 2013, the debentures have an outstanding balance of $11.8 million , in the aggregate.

(h) Comprises current net deferred tax assets ($61.6 million) and non-current net deferred tax liabilities ($1,436.5 million).

(i) Includes $224.2 million related to the estimated fair value of pension and other benefits liabilities.

(j) Represents the estimated fair value of B&L's noncontrolling interest related primarily to Chinese joint ventures. A discounted cash flow methodology was used to determine the estimated fair values as of the acquisition date.

(k) Goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. None of the goodwill is expected to be deductible for tax purposes. The goodwill recorded represents the following:

- the Company's expectation to develop and market new product brands, product lines and technology;
- cost savings and operating synergies expected to result from combining the operations of B&L with those of the Company;
- the value of the continuing operations of B&L's existing business (that is, the higher rate of return on the assembled net assets versus if the Company had acquired all of the net assets separately); and
- intangible assets that do not qualify for separate recognition (for instance, B&L's assembled workforce).

The amount of goodwill has been allocated to the Company's Developed Markets segment ($3.3 billion) and Emerging Markets segment ($1.1 billion).

Other Business Combinations

Description of the Transactions

In the year ended December 31, 2013 , the Company completed other business combinations, which included the acquisition of the following businesses, for an aggregate purchase price of $898.1 million . The aggregate purchase price included contingent consideration payment obligations with an aggregate acquisition date fair value of $59.1 million .

- On April 25, 2013, the Company acquired all of the outstanding shares of Obagi Medical Products, Inc. ("Obagi") at a price of $24.00 per share in cash. The aggregate purchase price paid by the Company was approximately $437.1 million . Obagi is a specialty pharmaceutical company that develops, markets, and sells topical aesthetic and therapeutic skin-health systems with a product portfolio of dermatology brands including Obagi Nu-Derm®, Condition & Enhance®, Obagi-C® Rx, ELASTIDerm® and Obagi CLENZIDerm®.

- On February 1, 2013, the Company acquired Natur Produkt International, JSC ("Natur Produkt"), a specialty pharmaceutical company in Russia, for a purchase price of $149.9 million , including a $20.0 million contingent refund of purchase price relating to the outcome of certain litigation involving AntiGrippin® that commenced prior to the acquisition. Subsequent to the acquisition, during the three-month period ended March 31, 2013, the litigation was resolved, and the $20.0 million was refunded back to the Company. Natur Produkt's key brand products include AntiGrippin®, Anti-Angin®, Sage™ and Eucalyptus MA™.

- During the year ended December 31, 2013 , the Company completed other smaller acquisitions which are not material individually or in the aggregate. These acquisitions are included in the aggregated amounts presented below.

Assets Acquired and Liabilities Assumed

These transactions have been accounted for as business combinations under the acquisition method of accounting. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed related to the business combinations, in the aggregate, as of the applicable acquisition dates.

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	Amounts Recognized as of Acquisition Dates	Measurement Period Adjustments [a]	Amounts Recognized as of December 31, 2014 (as adjusted)
Cash	$ 43.1	$ —	$ 43.1
Accounts receivable [b]	64.0	0.5	64.5
Inventories	33.6	1.9	35.5
Other current assets	14.0	—	14.0
Property, plant and equipment	13.9	(3.3)	10.6
Identifiable intangible assets, excluding acquired IPR&D [c]	722.9	3.9	726.8
Acquired IPR&D [d]	18.7	0.2	18.9
Indemnification assets	3.2	(0.7)	2.5
Other non-current assets	0.2	3.7	3.9
Current liabilities	(36.2)	(0.4)	(36.6)
Short-term borrowings [e]	(33.3)	0.5	(32.8)
Long-term debt [e]	(24.0)	—	(24.0)
Deferred tax liability, net	(147.8)	(1.1)	(148.9)
Other non-current liabilities	(1.5)	—	(1.5)
Total identifiable net assets	670.8	5.2	676.0
Noncontrolling interest [f]	(11.2)	—	(11.2)
Goodwill [g]	224.3	9.0	233.3
Total fair value of consideration transferred	$ 883.9	$ 14.2	$ 898.1

(a) The measurement period adjustments primarily reflect an increase in the total fair value of consideration transferred with respect to the Natur Produkt acquisition pursuant to a purchase price adjustment. The measurement period adjustments were made to reflect facts and circumstances existing as of the acquisition date, and did not result from intervening events subsequent to the acquisition date. These adjustments did not have a significant impact on the Company's previously reported consolidated financial statements and, therefore, the Company has not retrospectively adjusted those financial statements.

(b) The fair value of trade accounts receivable acquired was $64.5 million , with the gross contractual amount being $68.2 million , of which the Company expects that $3.7 million will be uncollectible.

(c) The following table summarizes the amounts and useful lives assigned to identifiable intangible assets:

	Weighted-Average Useful Lives (Years)	Amounts Recognized as of Acquisition Dates	Measurement Period Adjustments	Amounts Recognized as of December 31, 2014 (as adjusted)
Product brands	7	$ 517.2	$ 3.1	$ 520.3
Corporate brand	13	86.1	0.8	86.9
Patents	3	71.7	—	71.7
Royalty Agreement	5	26.5	—	26.5
Partner relationships	5	16.0	—	16.0
Technology	10	5.4	—	5.4
Total identifiable intangible assets acquired	8	$ 722.9	$ 3.9	$ 726.8

(d) The acquired IPR&D assets relate to the Obagi and Natur Produkt acquisitions. Obagi's acquired IPR&D assets primarily relate to the development of dermatology products for anti-aging and suncare. Natur Produkt's acquired IPR&D assets include a product indicated for the prevention of viral diseases, specifically cold and flu, and a product indicated for the treatment of inflammation and muscular disorders.

(e) Short-term borrowings and long-term debt primarily relate to the Natur Produkt acquisition. In March 2013, the Company settled all of Natur Produkt's outstanding third party short-term borrowings and long-term debt.

(f) Represents the estimated fair value of noncontrolling interest related to a smaller acquisition completed in the third quarter of 2013.

(g) The goodwill relates primarily to the Obagi and Natur Produkt acquisitions. Goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. None of Obagi's and Natur Produkt's

goodwill is expected to be deductible for tax purposes. The goodwill recorded from the Obagi and the Natur Produkt acquisitions represents primarily the cost savings, operating synergies and other benefits expected to result from combining the operations with those of the Company.

The amount of goodwill from the Obagi acquisition has been allocated primarily to the Company's Developed Markets segment. The amount of goodwill from the Natur Produkt acquisition has been allocated to the Company's Emerging Markets segment.

(c) Business combinations in 2012 included the following:

Medicis

Description of the Transaction

On December 11, 2012, the Company acquired all of the outstanding common stock of Medicis for $44.00 per share ("Medicis Per Share Consideration") for cash. Pursuant to the Agreement and Plan of Merger, dated September 2, 2012, among the Company, the Company's subsidiary Valeant, Merlin Merger Sub, Inc. ("Merlin Merger Sub"), a Delaware corporation and wholly-owned subsidiary of Valeant, and Medicis, on December 11, 2012, Merlin Merger Sub merged with and into Medicis, with Medicis continuing as the surviving entity and wholly-owned subsidiary of Valeant (the "Medicis acquisition").

Medicis offers a broad range of products addressing various conditions or aesthetics improvements, including acne, actinic keratosis, facial wrinkles, glabellar lines, fungal infections, hyperpigmentation, photoaging, psoriasis, bronchospasms, external genital and perianal warts/condyloma acuminate, seborrheic dermatitis and cosmesis (improvement in the texture and appearance of skin). Medicis' primary brands are Solodyn®, Ziana®, and Zyclara®.

Fair Value of Consideration Transferred

The following table indicates the consideration transferred to effect the acquisition of Medicis:

(Number of shares, stock options and restricted share units in millions)	Conversion Calculation	Fair Value
Number of common shares of Medicis outstanding as of acquisition date	57.1	
Multiplied by Medicis Per Share Consideration	$ 44.00	$ 2,513.9
Number of stock options of Medicis cancelled and exchanged for cash [(a)]	3.2	33.1
Number of outstanding restricted shares cancelled and exchanged for cash [(a)]	2.0	31.9
Total fair value of consideration transferred		$ 2,578.9

(a) The cash consideration paid for Medicis stock options and restricted shares attributable to pre-combination services has been included as a component of purchase price. The remaining $77.3 million balance related to the acceleration of unvested stock options, restricted stock awards, and share appreciation rights for Medicis employees that was triggered by the change in control was recognized as a post-combination expense within Other (income) expense in the fourth quarter of 2012.

Assets Acquired and Liabilities Assumed

The transaction has been accounted for as business combination under the acquisition method of accounting. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the acquisition date.

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	Amounts Recognized as of Acquisition Date (as previously reported)	Measurement Period Adjustments [a]	Amounts Recognized as of December 31, 2013 (as adjusted)
Cash and cash equivalents	$ 169.6	$ —	$ 169.6
Accounts receivable [b]	81.1	9.1	90.2
Inventories [c]	145.1	(7.6)	137.5
Short-term and long-term investments [d]	626.6	—	626.6
Income taxes receivable	40.4	—	40.4
Other current assets	74.6	—	74.6
Property and equipment, net	8.2	(5.6)	2.6
Identifiable intangible assets, excluding acquired IPR&D [e]	1,390.7	(21.8)	1,368.9
Acquired IPR&D [f]	153.8	6.0	159.8
Other non-current assets	0.6	—	0.6
Current liabilities	(453.8)	(12.5)	(466.3)
Long-term debt, including current portion [g]	(778.0)	—	(778.0)
Deferred income taxes, net	(205.0)	12.2	(192.8)
Other non-current liabilities	(8.8)	—	(8.8)
Total identifiable net assets	1,245.1	(20.2)	1,224.9
Goodwill [h]	1,333.8	20.2	1,354.0
Total fair value of consideration transferred	$ 2,578.9	$ —	$ 2,578.9

(a) The measurement period adjustments primarily reflect: (i) reductions in the estimated fair value of a product brand intangible asset and property and equipment; (ii) changes in estimated inventory reserves; (iii) changes in certain assumptions impacting the fair value of acquired IPR&D; (iv) additional information obtained with respect to the valuation of certain pre-acquisition contingent assets, as well as legal and milestone obligations; and (v) the tax impact of pre-tax measurement period adjustments. The measurement period adjustments were made to reflect facts and circumstances existing as of the acquisition date, and did not result from intervening events subsequent to the acquisition date. These adjustments did not have a significant impact on the Company's previously reported consolidated financial statements and, therefore, the Company has not retrospectively adjusted those financial statements.

(b) The fair value of trade accounts receivable acquired was $90.2 million , with the gross contractual amount being $90.3 million , of which the Company expects that $0.1 million will be uncollectible.

(c) Includes an estimated fair value adjustment to inventory of $104.6 million .

(d) Short-term and long-term investments consist of corporate and various government agency and municipal debt securities, investments in auction rate floating securities (student loans), and investments in equity securities. Subsequent to the acquisition date, the Company liquidated these investments for proceeds of $615.4 million , $9.0 million and $8.0 million in the fourth quarter of 2012, the first quarter of 2013, and the second quarter of 2013, respectively.

(e) The following table summarizes the amounts and useful lives assigned to identifiable intangible assets:

	Weighted-Average Useful Lives (Years)	Amounts Recognized as of Acquisition Date (as previously reported)	Measurement Period Adjustments	Amounts Recognized as of December 31, 2013 (as adjusted)
In-licensed products	11	$ 633.4	$ 2.3	$ 635.7
Product brands	8	491.6	(24.8)	466.8
Patents	5	225.0	1.1	226.1
Corporate brands	14	40.7	(0.4)	40.3
Total identifiable intangible assets acquired	9	$ 1,390.7	$ (21.8)	$ 1,368.9

(f) The significant components of the acquired IPR&D assets relate to the development of dermatology products, such as Luliconazole, a new imidazole, antimycotic cream for the treatment of tinea cruris, pedis and corporis, and Metronidazole 1.3%, a topical antibiotic for the treatment of bacterial vaginosis ($136.9 million , in the aggregate), and the development of aesthetics programs ($22.9 million). In November 2013, the FDA approved a New

Drug Application ("NDA") for Luliconazole, which triggered the commencement of amortization. A multi-period excess earnings methodology (income approach) was primarily used to determine the estimated fair values of the acquired IPR&D assets. The projected cash flows from these assets were adjusted for the probabilities of successful development and commercialization of each project. Risk-adjusted discount rates of 10% - 11% were used to present value the projected cash flows. On July 1, 2014, the Company sold the worldwide rights in its Metronidazole 1.3% Vaginal Gel antibiotic development product to Actavis Specialty Brands. For further details, see note 4 titled "DIVESTITURES".

(g) During the period from the acquisition date to December 31, 2013, the Company settled a significant portion of Medicis' outstanding long-term debt. As of December 31, 2014 and 2013, Medicis' outstanding long-term debt includes 1.375% Convertible Senior Notes, with an outstanding principal amount of $0.2 million .

(h) Goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. None of the goodwill is expected to be deductible for tax purposes. The goodwill recorded represents the following:

- cost savings, operating synergies and other benefits expected to result from combining the operations of Medicis with those of the Company;
- the value of the continuing operations of Medicis' existing business (that is, the higher rate of return on the assembled net assets versus if the Company had acquired all of the net assets separately); and
- intangible assets that do not qualify for separate recognition (for instance, Medicis' assembled workforce).

The goodwill has been allocated to the Company's Developed Markets segment.

Other Business Combinations

Description of the Transactions

In the year ended December 31, 2012, the Company completed other business combinations, which included the following businesses, as well as other smaller acquisitions, for an aggregate purchase price of $1.2 billion . The aggregate purchase price included contingent consideration obligations with an aggregate acquisition date fair value of $145.7 million .

- On June 18, 2012, the Company acquired all of the outstanding common stock and preferred stock of OraPharma Topco Holdings, Inc. ("OraPharma"), a specialty oral health company located in the U.S. that develops and commercializes products that improve and maintain oral health. Pursuant to the Agreement and Plan of Merger, dated June 14, 2012, by and among Valeant, Orange Acquisition, Inc. ("Orange Merger Sub"), a Delaware corporation and wholly-owned subsidiary of Valeant, OraPharma and a representative of the shareholder of Orapharma, Orange Merger Sub merged with and into OraPharma with OraPharma continuing as the surviving entity and wholly-owned subsidiary of Valeant. The Company made an up-front payment of $289.3 million , and the Company agreed to pay a series of contingent consideration payments of up to $114.0 million based on certain milestones, including certain revenue targets. The fair value of the contingent consideration was determined to be $99.2 million as of the acquisition date. As of December 31, 2014 , the assumptions used for determining fair value of the contingent consideration have not changed significantly from those used at the acquisition date. During each year ended December 31, 2014 and 2013, the Company made contingent consideration payments of $40.0 million per year, and therefore the remaining potential contingent consideration that may be paid is $34.0 million . OraPharma's lead product is Arestin®, a locally administered antibiotic for the treatment of periodontitis that utilizes an advanced controlled-release delivery system and is indicated for use in conjunction with scaling and root planing for the treatment of adult periodontitis.

- On March 13, 2012, the Company acquired certain assets from Gerot Lannach, a branded generics pharmaceutical company based in Austria. The Company made an up-front payment of $164.0 million , and the Company agreed to pay a series of contingent consideration payments if certain net sales milestones were achieved. The fair value of the contingent consideration was determined to be $16.8 million as of the acquisition date. During the year ended December 31, 2013, the Company made contingent consideration payments of $20.1 million , in the aggregate. There are no remaining contingent consideration payments under this arrangement. As part of the transaction, the Company also entered into a ten -year exclusive supply agreement with Gerot Lannach for the acquired products. Approximately 90% of sales relating to the acquired assets are in Russia, with sales also made in certain Commonwealth of Independent States (CIS) countries including Kazakhstan and Uzbekistan. Gerot Lannach's largest product is acetylsalicylic acid, a low dose aspirin.

- During the year ended December 31, 2012, the Company completed other smaller acquisitions which are not material individually or in the aggregate. These acquisitions are included in the aggregated amounts presented below.

Assets Acquired and Liabilities Assumed

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

These transactions have been accounted for as business combinations under the acquisition method of accounting. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed related to the other business combinations, in the aggregate, as of the acquisition dates.

	Amounts Recognized as of Acquisition Dates (as previously reported)	Measurement Period Adjustments [a]	Amounts Recognized as of December 31, 2013 (as adjusted)
Cash and cash equivalents	$ 21.4	$ (0.3)	$ 21.1
Accounts receivable [b]	40.2	—	40.2
Assets held for sale [c]	15.6	—	15.6
Inventories	68.0	(8.8)	59.2
Other current assets	6.6	—	6.6
Property, plant and equipment	17.2	—	17.2
Identifiable intangible assets, excluding acquired IPR&D [d]	1,133.0	(62.6)	1,070.4
Acquired IPR&D [e]	16.7	13.1	29.8
Indemnification assets	27.9	—	27.9
Other non-current assets	1.9	—	1.9
Current liabilities	(41.8)	(0.7)	(42.5)
Long-term debt [f]	(38.8)	—	(38.8)
Liability for uncertain tax position	(6.7)	6.7	—
Other non-current liabilities	(28.7)	—	(28.7)
Deferred income taxes, net	(184.8)	18.8	(166.0)
Total identifiable net assets	1,047.7	(33.8)	1,013.9
Goodwill [g]	157.4	24.7	182.1
Total fair value of consideration transferred	$ 1,205.1	$ (9.1)	$ 1,196.0

(a) The measurement period adjustments primarily relate to the OraPharma acquisition and primarily reflect: (i) changes in the estimated fair value of the Arestin® product brand; (ii) the reclassification of intangible assets from product brands to IPR&D; (iii) a decrease in the total fair value of consideration transferred due to a working capital adjustment; and (iv) the tax impact of pre-tax measurement period adjustments. The measurement period adjustments were made to reflect facts and circumstances existing as of the acquisition date, and did not result from intervening events subsequent to the acquisition date. These adjustments did not have a significant impact on the Company's previously reported consolidated financial statements and, therefore, the Company has not retrospectively adjusted those financial statements.

(b) The fair value of trade accounts receivable acquired was $40.2 million , with the gross contractual amount being $41.5 million , of which the Company expects that $1.3 million will be uncollectible.

(c) Assets held for sale relate to a product brand acquired in the other smaller acquisition. Subsequent to that acquisition, the plan of sale changed, and the Company no longer intends to sell the asset. Consequently, the product brand was not classified as an asset held for sale as of December 31, 2012.

(d) The following table summarizes the amounts and useful lives assigned to identifiable intangible assets:

	Weighted-Average Useful Lives (Years)	Amounts Recognized as of Acquisition Date (as previously reported)	Measurement Period Adjustments	Amounts Recognized as of December 31, 2013 (as adjusted)
Product brands	11	$ 903.7	$ (63.8)	$ 839.9
Corporate brands	13	51.4	2.1	53.5
Product rights	10	109.3	(0.9)	108.4
Royalty agreement	9	36.2	—	36.2

Partner relationships	5	32.4	—	32.4
Total identifiable intangible assets acquired	11	$ 1,133.0	$ (62.6)	$ 1,070.4

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

(e) The IPR&D assets primarily relate to the OraPharma acquisition. OraPharma's acquired IPR&D assets primarily relate to the development of Arestin® ER, which is indicated for oral hygiene use and Arestin® Peri-Implantitis, which is indicated for anti-inflammatory and anti-bacterial use.

(f) Primarily relates to the OraPharma acquisition. Effective June 18, 2012, the Company terminated the OraPharma's credit facility agreement, repaid the assumed debt outstanding ($37.9 million) and cancelled the undrawn credit facilities.

(g) The goodwill relates primarily to the OraPharma acquisition. Goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. None of OraPharma's goodwill is expected to be deductible for tax purposes. The goodwill recorded from the OraPharma acquisition represents the following:

- cost savings, operating synergies and other benefits expected to result from combining the operations of OraPharma with those of the Company;
- the value of the continuing operations of OraPharma's existing business (that is, the higher rate of return on the assembled net assets versus if the Company had acquired all of the net assets separately); and
- intangible assets that do not qualify for separate recognition (for instance, OraPharma's assembled workforce).

The amount of goodwill from OraPharma acquisition has been allocated to the Company's Developed Markets segment. The amount of goodwill from the Gerot Lannach acquisition has been allocated to the Company's Emerging Markets segment.

Pro Forma Impact of Business Combinations

The following table presents unaudited pro forma consolidated results of operations for the years ended December 31, 2014, 2013 and 2012, as if the 2014 acquisitions had occurred as of January 1, 2013, the 2013 acquisitions had occurred as of January 1, 2012, and the 2012 acquisitions occurred as of January 1, 2011.

	Unaudited		
	2014	2013	2012
Revenues	$ 8,348.9	$ 7,929.9	$ 7,700.6
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	909.3	(801.9)	(709.6)
Earnings (loss) per share attributable to Valeant Pharmaceuticals International, Inc.:			
Basic	$ 2.71	$ (2.43)	$ (2.14)
Diluted	$ 2.66	$ (2.43)	$ (2.14)

The increase in pro forma revenues in the year ended December 31, 2014 as compared to the year ended December 31, 2013 was primarily due to higher B&L revenues and growth from the remaining business, including the launches of Jublia®, Luzu®, and Retin-A Micro® Microsphere 0.08% ("RAM 0.08%"). These increases were partially offset by (i) lower sales of the Vanos®, Retin-A Micro® (excluding RAM 0.08%), and Zovirax® franchises and Wellbutrin® XL (Canada) due to generic competition, (ii) lower sales of facial aesthetic fillers and toxins assets due to the July 2014 divestiture of these assets, and (iii) a negative foreign currency exchange impact.

The unaudited pro forma consolidated results of operations were prepared using the acquisition method of accounting and are based on the historical financial information of the Company and the acquired businesses described above. Except to the extent realized in the year ended December 31, 2014, the unaudited pro forma information does not reflect any cost savings, operating synergies and other benefits that the Company may achieve as a result of these acquisitions, or the costs necessary to achieve these cost savings, operating synergies and other benefits. In addition, except to the extent recognized in the year ended December 31, 2014, the unaudited pro forma information does not reflect the costs to integrate the operations of the Company with those of the acquired businesses.

The unaudited pro forma information is not necessarily indicative of what the Company's consolidated results of operations actually would have been had the 2014 acquisitions, the 2013 acquisitions, and the 2012 acquisitions been completed on January 1, 2013, January 1, 2012, and January 1, 2011, respectively. In addition, the unaudited pro forma information does not purport to project the future results of operations of the Company. The unaudited pro forma information reflects primarily the following adjustments:

- elimination of historical intangible asset amortization expense of these acquisitions;
- additional amortization expense related to the fair value of identifiable intangible assets acquired;
- additional depreciation expense related to fair value adjustment to property, plant and equipment acquired;

- additional interest expense associated with the financing obtained by the Company in connection with the various acquisitions; and

- the exclusion from pro forma earnings in the year ended December 31, 2014, 2013 and 2012 of the acquisition accounting adjustments on these acquisitions' inventories that were sold subsequent to the acquisition date of $20.2 million , $369.9 million and $58.1 million , in the aggregate, respectively, and the acquisition-related costs of $2.0 million , $25.3 million and $72.1 million , in the aggregate, respectively, incurred for these acquisitions in the year ended December 31, 2014, 2013 and 2012 and the inclusion of those amounts in pro forma earnings for the corresponding comparative periods.

In addition, all of the above adjustments were adjusted for the applicable tax impact.

4. DIVESTITURES

Divestiture of Facial Aesthetic Fillers and Toxins

On July 10, 2014, the Company sold all rights to Restylane®, Perlane®, Emervel®, Sculptra®, and Dysport® owned or held by the Company to Galderma S.A. ("Galderma") for approximately $1.4 billion in cash. These assets were included primarily in the Company's Developed Markets segment. As a result of this transaction, the Company recognized a net gain on sale of $323.9 million in the third quarter of 2014 within Other (income) expense in the consolidated statement of income (loss). The costs to sell for this divestiture of approximately $43 million were recognized in the third quarter of 2014 and included as part of the net gain on sale (netted against the proceeds in the consolidated statement of cash flows). As this divestiture does not represent a strategic shift that has, or will have, a major effect on operations and financial results, a discontinued operations presentation was not appropriate.

Sale of Metronidazole 1.3%

On July 1, 2014, the Company sold the worldwide rights in its Metronidazole 1.3% Vaginal Gel antibiotic product, a topical antibiotic for the treatment of bacterial vaginosis, to Actavis Specialty Brands for upfront and certain milestone payments of $10.0 million , in the aggregate, and minimum royalties for the first three years of commercialization. This asset was included in the Company's Developed Markets segment. In addition, royalties are payable to the Company beyond the initial three -year commercialization period. In the event of generic competition on Metronidazole 1.3% , should Actavis Specialty Brands choose to launch an authorized generic product, Actavis Specialty Brands would share the gross profits of the authorized generic with the Company. The FDA approved the NDA for Metronidazole 1.3% in March 2014. In connection with the sale of the Metronidazole 1.3% , the Company recognized a loss on sale of $58.5 million in the third quarter of 2014, as the Company's accounting policy is to not recognize contingent payments until such amounts are realizable. The loss on sale was included within Other (income) expense in the consolidated statement of income (loss). As this divestiture does not represent a strategic shift that has, or will have, a major effect on operations and financial results, a discontinued operations presentation was not appropriate.

Divestiture of Tretin-X® and Generic Tretinoin

In connection with the acquisition of PreCision, the Company was required by the FTC to divest the rights to PreCision's Tretin-X® (tretinoin) cream product and PreCision's generic tretinoin gel and cream products. In July 2014, the Tretin-X product rights were sold to Watson Laboratories, Inc. for an up-front purchase price of $70 million , and the generic tretinoin products rights were sold to Matawan Pharmaceuticals, LLC ("Matawan") for an up-front purchase price of $45 million plus additional contingent payments. In connection with the sale of the generic tretinoin product rights to Matawan, the Company recognized a loss on sale of $8.8 million in the third quarter of 2014 within Other (income) expense in the consolidated statement of income (loss), as the Company's accounting policy is to not recognize contingent payments until such amounts are realizable. There was no gain or loss associated with the sale of the Tretin-X product rights. As these divestitures do not represent strategic shifts that have or will have, a major effect on operations and financial results, a discontinued operations presentation was not appropriate.

Divestiture of certain skincare products sold in Australia

In October 2013, the Company divested certain skincare products, sold primarily in Australia, for up-front proceeds of $13.7 million , plus potential additional earn-out payments based on sales and margin performance during the twelve -month period following the sale transaction. In connection with the sale of these products, the Company realized $13.7 million of cash proceeds in the fourth quarter of

2013. The Company recognized a loss on sale of $10.2 million in the fourth quarter of 2013.

which was included in Other (income) expense in the consolidated statements of income (loss), since the Company will not recognize income from the potential earn-out payments until realizable. For further information regarding this transaction, see note 6 titled "FAIR VALUE MEASUREMENTS".

Divestitures of IDP-111 and 5-FU

In connection with the acquisition of the Dermik in 2011, the Company was required by the FTC to divest IDP-111, a generic version of BenzaClin®, and 5-FU, an authorized generic of Efudex®. In February 2012, the Company sold the IDP-111 and 5-FU products and realized $66.3 million of cash proceeds, which resulted in an immaterial loss on sale.

5. RESTRUCTURING, INTEGRATION AND OTHER CHARGES

In connection with the B&L and Medicis acquisitions as well as other smaller acquisitions, the Company has implemented cost-rationalization and integration initiatives to capture operating synergies and generate cost savings across the Company. These measures included:

- workforce reductions across the Company and other organizational changes;
- closing of duplicative facilities and other site rationalization actions company-wide, including research and development facilities, sales offices and corporate facilities;
- leveraging research and development spend; and
- procurement savings.

B&L Acquisition-Related Cost-Rationalization and Integration Initiatives

The Company estimates that it will incur total costs of approximately $600 million (excluding charges of $52.8 million described below) in connection with these cost-rationalization and integration initiatives, which were substantially completed by the end of 2014. Since the acquisition date, total costs of $569.1 million (including $55.9 million related to cost-rationalization measures at a contact lens manufacturing plant in Waterford, Ireland as described below) have been incurred through December 31, 2014, including (i) $306.9 million of restructuring expenses, (ii) $248.8 million of integration expenses, and (iii) $13.4 million of acquisition-related costs. The estimate of total costs to be incurred primarily includes: employee termination costs payable to approximately 3,000 employees of the Company and B&L who have been or will be terminated as a result of the B&L Acquisition; IPR&D termination costs related to the transfer to other parties of product-development programs that did not align with our research and development model; costs to consolidate or close facilities and relocate employees; and contract termination and lease cancellation costs. The costs described above do not include charges of $52.8 million , in the aggregate, recognized and paid in the third quarter of 2013 related to B&L's previously cancelled performance-based options and the acceleration of unvested stock options for B&L employees as a result of the B&L Acquisition. As described in note 2 titled "SIGNIFICANT ACCOUNTING POLICIES", the charges of $52.8 million were reclassified to Other (income) expense to conform to the current year presentation.

B&L Restructuring Costs

The following table summarizes the major components of the restructuring costs incurred in connection with the B&L Acquisition since the acquisition date through December 31, 2014 :

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	Employee Termination Costs		IPR&D Termination Costs	Contract Termination, Facility Closure and Other Costs	Total
	Severance and Related Benefits	Share-Based Compensation [1]			
Balance, January 1, 2013	$ —	$ —	$ —	$ —	$ —
Costs incurred and/or charged to expense	155.7	52.8	—	25.6	234.1
Cash payments	(77.8)	(52.8)	—	(7.8)	(138.4)
Non-cash adjustments	11.4	—	—	(6.8)	4.6
Balance, December 31, 2013	$ 89.3	$ —	$ —	$ 11.0	$ 100.3
Costs incurred and charged to expense	46.0	—	—	23.7	69.7
Cash payments	(110.7)	—	—	(24.9)	(135.6)
Non-cash adjustments	(5.7)	—	—	(5.4)	(11.1)
Balance, December 31, 2014	$ 18.9	$ —	$ —	$ 4.4	$ 23.3

(1) Relates to B&L's previously cancelled performance-based options and the acceleration of unvested stock options for B&L employees as a result of the B&L Acquisition. These charges were reclassified to Other (income) expense to conform to the current year presentation.

B&L Integration Costs

As mentioned above, the Company has incurred $248.8 million of integration costs related to the B&L Acquisition since the acquisition date. In the years ended December 31, 2014 and 2013 , the Company incurred $132.8 million and $116.0 million , respectively, of integration costs related to the B&L Acquisition, which related primarily to integration consulting and manufacturing, duplicate labor, transition service, and other costs. The Company made payments of $144.1 million and $102.2 million related to B&L integration costs for the years ended December 31, 2014 and 2013 , respectively.

In addition to the restructuring and integration costs described above, the Company incurred $55.9 million of restructuring costs in the year ended December 31, 2014 related to employee termination costs with respect to cost-rationalization measures at a contact lens manufacturing plant in Waterford, Ireland (the plant was acquired as part of the B&L Acquisition). The Company made payments of $24.0 million in the year ended December 31, 2014 with respect to this initiative.

Medicis Acquisition-Related Cost-Rationalization and Integration Initiatives

The Company estimates that it will incur total costs of approximately $200 million in connection with these cost-rationalization and integration initiatives, which were substantially completed by the end of 2013. However, additional costs have been incurred in 2014, and the Company expects to incur certain costs during the next three months. Since the acquisition date, total costs of $193.2 million (excluding the charge of $77.3 million described below), including (i) $109.2 million of restructuring expenses, (ii) $51.8 million of integration expenses, and (iii) $32.2 million of acquisition-related costs, which excludes $24.2 million of acquisition-related costs recognized in the fourth quarter of 2012 related to royalties to be paid to Galderma on sales of Sculptra®, have been incurred through December 31, 2014. In connection with the divestiture of Sculptra® and certain other products to Galderma in July 2014, the royalty obligation owed to Galderma on sales of Sculptra® was relieved in the third quarter of 2014 and included as part of the gain on sale. See note 4 "DIVESTITURES" for additional information regarding this divestiture. The estimated costs primarily include: employee termination costs payable to approximately 750 employees of the Company and Medicis who have been terminated as a result of the Medicis acquisition; IPR&D termination costs related to the transfer to other parties of product-development programs that did not align with our research and development model; costs to consolidate or close facilities and relocate employees; and contract termination and lease cancellation costs. The estimate of total costs to be incurred of approximately $200 million does not include a charge of $77.3 million recognized within Other (income) expense and paid in the fourth quarter of 2012 related to the acceleration of unvested stock options, restricted stock awards, and share appreciation rights for Medicis employees that was triggered by the change in control.

Medicis Restructuring Costs

The following table summarizes the major components of the $109.2 million of restructuring costs incurred in connection with the Medicis

acquisition since the acquisition date through December 31, 2014:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	Employee Termination Costs		IPR&D Termination Costs	Contract Termination, Facility Closure and Other Costs	Total
	Severance and Related Benefits	Share-Based Compensation [1]			
Balance, January 1, 2012	$ —	$ —	$ —	$ —	$ —
Costs incurred and/or charged to expense	85.3	77.3	—	0.4	163.0
Cash payments	(78.0)	(77.3)	—	—	(155.3)
Non-cash adjustments	4.1	—	—	(0.2)	3.9
Balance, December 31, 2012	11.4	—	—	0.2	11.6
Costs incurred and/or charged to expense	20.0	—	—	3.5	23.5
Cash payments	(31.4)	—	—	(3.6)	(35.0)
Non-cash adjustments	0.3	—	—	(0.1)	0.2
Balance, December 31, 2013 [2]	$ 0.3	$ —	$ —	$ —	$ 0.3

(1) Relates to the acceleration of unvested stock options, restricted stock awards, and share appreciation rights for Medicis employees that was triggered by the change in control. These charges were reclassified to Other (income) expense to conform to the current year presentation.

(2) The Company has not recognized any restructuring charges, and made a payment of $0.1 million , in the year ended December 31, 2014 with respect to the Medicis acquisition-related initiatives.

Medicis Integration Costs

As mentioned above, the Company has incurred $51.8 million of integration costs related to the Medicis acquisition since the acquisition date. For the years ended December 31, 2014, 2013 and 2012 , the Company incurred $11.9 million , $38.4 million and $1.5 million , respectively, of integration costs related to the Medicis acquisition. The costs incurred in 2014 related primarily to an R&D collaboration inherited from Medicis which does not align with the Company's research and development model. The costs incurred in 2013 related primarily to integration consulting, duplicate labor, transition service, and other costs. The Company made payments of $12.0 million , $38.5 million and $0.5 million related to Medicis integration costs for the years ended December 31, 2014, 2013 and 2012, respectively.

Other Restructuring and Integration-Related Costs (Excluding B&L and Medicis)

In the year ended December 31, 2014, in addition to the restructuring and integration costs associated with the B&L and Medicis acquisitions described above, the Company incurred an additional $111.4 million of other restructuring, integration-related and other costs. These costs included (i) $67.8 million of integration consulting, duplicate labor, transition service, and other costs, (ii) $25.0 million of severance costs, (iii) $11.7 million of facility closure costs, and (iv) $6.9 million of other costs. These costs primarily related to (i) integration and restructuring costs for Solta Medical, PreCision and other smaller acquisitions and (ii) intellectual property migration and the global consolidation of the Company's manufacturing facilities. The Company made payments of $104.4 million during the year ended December 31, 2014 (in addition to the payments related to the B&L and Medicis acquisitions described above).

In the year ended December 31, 2013, in addition to the restructuring and integration costs associated with the B&L and Medicis acquisitions described above, the Company incurred an additional $102.8 million of other restructuring, integration-related and other costs. These costs included (i) $39.1 million of facility closure costs, (ii) $35.8 million of integration consulting, duplicate labor, transition service, and other costs, (iii) $15.1 million of severance costs, and (iv) $12.8 million of other costs, including non-personnel manufacturing integration costs. These costs primarily related to (i) integration and restructuring costs for other smaller acquisitions, (ii) intellectual property migration and the global consolidation of the Company's manufacturing facilities, and (iii) systems integration initiatives. The Company made payments of $103.3 million during the year ended December 31, 2013 (in addition to the payments related to B&L and Medicis acquisitions described above).

In the year ended December 31, 2012, in addition to the restructuring and integration costs associated with the Medicis acquisition described above, the Company incurred an additional $179.9 million of other restructuring, integration-related and other costs, in the aggregate, including (i) $72.0 million of integration consulting, duplicate labor, transition service, and other, (ii) $59.2 million of severance costs, (iii) $30.4 million of facility closure costs, and (iv) $18.3 million of other costs,

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

including non-personnel manufacturing integration costs. The Company also made payments of $173.6 million during the year ended December 31, 2012 (in addition to the payments related to the Medicis acquisition described above).

As described in note 22 titled “SEGMENT INFORMATION”, restructuring costs are not recorded in the Company’s reportable segments.

6. FAIR VALUE MEASUREMENTS

Fair value measurements are estimated based on valuation techniques and inputs categorized as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities;
- Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using discounted cash flow methodologies, pricing models, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following fair value hierarchy table presents the components and classification of the Company’s financial assets and liabilities measured at fair value as of December 31, 2014 and 2013 :

	2014				2013			
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:								
Cash equivalents [1]	$ 4.6	$ 2.8	$ 1.8	$ —	$ 171.3	$ 171.3	$ —	$ —
Liabilities:								
Acquisition-related contingent consideration	$ (308.8)	$ —	$ —	$ (308.8)	$ (355.8)	$ —	$ —	$ (355.8)

(1) Cash equivalents include highly liquid investments with an original maturity of three months or less at acquisition, primarily including money market funds, reflected in the balance sheet at carrying value, which approximates fair value due to their short-term nature.

In addition to the cash equivalents (described under the table above), the Company has time deposits valued at cost, which approximates fair value due to their short-term maturities. The carrying value of $42.6 million and $25.2 million as of December 31, 2014 and 2013 , respectively, related to these investments is classified within Prepaid expenses and other current assets in the consolidated balance sheets. These investments are Level 2.

There were no transfers between Level 1 and Level 2 during the year ended December 31, 2014 .

Assets and Liabilities Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3)

The fair value measurement of contingent consideration obligations arising from business combinations is determined using unobservable

(Level 3) inputs. These inputs include (i) the estimated amount and timing of projected cash flows; (ii) the probability of the achievement of the factor(s) on which the contingency is based; and (iii) the risk-adjusted discount rate used to present value the probability-weighted cash flows. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement.

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

The following table presents a reconciliation of contingent consideration obligations measured on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2014 and 2013 :

	2014	2013
Balance, beginning of year	$ (355.8)	$ (455.1)
Included in net income (loss):		
Arising during the year [1]	14.1	29.2
Included in other comprehensive (loss) income:		
Arising during the year	4.1	5.0
Issuances [2]	(93.8)	(76.1)
Payments [3]	116.8	141.2
Release from restricted cash	5.8	—
Balance, end of year	$ (308.8)	$ (355.8)

(1) For the year ended December 31, 2014 , a net gain of $14.1 million was recognized as Acquisition-related contingent consideration in the consolidated statements of income (loss). The acquisition-related contingent consideration net gain was primarily driven by net fair value adjustments of $19.0 million related to the Elidel®/Xerese®/Zovirax® agreement entered into with Meda Pharma SARL in June 2011 (the "Elidel®/Xerese®/Zovirax® agreement"), as a result of continued assessment of the impact from generic competition on performance trends and future revenue forecasts for Zovirax®.

For the year ended December 31, 2013 , a net gain of $29.2 million was recognized as Acquisition-related contingent consideration in the consolidated statements of income (loss). The acquisition-related contingent consideration net gain was primarily driven by a net gain related to the Elidel®/Xerese®/Zovirax® agreement. As a result of analysis in the third quarter of 2013 of performance trends since the launch of a generic Zovirax® ointment in April 2013, the Company adjusted the projected revenue forecast, resulting in an acquisition-related contingent consideration net gain of $20.0 million in the year ended December 31, 2013 . Also contributing to the acquisition-related contingent consideration net gain was a net gain of $6.9 million which resulted from the termination, in the third quarter of 2013, of the A007 (Lacrisert®) development program, which impacted the probability associated with potential milestone payments. The termination of this program also resulted in an IPR&D impairment charge in the third quarter of 2013, as described in note 10 titled "INTANGIBLE ASSETS AND GOODWILL" .

(2) 2014 issuances relate primarily to the Solta Medical acquisition and other smaller acquisitions, and the 2013 issuances relate to smaller acquisitions.

(3) The 2014 payments of acquisition-related contingent consideration relate to the OraPharma acquisition, the Elidel®/Xerese®/Zovirax® agreement, and other smaller acquisitions. The 2013 payments of acquisition-related contingent consideration related primarily to the Elidel®/Xerese®/Zovirax® agreement and the OraPharma and the Gerot Lannach acquisitions. See note 3 titled "BUSINESS COMBINATIONS" .

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

As of December 31, 2013 , the Company's assets measured at fair value on a non-recurring basis subsequent to initial recognition included:

(i) an intangible asset within the Company's Developed Markets segment, related to ezogabine/retigabine (immediate-release formulation) which is co-developed and marketed under a collaboration agreement with GlaxoSmithKline ("GSK"). The Company recognized an impairment charge of $551.6 million in the third quarter of 2013 in Amortization and impairments of finite-lived intangible assets in the consolidated statements of income (loss). In addition, the Company fully impaired an IPR&D asset, within the Company's Developed Markets segment, relating to a modified-release formulation of ezogabine/retigabine, which resulted in a charge of $93.8 million . The $93.8 million write-off was recognized in the third quarter of 2013 in In-process research and development impairments and other charges in the consolidated statements of income (loss). These impairment charges were driven by analysis of expected future cash flows based on the communication received from the FDA in September 2013 regarding labeling changes and a required modification of the approved risk evaluation and mitigation strategy (REMS), which includes restrictions on distribution and additional patient monitoring. Further, as a result of this feedback received from the FDA, GSK decided that all sales force promotion for the product will be eliminated in the U.S., and they will not launch the product in certain other planned territories. Per the terms of the collaboration agreement, GSK controls all sales force promotion for the product. Such changes are expected to have a significant impact on future cash flows of ezogabine/retigabine. The adjusted carrying amount of the ezogabine/retigabine (immediate-release formulation) of $45.1 million as of the third quarter of 2013 was equal to its estimated fair value, which was determined using discounted cash flows and represents Level 3 inputs. As a result of the events noted above, the Company believes that the value of the modified-release formulation of ezogabine/retigabine to a market participant would

be zero.

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

(ii) assets held for sale within the Company's Developed Markets segment, related to certain suncare and skincare brands, including inventory on hand, sold primarily in Australia. The Company recognized additional impairment charges of $31.5 million in 2013 for these brands in Amortization and impairments of finite-lived intangible assets in the consolidated statements of income (loss). The additional impairment charges, which were recognized primarily in the first quarter of 2013, were driven by assessment of offers received and analysis of updated market data. During the fourth quarter of 2013, the Company sold the skincare brands that were classified as held for sale. With respect to the remaining suncare brands, the plan of sale changed in the fourth quarter of 2013, and the Company no longer intends to sell these assets.

For further information regarding asset impairment charges, see note 10 titled "INTANGIBLE ASSETS AND GOODWILL".

7. TRADE RECEIVABLES, NET

The components of trade receivables, net as of December 31, 2014 and 2013 were as follows:

	2014	2013
Trade	$ 2,111.7	$ 1,704.0
Less allowance for doubtful accounts	(35.9)	(27.6)
	$ 2,075.8	$ 1,676.4

8. INVENTORIES

The components of inventories as of December 31, 2014 and 2013 were as follows:

	2014	2013
Raw materials	$ 232.8	$ 221.8
Work in process	98.0	104.7
Finished goods	732.7	656.3
	1,063.5	982.8
Less allowance for obsolescence	(112.9)	(99.8)
	$ 950.6	$ 883.0

9. PROPERTY, PLANT AND EQUIPMENT

The major components of property, plant and equipment as of December 31, 2014 and 2013 were as follows:

	2014	2013
Land	$ 79.6	$ 76.9
Buildings	602.8	607.1
Machinery and equipment	1,081.3	1,062.7
Other equipment and leasehold improvements	278.0	108.2
Equipment on operating lease	32.7	28.6
Construction in progress	214.0	189.5
	2,288.4	2,073.0
Less accumulated depreciation	(977.9)	(838.8)
	$ 1,310.5	$ 1,234.2

Depreciation expense amounted to $186.9 million , $113.8 million , and $54.8 million in the years ended December 31, 2014 , 2013 and

2012 , respectively.

10. INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

The major components of intangible assets as of December 31, 2014 and 2013 were as follows:

	Weighted-Average Useful Lives (Years)	2014			2013		
		Gross Carrying Amount	Accumulated Amortization, Including Impairments	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization, Including Impairments	Net Carrying Amount
Finite-lived intangible assets:							
Product brands	9	$ 10,320.2	$ (3,579.8)	$ 6,740.4	$ 10,554.2	$ (2,729.1)	$ 7,825.1
Corporate brands	14	364.2	(65.2)	299.0	365.6	(44.4)	321.2
Product rights	7	3,225.9	(1,263.8)	1,962.1	3,021.0	(876.9)	2,144.1
Partner relationships	4	223.1	(107.5)	115.6	194.0	(83.2)	110.8
Out-licensed technology and other	5	275.5	(124.3)	151.2	264.0	(93.8)	170.2
Total finite-lived intangible assets [(1)]	7	14,408.9	(5,140.6)	9,268.3	14,398.8	(3,827.4)	10,571.4
Indefinite-lived intangible assets:							
Acquired IPR&D [(2)]	NA	290.1	—	290.1	579.3	—	579.3
Corporate brand [(3)]	NA	1,697.5	—	1,697.5	1,697.5	—	1,697.5
		$ 16,396.5	$ (5,140.6)	$ 11,255.9	$ 16,675.6	$ (3,827.4)	$ 12,848.2

(1) In the fourth quarter of 2014, the Company recognized a write-off of $55.2 million related to the Kinerase® product within the Developed Market segment. The write-off was driven by the discontinuation of the product.

In the third quarter of 2014, the Company recognized a write-off of $32.4 million related to Grifulvin®, an anti-fungal product within the Developed Markets segment. The write-off was driven by withdrawal of the supplemental Abbreviated New Drug Application, which resulted from assessment of extended timelines and increased costs associated with a change in the supplier and the manufacturing process, based on feedback received from the FDA.

In the third quarter of 2013, the Company recognized an impairment charge of $551.6 million related to ezogabine/retigabine (immediate-release formulation), which is included within the Developed Markets segment. This product is co-developed and marketed under a collaboration agreement with GSK. For further information regarding this asset impairment charge, see note 6 titled “FAIR VALUE MEASUREMENTS”.

In the first quarter of 2013, the Company recognized a write-off of $22.2 million related to Opana®, a pain relief medication approved in Canada (included in the Company’s Developed Markets segment), due to production issues arising in the first quarter of 2013. These production issues resulted in higher spending projections and delayed commercialization timelines which, in turn, triggered the Company’s decision to suspend its launch plans. The Company does not believe this program has value to a market participant.

These impairment charges were recognized in Amortization and impairments of finite-lived intangible assets in the consolidated statements of income (loss).

(2) In the fourth quarter of 2013, the Company wrote-off an IPR&D asset of $14.4 million related to the termination of the Mapracorat development program (included in both the Emerging Markets and Developed Markets segments), acquired by the Company as part of B&L Acquisition, resulting from analysis of Phase 3 study results.

In the third quarter of 2013, the Company wrote off an IPR&D asset of $93.8 million relating to a modified-release formulation of ezogabine/retigabine. For further information regarding this write-off, see note 6 titled “FAIR VALUE MEASUREMENTS”.

In addition, in the third quarter of 2013, the Company wrote-off IPR&D assets of $27.3 million , in the aggregate, due to the write-off of IPR&D assets mainly related to the termination of the A007 (Lacrisert®) development program (Developed Markets segment) in the third quarter of 2013. The Company does not believe these programs have value to a market participant.

The write offs of the IPR&D assets were recognized in In-process research and development impairments and other charges in the consolidated statements of income (loss).

(3) Represents the B&L corporate trademark, which has an indefinite useful life and is not amortizable. See note 3 “BUSINESS COMBINATIONS” for further information.

The reduction in Acquired IPR&D is largely driven by the reclassification to finite-lived intangible assets with respect to Jublia®, which

received regulatory approval in the first half of 2014.

Estimated aggregate amortization expense for each of the five succeeding years ending December 31 is as follows:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	2015	2016	2017	2018	2019
Amortization expense [1]	$ 1,376.1	$ 1,280.1	$ 1,216.3	$ 1,093.6	$ 949.8

(1) Estimated amortization expense shown in the table above does not include potential future impairments of finite-lived intangible assets, if any.

Goodwill

The changes in the carrying amount of goodwill for years ended December 31, 2014 and 2013 were as follows:

	Developed Markets	Emerging Markets	Total
Balance, December 31, 2012	$ 3,993.0	$ 1,148.4	$ 5,141.4
Additions [1]	3,395.7	1,199.5	4,595.2
Adjustments [2]	28.4	(0.3)	28.1
Foreign exchange and other	11.6	(24.2)	(12.6)
Balance, December 31, 2013	7,428.7	2,323.4	9,752.1
Additions [3]	317.4	78.9	396.3
Adjustments [4]	(19.6)	(4.3)	(23.9)
Divestitures [5]	(428.9)	—	(428.9)
Foreign exchange and other	(182.6)	(166.6)	(349.2)
Balance, December 31, 2014	$ 7,115.0	$ 2,231.4	$ 9,346.4

(1) Primarily relates to the B&L, Obagi and Natur Produkt acquisitions.

(2) Primarily reflects the impact of measurement period adjustments related to the Medicis acquisition.

(3) Primarily relates to the PreCision and Solta Medical acquisitions.

(4) Primarily reflects the impact of measurement period adjustments related to the B&L Acquisition.

(5) See note 4, titled “DIVESTITURES” for additional information.

As describe in note 3 titled “BUSINESS COMBINATIONS”, the allocation of the goodwill balance associated with the PreCision acquisition is provisional and subject to the completion of the valuation of the assets acquired and liabilities assumed.

11. ACCRUED AND OTHER CURRENT LIABILITIES

The major components of accrued and other current liabilities as of December 31, 2014 and 2013 were as follows:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	2014	2013
Product returns	$ 380.3	$ 225.5
Product rebates	714.9	566.6
Interest	196.7	231.3
Employee costs	204.9	201.2
Accrued milestones [(1)]	62.0	—
Professional fees	55.6	46.3
Restructuring, integration and other costs (see note 5)	66.6	112.0
Royalties	41.4	37.6
Legal settlements and related fees (see note 20)	8.0	55.9
Liabilities for uncertain tax positions	6.8	8.7
Value added tax	24.7	25.9
Short-term borrowings	6.2	12.1
Deferred income	18.8	19.5
Income taxes payable	122.9	39.1
Capital expenditures	25.6	27.2
Advertising and promotion	33.3	19.3
Other	210.7	172.0
	$ 2,179.4	$ 1,800.2

(1) Primarily relates to milestones associated with the agreements with Spear Dermatology Products Inc. (“Spear”). See note 21 titled "Commitments and Contingencies" for additional information.

12. LONG-TERM DEBT

A summary of the Company’s consolidated long-term debt as of December 31, 2014 and 2013 , respectively, is outlined in the table below:

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	Maturity Date	2014	2013
Revolving Credit Facility [1]	April 2018	$ 165.0	$ —
Series A-1 Tranche A Term Loan Facility, net of unamortized debt discount (2014 — $1.4; 2013 — $3.6) [1]	April 2016	139.6	259.0
Series A-2 Tranche A Term Loan Facility, net of unamortized debt discount (2014 — $2.5; 2013 — $6.2) [1]	April 2016	135.7	228.1
Series A-3 Tranche A Term Loan Facility, net of unamortized debt discount (2014 — $22.4; 2013 - $35.4) [1]	October 2018	1,637.9	1,935.7
Series D-2 Tranche B Term Loan Facility, net of unamortized debt discount of (2014 — $18.9; 2013 — $27.0) [1]	February 2019	1,089.7	1,256.7
Series C-2 Tranche B Term Loan Facility, net of unamortized debt discount of (2014 — $14.5; 2013 — $20.7) [1]	December 2019	838.3	966.8
Series E-1 Tranche B Term Loan Facility, net of unamortized debt discount (2014 — $2.9; 2013 — $85.5) [1]	August 2020	2,544.9	3,090.5
Senior Notes:			
6.75%, net of unamortized debt discount (2013 — $1.3)	October 2017	—	498.7
6.875%, net of unamortized debt discount (2014 — $1.9; 2013 — $4.4) [2]	December 2018	497.7	940.2
7.00%, net of unamortized debt discount (2014 — $2.5; 2013 — $2.9)	October 2020	687.5	687.1
6.75%	August 2021	650.0	650.0
7.25%, net of unamortized debt discount (2014 — $6.8; 2013 — $7.8)	July 2022	543.2	542.2
6.375%, net of unamortized discount (2014 — $24.4; 2013 — $28.6)	October 2020	2,225.6	2,221.4
6.75%, net of unamortized discount (2014 — $14.2; 2013 — $18.2)	August 2018	1,585.8	1,581.9
7.50%, net of unamortized discount (2014 — $16.6; 2013 — $19.1)	July 2021	1,608.4	1,605.9
5.625%, net of unamortized discount (2014 — $7.4; 2013 — $8.5)	December 2021	892.6	891.5
Other [3]	Various	12.7	12.0
		15,254.6	17,367.7
Less current portion		(0.9)	(204.8)
Total long-term debt		$ 15,253.7	$ 17,162.9

(1) Together, the "Senior Secured Credit Facilities" under the Company's Third Amended and Restated Credit and Guaranty Agreement, as amended (the "Credit Agreement").

(2) On February 17, 2015, Valeant redeemed all of the outstanding $499.6 million aggregate principal amount of its 6.875% senior notes due December 2018 (the "December 2018 Notes") with a portion of the net proceeds from the issuance of the 5.50% senior notes due 2023 (the "2023 Notes") on January 30, 2015. See note 24 titled "SUBSEQUENT EVENTS" for further information.

(3) Relates primarily to the debentures assumed in the B&L Acquisition, as described in note 3 titled "BUSINESS COMBINATIONS".

The Company's Senior Secured Credit Facilities and indentures related to its senior notes contain customary covenants, including, among other things, and subject to certain qualifications and exceptions, covenants that restrict or limit the Company's ability and the ability of its subsidiaries to: incur or guarantee additional indebtedness; create or permit liens on assets; pay dividends on capital stock or redeem, repurchase or retire capital stock or subordinated indebtedness; make certain investments and other restricted payments; engage in mergers, acquisitions, consolidations and amalgamations; transfer and sell certain assets; and engage in transactions with affiliates.

The Company's Senior Secured Credit Facilities also contain specified financial covenants (consisting of a secured leverage ratio and an interest coverage ratio), various customary affirmative covenants and specified events of default. The Company's indentures also contain certain customary affirmative covenants and specified events of default.

As of December 31, 2014, the Company was in compliance with all covenants associated with the Company's outstanding debt.

The total fair value of the Company's long-term debt, with carrying values of $15.3 billion and $17.4 billion at December 31, 2014 and

2013 , was $15.8 billion and $18.4 billion , respectively. The fair value of the Company's long-term debt is estimated using the quoted market prices for the same or similar debt issuances (Level 2).

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

Aggregate maturities of our long-term debt for each of the five succeeding years ending December 31 and thereafter are as follows:

2015	$ 0.9
2016	639.3
2017	360.2
2018	3,204.5
2019	1,961.4
Thereafter	9,224.7
Total gross maturities	15,391.0
Unamortized discounts	(136.4)
Total long-term debt	$ 15,254.6

Senior Secured Credit Facilities

On February 13, 2012, the Company and certain of its subsidiaries as guarantors entered into the Credit Agreement with a syndicate of financial institutions and investors. In 2012, the Company and certain of its subsidiaries as guarantors entered into a series of joinder agreements to, among other things, (i) increase the existing tranche B term loan facility (the "Tranche B Term Loan Facility") through new incremental term loans, (ii) reprice and refinance the Tranche B Term Loan Facility (such repriced Tranche B Term Loan Facility, the "Series D Tranche B Term Loan Facility"), and (iii) increase the amount of commitments under the revolving credit facility provided under the Credit Agreement (the "Revolving Credit Facility"). In connection with the repricing and refinancing of the Tranche B Term Loan Facility, the Company recognized a loss on extinguishment of debt of $17.6 million in the three-month period ended December 31, 2012. In addition, in connection with the Medicis acquisition on December 11, 2012, the Company issued $1.0 billion in a new Series C of the Tranche B Term Loans (the "Series C Tranche B Term Loan Facility").

In 2013, the Company and certain of its subsidiaries as guarantors entered into a series of amendments to, among other things, (i) reprice and refinance the existing tranche A term loan facility (as so amended, the "Series A-1 Tranche A Term Loan Facility"), (ii) effectuate two repricings of the Series D Tranche B Term Loan Facility and Series C Tranche B Term Loan Facility (as so amended in the second repricing, the "Series D-2 Tranche B Term Loan Facility" and "Series C-2 Tranche B Term Loan Facility", respectively), and (iii) increase the amount of commitments under the Revolving Credit Facility to $1.0 billion and extend its maturity. In connection with the repricing of the Series D Tranche B Term Loan Facility and the Series C Tranche B Term Loan Facility, the Company recognized a loss on extinguishment of debt of $21.4 million in the three-month period ended March 31, 2013. In addition, in connection with the B&L Acquisition, the Company issued $850.0 million of tranche A term loans (the "Series A-2 Tranche A Term Loan Facility") and $3.2 billion of tranche B term loans (the "Series E Tranche B Term Loan Facility"). Furthermore, on December 20, 2013, the Company entered into Amendment No. 8 to the Credit Agreement to allow for the extension of the maturity of all or a portion of the Series A-1 Tranche A Term Loans and Series A-2 Tranche A Term Loans outstanding from April 20, 2016 to October 20, 2018 (as extended, the "Series A-3 Tranche A Term Loan Facility").

On February 6, 2014, the Company and certain of its subsidiaries as guarantors entered into a joinder agreement to reprice and refinance the Series E Tranche B Term Loan Facility by the issuance of $2.95 billion in new term loans (the "Series E-1 Tranche B Term Loan Facility"). Term loans under the Series E Tranche B Term Loan Facility were either exchanged for, or repaid with the proceeds of, the Series E-1 Tranche B Term Loan Facility and proceeds of the additional Series A-3 Tranche A Term Loan Facility described below. The Series E-1 Tranche B Term Loan Facility has terms consistent with the Series E Tranche B Term Loan Facility. In connection with this transaction, the Company recognized a loss on extinguishment of debt of $93.7 million in the three-month period ended March 31, 2014.

Concurrently, on February 6, 2014, the Company and certain of its subsidiaries as guarantors entered into a joinder agreement for the issuance of $225.6 million in incremental term loans under the Series A-3 Tranche A Term Loan Facility. Proceeds from this transaction were used to repay part of the term loans outstanding under the Series E Tranche B Term Loan Facility.

In July 2014, the Company made principal payments of $1.0 billion , in the aggregate, related to the Senior Secured Credit Facilities, resulting in a principal reduction as follows: (i) $380.0 million under the Series E-1 Tranche B Term Loan Facility, (ii) $274.5 million under the Series A-3 Tranche A Term Loan Facility, (iii) $165.4 million under the Series D-2 Tranche B

Term Loan Facility, (iv) $127.2 million under the Series C-2 Tranche B Term Loan Facility, and (v) $27.5 million and $25.4 million under the Series A-1 Tranche A Term Loan Facility and the Series A-2 Tranche A Term Loan Facility, respectively. Following these July 2014 principal payments, quarterly amortization payments for the Senior Secured Credit Facilities are as follows: $10.9 million for the Series A-1 Tranche A Term Loans, $7.9 million for the Series A-2 Tranche A Term Loans and $45.0 million for the Series A-3 Tranche A Term Loans. There are no remaining quarterly amortization payments for the Series D-2 Tranche B Term Loan Facility, Series C-2 Tranche B Term Loan Facility and the Series E-1 Tranche B Term Loan Facility. In December 2014, the Company voluntarily prepaid the scheduled 2015 amortization payments applicable to the Senior Secured Credit Facilities, resulting in an aggregate principal reduction of $255.3 million .

For the year ended December 31, 2014, the effective rate of interest on the Company's borrowings was as follows: (i) 2.45% per annum under the Revolving Credit Facility, (ii) 2.41% per annum under the Series A-1 Tranche A Term Loan Facility, the Series A-2 Tranche A Term Loan Facility, and the Series A-3 Tranche A Term Loan Facility, (iii) 3.71% per annum under both the Series D-2 Tranche B Term Loan Facility and the Series C-2 Tranche B Term Loan Facility, and (iv) 3.80% under the Series E-1 Tranche B Term Loan Facility. As of December 31, 2014, the applicable margins on the Company's borrowings were as follows: (i) 1.25% with respect to base rate borrowings and 2.25% with respect to LIBO rate borrowings under the Revolving Credit Facility, Series A-1, A-2 and A-3 Tranche A Term Loan Facilities, and (ii) 1.75% with respect to base rate borrowings and 2.75% with respect to LIBO rate borrowings, subject to a 1.75% base rate floor and a 0.75% LIBO rate floor, under the Series D-2, C-2 and E-1 Tranche B Term Loan Facilities.

The loans under the Senior Secured Credit Facilities may be made to, and the letters of credit under the Revolving Credit Facility may be issued on behalf of, the Company. All borrowings under the Senior Secured Credit Facilities are subject to the satisfaction of customary conditions, including the absence of a default or an event of default and the accuracy in all material respects of representations and warranties.

In addition to paying interest on outstanding principal under the Senior Secured Credit Facilities, the Company is required to pay commitment fees of 0.50% per annum in respect of the unutilized commitments under the Revolving Credit Facility, payable quarterly in arrears. The Company also is required to pay letter of credit fees on the maximum amount available to be drawn under all outstanding letters of credit in an amount equal to the applicable margin on LIBO rate borrowings under the Revolving Credit Facility on a per annum basis, payable quarterly in arrears, as well as customary fronting fees for the issuance of letters of credit and agency fees.

Subject to certain exceptions and customary baskets set forth in the Credit Agreement, the Company is required to make mandatory prepayments of the loans under the Senior Secured Credit Facilities under certain circumstances, including from (a) 100% of net cash proceeds from asset sales outside the ordinary course of business (subject to reinvestment rights), (b) 100% of the net cash proceeds of insurance and condemnation proceeds for property or asset losses (subject to reinvestment rights and net proceeds threshold), (c) 50% of the net cash proceeds from the issuance of equity securities subject to decrease based on leverage ratios, (d) 100% of the net cash proceeds from the incurrence of debt (other than permitted debt as defined in the Credit Agreement) and (e) 50% of Consolidated Excess Cash Flow (as defined in the Credit Agreement) subject to decrease based on leverage ratios.

The Company is permitted to voluntarily reduce the unutilized portion of the revolving commitment amount and repay outstanding loans under the Revolving Credit Facility at any time without premium or penalty, other than customary "breakage" costs with respect to LIBO rate loans. As of December 31, 2014, the Company is permitted to voluntarily repay outstanding loans under the Tranche A Term Loan Facility and Tranche B Term Loan Facility at any time without premium or penalty, other than customary "breakage" costs with respect to LIBO rate loans.

The Company's obligations and the obligations of the guarantors under the Senior Secured Credit Facilities and certain hedging arrangements and cash management arrangements entered into with lenders under the Senior Secured Credit Facilities (or affiliates thereof) are secured by first-priority security interests in substantially all tangible and intangible assets of the Company and the guarantors, including 100% of the capital stock of Valeant and each material subsidiary of the Company (other than Valeant's foreign subsidiaries) and 65% of the capital stock of each foreign subsidiary of Valeant that is directly owned by Valeant or owned by a guarantor that is a domestic subsidiary of Valeant, in each case subject to certain exclusions set forth in the credit documentation governing the Senior Secured Credit Facilities.

Senior Notes

The senior notes issued by the Company are the Company's senior unsecured obligations and are jointly and severally guaranteed on a senior unsecured basis by each of its subsidiaries that is a guarantor under our Senior Secured Credit Facilities.

The senior notes issued by the Company's subsidiary Valeant are senior unsecured obligations of Valeant and are jointly and severally guaranteed on a senior unsecured basis by the Company and each of its subsidiaries (other than Valeant) that is a guarantor under our Senior Secured Credit Facilities. Certain of the future subsidiaries of the Company and Valeant may be required to guarantee the senior notes.

If the Company experiences a change in control, the Company may be required to repurchase each of the senior notes issuances discussed below, as applicable, in whole or in part, at a purchase price equal to 101% of the aggregate principal amount of the senior notes repurchased, plus accrued and unpaid interest to, but excluding the applicable purchase date of the senior notes.

6.50% Senior Notes due 2016 and 7.25% Senior Notes due 2022

On March 8, 2011, Valeant issued $950.0 million aggregate principal amount of 6.50% senior notes due 2016 (the "2016 Notes") and $550.0 million aggregate principal amount of 7.25% senior notes due 2022 (the "2022 Notes") in a private placement. The 2022 Notes will mature on July 15, 2022 and accrue interest at the rate of 7.25% per year, payable semi-annually in arrears, which commenced on July 15, 2011. The 2022 Notes were issued at 98.125% of par for an effective annual yield of 7.50% .

In the fourth quarter of 2011, Valeant redeemed $34.5 million of principal amount of the 2016 Notes. In the fourth quarter of 2013, Valeant redeemed all $915.5 million of the outstanding principal amount of the 2016 Notes for $945.3 million , including a call premium of $29.8 million , plus accrued and unpaid interest, and satisfied and discharged the 2016 Notes indenture, solely with respect to the 2016 Notes. In connection with this transaction, the Company recognized a loss on extinguishment of debt of $32.5 million in the three-month period ended December 31, 2013.

Valeant may redeem the 2022 Notes at any time prior to July 15, 2016 at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption, plus a "make-whole" premium. On or after July 15, 2016, Valeant may redeem all or a portion of the 2022 Notes, at the redemption prices applicable to the 2022 Notes, as set forth in the 2022 Notes indenture, plus accrued and unpaid interest to the date of redemption of the 2022 Notes, as applicable.

6.75% Senior Notes due 2017 and 7.00% Senior Notes due 2020

On September 28, 2010, Valeant issued $500.0 million aggregate principal amount of 6.75% senior notes due 2017 (the "2017 Notes") and $700.0 million aggregate principal amount of 7.00% senior notes due 2020 (the "October 2020 Notes") in a private placement. On October 15, 2014, Valeant redeemed all of the outstanding $500.0 million aggregate principal amount of the 2017 Notes for $518.2 million , including a call premium of $16.9 million , plus accrued and unpaid interest, and satisfied and discharged the 2017 Notes indenture, solely with respect to the 2017 Notes. In connection with the redemption of the 2017 Notes, the Company recognized a loss on the extinguishment of debt of $17.9 million in the three-month period ended December 31, 2014. The October 2020 Notes mature on October 1, 2020. Interest on the October 2020 Notes accrues at the rate of 7.00% and is payable semi-annually in arrears, which commenced on April 1, 2011. The October 2020 Notes were issued at a discount of 99.375% for an effective annual yield of 7.09% .

Valeant may redeem all or a portion of the October 2020 Notes at any time prior to October 1, 2015, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption, plus a "make-whole" premium, as set forth in the October 2020 Notes indenture. In the fourth quarter of 2011, Valeant redeemed $10.0 million of principal amount of the October 2020 Notes. On or after October 1, 2015, Valeant may redeem all or a portion of the October 2020 Notes, in each case at the redemption prices applicable to the October 2020 Notes, as set forth in the October 2020 Notes indenture, plus accrued and unpaid interest to the date of redemption.

6.875% Senior Notes due 2018

On November 23, 2010, Valeant issued $1.0 billion aggregate principal amount of the December 2018 Notes in a private placement. The December 2018 Notes mature on December 1, 2018. Interest on the December 2018 Notes accrues at a rate of 6.875% and is payable semi-annually in arrears, which commenced on June 1, 2011. The December 2018 Notes were issued at a discount of 99.24% for an effective annual yield of 7.0% .

In the fourth quarter of 2011, Valeant redeemed $55.4 million of principal amount of the December 2018 Notes. On December 29, 2014, Valeant redeemed $445.0 million aggregate principal amount of the December 2018 Notes for $462.7 million , including a call premium of

$15.3 million , plus accrued and unpaid interest. In connection with the redemption of the December

2018 Notes, the Company recognized a loss on the extinguishment of debt of $17.9 million in the three-month period ended December 31, 2014.

6.75% Senior Notes due 2021

On February 8, 2011, Valeant issued at par $650.0 million aggregate principal amount of 6.75% senior notes due 2021 (the "August 2021 Notes") in a private placement. Interest on the August 2021 Notes accrues at the rate of 6.75% per year and is payable semi-annually in arrears, which commenced on August 15, 2011. The August 2021 Notes mature on August 15, 2021.

Valeant may redeem all or a portion of the August 2021 Notes at any time prior to February 15, 2016, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption, plus a "make-whole" premium. On or after February 15, 2016, Valeant may redeem all or a portion of the August 2021 Notes at the redemption prices applicable to the August 2021 Notes as set forth in the August 2021 Notes indenture, plus accrued and unpaid interest to the date of redemption of the August 2021 Notes.

6.375% Senior Notes due 2020

On October 4, 2012, VPI Escrow Corp. (the "VPI Escrow Issuer"), a newly formed wholly owned subsidiary of Valeant, issued $1.75 billion aggregate principal amount of 6.375% senior notes due 2020 (the "6.375% Notes") in a private placement. The 6.375% Notes mature on October 15, 2020. The 6.375% Notes accrue interest at the rate of 6.375% per year, which is payable semi-annually in arrears, which commenced on April 15, 2013. In connection with the issuance of the 6.375% Notes, the Company incurred approximately $26.3 million in underwriting fees, which are recognized as debt issue discount, which resulted in the net proceeds of $1,723.7 million . At the time of the closing of the Medicis acquisition, (1) the VPI Escrow Issuer merged with and into Valeant, with Valeant continuing as the surviving corporation, (2) Valeant assumed all of the VPI Escrow Issuer's obligations under the 6.375% Notes and the related indenture and (3) the funds previously held in escrow were released to the Company and were used to finance the Medicis acquisition.

The indenture governing the terms of the 6.375% Notes provides that the 6.375% Notes are redeemable at the option of Valeant, in whole or in part, at any time on or after October 15, 2016, at the specified redemption prices, plus accrued and unpaid interest, if any, to the redemption date. In addition, Valeant may redeem some or all of the 6.375% Notes prior to October 15, 2016, in each case at a price equal to 100% of the principal amount thereof, plus a make-whole premium. Prior to October 15, 2015, Valeant may also redeem up to 35% of the aggregate principal amount of the 6.375% Notes using the proceeds from certain equity offerings at a redemption price equal to 106.375% of the principal amount of the 6.375% Notes, plus accrued and unpaid interest to the date of redemption.

Concurrently with the offering of the 6.375% Notes on October 4, 2012, Valeant issued $500.0 million aggregate principal amount of 6.375% senior notes due 2020 (the "Exchangeable Notes") in a private placement, the form and terms of such notes being substantially identical to the form and terms of the 6.375% Notes, as described above. In connection with the issuance of the Exchangeable Notes, the Company incurred approximately $7.5 million in underwriting fees, which are recognized as debt issue discount, which resulted in the net proceeds of $492.5 million .

On March 29, 2013, the Company announced that Valeant commenced an offer to exchange (the "Exchange Offer") any and all of its Exchangeable Notes into the previously outstanding 6.375% Notes. Valeant conducted the Exchange Offer in order to satisfy its obligations under the indenture governing the Exchangeable Notes with the anticipated result being that some or all of such notes would be part of a single series of 6.375% senior notes under one indenture. The Exchange Offer, which did not result in any changes to existing terms or to the total amount of the Company's debt outstanding, expired on April 26, 2013.

6.75% Senior Notes due 2018 and 7.50% Senior Notes due 2021

On July 12, 2013, VPII Escrow Corp. (the "VPII Escrow Issuer"), a newly formed wholly-owned subsidiary of the Company, issued $1.6 billion aggregate principal amount of the 6.75% senior notes due 2018 (the "August 2018 Notes") and $1.625 billion aggregate principal amount of the 7.50% senior notes due 2021 (the "July 2021 Notes") in a private placement. The August 2018 Notes mature on August 15, 2018 and bear interest at the rate of 6.75% per annum, payable semi-annually in arrears, which commenced on February 15, 2014. The July 2021 Notes mature on July 15, 2021 and bear interest at the rate of 7.50% per annum, payable semi-annually on January 15 and July 15 of each year, commencing on January 15, 2014. In connection with the issuances of the August 2018 Notes and the July 2021 Notes, the Company incurred approximately $20.0 million and $20.3 million in underwriting fees, respectively, which are recognized as debt issue

discount and which resulted

in net proceeds of $1,580.0 million and $1,604.7 million , respectively. At the time of the closing of the B&L Acquisition, (1) the VPII Escrow Issuer was voluntarily liquidated and all of its obligations were assumed by, and all of its assets were distributed to the Company, (2) the Company assumed all of the VPII Escrow Issuer's obligations under the August 2018 Notes and July 2021 Notes and the related indenture and (3) the funds previously held in escrow were released to the Company and were used to finance the B&L Acquisition.

The indenture governing the terms of the August 2018 Notes and July 2021 Notes provides that the August 2018 Notes and the July 2021 Notes are redeemable at the option of the Company, in whole or in part, at any time on or after August 15, 2015 and July 15, 2016, respectively, plus accrued and unpaid interest, if any, to the applicable redemption date. In addition, the Company may redeem some or all of the August 2018 Notes prior to August 15, 2015 and some or all of the July 2021 Notes prior to July 15, 2016, in each case at a price equal to 100% of the principal amount thereof, plus a make-whole premium. Prior to August 15, 2015, the Company may redeem up to 35% of the aggregate principal amount of the August 2018 Notes and prior to July 15, 2016, the Company may redeem up to 35% of the aggregate principal amount of the July 2021 Notes, in each case using the proceeds of certain equity offerings at the respective redemption price equal to 106.75% and 107.50% of the principal amount of the August 2018 Notes and July 2021 Notes, respectively, plus accrued and unpaid interest to the applicable date of redemption.

5.625% Senior Notes due 2021

On December 2, 2013, the Company issued $900.0 million aggregate principal amount of the 5.625% senior notes due 2021 (the "December 2021 Notes") in a private placement. The December 2021 Notes mature on December 1, 2021 and bear interest at the rate of 5.625% per annum, payable semi-annually, which commenced on June 1, 2014. In connection with the issuances of the December 2021 Notes, the Company incurred approximately $8.5 million in underwriting fees, respectively, which are recognized as debt issue discount and which resulted in net proceeds of $891.5 million .

The indenture governing the terms of the December 2021 Notes provides that the December 2021 Notes are redeemable at the option of the Company, in whole or in part, at any time on or after December 1, 2016, plus accrued and unpaid interest, if any, to the applicable redemption date. In addition, the Company may redeem some or all of the December 2021 Notes prior to December 1, 2016, in each case at a price equal to 100% of the principal amount thereof, plus a make-whole premium. Prior to December 1, 2016, the Company may redeem up to 35% of the aggregate principal amount of the December 2021 Notes using the proceeds of certain equity offerings at the redemption price equal to 105.625% of the principal amount of the December 2021 Notes, plus accrued and unpaid interest to the redemption date.

Commitment Letters

In connection with the B&L Acquisition, the Company and its subsidiary, Valeant, entered into a commitment letter dated as of May 24, 2013 (as amended and restated as of June 4, 2013, the "Commitment Letter"), with various financial institutions to provide up to $9.275 billion of unsecured bridge loans. Subsequently, the Company obtained $9.575 billion in financing through a syndication of the Incremental Term Loan Facilities under the Company's existing Senior Secured Credit Facilities of $4.05 billion , the issuance of the August 2018 Notes in an aggregate principal amount of $1.6 billion , the issuance of the July 2021 Notes in an aggregate principal amount of $1.625 billion , and the issuance of new equity of approximately $2.3 billion . The proceeds from the issuance of the Incremental Term Loan Facilities, the August 2018 Notes, the July 2021 Notes and the equity were utilized to fund the B&L Acquisition. In connection with the Commitment Letter, the Company incurred approximately $37.3 million in fees, which were recognized as deferred financing costs. In the second quarter of 2013, the Company expensed $24.2 million of deferred financing costs associated with the Commitment Letter to Interest expense in the consolidated statements of income (loss). The remaining $13.1 million of deferred financing costs was expensed to Interest expense in the third quarter of 2013 upon closing of the August 2018 Notes and July 2021 Notes on July 12, 2013.

13. EMPLOYEE BENEFIT PLANS

In connection with the B&L Acquisition completed on August 5, 2013, the Company assumed all of B&L's benefit obligations and related plan assets. This includes defined benefit plans and a participatory defined benefit postretirement medical and life insurance plan, which covers a closed grandfathered group of legacy B&L U.S. employees and employees in certain other countries. The U.S. defined benefit accruals were frozen as of December 31, 2004 and benefits that were earned up to December 31, 2004 were preserved. Participants continue to earn interest credits on their cash balance. The most significant non-U.S. plans are two defined benefit plans in Ireland. In 2011, both Ireland plans were closed to future service benefit accruals; however additional accruals related to annual salary increases continued. In December 2014, one of the Ireland plans was

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amended effective August 2014 to eliminate future benefit accruals related to salary increases. All of the pension benefits accrued through the plan amendment date were preserved. As a result of the recent plan amendment, there are no active plan participants accruing benefits under the amended Ireland plan. The postretirement benefit plan was amended effective January 1, 2005 to eliminate employer contributions after age 65 for participants who did not meet the minimum requirements of age and service on that date. The employer contributions for medical and prescription drug benefits for participants retiring after March 1, 1989 were frozen effective January 1, 2010. Effective January 1, 2014, the Company no longer offers medical and life insurance coverage to new retirees.

In addition, outside of the U.S., a limited group of Valeant employees are covered by defined benefit pension plans.

The Company uses December 31 as the year-end measurement date for all of its defined benefit pension plans and the postretirement benefit plan.

Accounting for Pension Benefit Plans and Postretirement Benefit Plan

The Company recognizes on its balance sheet an asset or liability equal to the over- or under-funded benefit obligation of each defined benefit pension plans and other postretirement benefit plan. Actuarial gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost are recognized, net of tax, as a component of other comprehensive income.

The table below presents the amounts recognized in accumulated other comprehensive loss as of December 31, 2014 and 2013:

	Pension Benefit Plans				Postretirement Benefit Plan	
	U.S. Plan		Non-U.S. Plans			
	2014	2013	2014	2013	2014	2013
Unrecognized actuarial (losses) gains	$ (18.2)	$ 11.2	$ (72.9)	$ 12.7	$ (3.8)	$ 1.0
Unrecognized prior service credits [1]	—	—	26.8	—	25.5	27.9

(1) Relate to negative plan amendments, as described below.

Of the December 31, 2014 amounts, the Company expects to recognize $2.5 million and $0.6 million of unrecognized prior service credits related to the U.S. postretirement benefit plan and the non-U.S. pension benefit plans, respectively, in net periodic (benefit) cost during 2015. In addition, the Company expects to recognize $1.4 million of unrecognized net loss related to the non-U.S. pension benefit plans in net periodic (benefit) cost during 2015.

Net Periodic (Benefit) Cost

The following table provides the components of net periodic (benefit) cost for the Company's defined benefit pension plans and postretirement benefit plan for the year ended December 31, 2014 and 2013:

	Pension Benefit Plans				Postretirement Benefit Plan	
	U.S. Plan		Non-U.S. Plans			
	2014	2013	2014	2013	2014	2013
Service cost	$ 0.4	$ 0.1	$ 3.9	$ 2.2	$ 1.7	$ 0.9
Interest cost	10.8	4.5	8.3	3.7	2.3	1.6
Expected return on plan assets	(14.7)	(5.9)	(7.7)	(3.1)	(0.5)	(0.3)
Amortization of net gain	—	—	(0.2)	—	—	—
Curtailment gain recognized	—	—	(1.6)	—	—	—
Amortization of prior service credit	—	—	—	—	(2.5)	—

Settlement loss (gain) recognized	0.9	(0.1)	0.2	0.6	—	—
Other	—	—	0.2	—	—	—
Net periodic (benefit) cost	$ (2.6)	$ (1.4)	$ 3.1	$ 3.4	$ 1.0	$ 2.2

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

For the year ended December 31, 2012, the net periodic cost, which relates to the legacy Valeant defined benefit plans in Mexico, was not material to the Company's results of operations.

Benefit Obligation, Change in Plan Assets and Funded Status

The table below presents components of the change in projected benefit obligation, change in plan assets and funded status at December 31, 2014 and 2013 :

	Pension Benefit Plans				Postretirement Benefit Plan [1]	
	U.S. Plan		Non-U.S. Plans			
	2014	2013	2014	2013	2014	2013
Change in Projected benefit Obligation						
Projected benefit obligation, beginning of year	$ 234.6	$ —	$ 229.7	$ 7.0	$ 59.2	$ —
Service cost	0.4	0.1	3.9	2.2	1.7	0.9
Interest cost	10.8	4.5	8.3	3.7	2.3	1.6
Acquisition of B&L	—	244.2	—	224.0	—	87.6
Employee contributions	—	—	—	—	1.2	0.3
Plan amendments [2]	—	—	(29.4)	—	—	(27.9)
Plan curtailments	—	—	(1.6)	—	—	—
Settlements [3]	(13.0)	(5.3)	(0.4)	(0.1)	—	—
Benefits paid	(10.4)	(4.3)	(6.2)	(3.6)	(8.1)	(3.0)
Actuarial losses (gains)	29.4	(4.6)	101.9	(10.1)	5.9	(0.3)
Currency translation adjustments	—	—	(33.8)	6.6	—	—
Other	—	—	0.2	—	—	—
Projected benefit obligation, end of year	251.8	234.6	272.6	229.7	62.2	59.2
Change in Plan Assets						
Fair value of plan assets, beginning of year	$ 197.3	$ —	$ 139.1	$ 1.3	$ 14.5	$ —
Actual return on plan assets	13.8	12.7	17.5	5.1	1.5	1.1
Employee contributions	—	—	—	—	1.2	0.3
Company contributions	8.9	3.3	8.4	7.0	—	—
Acquisition of B&L	—	190.9	—	125.6	—	16.1
Settlements [3]	(13.0)	(5.3)	(0.4)	(0.1)	—	—
Benefits paid	(10.4)	(4.3)	(6.2)	(3.6)	(8.1)	(3.0)
Currency translation adjustments	—	—	(17.9)	3.8	—	—
Fair value of plan assets, end of year	196.6	197.3	140.5	139.1	9.1	14.5
Funded Status at end of year	$ (55.2)	$ (37.3)	$ (132.1)	$ (90.6)	$ (53.1)	$ (44.7)
Recognized as:						
Other long-term assets, net	$ —	$ —	$ 1.4	$ 1.5	$ —	$ —
Accrued and other current liabilities	—	—	(2.0)	(2.1)	—	—
Pension and other benefit liabilities	(55.2)	(37.3)	(131.5)	(90.0)	(53.1)	(44.7)

(1) Assumed in connection with the B&L Acquisition, as described above.

(2) In December 2014, one of the Ireland plans was amended effective August 2014 to eliminate future benefit accruals related to salary increases. The reduction in accruing

benefits was accounted for as a negative plan amendment resulting in an accumulated benefit obligation reduction that was recognized as a component of accumulated other comprehensive loss and is being amortized into income over approximately 42.5 years. In the fourth quarter of 2013, the Company announced that effective January 1, 2014, B&L will no longer offer medical and life insurance coverage to new retirees. The reduction in medical benefits was accounted for as a negative plan amendment resulting in an accumulated postretirement benefit obligation reduction that was recognized as a component of accumulated other comprehensive loss and is being amortized into income over approximately 11.3 years.

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(3) The 2014 and 2013 plan settlements primarily reflect lump sum benefit payments made to terminating employees of the U.S. pension benefit plan.

A number of the Company's pension benefit plans were underfunded at December 31, 2014 and 2013, having accumulated benefit obligations exceeding the fair value of plan assets. Information for the underfunded plans is presented in the following table:

	Pension Benefit Plans			
	U.S. Plan		Non-U.S. Plans	
	2014	2013	2014	2013
Projected benefit obligation	$ 251.8	$ 234.6	$ 266.4	$ 224.1
Accumulated benefit obligation	251.8	234.6	257.3	196.3
Fair value of plan assets	196.6	197.3	133.1	132.2

Information for the pension benefit plans that are underfunded on a projected benefit obligation basis (versus underfunded on an accumulated benefit basis as in the table above) is presented in the following table:

	Pension Benefit Plans			
	U.S. Plan		Non-U.S. Plans	
	2014	2013	2014	2013
Projected benefit obligation	$ 251.8	$ 234.6	$ 267.9	$ 225.5
Fair value of plan assets	196.6	197.3	134.3	133.4

The Non-U.S. Plans' accumulated benefit obligation for both the funded and underfunded pension benefit plans was $263.1 million and $201.5 million at December 31, 2014 and December 31, 2013, respectively.

The Company's policy for funding its pension benefit plans is to make contributions that meet or exceed the minimum statutory funding requirements. These contributions are determined based upon recommendations made by the actuary under accepted actuarial principles. In 2015, the Company expects to contribute $10.1 million and $7.4 million to the U.S. and Non-U.S. pension benefit plans, respectively.

The Company plans to use postretirement benefit plan assets and cash on hand, as necessary, to fund postretirement benefit plan benefit payments in 2015.

Estimated Future Benefit Payments

Future benefit payments over the next 10 years for the pension benefit plans and the postretirement benefit plan, which reflect expected future service, as appropriate, are expected to be paid as follows:

	Pension Benefit Plans		Postretirement Benefit Plan
	U.S. Plan	Non-U.S. Plans	
2015	$ 13.4	$ 5.0	$ 6.8
2016	18.9	3.9	6.4
2017	18.9	4.4	5.9
2018	18.2	4.4	5.4
2019	17.7	5.4	5.0
2020-2024	85.1	37.7	20.1

Assumptions

The weighted-average assumptions used to determine net periodic benefit costs and benefit obligations at December 31, 2014 and 2013 were

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	Pension Benefit Plans		Postretirement Benefit Plan [1]	
	2014	2013	2014	2013
For Determining Net Periodic Benefit Cost				
U.S. Plans:				
Discount rate	4.70%	4.50%	4.30% [2]	4.50%
Expected rate of return on plan assets	7.50%	7.50%	5.50%	5.50%
Rate of compensation increase	—	—	—	—
Non-U.S. Plans:				
Discount rate	3.86%	3.61%		
Expected rate of return on plan assets	5.63%	5.59%		
Rate of compensation increase	2.88%	2.80%		
For Determining Benefit Obligation				
U.S. Plans:				
Discount rate	3.90%	4.70%	3.70%	4.30%
Rate of compensation increase	—	—	—	—
Non-U.S. Plans:				
Discount rate	2.41%	3.85%		
Rate of compensation increase	2.86%	2.88%		

(1) The Company does not have non-U.S. postretirement benefit plans.

(2) The discount rate for the postretirement benefit plan was impacted by the amendment described above which eliminated coverage for new retirees.

The expected long-term rate of return on plan assets was developed based on a capital markets model that uses expected asset class returns, variance and correlation assumptions. The expected asset class returns were developed starting with current Treasury (for the U.S. pension plan) or Eurozone (for the Ireland pension plans) government yields and then adding corporate bond spreads and equity risk premiums to develop the return expectations for each asset class. The expected asset class returns are forward-looking. The variance and correlation assumptions are also forward-looking. They take into account historical relationships, but are adjusted to reflect expected capital market trends. The expected return on plan assets for the Company's U.S. pension plan for 2014 was 7.50% and for the postretirement benefit plan was 5.50% . The expected return for the postretirement plan is based on the expected return for the U.S. pension plan reduced by 2.0% to reflect an estimate of additional administrative expenses. The expected return on plan assets for the Company's Ireland pension plans was 6.0% for 2014.

The discount rate used to determine benefit obligations represents the current rate at which the benefit plan liabilities could be effectively settled considering the timing of expected payments for plan participants.

The 2015 expected rate of return for the U.S. pension benefit plan and the U.S. postretirement benefit plan will remain at 7.50% percent and 5.50% , respectively. The 2015 expected rate of return for the Ireland pension benefit plans will also remain at 6.0% .

Plan Assets

Pension and postretirement benefit plan assets are invested in several asset categories. The following presents the actual asset allocation as of December 31, 2014 and 2013:

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	Pension Benefit Plans		Postretirement Benefit Plan	
	2014	2013	2014	2013
U.S. Plan				
Equity securities	60%	60%	45%	63%
Fixed income securities	40%	40%	16%	24%
Cash	—%	—%	39%	13%
Non-U.S. Plans				
Equity securities	44%	43%		
Fixed income securities	42%	47%		
Other	14%	10%		

The investment strategy underlying pension plan asset allocation is to manage the assets of the plan to provide for the long-term liabilities while maintaining sufficient liquidity to pay current benefits. Pension plan assets are diversified to protect against large investment losses and to reduce the probability of excessive performance volatility. Diversification of assets is achieved by allocating funds to various asset classes and investment styles within asset classes, and retaining investment management firm(s) with complementary investment philosophies, styles and approaches.

The Company's pension plan assets are managed by outside investment managers using a total return investment approach, whereby a mix of equity and debt securities investments are used to maximize the long-term rate of return on plan assets. A significant portion of the assets of the U.S. and Ireland pension plans have been invested in equity securities, as equity portfolios have historically provided higher returns than debt and other asset classes over extended time horizons. Correspondingly, equity investments also entail greater risks than other investments. Equity risks are balanced by investing a significant portion of plan assets in broadly diversified fixed income securities.

Fair Value of Plan Assets

The Company measured the fair value of plan assets based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on a three-tier hierarchy described in note 6 titled "FAIR VALUE MEASUREMENTS".

The table below presents total plan assets by investment category as of December 31, 2014 and 2013 and the classification of each investment category within the fair value hierarchy with respect to the inputs used to measure fair value:

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

Assets	Pension Benefit Plans - U.S. Plans: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	As of December 31, 2014			
Cash & cash equivalents [1]	$ 1.3	$ —	$ —	$ 1.3
Commingled funds: [2][3]				
Equity securities:				
U.S. broad market	—	74.9	—	74.9
Emerging markets	—	15.9	—	15.9
Non-U.S. developed markets	—	25.5	—	25.5
Fixed income securities:				
Investment grade	—	59.4	—	59.4
Global high yield	—	19.6	—	19.6
	$ 1.3	$ 195.3	$ —	$ 196.6
	As of December 31, 2013			
Cash & cash equivalents [1]	$ 0.4	$ —	$ —	$ 0.4
Commingled funds: [2][3]				
Equity securities:				
U.S. broad market	—	72.7	—	72.7
Emerging markets	—	16.5	—	16.5
Non-U.S. developed markets	—	27.9	—	27.9
Fixed income securities:				
Investment grade	—	59.0	—	59.0
Global high yield	—	20.8	—	20.8
	$ 0.4	$ 196.9	$ —	$ 197.3

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

Assets	Pension Benefit Plans - Non-U.S. Plans: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	As of December 31, 2014			
Cash & cash equivalents [1]	$ 14.0	$ —	$ —	$ 14.0
Commingled funds: [2][3]				
Equity securities:				
Emerging markets	—	1.0	—	1.0
Worldwide developed markets	—	61.5	—	61.5
Fixed income securities:				
Investment grade	—	11.2	—	11.2
Global high yield	—	1.0	—	1.0
Government bond funds	—	46.4	—	46.4
Other assets	—	5.4	—	5.4
	$ 14.0	$ 126.5	$ —	$ 140.5
	As of December 31, 2013			
Cash & cash equivalents [1]	$ 9.3	$ —	$ —	$ 9.3
Commingled funds: [2][3]				
Equity securities:				
Emerging markets	—	0.9	—	0.9
Worldwide developed markets	—	59.2	—	59.2
Fixed income securities:				
Investment grade	—	21.3	—	21.3
Global high yield	—	0.7	—	0.7
Government bond funds	—	42.5	—	42.5
Other assets	—	5.2	—	5.2
	$ 9.3	$ 129.8	$ —	$ 139.1

Assets	Postretirement Benefit Plan: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	As of December 31, 2014			
Cash	$ 3.5	$ —	$ —	$ 3.5
Insurance policies [4]	—	5.6	—	5.6
	$ 3.5	$ 5.6	$ —	$ 9.1
	As of December 31, 2013			
Cash	$ 1.8	$ —	$ —	$ 1.8
Insurance policies [4]	—	12.7	—	12.7
	$ 1.8	$ 12.7	$ —	$ 14.5

(1) Cash equivalents consisted primarily of term deposits and money market instruments. The fair value of the term deposits approximates their carrying amounts due to their short term maturities. The money market instruments also have short maturities and are valued using a market approach based on the quoted market prices of identical instruments.

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(2) Commingled funds are not publicly traded. The underlying assets in these funds are publicly traded on the exchanges and have readily available price quotes. The Ireland pension plans held approximately 85% of the non-U.S. commingled funds in both 2014 and 2013. The commingled funds held by the U.S. and Ireland pension plans are primarily invested in index funds.

(3) The underlying assets in the fixed income funds are generally valued using the net asset value per fund share, which is derived using a market approach with inputs that include broker quotes, benchmark yields, base spreads and reported trades.

(4) The insurance policies held by the postretirement benefit plan consist of variable life insurance contracts whose fair value is their cash surrender value. Cash surrender value is the amount currently payable by the insurance company upon surrender of the policy and is based principally on the net asset values of the underlying trust funds. The trust funds are commingled funds that are not publicly traded. The underlying assets in these funds are primarily publicly traded on exchanges and have readily available price quotes.

There were no transfers between Level 1 and Level 2 during the year ended December 31, 2014 .

Health Care Cost Trend Rate

The health care cost trend rate assumptions for the postretirement benefit plan are as follows:

	2014	2013
Health care cost trend rate assumed for next year	7.31%	7.57%
Rate to which the cost trend rate is assumed to decline	4.50%	4.50%
Year that the rate reaches the ultimate trend rate	2029	2029

A one percentage point change in health care cost trend rate would have had the following effects:

	One Percentage Point	
	Increase	Decrease
Effect on benefit obligations	$ 1.0	$ 0.9

Defined Contribution Plans

The Company sponsors defined contribution plans in the U.S., Ireland and certain other countries. Under these plans, employees are allowed to contribute a portion of their salaries to the plans, and the Company matches a portion of the employee contributions. The Company contributed $20.5 million , $16.4 million and $2.8 million to these plans in the years ended December 31, 2014, 2013 and 2012, respectively. The increase in the Company's costs associated with the defined contribution plans in 2013 as compared to 2012 was driven by the plans assumed as part of the B&L Acquisition in August 2013 and the Medicis acquisition in December 2012.

14. SECURITIES REPURCHASES AND SHARE ISSUANCE

Securities Repurchase Programs

On November 3, 2011, the Company announced that its Board of Directors had approved a new securities repurchase program (the "2011 Securities Repurchase Program"). Under the 2011 Securities Repurchase Program, which commenced on November 8, 2011, the Company could make purchases of up to $1.5 billion of its convertible notes, senior notes, common shares and/or other future debt or shares. The 2011 Securities Repurchase Program terminated on November 7, 2012.

On November 19, 2012, the Company announced that its Board of Directors had approved a new securities repurchase program (the "2012 Securities Repurchase Program"). Under the 2012 Securities Repurchase Program, which commenced on November 15, 2012, the Company could make purchases of up to $1.5 billion of senior notes, common shares and/or other future debt or shares. The 2012 Securities Repurchase Program terminated on November 14, 2013.

On November 21, 2013, the Company's Board of Directors approved a new securities repurchase program (the "2013 Securities Repurchase Program"). Under the 2013 Securities Repurchase Program, which commenced on November 22, 2013, the Company could make purchases of up to $1.5 billion of its convertible notes, senior notes, common shares and/or other future debt or shares. The 2013 Securities Repurchase Program terminated on November 21, 2014.

On November 20, 2014, the Company's Board of Directors approved a new securities repurchase program (the "2014 Securities Repurchase Program"). Under the 2014 Securities Repurchase Program, which commenced on

November 21, 2014, the Company may make purchases of up to $2.0 billion of its senior notes, common shares and/or other securities prior to the completion of the program, subject to any restrictions in the Company's financing agreements and applicable law. The 2014 Securities Repurchase Program will terminate on November 20, 2015 or at such time as the Company completes its purchases. The amount of securities to be purchased and the timing of purchases under the 2014 Securities Repurchase Program may be subject to various factors, which may include the price of the securities, general market conditions, corporate and regulatory requirements, alternate investment opportunities and restrictions under our financing agreements and applicable law. The securities to be repurchased will be funded using our cash resources.

The Board of Directors also approved a sub-limit under the 2014 Securities Repurchase Program for the repurchase of an amount of common shares equal to the greater of 10% of the Company's public float or 5% of the Company's issued and outstanding common shares, in each case calculated as of the date of the commencement of the 2014 Securities Repurchase Program. The Company may initially purchase up to 5% of the Company's issued and outstanding common shares, calculated as of the date of the commencement of the 2014 Securities Repurchase Program, through the facilities of the New York Stock Exchange ("NYSE"). Subject to completion of appropriate filings with and approval by the Toronto Stock Exchange ("TSX"), the Company may also make purchases of its common shares over the facilities of the TSX. Purchases of common shares will be made at prevailing market prices of such shares on the NYSE or the TSX, as the case may be, at the time of the acquisition and shall be made in accordance with the respective rules and guidelines of the NYSE and the TSX and applicable law.

Share Repurchases

In the year ended December 31, 2014 and 2013, no common shares were repurchased under the 2013 Securities Repurchase Program or the 2014 Securities Repurchase Program.

In the year ended December 31, 2013, under the 2012 Securities Repurchase Program, the Company repurchased 507,957 of its common shares for an aggregate purchase price of $35.7 million . The excess of the purchase price over the carrying value of the common shares repurchased of $25.8 million was charged to the accumulated deficit. These common shares were subsequently cancelled.

In the year ended December 31, 2012, under the 2011 Securities Repurchase Program, the Company repurchased 5,257,454 of its common shares for an aggregate purchase price of $280.7 million . The excess of the purchase price over the carrying value of the common shares repurchased of $178.4 million was charged to the accumulated deficit. These common shares were subsequently cancelled.

Additional Repurchases outside the 2012 Securities Repurchase Program

In addition to the repurchases made under the 2012 Securities Repurchase Program, during the second quarter of 2013, the Company repurchased an additional 217,294 of its common shares on behalf of certain members of the Company's Board of Directors, in connection with the share settlement of certain deferred stock units and restricted stock units held by such directors following the termination of the applicable equity program. These common shares were subsequently transferred to such directors. These common shares were repurchased for an aggregate purchase price of $19.9 million . The excess of the purchase price over the carrying value of the common shares repurchased of $15.6 million was charged to the accumulated deficit. As the common shares were repurchased on behalf of certain of the Company's directors, these repurchases were not made under the 2012 Securities Repurchase Program.

Issuance of Common Stock

On June 24, 2013, the Company completed, pursuant to an Underwriting Agreement with Goldman Sachs & Co. and Goldman Sachs Canada, Inc., a public offering for the sale of 27,058,824 of its common shares, no par value, at a price of $85.00 per share, or aggregate gross proceeds of approximately $2.3 billion . In connection with the issuance of these new common shares, the Company incurred approximately $30.7 million of issuance costs, which has been reflected as reduction to the gross proceeds from the equity issuance.

15. SHARE-BASED COMPENSATION

In May 2014, shareholders approved the Company's 2014 Omnibus Incentive Plan (the "2014 Plan") which replaced the Company's 2011 Omnibus Incentive Plan (the "2011 Plan") for future equity awards granted by the Company. The Company transferred the common shares available under the 2011 Plan to the 2014 Plan. The maximum number of common shares that

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may be issued to participants under the 2014 Plan is equal to 18,000,000 common shares, plus the number of common shares under the 2011 Plan reserved but unissued and not underlying outstanding awards and the number of common shares becoming available for reuse after awards are terminated, forfeited, cancelled, exchanged or surrendered under the 2011 Plan and the Company's 2007 Equity Compensation Plan. The Company registered, in the aggregate, 20,000,000 common shares of common stock for issuance under the 2014 Plan. Approximately 17,505,663 shares were available for future grants as of December 31, 2014 . The Company uses reserved and unissued common shares to satisfy its obligation under its share-based compensation plans.

The following table summarizes the components and classification of share-based compensation expense related to stock options and RSUs:

	2014	2013	2012
Stock options	$ 18.2	$ 17.3	$ 21.7
RSUs	60.0	28.2	44.5
Share-based compensation expense	$ 78.2	$ 45.5	$ 66.2
Research and development expenses	$ 5.6	$ —	$ 0.7
Selling, general and administrative expenses	72.6	45.5	65.5
Share-based compensation expense	$ 78.2	$ 45.5	$ 66.2

The increase in share-based compensation expense for the year ended December 31, 2014 was driven primarily by (i) the incremental compensation expense related to the higher fair value for share-based awards granted in 2014 and (ii) the impact of the accelerated vesting in the first half of 2014 related to certain performance-based RSU awards.

In addition, in the second quarter of 2013, certain equity awards held by current non-management directors were modified from units settled in common shares to units settled in cash, which changed the classification from equity awards to liability awards. The resulting reduction in share-based compensation expense of $5.8 million was more than offset by incremental compensation expense of $21.3 million recognized in the second quarter of 2013, which represents the fair value of the awards settled in cash. As the modified awards were fully vested and paid out, no additional compensation expense will be recognized in subsequent periods. The decrease in share-based compensation expense for the year ended December 31, 2013 was also driven by the impact of forfeitures and the accelerated vesting that was triggered in the prior year related to certain performance-based RSU awards.

The Company recognized $17.1 million , $24.2 million , and $12.5 million of tax benefits from stock options exercised in the year ended December 31, 2014 , 2013 and 2012 respectively.

Stock Options

All stock options granted by the Company under its 2007 Equity Compensation Plan expire on the fifth anniversary of the grant date and all stock options granted under the 2011 Plan and 2014 Plan expire on the tenth anniversary of the grant date. The exercise price of any stock option granted under its 2007 Equity Compensation Plan is not to be less than the volume-weighted average trading price of the Company's common shares for the five trading days immediately preceding the date of grant (or, for participants subject to U.S. taxation, on the single trading day immediately preceding the date of grant, whichever is greater). The exercise price of any stock option granted under the 2011 Plan and 2014 Plan will not be less than the closing price per common share preceding the date of grant. Stock options generally vest 25% each year over a four -year period on the anniversary of the date of grant.

The fair values of all stock options granted during the years ended December 31, 2014 , 2013 and 2012 were estimated as of the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2014	2013	2012
Expected stock option life (years) [1]	5.8	4.0	4.0
Expected volatility [2]	43.0%	40.1%	44.9%
Risk-free interest rate [3]	1.8%	1.0%	0.5%
Expected dividend yield [4]	—%	—%	—%

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

(1) Determined based on historical exercise and forfeiture patterns.

(2) Determined based on implied volatility in the market traded options of the Company's common stock.

(3) Determined based on the rate at the time of grant for zero-coupon U.S. or Canadian government bonds with maturity dates equal to the expected life of the stock option.

(4) Determined based on the stock option's exercise price and expected annual dividend rate at the time of grant.

The Black-Scholes option-pricing model used by the Company to calculate stock option values was developed to estimate the fair value of freely tradeable, fully transferable stock options without vesting restrictions, which significantly differ from the Company's stock option awards. This model also requires highly subjective assumptions, including future stock price volatility and expected time until exercise, which greatly affect the calculated values.

The following table summarizes stock option activity during the year ended December 31, 2014 :

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, January 1, 2014	8.6	$ 30.19		
Granted	0.3	117.82		
Exercised	(0.8)	21.78		
Expired or forfeited	(0.4)	74.88		
Outstanding, December 31, 2014	7.7	$ 31.44	4.8	$ 852.6
Vested and exercisable, December 31, 2014	5.7	$ 17.75	4.0	$ 720.6

The weighted-average fair values of all stock options granted in 2014, 2013 and 2012 were $62.15 , $30.47 and $19.57 , respectively. The total intrinsic values of stock options exercised in 2014, 2013 and 2012 were $87.4 million , $30.4 million and $25.1 million , respectively. Proceeds received on the exercise of stock options in 2014, 2013 and 2012 were $17.2 million , $10.0 million and $23.0 million , respectively.

As of December 31, 2014 , the total remaining unrecognized compensation expense related to non-vested stock options amounted to $42.2 million , which will be amortized over the weighted-average remaining requisite service period of approximately 3.4 years. The total fair value of stock options vested in 2014 was $36.3 million (2013 — $26.0 million ; 2012 — $36.1 million).

RSUs

RSUs generally vest on the third anniversary date from the date of grant. Annual RSUs granted to non-management directors vest immediately prior to the next Annual Meeting of Shareholders. Pursuant to the applicable unit agreement, certain RSUs may be subject to the attainment of any applicable performance goals specified by the Board of Directors. If the vesting of the RSUs is conditional upon the attainment of performance goals, any RSUs that do not vest as a result of a determination that a holder of RSUs has failed to attain the prescribed performance goals will be forfeited immediately upon such determination. RSUs are credited with dividend equivalents, in the form of additional RSUs, when dividends are paid on the Company's common shares. Such additional RSUs will have the same vesting dates and will vest under the same terms as the RSUs in respect of which such additional RSUs are credited.

To the extent provided for in a RSU agreement, the Company may, in lieu of all or a portion of the common shares which would otherwise be provided to a holder, elect to pay a cash amount equivalent to the market price of the Company's common shares on the vesting date for each vested RSU. The amount of cash payment will be determined based on the average market price of the Company's common shares on

the vesting date. The Company's current intent is to settle vested RSUs through the issuance of common shares.

Time-Based RSUs

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

Each vested RSU without performance goals ("time-based RSU") represents the right of a holder to receive one of the Company's common shares. The fair value of each RSU granted is estimated based on the trading price of the Company's common shares on the date of grant.

The following table summarizes non-vested time-based RSU activity during the year ended December 31, 2014 :

	Time-Based RSUs	Weighted-Average Grant-Date Fair Value
Non-vested, January 1, 2014	0.9	$ 39.11
Granted	0.1	137.71
Vested	(0.1)	54.60
Non-vested, December 31, 2014	0.9	$ 51.34

As of December 31, 2014 , the total remaining unrecognized compensation expense related to non-vested time-based RSUs amounted to $18.5 million , which will be amortized over the weighted-average remaining requisite service period of approximately 2.8 years. The total fair value of time-based RSUs vested in 2014 was $8.1 million (2013 — $15.2 million ; 2012 — $18.0 million).

Performance-Based RSUs

Each vested RSU with performance goals ("performance-based RSU") represents the right of a holder to receive a number of the Company's common shares up to a specified maximum. Performance-based RSUs vest upon achievement of certain share price appreciation conditions. If the Company's performance is below a specified performance level, no common shares will be paid.

The fair value of each performance-based RSU granted during the years ended December 31, 2014 , 2013 and 2012 was estimated using a Monte Carlo simulation model, which utilizes multiple input variables to estimate the probability that the performance condition will be achieved.

The fair values of performance-based RSUs granted during the years ended December 31, 2014 , 2013 and 2012 were estimated with the following assumptions:

	2014	2013	2012
Contractual term (years)	2.6 - 6.3	2.8 - 4.3	2.9 - 4.3
Expected Company share volatility [(1)]	38.7% - 45.4%	36.1% - 44.4%	42.5% - 52.3%
Risk-free interest rate [(2)]	0.8% - 2.3%	0.5% - 1.3%	0.6% - 1.0%

(1) Determined based on historical volatility over the contractual term of the performance-based RSU.

(2) Determined based on the rate at the time of grant for zero-coupon U.S. government bonds with maturity dates equal to the contractual term of the performance-based RSUs.

The following table summarizes non-vested performance-based RSU activity during the year ended December 31, 2014 :

	Performance-Based RSUs	Weighted-Average Grant-Date Fair Value
Non-vested, January 1, 2014	1.0	$ 102.22
Granted	0.5	219.79

Vested	(0.2)	61.80
Forfeited	(0.1)	136.59
Non-vested, December 31, 2014	1.2	$ 160.44

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

As of December 31, 2014 , the total remaining unrecognized compensation expense related to the non-vested performance-based RSUs amounted to $128.9 million , which will be amortized over the weighted-average remaining requisite service period of approximately 3.1 years. A maximum of 3,065,374 common shares could be issued upon vesting of the performance-based RSUs outstanding as of December 31, 2014 .

16. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss income as of December 31, 2014, 2013 and 2012 were as follows:

	Foreign Currency Translation Adjustment	Unrealized Gain on Equity Investment	Net Unrealized Holding Gain on Available-For-Sale Equity Securities	Net Unrealized Holding Loss on Available-For-Sale Debt Securities	Pension Adjustment	Total
Balance, January 1, 2012	$ (280.5)	$ —	$ 1.6	$ (0.2)	$ (0.5)	$ (279.6)
Foreign currency translation adjustment	161.0	—	—	—	—	161.0
Net unrealized holding gain on available-for-sale equity securities	—	—	0.4	—	—	0.4
Reclassification to net income (loss) [1]	—	—	(1.6)	0.2	—	(1.4)
Pension adjustment [2]	—	—	—	—	0.2	0.2
Balance, December 31, 2012	(119.5)	—	0.4	—	(0.3)	(119.4)
Foreign currency translation adjustment	(50.8)	—	—	—	—	(50.8)
Net unrealized holding gain on available-for-sale equity securities	—	—	3.6	—	—	3.6
Reclassification to net income (loss) [1]	—	—	(4.0)	—	—	(4.0)
Pension adjustment, net of tax [2]	—	—	—	—	37.8	37.8
Balance, December 31, 2013	(170.3)	—	—	—	37.5	(132.8)
Foreign currency translation adjustment	(716.2)	—	—	—	—	(716.2)
Unrealized gain on equity method investment, net of tax	—	51.3	—	—	—	51.3
Reclassification to net income (loss) [1]	—	(51.3)	—	—	—	(51.3)
Net unrealized holding gain on available-for-sale equity securities, net of tax	—	—	1.8	—	—	1.8
Reclassification to net income (loss) [1]	—	—	(1.8)	—	—	(1.8)
Pension adjustment, net of tax [2]	—	—	—	—	(66.9)	(66.9)
Balance, December 31, 2014	$ (886.5)	$ —	$ —	$ —	$ (29.4)	$ (915.9)

(1) Included in gain on investments, net.

(2) Reflects changes in defined benefit obligations and related plan assets of the Company's defined benefit pension plans and the U.S. postretirement benefit plan (as described in note 13).

Income taxes are not provided for foreign currency translation adjustments arising on the translation of the Company's operations having a functional currency other than the U.S. dollar. Income taxes allocated to reclassification adjustments were not material.

17. INCOME TAXES

The components of income (loss) before provision for (recovery of) income taxes were as follows:

	2014	2013	2012
Domestic	$ (851.1)	$ (574.5)	$ (205.6)

Foreign	1,943.7	(739.9)	(188.6)
	$ 1,092.6	$ (1,314.4)	$ (394.2)

The components of provision for (recovery of) income taxes were as follows:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	2014	2013	2012
Current:			
Domestic	$ 0.6	$ 3.4	$ 7.2
Foreign	150.1	80.0	56.3
	150.7	83.4	63.5
Deferred:			
Domestic	—	—	(11.9)
Foreign	29.7	(534.2)	(329.8)
	29.7	(534.2)	(341.7)
	$ 180.4	$ (450.8)	$ (278.2)

The reported net book provision for (recovery of) income taxes differs from the expected amount calculated by applying the Company's Canadian statutory rate to income (loss) before provision for (recovery of) income taxes. The reasons for this difference and the related tax effects are as follows:

	2014	2013	2012
Income (loss) before provision for (recovery of) income taxes	$ 1,092.6	$ (1,314.4)	$ (394.2)
Expected Canadian statutory rate	26.9%	26.9%	26.9%
Expected provision for (recovery) of income taxes	293.9	(353.6)	(106.0)
Non-deductible amounts:			
Amortization	—	—	6.2
Share-based compensation	19.8	13.1	6.3
Merger and acquisition costs	—	1.1	24.2
In-process research and development	—	—	3.2
Non-taxable gain on disposal of investments	(50.1)	—	(3.1)
Changes in enacted income tax rates	29.7	6.6	(4.5)
Canadian dollar foreign exchange gain for Canadian tax purposes	22.8	0.6	9.1
Change in valuation allowance related to foreign tax credits and net operating losses	17.4	70.2	—
Change in valuation allowance on Canadian deferred tax assets and tax rate changes	255.2	143.9	(34.2)
Change in uncertain tax positions	(1.8)	—	15.4
Foreign tax rate differences	(502.8)	(407.6)	(226.8)
Unrecognized income tax benefit of losses	—	—	32.0
Withholding taxes on foreign income	3.7	3.4	8.0
Alternative minimum and other taxes	—	—	(4.5)
Taxable foreign income	269.0	55.4	10.7
Tax benefit on intra-entity transfers	(147.3)	(5.7)	(10.4)
Other	(29.1)	21.8	(3.8)
	$ 180.4	$ (450.8)	$ (278.2)

The tax effect of major items recorded as deferred tax assets and liabilities is as follows:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	2014	2013
Deferred tax assets:		
Tax loss carryforwards	$ 958.3	$ 957.7
Tax credit carryforwards	234.9	126.4
Scientific Research and Experimental Development pool	58.2	62.9
Research and development tax credits	90.5	83.7
Provisions	369.9	577.5
Plant, equipment and technology	2.8	38.3
Deferred revenue	13.5	12.5
Deferred financing and share issue costs	209.4	—
Share-based compensation	49.8	43.0
Other	38.2	76.5
Total deferred tax assets	2,025.5	1,978.5
Less valuation allowance	(859.2)	(477.6)
Net deferred tax assets	1,166.3	1,500.9
Deferred tax liabilities:		
Intangible assets	520.0	2,884.3
Outside basis differences	2,636.6	563.8
Deferred financing and share issue costs	—	16.6
Prepaid expenses	0.6	(0.4)
Total deferred tax liabilities	3,157.2	3,464.3
Net deferred income taxes	$ (1,990.9)	$ (1,963.4)

The Company effected an internal reorganization in December 2013 to streamline and integrate certain aspects of its operations. As part of this internal reorganization, the Company migrated certain of its intellectual property to a foreign holding company operating in Ireland and Luxembourg. During 2014, the Company concluded certain additional steps relating to this internal reorganization. The 2014 steps required the Company to convert its existing basis differences in the contributed intellectual property to an outside basis difference.

The realization of deferred tax assets is dependent on the Company generating sufficient domestic and foreign taxable income in the years that the temporary differences become deductible. A valuation allowance has been provided for the portion of the deferred tax assets that the Company determined is more likely than not to remain unrealized based on estimated future taxable income and tax planning strategies. In 2014, the valuation allowance increased by $381.6 million . The net increase in valuation allowance resulted from an increase in losses in Canada and additional foreign tax credits generated by the Company's U.S. subsidiaries. In 2013, the valuation allowance increased by $353.1 million . The net increase in valuation allowance resulted from an increase in valuation allowance associated with historic foreign tax credits generated by the Company's U.S. subsidiaries and acquired valuation allowance from B&L. Given the Company's history of pre-tax losses and expected future losses in Canada, the Company determined there was insufficient objective evidence to release the remaining valuation allowance against Canadian tax loss carryforwards, International Tax Credits ("ITC") and pooled Scientific Research and Experimental Development Tax Incentive ("SR&ED") expenditures.

As of December 31, 2014, the Company had accumulated losses of approximately $1,008.5 million (2013 - $717.9 million) available for federal and provincial tax purposes in Canada. As of December 31, 2014, the Company had approximately $39.2 million (2013 - $42.3 million) of unclaimed Canadian ITCs, which expire from 2017 to 2033. These losses and ITCs can be used to offset future years' taxable income and federal tax, respectively. In addition, as of December 31, 2014, the Company had pooled SR&ED expenditures amounting to approximately $216.2 million (2013 - $232.1 million) available to offset against future years' taxable income from its Canadian operations, which may be carried forward indefinitely. As in past years, a full valuation allowance has been maintained against the net Canadian deferred tax assets of $572.0 million (2013 - $253.6 million).

As of December 31, 2014, the Company has accumulated tax losses of approximately $2,380.3 million (2013 - $2,425.1 million) for U.S. federal income tax purposes which expire between 2021 and 2034. While the losses are subject to multiple annual loss limitations, the Company believes that the recoverability of the deferred tax assets associated with the losses is

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

more likely than not to be realized. As of December 31, 2014, the Company had approximately $71.3 million (2013 - $64.7 million) of U.S. research and development credits, which expire between 2021 and 2034. As of December 31, 2014, the Company had approximately $167.2 million in foreign tax credits recognized on tax returns for which a full valuation allowance has been established as they are not expected to be utilized before their expiration. The Company's accumulated losses are subject to annual limitations as a result of previous ownership changes that have occurred. Included in the $2,380.3 million of tax losses is approximately $95.5 million of losses related to the exercise of non-qualified stock options and restricted stock awards.

The Company accrues for U.S. tax on the unremitted earnings of the foreign subsidiaries owned by the Company's U.S. subsidiaries. In addition, the Company provides for the tax on the unremitted earnings of its direct foreign affiliates except for its direct U.S. subsidiaries. The Company continues to assert that the unremitted earnings of its U.S. subsidiaries will be permanently reinvested and not repatriated to Canada. As of December 31, 2014 the Company estimates there will be no Canadian tax liability attributable to the permanently reinvested U.S. earnings.

As of December 31, 2014, the total amount of unrecognized tax benefits (including interest and penalties) was $345.0 million (2013 - $247.5 million), of which $108.7 million (2013 - $153.4 million) would affect the effective tax rate. The remaining approximately $236.3 million of unrecognized tax benefits would not impact the effective tax rate as the tax positions are offset against existing tax attributes with valuation allowances or are timing in nature. In the year ended December 31, 2014, the Company recognized a $143.0 million (2013 - $132.4 million) increase and a $45.5 million (2013 - $12.8 million) net decrease in the amount of unrecognized tax benefits related to tax positions taken in the current and prior years, respectively.

The Company recognizes interest accrued related to unrecognized tax benefits and penalties in the provision for income taxes. As of December 31, 2014, approximately $38.7 million (2013 - $46.4 million) was accrued for the payment of interest and penalties. In the year ended December 31, 2014, the Company recognized a reduction of approximately $7.7 million (2013 - $5.7 million) of interest and penalties.

The Company and one or more of its subsidiaries file federal income tax returns in Canada, the U.S., and other foreign jurisdictions, as well as various provinces and states in Canada and the U.S. The Company and its subsidiaries have open tax years primarily from 2005 to 2013 with significant taxing jurisdictions including Canada, and the U.S. These open years contain certain matters that could be subject to differing interpretations of applicable tax laws and regulations, and tax treaties, as they relate to the amount, timing, or inclusion of revenues and expenses, or the sustainability of income tax positions of the Company and its subsidiaries. Certain of these tax years are expected to remain open indefinitely.

Jurisdiction:	**Open Years**
United States - Federal	2011 - 2013
Canada	2005 - 2013
Brazil	2009 - 2013
Germany	2011 - 2013
France	2011 - 2013
China	2009 -2013
Ireland	2009 - 2013
Netherlands	2011 - 2013

Valeant's U.S. consolidated federal income tax return for the 2011 and 2012 tax years is currently under exam by the Internal Revenue Service. Valeant remains under examination for various state tax audits in the U.S. for years 2002 to 2013. The Company is currently under examination by the Canada Revenue Agency for three separate cycles: (a) years 2005 to 2006, (b) 2007 - 2009, and (c) 2010 through 2012. In February 2013 the Company received a proposed audit adjustment for the years 2005 through 2007. The Company disagrees with the adjustments and has filed a Notice of Objection. The total proposed adjustment will result in a loss of tax attributes which are subject to a full valuation allowance and will not result in material change to the provision for income taxes.

In 2014, the Company's subsidiaries in Australia were notified that the Australian Tax Office would conduct a risk review of the 2010 - 2011 tax years.

The following table presents a reconciliation of the beginning and ending amounts of unrecognized tax benefits:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	2014	2013	2012
Balance, beginning of year	$ 247.5	$ 128.0	$ 102.3
Acquisition of B&L	—	52.2	—
Acquisition of Medicis	—	—	6.6
Additions based on tax positions related to the current year	143.0	60.7	3.5
Additions for tax positions of prior years	12.8	19.4	19.0
Reductions for tax positions of prior years	(50.2)	(10.8)	(1.4)
Lapse of statute of limitations	(8.1)	(2.0)	(2.0)
Balance, end of year	$ 345.0	$ 247.5	$ 128.0

The Company estimates approximately $4.7 million of the above unrecognized tax benefits will be realized during the next 12 months.

18. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share attributable to Valeant Pharmaceuticals International, Inc. for the years ended December 31, 2014, 2013 and 2012 were calculated as follows:

	2014	2013	2012
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	$ 913.5	$ (866.1)	$ (116.0)
Basic weighted-average number of common shares outstanding	335.4	321.0	305.4
Dilutive effect of stock options and RSUs	6.1	—	—
Diluted weighted-average number of common shares outstanding	341.5	321.0	305.4
Earnings (loss) per share attributable to Valeant Pharmaceuticals International, Inc.:			
Basic	$ 2.72	$ (2.70)	$ (0.38)
Diluted	$ 2.67	$ (2.70)	$ (0.38)

In 2013 and 2012, all stock options, RSUs and convertible notes were excluded from the calculation of diluted loss per share, as the effect of including them would have been anti-dilutive. The dilutive effect of potential common shares issuable for stock options, RSUs and convertible notes on the weighted-average number of common shares outstanding would have been as follows:

	2013	2012
Basic weighted-average number of common shares outstanding	321.0	305.4
Dilutive effect of stock options and RSUs	6.5	7.2
Dilutive effect of convertible notes	—	0.5
Diluted weighted-average number of common shares outstanding	327.5	313.1

In 2014, 2013 and 2012, stock options to purchase approximately 877,000 , 1,090,000 and 1,093,000 common shares of the Company, respectively, were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive under the treasury stock method.

19. SUPPLEMENTAL CASH FLOW DISCLOSURES

Interest and income taxes paid during the years ended December 31, 2014 , 2013 and 2012 were as follows:

	2014	2013	2012

Interest paid	$ 934.0	$ 652.9	$ 421.0
Income taxes paid	98.7	65.1	41.4

As part of an acquisition completed in 2014, the Company effectively settled a pre-existing relationship with an acquiree. The impact was approximately $122 million , which was reflected as additional purchase price. There was no impact to the consolidated statement of income (loss) or the consolidated statement of cash flows.

20. LEGAL PROCEEDINGS

From time to time, the Company becomes involved in various legal and administrative proceedings, which include product liability, intellectual property, commercial, antitrust, governmental and regulatory investigations, related private litigation and ordinary course employment-related issues. From time to time, the Company also initiates actions or files counterclaims. The Company could be subject to counterclaims or other suits in response to actions it may initiate. The Company believes that the prosecution of these actions and counterclaims is important to preserve and protect the Company, its reputation and its assets. Certain of these proceedings and actions are described below.

Unless otherwise indicated, the Company cannot reasonably predict the outcome of these legal proceedings, nor can it estimate the amount of loss, or range of loss, if any, that may result from these proceedings. An adverse outcome in certain of these proceedings could have a material adverse effect on the Company's business, financial condition and results of operations, and could cause the market value of its common shares to decline.

Governmental and Regulatory Inquiries

Legacy Biovail Matters

On May 16, 2008, Biovail Pharmaceuticals, Inc. ("BPI"), the Company's former subsidiary, entered into a written plea agreement with the U.S. Attorney's Office ("USAO") for the District of Massachusetts whereby it agreed to plead guilty to violating the U.S. Anti-Kickback Statute and pay a fine of $22.2 million .

In addition, on May 16, 2008, the Company entered into a non-prosecution agreement with the USAO whereby the USAO agreed to decline prosecution of Biovail Corporation ("Biovail") in exchange for continuing cooperation and a civil settlement agreement and pay a civil penalty of $2.4 million . A hearing before the U.S. District Court in Boston took place on September 14, 2009 and the plea was approved.

In addition, as part of the overall settlement, Biovail entered into a Corporate Integrity Agreement ("CIA") with the Office of the Inspector General and the Department of Health and Human Services on September 11, 2009. The CIA requires the Company to have a compliance program in place and to undertake a set of defined corporate integrity obligations for a five -year term. The CIA also includes requirements for an annual independent review of these obligations. Pursuant to the terms of the CIA, the Company expects the requirements contained in the CIA to terminate by the end of the second quarter of 2015. Failure to comply with the obligations under the CIA could result in financial penalties.

Civil Investigative Demand from the U.S. Federal Trade Commission

On May 2, 2012, Medicis received a civil investigative demand from the FTC requiring that Medicis provide to the FTC information and documents relating to various settlement and other agreements with makers of generic SOLODYN® products following patent infringement claims and litigation, each of which was previously filed with the FTC and the Antitrust Division of the Department of Justice, and other efforts principally relating to SOLODYN®. On June 7, 2013, Medicis received an additional civil investigative demand relating to such settlements, agreements and efforts. Medicis is cooperating with this investigative process. If, at the conclusion of this process, the FTC believes that any of the agreements or efforts violates antitrust laws, it could challenge Medicis through a civil administrative or judicial proceeding. If the FTC ultimately challenges the agreements, we would expect to vigorously defend any such action.

Subpoenas from the New York Office of Inspector General for the U.S. Department of Health and Human Services

On June 29, 2011, B&L received a subpoena from the New York Office of Inspector General for the U.S. Department of Health and Human Services regarding payments and communications between B&L and medical professionals related to its pharmaceutical products Lotemax® and Besivance®. The government has indicated that the subpoena was issued in connection with a civil investigation, and B&L is cooperating fully with the government's investigation. B&L has heard of no additional activity at this time, and whether the government's investigation is ongoing or will result in further requests for information is unknown. B&L and the Company will continue to work with the

Office of Inspector General regarding the scope of the subpoena and any additional specific information that may be requested.

ISTA Settlement with Department of Justice

On or about May 24, 2013 (prior to the Company's acquisition of B&L in August 2013), B&L's subsidiary, ISTA Pharmaceuticals, Inc. ("ISTA"), reached agreement with the U.S. government to resolve and conclude civil and criminal allegations against ISTA. The settlement involved conduct by ISTA that occurred between January 2006 and March 2011, prior to B&L's acquisition of ISTA in June 2012. B&L was aware of the government investigation prior to its acquisition, and fully cooperated with the government to resolve the matter. In connection with the settlement, ISTA pled guilty to certain charges and paid approximately $34 million in civil and criminal fines, including interest and attorney's fees. In addition, B&L agreed to maintain a specified compliance and ethics program and to annually certify compliance with this requirement to the Department of Justice for a period of three years. Failure to comply with the requirements of the settlement could result in fines.

Securities

Medicis Shareholder Class Actions

Prior to the Company's acquisition of Medicis, several purported holders of then public shares of Medicis filed putative class action lawsuits in the Delaware Court of Chancery and the Arizona Superior Court against Medicis and the members of its Board of Directors, as well as one or both of Valeant and Merlin Merger Sub (the wholly-owned subsidiary of Valeant formed in connection with the Medicis acquisition). The Delaware actions (which were instituted on September 11, 2012 and October 1, 2012, respectively) were consolidated for all purposes under the caption In re Medicis Pharmaceutical Corporation Stockholders Litigation, C.A. No. 7857-CS (Del. Ch.). The Arizona action (which was instituted on September 11, 2012) bears the caption Swint v. Medicis Pharmaceutical Corporation, et. al., Case No. CV2012-055635 (Ariz. Sup. Ct.). The actions all alleged, among other things, that the Medicis directors breached their fiduciary duties because they supposedly failed to properly value Medicis and caused materially misleading and incomplete information to be disseminated to Medicis' public shareholders, and that Valeant and/or Merlin Merger Sub aided and abetted those alleged breaches of fiduciary duty. The actions also sought, among other things, injunctive and other equitable relief, and money damages.

The plaintiff in the Arizona action agreed to dismiss her complaint and, on January 15, 2013, the Arizona Superior Court issued an order granting the parties' joint stipulation to dismiss the Arizona action.

The parties agreed to settle the Delaware action and, on November 25, 2013, executed a Stipulation and Agreement of Compromise and Settlement, which provided, among other things, that Medicis and the other defendants would not oppose plaintiffs' request for a fee award (subject to a capped amount). At the settlement hearing on February 26, 2014, the Delaware Court of Chancery declined to approve the settlement or award plaintiffs any attorneys' fees and the matter was dismissed with prejudice to allow the plaintiff to revise their fee request, which they have subsequently decided not to bring. The Delaware action is now concluded.

Obagi Shareholder Class Actions

Prior to the acquisition of all of the outstanding common stock of Obagi, the following complaints were filed: (i) a complaint in the Court of Chancery of the State of Delaware, dated March 22, 2013, and amended on April 1, 2013 and on April 8, 2013, captioned Michael Rubin v. Obagi Medical Products, Inc., et al.; (ii) a complaint in the Superior Court of the State of California, County of Los Angeles, dated March 22, 2013, and amended on March 27, 2013, captioned Gary Haas v. Obagi Medical Products, Inc., et al.; and (iii) a complaint in the Superior Court of the State of California, County of Los Angeles, dated March 27, 2013, captioned Drew Leonard v. Obagi Medical Products, Inc., et al. Each complaint is a purported shareholder class action and names as defendants Obagi and the members of the Obagi Board of Directors. The two complaints filed in California also name Valeant and Odysseus Acquisition Corp. (the wholly-owned subsidiary of Valeant formed in connection with the Obagi acquisition) as defendants. The plaintiffs' allegations in each action are substantially similar. The plaintiffs allege that the members of the Obagi Board of Directors breached their fiduciary duties to Obagi's stockholders in connection with the sale of the company, and the California complaints further allege that Obagi, Valeant and Odysseus Acquisition Corp. aided and abetted the purported breaches of fiduciary duties. In support of their purported claims, the plaintiffs allege that the proposed transaction undervalued Obagi, involved an inadequate sales process and included preclusive deal protection devices. The plaintiffs in the Rubin case in Delaware and in the Haas case in California also filed amended complaints, which added allegations challenging the adequacy of the disclosures concerning the transaction. The plaintiffs sought damages and to enjoin the transaction, and also sought attorneys' and expert fees and costs.

The parties executed a Stipulation and Agreement of Compromise, Settlement and Release on January 31, 2014, which set forth the terms for the settlement and dismissal of all of the lawsuits and provided, among other things, that Obagi and the other defendants would not oppose plaintiffs' request for a fee award (subject to a capped amount). At a settlement hearing on April 30, 2014, the Delaware Court of Chancery declined to approve the settlement or award plaintiff any attorneys' fees. The Delaware Court of Chancery entered the dismissal of the action with prejudice as to the named plaintiffs on October 8, 2014.

On October 15, 2014, plaintiffs in the California actions sought voluntary dismissal without prejudice of each of those actions without notice to the proposed class. On October 20, 2014, the court in the California actions granted the request for dismissal of both actions.

Solta Medical Shareholder Class Actions

Prior to the Company's completion of the acquisition of Solta Medical, several purported holders of then public shares of Solta Medical filed putative class action lawsuits in the Delaware Court of Chancery and the Superior Court of the State of California, County of Alameda, against Solta Medical and the members of its board of directors, as well as the Company, Valeant, and Sapphire Subsidiary Corp. (the wholly-owned subsidiary of Valeant formed in connection with the Solta Medical acquisition). The Delaware actions were consolidated for all purposes under the caption In re Solta Medical, Inc. Stockholders Litigation, C.A. No. 9170-CS (Del. Ch.). The California actions were filed under the captions Lathrop v. Covert, et al., Case No. HG13-707363 (Cal. Super.); Walter, et al. v. Solta Medical, Inc., et al., Case No. RG13-707659 (Cal. Super.); and Bushansky v. Solta Medical, Inc., et al., Case No. RG13-707997 (Cal. Super.). The plaintiffs' allegations in each action were substantially similar. The actions all alleged, among other things, that the directors of Solta Medical breached their fiduciary duties to the stockholders of Solta Medical in connection with the Company's proposed acquisition of Solta Medical. In support of their purported claims, the plaintiffs alleged that the proposed transaction did not appropriately value Solta Medical, was the result of an inadequate process and included preclusive deal protection devices. The plaintiffs also alleged that the Schedule 14D-9 filed by Solta Medical on December 23, 2013, in connection with the proposed transaction contained material omissions and misstatements. The complaints claimed that Solta Medical, the Company, Valeant, and Sapphire Subsidiary Corp. aided and abetted the purported breaches of fiduciary duty. The actions sought, among other things, injunctive and other equitable relief, and money damages. The plaintiffs also sought attorneys' and expert fees and costs. On July 10, 2014, the parties entered into a Stipulation and Agreement of Compromise, Settlement and Release, which provides for a release and settlement by Solta Medical's stockholders of all claims against Solta Medical and the other defendants and their respective affiliates and agents in connection with the Company's acquisition of Solta Medical. In connection with the proposed settlement, the plaintiffs sought an award of attorneys' fees and expenses. Pursuant to the scheduling order, a settlement hearing was held on September 29, 2014 and the settlement was approved by the Court.

Allergan Securities Litigation

On August 1, 2014, Allergan commenced the federal securities litigation in the U.S. District Court for the Central District of California against the Company, Valeant, Valeant's subsidiary AGMS Inc. ("AGMS"), Pershing Square, PS Management, GP, LLC, PS Fund 1, LLC ("PS Fund 1") and William A. Ackman (Allergan, Inc. et al. v. Valeant Pharmaceuticals International, Inc., et al., Case No. 14-cv-01214-DOC). The lawsuit alleges violations of Sections 13(d), 14(a), 14(e) and 20A of the Exchange Act and rules promulgated by the SEC under those Sections. The complaint seeks, among other relief, a declaration that the defendants violated Rule 14e-3 and Sections 13(d), 14(a) and 14(e); an order requiring rescission of the defendants' purchases of Allergan securities; an order requiring the defendants to file corrective disclosures; preliminary and/or permanent injunctive relief as may be necessary to prevent the defendants from enjoying any rights or benefits from Allergan securities that were acquired unlawfully and to prevent irreparable injury to Allergan or its stockholders arising out of unlawful solicitations; damages under Section 20A of the Exchange Act; and costs and attorneys' fees. On August 19, 2014, the Company, Valeant and AGMS filed an Answer to Complaint and Affirmative Defenses. The remaining defendants filed a separate answer on August 19, 2014. Also on August 19, 2014, the Company, Valeant, AGMS, PS Fund 1 and William A. Ackman filed Counterclaims against Allergan and the members of the Allergan Board of Directors. The Counterclaims allege violations of Sections 14(a), 14(e) and 20A of the Exchange Act and rules promulgated by the SEC under those Sections, and seek, among other relief, an injunction requiring Allergan to issue corrective disclosures; an order enjoining further violations of Sections 14(a) and 14(e) of the Exchange Act and SEC Rules 14a-9 and 14a-3, and costs and attorneys' fees. On September 2, 2014, the counterclaim-defendants filed an Answer to the Counterclaims. On November 4, 2014, the Court denied in part and granted in part a motion filed by plaintiffs seeking a preliminary injunction. The Court directed the defendants to make certain additional disclosures, and otherwise denied the motion. On December 26, 2014, the defendants moved for summary judgment as to all of Allergan's claims and all of plaintiff Parschauer's claims except for certain of her Rule 14e-3 and Section 20A

claims. A hearing on the motion is set for March 23, 2015. On January 28, 2015, the plaintiffs filed an amended complaint, alleging that all defendants violated Section 14(e) of the Exchange Act and SEC rules under that section. The amended complaint also asserts violations of Sections 13(d) and Schedule 13D thereunder and Section 20A of the Exchange Act against Pershing Square Capital Management, L.P., PS Management, GP, LLC, PS Fund 1 and William A. Ackman. The amended complaint seeks substantially the same relief as the original complaint. Defendants have not yet responded to the amended complaint. Trial is set for June 28, 2016. The Company is vigorously defending this matter.

Allergan Shareholder Class Action

On December 16, 2014, Anthony Basile filed a putative class action lawsuit against the Company, Valeant, AGMS, Pershing Square Capital Management, L.P., PS Management, GP, LLC, PS Fund 1 and William A. Ackman in the U.S. District Court for the Central District of California (Basile v. Valeant Pharmaceuticals International, Inc., et al., Case No. 14-cv-02004-DOC). The complaint alleges claims on behalf of a putative class of purchasers of Allergan securities between February 25, 2014 and April 21, 2014, against all defendants asserting violations of Sections 14(e) of the Exchange Act and rules promulgated by the SEC thereunder. The complaint also alleges violations of Section 20A of the Exchange Act against Pershing Square Capital Management, L.P., PS Management, GP, LLC, PS Fund 1 and William A. Ackman. The complaint seeks, among other relief, money damages, equitable relief, and attorneys' fees and costs. Defendants have not yet responded to the Complaint. The Company is vigorously defending this matter.

Antitrust

Solodyn® Antitrust Class Actions

On July 22, 2013, United Food and Commercial Workers Local 1776 & Participating Employers Health and Welfare Fund, filed a civil antitrust class action complaint in the United States District Court for the Eastern District of Pennsylvania, Case No. 2:13-CV-04235-JCJ, against Medicis, the Company and various manufacturers of generic forms of Solodyn®, alleging that the defendants engaged in an anticompetitive scheme to exclude competition from the market for minocycline hydrochloride extended release tablets, a prescription drug for the treatment of acne marketed by Medicis under the brand name, Solodyn®. The plaintiff further alleges that the defendants orchestrated a scheme to improperly restrain trade, and maintain, extend and abuse Medicis' alleged monopoly power in the market for minocycline hydrochloride extended release tablets to the detriment of plaintiff and the putative class of end-payor purchasers it seeks to represent, causing them to pay overcharges. Plaintiff alleges violations of Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1, 2, and of various state antitrust and consumer protection laws, and further alleges that defendants have been unjustly enriched through their alleged conduct. Plaintiff seeks declaratory and injunctive relief and, where applicable, treble, multiple, punitive and/or other damages, including attorneys' fees. Additional class action complaints making similar allegations against all defendants, including Medicis and the Company have been filed in various courts by other private plaintiffs purporting to represent certain classes of similarly-situated direct or end-payor purchasers of Solodyn® (Rochester Drug Co-Operative, Inc., Case No. 2:13-CV-04270-JCJ (E.D. Pa. filed July 23, 2013); Local 274 Health & Welfare Fund, Case No. 2:13-CV-4642-JCJ (E.D.Pa. filed Aug. 9, 2013); Sheet Metal Workers Local No. 25 Health & Welfare Fund, Case No. 2:13-CV-4659-JCJ (E.D. Pa. filed Aug. 8, 2013); Fraternal Order of Police, Fort Lauderdale Lodge 31, Insurance Trust Fund, Case No. 2:13-CV-5021-JCJ (E.D. Pa. filed Aug. 27, 2013); Heather Morgan, Case No. 2:13-CV-05097 (E.D. Pa. filed Aug. 29, 2013); Plumbers & Pipefitters Local 176 Health & Welfare Trust Fund, Case No. 2:13-CV-05105 (E.D. Pa. filed Aug. 30, 2013); Ahold USA, Inc., Case No. 1:13-cv-12225 (D. Mass. filed Sept. 9, 2013); City of Providence, Rhode Island, Case No. 2:13-cv-01952 (D. Ariz. filed Sept. 24, 2013); International Union of Operating Engineers Stationary Engineers Local 39 Health & Welfare Trust Fund, Case No. 1:13-cv-12435 (D. Mass. filed Oct. 2, 2013); Painters District Council No. 30 Health and Welfare Fund et al., Case No. 1:13-cv-12517 (D. Mass. filed Oct. 7, 2013); Man-U Service Contract Trust Fund, Case No. 13-cv-06266-JCJ (E.D. Pa. filed Oct. 25, 2013)). On August 29, 2013, International Union of Operating Engineers Local 132 Health and Welfare Fund voluntarily dismissed the class action complaint it had originally filed on August 1, 2013, in the United States District Court for the Northern District of California, and on August 30, 2013, re-filed its class action complaint in the United States District Court for the Eastern District of Pennsylvania (Case No. 2:13-cv-05108). The International Union of Operating Engineers Local 132 Health and Welfare Fund complaint makes similar allegations against all defendants, including Medicis and the Company, and seeks similar relief, to the other end-payor plaintiff complaints. On February 25, 2014, on a motion by Medicis and the Company, the Judicial Panel for Multidistrict Litigation ("JPML") ordered that the cases pending outside the District of Massachusetts be transferred to the District of Massachusetts, with the consent of that court, for coordinated or consolidated pretrial proceedings with the actions already pending in that district. The Multi-District Litigation ("MDL"), captioned In re Solodyn (Minocycline Hydrochloride) Antitrust Litigation, Case No. 1:14-md-02503-DJC, is now pending before U.S. District Judge Denise Casper. Two additional end-payor actions have been filed in the District of Massachusetts since the February

25th centralization order: Allied Services Division Welfare Fund, Case No. 1:14-cv-10786 (D. Mass. filed Mar. 14, 2014); and NECA-IBEW Welfare Trust Fund, Case No. 1:14-cv-11015 (D. Mass. filed Mar. 19, 2014). These cases have been included in the pending MDL. On September 12, 2014, the Direct Purchaser Plaintiffs and the End-Payor Plaintiffs each filed a consolidated amended class action complaint. The Direct Purchaser Plaintiffs, with the Defendants' consent, subsequently filed a corrected amended complaint on September 22, 2014. On November 24, 2014, the Defendants jointly moved to dismiss the Direct Purchaser Plaintiffs' and the End Payor Plaintiffs' complaints. Oral argument on the Defendants' motion is scheduled for March 12, 2015. The Company is vigorously defending these actions.

Intellectual Property

Cobalt TIAZAC® XC Litigation

On or about August 17, 2012, Valeant International (Barbados) SRL (now Valeant International Bermuda) ("VIB") and Valeant Canada received a Notice of Allegation from Cobalt Pharmaceuticals Company ("Cobalt") with respect to diltiazem hydrochloride 180 mg, 240 mg, 300 mg and 360 mg tablets, marketed in Canada by Valeant Canada as TIAZAC® XC, alleging that Cobalt's generic form of TIAZAC® XC does not infringe Canadian Patent Nos. 2,242,224, and 2,307,547 or, alternatively, that the patents are invalid. Following an evaluation of the allegations in the Notice of Allegation, an application for an order prohibiting the Minister of Health from issuing a Notice of Compliance to Cobalt was issued in the Federal Court of Canada on September 28, 2012 (Case No. T-1805-12) (the "Application"). On May 8, 2014, Valeant Canada, VIB and Cobalt entered into a settlement agreement, which resulted in an adjournment of the Application until certain events occur and a discontinuance of all remaining proceedings and appeals.

AntiGrippin® Litigation

Two suits have been brought against the Company's subsidiary, Natur Produkt, seeking lost profits in connection with the registration by Natur Produkt of its AntiGrippin trademark. The plaintiffs in these matters allege that Natur Produkt violated Russian competition law by preventing plaintiffs from producing and marketing their products under certain brand names. The first matter (Case No. A-56-23056/2013, Arbitration Court of St. Petersburg) was accepted for proceedings on June 24, 2013 and a hearing was held on November 28, 2013. In a decision dated December 4, 2013, the court found in favor of the plaintiff (AnviLab) and awarded the plaintiff lost profits in the amount of approximately $50 million . The $50 million charge was recognized in the fourth quarter of 2013 in Other (income) expense in the consolidated statements of income (loss). Natur Produkt appealed this decision, and a hearing in the appeal proceeding was held on March 16, 2014. The appeal court found in favor of Natur Produkt and dismissed the plaintiff's claim in full. Following this decision, the Company concluded that the potential loss was no longer probable, and therefore the $50 million reserve was reversed in the first quarter of 2014 in Other (income) expense in the consolidated statements of income (loss). Anvilab appealed the appeal court's decision to the cassation court. On June 19, 2014, the cassation court resolved that the matter is within the jurisdiction of the Intellectual Property (IP) court in this instance. The hearing before the IP court was held on July 30, 2014 and August 1, 2014. The IP court found in favor of the plaintiff and ruled to send the case for the second review to the court of the first instance, indicating that the court of the first instance should decide on the amount of damages suffered by Anvilab. Natur Produkt appealed the decision of the IP Court to the Supreme Court on September 15, 2014, but, on October 22, 2014, the Supreme Court denied that appeal and the matter was sent back to the court of first instance for the second review. The first instance court appointed an expert to provide a report on the claimed lost profit amount. The parties are awaiting the expert's report. The Company believes that the potential damages in this matter, if any, are not estimable at this time. Natur Produkt intends to continue to vigorously defend this matter.

Natur Produkt was served with a claim in the second matter (Case No. A-56-38592/2013, Arbitration Court of St. Petersburg) on July 16, 2013 by the plaintiff in that matter (ZAO Tsentr Vnedreniya PROTEK ("Protek")). A hearing was held in this matter on September 29, 2013 and, on October 18, 2013, the court found in favor of Natur Produkt. Protek filed an appeal of the decision on November 26, 2013. A hearing in the appeal proceeding was held on January 30, 2014 and the appeal court also found in favor of Natur Produkt. Protek appealed that decision to the cassation court (Case No. A-56-38592/2013) and, on July 7, 2014, the cassation court also found in favor of Natur Produkt. Protek did not exercise its right to appeal the cassation court decision to the Supreme Court.

Watson ACANYA® Litigation

In response to two Notices of Paragraph IV Certification, dated September 9, 2013 and March 13, 2014, respectively, received from Watson Laboratories, Inc. ("Watson"), which asserted that U.S. Patent No. 8,288,434 (the "'434 Patent") and 8,633,699 (the "699 Patent"), respectively, which are listed in the FDA's Orange Book for Acanya® Gel, are either invalid, unenforceable

and/or will not be infringed by the commercial manufacture, use, sale or importation of Watson's generic Clindamycin Phosphate and Benzoyl Peroxide Gel, 1.2%/2.5%, for which an ANDA had been filed, Dow and the Company's subsidiary, Valeant Pharmaceuticals North America LLC ("VPNA"), filed two suits against Watson, pursuant to the Hatch-Waxman Act, on October 24, 2013 in the U.S. District Court for the District of New Jersey (Case No. 13-cv-06401-SRC) and on April 25, 2014 in the U.S. District Court for the District of New Jersey (Case No. 14-cv-02661), thereby triggering a 30-month stay of the approval of Watson's ANDA. In the suits, Dow and VPNA allege infringement by Watson of one or more claims of the '434 Patent and '699 Patent, respectively.

On May 6, 2014, Watson, Dow and VPNA entered into a settlement agreement to settle all outstanding patent litigation related to Watson's generic version of Acanya® Gel. Under the terms of the settlement agreement, Dow and VPNA will grant Watson a royalty-bearing license to market its generic version of Acanya® Gel beginning in July 1, 2018 or earlier under certain circumstances.

Perrigo ACANYA® Litigation

In response to a Notice of Paragraph IV Certification dated October 2, 2013 received from Perrigo Israel Pharmaceuticals Ltd. ("Perrigo"), which asserted that the '434 Patent is either invalid, unenforceable and/or will not be infringed by the commercial manufacture, use, sale or importation of Perrigo's generic Clindamycin Phosphate and Benzoyl Peroxide Gel, 1.2%/2.5%, for which an ANDA had been filed, Dow and its affiliate, VPNA, filed suit against Perrigo in the U.S. District Court for the District of New Jersey (Case No. 13-CV-06922-SRC) on November 15, 2013, pursuant to the Hatch-Waxman Act, alleging infringement by Perrigo of one or more claims of the '434 Patent, thereby triggering a 30 -month stay of the approval of Perrigo's ANDA.

On July 30, 2014, Perrigo, Perrigo Company, Dow and VPNA entered into a settlement agreement to settle all outstanding patent litigation related to Perrigo's generic version of Acanya® Gel. Under the terms of the settlement agreement, Dow and VPNA will grant Perrigo a royalty-free license to market its generic version of Acanya® Gel beginning on December 29, 2018 or earlier under certain circumstances.

Taro ACANYA® Litigation

In response to a Notice of Paragraph IV Certification dated June 29, 2014 received from Taro Pharmaceutical Sciences Inc. ("Taro"), which asserted that that the '434 Patent and the '699 Patent are either invalid, unenforceable and/or will not be infringed by the commercial manufacture, use, sale or importation of Taro's generic Clindamycin Phosphate and Benzoyl Peroxide Gel, 1.2%/2.5%, for which an ANDA had been filed, Dow and VPNA filed suit against Taro in the U.S. District Court for the District of New Jersey (Case No. 2:14-cv-05079-SRS-CLW) on August 13, 2014, pursuant to the Hatch-Waxman Act, alleging infringement by Perrigo of one or more claims of the '434 and '699 patents, thereby triggering a 30 -month stay of the approval of Perrigo's ANDA.

On September 11, 2014, Taro, Dow and VPNA entered into a settlement agreement to settle all outstanding patent litigation related to Taro's generic version of Acanya® Gel. Under the terms of the settlement agreement, Dow and VPNA will grant Taro a royalty-free license to market its generic version of Acanya® Gel beginning on December 29, 2018 or earlier under certain circumstances.

Allergan Patent Infringement Proceeding - Restylane-L® and Perlane-L®

On September 13, 2013, Allergan USA, Inc. and Allergan Industrie, SAS (collectively, "Allergan") filed a Complaint for Patent Infringement in the United States District Court for the Central District of California (Case No. SACV13-1436 AG (JPRX)) against the Company and certain of its affiliates, including Medicis. The complaint alleges that the Company and its affiliates named in the complaint have infringed Allergan's U.S. Patent No. 8,450,475 (the "'475 Patent") by selling, offering to sell and importing in and into the United States the Company's Restylane-L® and Perlane-L® dermal filler products. Allergan is seeking a permanent injunction and unspecified damages. The matter is proceeding in the ordinary course, with a proposed trial date of July 27, 2015. The products that are the subject of this proceeding were sold by the Company as part of the transaction with Galderma that was completed on July 10, 2014 (see note 4 "DIVESTITURES"); however, the Company and its applicable affiliates remain party to this proceeding.

Lupin PROLENSA® Litigation

In four Notices of Paragraph IV Certification dated December 19, 2013, May 13, 2014, July 3, 2014, and December 17, 2014, respectively, each received from Lupin, Ltd. ("Lupin"), Lupin asserted that U.S. Patent Nos. 8,129,431 (the "'431 Patent"),

8,669,290 (the "'290 Patent"), 8,754,131 (the "'131 Patent"), and 8,871,813 (the "'813 patent"), respectively, each of which is listed in the FDA's Orange Book for Prolensa®, are either invalid, unenforceable and/or will not be infringed by the commercial manufacture, use, sale or importation of Lupin's generic bromfenac ophthalmic solution 0.07%, for which ANDAs had been filed by Lupin. B&L holds the NDA for Prolensa® and Bausch & Lomb Pharma Holdings is the exclusive licensee of Senju Pharmaceutical Co., Ltd. ("Senju") of each of the four patents licensed above. B&L, Bausch & Lomb Pharma Holdings and Senju (collectively, the "Plaintiffs") filed four separate suits against Lupin in the U.S. District of New Jersey, pursuant to the Hatch-Waxman Act, on January 31, 2014 (Case No. 1:14-cv-00667-JBS-KMW), June 26, 2014 (Case No. 1:14-cv-04149-JBS-KMW), on August 15, 2014 (Case No. 1:14-cv-00667-JBS-KMW) and on January 16, 2015 (Case No. 1:15-cv-00335-JBS-KMW), each relating to one of the above mentioned Notice of Paragraph IV Certifications and, in the case of the fourth suit, a fifth patent, U.S. No. 8,927,606 (the "'606 Patent"), which issued in January 2015. As a result of these suits, a 30-month stay of the approval of Lupin's ANDA for its generic product has been triggered. In each of the suits, the Plaintiffs alleged infringement by Lupin of one or more claims of each of the '431 Patent, '290 Patent, '131 Patent, the '813 Patent and the '606 Patent, respectively. Each of the matters is proceeding in the ordinary course.

Metrics PROLENSA® Litigation

Metrics, Inc. ("Metrics") filed an ANDA with the FDA seeking approval to market generic bromfenac ophthalmic solution 0.07%, which corresponds to the Company's Prolensa® product. B&L, Bausch & Lomb Pharma Holdings and Senju (collectively, the "Plaintiffs") filed suit pursuant to the Hatch-Waxman Act against Metrics and certain of its affiliated entities, namely Coastal Pharmaceuticals, Inc. ("Coastal"), Mayne Pharma Group Limited and Mayne Pharma (USA), Inc. (collectively, with Metrics, the "Defendants") on June 20, 2014, in the U.S. District Court for the District of New Jersey (Case No. 1:14-cv-03962-JBS-KMW), thereby triggering a 30-month stay of the approval of Metrics' ANDA. In the suit, the Plaintiffs allege infringement by the Defendants of one or more claims of each of the '431 Patent, the '290 Patent and the '131 Patent. Subsequent to the filing of the suit, B&L received, on or about June 27, 2014, a Notice of Paragraph IV Certification dated June 26, 2014 from Coastal, related to the Metrics' ANDA filing described above, asserting that the '431 Patent and the '290 Patent are either invalid, unenforceable and/or will not be infringed by the commercial manufacture, use, importation, offer for sale or sale of Metrics' generic product. On August 14, 2014, Metrics moved to dismiss the Plaintiffs' action for an alleged lack of personal jurisdiction, and oral argument on this motion was held on October 3, 2014. A decision on this motion is pending.

In addition, the Plaintiffs described above filed two protective suits against the Defendants described above pursuant to the Hatch-Waxman Act against Metrics, on August 7, 2014 in the U.S. District Court for the District of New Jersey (Case No. 1:14-cv-04964-JBS-KMW) and on August 8, 2014 in the U.S. District Court for the District of North Carolina (Case No. 4:14-cv-141), respectively. In each suit, the Plaintiffs allege infringement by the Defendants of one or more claims of each of the '431 Patent, the '290 Patent and the '131 Patent. These matters are proceeding in the ordinary course.

On July 22, 2014, two Notices of Filing Date Accorded papers were issued by the U.S. Patent & Trademark Office ("USPTO") for petitions filed by Metrics for Inter Partes Reviews ("IPRs") 2014-01041 and 2014-01043, which correspond to the '431 Patent and the '290 Patent, respectively. A petitioner for IPR may request the USPTO to cancel as unpatentable one or more claims of a patent on a ground that could be raised under 35 USC 102 or 35 USC 103 of the U.S. Patent Act and only on the basis of prior art consisting of patents or printed publications. A patent owner may file a preliminary response to an IPR petition to provide reasons why no such review should be instituted. A patent owner has three months to submit a preliminary response to an IPR, and a response in these proceedings was filed on November 20, 2014. On July 10, 2014, Plaintiffs, in the U.S. District Court for the District of New Jersey (Case No. 1:14-cv-03962-JBS-KMW), moved to enjoin the Defendants from prosecuting these two IPRs, and oral argument on this motion was held on October 3, 2014. A decision on this motion is pending.

Innopharma PROLENSA® Litigation

Innopharma Licensing, Inc. ("Innopharma") filed an ANDA with the FDA seeking approval to market generic bromfenac ophthalmic solution 0.07%, which corresponds to the Company's Prolensa® product. In response to Innopharma's Notice of Paragraph IV Certification dated September 19, 2014, B&L, Bausch & Lomb Pharma Holdings and Senju (collectively, the "Plaintiffs") filed suit pursuant to the Hatch-Waxman Act against Innopharma and certain of its affiliated entities, namely Innopharma Licensing, LLC, Innopharma, Inc., and Innopharma, LLC (collectively, the "Defendants") on November 3, 2014, in the U.S. District Court for the District of New Jersey (Case No. 1:14-cv-06893-JBS-KMW), thereby triggering a 30 -month stay of the approval of Innopharma's ANDA. In the suit, the Plaintiffs allege infringement by the Defendants of one or more

claims of each of the '431 Patent, the '290 Patent, the '131 Patent, and the '813 patent. The matter is proceeding in the ordinary course.

Apotex PROLENSA® Litigation

Apotex, Inc. ("Apotex") filed an ANDA with the FDA seeking approval to market generic bromfenac ophthalmic solution 0.07%, which corresponds to the Company's Prolensa® product. In response to Apotex's Notice of Paragraph IV Certification dated December 10, 2014, B&L, Bausch & Lomb Pharma Holdings and Senju (collectively, the "Plaintiffs") filed a suit pursuant to the Hatch-Waxman Act against Apotex and certain of its affiliated entities, namely Apotex Corp. (collectively, the "Defendants") on January 16, 2015 in the U.S. District Court for the District of New Jersey (Case No.1:15-cv-00336-JBS-KMW), which triggered a 30 -month stay of the approval of Apotex's ANDA. In the suit, Plaintiffs alleges infringement by the Defendants of one or more claims of each of the '431 Patent, the '290 Patent, the '131 Patent, the '813 patent, and the '606 patent. The matter is proceeding in the ordinary course.

Paddock PROLENSA® Litigation

Paddock Laboratories, LLC ("Paddock") filed an ANDA with the FDA seeking approval to market generic bromfenac ophthalmic solution 0.07%, which corresponds to the Company's Prolensa® product. In response to Paddock's Notice of Paragraph IV Certification dated December 15, 2014, B&L, Bausch & Lomb Pharma Holdings and Senju (collectively, the "Plaintiffs") filed two suits pursuant to the Hatch-Waxman Act against Paddock and certain of its affiliated entities, namely L. Perrigo Company, and Perrigo Company (collectively, the "Defendants") on January 16, 2015 in the U.S. District Court for the District of New Jersey (Case No. 1:15-cv-00337-JBS-KMW) and on January 26, 2015 in the U.S. District Court for the District of Delaware (Case No. 1:15-cv-00087-SLR), which triggered a 30 -month stay of the approval of Paddock's ANDA. In the suit, Plaintiffs alleged infringement by the Defendants of one or more claims of each of the '431 Patent, the '290 Patent, the '131 Patent, the '813 patent, and the '606 patent. The matter is proceeding in the ordinary course.

General Civil Actions

Afexa Class Action

On March 9, 2012, a Notice of Civil Claim was filed in the Supreme Court of British Columbia which seeks an order certifying a proposed class proceeding against the Company and a predecessor, Afexa (Case No. NEW-S-S-140954). The proposed claim asserts that Afexa and the Company made false representations respecting Cold-FX® to residents of British Columbia who purchased the product during the applicable period and that the proposed class has suffered damages as a result. On November 8, 2013, the Plaintiff served an amended notice of civil claim which sought to re-characterize the representation claims and broaden them from what was originally claimed. On December 8, 2014, the Company filed a motion to strike certain elements of the Plaintiff's claim for failure to state a cause of action. In response, the Plaintiff proposed further amendments to its claim. The hearing on the motion to strike and the Plaintiff's amended claim was held on February 4, 2015 and a decision is pending. The Company denies the allegations being made and is vigorously defending this matter.

Employment Matters

Legacy Medicis Employment Matter

In September, 2011, Medicis received a demand letter from counsel purporting to represent a class of female sales employees alleging gender discrimination in, among others things, compensation and promotion as well as claims that the former management group maintained a work environment that was hostile and offensive to female sales employees. Related charges of discrimination were filed prior to the end of 2011 by six former female sales employees with the Equal Employment Opportunity Commission (the "EEOC"). Three of those charges have been dismissed by the EEOC and the EEOC has made no findings of discrimination. Medicis engaged in mediation with such former employees and the parties signed a definitive settlement agreement in this matter, settling the matter on a class-wide basis and resolving all claims with respect thereto, including all of the remaining related EEOC charges. In connection with the settlement, Medicis would pay a specified sum, would pay the costs of the claims administration up to an agreed-upon fixed amount and would also implement certain specified programmatic relief. On September 5, 2013, a putative class action was filed in U.S. District Court for the District of Columbia in the matter of Brown et al. v. Medicis Pharmaceutical Corporation (No. 1:13-cv-01345-RJL) based on the allegations described above. Simultaneously with the filing of the Complaint, the parties filed a motion for preliminary approval of the class action settlement. A hearing on such motion took place in September 2014 and the motion was denied. A hearing to address the Court's concerns with the motion for preliminary approval took place on October 23, 2014 and November 12, 2014. A revised settlement agreement and related approval materials have now been submitted and the parties are awaiting a

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settlement approval hearing date. The Company has recognized a reserve in its consolidated financial statements covering the proposed settlement amount, and such amount is not material.

Product Liability Matters

MoistureLoc ™ Product Liability Lawsuits

Currently, B&L has been served or is aware that it has been named as a defendant in approximately 321 currently active product liability lawsuits (some with multiple plaintiffs) pending in a New York State Consolidated Proceeding described below as well as certain other U.S. state courts on behalf of individuals who claim they suffered personal injury as a result of using a contact lens solution with MoistureLoc™. Two consolidated cases were established to handle MoistureLoc™ claims. First, on August 14, 2006, the Federal Judicial Panel on Multidistrict Litigation created a coordinated proceeding in the Federal District Court for the District of South Carolina. Second, on January 2, 2007, the New York State Litigation Coordinating Panel ordered the consolidation of cases filed in New York State, and assigned the coordination responsibilities to the Supreme Court of the State of New York, New York County. There are approximately 320 currently active non-fusarium cases pending in the New York Consolidated Proceeding. On July 15, 2009, the New York State Supreme Court overseeing the New York Consolidated Proceeding granted B&L's motion to exclude plaintiffs' general causation testimony with regard to non-fusarium infections, which effectively excluded plaintiffs from testifying that MoistureLoc™ caused non-fusarium infections. On September 15, 2011, the New York State Appellate Division, First Department, affirmed the Trial Court's ruling. On February 7, 2012, the New York Court of Appeals denied plaintiffs' additional appeal. Plaintiffs subsequently filed a motion to renew the trial court's ruling, and B&L cross-filed a motion for summary judgment to dismiss all remaining claims. On May 31, 2013, the Trial Court denied Plaintiffs' motion to renew, and granted B&L's motion for summary judgment, dismissing all remaining non-fusarium claims. On June 28, 2013, Plaintiffs filed a Notice of Appeal to the Trial Court's ruling. The appeal was argued January 20, 2015. The Court issued its decision on February 10, 2015, denying plaintiffs' appeal to renew and affirming the lower court's decision granting B&L's motion for summary judgment regarding all remaining non-fusarium claims. Plaintiffs have 30 days from notice of entry of the order in which to move for leave to appeal.

All matters under jurisdiction of the coordinated proceedings in the Federal District Court for the District of South Carolina have been dismissed, including individual actions for personal injury and a class action purporting to represent a class of consumers who suffered economic claims as a result of purchasing a contact lens solution with MoistureLoc™.

Currently B&L has settled approximately 630 cases in connection with MoistureLoc™ product liability suits. All U.S. based fusarium claims have now been resolved and there are less than five active fusarium claims involving claimants outside of the United States that remain pending. The parties in these active matters are involved in settlement discussions.

21. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company leases certain facilities, vehicles and equipment principally under operating leases. Rental expense related to operating lease agreements amounted to $75.0 million , $51.9 million and $22.9 million in 2014 , 2013 and 2012 , respectively. The increase in rental expense for the year ended December 31, 2014 was driven primarily by incremental costs incurred from the full year impact of the B&L Acquisition (the acquisition was completed in August 2013). The increase in rental expense for the year ended December 31, 2013 was driven primarily by the B&L Acquisition.

Minimum future rental payments under non-cancelable operating leases for each of the five succeeding years ending December 31 and thereafter are as follows:

	Total	2015	2016	2017	2018	2019	Thereafter
Lease obligations	$ 195.7	$ 44.2	$ 35.7	$ 28.8	$ 18.0	$ 15.7	$ 53.3

Other Commitments

The Company has commitments related to capital expenditures of approximately $70.0 million as of December 31, 2014 , primarily related

to new manufacturing lines to support the growth of the contact lens business.

Under certain agreements, the Company may be required to make payments contingent upon the achievement of specific developmental, regulatory, or commercial milestones. In connection with certain business combinations, the Company may

make contingent consideration payments, as further described in note 3 and note 6. In addition to these contingent consideration payments, as of December 31, 2014, the Company estimates that it may pay potential milestone payments and license fees, including sale-based milestones, of up to approximately $1 billion over time, in the aggregate, to third-parties, primarily consisting of the following:

- Under the terms of a July 2013 collaboration and option agreement with Mimetogen Pharmaceuticals Inc. (“Mimetogen”), the Company will have either the right or the obligation, depending on the results of clinical trials, to exercise an option to obtain a worldwide exclusive license to the MIM-D3 compound for development and commercialization of products for the treatment and/or prevention of ocular conditions, disorders and/or diseases. The exercise of the option would trigger an initial license fee payment by the Company of up to $95.0 million , plus potential regulatory, commercialization and sales-based milestones over time of up to $345.0 million , in the aggregate, and royalty payments on the future sales.

- Under the terms of a March 2010 development and licensing agreement between B&L and NicOx, the Company has exclusive worldwide rights to develop and commercialize, for certain indications, products containing latanoprostene bunod, a nitric oxide donating compound for the treatment of glaucoma and ocular hypertension. The Company may be required to make potential regulatory, commercialization and sales-based milestones payments over time up to $162.5 million , in the aggregate, as well as royalties on future sales.

- Under the terms of amendments entered into in August 2014 to the agreements with Spear with respect to the authorized generic for Retin-A® and the authorized generic for Carac®, respectively, the Company may be required to make uncapped sales-based milestones over time, which the Company currently estimates will not exceed $150 million , in the aggregate, within the next five years.

- Under the terms of an October 2013 agreement with SMG Pharmaceuticals, LLC (“SMG”), the Company licensed the rights to commercialize, in specific fields in the U.S., Bensal HP®, a topical medication to treat skin irritations and infection. The Company may be required to make potential sales-based milestone payments over time up to $80.0 million , in the aggregate, as well as royalties on future sales.

Indemnification Provisions

In the normal course of business, the Company enters into agreements that include indemnification provisions for product liability and other matters. These provisions are generally subject to maximum amounts, specified claim periods, and other conditions and limits. As of December 31, 2014 or 2013 , no material amounts were accrued for the Company’s obligations under these indemnification provisions. In addition, the Company is obligated to indemnify its officers and directors in respect of any legal claims or actions initiated against them in their capacity as officers and directors of the Company in accordance with applicable law. Pursuant to such indemnities, the Company is indemnifying certain former officers and directors in respect of certain litigation and regulatory matters.

22. SEGMENT INFORMATION

Reportable Segments

The Company has two operating and reportable segments: (i) Developed Markets and (ii) Emerging Markets. The following is a brief description of the Company’s segments:

- ***Developed Markets*** consists of (i) sales in the U.S. of pharmaceutical products, OTC products, and medical device products, as well as alliance and contract service revenues, in the areas of eye health, dermatology and podiatry, aesthetics, and dentistry, (ii) sales in the U.S. of pharmaceutical products indicated for the treatment of neurological and other diseases, as well as alliance revenue from the licensing of various products we developed or acquired, and (iii) pharmaceutical products, OTC products, and medical device products sold in Canada, Australia, New Zealand, Western Europe and Japan.

- ***Emerging Markets*** consists of branded generic pharmaceutical products and branded pharmaceuticals, OTC products, and medical device products. Products are sold primarily in Central and Eastern Europe (primarily Poland and Russia), Asia, Latin America (Mexico, Brazil, and Argentina and exports out of Mexico to other Latin American markets), Africa and the Middle East.

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as restructuring and

acquisition-related costs, other (income) expense, and in-process research and development impairments

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and other charges, are not included in the measure of segment profit, as management excludes these items in assessing financial performance.

Corporate includes the finance, treasury, tax and legal operations of the Company's businesses and maintains and/or incurs certain assets, liabilities, expenses, gains and losses related to the overall management of the Company, which are not allocated to the other business segments. In addition, a portion of share-based compensation is considered a corporate cost, since the amount of such expense depends on Company-wide performance rather than the operating performance of any single segment.

Segment Revenues and Profit

Segment revenues and profit for the years ended December 31, 2014 , 2013 and 2012 were as follows:

	2014	2013	2012
Revenues:			
Developed Markets [1]	$ 6,167.1	$ 4,293.2	$ 2,502.3
Emerging Markets [1]	2,096.4	1,476.4	978.1
Total revenues	8,263.5	5,769.6	3,480.4
Segment profit:			
Developed Markets [2]	2,019.7	573.2	815.9
Emerging Markets [3]	337.3	93.0	69.0
Total segment profit	2,357.0	666.2	884.9
Corporate [4]	(171.1)	(165.7)	(138.3)
Restructuring, integration and other costs	(381.7)	(462.0)	(267.1)
In-process research and development impairments and other charges	(41.0)	(153.6)	(189.9)
Acquisition-related costs	(6.3)	(36.4)	(78.6)
Acquisition-related contingent consideration	14.1	29.2	5.3
Other income (expense)	268.7	(287.2)	(136.6)
Operating income (loss)	2,039.7	(409.5)	79.7
Interest income	5.0	8.0	6.0
Interest expense	(971.0)	(844.3)	(481.6)
Loss on extinguishment of debt	(129.6)	(65.0)	(20.1)
Foreign exchange and other	(144.1)	(9.4)	19.7
Gain on investments, net	292.6	5.8	2.1
Income (loss) before provision for (recovery of) income taxes	$ 1,092.6	$ (1,314.4)	$ (394.2)

(1) Developed Markets and Emerging Markets segment revenues reflect (i) incremental product sales revenue in 2014 from all 2013 and all 2014 acquisitions and (ii) incremental product sales revenue in 2013 from all 2012 and all 2013 acquisitions. For further information, see Item 7 titled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Revenues by Segment" of this Form 10-K.

(2) Developed Markets segment profit in 2014, 2013 and 2012 reflects the impact of acquisition accounting adjustments related to the fair value adjustments to inventory and identifiable intangible assets as follows: (i) $906.4 million in 2014, in the aggregate, (ii) $1,080.4 million in 2013, in the aggregate, and (iii) $506.4 million in 2012, in the aggregate.

Developed Markets segment profit in 2013 also reflects an impairment charge of $551.6 million related to ezogabine/retigabine in the third quarter of 2013 (see note 6 titled "FAIR VALUE MEASUREMENTS").

(3) Emerging Markets segment profit in 2014, 2013 and 2012 reflects the impact of acquisition accounting adjustments related to the fair value adjustments to inventory and identifiable intangible assets as follows: (i) $323.9 million in 2014, in the aggregate, (ii) $320.5 million in 2013, in the aggregate, and (iii) $180.5 million in 2012, in the aggregate.

(4) Corporate reflects non-restructuring-related share-based compensation expense of $40.3 million , $45.5 million and $66.2 million in 2014 , 2013 and 2012 , respectively.

Segment Assets

Total assets by segment as of December 31, 2014 , 2013 and 2012 were as follows:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	2014	2013	2012
Assets [1]:			
Developed Markets [2]	$ 19,093.4	$ 20,007.2	$ 12,893.7
Emerging Markets [3]	6,332.9	6,907.8	4,022.1
	25,426.3	26,915.0	16,915.8
Corporate	926.7	1,055.8	1,034.6
Total assets	$ 26,353.0	$ 27,970.8	$ 17,950.4

(1) The segment assets as of December 31, 2013 and December 31, 2012 contain reclassifications between segments to conform to the current year presentation.

(2) Developed Markets segment assets as of December 31, 2014 reflect (i) the divestiture of facial aesthetic fillers and toxins in July 2014 with the carrying values of the related assets of $1.0 billion , in the aggregate, (see note 4 titled “DIVESTITURES” for further information), (ii) the provisional amounts of identifiable intangible assets and goodwill of the PreCision acquisition of $257.7 million and $170.5 million , respectively, and (iii) the amounts of identifiable intangible assets and goodwill of the Solta Medical acquisition of $103.5 million and $56.4 million , respectively. Developed Markets segment assets as of December 31, 2013 reflect (i) the provisional amounts of identifiable intangible assets and goodwill of B&L of $3,977.9 million and $3,226.7 million , respectively, and (ii) the amounts of identifiable intangible assets and goodwill of Obagi of $335.5 million and $158.5 million , respectively.

(3) Emerging Markets segment assets as of December 31, 2014 reflect the amounts of identifiable intangible assets and goodwill of the Solta Medical acquisition of $69.4 million and $37.8 million , respectively. Emerging Markets segment assets as of December 31, 2013 reflect (i) the provisional amounts of identifiable intangible assets and goodwill of B&L of $782.7 million and $1,135.7 million , respectively, and (ii) the amounts of identifiable intangible assets and goodwill of Natur Produkt of $104.8 million and $40.9 million , respectively.

Capital Expenditures, and Depreciation and Amortization, including Impairments of Finite-Lived Intangible Assets

Capital expenditures, and depreciation and amortization, including impairments of finite-lived intangible assets by segment for the years ended December 31, 2014 , 2013 and 2012 were as follows:

	2014	2013	2012
Capital expenditures:			
Developed Markets	$ 152.7	$ 54.1	$ 12.3
Emerging Markets	29.3	51.9	61.6
	182.0	106.0	73.9
Corporate	109.6	9.3	33.7
Total capital expenditures	$ 291.6	$ 115.3	$ 107.6
Depreciation and amortization, including impairments of finite-lived intangible assets [1]:			
Developed Markets	$ 1,336.9	$ 1,687.7	$ 755.1
Emerging Markets	385.7	313.7	224.6
	1,722.6	2,001.4	979.7
Corporate	15.0	14.4	6.5
Total depreciation and amortization, including impairments of finite-lived intangible assets	$ 1,737.6	$ 2,015.8	$ 986.2

(1) Depreciation and amortization, including impairments of finite-lived intangible assets in 2014, 2013 and 2012 reflects the impact of acquisition accounting adjustments related to the fair value adjustment to identifiable intangible assets as follows: (i) in 2014 - Developed Markets — $877.6 million ; and Emerging Markets — $325.3 million , (ii) in 2013 - Developed Markets — $773.0 million ; and Emerging Markets — $255.4 million , and (iii) in 2012 - Developed Markets — $430.5 million ; and Emerging Markets — $177.5 million .

Depreciation and amortization, including impairments of finite-lived intangible assets in 2014, 2013 and 2012 also reflects the impairment charges and write-offs related

to finite-lived intangible assets. For more information regarding asset impairment charges see note 7 titled "INTANGIBLE ASSETS AND GOODWILL".

Revenues by Product Category

Revenues by product category for the years ended December 31, 2014 , 2013 and 2012 were as follows:

(All tabular dollar amounts expressed in millions of U.S. dollars, except per share data)

	2014	2013	2012
Pharmaceuticals	$ 3,559.8	$ 2,707.8	$ 2,054.5
Devices	1,629.4	845.3	77.0
OTC	1,711.4	1,086.6	475.7
Branded and Other Generics	1,203.0	1,000.6	681.4
Other revenues	159.9	129.3	191.8
	$ 8,263.5	$ 5,769.6	$ 3,480.4

Geographic Information

Revenues and long-lived assets by geographic region for the years ended and as of December 31, 2014 , 2013 and 2012 were as follows:

	Revenues [1]			Long-Lived Assets [2]		
	2014	2013	2012	2014	2013	2012
U.S. and Puerto Rico	$ 4,473.0	$ 3,194.5	$ 1,885.8	$ 718.2	$ 592.0	$ 60.4
Canada	375.1	387.4	349.1	83.7	87.7	109.7
Poland	276.2	268.8	199.3	99.4	110.0	110.9
Russia	275.1	202.8	71.2	4.6	7.0	0.2
Japan	248.7	104.9	12.2	1.2	1.3	—
China	232.0	91.0	0.6	39.6	44.3	—
Mexico	221.6	200.9	167.4	73.8	82.5	73.9
France	204.7	86.9	2.5	36.0	40.5	—
Germany	204.4	130.9	1.9	73.5	83.8	—
Australia	196.3	178.2	184.1	4.4	3.4	4.4
Brazil	161.0	155.6	135.1	31.4	41.4	46.0
U.K.	114.2	47.0	19.2	11.0	12.2	—
Italy	98.0	37.2	2.3	23.1	25.3	—
Other [3]	1,183.2	683.5	449.7	110.6	102.8	57.2
	$ 8,263.5	$ 5,769.6	$ 3,480.4	$ 1,310.5	$ 1,234.2	$ 462.7

(1) Revenues are attributed to countries based on the location of the customer.

(2) Long-lived assets consist of property, plant and equipment, net of accumulated depreciation, which is attributed to countries based on the physical location of the assets.

(3) Other consists primarily of countries in Europe, Asia, the Middle East, and Africa.

Major Customers

External customers that accounted for 10% or more of the Company's total revenues for the years ended December 31, 2014 , 2013 and 2012 were as follows:

	2014	2013	2012
McKesson Corporation	17%	19%	20%
AmerisourceBergen Corporation	10%	7%	8%
Cardinal Health, Inc.	9%	13%	20%

23. PS FUND 1 INVESTMENT

In connection with the merger proposal (which has since been withdrawn as described below) to the Board of Directors of Allergan Inc. ("Allergan"), the Company and Pershing Square Capital Management, L.P. ("Pershing Square") entered into an agreement pursuant to which, among other things, Valeant and Pershing Square became members of a newly formed jointly

owned entity, PS Fund 1. In April 2014, the Company contributed $75.9 million to PS Fund 1, which was used by PS Fund 1, together with funds contributed by funds managed by Pershing Square, to purchase shares of Allergan common stock and derivative instruments referencing Allergan common stock. The investment in Allergan shares was considered an available-for-sale security. 597,431 of the 28,878,538 shares of Allergan common stock held for PS Fund 1 were allocable to the Company. Based on the Company's degree of influence over such entity, the Company's investment in PS Fund 1 was accounted for under the equity method of accounting. Accordingly, the Company recognized its share of any unrealized gains or losses on the Allergan shares held by PS Fund 1 as part of other comprehensive (loss) income.

On November 19, 2014, the Company withdrew its exchange offer to acquire all of the outstanding shares of Allergan. Consequently, the Company and Pershing Square amended their previous agreement, and, as a result, the Company is no longer a member of PS Fund 1. PS Fund 1 sold the shares of Allergan common stock and distributed to the Company proceeds of $473.4 million , in the aggregate, in the fourth quarter of 2014 which included (i) proceeds of $127.2 million from the 597,431 shares allocable to the Company plus (ii) proceeds of $346.2 million representing the Company's right to 15% of the net profits on the sale of shares realized by Pershing Square. In connection with the sale, the Company recognized a net gain of $286.7 million in the fourth quarter of 2014 (which included the recognition of previously unrealized gains that had been recorded as part of other comprehensive (loss) income).

Also, in connection with the withdrawal of the exchange offer, the commitment letter which the Company had received for the purpose of financing the cash component of the consideration to be paid in the exchange offer, was terminated. As a result, in the fourth quarter of 2014, the Company expensed and paid $53.7 million of fees associated with the commitment letter.

The net gain of $286.7 million was recognized in Gain on investments, net in the consolidated statements of income (loss) and is net of expenses of approximately $110 million , in the aggregate, which includes the $53.7 million of commitment letter fees described in the preceding paragraph as well as legal, consulting, and other related expenses.

In the consolidated statement of cash flows, $75.9 million of the total proceeds was included as an investing activity as it represents a return of the Company's initial investment. The remaining portion of the proceeds of $397.5 million , representing the Company's return on investment, was classified as an operating activity, as were the payments related to the commitment letter fees and legal, consulting, and other related expenses.

24. SUBSEQUENT EVENTS

Salix Merger Agreement

On February 20, 2015, the Company, Valeant, Sun Merger Sub, Inc., a wholly owned subsidiary of Valeant ("Sun Merger Sub"), and Salix Pharmaceuticals, Ltd. ("Salix"), entered into an Agreement and Plan of Merger (the "Salix Merger Agreement"). Salix is a gastrointestinal company with a portfolio of 22 total products, including Xifaxan, Uceris, Relistor, and Apriso. Pursuant to the Salix Merger Agreement, and upon the terms and subject to the conditions described thereof, Valeant has agreed to cause Sun Merger Sub to commence a tender offer (the "Offer") for all of Salix's outstanding shares of common stock, par value $0.001 per share (the "Salix Shares"), at a purchase price of $158.00 per Salix Share (the "Offer Price"), payable net to the holder in cash, without interest, subject to any withholding of taxes. As soon as practicable following the consummation of the Offer, if consummated, and subject to the satisfaction or waiver of certain conditions set forth in the Salix Merger Agreement, Sun Merger Sub will merge with and into Salix (the "Salix Merger"), with no stockholder vote required to consummate the Salix Merger. Salix will survive as a wholly owned subsidiary of Valeant, whereby any Salix Shares not purchased pursuant to the Offer (other than certain Salix Shares as set forth in the Salix Merger Agreement) will be converted into the right to receive cash in an amount equal to the Offer Price, payable net to the holder in cash, without interest, subject to any withholding of taxes. The transaction is subject to customary closing conditions, including the tender of a majority of the outstanding Salix Shares on a fully-diluted basis and the expiration or termination of the applicable waiting period under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The Company currently expects the transaction to close in the second quarter of 2015. The total enterprise value of the transaction is approximately $14.5 billion .

Commitment Letter

The Company and Valeant have entered into a commitment letter (the "Commitment Letter"), dated as of February 20, 2015, with a syndicate of banks, led by Deutsche Bank and HSBC. Pursuant to the Commitment Letter, such banks have committed to provide (a) in the event certain amendments to the Credit Agreement are obtained within 30 days of the date of the Commitment Letter, (i) incremental term

loans pursuant to the Credit Agreement of up to $5.55 billion, and (ii) senior unsecured

increasing rate bridge loans under a new senior unsecured bridge facility of up to $9.6 billion , and (b) in the event such amendments are not obtained within 30 days of the date of the Commitment Letter, Valeant will refinance its existing facilities under its Credit Agreement and obtain (i) up to $11.2 billion in term loans, (ii) a revolving credit facility of up to $500 million , (iii) a new senior secured bridge facility of up to $1.05 billion , and (iv) a new senior unsecured bridge facility of up to $9.75 billion . The loans provided under the Commitment Letter will be used for the purposes of funding (i) the transactions contemplated by the Salix Merger Agreement, (ii) Salix's obligation to repay all outstanding loans and termination of commitments under its (and its subsidiaries) existing credit facilities, (iii) the redemption of Salix's 6.00% Senior Notes due 2021, (iv) the payment of cash consideration upon the conversion of Salix's 1.50% Convertible Senior Notes due 2019 and 2.75% Convertible Senior Notes due 2015, (v) certain transaction expenses, and (vi) to the extent the Company does not obtain the amendments to the Credit Agreement referred to above, the refinancing of the Company's existing facilities under its Credit Agreement.

Redemption of the December 2018 Notes

On February 17, 2015, Valeant redeemed the remaining $499.6 million of the outstanding principal amount of the December 2018 Notes for $524.0 million , including a call premium of $17.2 million , plus accrued and unpaid interest, and satisfied and discharged the December 2018 Notes indenture.

5.50% Senior Unsecured Notes due 2023

On January 30, 2015, the Company issued $1.0 billion aggregate principal amount of the 2023 Notes in a private placement. The 2023 Notes mature on March 1, 2023 and bear interest at the rate of 5.50% per annum, payable semi-annually in arrears, commencing on September 1, 2015. In connection with the issuance of the 2023 Notes, the Company incurred approximately $8.5 million in underwriting fees, which are recognized as debt issue discount and which resulted in net proceeds of $991.5 million . The 2023 Notes are guaranteed by each of the Company's subsidiaries that is a guarantor of the Company's existing Senior Secured Credit Facilities.

The net proceeds of the 2023 Notes offering were used to (i) redeem all of the remaining December 2018 Notes on February 17, 2015, as described above, (ii) repay amounts drawn under the Revolving Credit Facility, and (iii) for general corporate purposes.

The indenture governing the terms of the 2023 Notes provide that at any time prior to March 1, 2018, the Company may redeem up to 40% of the aggregate principal amount of the 2023 Notes using the proceeds of certain equity offerings at a redemption price of 105.50% of the principal amount of the 2023 Notes, plus accrued and unpaid interest to the date of redemption. On or after March 1, 2018, the Company may redeem all or a portion of the 2023 Notes at the redemption prices applicable to the 2023 Notes, as set forth in the 2023 Notes indenture, plus accrued and unpaid interest to the date of redemption.

If the Company experiences a change in control, the Company may be required to repurchase the 2023 Notes, as applicable, in whole or in part, at a purchase price equal to 101% of the aggregate principal amount of the 2023 Notes repurchased, plus accrued and unpaid interest to, but excluding the applicable purchase date of the 2023 Notes.

The 2023 Notes indenture contains covenants that limit the ability of the Company and certain of its subsidiaries to, among other things: incur or guarantee additional indebtedness, make certain investments and other restricted payments, create liens, enter into transactions with affiliates, engage in merger, consolidations or amalgamations and transfer and sell assets.

Joinder Agreements

On January 22, 2015, the Company and certain of its subsidiaries, as guarantors, entered into joinder agreements to allow for an increase in commitments under the Revolving Credit Facility to $1.5 billion and the issuance of $250.0 million in incremental term loans under the Series A-3 Tranche A Term Loan Facility. Proceeds from this transaction were used to repay a portion of the amounts drawn under the Revolving Credit Facility outstanding. The Revolving Credit Facility and the Series A-3 Tranche A Term Loan Facility terms remained unchanged.

Bristol-Myers Collaboration and Option Agreements

On October 1, 2012, the Company entered into collaboration and option agreements with Bristol-Myers Squibb Company ("Bristol-Myers") whereby Bristol-Myers granted the Company additional rights for approximately two years in several European countries to promote, market and sell a variety of products, including Monopril®, Cefzil®, Duracef® and Megace®. Prior to these agreements, the Company was

selling many of these products in other territories. As consideration for the rights

under the collaboration and option agreements, the Company made payments to Bristol-Myers in the fourth quarter of 2012 totaling $83.3 million . The collaboration agreement expired January 1, 2015, at which time the Company exercised its option to acquire all rights and associated intellectual property to the products.

Exhibit 10.2

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
SHARE UNIT GRANT AGREEMENT (PERFORMANCE VESTING)
(PERFORMANCE RESTRICTED SHARE UNITS)
(2014 Omnibus Incentive Plan)

Valeant Pharmaceuticals International, Inc. (the ***"Company"***), pursuant to Section 7(c)(v) of the Company's 2014 Omnibus Incentive Plan (the ***"Plan"***), hereby awards to you Share Units in the amount set forth below convertible into Common Shares in accordance with the terms set forth herein (the ***"Award"***). This Award is subject to all of the terms and conditions as set forth herein (the ***"Agreement"***) and in the Plan, which is incorporated herein in its entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan. In the event of any conflict between the terms in the Agreement and the Plan, the terms of the Plan shall control unless this Agreement specifies that the term(s) in this Agreement control. For avoidance of doubt, any terms contained in the Agreement but are not in the Plan shall not constitute a conflict and such terms in the Agreement shall control.

Participant: _____
Equity Grant Date: _____
Number of Share Units Subject to Award: _____

The details of your Award are as follows.

1. CONSIDERATION. Consideration for this Award is satisfied by your services to the Company.

2. VESTING.

(a) In General. Subject to the provisions of the Plan and the acceleration provisions contained herein, your Award will vest as follows, provided that vesting will cease upon termination of your employment. Any Share Units that did not become vested prior to your termination of employment or that do not become vested according to the provisions in this Section 2 shall be forfeited immediately following the date of your termination of employment. The Share Units subject to this Award shall vest in accordance with the following performance thresholds, provided that your employment continues until each vesting date:

(i) Single Vesting Share Price

If at the date that is 3 months prior to the third anniversary of the Equity Grant Date (the "First Primary Measurement Date"), the Adjusted Share Price (as defined below) equals or exceeds the Single Vesting Share Price (as defined below), you shall vest in 25% of the Share Units subject to the Award.

If at the date that is the third anniversary of the Equity Grant Date (the "Second Primary Measurement Date"), the Adjusted Share Price equals or exceeds the Single Vesting Share Price, you shall vest in an additional 50% of the Share Units subject to the Award.

If at the date that is 3 months following the third anniversary of the Equity Grant Date (the "Third Primary Measurement Date"), the Adjusted Share Price equals or exceeds the Single Vesting Share Price, you shall vest in an additional 25% of the Share Units subject to the Award.

(ii) Double Vesting Share Price

If at the First Primary Measurement Date, the Adjusted Share Price equals or exceeds the Double Vesting Share Price (as defined below), you shall vest in 50% of the Share Units subject to the Award.

If at the Second Primary Measurement Date, the Adjusted Share Price equals or exceeds the Double Vesting Share Price, you shall vest in an additional 100% of the Share Units subject to the Award.

If at the Third Primary Measurement Date, the Adjusted Share Price equals or exceeds the Double Vesting Share Price, you shall vest in an additional 50% of the Share Units subject to the Award.

(iii) Triple Vesting Share Price

If at the First Primary Measurement Date, the Adjusted Share Price equals or exceeds the Triple Vesting Share Price (as defined below), you shall vest in 75% of the Share Units subject to the Award.

If at the Second Primary Measurement Date, the Adjusted Share Price equals or exceeds the Triple Vesting Share Price, you shall vest in an additional 150% of the Share Units subject to the Award.

If at the Third Primary Measurement Date, the Adjusted Share Price equals or exceeds the Triple Vesting Share Price, you shall vest in an additional 75% of the Share Units subject to the Award.

(iv) Additional Vesting

Any Share Units that could have been vested under any of clauses (i), (ii) or (iii) above that do not become vested on the First Primary Measurement Date, the Second Primary Measurement Date or the Third Primary Measurement Date, may become vested on each of the applicable dates that is one year following each such date, respectively, based upon the Adjusted Share Price on the applicable measurement date, provided that you remain employed by the Company through the applicable vesting date.

(v) Interpolation

If the Adjusted Share Price on a measurement date set forth in clauses (i), (ii) and (iii) is between the Single Vesting Share Price and the Double Vesting Share Price, or the Double Vesting Share Price and the Triple Vesting Share Price, you shall vest in a number of Share Units that is the mathematical linear interpolation between the number of Share Units which would vest at defined ends of the applicable spectrum.

(vi) Accelerated Vesting

Notwithstanding the foregoing vesting provisions, if on any date between the date that is one year following the Equity Grant Date and the Second Primary Measurement Date, the Adjusted Share Price on such date:

(A) exceeds $[ ], then you will become vested in [Insert # of Share Units subject to the Award] of the Share Units that could have been earned under clause (i) above;

(B) exceeds $[ ], then you will become vested in the additional [Insert # of Share Units subject to the Award] of the Share Units that could have been earned under clause (ii) above;

(C) exceeds $[ ], then you will become vested in the additional [Insert # of Share Units subject to the Award] of the Share Units that could have been earned under clause (iii) above;

provided, that the vesting that takes place pursuant to this clause (vi) if the Adjusted Share Price target is achieved shall only take place the first time such Adjusted Share Price target is achieved, there is no interpolation of vesting pursuant to this clause (vi), this clause (vi) shall not apply to any Share Units that previously vested under clauses (i) through (iv) of this section, and to vest in any of the Share Units pursuant to this clause (vi) you must remain employed by the Company on the applicable vesting date.

(vii) Forfeiture

Any Share Units that are not vested as of the date that is one year following the Third Primary Measurement Date shall be immediately forfeited.

(viii) Definitions

For purposes of this Agreement, the following terms shall have the following meanings:

(A) " ***Adjusted Share Price*** " means the sum of (x) the average of the closing prices of the Common Shares during the 20 consecutive trading days starting on the specified measurement date (or if such measurement date does not fall on a trading day, the immediately following trading day) (" ***Average Share Price*** "); and (y) the value that would be derived from the number of Common Shares (including fractions thereof) that would have been purchased had an amount equal to each dividend paid on a Common Share after the Equity Grant Date and on or prior to the applicable measurement date been deemed invested on the dividend payment date, based on the Market Price of the Common Shares on such dividend payment date.

(B) " ***Single Vesting Share Price,*** " " ***Double Vesting Share Price*** " and " ***Triple Vesting Share Price*** " means the Adjusted Share Prices equal to a compound annual share price appreciation (the " ***Annual Compound TSR*** ") of 10%, 20% and 30%, respectively, as measured from a base price of $[ ] [1] over a measurement period from the Equity Grant Date to the last trading day of the period used to calculate the Adjusted Share Price.

[1] The number is equal to the average of the closing prices of Common Shares during 20 consecutive trading days immediately prior to the Equity Grant Date, or as otherwise specified in the grant.

(b) Vesting Acceleration in Event of Death. Notwithstanding the foregoing and any other provisions of the Plan to the contrary, in the event that your employment is terminated by the Company due to your death, the performance thresholds applicable to the Share Units will be applied as though the date of termination was the end of the twenty consecutive trading-day average measurement period and the Share Units so earned will vest in a manner consistent with the vesting thresholds described in Section 2(a) of this Agreement (*e.g.* , the number of Share Units subject to the Award specified above at an Annual Compound TSR of 10%, two times the number of Share Units subject to the Award specified above at an Annual Compound TSR of 20%, and three times the number of Share Units subject to the Award specified above at an Annual Compound TSR of 30%; provided that you will vest in a number of Share Units that is the mathematical linear interpolation between the number of Share Units which would vest for performance between the Annual Compound TSR thresholds), but based on the Annual Compound TSR determined through the date of termination, *provided , however* , that any Share Units earned pursuant to this Section shall be reduced (but not below zero) by the number of Share Units that you previously received pursuant to Section 2(a)(vi) prior to the date of termination. Notwithstanding the immediately preceding sentence, if death occurs prior to the first anniversary of the Equity Grant Date, the measurement date will still be the date of termination, but the Annual Compound TSR will be determined based on an assumed measurement period of one year.

(c) Vesting Acceleration in Event of Disability or Termination by the Company Without Cause or by You for Good Reason. Notwithstanding the foregoing and any other provisions of the Plan to the contrary and subject to Section 2(d) below, in the event that your employment is terminated by the Company without Cause or by you for Good Reason, or in the event of your Disability, in each case, following the date that is the one-year anniversary of the Equity Grant Date, the performance thresholds applicable to the Share Units will be applied as though your termination date was the end of the twenty consecutive trading-day average measurement period and the Share Units so earned will vest in a manner consistent with the vesting thresholds described in Section 2(a) of this Agreement, but based on the Annual Compound TSR determined through your termination date, *provided, however,* that in the event you are entitled to benefits pursuant to this Section 2(c), (A) any Share Units earned pursuant to this Section shall be reduced (but not below zero) by the number of Share Units that you previously received pursuant to Section 2(a)(vi) prior to the date of termination, and (B) only a pro rata portion of such calculated Share Units (after any reduction pursuant to clause (A)) will vest upon termination based on a fraction, the numerator of which is the number of days from the Equity Grant Date through the termination date, and the denominator of which is the number of days from the Equity Grant Date through the third anniversary of the Equity Grant Date. Notwithstanding the immediately preceding sentence, if termination of employment for a reason set forth in this Section 2 (c) occurs prior to the first anniversary of the Equity Grant Date, the Share Units will be forfeited.

(d) Treatment of Share Units in Event of Change of Control. Notwithstanding the foregoing and any other provisions of the Plan to the contrary, in the event that the Share Units are assumed or substituted in connection with a Change of Control, (1) the number of Share Units will be adjusted in accordance with Section 6(e) of the Plan, and (2) in the case of a termination of employment by the Company without Cause or by you for Good Reason on or following a Change of Control, the performance thresholds applicable to the Share Units will be applied as though your termination date was the end of the twenty consecutive trading-day average measurement period and the Share Units so earned will vest in a manner consistent with the vesting thresholds described in Section 2(a) of this Agreement, but based on the Annual Compound TSR determined through your termination date, *provided, however,* that in the event you are entitled to benefits pursuant to this Section 2(d), (A) any Share Units earned pursuant to this Section shall be reduced (but not below zero) by the number of Share Units that you previously received pursuant to Section 2(a)(vi) prior to the date of termination, and (B) only a pro rata portion of such calculated Share Units (after any reduction pursuant to clause (A)) will vest upon termination based on a fraction, the numerator of which is the number of days from the Equity Grant Date

through the termination date, and the denominator of which is the number of days from the Equity Grant Date through the third anniversary of the Equity Grant Date. Notwithstanding the immediately preceding sentence, if termination of employment pursuant to this Section 2(d) occurs prior to the first anniversary of the Equity Grant Date, the measurement date will still be the termination date, but the Annual Compound TSR will be determined based on an assumed measurement period of one year. If the Share Units are not assumed or substituted in connection with the Change of Control, the Share Units will be treated in the manner described in clause (2) above (including the proration in the proviso thereto), treating, for this purpose only, the date of the Change of Control as the date on which termination of employment occurs, and, for avoidance of doubt, if such Change of Control occurs prior to the first anniversary of the Equity Grant Date, the Annual Compound TSR will be determined on an assumed measurement period of one year.

3. Ownership Requirements. You agree to comply with, and be subject to the terms of, any Common Share ownership requirements adopted by the Company applicable to you, which shall be on the same terms as similarly situated executives of the Company, as well as any hedging, pledging or recoupment/clawback policies adopted by the Company from time to time.

4. Distribution of Common Shares. The Company will deliver to you a number of Common Shares equal to the number of vested Share Units subject to your Award as soon as practicable, but in any event no later than forty five (45) days following the date of vesting.

5. Number of Shares. The number of Common Shares subject to your Award may be adjusted from time to time for capital adjustments, as provided in the Plan. The Company will establish a bookkeeping account to reflect the number of Share Units standing to your credit from time to time. However, you will not be deemed to be the holder of, or to have any of the rights of a shareholder with respect to, any Common Shares subject to your Award (including but not limited to shareholder voting rights) unless and until the shares have been delivered to you in accordance with Section 4 of this Agreement.

6. Dividend Equivalents. The bookkeeping account maintained for the Award granted pursuant to this Agreement shall, until the vesting date or termination and cancellation or forfeiture of the Share Units pursuant to the terms of the Plan, be allocated additional Share Units on the payment date of dividends on the Company's Common Shares. Such dividends will be converted into additional Common Shares covered by the Share Units by dividing (i) the aggregate amount or value of the dividends paid with respect to that number of Common Shares equal to the number of shares covered by the Share Units by (ii) the Market Price per Common Share on the payment date for such dividend. Any such additional Share Units shall have the same vesting dates and vest in accordance with the same terms as the Share Units granted under this Agreement.

7. Compliance with Section 409A of the Internal Revenue Code. This Agreement is intended to comply with the requirements of section 409A of the Code and its corresponding regulations and related guidance, and shall in all respects be administered and interpreted in accordance with such requirements. Notwithstanding any provision in this Agreement to the contrary, settlement of vested Share Units to Common Shares may only be made under this Agreement upon an event or in a manner permitted by section 409A of the Code. Settlement and delivery of Common Shares on account of a termination of employment under this Agreement may only be made upon a "separation from service" under section 409A of the Code and, if you are a "specified employee" (as defined in section 409A of the Code and determined in the sole discretion of the Company in accordance with the requirements of section 409A of the Code) at the time of your separation from service, in no event may settlement and delivery of Common Shares on account of your separation from service occur prior to the date which is six months following your separation from service. In no event may you designate the calendar year of settlement and delivery of Common Shares.

8. SECURITIES LAW COMPLIANCE. You may not be issued any Common Shares under your Award unless the shares are either (i) then registered under the Securities Act of 1934 as amended (the "Securities Act"), or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you shall not receive such shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

9. RESTRICTIVE LEGENDS. The Common Shares issued under your Award shall be endorsed with appropriate legends, if any, determined by the Company.

10. TRANSFERABILITY. Your Award is not transferable, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, will thereafter be entitled to receive any distribution of Common Shares pursuant to Section 4 of this Agreement.

11. AWARD NOT A SERVICE CONTRACT. Your Award is not an employment or service contract, and nothing in your Award will be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company, or on the part of the Company to continue such service. In addition, nothing in your Award will obligate the Company, their respective shareholders, boards of directors or employees to continue any relationship that you might have as an employee of the Company.

12. UNSECURED OBLIGATION. Your Award is unfunded, and as a holder of a vested Share Unit, you will be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue Common Shares pursuant to this Agreement. You will not have voting or any other rights as a shareholder of the Company with respect to the Common Shares subject to your Award until such Common Shares are issued to you pursuant to Section 4 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a shareholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

13. WITHHOLDING OBLIGATIONS. On or before the time you receive a distribution of Common Shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Common Shares, payroll and any other amounts payable or issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company which arise in connection with your Award (the ***"Withholding Taxes"***). You may direct the Company to (i) withhold, from Common Shares otherwise issuable upon settlement of the Award, a portion of those Common Shares with an aggregate Market Price (defined as in Section 3 of the Plan but measured as of the delivery date) equal to the amount of the applicable withholding taxes; provided, however, that the number of such Common Shares so withheld shall not exceed the amount necessary to satisfy the Company's required tax withholding obligations using the minimum statutory withholding tax rates **,** and (ii) make a cash payment equal to such fair market value directly to the appropriate taxing authorities, as provided in the Agreement.

14. NOTICES. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company.

15. HEADINGS. The headings of the Sections in this Agreement are inserted for convenience only and will not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

16. AMENDMENT. Nothing in this Agreement shall restrict the Company's ability to exercise its discretionary authority pursuant to Section 4 of the Plan; *provided, however* , that no such action may, without your consent, adversely affect your rights under your Award and this Agreement. Without limiting the foregoing, the Company's Board (or appropriate committee thereof) reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change will be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

17. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award will be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(d) This Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) All obligations of the Company under the Plan and this Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

18. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan will control; *provided, however* , that Section 4 of this Agreement will govern the timing of any distribution of Common Shares under your Award. The Board (or appropriate committee thereof) will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Board (or appropriate committee thereof) will be final and binding upon you, the Company, and all other interested persons. No member of the Board (or appropriate committee thereof) will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

19. Effect on Other Employee Benefit Plans. The value of the Award subject to this Agreement will not be included as compensation, earnings, salaries, or other similar terms used when calculating the employee's benefits under any employee benefit plan sponsored by the Company except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's employee benefit plans.

20. Choice of Law. The interpretation, performance and enforcement of this Agreement will be governed by the laws of the Province of Ontario and the laws of Canada.

21. Severability. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

Exhibit 10.3

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
STOCK OPTION GRANT AGREEMENT
(NONSTATUTORY STOCK OPTION)
2014 OMNIBUS INCENTIVE PLAN

Valeant Pharmaceuticals International, Inc. (the "***Company***"), pursuant to its 2014 Omnibus Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of Common Shares set forth below (the "***Award***"). This Award is subject to all of the terms and conditions as set forth herein (the "***Agreement***") and in the Plan, which is incorporated herein in its entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan. In the event of any conflict between the terms in the Agreement and the Plan, the terms of the Plan shall control. For the avoidance of doubt, any terms contained in the Agreement but are not in the Plan shall not constitute a conflict and such terms in the Agreement shall control.

Optionholder:	_____
Equity Grant Date:	_____
Number of Shares Subject to Option:	_____
Exercise Price (Per Share):	$ _____
Total Exercise Price:	$ _____
Expiration Date:	_____

Type of Grant: ☒ Nonstatutory Stock Option

Exercise Schedule: Same as Vesting Schedule

Vesting Schedule: The option subject to this Award shall vest in accordance with the following vesting schedule, provided that Optionholder's employment shall continue until each vesting date:

— 1/4 th of the shares vest on the first anniversary of the Equity Grant Date.
— 1/4 th of the shares vest on the second anniversary of the Equity Grant Date.
— 1/4 th of the shares vest on the third anniversary of the Equity Grant Date.
— 1/4 th of the shares vest on the fourth anniversary of the Equity Grant Date.

Payment: By one or a combination of the following methods of payment (described in the Stock Option Agreement):

☒ Cash or check
☒ Bank draft or money order payable to the Company
☒ Pursuant to a Regulation T program (cashless exercise) if the shares are publicly traded
☒ Delivery of already-owned shares if the shares are publicly traded
☒ Net exercise

The details of your option are as follows:

1. V ESTING .

(a) In General. Subject to the provisions of the Plan and the limitations contained herein, your option will vest as provided above, provided that vesting will cease upon the termination of your employment, and unvested options will be forfeited (and, in the case of termination for Cause, your vested options will also be forfeited).

(b) Vesting Acceleration. Notwithstanding the foregoing and any other provisions of the Plan to the contrary, in the event that (i) your employment is terminated (x) by the Company without Cause or (y) by you for Good Reason, in either case within twelve (12) months following a Change of Control, then any option that was not cancelled in connection with such Change of Control in exchange for a cash payment will vest on the date of your termination of employment or (ii) your employment is terminated by the Company due to your death, then the vesting and exercisability of 100% of the then unvested Common Shares subject to your option shall be accelerated in full.

2. N UMBER OF S HARES AND E XERCISE P RICE . The number of Common Shares subject to your option and your exercise price per share referenced above may be adjusted from time to time for capital adjustments.

3. M ETHOD OF P AYMENT . Payment of the exercise price is due in full upon exercise of all or any part of your option. You may elect to make payment of the exercise price of your option in cash or by check or in any other manner permitted above, which may include one or more of the following:

(a) Bank draft or money order payable to the Company.

(b) Provided that at the time of exercise the Common Shares are publicly traded and quoted regularly in *The Wall Street Journal* , pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Shares, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds.

(c) Provided that at the time of exercise the Common Shares are publicly traded and quoted regularly in *The Wall Street Journal* , by delivery to the Company (either by actual delivery or attestation) of already-owned Common Shares either that you have held for the period required to avoid a charge to the Company's reported earnings (generally six (6) months) or that you did not acquire, directly or indirectly from the Company, that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Market Price on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your option, shall include delivery to the Company of your attestation of ownership of such Common Shares in a form approved by the Company. Notwithstanding the foregoing, you may not exercise your option by tender to the Company of Common Shares to the extent such tender would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock.

(d) By a "net exercise" arrangement pursuant to which the Company will reduce the number of Common Shares issued upon exercise of your option by the largest whole number of Common Shares with a Market Price that does not exceed the aggregate exercise price; *provided, however*, that the Company shall accept a cash or other payment from you to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole Common Shares to be issued; *provided further, however*, that Common Shares will no longer be outstanding under your option and will not be exercisable thereafter to the extent that (i) Common Shares are used to pay the exercise price pursuant to the "net exercise," (ii) Common Shares are delivered to you as a result of such exercise, and (iii) Common Shares are withheld to satisfy tax withholding obligations.

4. WHOLE SHARES. You may exercise your option only for whole Common Shares.

5. SECURITIES LAW COMPLIANCE. Notwithstanding anything to the contrary contained herein, you may not exercise your option unless the Common Shares issuable upon such exercise are then registered under the Securities Act of 1934 as amended (the "Securities Act") or, if such Common Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations.

6. TERM. You may not exercise your option before it becomes vested and exercisable or after the expiration of its term. The term of your option commences on the Equity Grant Date and, except as provided otherwise in Section 7(a) of the Plan, expires upon the earliest of the following:

(a) the Expiration Date indicated above;

(b) your termination of employment, in the event your employment is terminated for Cause;

(c) the Expiration Date indicated above, in the event your employment is terminated due to your death; or

(d) three (3) months after your termination of employment, in the event your employment is terminated for any reason other than for Cause or because of your death; *provided, however,* that (i) if during any part of such three (3) month period your option is not exercisable solely because of the condition set forth in Section 5, your option shall not expire until the earlier of the Expiration Date or until it shall have been exercisable for an aggregate period of three (3) months after termination of your employment; or (ii) if your employment is terminated within twelve (12) months following a Change of Control (x) by the Company without Cause or (y) by you for Good Reason and your option was not cancelled in connection with such Change of Control in exchange for a cash payment, twelve (12) months following your termination of employment.

7. EXERCISE. You may exercise the vested portion of your option during its term by delivering a notice (in a form designated by the Company) together with the exercise price to the

Company's Plan administrator, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then require.

8. TRANSFERABILITY.

(a) Restrictions on Transfer. Your option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during your lifetime only by you; *provided, however*, that the Company's Board of Directors (the "***Board***") may, in its sole discretion, permit you to transfer your option in a manner consistent with applicable tax and securities laws upon your request.

(b) Domestic Relations Orders. Notwithstanding the foregoing, your option may be transferred pursuant to a domestic relations order.

(c) Beneficiary Designation. Notwithstanding the foregoing, you may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company, designate a third party who, in the event of your death, shall thereafter be entitled to exercise your option.

9. CHANGE OF CONTROL. Upon the occurrence of a Change of Control, at the election of the Company, your option shall either be (i) cancelled in exchange for a cash payment based in the case of any merger transaction on the price received by shareholders in the transaction constituting the Change of Control or in the case of any other event that constitutes a Change of Control, the Market Price of a share on the date such Change of Control occurs (minus the applicable exercise price per share) or (ii) converted into options in respect of the common stock of the acquiring entity (in a merger or otherwise) on the basis of the relative values of such stock and the shares at the time of the Change of Control; *provided that* clause (ii) shall only be applicable if the common stock of the acquiring entity is publicly traded on an established securities market on the date on which such Change of Control is effected.

10. OPTION NOT A SERVICE CONTRACT. Your option is not an employment or service contract, and nothing in your option shall be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company, or of the Company to continue your employment. In addition, nothing in your option shall obligate the Company, their respective stockholders, boards of directors or employees to continue any relationship that you might have as an employee for the Company.

11. WITHHOLDING OBLIGATIONS.

(a) At the time you exercise your option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company, if any, which arise in connection with the exercise of your option.

(b) Upon your request and subject to approval by the Company, in its sole discretion, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested Common Shares otherwise issuable to you upon the exercise of your option a number of whole Common Shares having a Market Price, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid variable award accounting). Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

12. NOTICES. Any notices provided for in your option or the Plan shall be given in writing and shall be deemed effectively given upon your receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company.

13. HEADINGS. The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

14. AMENDMENT. Nothing in this Agreement shall restrict the Company's ability to exercise its discretionary authority pursuant to Section 4 of the Plan; *provided, however* , that no such action may, without your consent, adversely affect your rights under your option. Without limiting the foregoing, the Board (or appropriate committee thereof) reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change will be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

15. MISCELLANEOUS.

(a) The rights and obligations of the Company under your option shall be transferable to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your option.

(c) You acknowledge and agree that you have reviewed your option in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your option and fully understand all provisions of your option.

(d) This Agreement will be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) All obligations of the Company under the Plan and this Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the business and/or assets of the Company.

16. GOVERNING PLAN DOCUMENT. Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your option and those of the Plan, the provisions of the Plan shall control. The Board (or appropriate committee thereof) will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Board (or appropriate committee thereof) will be final and binding upon you, the Company and all other interested persons. No member of the Board (or appropriate committee thereof) will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

17. EFFECT ON OTHER EMPLOYEE BENEFIT PLANS. The value of the Award subject to this Agreement will not be included as compensation, earnings, salaries or other similar terms used when calculating the employee's benefits under any employee benefit plan sponsored by the Company except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify or terminate any of the Company's employee benefit plans.

18. CHOICE OF LAW. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada.

19. SEVERABILITY. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner that will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

Exhibit 10.4

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.
2014 OMNIBUS INCENTIVE PLAN
MATCHING RESTRICTED STOCK UNIT AWARD AGREEMENT
(MATCHING UNITS)

Valeant Pharmaceuticals International, Inc. (the "***Company***"), pursuant to the Company's 2014 Omnibus Incentive Plan (the "***Plan***"), hereby awards to Participant a Restricted Stock Unit Award in the form of matching share units (the "***Matching Restricted Stock Units***" or the "***Award***"), payable in common shares of the Company ("***Common Shares***"), covering the number of Common Shares set forth below. This Award is subject to all of the terms and conditions as set forth herein (the "***Award Agreement***") and in the Plan, which is incorporated herein in its entirety. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan.

Participant:

Date of Grant:

Number of Shares Subject to Award:

Purchase Period: Calendar quarter ending on the Date of Grant (or, if the Date of Grant is not the last day of a calendar quarter, the full calendar quarter immediately preceding the Date of Grant)

The details of your Award are as follows.

1. CONSIDERATION. Consideration for this Award is satisfied by your services to the Company and your purchase and retention of the Purchased Shares (as defined in Section 2(b) of this Award Agreement).

2. VESTING.

(a) In General. Subject to the provisions of the Plan and this Award Agreement (including the provisions of Section 2(b) below), one-third (1/3rd) of the Award shall vest on the first anniversary of the Date of Grant and an additional one-third (1/3rd) of the Award shall vest each of the second and third anniversaries of the Date of Grant, provided you are employed on the relevant vesting date. Settlement of vested Awards shall be pursuant to Section 4 below.

(b) Additional Forfeiture Provisions. Notwithstanding the provisions of Section 2(a), if (i) prior to the third anniversary of the Date of Grant, you sell (or otherwise dispose of in a manner not specifically approved by the Committee) any Purchased Shares or Net Shares (as defined in Section 3 of this Award Agreement) or (ii) prior to the date that is six months following the Date of Grant, you sell (or otherwise dispose of in a manner not specifically approved by the Committee) any Common Shares held by you, whether or not Purchased Shares, in either case, an equal number of unvested Matching Restricted Stock Units (up to the maximum number of Matching Restricted Stock Units unvested as of the date of sale or disposition) shall be forfeited with the Matching Restricted Stock Units next scheduled to vest being forfeited first. In addition, to the extent, following the Date of Grant, the Company

becomes aware that you sold Common Shares in the six month period prior to the Date of Grant, such that, had the Company been aware of such sale prior to the Date of Grant, some or all of the Matching Restricted Stock Units would not have been granted to you pursuant to the terms of this Award Agreement, a number of Matching Restricted Stock Units (whether or not vested) equal to the number of Common Shares sold shall be forfeited, with the Matching Restricted Stock Units next scheduled to vest being forfeited first, and should it be determined that you were aware of such undisclosed sale or disposition at the time of the Grant Date, the Company may terminate your employment with the Company and its affiliates and such termination shall be deemed to be a termination for Cause for all purposes (including without limitation, for purposes of determining your right to separation pay under any agreement with the Company that you are a party to or any plan or policy of the Company and for purposes of determining the treatment of any Company equity awards that you may hold at the time of your termination). For purposes of this Award Agreement, "Purchased Shares" shall mean the Common Shares that you purchase during the Purchase Period (as set forth above), or if you exercise a previously granted option during the Purchase Period, a number of Common Shares acquired in connection with such exercise equal to the aggregate exercise price divided by the Market Price of a Common Share on the date of exercise; provided, however, that the aggregate number of Purchased Shares shall not exceed the number of Matching Restricted Stock Units granted to you hereunder. For the avoidance of doubt, the net settlement of any previously granted equity awards to satisfy exercise price or tax withholding obligations shall not be considered a sale or other disposition of Common Shares for purposes of this Award Agreement.

(c) Notification Requirements . You hereby agree to notify the Company of (i) any Common Shares that you sell prior to the date that is six months following the Date of Grant, (ii) any Purchased Shares that you sell prior to the third anniversary of the Date of Grant, and (iii) any Net Shares (as defined in Section 3(a) of this Award Agreement) that you sell prior to the third anniversary of the Date of Grant and the Company, in its sole discretion, has the authority to determine whether such sale results in the forfeiture of any Matching Restricted Stock Units in accordance with the terms of this Award Agreement. In addition, you agree that, through the third anniversary of the Date of Grant, the Purchased Shares and Net Shares shall be held with one or more brokers or institutions specified by the Company, that such broker or institution may provide information to the Company with respect to any transaction involving the Purchased Shares or Net Shares, and that the Company shall have no responsibility or liability with respect to the actions or creditworthiness of such broker or institution.

(d) Vesting Acceleration. In the event that (i) your employment is terminated (x) by the Company for any reason other than on account of Cause or (y) by you for Good Reason, in either case within twelve (12) months following a Change of Control or (ii) your employment is terminated by the Company due to your death, then the Matching Restricted Stock Units will immediately vest and be settled in shares as soon as practicable (but not more than sixty (60) days) thereafter.

3. S ALES R ESTRICTION .

(a) In General . Following the settlement of the vested Matching Restricted Stock Units subject to your Award in Common Shares pursuant to Section 4 of this Award Agreement, you may not sell, assign, transfer or otherwise dispose of the " ***Net Shares*** " (as

defined below) transferred to you upon settlement of such vested Matching Restricted Stock Units in Common Shares until the earliest of (i) three (3) years following the Date of Grant; (ii) a Change of Control; or (iii) the day immediately following your last day of employment. You may be required to execute and deliver such other agreements as may be reasonably requested by the Company that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing, the Company may impose stop-transfer instructions with respect to such Common Shares until the end of such period, or place legends on stock certificates issued pursuant to the Plan restricting the transfer of such shares until the end of such period. For purposes of this Award Agreement, the term "Net Shares" shall mean the net number of Common Shares transferred to you upon settlement of the vested Matching Restricted Stock Units after subtracting any such Common Shares withheld by the Company in payment of tax withholding obligations applicable to such settlement.

(b) Exception . Notwithstanding the restrictions in this Award Agreement that do not permit you to sell, assign, transfer or otherwise dispose of the Purchased Shares, Common Shares or Net Shares, you are permitted to transfer any such shares without penalty under either of the foregoing circumstances: (i) you may contribute any such shares to a limited partnership where all partners are members of your family ***("Family Limited Partnership ")*** or a Grantor Retained Annuity Trust ***("GRAT ")*** or a like-vehicle, provided that the Family Limited Partnership, GRAT, or like-vehicle (x) does not allow the shares to be sold, assigned, transferred or otherwise disposed of during the applicable restricted period with respect to such shares, (y) in the case of a GRAT, you shall at all times remain the trustee of the GRAT, and (z) in the case of a Family Limited Partnership or such like-vehicle, you retain "beneficial ownership" (within the meaning of Rule 13d-3 promulgated under the Securities Act) of such shares; and (ii) you may pledge such shares as collateral for loans, provided that (A) you represent to the Company that you will not default or otherwise cause such collateral to be liquidated, transferred or sold during the applicable restricted period, (B) there is an independent reasonable basis to conclude that none of the shares used as collateral are likely to be sold to satisfy a debt during the applicable restricted period with respect to such shares, and (C) you agree to substitute other collateral for such shares (with collateral that is not Common Shares) in the event that such collateral would have to be liquidated, transferred or sold during the applicable restricted period with respect to such shares.

4. D ISTRIBUTION OF C OMMON S HARES . The Company will deliver to you a number of Common Shares equal to (i) the number of Matching Restricted Stock Units subject to your Award that become vested in accordance with the terms of this Award Agreement, plus (ii) any Matching Restricted Stock Units resulting from dividend equivalents credited with respect to such Matching Restricted Stock Units in accordance with Section 6 of this Award Agreement, as soon as practicable (but, subject to Section 7(c)(vi) of the Plan regarding blackout restrictions, in any event no later than sixty (60) days) following the date on which such Matching Restricted Stock Units become vested; provided, that, notwithstanding anything in the Plan to the contrary, if the Company terminates your service for Cause prior to the date on which the Common Shares are distributed to you, you shall forfeit any right to such distribution of Common Shares.

5. N UMBER OF S HARES . The number of Common Shares subject to your Award may be adjusted from time to time for capital adjustments, as provided in the Plan. The Company will establish a bookkeeping account to reflect the number of Matching Restricted Stock Units

standing to your credit from time to time. However, you will not be deemed to be the holder of, or to have any of the rights of a stockholder with respect to, any Common Shares subject to your Award (including but not limited to stockholder voting rights) unless and until the shares have been delivered to you in accordance with Section 4 of this Award Agreement.

6. Dividend Equivalents. The bookkeeping account maintained for your Award shall, until the vesting date or termination and cancellation or forfeiture of the Matching Restricted Stock Units pursuant to the terms of this Award Agreement, be allocated additional Matching Restricted Stock Units on the payment date of dividends on the Company's Common Shares. Such dividends will be converted into additional Common Shares covered by the Matching Restricted Stock Units by dividing (i) the aggregate amount or value of the dividends paid with respect to that number of Common Shares equal to the number of shares covered by the Matching Restricted Stock Units by (ii) the Market Price per Common Share on the payment date for such dividend. Any such additional Matching Restricted Stock Units shall have the same vesting dates and vest in accordance with the same terms as the Matching Restricted Stock Units granted under this Award Agreement.

7. Compliance with Section 409A of the Internal Revenue Code. The Award is intended to comply with section 409A of the Code to the extent subject thereto, and shall be interpreted in accordance with section 409A of the Code and treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Date of Grant. Notwithstanding any provision in the Plan to the contrary, no payment or distribution under this Plan that constitutes an item of deferred compensation under section 409A of the Code and becomes payable by reason of your termination of employment or service with the Company shall be made to you until your termination of employment or service constitutes a separation from service within the meaning of section 409A of the Code. For purposes of this Award, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of section 409A of the Code. Notwithstanding any provision in the Plan to the contrary, if you are a specified employee within the meaning of section 409A of the Code, then to the extent necessary to avoid the imposition of taxes under section 409A of the Code, you shall not be entitled to any payments upon a termination of your employment or service until the earlier of: (i) the expiration of the six (6)-month period measured from the date of your separation from service or (ii) the date of your death. Upon the expiration of the applicable waiting period set forth in the preceding sentence, all payments and benefits deferred pursuant to this Section 7 (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such deferral) shall be paid to you in a lump sum as soon as practicable, but in no event later than sixty (60) calendar days, following such expired period, and any remaining payments due under this Award will be paid in accordance with the normal payment dates specified for them herein. Notwithstanding any provision of the Plan to the contrary, in no event shall the Company or any affiliate be liable to you on account of an Award's failure to (i) qualify for favorable U.S. or foreign tax treatment or (ii) avoid adverse tax treatment under U.S. or foreign law, including, without limitation, section 409A of the Code.

8. Securities Law Compliance. You may not be issued any Common Shares under your Award unless the shares are either (i) then registered under the Securities Act or (ii) the Company has determined that such issuance would be exempt from the registration

requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you shall not receive such shares if the Company determines that such receipt would not be in material compliance with such laws and regulations.

9. Restrictive Legends. The Common Shares issued under your Award shall be endorsed with appropriate legends, if any, determined by the Company.

10. Transferability. Except as otherwise permitted by the Committee in accordance with the terms of the Plan, your Award is not transferable, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, by delivering written notice to the Company, in the form prescribed by the Company, you may designate a third party who, in the event of your death, will thereafter be entitled to receive any distribution of Common Shares pursuant to Section 4 of this Award Agreement.

11. Award Not a Service Contract. Your Award is not an employment or service contract, and nothing in your Award will be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company or an affiliate, or on the part of the Company or an affiliate to continue such service. In addition, nothing in your Award will obligate the Company or an affiliate, their respective stockholders, boards of directors or employees to continue any relationship that you might have as an employee of the Company or an affiliate.

12. Unsecured Obligation. Your Award is unfunded and you will be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue Common Shares pursuant to this Award Agreement. You will not have voting or any other rights as a stockholder of the Company with respect to the Common Shares subject to your Award until such Common Shares are delivered to you pursuant to Section 4 of this Award Agreement. Upon such delivery, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Award Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

13. Withholding Obligations. On or before the time you receive a distribution of Common Shares pursuant to your Award, or at any time thereafter as requested by the Company, you hereby authorize any required withholding from the Common Shares, payroll and any other amounts payable or issuable to you and/or otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any affiliate which arise in connection with your Award (the ***"Withholding Taxes"***).

14. Notices. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

15. HEADINGS. The headings of the Sections in this Award Agreement are inserted for convenience only and will not be deemed to constitute a part of this Award Agreement or to affect the meaning of this Award Agreement.

16. AMENDMENT. Nothing in this Award Agreement shall restrict the Company's ability to exercise its discretionary authority pursuant to Section 4 of the Plan; *provided, however* , that no such action may, without your consent, adversely affect your rights under your Award and this Award Agreement. Without limiting the foregoing, the Board (or appropriate committee thereof) reserves the right to change, by written notice to you, the provisions of this Award Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change will be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

17. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award will be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(d) This Award Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) All obligations of the Company under the Plan and this Award Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

18. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan will control; *provided, however,* for avoidance of doubt, terms contained in the Award Agreement but not in the Plan shall not constitute a conflict and such terms in the Award Agreement shall control. The Committee will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations

made by the Committee will be final and binding upon you, the Company, and all other interested persons. No member of the Board or the Committee will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Award Agreement.

19. Effect on Other Employee Benefit Plans. The value of the Award subject to this Award Agreement will not be included as compensation, earnings, salaries, or other similar terms used when calculating the employee's benefits under any employee benefit plan sponsored by the Company or any affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any affiliate's employee benefit plans.

20. Choice of Law. The interpretation, performance and enforcement of this Award Agreement will be governed by the law of the Province of Ontario and the laws of Canada.

21. Severability. If all or any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

 Exhibit 10.20

December 30, 2014

Dr. Ari Kellen

Dear Ari:

This letter outlines the details of your employment with Valeant Pharmaceuticals International, Inc. or its applicable subsidiary (the "Company"), and your Company assignment.

- **Title** : Executive Vice President. You will report to the Chief Executive Officer, who will determine your specific title and duties.
- **Office Location** : Your principal place of employment will be in New Jersey.
- **Base Salary** : Your base salary will be $62,500 per month ($750,000 annualized).
- **One-time Performance Bonus** . The Company agreed to pay you a one-time performance bonus between zero and $8,000,000, based on your achievements with respect to the integration and restructuring of the Bausch + Lomb business, as such achievement is assessed by the Chief Executive Officer and which amount is to be paid no later than January 15, 2015, subject to your continued employment on the payment date.
- **Annual Incentive** : You will be eligible to participate in the Company's management bonus plan beginning with the 2014 calendar year. Your target bonus will be 120% of your base salary, with the potential of up to 240% of your base salary. This plan, and therefore your participation, is subject to change at the discretion of the Board of Directors. Bonuses are payable at the time the other management bonuses are paid. To be eligible for any bonus payment, you must be employed by the Company, and you must not have given or received notice of the termination of your employment, on the day on which the applicable bonus is paid to other members of the Company management. You will not be eligible for an annual incentive bonus with respect to any portion of the 2013 calendar year.
- **Equity Awards** : The Company's Talent and Compensation Committee of the Company's Board of Directors (the "Committee") has approved grants of a target number of 150,000 Performance-based Restricted Share Units (each, a "PSU").

  75,000 of the PSUs shall vest between 0-300%, based on meeting certain Company performance criteria described below, as measured approximately three years from the grant date and 75,000 of the PSUs shall vest between 0-300%, based on meeting certain Company performance criteria described below, as measured approximately five years from the grant date. The triggers for 1x, 2x and 3x vesting shall be based on attaining a

10%, 20% and 30% 3-year or 5-year, as applicable, compound total shareholder return, respectively, with measurements governed by the award agreement (which shall contain terms consistent with the terms customarily provided to other similarly situated executives of the Company, with such modifications to reflect that the primary performance measurement period is 3 years or 5 years, as applicable, and such other terms as approved by the Committee).

- **Share Ownership Commitment** . You also agree to comply with any share ownership requirements adopted by the Company applicable to you, which shall be on the same terms as similarly situated executives of the Company.

- **Matching Grants for Share Purchases** . In connection with such share ownership, you shall also be eligible to receive matching share units under the Company's matching share unit program. Notwithstanding anything in such program to the contrary, you shall receive a grant of one matching share unit for each common share of the Company purchased, up to $5,000,000 in purchases. Each such matching share unit shall vest in equal annual portions over the 5-year period following grant and shall have such other terms consistent with the terms customarily provided to similarly situated executives of the Company.

- **Good Reason** . You may terminate your employment for Good Reason (as defined below) by delivering to the Company a Notice of Termination (as defined below) not less than thirty (30) days prior to the termination of your employment for Good Reason. The Company shall have the option of terminating your duties and responsibilities prior to the expiration of such thirty-day notice period, subject to the payment by the Company of the compensation and benefits provided in this letter, as may be applicable. For purposes of this letter, "Good Reason" shall mean the occurrence of any of the events or conditions described in clauses (i) through (iii) immediately below which are not cured by the Company (if susceptible to cure by the Company) within thirty (30) days after the Company has received a "Notice of Termination." "Notice of Termination" means a written notice provided by you within ninety (90) days of the initial existence of the event or condition constituting Good Reason specifying the particular events or conditions which constitute Good Reason and the specific cure requested by you.

(i) Diminution of Responsibility. (A) any material reduction in your duties or responsibilities as in effect immediately prior thereto, or (B) removal of you from the position of Executive Vice President . For the avoidance of doubt, the term "Diminution of Responsibility" shall not include (Y) any such removal resulting from a promotion, your death or Disability, the termination of your employment for Cause, or your termination of your employment other than for Good Reason, (Z) the reduction of or change in any particular duties or responsibilities provided you are given other duties or responsibilities such that your overall duties and responsibilities remain substantially comparable to your overall duties and responsibilities prior to the reduction or change;

(ii) Compensation Reduction. Any reduction in your base salary or target bonus opportunity which is not comparable to reductions in the base salary or target bonus opportunity of other similarly-situated senior executives at the Company; or

(iii) Company Breach. Any other material breach by the Company of any material provision of this letter.

- **Change in Control** . For purposes of this letter, a "Change in Control" shall mean any of the following events:

(i) the acquisition (other than from the Company), by any person (as such term is defined in Section 13(c) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities;

(ii) the individuals who, as of the date hereof, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the Board, unless the election, or nomination for election by the Company's stockholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and such new director shall, for purposes of this letter, be considered as a member of the Incumbent Board; or

(iii) the closing of:

1. a merger or consolidation involving the Company if the stockholders of the Company, immediately before such merger or consolidation, do not, as a result of such merger or consolidation, own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the corporation resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the voting securities of the Company outstanding immediately before such merger or consolidation; or

2. a complete liquidation or dissolution of the Company or an agreement for the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur pursuant to this letter agreement, solely because fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Company or any of its subsidiaries or (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition.

- **Disability** . The Company may terminate your employment, on written notice to you after having established your Disability and while you remain Disabled, subject to the payment by the Company to you of the applicable compensation and benefits provided pursuant to this letter agreement. For purposes of this letter agreement, "Disability" shall have the meaning assigned to such term in the 2011 Omnibus Incentive Plan.

- **Cause** . The Company may terminate your employment for "Cause", subject to the payment by the Company to you of the applicable compensation and benefits provided in this letter agreement. "Cause" shall mean, for purposes of this letter, "cause" as defined by applicable common law and (1) conviction of any felony or indictable offense (other than one related to a vehicular offense) or other criminal act involving fraud; (2) willful misconduct that results in a material economic detriment to the Company; (3) material violation of Company policies and directives, which is not cured after written notice and a reasonable opportunity for cure; (4) continued refusal by you to perform your duties after written notice identifying the deficiencies and a reasonable opportunity for cure; or (5) a material violation by you of any material covenants to the Company. No action or inaction shall be, or be deemed to be, willful if not demonstrably willful and if taken or not taken by you in good faith and with the understanding that such action or inaction was not adverse to the best interests of the Company. Reference in this paragraph to the Company shall also include direct and indirect subsidiaries of the Company, and materiality shall be measured based on the action or inaction and the impact upon the Company taken as a whole. The Company may suspend you, with pay, upon your indictment for the commission of a felony or indictable offense as described under clause (1) above. Such suspension may remain effective until such time as the indictment is either dismissed or a verdict of not guilty has been entered.

- **Employee and Executive Benefits** . You will be eligible to participate in the employee benefit plans and programs generally made available to similarly situated employees of the Company on the terms and conditions applicable generally to all employees. In addition, the Company shall reimburse you for incremental taxes incurred by you outside of the United States because of any services you provide to the Company outside of the United States or any business that the Company conducts outside of the United States, if such incremental amount during any tax year exceeds 1% or more of your average base salary for such tax year. You

shall be required to participate in any tax equalization program the Company may have in effect from time to time in order to qualify for the benefit described in the preceding sentence.

- **Conditions to Reimbursement**. The following provisions shall be in effect for any reimbursements (and in-kind benefits) to which you otherwise may become entitled under this letter, in order to assure that such reimbursements (and in-kind benefits) do not create a deferred compensation arrangement subject to Section 409A of the Internal Revenue Code ("Section 409A"):

(i) The amount of reimbursements (or in-kind benefits) to which you may become entitled in any one calendar year shall not affect the amount of expenses eligible for reimbursement (or in-kind benefits) hereunder in any other calendar year.

(ii) Each reimbursement to which you become entitled shall be made by the Company as soon as administratively practicable following your submission of the supporting documentation, but in no event later than the close of business of the calendar year following the calendar year in which the reimbursable expense is incurred.

(iii) Your right to reimbursement (or in-kind benefits) cannot be liquidated or exchanged for any other benefit or payment.

- **At-Will Employment**. Your employment with the Company is "at will". This means that you or the Company have the option to terminate your employment at any time, with or without advance notice, and with or without Cause or with or without Good Reason. This letter of employment does not constitute an express or implied agreement of continuing or long term employment. The at will nature of your employment can be altered only by a written agreement specifying the altered status of your employment. Such written agreement must be signed by both you and the Chief Executive Officer.

- **Severance Benefits**. Notwithstanding the immediately preceding bullet paragraph, if your employment is terminated by the Company without Cause or by you for Good Reason, the Company shall have the following obligations:

(i) The Company will pay you an amount equal to the sum of (A) your annual salary as of the Termination Date, plus (B) your annual target bonus as of the Termination Date, provided that, if your termination occurs either in contemplation of a Change in Control or at any time within twelve (12) months following a Change in Control, the Company shall instead pay you an amount equal to two times the sum of (A) your annual salary as of the Termination Date, plus (B) your annual target bonus as of the Termination Date. The "Termination Date" shall be the date specified as the effective date of the termination of your employment in any notice of termination of employment provided by the Company to you or accepted by the Company in the event of your giving notice of the termination of your employment.

(ii) The Company will pay you any accrued but unpaid salary or vacation pay and any deferred compensation. In addition, the Company will pay you any bonus earned but unpaid in respect of any fiscal year preceding the Termination Date. The Company will also pay you a bonus in respect of the fiscal year in which the Termination Date occurs, as though you had continued in employment until the payment of bonuses by the Company to its executives for such fiscal year, in an amount equal to the product of (A) the lesser of (x) the bonus that you would have been entitled to receive based on actual achievement against the stated performance objectives or (y) the bonus that you would have been entitled to receive assuming that the applicable performance objectives for such fiscal year were achieved at "target", and (B) a fraction (i) the numerator of which is the number of days in such fiscal year through Termination Date and (ii) the denominator of which is 365; provided that, if your termination occurs either in contemplation of a Change in Control or at any time within twelve (12) months following a Change in Control, then in the foregoing calculation the amount under (A) shall be equal to (y). Any bonus payable to you under this bullet shall be paid in no event later than March 15 of the calendar year following the calendar year in which the Termination Date occurs.

(iii) The Company will provide you with continued coverage under any health, medical, dental or vision program or policy in which you were eligible to participate at the time of your employment termination for 12 months following such termination on terms no less favorable to you and your dependents (including with respect to payment for the costs thereof) than those in effect immediately prior to such termination.

(iv) The Company shall provide outplacement services through one or more outside firms of your choosing up to an aggregate of $20,000, which services shall extend until the earlier of (i) 12 months following the Termination Date or (ii) the date that you secure full time employment.

Notwithstanding anything herein to the contrary, the Company shall have no obligation to pay or provide any of the severance benefits referenced or set forth in this letter and shall have no obligations to you in respect of the termination of your employment save and except for obligations that are expressly established by applicable employment standards legislation unless you execute and deliver, within 45 days of the date of your termination, and do not revoke, a general release in form satisfactory to the Company and any revocation period set forth in the release has lapsed. Subject to compliance with Section 409A, the Company shall pay all cash severance benefits due within 10 business days following the satisfaction of all of the conditions set forth in the preceding sentence. You shall not be required to mitigate the amount of any severance payment provided for under this letter by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to you in any subsequent employment.

Notwithstanding anything herein to the contrary, in no event shall the timing of your execution of the general release, directly or indirectly, result in you designating the calendar year of payment, and if a payment that is subject to execution of the general release could be made in more than one taxable year, payment shall be made in the later taxable year.

It is understood that, during your employment by the Company, you will not engage in any activities that constitute a conflict of interest with the interests of the Company, as outlined in the Company's conflict of interest policies for employees and executives in effect from time to time.

- **Covenant Not to Solicit** . To protect the confidential information and other trade secrets of the Company and its affiliates, you agree, during your employment with the Company or any of its affiliates and for a period of twelve (12) months after your cessation of employment with the Company or any of its affiliates, not to solicit, attempt to solicit, or participate in or assist in any way in the solicitation or attempted solicitation of any employees or independent contractors of the Company or any of its affiliates. For purposes of this covenant, "solicit" or "solicitation" means directly or indirectly influencing or attempting to influence employees of the Company or any of its affiliates to become employed with any other person, partnership, firm, corporation or other entity. You agree that the covenants contained in this paragraph are reasonable and necessary to protect the confidential information and other trade secrets of the Company and its affiliates, provided, that solicitation through general advertising or the provision of references shall not constitute a breach of such obligations. For purposes of this paragraph, an "affiliate" shall mean any direct or indirect subsidiary of the Company or any joint venture or collaboration in which any such entity or the Company participates.
- **Remedies for Breach of Obligations Under the Covenants Not to Solicit Above** . It is the intent and desire of you and the Company (and its affiliates) that the restrictive provisions in the paragraph captioned "Covenant Not to Solicit" above be enforced to the fullest extent permissible under the laws and public policies as applied in each jurisdiction in which enforcement is sought. If any particular provision in such paragraph shall be determined to be invalid or unenforceable, such covenant shall be amended, without any action on the part of either party hereto, to delete therefrom the portion so determined to be invalid or unenforceable, such deletion to apply only with respect to the operation of such covenant in the particular jurisdiction in which such adjudication is made. Your obligations under the two preceding paragraphs shall survive the termination of your employment with or any other employment arrangement with the Company or any of its affiliates. You acknowledge that the Company or its affiliates will suffer irreparable injury, not readily susceptible of valuation in monetary damages, if you breach your obligations under the paragraph captioned "Covenant Not to Solicit" above. Accordingly, you agree that the Company and its affiliates will be entitled, in addition to any other available remedies, to obtain

injunctive relief against any breach or prospective breach by you of your obligations under either such paragraph in any Federal or state court sitting in the State of New Jersey, or, at the Company's (or its affiliate's) election, in any other state or jurisdiction in which you maintain your principal residence or your principal place of business. You agree that the Company or its affiliates may seek the remedies described in the preceding sentence notwithstanding any arbitration or mediation agreement that you may enter into with the Company or any of its affiliates. You hereby submit to the non-exclusive jurisdiction of all those courts for the purposes of any actions or proceedings instituted by the Company or its affiliates to obtain that injunctive relief, and you agree that process in any or all of those actions or proceedings may be served by registered mail, addressed to the last address provided by you to the Company or its affiliates, or in any other manner authorized by law.

- **Indemnification**. You shall be indemnified by the Company as provided in its articles or, if applicable, pursuant to an indemnification agreement with the Company if such agreements are provided to similarly situated executives.
- **Section 409A**. The parties intend for the payments and benefits under this letter to be exempt from Section 409A or, if not so exempt, to be paid or provided in a manner which complies with the requirements of such section, and intend that this letter shall be construed and administered in accordance with such intention. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A shall be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this letter shall be treated as a separate payment of compensation. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this letter during the six-month period immediately following your separation from service shall instead be paid on the first business day after the date that is six months following your Termination Date (or death, if earlier), with interest from the date such amounts would otherwise have been paid at the short-term applicable federal rate, compounded semi-annually, as determined under Section 1274 of the Internal Revenue Code of 1986, as amended, for the month in which payment would have been made but for the delay in payment required to avoid the imposition of an additional rate of tax on you under Section 409A.
- **Withholding Taxes**. All payments to you or your beneficiary under this letter agreement shall be subject to withholding on account of federal, state and local taxes as required by law.

You acknowledge that you have, reviewed, agreed, signed and returned the Company's customary on-boarding documentation.

Policies of the Company will govern any other matter not specifically covered by this letter.

Except as specifically described in the following sentence, the terms of this letter constitute the entire agreement between the Company and you with respect to the subject matter hereof, superseding all prior agreements and negotiations This letter is governed by the laws of the State of New Jersey. All currency amounts set forth in the letter agreement refer to U.S. dollars.

This letter and the documents referenced herein are the full, complete and exclusive agreement between you and the Company regarding all of the subjects covered by this letter, and supersede in their entirety any other written or verbal agreement between you and the Company, including, without limitation, any previous letters or agreements, whether written or verbal, relating to any offer or other terms of employment.

As confirmation of acceptance of this employment letter, please sign this letter indicating your agreement and acceptance of the terms and conditions of employment. In addition, please mail the original signed employment letter in the envelope provided. A duplicate copy of this employment letter is included for your records.

Sincerely,

Valeant Pharmaceuticals International, Inc.

By: /s/ J. Michael Pearson
J. Michael Pearson
Chief Executive Officer

/s/ Ari Kellen
Ari Kellen

 Exhibit 10.21

April 2, 2012

Pavel Mirovsky

Dear Pavel:

This letter outlines the details of your employment with PharmaSwiss AG, having its registered office at: Baarerstrasse 94, 6300 Zug, Switzerland, Identification Number: CH-170.3.023.567-7 (the "Company), the employing entity and subsidiary of Valeant Pharmaceutical International, Inc., having its registered office at: Baarerstrasse 94, 6300 Zug, Switzerland, Identification Number: CH-170.3.023 .567-7 ("VPII").

- **Title** : General Manager and President, Valeant Europe reporting to J. Michael Pearson.
- **Location** : Your principal office location will be Prague, Czech Republic. You agree to make, from time to time, business trips for the Company's benefit, either in the Czech Republic or abroad, under the Company's instructions and operational needs, in the extent of up to 250 days per calendar year.
- **Commencement of Work** : You are already working for the Company. This agreement is therefore effective as of 1 January 2012.
- **Time Worked and Vacation** : Subject to mandatory laws, the following applies to working hours and vacation. You agree to exercise your best efforts to successfully and carefully accomplish the duties assigned to you by the Company and further agree that you shall devote at least 40 hours per week to service on behalf of the Company. You agree to perform overtime work if necessary. It is understood that no extra compensation shall be paid for the performance of overtime work or work performed on days or during hours of the day which may be considered outside customary working hours. You shall be entitled to 30 days of paid vacation per calendar year.

  You agree to devote your efforts exclusively to the Company in furtherance of the Company's interests. Any engagement in additional occupations for remuneration or any participation in any kind of enterprise requires the written consent of the Company. This shall not apply to the usual acquisition of shares of other stocks or other shares for investment purposes. Membership in the board of directors or supervisory board of other companies shall also require the written approval of the Company.
- **Base Salary** : Your annual gross base salary will be €360,000 (or €30,000 per month).
- **Annual Incentive** : You will be eligible to participate in the VPII management bonus plan. Beginning with the 2012 calendar year your target bonus will be 50%, with the potential of 100%, of your annual base salary. This plan, and therefore your participation, is subject to change at the discretion of the Board of Directors of VPII. Bonuses are payable at the time the VPII management bonuses are paid, generally in March each year. To be eligible for any bonus payment, you must be employed by the Company, and not have given or received notice of the termination of your employment, on the day on which the applicable bonus is paid to VPII members of management. It is in the unfettered discretion of the Board of Directors of VPII to change the bonus plan, and you have no claim against the Company under this Clause or the management bonus plan.

- **Equity Awards** : The Company will recommend to VPII's Talent and Compensation Committee of the Board the following equity awards:
    - **10,000** Performance Stock Units (PSUs) with between 0 and 300% vesting as measured on the date that is three years from the grant date, based on meeting certain company performance criteria.
    - **20,000** Stock Options with 25% vesting on each anniversary of the grant date. The stock options will have a ten year term.
    - The awards are contingent upon your acceptance of the offer and the terms of the awards and approval of the Talent and Compensation Committee. The terms and conditions of these awards will be detailed in each award agreement and/or plan document.
    - It is in the unfettered discretion of the Talent and Compensation Committee to approve the awards or not, and you have no claim against your employing entity under this Clause or the awards.
- **Further payments** . Unless otherwise expressly agreed upon in writing, the payment of any other gratuities, profit shares, premiums or other extra payments shall be on a voluntary basis, subject to the provision that even repeated payments without the reservation of voluntarity shall not create any legal claim for you, either in respect to their cause or their amount, either for the past or for the future.
- **Notice of Termination** . Your employment may be terminated at any time giving one month notice prior written notice as per the end of each month. This offer of employment does not constitute an express or implied agreement of continuing or long term employment with the Company, the Company or any affiliate of the Company. This clause can be altered only by a written agreement.
- **Severance Benefits** . Notwithstanding the immediately preceding bullet paragraph, if your employment is terminated by the Company, the Company shall be obligated to pay you only such severance as is required per applicable law unless you are terminated as a direct result of a change in control as discussed below. You agree and acknowledge that you are not entitled to receive any other severance payments or benefits from the Company or any of its affiliates.
- **Severance Benefits related to a Change in Control** . If your employment is terminated by the Company within 12 months following a "Change in Control", the Company shall be obligated to pay you the lesser of (a) the amount equal to your then current base salary through the period ending on 31 March 2015 or (b) an amount equal to 12 months of your then current base salary. For purposes of this letter, the term "Change in Control" means the acquisition of more than 50% of the equity interest or assets of Valeant Pharmaceuticals International, Inc. by an unaffiliated third party.

  It is understood that, during your employment by the Company or any of its affiliates, you will not engage in any activities that constitute a conflict of interest with the interests of the Company or any of its affiliates, as outlined in VPII's conflict of interest policies for employees and executives in effect from time to time.
- **Covenant Not to Solicit** . To protect the confidential information and other trade secrets of the Company and its affiliates, you agree, during your employment with the Company or any of its affiliates and for a period of one year (12) months following the effective date of this employment agreement, the Employee will not, directly or indirectly, solicit for employment or hire any officer or employee of the Company or any of its subsidiaries that the Employee was in regular contact with, or had an access to information with respect to in the Employee's ordinary course of work, provided that the foregoing shall not preclude the Employee from hiring any such officer or employee who (i) has had his or her employment terminated by the Company prior to commencement of employment discussions between the Employee and such officer or employee or (ii) contacts the Employee in response to employment advertisement in generally circulated media.

- **Remedies for Breach of Obligations Under the Covenants Not to Solicit Above** . It is the intent and desire of you and the Company (and its affiliates) that the restrictive provisions in the paragraph captioned "Covenant Not to Solicit" above be enforced to the fullest extent permissible under the laws and public policies as applied in each jurisdiction in which enforcement is sought. If any particular provision in such paragraph shall be determined to be invalid or unenforceable, such covenant shall be amended, without any action on the part of either party hereto, to delete therefrom the portion so determined to be invalid or unenforceable, such deletion to apply only with respect to the operation of such covenant in the particular jurisdiction in which such adjudication is made. Your obligations under the two preceding paragraphs shall survive the termination of your employment with or any other employment arrangement with the Company or any of its affiliates. You acknowledge that the Company or its affiliates will suffer irreparable injury, not readily susceptible of valuation in monetary damages, if you breach your obligations under the paragraph captioned "Covenant Not to Solicit" above. Accordingly, you agree that the Company and its affiliates will be entitled, in addition to any other available remedies, to obtain injunctive relief against any breach or prospective breach by you of your obligations under either such paragraph in any Federal or state court sitting in the State of New Jersey, or, at the Company's (or its affiliate's) election, in any other state or jurisdiction in which you maintain your principal residence or your principal place of business. You agree that the Company or its affiliates may seek the remedies described in the preceding sentence notwithstanding any arbitration or mediation agreement that you may enter into with the Company or any of its affiliates. You hereby submit to the non-exclusive jurisdiction of all those courts for the purposes of any actions or proceedings instituted by the Company or its affiliates to obtain that injunctive relief, and you agree that process in any or all of those actions or proceedings may be served by registered mail, addressed to the last address provided by you to the Company or its affiliates, or in any other manner authorized by law.
- **Data Protection** : With the execution of this letter, you consent that the Company may store, transfer, change and delete all personal data in connection with your employment relationship. You acknowledge that personal data may be transferred to companies outside Switzerland and the Czech Republic affiliated with the Company.
- **Withholding Taxes and Contributions** . All payments to you or your beneficiary under this letter agreement shall be subject to withholding on account of federal, state and local taxes and social security and health insurance contributions as required by law.
- **Applicable Law** . You agree that your employment is subject to Swiss law and that the Courts in Zug have exclusive jurisdiction.

It is understood that you are required to have read, reviewed, agreed, signed and returned to the Company the Company's Standards of Business Conduct, Insider Trading Policy, Blackout Policy and Global Anti-Bribery Policy, and by signing below you acknowledge your requirement to comply with such documents and policies at all times during your employment with the Company or any of its affiliates.

Policies of the Company will govern any other matter not specifically covered by this letter.

As confirmation of acceptance of this employment offer, please sign this letter indicating your agreement and acceptance of the terms and conditions of employment. In addition, please mail the original signed offer letter in the envelope provided. A duplicate copy of this offer letter is included for your records.

Sincerely,

By: */s/ J. Michael Pearson*
J. Michael Pearson
Chief Executive Officer
(for and on behalf of PharmaSwiss SA)

/s/ Pavel Mirovsky
Pavel Mirovsky

Exhibit 10.31

EXECUTION VERSION

SUCCESSOR AGENT AGREEMENT AND
AMENDMENT NO. 9 TO THIRD AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

This SUCCESSOR AGENT AGREEMENT is dated as of January 8, 2015 (this " Agreement ") by and among BARCLAYS BANK PLC (" Barclays "), GOLDMAN SACHS LENDING PARTNERS LLC (" GSLP "), in its capacities as the Administrative Agent, Collateral Agent and Swing Line Lender (in such capacities, the " Existing Agent ") under the Credit Agreement (as defined below) for the Lenders (as defined below), the Requisite Lenders, VALEANT PHARMACEUTICALS INTERNATIONAL, INC., a corporation continued under the laws of the Province of British Columbia (the " Borrower "), and the Guarantors.

WHEREAS, (i) the Borrower, the Guarantors, the lenders party thereto from time to time (the " Lenders "), and the Existing Agent entered into that certain Third Amended and Restated Credit and Guaranty Agreement, dated as of February 13, 2012, as amended by Amendment No. 1, dated as of March 6, 2012, by Amendment No. 2, dated as of September 10, 2012, by Amendment No. 3, dated as of January 24, 2013, by Amendment No. 4, dated as of February 21, 2013, by Amendment No. 5, dated as of June 6, 2013, by Amendment No. 6, dated as of June 26, 2013, by Amendment No. 7, dated as of September 17, 2013, by Amendment No. 8, dated as of December 20, 2013, as further supplemented by the Joinder Agreement, dated as of June 14, 2012, by the Joinder Agreement, dated as of July 9, 2012, by the Joinder Agreement, dated as of September 11, 2012, by the Joinder Agreement dated as of October 2, 2012, by the Joinder Agreement, dated as of December 11, 2012, by the Joinder Agreements, each dated as of August 5, 2013 and by the Joinder Agreements, each dated as of February 6, 2014 (as the same may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the " Credit Agreement ") and (ii) the Credit Parties entered into that certain Second Amended and Restated Pledge And Security Agreement in favor of the Collateral Agent, dated as of February 13, 2012 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the " Pledge and Security Agreement " and, together with the Credit Agreement and the other Credit Documents, collectively, the " Existing Credit Documents ") (Capitalized terms used herein without definition shall have the meanings attributed to such terms in the Credit Agreement);

WHEREAS, the Existing Agent gave notice of its resignation as Administrative Agent, Collateral Agent and Swing Line Lender under the Existing Credit Documents pursuant to that certain Notice of Resignation, dated as of December 11, 2014, delivered to the Borrower and the Lenders in accordance with Section 9.7 of the Credit Agreement and such resignation shall become effective on January 12, 2015 (or such earlier date as provided herein);

WHEREAS, the Existing Agent, after consultation with the Borrower, desires to appoint Barclays to act as the successor Administrative Agent, successor Collateral Agent and successor Swing Line Lender to the Existing Agent under the Credit Documents pursuant to Section 9.7 of the Credit Agreement (in such capacities, the " Successor Agent ");

WHEREAS, the Borrower, the Guarantors and the Requisite Lenders consent to the appointment of Barclays as the Successor Agent as described herein pursuant to Section 9.7 of the Credit Agreement; and

WHEREAS, the parties hereto have agreed to amend the Credit Agreement as set forth herein pursuant to Section 10.5(a) of the Credit Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Resignation and Appointment of Administrative Agent, Collateral Agent and Swing Line Lender .

1. Pursuant to Section 9.7 of the Credit Agreement (i) on the earlier of January 12, 2015 or the Effective Date (as defined below), the Existing Agent's resignation as Administrative Agent, Collateral Agent and Swing Line Lender shall be effective, the Requisite Lenders shall accept the resignation of GSLP as Existing Agent under the Existing Credit Documents, and GSLP shall have no further obligations under the Existing Credit Documents in its capacities as Administrative Agent, Collateral Agent and/or Swing Line Lender (other than the obligations set forth in Section 5 hereof), (ii) the Existing Agent, after consultation with the Borrower, hereby appoints Barclays to act as the Successor Agent, effective as of the Effective Date, and (iii) the Borrower and the Requisite Lenders hereby consent to the appointment of Barclays to act as the Successor Agent. The Successor Agent hereby accepts the appointment to act as the Administrative Agent, Collateral Agent and Swing Line Lender under the Existing Credit Documents. The Requisite Lenders and the Borrower waive any inconsistency or conflict with the provisions in Section 9.7 of the Credit Agreement with respect to the resignation of GSLP as Existing Agent and the appointment of Barclays as the Successor Agent. Each of the parties hereto agrees to execute all documents necessary to evidence the appointment of Barclays as the Successor Agent.

2. The Existing Agent hereby assigns to the Successor Agent, in its capacity as successor Collateral Agent, each of the Liens and security interests granted or assigned to the Existing Agent (in its capacity as Administrative Agent and Collateral Agent under the Credit Agreement and the other Existing Credit Documents for the benefit of the Secured Parties), including, for the avoidance of doubt, for the purpose of Slovenian law, the transfer of the applicable Foreign Security Agreement(s) pursuant to article 122 of the Slovenian Code of Obligations, under the Existing Credit Documents (including, for the avoidance of doubt, (x) all Australian Collateral held on trust for the Secured Parties pursuant to Section 9.8(a) of the Credit Agreement and (y) the rights in respect of any Parallel Debt granted pursuant to Sections 10.29, 10.30 and 10.31 of the Credit Agreement and the applicable Foreign Security Agreements (the " Parallel Debt Interests ")), and the Successor Agent, in its capacity as successor Collateral Agent, hereby assumes all such Liens and security interests (including, for the avoidance of doubt, such Parallel Debt Interests), for its benefit and for the benefit of the Secured Parties, as further described in Section 5 hereof and agrees to hold all Australian Collateral on the terms of Section 9.8(a) of the Credit Agreement; provided that the Liens and security interests granted under the Collateral Documents set forth on Schedule III hereto, shall be transferred and/or confirmed pursuant to the respective agreements set forth on Schedule III hereto.

3. Barclays's appointment as Successor Agent and the assignment and assumption of the Liens and security interests described above shall be effective on and as of the date (i) the Existing Agent receives duly executed counterparts (in accordance with Section 17 hereof) of this Agreement that, when taken together, bear the signatures of the Borrower, the Guarantors, the Existing Agent, the Successor Agent and the Requisite Lenders, (ii) the Borrower pays to the Existing Agent, for the account of each Lender party to the Credit Agreement immediately prior to the Effective Date, all interest, fees and other amounts accrued up to but excluding the Effective Date with respect to such Lender's Loans and (iii) the Existing Agent receives originally executed copies of the favorable written opinions of (A) Squire Sanders Swiecicki Krzesniak sp.k., special Poland counsel to the Credit Parties, (B) Tark Grunte

Sutkiene, special Lithuania counsel to the Credit Parties, and (C) Allen & Overy LLP, special Netherlands counsel to the Existing Agent (such date, the " Effective Date "); provided that if the Existing Agent's resignation has become effective prior to the Effective Date pursuant to Section 1(a) hereof, then such appointment as Successor Agent and the assignment and assumption of the Liens and security interests described above shall become effective at such later date as provided pursuant to Section 9.7 of the Credit Agreement.

4. Upon the Effective Date, each of the Credit Parties and the Existing Agent authorizes the Successor Agent, at the Borrower's expense, to file any UCC assignments or amendments with respect to the UCC financing statements (or their equivalent under foreign law), filings with the United States Patent and Trademark Office, the United States Copyright Office or any similar non-domestic filing office, any amendment, assignment or other filings with respect to any real property covered by charges, mortgages or demand debentures, and other filings or agreements in the United States or other non-domestic jurisdiction in respect of the Collateral as the Successor Agent reasonably deems necessary or appropriate to evidence or effect the Successor Agent's succession as Administrative Agent or Collateral Agent under the Credit Agreement and the Existing Credit Documents and each Credit Party agrees to execute any documentation and to take such other actions as may reasonably be necessary to evidence the resignation and appointment described herein; provided that the Existing Agent shall bear no responsibility for any actions taken or omitted to be taken by the Successor Agent under this clause (d).

2. Rights, Duties and Obligations .

1. Effective as of the Effective Date, the Successor Agent shall be vested with all the rights, powers, discretion and privileges of the Existing Agent (including, for the avoidance of doubt, for the purpose of Italian law, the power to act, also with the authorization pursuant to article 1395 of the Italian Civil Code, as *mandatario con rappresentanza* of the Lenders) as described in the Existing Credit Documents and the Successor Agent assumes, from and after the Effective Date, the obligations, responsibilities and duties of the Existing Agent in accordance with the terms of the Existing Credit Documents, and, except as set forth in Sections 5 and 6 hereof, the Existing Agent is discharged from all of its duties and obligations as the Administrative Agent, Collateral Agent and Swing Line Lender under the Existing Credit Documents. Nothing in this Agreement or any other Existing Credit Documents shall be deemed a termination of the protective provisions and indemnities (collectively, the " Protective Provisions ") of any Existing Credit Document (including, without limitation, Section 9 and Sections 10.2 and 10.3 of the Credit Agreement, which provisions shall continue in effect for the benefit of the Existing Agent, its sub-agents and their respective affiliates in respect of any actions taken or omitted to be taken by any of them while acting as the Existing Agent or after the date hereof that survive the Existing Agent's resignation pertaining to GSLP in its capacity as Administrative Agent, Collateral Agent and/or Swing Line Lender. Any amounts owed to the Existing Agent under this Agreement or under the Existing Credit Documents in its capacity as the Existing Agent shall constitute "Obligations" for all purposes of the Existing Credit Documents and shall be entitled to the priority currently afforded thereto by the terms of the Existing Credit Documents. The parties hereby agree that the Protective Provisions shall apply to all actions taken by GSLP in its capacity as the Existing Agent under or in connection with this Agreement or the Existing Credit Documents, whether taken before, on or to the extent in accordance with Section 5 hereof after the Effective Date. The Successor Agent hereby acknowledges that (i) neither the Existing Agent nor any of its affiliates has made or shall be deemed to have made any representation or warranty to the Successor Agent and (ii) it has, independently and without reliance upon the Existing Agent or any of its affiliates, made its own decision to enter into this Agreement and the transactions contemplated hereby.

2. Effective as of the Effective Date, the Existing Agent relinquishes all rights and powers (other than with respect to the Protective Provisions and other than those rights and powers provided in Section 5 hereof) of the Existing Agent in its role as the Administrative Agent, Collateral Agent and Swing Line Lender as described in the Existing Credit Documents and the Existing Agent is discharged from all of its duties, responsibilities and obligations as the Administrative Agent, Collateral Agent and Swing Line Lender under the Existing Credit Documents, and nothing contained herein is intended to create any ongoing duty or obligation on the part of the Existing Agent, except as expressly provided herein. The parties hereto hereby confirm that the Protective Provisions to the extent they pertain to the Existing Agent, its subagents or their respective affiliates, continue in effect for the benefit of the Existing Agent in respect of any actions taken or omitted to be taken while the Existing Agent was acting as Administrative Agent, Collateral Agent and/or Swing Line Lender and actions taken thereafter with respect to the obligations under this Agreement or actions taken in connection therewith or at the direction or request of the Successor Agent pursuant to this Agreement, and inure also to the benefit of the Existing Agent in respect of its obligations under Section 5 hereof. Each of the parties hereto expressly agrees and acknowledges that the Successor Agent is not assuming any liability in the capacity as Administrative Agent, Collateral Agent or Swing Line Lender (i) under or related to the Existing Credit Documents prior to the Effective Date and (ii) for any and all claims under or related to the Existing Credit Documents that may have arisen or accrued prior to the Effective Date.

3. Information Regarding Status of Credit Documents .

1. Current Lenders and Loan Status . The Register maintained by the Existing Agent, which Register contains (i) a true and correct list of the Lenders and the outstanding principal amount of, and accrued interest payable on, the Loans owing to each such Lender under the Credit Agreement as of January 8, 2015 and (ii) any other fees, charges and expenses due and payable to the Existing Agent or the Lenders as of January 8, 2015, has been delivered to the Successor Agent.

2. Existing Credit Documents . Schedule I is a list of the Existing Credit Documents (other than the Notes, if any) delivered to the Successor Agent as of the date hereof, and as of the date hereof there have been no amendments, supplements, waivers or consents to the Existing Credit Documents, of which the Borrower has knowledge or to which it is a party, except as set forth in Schedule I .

3. Possessory Collateral . Schedule II is a complete and accurate list of all possessory Collateral previously delivered by or on behalf of any Credit Party to the Existing Agent.

4. Representations and Warranties .

1. Each Lender signatory hereto hereby severally, and not jointly, represents and warrants to the Successor Agent and to the Existing Agent that, as of the date hereof, all information pertaining to such Lender as set forth below its signature block is true and correct.

2. Each of the undersigned Lenders hereby severally, and not jointly, represents and warrants to the Existing Agent and the Successor Agent that such Person is duly authorized to execute and perform its obligations under this Agreement.

3. Each of the Credit Parties represents and warrants to the Existing Agent and the Successor Agent that as of the date hereof, (i) each of the Credit Parties is duly authorized to execute and perform its obligations under this Agreement and such execution is not prohibited by Applicable Law, (ii) each of the Credit Parties has duly executed and delivered this Agreement and it is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its

terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws relating to or limiting creditors' rights generally or by general equitable principles and (iii) as of the date hereof, all information as set forth on Schedules I, II and III hereof is true and correct in all material respects.

4. Each of the Credit Parties represents and warrants to the Existing Agent and the Successor Agent that each of the representations and warranties contained in Section 4 of the Credit Agreement is true and correct in all material respects as of the Effective Date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties are true and correct in all material respects on and as of such earlier date (provided that representations and warranties that are qualified by materiality shall be true and correct in all respects).

5. Each of the Credit Parties represents and warrants to the Existing Agent and the Successor Agent that no Default or Event of Default exists, or will result from the execution of this Agreement and the transactions contemplated hereby as of the Effective Date.

6. Other than as expressly set forth herein, this Agreement is made without representation or warranty of any kind, nature or description on the part of any party hereto; provided that the foregoing shall not affect any of the covenants or agreements contained in the other paragraphs hereof. Without limiting the generality of the foregoing, the Successor Agent acknowledges that the Existing Agent has not made any representation or warranty to the Successor Agent as to the financial condition of the Borrower or the value, collectability or realization of any Collateral or any Obligations of the Credit Parties or as to the legality, validity, enforceability, perfection or priority of any Obligations of the Credit Parties or the Collateral. The Successor Agent acknowledges that it has made, to the extent determined by it to be necessary or prudent, its own independent investigation and determination of the foregoing matters and all other matters pertaining to its appointment as Administrative Agent under the Existing Credit Documents.

5. Covenants of the Existing Agent .

1. The Existing Agent covenants and agrees that it will, in each case, at the Borrower's expense (in accordance with and pursuant to Sections 10.2 and 10.3 of the Credit Agreement, which are incorporated by reference herein *mutatis mutandis*): (i) deliver, or cause to be delivered, promptly to the Successor Agent (A) all Collateral, if any, in the possession of the Existing Agent, (B) execution versions of the Credit Agreement and the other Existing Credit Documents listed on Schedule I , provided that the Existing Agent will deliver executed originals of such documents if such documents are readily available to the Existing Agent and the Successor Agent reasonably deems it is necessary to have such an executed original in its possession (it being understood that executed originals of such documents may not be readily available to the Existing Agent) and (C) a copy of the Register, as of the Effective Date; (ii) use commercially reasonable efforts to deliver, or cause to be delivered or make available on SyndTrak promptly to the Successor Agent, copies of any written notices or documents, financial statements and other written requests delivered by the Borrower, in accordance with the notice provisions in Section 10.1 of the Credit Agreement, to the Existing Agent under Section 5.1 of the Credit Agreement and received by the Existing Agent, in each case, to the extent such notices, documents, statements or requests have not already been delivered to the Lenders; (iii) execute and/or furnish all documents, agreements or instruments as may be reasonably requested by the Successor Agent to transfer the rights and privileges of the Existing Agent under the Existing Credit Documents, in its capacity as Administrative Agent, Collateral Agent and/or Swing Line Lender, to the Successor Agent, (iv) use commercially reasonable efforts to take all the actions set forth in Schedule IV hereto with respect to the Collateral of certain

Foreign Subsidiaries and (v) take all actions reasonably requested by the Successor Agent or its representatives to facilitate the transfer of information to the Successor Agent in connection with the Existing Credit Documents. The Borrower hereby consents to all actions taken by the Existing Agent and the Successor Agent pursuant to the immediately preceding sentence. It is the intention and understanding of the Existing Agent and the Successor Agent that any exchange of information under this Section 5 that is otherwise protected against disclosure by privilege, doctrine or rule of confidentiality (such information, " Privileged Information ") (i) will not waive any applicable privilege, doctrine or rule of protection from disclosure, (ii) will not diminish the confidentiality of the Privileged Information and (iii) will not be asserted as a waiver of any such privilege, doctrine or rule by the Existing Agent or the Successor Agent.

2. Until such time as all Collateral in the possession of the Existing Agent (in its capacity as such) and all Liens granted in favor of the Existing Agent (in its capacity as such) in the Collateral have been assigned or otherwise transferred to the Successor Agent, the Existing Agent shall continue to hold such Collateral and/or Liens on such Collateral as a sub-agent and bailee of the Successor Agent in accordance with the terms of the Existing Credit Documents, solely for the purposes of maintaining the priority and perfection of such Liens (it being understood, however, that the Existing Agent shall have no responsibility or obligation to take any action to maintain the priority or perfection of such Liens). Without limiting the generality of the foregoing, any reference to the Existing Agent on any publicly filed document, to the extent such filing relates to the Liens on the Collateral assigned hereby and until such filing is modified to reflect the interests of the Successor Agent, shall, with respect to such Liens, constitute a reference to the Existing Agent as collateral representative of the Successor Agent (provided that the parties hereto agree that the Existing Agent's role as such collateral representative shall impose no duties, obligations, or liabilities on the Existing Agent, including, without limitation, any duty to take any type of direction regarding any action to be taken against such Collateral, whether such direction comes from the Successor Agent, the Requisite Lenders, or otherwise and the Existing Agent shall have the full benefit of the protective provisions of Section 9 of the Credit Agreement including, without limitation, Section 9.6, while serving in such capacity). The Successor Agent agrees to take possession of any possessory collateral delivered to the Successor Agent following the Effective Date upon tender thereof by the Existing Agent.

3. In furtherance of the foregoing, it is understood and agreed that the Existing Agent shall not be required to take any action or exercise any right, power or privilege (including, without limitation, the exercise of any rights or remedies under the Existing Credit Documents) under the Credit Documents unless expressly requested in writing by the Successor Agent or otherwise required by the Credit Documents and any document, instrument or agreement to be furnished or executed by, or other action to be taken by, the Existing Agent shall be reasonably satisfactory to it. The Existing Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper person. The Existing Agent may also rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon. The Existing Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

6. Successor Agent's Fees and Expenses . Commencing on the Effective Date, (a) the Successor Agent shall be entitled to receive the agency fees separately agreed upon by the Borrower and the Successor Agent, and such fees shall constitute "Obligations" for all purposes of the Existing Credit Documents and (b) the Existing Agent shall cease to be entitled to receive any agency fee as

Administrative Agent relating to the Credit Documents; provided that the Existing Agent shall remain entitled to receive from the Borrower any unpaid fees owed to it by the Borrower pursuant to Section 2.11(e) of the Credit Agreement or any unpaid expenses or other amounts owed to it by the Borrower pursuant to Section 10.2 of the Credit Agreement (it being understood and agreed that the Existing Agent shall reimburse the Borrower for that portion of the agency fee paid on October 20, 2014 as separately agreed to between the Borrower and the Existing Agent). All other Protective Provisions shall remain in full force and effect for the benefit of the Successor Agent and the Existing Agent in respect of actions taken or omitted to be taken by either of them while acting as the Administrative Agent. In addition, Borrower agrees to pay all the actual, reasonable and documented out-of-pocket costs and expenses of the Successor Agent and the Existing Agent (including, without limitation, any reasonable and documented legal fees) incurred by it in connection with the negotiation, preparation, execution and delivery of this Agreement and any related documents.

7. Indemnity; Release of Liability .

1. Each of the Borrower and the other Credit Parties shall indemnify the Existing Agent, the Successor Agent and their respective affiliates and their respective officers, partners, members, directors, trustees, advisors, employees, agents, sub-agents and Affiliates (each such Person, an " Indemnitee ") against, and hold each Indemnitee harmless from any and all losses, claims, damages, liabilities and related expenses (including the actual, reasonable and documented fees, out of pocket charges and disbursements of counsel to the Indemnitees) incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) making or causing to be made all reasonably requested filings and taking all other actions reasonably requested that are necessary or appropriate to maintain the validity, perfection and priority of the Liens on the Collateral in favor of the Successor Agent, (ii) executing all mutually acceptable documents as may be reasonably requested by the Successor Agent or the Requisite Lenders to transfer the rights and privileges of the Existing Agent under the Existing Credit Documents to the Successor Agent, including, without limitation, the execution, delivery and filing of any financing statements, assignments, conveyances or any other documents necessary or appropriate to transfer such rights and privileges of the Existing Agent to the Successor Agent, (iii) taking all actions reasonably requested by the Successor Agent, the Requisite Lenders, or their representatives to facilitate the transfer of information to the Successor Agent in connection with the Existing Credit Documents, (iv) the performance by the Existing Agent or its representatives of its obligations hereunder or the compliance with any instructions provided by the Successor Agent to the Existing Agent and (v) any claim, litigation, investigation or proceeding relating to the foregoing; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by a final, non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or its affiliate, or such losses, claims, damages, liabilities or related expenses result from any action, suit or proceeding in contract brought by a Credit Party for direct damages (as opposed to special, indirect, consequential or punitive damages) against such Indemnitee for a material breach by such Indemnitee of its obligations hereunder that is determined by a final, non-appealable judgment of a court of competent jurisdiction. Nothing in this Section 7 shall affect the obligations of the Borrower under Sections 10.2 and 10.3 or the Lenders under Section 9.6 of the Credit Agreement. Each of the parties hereto agrees that the Successor Agent may rely upon the Register delivered pursuant to Section 5(a)(i)(C) hereof, and shall not incur any liability for relying upon the Register to the extent such Register proves to be incorrect in any respect.

2. The Successor Agent shall not bear any responsibility for any actions taken or omitted to be taken by the Existing Agent during the Existing Agent's service as Administrative Agent, Collateral Agent and Swing Line Lender under the Existing Credit Documents.

3. The Existing Agent shall not bear any responsibility for any actions taken or omitted to be taken by the Successor Agent during or after the Existing Agent's service as Administrative Agent, Collateral Agent and Swing Line Lender under the Existing Credit Documents.

8. Return of Payments .

1. In the event that, after the Effective Date, the Existing Agent receives any principal, interest or other amount owing to any Lender or the Successor Agent under the Credit Agreement or any other Credit Document, the Existing Agent agrees that such payment shall be held in trust for the Successor Agent, and the Existing Agent shall return such payment to the Successor Agent for payment to the Person entitled thereto.

2. In the event that, after the Effective Date, the Successor Agent receives any principal, interest or other amount owing to Existing Agent under the Credit Agreement or any other Credit Document, the Successor Agent agrees that such payment shall be held in trust for the Existing Agent, and the Successor Agent shall return such payment to the Existing Agent.

9. Amendments . By their respective signatures below, the Borrower, each Guarantor and each undersigned Lender hereby consents to the following amendments to the Existing Credit Documents and upon the execution of this Agreement by the Borrower, the Guarantors and the Lenders constituting the Requisite Lenders, the Existing Credit Documents shall thereupon be deemed amended as provided for below:

1. All references to GSLP as Administrative Agent, Collateral Agent and/or Swing Line Lender are hereby amended to reference Barclays as Administrative Agent, Collateral Agent and/or Swing Line Lender, as applicable.

2. The following new definitions are hereby added to Section 1.1 of the Credit Agreement in the appropriate alphabetical order:

" **Eurodollar Rate** " means for any Interest Period as to any Eurodollar Rate Loan, (i) the rate per annum determined by the Administrative Agent to be the offered rate which appears on the page of the Reuters Screen which displays the London interbank offered rate administered by ICE Benchmark Administration Limited (such page currently being the LIBOR01 page) (the " **LIBO Rate** ") for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in Dollars, determined as of approximately 11:00 a.m. (London, England time), two Business Days prior to the commencement of such Interest Period, (ii) in the event the rate referenced in the preceding clause (i) does not appear on such page or service or if such page or service shall cease to be available, the rate determined by the Administrative Agent to be the offered rate on such other page or other service which displays the LIBO Rate for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in Dollars, determined as of approximately 11:00 a.m. (London, England time) two Business Days prior to the commencement of such Interest Period or (iii) in the event the rates referenced in the preceding clauses (i) and (ii) are not available, the rate per annum determined by the Administrative Agent to be the average offered quotation rate by major banks in the London interbank market to Barclays for deposits (for delivery on the first day of the relevant period) in Dollars of amounts in same day funds comparable to the principal amount of the Eurodollar Rate Loan for which the Eurodollar Rate is then being determined with maturities comparable to such Interest Period as of approximately 11:00 a.m. (London, England time) two Business Days prior to the commencement of such Interest Period; provided that if LIBO Rates are quoted under

either of the preceding clauses (i) or (ii), but there is no such quotation for the Interest Period elected, the LIBO Rate shall be equal to the Interpolated Rate; provided, further that if any such rate determined pursuant to the preceding clauses (i), (ii) or (iii) is below zero, the Eurodollar Rate will be deemed to be zero.

" **Interpolated Rate** " means, in relation to the LIBO Rate, the rate which results from interpolating on a linear basis between:

i. the applicable LIBO Rate for the longest period (for which that LIBO Rate is available) which is less than the Interest Period of that Loan; and

ii. the applicable LIBO Rate for the shortest period (for which that LIBO Rate is available) which exceeds the Interest Period of that Loan,

each as of approximately 11:00 a.m. (London, England time) two Business Days prior to the commencement of such Interest Period of that Loan.

" **LIBO Rate** " has the meaning given to such term in the definition of the term " **Eurodollar Rate** .

" **Statutory Reserve Rate** " means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one *minus* the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors to which the Administrative Agent is subject with respect to the Adjusted Eurodollar Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board of Governors). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Rate Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

3. The definition of "Adjusted Eurodollar Rate" set forth in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"" **Adjusted Eurodollar Rate** " means with respect to any Eurodollar Rate Loans for any Interest Period, an interest rate per annum equal to (i) the Eurodollar Rate for such Interest Period multiplied by (ii) the Statutory Reserve Rate; provided , that notwithstanding the foregoing, the Adjusted Eurodollar Rate in respect of the Tranche B Term Loans shall at no time be less than 0.75%."

4. The definition of "Applicable Reserve Requirement" set forth in Section 1.1 of the Credit Agreement shall be deleted in its entirety.

5. The definition of "Interest Period" set forth in Section 1.1 of the Credit Agreement is hereby amended by deleting text "nine or" therein.

6. Section 2.13(a)(ii) of the Credit Agreement (for the avoidance of doubt, appearing immediately before the second paragraph of Section 2.13(a) of the Credit Agreement) is hereby amended and restated in its entirety as follows:

"(ii) All such prepayments shall be made:

(A) upon not less than one Business Day's prior written notice in the case of Base Rate Loans;

(B) upon not less than three Business Days' prior written notice in the case of Eurodollar Rate Loans; and

(C) upon written notice on the date of prepayment, in the case of Swing Line Loans;

in each case substantially in the form of Exhibit E and given to Administrative Agent or Swing Line Lender, as the case may be, by 12:00 p.m. (New York City time) on the date required (and Administrative Agent will promptly transmit such original notice for Term Loans or Revolving Loans, as the case may be, by telefacsimile or telephone to each Lender) or Swing Line Lender, as the case may be. Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein; provided that a notice of voluntary prepayment may state that such notice is conditional upon the effectiveness of other credit facilities or the receipt of the proceeds from the issuance of other Indebtedness or upon the closing of an acquisition transaction, in which case such notice of prepayment may be revoked by Borrower (by notice to Administrative Agent on or prior to the specified date) if such condition is not satisfied. Any such voluntary prepayment shall be applied as specified in Section 2.15(a)."

7. Page B-2 of Appendix B to the Credit Agreement is hereby amended and restated in its entirety to read as attached hereto as Appendix A.

8. Exhibit E to the Credit Agreement is attached hereto as Appendix B and the text "E [Reserved]" in the list of Exhibits to the Credit Agreement in the Table of Contents thereof is hereby amended and restated in its entirety as follows:

"E Prepayment Notice"

10. Amendment, Modification and Waiver . This Agreement may not be amended, modified or waived except in accordance with Section 10.5 of the Credit Agreement.

11. Reference to and Effect on the Credit Agreement and the Existing Credit Documents .

On and after the Effective Date, each reference in the Credit Agreement or any other Existing Credit Document to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by this Agreement.

12. Entire Agreement . This Agreement, the Credit Agreement and the other Existing Credit Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties hereto with respect to the subject matter hereof. Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of any party under, the Credit Agreement, nor alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect. It is understood and agreed that each reference in each Existing Credit Document to the Credit Agreement, whether direct or indirect, shall hereafter be deemed to be a reference to the Credit Agreement as amended hereby and that this Agreement is a "Credit Document" (as defined in the Credit Agreement).

13. Reaffirmation .

1. Each Credit Party hereby expressly acknowledges the terms of this Agreement and affirms or reaffirms, as applicable, as of the date hereof, the covenants and agreements contained in each Existing Credit Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Agreement and the transactions contemplated hereby.

2. Each Credit Party, by its signature below, hereby affirms and confirms (1) its obligations under each of the Existing Credit Documents to which it is a party, and (2) the pledge of and/or grant of a security interest in its assets as Collateral to secure such Obligations, all as provided in the Collateral Documents as originally executed, and acknowledges and agrees that such guarantee, pledge and/or grant continue in full force and effect in respect of, and to secure, such Obligations under the Credit Agreement and the other Existing Credit Documents.

14. Waiver . No failure or delay on the part of any party hereto in the exercise of any power, right or privilege hereunder or under any other Existing Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each of the Existing Agent and the Successor Agent hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Existing Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

15. GOVERNING LAW AND WAIVER OF JURY TRIAL . THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. SECTIONS 10.15 AND 10.16 OF THE CREDIT AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE INTO THIS AGREEMENT AND SHALL APPLY HERETO.

16. Severability . In case any provision in or obligation hereunder shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

17. Counterparts . This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart to this Agreement by facsimile transmission or other electronic transmission shall be effective as delivery of a manually signed counterpart of this Agreement.

18. Headings . Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

19. Lender Signatures .

Each Lender that signs a signature page to this Agreement shall be deemed to have approved this Agreement. Each Lender signatory to this Agreement agrees that such Lender shall not be entitled to receive a copy of any other Lender's signature page to this Agreement, but agrees that a copy of such signature page may be delivered to the Borrower, the Existing Agent and the Successor Agent.

[*Signature Pages to Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and authorized officers as of the day and year first written above.

GOLDMAN SACHS LENDING PARTNERS LLC,
as the Existing Agent

By: */s/ Robert Ehudin*
Name: Robert Ehudin
Title: Authorized Signatory

[Signature Page to Successor Agent Agreement and
Amendment No. 9 to Third Amended and Restated Credit and Guaranty Agreement]

BARCLAYS BANK PLC,
as the Successor Agent

By: */s/ Craig J. Malloy*
Name: Craig J. Malloy
Title: Director

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VALEANT PHARMACEUTICALS INTERNATIONAL

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB INCORPORATED

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB HOLDINGS INCORPORATED

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Vice President and Treasurer

SOLTA MEDICAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Vice President and Treasurer

ATON PHARMA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

CORIA LABORATORIES, LTD.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

DOW PHARMACEUTICAL SCIENCES, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

OBAGI MEDICAL PRODUCTS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

OMP, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

ONPHARMA INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

Signed by
Valeant Holdco 2 Pty Ltd (ACN 154 341 367)
in accordance with section 127 of the *Corporations Act 2001* by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Wirra Holdings Pty Limited (ACN 122 216 577)
in accordance with section 127 of the *Corporations Act 2001* by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Wirra Operations Pty Limited (ACN 122 250 088)
in accordance with section 127 of the *Corporations Act 2001* by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
iNova Pharmaceuticals (Australia) Pty Limited (ACN 000 222 408)
in accordance with section 127 of the *Corporations Act 2001* by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Wirra IP Pty Limited (ACN 122 536 350)
in accordance with section 127 of the *Corporations Act 2001* by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
iNova Sub Pty Limited (ACN 134 398 815)
in accordance with section 127 of the *Corporations Act 2001* by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Valeant Pharmaceuticals Australasia Pty Limited (ACN 001 083 352)

in accordance with section 127 of the *Corporations Act 2001* by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Linda A. LaGorga
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Linda A. LaGorga
Name of director (please print)	Name of director/secretary (please print)

Signed by
DermaTech Pty Limited (ACN 003 982 161)

in accordance with section 127 of the *Corporations Act 2001* by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

Signed by
Private Formula International Holdings Pty Ltd (ACN 095 450 918)

in accordance with section 127 of the
Corporations Act 2001 by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

Signed by
Private Formula International Pty Ltd (ACN 095 451 442)

in accordance with section 127 of the
Corporations Act 2001 by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

Signed by
Ganehill Pty Ltd (ACN 065 261 538)

in accordance with section 127 of the *Corporations Act 2001* by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

Signed by
Bausch & Lomb (Australia) Pty Ltd
(ACN: 000 650 251)

in accordance with section 127 of the *Corporations Act 2001* by a director and secretary/director:

/s/ Linda A. LaGorga	/s/ Daniel Spira
Signature of director	Signature of director/secretary
Linda LaGorga	Daniel Spira
Name of director (please print)	Name of director/secretary (please print)

HYTHE PROPERTY INCORPORATED

By: /s/ Mauricio Zavala
Name: Mauricio Zavala
Title: Manager and Assistant Secretary

VALEANT INTERNATIONAL BERMUDA

By: /s/ Graham Jackson
Name: Graham Jackson
Title: Director

VALEANT PHARMACEUTICALS NOMINEE BERMUDA

By: /s/ Peter McCurdy
Name: Peter McCurdy
Title: President and Assistant Secretary

PROBIÓTICA LABORATÓRIOS LTDA.

By: /s/ Marcelo Noll Barboza
Name: Marcelo Noll Barboza
Title: Officer

By: /s/ Guilherme Maradei
Name: Guilherme Maradei
Title: Officer

IOLAB CORPORATION

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

TECHNOLAS PERFECT VISION, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB PHARMA HOLDINGS CORP.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB CHINA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB SOUTH ASIA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB TECHNOLOGY CORPORATION

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

RHC HOLDINGS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

SIGHT SAVERS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB INTERNATIONAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB REALTY CORPORATION.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Vice President and Treasurer

ISTA PHARMACEUTICALS, LLC

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VRX HOLDCO, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Chief Financial Officer and Treasurer

[Signature Page to Successor Agent Agreement and
Amendment No. 9 to Third Amended and Restated Credit and Guaranty Agreement]

VALEANT CANADA GP LIMITED

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Executive Vice President and Chief Financial Officer

VALEANT CANADA S.E.C./VALEANT CANADA LP

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Executive Vice President and Chief Financial Officer

V-BAC HOLDING CORP.

By: /s/ Robert R. Chai-Onn
Name: Robert R. Chai-Onn
Title: Vice President

MEDICIS PHARMACEUTICAL CORPORATION

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

OCEANSIDE PHARMACEUTICALS, INC.

By: /s/ Howard B Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

DR. LEWINN'S PRIVATE FORMULA INTERNATIONAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

PRINCETON PHARMA HOLDINGS, LLC

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

PRIVATE FORMULA CORP.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

RENAUD SKIN CARE LABORATORIES, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VALEANT BIOMEDICALS, INC.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

VALEANT PHARMACEUTICALS NORTH AMERICA LLC

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BIOVAIL AMERICAS CORP.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

ORAPHARMA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

ORAPHARMA TOPCO HOLDINGS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

PRESTWICK PHARMACEUTICALS, INC.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

BIOVAIL INTERNATIONAL S.Á.R.L.

By:	/s/ Michael Kennan	/s/ Giuseppe Di Modica
Name:	Michael Kennan	Name: Giuseppe Di Modica
Title:	Manager	Title: Manager

VALEANT PHARMACEUTICALS LUXEMBOURG S.Á.R.L.

By:	/s/ Michael Kennan	/s/ Giuseppe Di Modica
Name:	Michael Kennan	Name: Giuseppe Di Modica
Title:	Manager	Title: Manager

VALEANT INTERNATIONAL LUXEMBOURG S.Á.R.L.

By:	/s/ Michael Kennan	/s/ Giuseppe Di Modica
Name:	Michael Kennan	Name: Giuseppe Di Modica
Title:	Manager	Title: Manager

BAUSCH & LOMB LUXEMBOURG S.Á.R.L.

By:	/s/ Michael Kennan	/s/ Giuseppe Di Modica
Name:	Michael Kennan	Name: Giuseppe Di Modica
Title:	Manager	Title: Manager

LABORATOIRE CHAUVIN S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

BAUSCH & LOMB FRANCE S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

BCF S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

CHAUVIN OPSIA S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

VALEANT PHARMA HUNGARY LLC

By: /s/ István Langer
Name: István Langer
Title: Managing Director

VALEANT PHARMA HUNGARY LLC

By: /s/ Zoltán Gábor
Name: Zoltán Gábor
Title: Managing Director

VALEANT PHARMACEUTICALS IRELAND

By: /s/ Graham Jackson
Name: Graham Jackson
Title: Director

VALEANT HOLDINGS IRELAND

By: /s/ Graham Jackson
Name: Graham Jackson
Title: Director

B.L.J. COMPANY, LTD.

By: /s/ Ian Dolling
Name: Ian Dolling
Title: Representative Director and President

AB SANITAS

By: /s/ Saulius Mečislovas Žemaitis
Name: Saulius Mečislovas Žemaitis
Title: General Manager

UCYCLYD PHARMA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VALEANT EUROPE B.V.

By: /s/ Robert Meijer
Name: Robert Meijer
Title: Attorney-in-Fact

BAUSCH & LOMB B.V.

By: /s/ Robert Meijer
Name: Robert Meijer
Title: Attorney-in-Fact

BAUSCH & LOMB OPS B.V.

By: /s/ Robert Meijer
Name: Robert Meijer
Title: Attorney-in-Fact

PRZEDSIĘBIORSTWO FARMACEUTYCZNE JELFA S.A.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

VALEANT SP.Z O. O.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

VP VALEANT SP. Z O.O.SP.J.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

VALEANT SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ SP.J.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

PHARMASWISS D.O.O., BEOGRAD

By: /s/ Dejan Antonić
Name: Dejan Antonić
Title: General Manager

(corporate stamp)

PHARMASWISS D.O.O., LJUBLJANA

By: /s/ Senahil Asanagić
Name: Senahil Asanagić
Title: Director

INOVA PHARMACEUTICALS PROPRIETARY LIMITED

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Director

PHARMASWISS SA

By: /s/ Matthias Courvoisier
Name: Matthias Courvoisier
Title: Director

Executed by BAUSCH & LOMB U.K. LIMITED, acting by:

/s/ Linda A. LaGorga
Director

Name of director: Linda A. LaGorgain the presence of:

/s/ Kaleena Nguyen
Name of witness: Kaleena Nguyen
Address: 400 Somerset Corporate Blvd.
Bridgewater, New Jersey 08807 U.S.A.
Occupation: Legal

BAUSCH & LOMB IOM S.P.A.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Director

SIGNED for and on behalf)
of **VALEANT PHARMACEUTICALS**)
NEW ZEALAND LIMITED)

/s/ Howard Schiller	/s/ Robert R. Chai-Onn
Name: Howard Schiller	Name: Robert R. Chai-Onn
Title: Director	Title: Director

INOVA PHARMACEUTICALS (SINGAPORE) PTE LIMITED

By: /s/ Howard Schiller
Name: Howard Schiller
Title: Director

LENDER SIGNATURE PAGES
ON FILE WITH CAHILL GORDON & REINDEL LLP

Appendix A

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

2150, boul. St-Elzear Ouest, Laval,
Quebec, H7L 4A8
Canada
Attention: Chief Financial Officer
Telecopier: (514) 744-6272

with a copy to:

400 Somerset Corporate Boulevard
Bridgewater, NJ 08807
USA
Attention: Legal Department
Telecopier: (949) 271-3796

BARCLAYS BANK PLC,

as Administrative Agent, Collateral Agent and
Swing Line Lender

Administrative Agent's Principal Office:

Barclays Bank Plc
745 Seventh Avenue, 27th Floor,
New York, NY 10019
Attention: Christine Aharonian
Telecopier: (212) 526-5155

Swing Line Lender's Principal Office:

Barclays Bank Plc
745 Seventh Avenue, 27th Floor,
New York, NY 10019
Attention: Christine Aharonian
Telecopier: (212) 526-5155

Appendix B

EXHIBIT E TO
THIRD AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

PREPAYMENT NOTICE

[DATE]

Reference is made to the Third Amended and Restated Credit and Guaranty Agreement, dated as of February 13, 2012, as amended by Amendment No. 1, dated as of March 6, 2012, by Amendment No. 2, dated as of September 10, 2012, by Amendment No. 3, dated as of January 24, 2013, by Amendment No. 4, dated as of February 21, 2013, by Amendment No. 5, dated as of June 6, 2013, by Amendment No. 6, dated as of June 26, 2013, by Amendment No. 7, dated as of September 17, 2013, by Amendment No. 8, dated as of December 20, 2013, the Successor Agent Agreement and Amendment No. 9, dated as of January 8, 2015, and by the Joinder Agreements, dated as of June 14, 2012, July 9, 2012, September 11, 2012, October 2, 2012, December 11, 2012, each of the Joinder Agreements dated as of August 5, 2013, and each of the Joinder Agreements dated as of February 6, 2014 (as the same may be further amended, restated, replaced, supplemented or otherwise modified from time to time, the " **Credit Agreement** "; the terms defined therein and not otherwise defined herein being used herein as therein defined), among Valeant Pharmaceuticals International, Inc., a corporation continued under laws of the Province of British Columbia (" **Borrower** "), certain Subsidiaries of Borrower, as Guarantors, the Lenders party thereto from time to time, Barclays Bank PLC (as successor to Goldman Sachs Lending Partners LLC), as Administrative Agent and Collateral Agent, and the other Agents party thereto.

Pursuant to Section 2.13(a) of the Credit Agreement, Borrower hereby gives notice (the " **Prepayment Notice** ") to the [Administrative Agent/Swing Line Lender] of a voluntary prepayment of [Series [ ] Tranche [ ]] [Term][Revolving] Loans under the Credit Agreement, and in connection with that request, sets forth below the terms on which such prepayment will be made:

(A) Date of Prepayment
(which is a Business Day)
(the " **Prepayment Date** ") [1] _____

(B) Amount of Prepayment [2] _____

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1 Notice must be received not later than 12:00 noon (New York City Time), (i) in the case of a prepayment of Base Rate Loans, not less than one Business Day prior to the scheduled Prepayment Date, (ii) in the case of a prepayment of Eurodollar Rate Loans, not less than three Business Days prior to the scheduled Prepayment Date and (iii) in the case of a prepayment of Swing Line Loans, on the scheduled Prepayment Date.

2 Not less than (1) in the case of a partial prepayment of Base Rate Loans in Dollars, $5,000,000 and in integral multiples of $1,000,000 in excess thereof; (2) in the case of a partial prepayment of Eurodollar Rate Loans, $5,000,000 and in integral multiples of $1,000,000 in excess thereof; and (3) in the case of a partial prepayment of Swing Line Loans, $500,000 and in integral multiples of $100,000 in excess thereof.

(C) Class of Loans [Series [ ] Tranche [ ]] [Term][Revolving] Loans

(D) Type of Loans [3] _____

(E) Interest Period [4] _____.

[The prepayment of the [ ] [Term][Revolving] Loans on the Prepayment Date pursuant to this Prepayment Notice is conditioned upon (as contemplated in Section 2.13 of the Credit Agreement) the effectiveness of the [ ]/[and the funding of the [Loans] on the Prepayment Date].

In accordance with Section 2.13 of the Credit Agreement, Borrower reserves its right to revoke this Prepayment Notice by notice to the Administrative Agent on or before the Prepayment Date in the event that [either] the [ ] does not become effective [or the [Loans] are not funded on the Prepayment Date]]. [5]

[Remainder of page intentionally left blank]

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3 (i) With respect to Tranche A Term Loans, a Base Rate Loan or a Eurodollar Rate Loan, (ii) with respect to Tranche B Term Loans, a Base Rate Loan or a Eurodollar Rate Loan, (iii) with respect to Revolving Loans, a Base Rate Loan or a Eurodollar Rate Loan and (iv) with respect to Swing Line Loans, a Base Rate Loan.

4 Only applicable in connection with a repayment of Eurodollar Rate Loans. In connection with a Eurodollar Rate Loan, an interest period of one, two, three or six months (or interest periods of twelve months if mutually agreed upon by Borrower and the applicable Lenders).

5 To include if prepayment is conditional upon effectiveness of other facilities, receipt of proceeds from the issuance of other Indebtedness or closing of an acquisition.

Dated as of the date first written above.

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

By: _____
Name:
Title:

Schedule I

CREDIT DOCUMENTS

I. Original Credit Agreement

United States

1. Credit and Guaranty Agreement, dated as of June 29, 2011, by and among Valeant Pharmaceuticals International, Valeant Pharmaceuticals International, Inc. (the " **Parent** "), certain Subsidiaries of Parent, as guarantors, the Lenders party thereto from time to time and Goldman Sachs Lending Partners LLC as administrative agent and collateral agent.

2. Contribution Agreement, dated as of June 29, 2011, among Valeant Pharmaceuticals International, Valeant Pharmaceuticals International, Inc. (the " **Parent** "), certain Subsidiaries of Parent, as guarantors, the Lenders party thereto from time to time and Goldman Sachs Lending Partners LLC as administrative agent.

3. Pledge and Security Agreement, dated as of June 29, 2011, among Valeant Pharmaceuticals International, certain Subsidiaries of Parent, as guarantors, and Goldman Sachs Lending Partners LLC as collateral agent

4. Patent Security Agreement, dated June 29, 2011, by Valeant International (Barbados) SRL and Biovail Laboratories International (Barbados) SRL, in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

5. Patent Security Agreement, dated June 29, 2011, by Valeant Pharmaceuticals International, Aton Pharma, Inc., Coria Laboratories, Ltd., Dow Pharmaceutical Sciences, Inc., Valeant Pharmaceuticals North America LLC, Prestwick Pharmaceuticals, Inc. and Valeant Biomedicals, Inc., in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

6. Trademark Security Agreement, dated June 29, 2011, by Valeant International (Barbados) SRL and Biovail Laboratories International (Barbados) SRL, in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

7. Trademark Security Agreement, dated June 29, 2011, by Valeant Pharmaceuticals International, Inc, in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

8. Trademark Security Agreement, dated June 29, 2011, by Valeant Pharmaceuticals International, Aton Pharma, Inc., Coria Laboratories, Ltd., Dow Pharmaceutical Sciences, Inc., Valeant Pharmaceuticals North America LLC, Oceanside Pharmaceuticals, Inc., Private Formula Corp. and Prestwick Pharmaceuticals, Inc., in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

9. Affiliate Subordination Agreement, dated as of June 29, 2011, by and among Valeant Pharmaceuticals International, Valeant Pharmaceuticals North America LLC, Valeant Dutch Holdings B.V., Valeant Development Co. Pte. Ltd. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

10. Blocked Account Control Agreement, dated as of September 14, 2011, by and among Biovail Americas Corp., Goldman Sachs Lending Partners LLC and JPMorgan Chase Bank, N.A.

Canada

11. Guarantee, dated as of June 29, 2011 among Valeant Pharmaceuticals International, Inc. in favor of Goldman Sachs Lending Partners LLC as administrative agent for the Beneficiaries.

12. Guarantee, dated as of June 29, 2011 among Valeant Canada GP Limited in favor of Goldman Sachs Lending Partners LLC as administrative agent for the Beneficiaries.

13. Guarantee, dated as of June 29, 2011 among Valeant Canada GP Limited, in its capacity as sole general partner of Valeant Canada LP, in favor of Goldman Sachs Lending Partners LLC as administrative agent for the Beneficiaries.

14. Guarantee, dated as of June 29, 2011 among V-BAC Holding Corp. in favor of Goldman Sachs Lending Partners LLC as administrative agent for the Beneficiaries.

15. Pledge and Security Agreement, dated as of June 29, 2011, to Goldman Sachs Lending Partners LLC, in its capacity as collateral agent for the benefit of the Secured Parties, granted by Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP and V-BAC Holding Corp.

16. Canadian Intellectual Property Security Agreement, dated as of June 29, 2011, granted by Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP and V-BAC Holding Corp. to Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

17. Blocked Accounts Agreement, dated as of June 29, 2011, among Valeant Pharmaceuticals International, Inc., Goldman Sachs Lending Partners LLC, as collateral agent and The Toronto-Dominion Bank, as the Bank.

18. Blocked Accounts Agreement, dated as of June 29, 2011, among Valeant Pharmaceuticals International, Inc., Goldman Sachs Lending Partners LLC, as collateral agent and The Bank of Nova Scotia, as the Bank.

19. Demand Debenture, dated as of June 29, 2011, among Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC.

20. Landlord Collateral Access Agreement with respect to 7150 Mississauga Road, Mississauga, Ontario, entered into by BPF VI/Sunrise Properties Holdings Inc. to and for the benefit of Goldman Sachs Lending Partners LLC in its capacity as collateral agent for the benefit of the Lenders.

21. Deed of hypothec and issue of debenture dated June 28, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered by summary at the Land Registry Office for the Registration Division of Laval under number 19 025 689 and at the Register-of Personal and Movable Real Rights under number 11-0484400-0003.

22. Deed of hypothec and issue of debenture dated June 28, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Montreal under number 18 270 067 and at the Register-of Personal and Movable Real Rights under number 11-0484400-0001.

23. Deed of hypothec and issue of debenture dated June 28, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Register-of Personal and Movable Real Rights under number 11-0484400-0002.

24. Pledge of debenture agreement dated June 29, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC.

25. Pledge of debenture agreement dated June 29, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC.

26. Pledge of debenture agreement dated June 29, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC.

27. Securities Control Agreement, dated as of June 29, 2011 with respect to the uncertificated interests of Valeant Pharmaceuticals International, Inc. in Valeant Canada LP, among Valeant Pharmaceuticals International, Inc., as Grantor and Goldman Sachs Lending Partners LLC, as Attorney.

28. Securities Control Agreement, dated as of June 29, 2011 with respect to the uncertificated interests of Valeant Canada GP Limited in Valeant Canada LP, among Valeant Canada GP, as Grantor and Goldman Sachs Lending Partners LLC, as Attorney.

Barbados

29. Deed of Guarantee, dated as of June 29, 2011, by and among Biovail Holdings International SRL, Valeant International (Barbados) SRL, Biovail Laboratories International (Barbados) SRL, Hythe Property Incorporated, and Goldman Sachs Lending Partners LLC as Administrative Agent.

II. Amended and Restated Credit and Guaranty Agreement

United States

30. Amended and Restated Credit and Guaranty Agreement, dated as of August 10, 2011, by and among Valeant Pharmaceuticals International, Valeant Pharmaceuticals International, Inc. (the " **Parent** "), certain Subsidiaries of Parent, as guarantors, the Lenders party thereto from time to time and Goldman Sachs Lending Partners LLC as administrative agent and collateral agent.

31. Amendment No. 1 to Credit and Guaranty Agreement, dated as of August 10, 2011, by and among Valeant Pharmaceuticals International, Valeant Pharmaceuticals International, Inc. (the " **Parent** "), certain Subsidiaries of Parent, as guarantors, Goldman Sachs Lending Partners LLC as administrative agent, swing line lender and collateral agent, and the Requisite Lenders.

32. Side Letter to Amended and Restated Credit and Guaranty Agreement re Schedule 6.8, by Valeant Pharmaceuticals International, Inc., dated as of August 10, 2011.

33. Amendment No. 1 to Amended and Restated Credit and Guaranty Agreement, dated as of August 12, 2011, by and among Valeant Pharmaceuticals International, Goldman Sachs Lending Partners LLC, as administrative agent, swing line lender and collateral agent, and the Requisite Lenders.

34. Amendment No. 2 to Amended and Restated Credit and Guaranty Agreement, dated as of September 7, 2011, by and among Valeant Pharmaceuticals International, Goldman Sachs Lending Partners LLC, as administrative agent, swing line lender and collateral agent, and the Requisite Lenders.

35. Side Letter to Amendment No. 2 to Amended and Restated Credit and Guaranty Agreement re Schedule 6.8, by Valeant Pharmaceuticals International, Inc., dated as of September 7, 2011.

36. Account Control Agreement, dated as of September 15, 2011, by and among Goldman Sachs Lending Partners LLC, Valeant Pharmaceuticals International and J.P. Morgan Securities LLC.

37. Control Agreement, dated as of September 25, 2011, by and among Goldman Sachs Lending Partners LLC, Valeant Pharmaceuticals International, Citigroup Global Markets Inc. and Morgan Stanley Smith Barney LLC.

38. Corrective Partial Release of Security Interest in Patents, dated as of October 5, 2011, by Goldman Sachs Lending Partners LLC, as Collateral Agent for the Secured Parties.

Canada

39. Deed of hypothec and issue of debentures dated August 5, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered by summary at the Land Registry Office for the Registration Division of Laval under number 19 025 696 and at the Register-of Personal and Movable Real Rights under number 11-0597882-0003.

40. Deed of hypothec and issue of debentures dated August 5, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Register-of Personal and Movable Real Rights under number 11-0597882-0002.

41. Deed of hypothec and issue of debentures dated August 5, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Montreal under number 18 376 362 and at the Register-of Personal and Movable Real Rights under number 11-0597882-0001.

42. Pledge of debenture agreement dated August 10, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC.

43. Pledge of debenture agreement dated August 10, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC.

44. Pledge of debenture agreement dated August 10, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC.

45. Amended and Restated Securities Control Agreement, dated as of August 10, 2011 with respect to the uncertificated interests of Valeant Pharmaceuticals International, Inc. in Valeant Canada LP.

46. Amended and Restated Securities Control Agreement, dated as of August 10, 2011 with respect to the uncertificated interests of Valeant Canada GP Limited in Valeant Canada LP.

47. Confirmation of Guarantee and Security, dated as of August 10, 2011, to Goldman Sachs Lending Partners LLC, in its capacity as collateral agent for the benefit of the Secured Parties, granted by Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP and V-BAC Holding Corp.

48. Blocked Accounts Agreement, dated as of August 5, 2011, among Valeant Canada LP, Goldman Sachs Lending Partners LLC, as collateral agent and The Toronto-Dominion Bank, as the Bank.

Barbados

49. Deed of Guarantee, dated as of August 10, 2011, by and among Biovail Holdings International SRL, Valeant International (Barbados) SRL, Biovail Laboratories International (Barbados) SRL, Hythe Property Incorporated, and Goldman Sachs Lending Partners LLC as Administrative Agent

III. Second Amended and Restated Credit and Guaranty Agreement

United States

50. Second Amended and Restated Credit and Guaranty Agreement, dated as of October 20, 2011, by and among Valeant Pharmaceuticals International, Inc. (" **Borrower** "), certain Subsidiaries of Borrower, as guarantors, the Lenders party thereto from time to time and Goldman Sachs Lending Partners LLC as administrative agent and collateral agent.

51. Amended and Restated Pledge and Security Agreement, dated October 20, 2011, among signatories party thereto from time to time and Goldman Sachs Lending Partners LLC as collateral agent for the Secured Parties.

52. Amendment No. 3 to Amended and Restated Credit and Guaranty Agreement, dated as of October 20, 2011 by and among Valeant Pharmaceuticals International, Valeant Pharmaceuticals International, Inc. (the " **VPII** "), certain Subsidiaries of VPII, as guarantors, Goldman Sachs Lending Partners LLC as administrative agent, swing line lender and collateral agent, and the lenders party thereto.

53. Supplement to Contribution Agreement, dated as of October 20, 2011, among Biovail International S.à r.l., PharmaSwiss SA and Goldman Sachs Lending Partners LLC as administrative agent.

Canada

54. Confirmation of Guarantee and Security, dated as of October 20, 2011, to Goldman Sachs Lending Partners LLC, in its capacity as collateral agent for the benefit of the Secured Parties, granted by Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP and V-BAC Holding Corp.

Barbados

55. Deed of Guarantee, dated as of October 20, 2011, by and among Valeant Holdings (Barbados) SRL SRL, Valeant International (Barbados) SRL, Biovail Laboratories International (Barbados) SRL, Hythe Property Incorporated, and Goldman Sachs Lending Partners LLC as Administrative Agent.

Luxembourg

56. Share Pledge Agreement, dated as of October 20, 2011, between Valeant Pharmaceuticals International, Inc. as Pledgor, Goldman Sachs Lending Partners LLC, as Pledgee and Biovail International S.à r.l., the Company.

57. Accounts Pledge Agreement, dated as of October 20, 2011, between Biovail International S.à r.l. as Pledgor and Goldman Sachs Lending Partners LLC, acting as Administrative Agent and Collateral Agent, as Pledgee

Switzerland

58. Pledge Agreement, dated as of October 20, 2011, between Biovail International S.à r.l., as Pledgor, and Goldman Sachs Lending Partners, acting as Administrative Agent and Collateral Agent, as Pledgee, over all the shares of PharmaSwiss SA.

59. Assignment Agreement, dated as of October 20, 2011, between PharmaSwiss SA, as Assignor, and Goldman Sachs Lending Partners LLC over bank accounts and trade receivables.

IV. Incremental Facility (December 19, 2011)

United States

60. Joinder Agreement, dated as of December 19, 2011, among certain financial institutions party thereto, Valeant Pharmaceuticals International, Inc., undersigned subsidiaries of Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

Canada

61. Confirmation of Guarantee and Security, dated as of December 19, 2011, among Goldman Sachs Lending Partners LLC, as Collateral Agent, Goldman Sachs Lending Partners LLC, as Administrative Agent, Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP andV-BAC Holding Corp.

62. Deed of hypothec and issue of debentures dated December 16, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Register-of Personal and Movable Real Rights under number 11-0968105-0003.

63. Deed of hypothec and issue of debentures dated December 16, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Montreal under number 18 724 474 and at the Register-of Personal and Movable Real Rights under number 11-0968105-0001.

64. Deed of hypothec and issue of debentures dated December 16, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Register-of Personal and Movable Real Rights under number 11-0968105-0002.

65. Pledge of debenture agreement dated December 19, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC.

66. Pledge of debenture agreement dated December 19, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC.

67. Pledge of debenture agreement dated December 19, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC.

68. Second Amended and Restated Securities Control Agreement, December 19, 2011, among Valeant Canada GP Limited, as Grantor, Goldman Sachs Lending Partners LLC, as Attorney and Valeant Canada LP, as Issuer.

69. Second Amended and Restated Securities Control Agreement, December 19, 2011, among Valeant Pharmaceuticals International, Inc., as Grantor, Goldman Sachs Lending Partners LLC, as Attorney and Valeant Canada LP, as Issuer.

V. Third Amended and Restated Credit and Guaranty Agreement (February 13, 2012)

United States

70. Amendment No 1. To Second Amended and Restated Credit and Guaranty Agreement, dated as of February 13, 2012, by and among Valeant Pharmaceuticals International, Inc. (" **Borrower** "), certain Subsidiaries of Borrower, as guarantors, the Lenders party thereto from time to time and Goldman Sachs Lending Partners LLC as administrative agent, swing line lender and collateral agent.

71. Third Amended and Restated Credit and Guaranty Agreement, dated as of February 13, 2012, by and among Valeant Pharmaceuticals International, Inc. (" **Borrower** "), certain Subsidiaries of Borrower, as guarantors, the Lenders party thereto from time to time and Goldman Sachs Lending Partners LLC as administrative agent and collateral agent.

72. Second Amended and Restated Pledge and Security Agreement, dated as of February 13, 2012, among signatories party thereto from time to time and Goldman Sachs Lending Partners LLC as collateral agent for the Secured Parties.

73. Notification and Control Agreement, dated as of March 22, 2012, by and among Valeant Pharmaceuticals International, as Pledgor, SunTrust Robinson Humphrey, Inc, in its capacity as securities intermediary and Goldman Sachs Lending Partners LLC, in its capacity as collateral agent.

74. Amendment No. 1 to Third Amended and Restated Credit and Guaranty Agreement, dated as of March 6, 2012, by and among Valeant Pharmaceuticals International, Inc., as Borrower, Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent, and the Requisite Lenders.

Canada

75. Amendment No. 1, dated as of February 23, 2012, to Blocked Accounts Agreement, dated as of June 29, 2011, between Valeant Pharmaceuticals International, Inc., as Customer, Goldman Sachs Lending Partners LLC, as Secured Party, and The Toronto-Dominion Bank, as Bank.

76. Confirmation of Guarantee and Security, dated as of February 13, 2012, by and among Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP, V-BAC Holding Corp., and Goldman Sachs Lending Partners LLC, as Collateral Agent and as Administrative Agent.

Barbados

77. Debenture / Mortgage, dated as of February 13, 2012, by and among Hythe Property Incorporated and Goldman Sachs Lending Partners LLC, as Collateral Agent.

78. Deed of Guarantee, dated as of February 13, 2012, by and among Valeant Holdings (Barbados) SRL, Valeant International (Barbados) SRL, Biovail Laboratories International (Barbados) SRL, Hythe Property Incorporated, and Goldman Sachs Lending Partners LLC, as Administrative Agent.

Luxembourg

79. Amended and Restated Share Pledge Agreement, dated as of February 13, 2012, between Valeant Pharmaceuticals International, Inc. as Pledgor, Goldman Sachs Lending Partners LLC, acting as Administrative Agent and Collateral Agent, as Pledgee and Biovail International S.à r.l., the Company.

80. Amended and Restated Accounts Pledge Agreement, dated as of February 13, 2012, between Biovail International S.à r.l. as Pledgor and Goldman Sachs Lending Partners LLC, acting as Administrative Agent and Collateral Agent, as Pledgee.

81. Amendment and Restatement Agreement to Share Pledge Agreement, dated as of February 13, 2012, between Valeant Pharmaceuticals International, Inc. as Pledgor, Goldman Sachs Lending Partners LLC, acting as Administrative Agent and Collateral Agent, as Pledgee and Biovail International S.à r.l., the Company.

82. Amendment and Restatement Agreement to Accounts Pledge Agreement, dated as of February 13, 2012, between Biovail International S.à r.l. as Pledgor and Goldman Sachs Lending Partners LLC, acting as Administrative Agent and Collateral Agent, as Pledgee.

VI. iNova Pharmaceuticals (Australia) Pty Limited Joinder (February 13, 2012)

United States

83. Counterpart Agreement, dated as of February 13, 2012, among the undersigned thereby.

84. Supplement to Contribution Agreement, dated as of February 13, 2012, among the New Guarantors and Goldman Sachs Lending Partners LLC, as Administrative Agent.

Australia

85. Equitable Mortgage of Shares, dated as of February 13, 2012, by and among Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent over shares of Valeant Holdco 2 Pty Limited.

86. Fixed and Floating Charge, dated as of February 13, 2012, by and among iNova Pharmaceuticals (Australia) Pty Limited (ACN 000 222 408), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

87. Fixed and Floating Charge, dated as of February 13, 2012, by and among iNova Sub Pty Limited (ACN 134 398 815), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

88. Fixed and Floating Charge, dated as of February 13, 2012, by and among Valeant Holdco 2 Pty Ltd (ACN 154 341 367), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

89. Fixed and Floating Charge, dated as of February 13, 2012, by and among Wirra Holdings Pty Limited (ACN 122 216 577), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

90. Fixed and Floating Charge, dated as of February 13, 2012, by and among Wirra IP Pty Limited (ACN 122 536 350), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

91. Fixed and Floating Charge, dated as of February 13, 2012, by and among Wirra Operations Pty Limited (ACN 122 250 088), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

VII. Tax Reorganization (July 3, 2012)

United States

92. Counterpart Agreement, dated as of July 3, 2012, among the undersigned thereby.

93. Supplement to Contribution Agreement, dated as of July 3, 2012, among the New Guarantors and the Administrative Agent.

94. Supplement No. 1 to Patent Security Agreement, dated as of July 3, 2012, by Valeant Pharmaceuticals International, as Grantor.

95. Supplement No. 1 to Trademark Security Agreement, dated as of July 3, 2012, among Aton Pharma, Inc., Dow Pharmaceutical Sciences, Inc., Valeant Pharmaceuticals North America, LLC, as Grantors and Goldman Sachs Lending Partners LLC, as Collateral Agent.

96. Supplemental Patent Security Agreement, dated as of July 3, 2012, among Valeant International Bermuda, Valeant Laboratories International Bermuda and Goldman Sachs Lending Partners LLC, as Collateral Agent.

97. Patent Security Agreement, dated as of July 3, 2012, among Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent.

Canada

98. Canadian Intellectual Property Security Agreement, dated as of July 3, 2012, among Valeant Pharmaceuticals International, Inc., as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

Barbados

99. Deed of Guarantee, dated as of July 3, 2012, among Valeant Holdings (Barbados) SRL, Valeant Pharmaceuticals Holdings (Barbados) SRL, Hythe Property Incorporate and Goldman Sachs Lending Partners LLC, as Administrative Agent.

Bermuda

100. Deed of Charge, dated as of July 3, 2012, among Valeant Pharmaceuticals Holdings Bermuda, as Chargor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

101. Deed of Charge, dated as of July 3, 2012, among Valeant International Bermuda, as Chargor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

102. Deed of Charge, dated as of July 3, 2012, among Valeant Laboratories International Bermuda, as Chargor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

103. Deed of Charge, dated as of July 3, 2012, among Valeant Pharmaceuticals Nominee Bermuda, as Chargor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

104. Share Charge, dated as of July 3, 2012, among Valeant Pharmaceuticals Holdings (Barbados) SRL, as Chargor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

105. Share Charge, dated as of July 3, 2012, among Valeant International Bermuda, as Chargor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

106. Share Charge, dated as of July 3, 2012, among Valeant Holdings (Barbados) SRL, as Chargor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

Luxembourg

107. Share Pledge Agreement, dated as of July 3, 2012, between Valeant International Bermuda (f/k/a/ Valeant International (Barbados)) SRL, as Pledgor, Goldman Sachs Lending Partners LLC, acting as Administrative Agent and Collateral Agent, as Pledgee and Valeant Pharmaceuticals Luxembourg S.à r.l., the Company.

108. Account Pledge Agreement, dated as of August 2, 2012, between Valeant Pharmaceuticals Luxembourg S.à r.l. as Pledgor and Goldman Sachs Lending Partners LLC, acting as Administrative Agent and Collateral Agent, as Pledgee

Ireland

109. Debenture, Fixed and Floating Charges, dated as of July 3, 2012, between Valeant Pharmaceuticals Ireland and Goldman Sachs Lending Partners LLC.

110. Irish Guarantee, dated as of July 3, 2012, between Valeant Pharmaceuticals Ireland Limited and Goldman Sachs Lending Partners LLC.

VIII. Incremental Facility (June 14, 2012)

United States

111. Joinder Agreement, dated as of June 14, 2012, among certain financial institutions party thereto, Valeant Pharmaceuticals International, Inc., undersigned subsidiaries of Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

IX. Incremental Facility (July 9, 2012)

United States

112. Joinder Agreement, dated as of July 9, 2012, among certain financial institutions party thereto, Valeant Pharmaceuticals International, Inc., undersigned subsidiaries of Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

X. OraPharma Subsidiary Joinder (August 2, 2012)

United States

113. Counterpart Agreement, dated as of August 2, 2012, among OraPharma, Inc., OraPharma Topco Holdings, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

114. Supplement to Contribution Agreement, dated as of August 2, 2012, among OraPharma, Inc., OraPharma Topco Holdings, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

115. Pledge Supplement, dated as of August 2, 2012, among OraPharma, Inc., OraPharma Topco Holdings, Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent.

116. Patent Security Agreement, dated as of August 2, 2012, among OraPharma, Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent.

117. Trademark Security Agreement, dated as of August 2, 2012, among OraPharma, Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent.

118. Control Agreement for Deposit Accounts, dated as of August 24, 2012, among Goldman Sachs Lending Partners LLC, as Collateral Agent, OraPharma, Inc., as Debtor, and Regions Bank, as Bank.

XI. Amendment No. 2 to Third Amended and Restated Credit and Guaranty Agreement (September 10, 2012)

United States

119. Amendment No. 2 to Third Amended and Restated Credit and Guaranty Agreement, dated as of September 10, 2012, among Valeant Pharmaceuticals International, Inc., as Borrower, the Guarantors, Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent and the Requisite Lenders.

XII. Incremental Facility (September 11, 2012)

United States

120. Joinder Agreement, dated as of September 11, 2012, among the financial institutions party thereto, Valeant Pharmaceuticals International, Inc., as Borrower, the undersigned subsidiaries of the Borrower and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

XIII. Incremental Facility (October 2, 2012)

United States

121. Joinder Agreement, dated as of October 2, 2012, among the financial institutions party thereto, Valeant Pharmaceuticals International, Inc., as Borrower, the undersigned subsidiaries of the Borrower and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

XIV. Medicis Incremental Facility (December 11, 2012)

United States

122. Joinder Agreement, dated as of December 11, 2012, among the financial institutions party thereto, as New Term Loan Lender, Valeant Pharmaceuticals International, Inc., as Borrower, the undersigned Subsidiaries of Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

XV. Amendment No. 3 to Third Amended and Restated Credit and Guaranty Agreement (January 24, 2013)

United States

123. Amendment No. 3 to Third Amended and Restated Credit and Guaranty Agreement, dated as of January 24, 2013, among Valeant Pharmaceuticals International, Inc., as Borrower, the Guarantors, Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent and the financial institutions party thereto and Requisite Lenders.

XVI. Amendment No. 4 to Third Amended and Restated Credit and Guaranty Agreement (February 21, 2013)

United States

124. Amendment No. 4 to Third Amended and Restated Credit and Guaranty Agreement, dated as of February 21, 2013, among Valeant Pharmaceuticals International, Inc., as Borrower, the Guarantors, Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent, the financial institutions party thereto and Requisite Lenders.

Canada

125. Confirmation of Guarantee and Security, dated as of February 21, 2013, among Goldman Sachs Lending Partners LLC, as Collateral Agent, Goldman Sachs Lending Partners LLC, as Administrative Agent, Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited and Valeant Canada LP, V-BAC Holding Corp.

126. Pledge of debenture agreement dated February 14, 2013 between V-BAC Holding Corp. and Goldman Sachs Lending Partners LLC.

127. Deed of hypothec and issue of debentures dated February 14, 2013 between V-BAC Holding Corp. and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the Register-of Personal and Movable Real Rights under number 13-0113567-0001.

XVII. Medicis Pharmaceutical Corporation Subsidiary Joinder (April 23, 2013)

United States

128. Counterpart Agreement, dated as of April 23, 2013, among Medicis Pharmaceutical Corporation and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

129. Supplement to Contribution Agreement, dated as of April 23, 2013, among Medicis Pharmaceutical Corporation and Goldman Sachs Lending Partners LLC, as Administrative Agent.

130. Pledge Supplement, dated as of April 23, 2013, among Medicis Pharmaceutical Corporation and Goldman Sachs Lending Partners LLC, as Collateral Agent.

131. Trademark Security Agreement, dated as of April 23, 2013, among Medicis Pharmaceutical Corporation as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

132. Patent Security Agreement, dated as of April 23, 2013, among Medicis Pharmaceutical Corporation, as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

133. Copyright Security Agreement, dated as of April 23, 2013, among Medicis Pharmaceutical Corporation, as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

XVIII. Amendment No. 5 to Third Amended and Restated Credit and Guaranty Agreement (June 6, 2013)

United States

134. Amendment No. 5 to Third Amended and Restated Credit and Guaranty Agreement, dated as of June 6, 2013, among Valeant Pharmaceuticals International, Inc., as Borrower, the Guarantors, Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent and the Requisite Lenders.

XIX. Amendment No. 6 to Third Amended and Restated Credit and Guaranty Agreement (June 26, 2013)

United States

135. Amendment No. 6 to Third Amended and Restated Credit and Guaranty Agreement, dated as of June 26, 2013, among Valeant Pharmaceuticals International, Inc., as Borrower, the Guarantors, Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent and the Requisite Lenders.

Canada

136. Confirmation of Guarantee and Security, dated as of July 15, 2013, among Goldman Sachs Lending Partners LLC, as Collateral Agent, Goldman Sachs Lending Partners LLC, as Administrative Agent, Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP and Valeant Holding Corp.

137. Deed of hypothec and issue of debentures dated June 27, 2013 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Register-of Personal and Movable Real Rights under number 13-0555854-0003.

138. Deed of hypothec and issue of debentures dated June 27, 2013 between Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Montreal under number 20 072 874 and at the Register-of Personal and Movable Real Rights under number 13-0555854-0002.

139. Deed of hypothec and issue of debentures dated June 27, 2013 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Laval under number 20 075 092 and at the Register-of Personal and Movable Real Rights under number 13-0555854-0001.

140. Deed of hypothec and issue of debentures dated June 27, 2013 between V-BAC Holding Corp. and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* for the Debentureholders (as defined therein) registered at the Register-of Personal and Movable Real Rights under number 13-0555854-0004.

141. Pledge of debenture agreement dated June 27, 2013 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC.

142. Pledge of debenture agreement dated June 27, 2013 between Valeant Canada LP and Goldman Sachs Lending Partners LLC.

143. Pledge of debenture agreement dated June 27, 2013 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC.

144. Pledge of debenture agreement dated June 27, 2013 between V-BAC Holding Corp. and Goldman Sachs Lending Partners LLC.

145. Third amended and restated securities control agreement dated June 27, 2013 between Valeant Pharmaceuticals International, Inc., Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* , with respect to the interest of Valeant Pharmaceuticals International, Inc. in Valeant Canada LP.

146. Third amended and restated securities control agreement dated June 27, 2013 between Valeant Canada GP Limited, Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as *fondé de pouvoir* , with respect to the interest of Valeant Canada GP Limited in Valeant Canada LP.

XX. Obagi Medical Products, Inc. Joinder (July 26, 2013)

United States

147. Counterpart Agreement, dated as of July 26, 2013, among Obagi Medical Products, Inc., OMP, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

148. Supplement to Contribution Agreement, dated as of July 26, 2013, among Obagi Medical Products, Inc., OMP, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

149. Pledge Supplement, dated as of July 26, 2013, among Obagi Medical Products, Inc., OMP, Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent.

150. Trademark Security Agreement, dated as of July 26, 2013, among OMP, Inc., as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

151. Trademark Security Agreement, dated as of July 26, 2013, among Obagi Medical Products, Inc. as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

152. Patent Security Agreement, dated as of July 26, 2013, among OMP, Inc., as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

153. Copyright Security Agreement, dated as of July 26, 2013, among OMP, Inc., as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

XXI. Term Loan Joinders (August 5, 2013)

United States

154. Joinder Agreement in connection with the Series A-2 Tranche Term Loans, dated as of August 5, 2013, by and among the financial institutions party thereto, as New Term Loan Lenders, Valeant Pharmaceuticals International, Inc., as Borrower, the undersigned subsidiaries of Valeant Pharmaceuticals International, Inc. party thereto and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

155. Joinder Agreement in connection with the Series E Tranche B Term Loans, dated as of August 5, 2013, by and among the financial institutions party thereto, as New Term Loan Lenders, Valeant Pharmaceuticals International, Inc., as Borrower, the undersigned subsidiaries of Valeant Pharmaceuticals International, Inc. party thereto and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

156. Guaranty, dated as of August , 2013, between Valeant Pharmaceuticals International, Inc. and JPMorgan Chase Bank, N.A.

XXII. Bausch & Lomb Subsidiary Joinders (August 30, 2013)

United States

157. Supplement to Contribution Agreement, dated as of August 30, 2013, among Bausch & Lomb Incorporated, Bausch & Lomb Holdings Incorporated and Goldman Sachs Lending Partners LLC, as Administrative Agent.

158. Counterpart Agreement, dated as of August 30, 2013, among Bausch & Lomb Incorporated, Bausch & Lomb Holdings Incorporated and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

159. Pledge Supplement, dated as of August 30, 2013, among Bausch & Lomb Incorporated, Bausch & Lomb Holdings Incorporated and Goldman Sachs Lending Partners LLC, as Collateral Agent.

160. Trademark Security Agreement, dated as of August 30, 2013, among Bausch & Lomb Incorporated, as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

161. Patent Security Agreement, dated as of August 30, 2013, among Bausch & Lomb Incorporated, as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

162. Copyright Security Agreement, dated as of August 30, 2013, among Bausch & Lomb Incorporated, as Grantor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

XXIII. Australian and Maryland Subsidiary Joinders (September 9, 2013)

United States

163. Supplement to Contribution Agreement, dated as of September 9, 2013, among Ucyclyd Pharma, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

164. Counterpart Agreement, dated as of September 9, 2013, among Ucyclyd Pharma, Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

165. Supplement to Contribution Agreement, dated as of September 9, 2013, among Valeant Pharmaceuticals Australasia Pty Limited, DermaTech Pty Limited, Private Formula International Holdings Pty Ltd, Private Formula International Pty Ltd, Ganehill Pty Ltd and Goldman Sachs Lending Partners LLC, as Administrative Agent.

166. Counterpart Agreement, dated as of September 9, 2013, among Valeant Pharmaceuticals Australasia Pty Limited, DermaTech Pty Limited, Private Formula International Holdings Pty Ltd, Private Formula International Pty Ltd, Ganehill Pty Ltd and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

167. Pledge Supplement, dated as of September 9, 2013, between Ucyclyd Pharma, Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent.

168. Trademark Security Agreement, dated September 9, 2013, by Ucyclyd Pharma, Inc., in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

169. Trademark Security Agreement, dated September 9, 2013, by Ganehill Pty Ltd. in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

Australia

170. Fixed and Floating Charge, dated as of September 9, 2013, by and among Valeant Pharmaceuticals Australasia Pty Limited (ACN 001 083 352), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

171. Fixed and Floating Charge, dated as of September 9, 2013, by and among DermaTech Pty Ltd (ACN 003 982 161), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

172. Fixed and Floating Charge, dated as of September 9, 2013, by and among Ganehill Pty Limited (ACN 065 261 538), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

173. Fixed and Floating Charge, dated as of September 9, 2013, by and among Private Formula International Holdings Pty Ltd (ACN 095 450 918), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

174. Fixed and Floating Charge, dated as of September 9, 2013, betw by and among Private Formula International Pty Ltd (ACN 095 451 442), as Chargor and Goldman Sachs Lending Partners LLC, as Chargee.

XXIV. Polish and Dutch Subsidiary Joinders (September 17, 2013)

United States

175. Supplement to Contribution Agreement, dated as of September 17, 2013, among Valeant Europe B.V., Przedsiebiorstwo Farmaceutyczne Jelfa S.A., as New Guarantors and Goldman Sachs Lending Partners LLC, as Administrative Agent.

176. Counterpart Agreement, dated as of September 17, 2013, among Valeant Europe B.V., Przedsiebiorstwo Farmaceutyczne Jelfa S.A. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

Poland

177. Mortgage Deed executed by Przedsiębiorstwo Farmaceutyczne JELFA S.A, dated as of September 17, 2013.

178. Polish Law Submission to Enforcement of Valeant Europe B.V., dated as of September 17, 2013.

179. Polish Law Submission to Enforcement of Przedsiębiorstwo Farmaceutyczne JELFA S.A, dated as of September 17, 2013.

180. Agreement for the registered pledge and the financial pledge over shares in “Emo-Farm” sp. z o.o., dated as of September 17, 2013 by and between Przedsiebiorstwo Farmaceutyczne Jelfa S.A. and Goldman Sachs Lending Partners LLC.

181. Agreement for the registered pledge and the financial pledge over shares in “Valeant” sp. z o.o., dated as of September 17, 2013 by and between Valeant Europe B.V. and Goldman Sachs Lending Partners LLC.

182. Agreement for the Registered and Financial Pledge over the Investment Certificates issued by Ipopema 73 Fundusz Inwestycyjny Zamkniety Aktywow Niepublicznych, dated as of September 17, 2013 by and between Valeant Europe B.V. and Goldman Sachs Lending Partners LLC.

183. Agreement for the financial pledges over the bank accounts of Przedsiebiorstwo Farmaceutyczne Jelfa S.A., dated as of September 17, 2013 by and between Przedsiebiorstwo Farmaceutyczne Jelfa S.A. and Goldman Sachs Lending Partners LLC.

184. Agreement for the registered pledges over the bank accounts of Przedsiebiorstwo Farmaceutyczne Jelfa S.A., dated as of September 17, 2013 by and between Przedsiebiorstwo Farmaceutyczne Jelfa S.A. and Goldman Sachs Lending Partners LLC.

185. Agreement for the registered pledge over the collection of assets of Przedsiebiorstwo Farmaceutyczne Jelfa S.A., dated as of September 17, 2013 by and between Przedsiebiorstwo Farmaceutyczne Jelfa S.A. and Goldman Sachs Lending Partners LLC.

186. Agreement for the security assignment of rights, dated as of September 17, 2013 by and between Przedsiebiorstwo Farmaceutyczne Jelfa S.A. and Goldman Sachs Lending Partners LLC.

The Netherlands

187. Deed of Pledge (Valeant Europe B.V.), dated as of September 17, 2013, and as corrected as of September 5, 2014, among Biovail International S.à r.l., Przedsiebiorstwo Farmaceutyczne Jelfa S.A., Valeant Europe B.V. and Goldman Sachs Lending Partners LLC.

188. Deed of Pledge (Bausch+Lomb OPS B.V.), dated December 23, 2013, among Valeant Holdings Ireland, Goldman Sachs Lending Partners LLC and Bausch+Lomb OPS B.V.

XXV. Amendment No. 7 to Third Amended and Restated Credit and Guaranty Agreement (September 17, 2013)

United States

189. Amendment No. 7 to Third Amended and Restated Credit and Guaranty Agreement, dated as of September 17, 2013, among Valeant Pharmaceuticals International, Inc., as Borrower, the Guarantors, Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent and the other Lenders party thereto.

Canada

190. Confirmation of Guarantee and Security, dated as of September 17, 2013, to Goldman Sachs Lending Partners LLC, in its capacity as collateral agent for the benefit of the Secured Parties, granted by Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP and V-BAC Holding Corp.

XXVI. Polish Subsidiary Joinders (September 24, 2013)

United States

191. Supplement to Contribution Agreement, dated as of September 24, 2013, among Valeant sp. z o.o., VP Valeant spółka z ograniczoną odpowiedzialnością sp.j. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

192. Counterpart Agreement, dated as of September 24, 2013, among Valeant sp. z o.o., VP Valeant spółka z ograniczoną odpowiedzialnością sp.j. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

Poland

193. Polish Law Submission to Enforcement of Valeant sp. z o.o., dated as of September 24, 2013.

194. Agreement for the registered pledge over the collection of assets in Valeant sp. z o.o., dated as of September 24, 2013 by and between Valeant sp. z o.o. and Goldman Sachs Lending Partners LLC.

195. Agreement for the financial pledges over the bank accounts of Valeant sp. z o.o., dated as of September 24, 2013 by and between Valeant sp. z o.o. and Goldman Sachs Lending Partners LLC.

196. Agreement for the registered pledges over the bank accounts of Valeant sp. z o.o., dated as of September 24, 2013 by and between Valeant sp. z o.o. and Goldman Sachs Lending Partners LLC.

197. Polish Law Submission to Enforcement of VP Valeant spółka z ograniczoną odpowiedzialnością sp.j., dated as of September 24, 2013.

198. Agreement for the registered pledge over the collection of assets of VP Valeant spółka z ograniczoną odpowiedzialnością sp.j., dated as of September 24, 2013 by and between VP Valeant spółka z ograniczoną odpowiedzialnością sp.j. and Goldman Sachs Lending Partners LLC.

199. Agreement for the financial pledge over the bank account of VP Valeant spółka z ograniczoną odpowiedzialnością sp.j., dated as of September 24, 2013 by and between VP Valeant spółka z ograniczoną odpowiedzialnością sp.j. and Goldman Sachs Lending Partners LLC.

200. Agreement for the registered pledge over the bank account of VP Valeant spółka z ograniczoną odpowiedzialnością sp.j., dated as of September 24, 2013 by and between VP Valeant spółka z ograniczoną odpowiedzialnością sp.j. and Goldman Sachs Lending Partners LLC.

201. Agreement for the security assignment of rights, dated as of September 24, 2013 by and between VP Valeant spółka z ograniczoną odpowiedzialnością sp.j. and Goldman Sachs Lending Partners LLC.

XXVII. Brazilian Subsidiary Joinders (September 25, 2013)

United States

202. Supplement to Contribution Agreement, dated as of September 25, 2013, among Labenne Participações Ltda., Probiótica Laboratórios Ltda. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

203. Counterpart Agreement, dated as of September 25, 2013, among Labenne Participações Ltda., Probiótica Laboratórios Ltda. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

Brazil

204. Quota Pledge Agreement, dated as of September 25, 2013, by and among Labenne Participações Ltda., as Pledgor, Goldman Sachs Lending Partners LLC, as Collateral Agent and Probiótica Laboratórios Ltda., as intervening party.

205. Trademark Pledge Agreement, dated as of September 25, 2013, by and among Probiótica Laboratórios Ltda., in its capacity as Pledgor, and Goldman Sachs Lending Partners LLC, in its capacity as Collateral Agent.

206. Quota Pledge Agreement, dated as of September 25, 2013, by and among Valeant Pharmaceuticals International, Inc., as Pledgor, Goldman Sachs Lending Partners LLC, as Collateral Agent, and Labenne Participações Ltda., as intervening party.

XXVIII. Bausch and Lomb Subsidiary Joinders (November 1, 2013)

United States

207. Supplement to Contribution Agreement, dated as of November 1, 2013, among Bausch & Lomb International Inc., ISTA Pharmaceuticals, LLC, Technolas Perfect Vision, Inc., Bausch & Lomb Pharma Holdings Corp., Bausch & Lomb China, Inc., Bausch & Lomb Realty Corporation, Bausch & Lomb South Asia, Inc., Bausch & Lomb Technology Corporation, Iolab Corporation, RHC Holdings, Inc., Sight Savers Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

208. Counterpart Agreement, dated as of November 1, 2013, among Bausch & Lomb International Inc., ISTA Pharmaceuticals, LLC, Technolas Perfect Vision, Inc., Bausch & Lomb Pharma Holdings Corp., Bausch & Lomb China, Inc., Bausch & Lomb Realty Corporation, Bausch & Lomb South Asia, Inc., Bausch & Lomb Technology Corporation, Iolab Corporation, RHC Holdings, Inc., Sight Savers Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

209. Pledge Supplement, dated as of November 1, 2013, among Bausch & Lomb International Inc., ISTA Pharmaceuticals, LLC, Technolas Perfect Vision, Inc., Bausch & Lomb Pharma Holdings Corp., Bausch & Lomb China, Inc., Bausch & Lomb Realty Corporation, Bausch & Lomb South Asia, Inc., Bausch & Lomb Technology Corporation, Iolab Corporation, RHC Holdings, Inc., Sight Savers Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent.

210. Trademark Security Agreement, dated November 1, 2013, by Bausch & Lomb Pharma Holdings Corp., in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

211. Patent Security Agreement, dated November 1, 2013, by Bausch & Lomb Pharma Holdings Corp., in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

XXIX. AB Sanitas Subsidiary Joinder (October 21, 2013)

United States

212. Supplement to Contribution Agreement, dated as of October 21, 2013, among AB Sanitas and Goldman Sachs Lending Partners LLC, as Administrative Agent.

213. Counterpart Agreement, dated as of October 21, 2013, among AB Sanitas and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

Lithuania

214. Company Mortgage Agreement dated October 21, 2013, over all the assets of AB Sanitas (the "Company"), executed between Valeant Pharmaceuticals International, Inc. ("Valeant") as the debtor, the Company as the owner of the collateral and Goldman Sachs Lending Partners LLC as the creditor, registered with the Mortgage Register of the Republic of Lithuania on October 21, 2013 under ID No 20120130056526 securing performance of the obligations of Valeant arising from the Facilities Agreement.

215. Share Pledge Agreement dated October 21, 2013 over 185,215 (one hundred eighty five thousand two hundred and fifteen) shares of AB Sanitas (the "Company"), constituting 0,6 % (six tenth per cent) of the authorized and issued capital of the Company, which were additionally acquired by Valeant, executed between Valeant Pharmaceuticals International, Inc. ("Valeant") as the debtor and the owner of the collateral and Goldman Sachs Lending Partners LLC as the creditor, registered with the Mortgage Register of the Republic of Lithuania on October 21, 2013 under ID No 20220130056528 securing performance of the obligations of Valeant arising from the Facilities Agreement.

216. Share Pledge Bond No. 01220120007548, dated May 14, 2012 over 30,920,705 (thirty million nine hundred twenty thousand seven hundred and five) shares of AB Sanitas (the "Company"), constituting 99.4 % of the authorised and issued capital of the Company, registered with the Mortgage Register of the Republic of Lithuania on October 21, 2013 securing performance of the obligations of Valeant Pharmaceuticals International, Inc. arising from the Facilities Agreement, as amended on October 21, 2013.

Poland

217. Agreement for the registered pledge and the financial pledge over shares in Przedsiebiorstwo Farmaceutyczne JELFA S.A., dated as of October 21, 2013 by and between Sanitas AB and Goldman Sachs Lending Partners LLC.

218. Agreement for the Registered and Financial Pledge over the Investment Certificates issued by Ipopema 73 Fundusz Inwestycyjny Zamkniety Aktywow Niepublicznych, dated as of October 21, 2013 by and between Valeant Europe B.V. and Goldman Sachs Lending Partners LLC.

219. Notarial protocol regarding the deposit of shares of Przedsiębiorstwo Farmaceutyczne JELFA S.A. executed on behalf of Sanitas AB and Goldman Sachs Lending Partners LLC, dated as of October 21, 2013.

220. Polish Law Submission to Enforcement of Sanitas AB, dated as of October 21, 2013.

XXX. Valeant Sp. z o.o. sp.j. Joinder (November 22, 2013)

United States

221. Supplement to Contribution Agreement, dated as of November 22, among Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

222. Counterpart Agreement, dated as of November 22, 2013, among Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

Poland

223. Agreement for registered pledges over protection rights over trademarks of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC, dated as of November 22, 2013.

224. Agreement for registered pledges over bank accounts of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC dated as of November 22, 2013.

225. Agreement for financial pledges over bank accounts of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC, dated as of November 22, 2013.

226. Agreement for registered pledge over collection of assets of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC, dated as of November 22, 2013.

227. Agreement for security assignment of rights between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC, dated as of November 22, 2013.

228. Polish Law Submission to Enforcement by Valeant Sp. z o.o. sp. j. , dated as of November 22, 2013.

XXXI. VRX Holdco Inc. Joinder (December 13, 2013)

United States

229. Supplement to Contribution Agreement, dated as of December 13, 2013, among VRX Holdco Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

230. Counterpart Agreement, dated as of December 13, 2013, among VRX Holdco Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

231. Pledge Supplement, dated as of December 13, 2013, among VRX Holdco Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent.

XXXII. Amendment No. 8 to Third Amended and Restated Credit and Guaranty Agreement and Subsidiary Joinders (December 20, 2013)

United States

232. Amendment No. 8 to Third Amended and Restated Credit and Guaranty Agreement, dated as of December 20, 2013, among Valeant Pharmaceuticals International, Inc., as Borrower, the Guarantors, Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent and the other Lenders party thereto.

233. Supplement to Contribution Agreement, dated as of December 20, 2013, among Valeant Holdings Ireland and Goldman Sachs Lending Partners LLC, as Administrative Agent.

234. Counterpart Agreement, dated as of December 20, 2013, among Valeant Holdings Ireland and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

235. Supplement to Contribution Agreement, dated as of December 20, 2013, among Bausch & Lomb B.V., Bausch & Lomb OPS B.V. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

236. Counterpart Agreement, dated as of December 20, 2013, among Bausch & Lomb B.V., Bausch & Lomb OPS B.V. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

237. Supplement to Contribution Agreement, dated as of December 20, 2013, among Valeant International Luxembourg S.à r.l., Bausch & Lomb Luxembourg S.à r.l. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

238. Counterpart Agreement, dated as of December 20, 2013, among Valeant International Luxembourg S.à r.l., Bausch & Lomb Luxembourg S.à r.l. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

239. Trademark Security Agreement, dated December 20, 2013, by Bausch & Lomb B.V., in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

Brazil

240. First Amendment to Trademark Pledge Agreement, dated as of December 20, 2013, by and among Probiótica Laboratórios Ltda., as Pledgor, and Goldman Sachs Lending Partners LLC, as Collateral Agent.

241. First Amendment to the Quota Pledge Agreement, dated as of December 20, 2013, by and among Labenne Participações Ltda., as Pledgor, Goldman Sachs Lending Partners LLC, as Collateral Agent, and Probiótica Laboratórios Ltda., as intervening party.

242. First Amendment to the Quota Pledge Agreement, dated as of December 20, 2013, by and among Valeant Pharmaceuticals International, Inc., as Pledgor, Goldman Sachs Lending Partners LLC, as Collateral Agent, and Labenne Participações Ltda. and Valeant Europe B.V., as intervening party.

Bermuda

243. Amendment by Share Charge, dated as of December 20, 2013, between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC.

244. Amendment by Share Charge dated as of December 31, 2013 between Valeant International Luxembourg S.à r.l.and Goldman Sachs Lending Partners LLC.

245. Amendment by Share Charge, dated as of December 31, 2013, among Valeant Holdings Ireland and Goldman Sachs Lending Partners LLC.

Canada

246. Confirmation of Guarantee and Security, dated as of December 20, 2013, to Goldman Sachs Lending Partners LLC, in its capacity as collateral agent for the benefit of the Secured Parties, granted by Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP and V-BAC Holding Corp.

Luxembourg

247. Confirmation Amendment and Restatement Agreement, dated as of December 20, 2013, to Share Pledge Agreement, dated as of July 3, 2012, between Valeant International Bermuda and Goldman Sachs Lending Partners LLC.

248. Share Pledge Agreement, dated as of December 20, 2013, between Bausch & Lomb B.V., as Pledgor, Goldman Sachs Lending Partners LLC, acting as Administrative Agent and Collateral Agent, as Pledgee and Bausch & Lomb Luxembourg S.à r.l., the Company.

249. First Amended and Restated Share Pledge Agreement, dated as of December 20, 2013, between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC on the shares of Valeant International Luxembourg S.à r.l., Valeant Pharmaceuticals Luxembourg S.à r.l., Bausch & Lomb B.V. and Valeant Holdings Ireland.

250. Share Pledge Agreement, dated as of December 20, 2013, between Valeant Pharmaceuticals International, Inc., as Pledgor, Goldman Sachs Lending Partners LLC, acting as Administrative Agent and Collateral Agent, as Pledgee and Valeant International Luxembourg S.à r.l., the Company.

251. Assignment and Amendment Agreement dated January 8, 2014, by and among Valeant Holdings Ireland (as Pledgor and as Transferor), Valeant Holdings Ireland, Luxembourg Branch (as new “ledgor and Transferee), Valeant Pharmaceuticals Luxembourg S.a.r.l. and Goldman Sachs Lending Partners, LLC.

252. Second Amended and Restated Agreement to Luxembourg Share Pledge Agreement dated January 8, 2014, by and among Valeant Holdings Ireland, Luxembourg Branch (Pledgor) and Goldman Sachs Lending Partners LLC (Pledgee).

Ireland

253. Debenture, Fixed and Floating Charges, dated as of December 20, 2013, between Valeant Holdings Ireland, as Chargor and Goldman Sachs Lending Partners LLC, as Collateral Agent.

254. Guarantee and Indemnity, dated as of December 20, 2013, among Valeant Holdings Ireland, as Guarantor and Goldman Sachs Lending Partners LLC, as Administrative Agent.

XXXIII. Term Loan Joinders (February 6, 2014)

United States

255. Joinder Agreement in connection with the Series A-3 Tranche A Term Loans, dated as of February 6, 2014, by and among the financial institutions party thereto, as New Term Loan Lenders, Valeant Pharmaceuticals International, Inc., as Borrower, the undersigned subsidiaries of Valeant Pharmaceuticals International, Inc. party thereto and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

256. Joinder Agreement in connection with the Series E-1 Tranche E Term Loans, dated as of February 6, 2014, by and among the financial institutions party thereto, as New Term Loan Lenders, Valeant Pharmaceuticals International, Inc., as Borrower, the undersigned subsidiaries of Valeant Pharmaceuticals International, Inc. party thereto and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

Canada

257. Confirmation of Guarantee and Security, dated as of February 6, 2014, to Goldman Sachs Lending Partners LLC, as Collateral Agent and Administrative Agent, granted by Valeant Pharmaceuticals International, Inc., Valeant Canada GP Limited, Valeant Canada LP and V-BAC Holding Corp.

XXXIV. 2014 Subsidiary Joinders

United States

258. Supplement to Contribution Agreement, dated as of February 6, 2014, among Laboratoire Chauvin S.A.S., Bausch & Lomb France S.A.S., BCF S.A.S., Chauvin Opsia S.A.S., B.L.J. Company, Ltd. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

259. Counterpart Agreement, dated as of February 6, 2014, among Laboratoire Chauvin S.A.S., Bausch & Lomb France S.A.S., BCF S.A.S., Chauvin Opsia S.A.S., B.L.J. Company, Ltd. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

260. Patent Security Agreement, dated as of February 6, 2014, among Laboratoire Chauvin S.A.S. and Chauvin Opsia S.A.S., in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

261. Supplement to Contribution Agreement, dated as of March 7, 2014, among iNova Pharmaceuticals Proprietary Limited, PharmaSwiss d.o.o. Ljubljana, PharmaSwiss d.o.o. Beograd, Valeant Pharma Hungary LLC and Goldman Sachs Lending Partners LLC, as Administrative Agent.

262. Counterpart Agreement, dated as of March 7, 2014, among iNova Pharmaceuticals Proprietary Limited, PharmaSwiss d.o.o. Ljubljana, PharmaSwiss d.o.o. Beograd, Valeant Pharma Hungary LLC and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

263. Supplement to Contribution Agreement, dated as of May 22, 2014, among Bausch & Lomb U.K. Ltd., Bausch & Lomb (Australia) Pty Ltd, Valeant Pharmaceuticals New Zealand Limited, iNova Pharmaceuticals (Singapore) Pte Limited, Solta Medical, Inc., OnPharma Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

264. Counterpart Agreement, dated as of May 22, 2014, among Bausch & Lomb U.K. Ltd., Bausch & Lomb (Australia) Pty Ltd, Valeant Pharmaceuticals New Zealand Limited, iNova Pharmaceuticals (Singapore) Pte Limited, Solta Medical, Inc., OnPharma Inc. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

265. Patent Security Agreement, dated May 22, 2014 by OnPharma Inc. in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

266. Trademark Security Agreement, dated May 22, 2014, by Onpharma Inc. in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

267. Copyright Security Agreement, dated May 22, 2014 by Solta Medical, Inc. in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

268. Patent Security Agreement, dated May 22, 2014 by Solta Medical, Inc. in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties.

269. Trademark Security Agreement, dated May 22, 2014, by Solta Medical, Inc. in favor of Goldman Sachs Lending Partners LLC, as collateral agent for the Secured Parties

270. Pledge Supplement, dated as of May 22, 2014, among Solta Medical, Inc., Onpharma Inc. and Goldman Sachs Lending Partners LLC, as Collateral Agent.

271. Supplement to Contribution Agreement, dated as of July 28, 2014, between Bausch & Lomb IOM S.P.A. and Goldman Sachs Lending Partners LLC, as Administrative Agent.

272. Counterpart Agreement, dated as of July 28, 2014, between Bausch & Lomb IOM S.P.A. and Goldman Sachs Lending Partners LLC, as Administrative Agent and Collateral Agent.

France

273. Certificate of Pledge of Securities Agreement, dated as of February 6, 2014, signed by Chauvin Opsia

274. Certificate of Pledge of Securities Agreement, dated as of February 6, 2014, signed by Bausch & Lomb France.

275. Certificate of Pledge of Securities Agreement, dated as of February 6, 2014, signed by BCF SAS.

276. Certificate of Pledge of Securities Agreement, dated as of February 6, 2014, signed by Laboratoire Chauvin.

277. Declaration de Nantissement de Compte de Titres Financiers (French), dated as of February 6, 2014, by Bausch & Lomb France in relation to the pledge over the shares of Chauvin Opsia S.A.S.

278. Declaration de Nantissement de Compte de Titres Financiers (French), dated as of February 6, 2014, by Bausch & Lomb France in relation to the pledge over the shares of Laboratoire Chauvin S.A.S.

279. Declaration de Nantissement de Compte de Titres Financiers (French), dated as of February 6, 2014, by Bausch & Lomb Luxembourg S.à r.l. in relation to the pledge over the shares of BCF SAS.

280. Declaration de Nantissement de Compte de Titres Financiers (French), dated as of February 6, 2014, by BCF SAS in relation to the pledge over the shares of Bausch & Lomb France.

281. *Convention de nantissement de droits de propriété industrielle* (Industrial property pledge agreement) dated February 6, 2014 between Bausch & Lomb France as *Constituant* (pledgor) and Goldman Sachs Lending Partners LLC as *Agent des Sûretés* (collateral agent) acting in its own name as well as in the name of the other Beneficiaries, by which Bausch & Lomb France grants to the Beneficiaries a pledge over its industrial property assets.

282. *Convention de nantissement de droits de propriété industrielle* (Industrial property pledge agreement) dated February 6, 2014 between Chauvin Opsia as *Constituant* (pledgor) and Goldman Sachs Lending Partners LLC as *Agent des Sûretés* (collateral agent) acting in its own name as well as in the name of the other Beneficiaries, by which Chauvin Opsia grants to the Beneficiaries a pledge over its industrial property assets.

283. *Convention de nantissement de droits de propriété industrielle* (Industrial property pledge agreement) dated February 6, 2014 between Laboratoire Chauvin as *Constituant* (pledgor) and Goldman Sachs Lending Partners LLC as *Agent des Sûretés* (collateral agent) acting in its own name as well as in the name of the other Beneficiaries, by which Laboratoire Chauvin grants to the Beneficiaries a pledge over its industrial property assets.

284. *Convention de nantissement de comptes bancaires* (Bank accounts pledge agreement) dated February 6, 2014 between Bausch & Lomb France as *Constituant* (pledgor) and Goldman Sachs Lending Partners LLC as *Agent des Sûretés* (collateral agent) acting in its own name as well as in the name of the other Beneficiaries, by which Bausch & Lomb France grants to the Beneficiaries a pledge over its bank accounts.

285. *Convention de nantissement de comptes bancaires* (Bank accounts pledge agreement) dated February 6, 2014 between BCF as *Constituant* (pledgor) and Goldman Sachs Lending Partners LLC as *Agent des Sûretés* (collateral agent) acting in its own name as well as in the name of the other Beneficiaries, by which BCF grants to the Beneficiaries a pledge over its bank accounts.

286. *Convention de nantissement de comptes bancaires* (Bank accounts pledge agreement) dated February 6, 2014 between Chauvin Opsia as *Constituant* (pledgor) and Goldman Sachs Lending Partners LLC as *Agent des Sûretés* (collateral agent) acting in its own name as well as in the name of the other Beneficiaries, by which Chauvin Opsia grants to the Beneficiaries a pledge over its bank accounts.

287. *Convention de nantissement de comptes bancaires* (Bank accounts pledge agreement) dated February 6, 2014 between Laboratoire Chauvin as *Constituant* (pledgor) and Goldman Sachs Lending Partners LLC as *Agent des Sûretés* (collateral agent) acting in its own name as well as in the name of the other Beneficiaries, by which Laboratoire Chauvin grants to the Beneficiaries a pledge over its bank accounts.

288. Securities account pledge agreement dated February 6, 2014 between Bausch & Lomb France as Pledgor and Goldman Sachs Lending Partners LLC as Collateral Agent acting in its own name as well as in the name of the other Beneficiaries, by which Bausch & Lomb France grants to the Beneficiaries a pledge over the shares it holds in Chauvin Opsia and its related *déclaration de nantissement de comptes de titres financiers* .

289. Securities account pledge agreement dated February 6, 2014 between Bausch & Lomb France as Pledgor and Goldman Sachs Lending Partners LLC as Collateral Agent acting in its own name as well as in the name of the other Beneficiaries, by which Bausch & Lomb France grants to the Beneficiaries a pledge over the shares it holds in Laboratoire Chauvin and its related *déclaration de nantissement de comptes de titres financiers* .

290. Securities account pledge agreement dated February 6, 2014 between Bausch & Lomb Luxembourg as Pledgor and Goldman Sachs Lending Partners LLC as Collateral Agent acting in its own name as well as in the name of the other Beneficiaries, by which Bausch & Lomb Luxembourg grants to the Beneficiaries a pledge over the shares it holds in BCF and its related *déclaration de nantissement de comptes de titres financiers* .

291. Securities account pledge agreement dated February 6, 2014 between BCF as Pledgor and Goldman Sachs Lending Partners LLC as Collateral Agent acting in its own name as well as in the name of the other Beneficiaries, by which BCF grants to the Beneficiaries a pledge over the shares it holds in Bausch & Lomb France and its related *déclaration de nantissement de comptes de titres financiers* .

Japan

292. Share Pledge Agreement, dated as of February 6, 2014, among Valeant Holdings Ireland, as Security Grantor, B.L.J. Company, Ltd., as Issuing Company, and Goldman Sachs Lending Partners LLC, as Collateral Agent.

Hungary

293. Floating Charge Agreement concluded between Goldman Sachs Lending Partners, LLC as Collateral Agent and Valeant Pharma Hungary LLC, as chargor on March 7, 2014, incorporated in the notarial deed No. 11063/Ü/441/2014/3.

294. Quota Charge Agreement originally concluded between GSLP, as Collateral Agent, Pharmaswiss SA, as chargor and Valeant Pharma Hungary LLC, as company on March 7, 2014, incorporated in the notarial deed No. 11063/Ü/441/2014/3, as amended on May 13, 2014 in the form of the notarial deed No. 11063/Ü/441/2014/4.

295. Bank Accounts Charge Agreement concluded between GSLP, as Collateral Agent and Valeant Pharma Hungary LLC, as chargor on March 7, 2014, incorporated in the notarial deed No. 11063/Ü/441/2014/3, as amended on May 13, 2014 in the form of the notarial deed No. 11063/Ü/441/2014/4.

296. Trademark Charge Agreement between GSLP, as Collateral Agent and Valeant Pharma Hungary LLC, as chargor on March 7, 2014, incorporated in the notarial deed No. 11063/Ü/441/2014/3, as amended on May 13, 2014 in the form of the notarial deed No. 11063/Ü/441/2014/4.

Ireland

297. Supplemental Debenture, dated as of February 6, 2014, between Valeant Pharmaceuticals Ireland and Goldman Sachs Lending Partners LLC.

298. Second Supplemental Debenture, Fixed and Floating Charges, dated as of May 22, 2014, between Valeant Pharmaceuticals Ireland and Goldman Sachs Lending Partners LLC.

299. Supplemental Debenture, Fixed and Floating Charges, dated as of May 22, 2014, between Valeant Holdings Ireland and Goldman Sachs Lending Partners LLC.

Poland

300. Agreement for Registered and Financial Pledges over the Investment Certificates issued by Ipopema 73 Fundusz Inwestycyjny Zamkniety Aktywow Niepublicznych, dated as of February 3, 2014, between Valeant Europe B.V. and Goldman Sachs Lending Partners.

301. Agreement for Registered and Financial Pledges over the Investment Certificates issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, dated as of August 22, 2014, between Valeant Europe B.V. and Goldman Sachs Lending Partners LLC.

Serbia

302. Ownership Interest Pledge Agreement, dated as of March 7, 2014, by and among Pharmaswiss S.A., as Pledgor, and Goldman Sachs Lending Partners LLC, as Pledgee.

Slovenia

303. Share Pledge Agreement, dated as of March 7, 2014, by and among Pharmaswiss S.A., as Pledgor, and Goldman Sachs Lending Partners LLC, as Pledgee.

South Africa

304. General Notarial Covering Bond, dated as of March 7, 2014 by iNova Pharmaceuticals Proprietary Limited in favor of the Lenders, filed May 14, 2014 under registration number BN11476/2014.

Italy

305. Creation of Share Pledge executed by way of correspondence, dated as of July 28, 2014, between Valeant Holdings Ireland, as Pledgor, and Goldman Sachs Lending Partners LLC, as Common Representative.

Australia

306. Fixed and Floating Charge, dated as of May 22, 2014, by and among Bausch & Lomb (Australia) Pty Ltd (ACN 000 650 251), as Chargor, and Goldman Sachs Lending Partners LLC, as Chargee.

New Zealand

307. General Security Deed, dated as of May 22, 2014, between Valeant Pharmaceuticals New Zealand Limited, as Grantor, and Goldman Sachs Lending Partners LLC, as Collateral Agent.

Singapore

308. Debenture, dated as of May 22, 2014, between iNova Pharmaceuticals (Singapore) Pte Limited, as Chargor, and Goldman Sachs Lending Partners LLC, as Collateral Agent, in respect of the assets and undertakings of the Chargor.

309. Share Charge, dated as of May 22, 2014, between Valeant Pharmaceuticals Ireland, as Chargor, and Goldman Sachs Lending Partners LLC, as Collateral Agent, in respect of the shares of Inova Pharmaceuticals (Singapore) Pte. Limited.

United Kingdom

310. Debenture dated May 22, 2014, by and between Bausch & Lomb U.K. Limited, as Chargor, and Goldman Sachs Lending Partners LLC, as Collateral Agent.

311. Security Trust Deed, dated as of May 22, 2014, entered into by Goldman Sachs Lending Partners LLC, as Collateral Agent.

Brazil

312. Second Amendment to the Quota Pledge Agreement, dated as of February 25, 2014, by and among Valeant Europe B.V., as Pledgor, Goldman Sachs Lending Partners LLC, as Collateral Agent, and Probiótica Laboratórios Ltda., as intervening party.

Schedule II

COLLATERAL CURRENTLY HELD BY GSLP

Pledged Equity:

Issuer	Beneficiary	Domicile	Security Name / Cert No(s)	# of Shares	Asset Date	Supporting Documents
Hawkeye Spectrum Corp.	Valeant Pharmaceuticals International, Inc.	USA	1	1	June 15, 2011	Stock Power
Valeant Canada GP Limited	Valeant Pharmaceuticals International, Inc.	Canada	C-1	9	December 1, 2010	Stock Power
Biovail Technologies West Ltd.	Valeant Pharmaceuticals International, Inc.	Canada	2	1	June 10, 2011	Stock Power
0909657 B.C. Ltd.	Valeant Pharmaceuticals International, Inc.	Canada	C2	1	May 4, 2011	Stock Power
0909657 B.C. Ltd.	Valeant Pharmaceuticals International, Inc.	Canada	C3	1	May 4, 2011	Stock Power
Vax Holdings, Inc.	Valeant Pharmaceuticals International, Inc.	Canada	1	1,000	Undated	Stock Power
Cold-fx Pharmaceuticals (USA) Inc.	Valeant Pharmaceuticals International, Inc.	USA	3	1,000	February 27, 2012	Stock Power
fX Life Sciences AG	Valeant Pharmaceuticals International, Inc.	Germany	1	2,000	September 25, 2008	Stock Power

Issuer	Security Name / Beneficiary	Domicile	Cert No(s)	# of Shares	Asset Date	Supporting Documents
Valeant Holdco 2 Pty Ltd	Valeant Pharmaceuticals International, Inc.	Australia	1	1	November 22, 2011	Stock Power (for Certificates 1 and 2)
Valeant Holdco 2 Pty Ltd	Valeant Pharmaceuticals International, Inc.	Australia	2	2	Undated	Stock Power (for Certificates 1 and 2)
Valeant Holdco 2 Pty Ltd	Valeant Pharmaceuticals International, Inc.	Australia	4	241,340,142	August 2, 2012	Stock Power
0938638 B.C. Ltd.	Valeant Pharmaceuticals International, Inc.	Canada	2	100	April 23, 2012	Stock Power
0938893 B.C. Ltd.	Valeant Pharmaceuticals International, Inc.	Canada	2	100	April 25, 2012	Stock Power
Medicis Pharmaceutical Corporation	Valeant Pharmaceuticals International, Inc.	USA	2	100	April 17, 2013	Stock Power
Obagi Medical Products, Inc.	Valeant Pharmaceuticals International	USA	1A	100	May 16, 2013	Stock Power (lists certificate No. as “1”)
Amarin Pharmaceuticals, Inc.	Valeant Pharmaceuticals International	USA	1	10	February 11, 2004	Stock Power and assignment to Valeant Pharmaceuticals International
Azeo Processing, Inc.	Valeant Pharmaceuticals International	USA	2	2,500	September 1, 2010	Stock Power
Coria Laboratories, Ltd.	Valeant Pharmaceuticals International	USA	14	1,000	October 15, 2008	Stock Power
Dow Pharmaceutical Sciences, Inc.	Valeant Pharmaceuticals International	USA	1	1,000	September 1, 2010	Stock Power
Dr. Lewin’s Private Formula International, Inc.	Valeant Pharmaceuticals International	USA	21	10,000	September 1, 2010	Stock Power
Faraday Laboratories, Inc.	Valeant Pharmaceuticals International	USA	1	1,000	September 1, 2010	Stock Power

Issuer	Beneficiary	Domicile	Security Name / Cert No(s)	# of Shares	Asset Date	Supporting Documents
Faraday Urban Renewal Corporation	Valeant Pharmaceuticals International	USA	2	2,500	September 1, 2010	Stock Power
Harbor Pharmaceuticals, Inc.	Valeant Pharmaceuticals International	USA	1	1,000	September 1, 2010	Stock Power
ICN Medical Alliance, Inc.	Valeant Pharmaceuticals International	USA	1	1,000	September 1, 2010	Stock Power
ICN Southeast, Inc.	Valeant Pharmaceuticals International	USA	1	1,000	September 1, 2010	Stock Power
Oceanside Pharmaceuticals, Inc.	Valeant Pharmaceuticals International	USA	2	1,000	September 1, 2010	Stock Power
Private Formula Corp.	Valeant Pharmaceuticals International	USA	6	10,000	September 1, 2010	Stock Power
Valeant Biomedicals, Inc.	Valeant Pharmaceuticals International	USA	1	1,000	September 1, 2010	Stock Power
Valeant China, Inc.	Valeant Pharmaceuticals International	USA	100	10,000	September 1, 2010	Stock Power
Valeant Pharmaceuticals North America LLC	Valeant Pharmaceuticals International	USA	Certificate of Interest Number 1	100 Limited Liability Company Interests	December 31, 2010	Stock Power
OraPharma Topco Holdings, Inc.	Valeant Pharmaceuticals International	USA	1	100	June 14, 2012	Stock Power
Onpharma Inc.	Valeant Pharmaceuticals International	USA	1	43,100	March 21, 2014	Stock Power
Solta Medical, Inc.	Valeant Pharmaceuticals International	USA	1	245,100	January 23, 2014	Stock Power
Bausch & Lomb Financial Holdings Corp.	Bausch & Lomb Incorporated	USA	1	1,500	October 5, 2007	Stock Power
Bausch & Lomb China Inc.	Bausch & Lomb Incorporated	USA	1	15,000	October 5, 2007	Stock Power
Bausch & Lomb Realty Corporation	Bausch & Lomb Incorporated	USA	2	1,000	April 26, 2012	Stock Power

Issuer	Beneficiary	Domicile	Security Name / Cert No(s)	# of Shares	Asset Date	Supporting Documents
Bausch & Lomb South Asia, Inc.	Bausch & Lomb Incorporated	USA	1	100	July 1, 1996	Stock Power
Bausch & Lomb Technology Corporation	Bausch & Lomb Incorporated	USA	1	200	October 5, 2007	Stock Power
Iolab Corporation	Bausch & Lomb Incorporated	USA	11	1,650	October 5, 2007	Stock Power
RHC Holdings, Inc.	Bausch & Lomb Incorporated	USA	1	100	October 5, 2007	Stock Power
Sight Savers, Inc.	Bausch & Lomb Incorporated	USA	4	1,200	April 26, 2012	Stock Power
Bausch & Lomb International, Inc.	Bausch & Lomb Incorporated	USA	1	200	October 5, 2007	Stock Power
eyeonics, inc.	Bausch & Lomb Incorporated	USA	1	200	March 11, 2008	Stock Power
Bausch & Lomb (Singapore) Private Limited	Bausch & Lomb Incorporated	Singapore	4	298,037	April 27, 2012	Stock Power
Soflens (Proprietary) Limited	Bausch & Lomb Incorporated	S. Africa	25	6,500	April 18, 2012	Stock Power
Bausch & Lomb Canada Inc.	Bausch & Lomb Incorporated	Canada	CA004	5,590	September 10, 2013	Stock Power
B.L.J. Company, Ltd.	Valeant Holdings Ireland	Japan	201201	1,105,000	April 27, 2012	Share Certificate
B.L.J. Company, Ltd.	Valeant Holdings Ireland	Japan	201202	595,000	April 27, 2012	Share Certificate
PT Bausch Lomb Indonesia	Bausch & Lomb South Asia, Inc.	Indonesia	1	644	April 23, 2012	Stock Power

Issuer	Beneficiary	Domicile	Security Name / Cert No(s)	# of Shares	Asset Date	Supporting Documents
Bausch & Lomb Philippines, Inc.	Bausch & Lomb International, Inc.	Phillipines	33	5,067	August 9, 2011	Stock Power
Bausch & Lomb (Thailand) Limited	Bausch & Lomb South Asia, Inc.	Thailand	18	13,000	October 21, 2013	Stock Power
Bausch & Lomb Eyecare (India) Private Limited	Bausch & Lomb South Asia, Inc.	India	10	21,450,000	March 23, 2012	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	100026	10	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	100027	10	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	100101	100	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	100102	100	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	100103	100	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	100104	100	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	100128	100	March 26, 1998	Stock Power

Issuer	Beneficiary	Domicile	Cert No(s)	# of Shares	Security Name / Asset Date	Supporting Documents
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	100129	100	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	100130	100	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	100131	100	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	101001	1,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	101002	1,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	101003	1,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	101004	1,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110001	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110002	10,000	March 26, 1998	Stock Power

Issuer	Beneficiary	Domicile	Security Name / Cert No(s)	# of Shares	Asset Date	Supporting Documents
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110003	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110004	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110005	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110006	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110007	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110008	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110009	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110010	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc.	S. Korea	110011	10,000	March 26, 1998	Stock Power

Issuer	Beneficiary	Domicile	Security Name / Cert No(s)	# of Shares	Asset Date	Supporting Documents
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	110012	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	110013	10,000	March 26, 1998	Stock Power
Bausch & Lomb Korea Co. Ltd (f/k/a/ Bausch & Lomb – Young Han Inc.)	Bausch & Lomb South Asia, Inc. (formerly Chull Young Lee)	S. Korea	110014	10,000	March 26, 1998	Stock Power
Valeant Pharmaceuticals International	Biovail Americas Corp.	USA	1	100	September 28, 2010	Stock Power
Valeant Pharmaceuticals International	Biovail Americas Corp.	USA	2	10,000,000	September 28, 2010	Stock Power
Valeant Pharmaceuticals International	Biovail Americas Corp.	USA	3	370,000	December 30, 2010	Stock Power
Prestwick Pharmaceuticals, Inc.	Biovail Americas Corp.	USA	N/A	100	May 15, 2009	Stock Power
Nutravail Technologies Inc.	Biovail Americas Corp.	USA	1	1,000	November 20, 2000	Stock Power
PharmaSwiss SA	Biovail International S.a r.l.	Switzerland	1	114,583	October 14, 2011	Share Certificate
Anza Biomedical Consulting	Dow Pharmaceutical Sciences	USA	1	1,000,000	December 15, 2004	Stock Power
Dermal Laboratories, Inc.	Dow Pharmaceutical Sciences, Inc.	USA	2	1,000	Undated	Stock Power
iNova Sub Pty Limited	iNova Pharmaceuticals (Australia) Pty Limited	Australia	1	2	November 28, 2008	Stock Power

Issuer	Security Name / Beneficiary	Domicile	Cert No(s)	# of Shares	Asset Date	Supporting Documents
Wirra IP Pty Limited	iNova Pharmaceuticals (Australia) Pty Limited	Australia	5	2	Undated	Stock Power
Dermavest, Inc.	Medicis Pharmaceutical Corporation	USA	1	100	June 25, 1997	Stock Power
Medicis Canada Ltd.	Medicis Pharmaceutical Corporation	Canada	PD-5	1,615,077 Class D	April 17, 2013	Stock Power
Medicis Canada Ltd.	Medicis Pharmaceutical Corporation	Canada	CA-4	65 Class A	April 17, 2013	Stock Power
UCYCLYD Pharma, Inc.	Medicis Pharmaceutical Corporation (assigned by Susan E. Brusilow)	USA	1	100	February 27, 1995; assigned April 19, 1999	Stock Power
UCYCLYD Pharmar, Inc.	Medicis Pharmaceutical Corporation (assigned by William Brusilow)	USA	2	100	February 27, 1995; assigned April 19, 1999	Stock Power
UCYCLYD Pharma, Inc.	Medicis Pharmaceutical Corporation (assigned by Norbert L. Wiech)	USA	3	100	February 27, 1995; assigned April 19, 1999	Stock Power
UCYCLYD Pharma, Inc.	Medicis Pharmaceutical Corporation (assigned by Syed E. Abidi)	USA	4	100	February 27, 1995; assigned April 19, 1999	Stock Power
RTI Acquisition Corporation, Inc.	Medicis Pharmaceutical Corporation	USA	C-01	1,000	December 10, 2007	Stock Power
OPO, Inc.	Obagi Medical Products, Inc.	USA	C-1	5,000,000	April 30, 2012	Stock Power
OPO, Inc.	Obagi Medical Products, Inc.	USA	C-2	1,800,000	June 6, 2013	Stock Power
OMP, Inc.	Obagi Medical Products, Inc.	USA	53	1	December 28, 2004	Stock Power
Hyland Capital, Inc.	Oceanside Pharmaceuticals, Inc.	USA	1	100,000	September 1, 2010	Stock Power

Issuer	Beneficiary	Domicile	Security Name / Cert No(s)	# of Shares	Asset Date	Supporting Documents
ICN Realty (CA), Inc.	Oceanside Pharmaceuticals, Inc.	USA	2	1,000	September 1, 2010	Stock Power
OraPharma, Inc.	OraPharma Topco Holdings, Inc.	USA	3	1	June 15, 2012	Stock Power
Prestwick Pharmaceuticals Canada Inc.	Prestwick Pharmaceuticals, Inc.	Canada	2	100	May 15, 2009	Stock Power
Aton Pharma, Inc.	Princeton Pharma Holdings, LLC	USA	C-3	40,654	February 16, 2009	Stock Power
Flow Laboratories, Inc.	Valeant Biomedicals, Inc.	USA	3	10,000	September 1, 2010	Stock Power
ICN Biomedicals California, Inc.	Valeant Biomedicals, Inc.	USA	2	1,000	September 1, 2010	Stock Power
Rapid Diagnostics, Inc.	Valeant Biomedicals, Inc.	USA	31	1,000,000	September 1, 2010	Stock Power
Renaud Skin Care Laboratories, Inc.	Valeant Pharmaceuticals North America	USA	6	20	December 15, 2009	Stock Power
Biovail Americas Corp.	V-BAC Holding Corp.	USA	5	347,737	Undated	Stock Power
V-BAC Holding Corp.	Valeant Canada LP	Canada	C-3	3,700,000,001	December 31, 2010	Stock Power
Valeant Holdco 3 Pty Ltd	Valeant Holdco 2 Pty Ltd	Australia	1	1	Undated, 2011	Stock Power
Wirra Holdings Pty Limited	Valeant Holdco 2 Pty Ltd	Australia	8	23,577,800 A Ordinary	February 6, 2012	Stock Power
Wirra Holdings Pty Limited	Valeant Holdco 2 Pty Ltd	Australia	9	437,269,914 A Ordinary	February 6, 2012	Stock Power
Wirra Holdings Pty Limited	Valeant Holdco 2 Pty Ltd	Australia	B2	11,572,200 B Ordinary	February 6, 2012	Stock Power

Issuer	Beneficiary	Domicile	Security Name / Cert No(s)	# of Shares	Asset Date	Supporting Documents
Wirra Holdings Pty Limited	Valeant Holdco 2 Pty Ltd	Australia	C42	2,766,875 C Ordinary	February 6, 2012	Stock Power
Wirra Holdings Pty Limited	Valeant Holdco 2 Pty Ltd	Australia	Z4	10 Z Class	February 6, 2012	Stock Power
Wirra Holdings Pty Limited	Valeant Holdco 2 Pty Ltd	Australia	Z3	100 Z Class	February 6, 2012	Stock Power
Wirra International Holdings Pte. Limited	Valeant Holdco 2 Pty Ltd	Singapore	AO13	14,665,949 A Ordinary	Undated	Stock Power
Wirra International Holdings Pte. Limited	Valeant Holdco 2 Pty Ltd	Singapore	AO14	1,240,935 A Ordinary	Undated	Stock Power
Wirra International Holdings Pte. Limited	Valeant Holdco 2 Pty Ltd	Singapore	BO2	609,063 B Ordinary	Undated	Stock Power
Wirra International Holdings Pte. Limited	Valeant Holdco 2 Pty Ltd	Singapore	CO41	152,500 C Ordinary	Undated	Stock Power
Wirra International Holdings Pte. Limited	Valeant Holdco 2 Pty Ltd	Singapore	PZ2	10 Z Preferred	Undated	Stock Power
Wirra International Holdings Pte. Limited	Valeant Holdco 2 Pty Ltd	Singapore	PZZ2	100 ZZ Preferred	Undated	Stock Power
Wirra Operations Pty Limited	Wirra Holdings Pty Limited	Australia	1	1	October 18, 2006	Stock Power
iNova Pharmaceuticals (Australia) Pty Limited	Wirra Operations Pty Limited	Australia	N/A	200,000	Undated	Stock Power
Bausch & Lomb Incorporated	Bausch & Lomb Holdings Incorporated	USA	1	100	October 26, 2007	Stock Power
Aesthera Corporation	Solta Medical, Inc.	USA	CS-001	1,000	November 26, 2013	Stock Power

Issuer	Beneficiary	Domicile	Security Name / Cert No(s)	# of Shares	Asset Date	Supporting Documents
Liposonix, Inc.	Solta Medical, Inc.	USA	C-3	100	November 2013	Stock Power
Reliant Medical Lasers, Inc.	Solta Medical, Inc.	USA	CS-002	100	November 26, 2013	Stock Power
CLRS Technology Corporation	Solta Medical, Inc.	USA	CS-001	100	November 26, 2013	Stock Power
iNova Pharmaceuticals (Singapore) Pte. Limited	Valeant Pharmaceuticals Ireland	Singapore	3	100,000	May 2, 2014	Stock Power
Bausch & Lomb IOM S.P.A	Valeant Holdings Ireland	Italy	25	7,258,680	September 20, 2012	Annotation on the share certificates and annotation of shareholders' ledger
Bausch & Lomb IOM S.P.A	Valeant Holdings Ireland	Italy	26	3,908,520	September 20, 2012	Annotation on the share certificates and annotation of shareholders' ledger
Przedsiębiorstwo Farmaceutyczne JELFA S.A.	Sanitas AB	Poland	Shares in Przedsiębiorstwo Farmaceutyczne JELFA S.A. represented by 3 (three) collective shares certificates, representing series A, B and C shares. [6]	6,829,400 bearer shares of nominal value of PLN 4.00 each: • 5,300,000 series A bearer ordinary shares • 1,500,000 series B bearer ordinary shares • 29,040 series C bearer ordinary shares	Series A: December 14, 2006 Series B: December 14, 2006 Series C: January 2, 2007	Notarial Deposit

6 Held in a notarial deposit in Poland.

Pledged Debt

1. Intercompany Note, dated October 20, 2011, with accompanying Intercompany Note Power;
2. Debenture No. 1, dated June 29, 2011, issued by Valeant Pharmaceuticals International, Inc. in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$400,000,000;
3. Debenture No. 1, dated June 29, 2011, issued by Valeant Canada GP Limited in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$400,000,000;
4. Debenture No. 1, dated June 29, 2011, issued by Valeant Canada LP in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, ¸in the amount of Cdn.$400,000,000;
5. Debenture No. 1, dated August 10, 2011, issued by Valeant Pharmaceuticals International, Inc. in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$2,000,000,000;
6. Debenture No. 1, dated August 10, 2011, issued by Valeant Canada GP Limited in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$2,000,000,000;
7. Debenture No. 1, dated August 10, 2011, issued by Valeant Canada LP in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$2,000,000,000;
8. Promissory Note, July 3, 2012, between Valeant Pharmaceuticals International, Inc. as Payor, and Valeant International Bermuda, as Payee;
9. Debenture No. 1, dated December 16, 2011, issued by Valeant Pharmaceuticals International, Inc. in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$3,000,000,000;
10. Debenture No. 1, dated December 16, 2011, issued by Valeant Canada GP Limited in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$3,000,000,000;
11. Debenture No. 1, dated December 16, 2011, issued by Valeant Canada LP in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$3,000,000,000;
12. Debenture No. 1, dated February 14, 2013, issued by V-BAC Holding Corp. in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$5,400,000,000;
13. Debenture No. 1, dated June 27, 2013, issued by Valeant Pharmaceuticals International, Inc. in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$15,000,000,000;

14. Debenture No. 1, dated June 27, 2013, issued by Valeant Canada LP in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$15,000,000,000;

15. Debenture No. 1, dated June 27, 2013, issued by Valeant Canada GP Limited in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$15,000,000,000;

16. Debenture No. 1, dated June 27, 2013, issued by V-BAC Holding Corp. in favor of Goldman Sachs Lending Partners LLC, as Collateral Agent, in the amount of Cdn.$15,000,000,000.

Schedule III

FOREIGN COLLATERAL DOCUMENTS

AUSTRALIA

Original Documents

1. Equitable Mortgage of Shares dated February 13, 2012, by and among Valeant Pharmaceuticals International, Inc. ("Mortgagor") and Goldman Sachs Lending Partners LLC ("Mortgagee")
2. Fixed & Floating Charge dated February 13, 2012, by and among Valeant Holdco 2 Pty Ltd (ACN 154 341 367) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
3. Fixed & Floating Charge dated February 13, 2012, by and among iNova Sub Pty Limited (ACN 134 398 815) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
4. Fixed & Floating Charge dated February 13, 2012, by and among iNova Pharmaceuticals (Australia) Pty Limited (ACN 000 222 408) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
5. Fixed & Floating Charge dated February 13, 2012, by and among Wirra IP Pty Limited (ACN 122 536 350) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
6. Fixed & Floating Charge dated February 13, 2012, by and among Wirra Operations Pty Limited (ACN 122 250 088) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
7. Fixed & Floating Charge dated February 13, 2012, by and among Wirra Holdings Pty Limited (ACN 122 216 577) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
8. Fixed & Floating Charge dated September 9, 2013, by and among Valeant Pharmaceuticals Australasia Pty Limited (ACN 001 083 352) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
9. Fixed & Floating Charge dated September 9, 2013, by and among DermaTech Pty Ltd (ACN 003 982 161) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
10. Fixed & Floating Charge dated September 9, 2013, by and among Private Formula International Holdings Pty Ltd (ACN 095 450 918) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
11. Fixed & Floating Charge dated September 9, 2013, by and among Private Formula International Pty Ltd (ACN 095 451 442) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
12. Fixed & Floating Charge dated September 9, 2013, by and among Ganehill Pty Limited (ACN 065 261 538) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")
13. Fixed & Floating Charge, dated May 22, 2014, by and among Bausch & Lomb (Australia) Pty Ltd (ACN 000 650 251) ("Chargor") and Goldman Sachs Lending Partners LLC ("Chargee")

Assignment Documents, Filings and Registrations

14. Amendments to Personal Property Securities Register Filings transferring registrations to Barclays

BARBADOS

Original Documents

1. Deed of Guarantee, dated as of June 29, 2011, by and among Biovail Holdings International SRL, Valeant International (Barbados) SRL, Biovail Laboratories International (Barbados) SRL, Hythe Property Incorporated, and Goldman Sachs Lending Partners LLC as Administrative Agent.
2. Deed of Guarantee, dated as of August 10, 2011, by and among Biovail Holdings International SRL, Valeant International (Barbados) SRL, Biovail Laboratories International (Barbados) SRL, Hythe Property Incorporated, and Goldman Sachs Lending Partners LLC as Administrative Agent
3. Deed of Guarantee, dated as of October 20, 2011, by and among Valeant Holdings (Barbados) SRL SRL, Valeant International (Barbados) SRL, Biovail Laboratories International (Barbados) SRL, Hythe Property Incorporated, and Goldman Sachs Lending Partners LLC as Administrative Agent.
4. Debenture / Mortgage, dated as of February 13, 2012, by and among Hythe Property Incorporated and Goldman Sachs Lending Partners LLC, as Collateral Agent.
5. Deed of Guarantee, dated as of February 13, 2012, by and among Valeant Holdings (Barbados) SRL, Valeant International (Barbados) SRL, Biovail Laboratories International (Barbados) SRL, Hythe Property Incorporated, and Goldman Sachs Lending Partners LLC, as Administrative Agent.
6. Deed of Guarantee, dated as of July 3, 2012, among Valeant Holdings (Barbados) SRL, Valeant Pharmaceuticals Holdings (Barbados) SRL, Hythe Property Incorporate and Goldman Sachs Lending Partners LLC, as Administrative Agent.

Assignment Documents, Filings and Registrations

7. Deed of Transfer of Debenture / Mortgage, dated as of February 13, 2012, by and among Goldman Sachs Lending Partners LLC and Barclays Bank Plc.

BERMUDA

Original Documents

1. Deed of Charge dated July 3, 2012 between the Valeant International Bermuda and Goldman Sachs Lending Partners LLC
2. Share Charge dated 3 July 2012 between Valeant Holdings (Barbados) SRL and Goldman Sachs Lending Partners LLC
3. Amendment by Share Charge dated December 20, 2013 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC
4. Amendment by Share Charge dated December 31, 2013 between Valeant International Luxembourg SaRL and Goldman Sachs Lending Partners LLC
5. Amendment by Share Charge dated December 31, 2013 between Valeant Holdings Ireland and Goldman Sachs Lending Partners LLC
6. Deed of Charge dated July 3, 2012 between the Valeant Pharmaceuticals Holdings Bermuda and Goldman Sachs Lending Partners LLC
7. Share Charge dated July 3, 2012 between Valeant Pharmaceuticals Holdings (Barbados) SRL and Goldman Sachs Lending Partners LLC
8. Deed of Charge dated July 3, 2012 between the Valeant Pharmaceuticals Nominee Bermuda and Goldman Sachs Lending Partners LLC

9. Deed of Charge dated July 3 2012 between the Valeant Laboratories International Bermuda and Goldman Sachs Lending Partners LLC

10. Share Charge dated July 3, 2012 between Valeant International Bermuda and Goldman Sachs Lending Partners LLC

Assignment Documents, Filings and Registrations

11. Letter of confirmation from GS confirming the transfer of the benefit of an interest in the assets of the Company.

12. Form 9B Amendment Filing to amend Deed of Charge dated July 3, 2012 between the Valeant International Bermuda and Goldman Sachs Lending Partners LLC

13. Form 9B Amendment Filing to amend Amendment by Share Charge dated December 31, 2013 between Valeant Holdings Ireland and Goldman Sachs Lending Partners LLC

14. Form 9B Amendment Filing to amend Deed of Charge dated July 3, 2012 between the Valeant Pharmaceuticals Holdings Bermuda and Goldman Sachs Lending Partners LLC

15. Form 9B Amendment Filing to amend Share Charge dated July 3, 2012 between Valeant Pharmaceuticals Holdings (Barbados) SRL and Goldman Sachs Lending Partners LLC

16. Form 9B Amendment Filing to amend Deed of Charge dated July 3, 2012 between the Valeant Pharmaceuticals Nominee Bermuda and Goldman Sachs Lending Partners LLC

17. Form 9B Amendment Filing to amend Share Charge dated July 3, 2012 between Valeant International Bermuda and Goldman Sachs Lending Partners LLC

18. Form 9B Amendment Filing to amend Deed of Charge dated July 3 2012 between the Valeant Laboratories International Bermuda and Goldman Sachs Lending Partners LLC

BRAZIL

Original Documents

1. Quota Pledge Agreement entered between Valeant Europe B.V. and Goldman Sachs Lending Partners LLC, and, as intervening party, Probiótica Laboratórios Ltda., on September 25, 2013 and amended on December 20, 2013 and February 25, 2014.

2. Quota Pledge Agreement entered between, Labenne Participações Ltda. and Goldman Sachs Lending Partners LLC, and, as intervening party, Probiótica Laboratórios Ltda., on September 25, 2013 and amended on December 20, 2013.

3. Trademark Pledge Agreement entered between Probiótica Laboratórios Ltda. and Goldman Sachs Lending Partners LLC on September 25, 2013 and amended on December 20, 2013.

Assignment Documents, Filings and Registrations

1. Third Amendment to the Quota Pledge Agreement entered between Valeant Europe B.V., and Goldman Sachs Lending Partners LLC, and, as intervening party, Probiótica Laboratórios Ltda., on September 25, 2013.

2. Second Amendment to the Trademark Pledge Agreement entered between Probiótica Laboratórios Ltda. and Goldman Sachs Lending Partners LLC on September 25, 2013.

CANADA

Original Documents

Ontario and Manitoba

1. Guarantee from each of Valeant Pharmaceuticals International, Inc., Valeant Canada LP (" **Valeant LP** "), Valeant Canada GP Limited (" **Valeant GP** ") and V-BAC Holding Corp. (" **V-BAC** "; V-BAC, Valeant LP and Valeant GP are hereinafter collectively referred to as the " **Canadian Guarantors** ") in favour of Goldman Sachs Lending Partners LLC dated as of June 29, 2011.
2. Pledge and Security Agreement granted by Valeant Pharmaceuticals International, Inc. and each Canadian Guarantor in favour of Goldman Sachs Lending Partners LLC dated as of June 29, 2011.
3. Canadian Intellectual Property Security Agreement granted by the Valeant Pharmaceuticals International, Inc. and each Canadian Guarantor in favour of Goldman Sachs Lending Partners LLC dated as of June 29, 2011.
4. Demand Debenture dated June 29, 2011 from the Valeant Pharmaceuticals International, Inc. to Goldman Sachs Lending Partners LLC.
5. Blocked Accounts Agreement dated June 29, 2011 between the Valeant Pharmaceuticals International, Inc., Goldman Sachs Lending Partners LLC and The Toronto-Dominion Bank.
6. Blocked Accounts Agreement dated June 29, 2011 between the Valeant Pharmaceuticals International, Inc., Goldman Sachs Lending Partners LLC and The Bank of Nova Scotia.

Quebec

7. Deed of hypothec and issue of debentures dated June 28, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered by summary at the Land Registry Office for the Registration Division of Laval under number 19 025 689 and at the Register-of Personal and Movable Real Rights ("RPMRR") under number 11-0484400-0003 and (the "Valeant Pharmaceuticals International, Inc. June 2011 Hypothec") ;
8. Deed of hypothec and issue of debentures dated June 28, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Montreal under number 18 270 067 and at the RPMRR under number 11-0484400-0001 (the "Valeant Canada LP June 2011 Hypothec");
9. Deed of hypothec and issue of debentures dated June 28, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the RPMRR under number 11-0484400-0002 (the "Valeant Canada GP Limited June 2011 Hypothec");
10. Deed of hypothec and issue of debentures dated August 5, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered by summary at the Land Registry Office for the Registration Division of Laval under number 19 025 696 and at the RPMRR under number 11-0597882-0003 (the "Valeant Pharmaceuticals International, Inc. August Hypothec");
11. Deed of hypothec and issue of debentures dated August 5, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Montreal under number 18 376 362 and at the RPMRR under number 11-0597882-0001 (the "Valeant Canada LP August Hypothec");
12. Deed of hypothec and issue of debentures dated August 5, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the RPMRR under number 11-0597882-0002 (the "Valeant Canada GP Limited August Hypothec");

13. Deed of hypothec and issue of debentures dated December 16, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the RPMRR under number 11-0968105-0003 (the "Valeant Pharmaceuticals International, Inc. December Hypothec");

14. Deed of hypothec and issue of debentures dated December 16, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Montreal under number 18 724 474 and at the RPMRR under number 11-0968105-0001 (the "Valeant Canada LP December Hypothec");

15. Deed of hypothec and issue of debentures dated December 16, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the RPMRR under number 11-0968105-0002 (the "Valeant Canada GP Limited December Hypothec");

16. Deed of hypothec and issue of debentures dated February 14, 2013 between V-BAC Holding Corp. and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the RPMRR under number 13-0113567-0001 (the "V-BAC Holding Corp. February Hypothec");

17. Deed of hypothec and issue of debentures dated June 27, 2013 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Laval under number 20 075 092 and at the RPMRR under number 13-0555854-0001 (the "Valeant Pharmaceuticals International, Inc. June 2013 Hypothec");

18. Deed of hypothec and issue of debentures dated June 27, 2013 between Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the Land Registry Office for the Registration Division of Montreal under number 20 072 874 and at the RPMRR under number 13-0555854-0002 (the "Valeant Canada LP June 2013 Hypothec");

19. Deed of hypothec and issue of debentures dated June 27, 2013 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the RPMRR under number 13-0555854-0003 (the "Valeant Canada GP Limited June 2013 Hypothec");

20. Deed of hypothec and issue of debentures dated June 27, 2013 between V-BAC Holding Corp. and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir for the Debentureholders (as defined therein) registered at the RPMRR under number 13-0555854-0004 (the "V-BAC Holding Corp. June 2013 Hypothec");

21. Debenture in the amount of CDN$400,000,000 dated June 29, 2011 issued pursuant to the Valeant Pharmaceuticals International, Inc. June 2011 Hypothec by Valeant Pharmaceuticals International, Inc. in favour of Goldman Sachs Lending Partners LLC (the "Valeant Pharmaceuticals International, Inc. June 2011 Debenture");

22. Debenture in the amount of CDN$400,000,000 dated June 29, 2011 issued pursuant to the Valeant Canada LP June 2011 Hypothec by Valeant Canada LP in favour of Goldman Sachs Lending Partners LLC (the "Valeant Canada LP June 2011 Debenture");

23. Debenture in the amount of CDN$400,000,000 dated June 29, 2011 issued pursuant to the Valeant Canada GP Limited June 2011 Hypothec by Valeant Canada GP Limited in favour of Goldman Sachs Lending Partners LLC (the "Valeant Canada GP Limited June 2011 Debenture");

24. Debenture in the amount of CDN$2,000,000,000 dated August 10, 2011 issued pursuant to the Valeant Pharmaceuticals International, Inc. August Hypothec by Valeant Pharmaceuticals International, Inc., in favour of Goldman Sachs Lending Partners LLC (the "Valeant Pharmaceuticals International, Inc. August Debenture");

25. Debenture in the amount of CDN$2,000,000,000 dated August 10, 2011 issued pursuant to the Valeant Canada LP August Hypothec by Valeant Canada LP, in favour of Goldman Sachs Lending Partners LLC (the "Valeant Canada LP August Debenture");

26. Debenture in the amount of CDN$2,000,000,000 dated August 10, 2011 issued pursuant to the Valeant Canada GP Limited August Hypothec by Valeant Canada GP Limited, in favour of Goldman Sachs Lending Partners LLC (the "Valeant Canada GP Limited August Debenture");

27. Debenture in the amount of CDN$3,000,000,000 dated December 16, 2011 issued pursuant to the Valeant Pharmaceuticals International, Inc. December Hypothec by Valeant Pharmaceuticals International, Inc. in favour of Goldman Sachs Lending Partners LLC (the "Valeant Pharmaceuticals International, Inc. December Debenture");

28. Debenture in the amount of CDN$3,000,000,000 dated December 16, 2011 issued pursuant to the Valeant Canada LP December Hypothec by Valeant Canada LP in favour of Goldman Sachs Lending Partners LLC (the "Valeant Canada LP December Debenture");

29. Debenture in the amount of CDN$3,000,000,000 dated December 16, 2011 issued pursuant to the Valeant Canada GP Limited December Hypothec by Valeant Canada GP Limited in favour of Goldman Sachs Lending Partners LLC (the "Valeant Canada GP Limited December Debenture");

30. Debenture in the amount of CDN$5,400,000,000 dated February 14, 2013 issued pursuant to the V-BAC Holding Corp. February Hypothec by V-BAC Holding Corp. in favour of Goldman Sachs Lending Partners LLC (the "V-BAC Holding Corp. February Debenture");

31. Debenture in the amount of CDN$15,000,000,000 dated June 27, 2013 issued pursuant to the Valeant Pharmaceuticals International, Inc. June 2013 Hypothec by Valeant Pharmaceuticals International, Inc. in favour of Goldman Sachs Lending Partners LLC (the "Valeant Pharmaceuticals International, Inc. June 2013 Debenture");

32. Debenture in the amount of CDN$15,000,000,000 dated June 27, 2013 issued pursuant to the Valeant Canada LP June 2013 Hypothec by Valeant Canada LP in favour of Goldman Sachs Lending Partners LLC (the "Valeant Canada LP June 2013 Debenture");

33. Debenture in the amount of CDN$15,000,000,000 dated June 27, 2013 issued pursuant to the Valeant Canada GP Limited June 2013 Hypothec by Valeant Canada GP Limited in favour of Goldman Sachs Lending Partners LLC (the "Valeant Canada GP Limited June 2013 Debenture");

34. Debenture in the amount of CDN$15,000,000,000 dated June 27, 2013 issued pursuant to the V-BAC Holding Corp. June 2013 Hypothec by V-BAC Holding Corp. in favour of Goldman Sachs Lending Partners LLC (the "V-BAC Holding Corp. June 2013 Debenture");

35. Pledge of debenture agreement dated June 29, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC relating to the Valeant Pharmaceuticals International, Inc. June 2011 Debenture;

36. Pledge of debenture agreement dated June 29, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC relating to the Valeant Canada LP June 2011 Debenture;

37. Pledge of debenture agreement dated June 29, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC relating to the Valeant Canada GP Limited June 2011 Debenture;

38. Pledge of debenture agreement dated August 10, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC relating to the Valeant Pharmaceuticals International, Inc. August Debenture;

39. Pledge of debenture agreement dated August 10, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC relating to the Valeant Canada LP August Debenture;

40. Pledge of debenture agreement dated August 10, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC relating to the Valeant Canada GP Limited August Debenture;

41. Pledge of debenture agreement dated December 19, 2011 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC relating to the Valeant Pharmaceuticals International, Inc. December Debenture;

42. Pledge of debenture agreement dated December 19, 2011 between Valeant Canada LP and Goldman Sachs Lending Partners LLC relating to the Valeant Canada LP December Debenture;

43. Pledge of debenture agreement dated December 19, 2011 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC relating to the Valeant Canada GP Limited December Debenture;

44. Pledge of debenture agreement dated February 14, 2013 between V-BAC Holding Corp. and Goldman Sachs Lending Partners LLC relating to the V-BAC Holding Corp. February Debenture;

45. Pledge of debenture agreement dated June 27, 2013 between Valeant Pharmaceuticals International, Inc. and Goldman Sachs Lending Partners LLC relating to the Valeant Pharmaceuticals International, Inc. June 2013 Debenture;

46. Pledge of debenture agreement dated June 27, 2013 between Valeant Canada LP and Goldman Sachs Lending Partners LLC relating to the Valeant Canada LP June 2013 Debenture;

47. Pledge of debenture agreement dated June 27, 2013 between Valeant Canada GP Limited and Goldman Sachs Lending Partners LLC relating to the Valeant Canada GP Limited June 2013 Debenture;

48. Pledge of debenture agreement dated June 27, 2013 between V-BAC Holding Corp. and Goldman Sachs Lending Partners LLC relating to the V-BAC Holding Corp. June 2013 Debenture (items 35 through 48, inclusively, are hereinafter collectively referred to as the " **Pledges of Debenture** ");

49. Third amended and restated securities control agreement dated June 27, 2013 between Valeant Pharmaceuticals International, Inc., Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir, with respect to the interest of Valeant Pharmaceuticals International, Inc. in Valeant Canada LP; and

50. Third amended and restated securities control agreement dated June 27, 2013 between Valeant Canada GP Limited, Valeant Canada LP and Goldman Sachs Lending Partners LLC, in its capacity as fondé de pouvoir, with respect to the interest of Valeant Canada GP Limited in Valeant Canada LP.

Assignment Documents, Filings and Registrations

Alberta

51. Amendment to the following Alberta PPSA registrations to reflect the change in secured party (from Goldman Sachs Lending Partners LLC to Barclays Bank PLC):

    a. PPSA Financing statement naming Valeant Pharmaceuticals International, Inc. as debtor filed on May 25, 2011 under registration number 11052512422

    b. PPSA Financing statement naming Valeant Canada LP / Valeant Canada S.E.C and Valeant Canada GP Limited / Commandité Valeant Canada Limitée as debtors filed on May 25, 2011 under registration number 11052512562

    c. PPSA Financing statement naming V-BAC Holding Corp. as debtor filed on May 25, 2011 under registration number 11052512477

    d. PPSA Financing statement naming Valeant Canada GP Limited / Commandité Valeant Canada Limitée as debtor filed on May 25, 2011 under registration number 11052512509

British Columbia

52. Amendment to the following British Columbia PPSA registrations to reflect the change in secured party (from Goldman Sachs Lending Partners LLC to Barclays Bank PLC):

    a. PPSA Financing statement naming Valeant Pharmaceuticals International, Inc. as debtor filed on May 25, 2011 under base registration number 161913G, as amended pursuant to an amendment registered on May 23, 2013 under number 361998H

b. PPSA Financing statement naming V-BAC Holding Corp. as debtor filed on May 25, 2011 under base registration number 161914G, as amended pursuant to an amendment registered on May 23, 2013 under number 362119H

c. PPSA Financing statement naming Valeant Canada LP / Valeant Canada S.E.C and Valeant Canada GP Limited / Commandité Valeant Canada Limitée as debtors filed on May 25, 2011 under base registration number 162060G, as amended pursuant to an amendment registered on May 23, 2013 under number 362221H

d. PPSA Financing statement naming Valeant Canada GP Limited / Commandité Valeant Canada Limitée as debtor filed on May 25, 2011 under base registration number 162061G, as amended pursuant to an amendment registered on May 23, 2013 under number 362303H

Ontario

53. Amendment to the following Ontario PPSA registrations to reflect the change in secured party (from Goldman Sachs Lending Partners LLC to Barclays Bank PLC):

a. PPSA Financing statement naming Commandite Valeant Canada Limitee/ Valeant Canada GP Limited and Valeant Canada LP / Valeant Canada S.E.C. as debtors filed on May 25, 2011, Reference File No. 670132359 under registration number 20110525 1614 1862 0039

b. PPSA Financing statement naming Commandite Valeant Canada Limitee/ Valeant Canada GP Limited as debtor filed on May 25, 2011, Reference File No. 670132368 under registration number 20110525 1614 1862 0040

c. PPSA Financing statement naming V-BAC Holding Corp. as debtor filed on May 25, 2011, Reference File No. 670132395 under registration number 20110525 1615 1862 0042

d. PPSA Financing statement naming Valeant Pharmaceuticals International Inc. as debtor filed on May 25, 2011, Reference File No. 670132377 under registration number 20110525 1614 1862 0041

Manitoba

54. Filing of Transfer of Mortgage with Land Titles Office

55. Amendment to the following Manitoba PPSA registrations to reflect the change in secured party (from Goldman Sachs Lending Partners LLC to Barclays Bank PLC):

a. PPSA Financing statement naming Valeant Pharmaceuticals International, Inc. as debtor filed on May 26, 2011 under registration number 201108524800

b. PPSA Financing statement naming V-BAC Holding Corp. as debtor filed on May 26, 2011 under registration number 201108525903

c. PPSA Financing statement naming Valeant Canada LP / Valeant Canada S.E.C and Valeant Canada GP Limited / Commandité Valeant Canada Limitée as debtors filed on May 26, 2011 under registration number 201108532403

d. PPSA Financing statement naming Valeant Canada GP Limited / Commandité Valeant Canada Limitée as debtor filed on May 26, 2011 under registration number 201108533906

Nova Scotia

56. Amendment to the following Nova Scotia PPSA registrations to reflect the change in secured party (from Goldman Sachs Lending Partners LLC to Barclays Bank PLC):

a. PPSA Financing statement naming Valeant Canada GP Limited / Commandité Valeant Canada Limitée as debtor filed on May 26, 2011 under registration number 18112987

b. PPSA Financing statement naming Valeant Canada LP / Valeant Canada S.E.C and Valeant Canada GP Limited / Commandité Valeant Canada Limitée as debtors filed on May 26, 2011 under registration number 18113035

c. PPSA Financing statement naming V-BAC Holding Corp. as debtor filed on June 9, 2011 under registration number 18173179

d. PPSA Financing statement naming Valeant Pharmaceuticals International, Inc. as debtor filed on June 9, 2011 under registration number 18173187, as amended pursuant an amendment registered on June 9, 2011 under number 18175646

Quebec

57. Deed of Substitution of Fondé de Pouvoir re: the following Deeds of Hypothec and Third A&R Control Agreements:

a. Deed of Hypothec and Issue of Debentures granted by Valeant Canada GP Limited / Commandité Valeant Canada Limitée registered on June 29, 2011 under number 11-0484400-0002

b. Deed of Hypothec and Issue of Debentures granted by Valeant Canada GP Limited / Commandité Valeant Canada Limitée registered on August 5, 2011 under number 11-0597882-0002

c. Deed of Hypothec and Issue of Debentures granted by Valeant Canada GP Limited / Commandité Valeant Canada Limitée registered on December 16, 2011 under number 11-0968105-0002

d. Deed of Hypothec and Issue of Debentures granted by Valeant Canada GP Limited / Commandité Valeant Canada Limitée registered on June 28, 2013 under number 13-0555854-0003

e. Deed of Hypothec and Issue of Debentures granted by V-BAC Holding Corp. registered on February 15, 2013 under number 13-0113567-0001

f. Deed of Hypothec and Issue of Debentures granted by V-BAC Holding Corp. registered on June 28, 2013 under number 13-0555854-0004

g. Deed of Hypothec and Issue of Debentures granted by Valeant Pharmaceuticals International, Inc. registered on June 29, 2011 under number 11-0484400-0003 and at the Laval Land Registry Office under number 19 025 689

h. Deed of Hypothec and Issue of Debentures granted by Valeant Pharmaceuticals International, Inc. registered on August 5, 2011 under number 11-0597882-0003 and at the Laval Land Registry Office under number 19 025 696

i. Deed of Hypothec and Issue of Debentures granted by Valeant Pharmaceuticals International, Inc. registered on December 16, 2011 under number 11-0968105-0003

j. Deed of Hypothec and Issue of Debentures granted by Valeant Pharmaceuticals International, Inc. registered on June 28, 2013 under number 13-0555854-0001 and at the Laval Land Registry Office under number 20 075 092

k. Deed of Hypothec and Issue of Debentures granted by Valeant Canada S.E.C. / Valeant Canada LP registered on June 29, 2011 under number 11-0484400-0001 and at the Montreal Land Registry Office under number 18 270 067

l. Deed of Hypothec and Issue of Debentures granted by Valeant Canada S.E.C. / Valeant Canada LP registered on August 5, 2011 under number 11-0597882-0001 and at the Montreal Land Registry Office under number 18 376 362

m. Deed of Hypothec and Issue of Debentures granted by Valeant Canada S.E.C. / Valeant Canada LP registered on December 16, 2011 under number 11-0968105-0001 and at the Montreal Land Registry Office under number 18 724 474

n. Deed of Hypothec and Issue of Debentures granted by Valeant Canada S.E.C. / Valeant Canada LP registered on June 28, 2013 under number 13-0555854-0002 and at the Montreal Land Registry Office under number 20 072 874

o. Third Amended and Restated Securities Control Agreement dated June 27, 2013 between Valeant Pharmaceuticals International, Inc., Valeant Canada LP and Goldman Sachs Lending Partners LLC, as *fondé de pouvoir* , with respect to the interest of Valeant Pharmaceuticals International, Inc. in Valeant Canada LP

p. Third Amended and Restated Securities Control Agreement dated June 27, 2013 between Valeant Canada GP Limited, Valiant Canada LP and Goldman Sachs Lending Partners LLC, as *fondé de pouvoir* , with respect to the interest of Valeant Canada GP Limited in Valeant Canada LP

58. Assignment Agreement regarding the Pledges of Debentures by and among Goldman Sachs Lending Partners LLC, as Assignor and as original holder of the Debentures, Barclays Bank PLC as Assignee and as successor holder of the Debentures, Valeant Pharmaceuticals International, Inc., Valeant Canada LP, Valeant Canada GP Limited, V-BAC Holding Corp.

59. Transfer of Debenture agreement for each of the below Debentures (collectively, the " **Debentures** "):

a. Debenture issued June 29, 2011 by Valeant Pharmaceuticals International, Inc. in the amount of Cdn $400,000,000

b. Debenture issued June 29, 2011 by Valeant Canada LP in the amount of Cdn $400,000,000

c. Debenture issued June 29, 2011 by Valeant Canada GP Limited in the amount of Cdn $400,000,000

d. Debenture issued August 10, 2011 by Valeant Pharmaceuticals International, Inc. in the amount of Cdn $2,000,000,000

e. Debenture issued August 10, 2011 by Valeant Canada LP in the amount of Cdn $2,000,000,000

f. Debenture issued August 10, 2011 by Valeant Canada GP Limited in the amount of Cdn $2,000,000,000

g. Debenture issued December 16, 2011 by Valeant Pharmaceuticals International, Inc. in the amount of Cdn $3,000,000,000

h. Debenture issued December 16, 2011 by Valeant Canada LP in the amount of Cdn $3,000,000,000

i. Debenture issued December 16, 2011 by Valeant Canada GP Limited in the amount of Cdn $3,000,000,000

j. Debenture issued February 14, 2013 by V-BAC Holding Corp. in the amount of Cdn $5,4000,000,000

k. Debenture issued June 27, 2013 by Valeant Pharmaceuticals International, Inc. in the amount of Cdn $15,000,000,000

l. Debenture issued June 27, 2013 by Valeant Canada LP in the amount of Cdn $15,000,000,000

m. Debenture issued June 27, 2013 by Valeant Canada GP Limited in the amount of Cdn $15,000,000,000

n. Debenture issued June 27, 2013 by V-BAC Holding Corp. in the amount of Cdn $15,000,000,000

60. Registers maintained by Collateral Agent in respect of above Debentures

61. Acknowledgement in respect of the transfer of the Debentures and of the recording thereof on the registers maintained by the Collateral Agent

62. Registration of RG form at the Register of Personal and Movable Real Rights (Quebec) to record the change of Collateral Agent (as Fondé de Pouvoir) in respect of each of the Deeds of Hypothec mentioned above

63. Registration of the Deed of Substitution of Fondé de Pouvoir at the applicable Quebec Land Registry Offices:

    a. Montreal

    b. Laval

THE NETHERLANDS

Original Documents

1. Deed of Pledge (Valeant Europe B.V.), dated as of September 17, 2013, and corrected as of September 5, 2014, among Biovail International S.à r.l., Przedsiebiorstwo Farmaceutyczne Jelfa S.A., Valeant Europe B.V. and Goldman Sachs Lending Partners LLC.

2. Deed of Pledge (Bausch+Lomb OPS B.V.), dated as of December 23, 2013, among Valeant Holdings Ireland, Goldman Sachs Lending Partners LLC and Bausch+Lomb OPS B.V.

Assignment Documents, Filings and Registrations

3. Deed of Transfer and Pledge, dated as of January 8, 2015, by and among Valeant Holdings Ireland, as security provider, Goldman Sachs Lending Partners LLC, as original collateral agent, Barclays Bank PLC, as new collateral agent and Bausch+Lomb OPS B.V., as issuer of shares.

4. Deed of Transfer and Pledge, dated as of January 8, 2015, by and among Biovail International S.À.R.L, as security provider, Przedsiębiorstwo Farmaceutyczne Jelfa S.A., as security provider, Goldman Sachs Lending Partners LLC, as original collateral agent, Barclays Bank PLC, as new collateral agent and Valeant Europe B.V., as issuer of shares.

HUNGARY

Original Documents

1. Floating Charge Agreement concluded between Goldman Sachs Lending Partners, LLC as Collateral Agent and Valeant Pharma Magyarország Kereskedelmi Korlátolt Felelősségű Társaság, as chargor on March 7, 2014, incorporated in the notarial deed No. 11063/Ü/441/2014/3

2. Quota Charge Agreement originally concluded between GSLP, as Collateral Agent, Pharmaswiss SA, as chargor and Valeant Hungary, as company on March 7, 2014, incorporated in the notarial deed No. 11063/Ü/441/2014/3, as amended on May 13, 2014 in the form of the notarial deed No. 11063/Ü/441/2014/4

3. Bank Accounts Charge Agreement concluded between GSLP, as Collateral Agent and Valeant Hungary, as chargor on March 7, 2014, incorporated in the notarial deed No. 11063/Ü/441/2014/3, as amended on May 13, 2014 in the form of the notarial deed No. 11063/Ü/441/2014/4

4. Trademark Charge Agreement between GSLP, as Collateral Agent and Valeant Hungary, as chargor on March 7, 2014, incorporated in the notarial deed No. 11063/Ü/441/2014/3, as amended on May 13, 2014 in the form of the notarial deed No. 11063/Ü/441/2014/4

Assignment Documents, Filings and Registrations

1. First Amendment Agreement to Floating Charge

2. Second Amendment Agreement to Quota Charge

3. Second Amendment Agreement to Bank Accounts Charge

4. Second Amendment Agreement to Trademark Charge, including the Amendment to Scope of IP Pledges for Trademark Charge
5. Filing of the First Amendment Agreement to Floating Charge with the Floating Charge Register and registration of New Agent
6. Filing of the Second Amendment Agreement to Quota Charge with the Court of Registration and Registration of New Agent
7. Filing of the Second Amendment Agreement to Trademark Charge with the Hungarian Intellectual Property Office and Registration of New Agent
8. Delivery of notifications to the account holder banks of Valeant Hungary regarding the replacement of the Existing Agent by the New Agent

IRELAND

Original Documents

1. Debenture, Fixed and Floating Charges dated July 3, 2012, by and between Valeant Pharmaceuticals Ireland ("Chargor") and Goldman Sachs Lending Partners LLC
2. Debenture, Fixed and Floating Charges dated December 20, 2013, by and between Valeant Holdings Ireland ("Chargor") and Goldman Sachs Lending Partners LLC
3. Supplemental Debenture, Fixed and Floating Charges dated February 6, 2014, by and between Valeant Pharmaceuticals Ireland ("Chargor") and Goldman Sachs Lending Partners LLC

Assignment Documents, Filings and Registrations

4. Post completion notification to Irish CRO that Agent has changed

ITALY

Original Documents

1. Creation of Share Pledge executed by way of correspondence dated as of July 28, 2014, between Valeant Holdings Ireland, as Pledgor, and Goldman Sachs Lending Partners LLC, as Common Representative.

Assignment Documents, Filings and Registrations

1. Confirmation Agreement relating to Share Pledge, to be executed on or about January 8, 2015, by and among Valeant Holdings Ireland, as Pledgor, Barclays Bank PLC, as Successor Agent and Goldman Sachs Lending Partners LLC, as Existing Agent.

JAPAN

Original Documents

1. Share Pledge Agreement (the "Share Pledge Agreement") with respect to the shares in the Company ("Pledged Shares") dated as of February 6, 2014 among Valeant Holdings Ireland, a corporation organized and existing under the laws of Ireland ("Grantor"), Goldman Sachs Lending Partners LLC ("GSLP"), as Collateral Agent (as defined in the Credit Agreement (defined below)), and the Company to secure the Grantor's certain guarantee obligations to GSLP (the "Secured Obligations") under the Third Amended and Restated Credit and Guarantee Agreement

Assignment Documents, Filings and Registrations

2. Collateral Agent Pledge Transfer Agreement, dated as of January 8, 2015, by and among Valeant Holdings, as Security Grantor, B.L.J Company, Ltd, as Issuing Company, Goldman Sachs Lending Partners LLC, as Retiring Collateral Agent and Barclays Bank PLC, as Successor Collateral Agent

LITHUANIA

Original Documents

1. Company Mortgage Agreement dated October 21, 2013, over all the assets of AB Sanitas (the "Company"), executed between Valeant Pharmaceuticals International, Inc. ("Valeant") as the debtor, the Company as the owner of the collateral and Goldman Sachs Lending Partners LLC (the "Bank") as the creditor, registered with the Mortgage Register of the Republic of Lithuania on October 21, 2013 under ID No 20120130056526 securing performance of the obligations of Valeant arising from the Facilities Agreement
2. Share Pledge Agreement dated October 21, 2013 over 185,215 (one hundred eighty five thousand two hundred and fifteen) shares of the Company, constituting 0,6 % (six tenth per cent) of the authorized and issued capital of the Company, which were additionally acquired by Valeant, executed between Valeant as the debtor and the owner of the collateral and the Bank as the creditor, registered with the Mortgage Register of the Republic of Lithuania on October 21, 2013 under ID No 20220130056528 securing performance of the obligations of Valeant arising from the Facilities Agreement
3. Share Pledge Bond No. 01220120007548, dated May 14, 2012 over 30,920,705 (thirty million nine hundred twenty thousand seven hundred and five) shares of the Company, constituting 99.4 % of the authorised and issued capital of the Company, registered with the Mortgage Register of the Republic of Lithuania on October 21, 2013 securing performance of the obligations of Valeant arising from the Facilities Agreement, as amended on October 21, 2013

Assignment Documents, Filings and Registrations

4. Agreement on Transfer of Security Rights, dated as of January 8, 2015, by and among Goldman Sachs Lending Partners LLC, as Existing Creditor and Barclays Bank PLC, as Successor Creditor.

LUXEMBOURG

Original Documents

1. Account Pledge Agreement dated August 2, 2012, by and between Valeant Pharmaceuticals Luxembourg S.a.r.l. ("Pledgor") and Goldman Sachs Lending Partners LLC ("Pledgee")
2. Account Pledge Agreement originally dated October 20, 2011, by and between Biovail International S.a.r.l. ("Pledgor") and Goldman Sachs Lending Partners LLC ("Pledgee"), as amended and restated on February 13, 2012

3. Share Pledge Agreement originally dated October 20, 2011, by and between Valeant Pharmaceuticals International, Inc. ("Pledgor") and Goldman Sachs Lending Partners LLC ("Pledgee"), as amended and restated on February 13, 2012

4. Amended and Restated Share Pledge Agreement dated February 13, 2012, by and between Valeant Pharmaceuticals International, Inc. ("Pledgor") and Goldman Sachs Lending Partners LLC ("Pledgee")

5. Share Pledge Agreement dated December 20, 2013, by and between Bausch & Lomb B.V. ("Pledgor") and Goldman Sachs Lending Partners LLC ("Pledgee")

6. Share Pledge Agreement dated December 20, 2013, by and between Valeant Pharmaceuticals International, Inc. ("Pledgor") and Goldman Sachs Lending Partners LLC ("Pledgee")

7. Assignment and Amendment Agreement dated January 8, 2014, by and among Valeant Holdings Ireland (as "Pledgor" and as "Transferor"), Valeant Holdings Ireland, Luxembourg Branch (as new "Pledgor" and "Transferee"), Valeant Pharmaceuticals Luxembourg S.a.r.l. and Goldman Sachs Lending Partners, LLC

8. Second Amended and Restated Agreement to Luxembourg Share Pledge Agreement dated January 8, 2014, by and among Valeant Holdings Ireland, Luxembourg Branch ("Pledgor") and Goldman Sachs Lending Partners LLC ("Pledgee")

Assignment Documents, Filings and Registrations

9. Confirmation Agreement of Assignment relating to Existing Pledge Agreements, dated as of January 8, 2015, by and among Valeant Pharmaceuticals International, Inc., Valeant Holdings Ireland, Luxembourg Branch, Valeant Pharmaceuticals Luxembourg S.à r.l., Biovail International S.à r.l., Valeant Holdings Ireland, Bausch & Lomb Luxembourg S.à r.l., Valeant International Luxembourg S.à r.l., Goldman Sachs Lending Partners LLC, as Resigning Agent and Barclays Bank PLC, as Successor Agent.

POLAND

Original Documents

1. Agreement for registered pledge over collection of assets of Przedsiębiorstwo Farmaceutyczne JELFA S.A. entered into between Przedsiębiorstwo Farmaceutyczne JELFA S.A. and Goldman Sachs Lending Partners LLC (English version)

2. Agreement for registered pledge over collection of assets of Przedsiębiorstwo Farmaceutyczne JELFA S.A. entered into between Przedsiębiorstwo Farmaceutyczne JELFA S.A. and Goldman Sachs Lending Partners LLC (Polish version)

3. Agreement for the security assignment of rights entered into between Przedsiębiorstwo Farmaceutyczne JELFA S.A and Goldman Sachs Lending Partners LLC (English version)

4. Agreement for registered pledge and financial pledge over shares in "Emo-Farm" sp. z o.o. entered into between Przedsiębiorstwo Farmaceutyczne JELFA S.A. and Goldman Sachs Lending Partners LLC (English version)

5. Agreement for registered pledge and financial pledge over shares in "Emo-Farm" sp. z o.o. entered into between Przedsiębiorstwo Farmaceutyczne JELFA S.A. and Goldman Sachs Lending Partners LLC (Polish version)

6. Agreement for financial pledges over bank accounts of Przedsiębiorstwo Farmaceutyczne JELFA S.A. entered into between Przedsiębiorstwo Farmaceutyczne JELFA S.A. and Goldman Sachs Lending Partners LLC (English version)

7. Agreement for registered pledges over bank accounts of Przedsiębiorstwo Farmaceutyczne JELFA S.A. entered into between Przedsiębiorstwo Farmaceutyczne JELFA S.A. and Goldman Sachs Lending Partners LLC (English version)
8. Agreement for registered pledges over bank accounts of Przedsiębiorstwo Farmaceutyczne JELFA S.A. entered into between Przedsiębiorstwo Farmaceutyczne JELFA S.A. and Goldman Sachs Lending Partners LLC (Polish version)
9. Mortgage Deed executed by Przedsiębiorstwo Farmaceutyczne JELFA S.A
10. Submission to enforcement of Przedsiębiorstwo Farmaceutyczne JELFA S.A
11. Agreement for registered pledge and financial pledge over shares in “Valeant” sp. z o.o. entered into between Valeant Europe BV and Goldman Sachs Lending Partners LLC (English version)
12. Agreement for registered pledge and financial pledge over shares in “Valeant” sp. z o.o. entered into between Valeant Europe BV and Goldman Sachs Lending Partners LLC (Polish version)
13. Agreement for registered and financial pledges over investment certificates (A and B series) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych entered into between Valeant Europe BV and Goldman Sachs Lending Partners LLC (English version)
14. Agreement for registered and financial pledges over investment certificates (A and B series) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych entered into between Valeant Europe BV and Goldman Sachs Lending Partners LLC (Polish version)
15. Submission to enforcement of Valeant Europe B.V.
16. Agreement for registered pledges over bank accounts of Valeant sp. z o.o. entered into between Valeant sp. z o.o. and Goldman Sachs Lending Partners LLC (English version)
17. Agreement for registered pledges over bank accounts of Valeant sp. z o.o. entered into between Valeant sp. z o.o. and Goldman Sachs Lending Partners LLC (Polish version)
18. Agreement for financial pledges over bank accounts of Valeant sp. z o.o. entered into between Valeant sp. z o.o. and Goldman Sachs Lending Partners LLC (English version)
19. Agreement for registered pledge over collection of assets of Valeant sp. z o.o. entered into between Valeant sp. z o.o. and Goldman Sachs Lending Partners LLC (English version)
20. Agreement for registered pledge over collection of assets of Valeant sp. z o.o. entered into between Valeant sp. z o.o. and Goldman Sachs Lending Partners LLC (Polish version)
21. Submission to enforcement of Valeant sp. z o.o.
22. Agreement for registered pledge over bank account of VP Valeant Sp. z o.o. sp.j. entered into between VP Valeant Sp. z o.o. Sp.j. and Goldman Sachs Lending Partners LLC (English version)
23. Agreement for registered pledge over bank account of VP Valeant Sp. z o.o. sp.j. entered into between VP Valeant Sp. z o.o. Sp.j. and Goldman Sachs Lending Partners LLC (Polish version)
24. Agreement for financial pledge over bank account of VP Valeant Sp. z o.o. sp.j. (English version)
25. Agreement for registered pledge over collection of assets of VP Valeant Sp. z o.o. sp.j. entered into between VP Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (English version)
26. Agreement for registered pledge over collection of assets of VP Valeant Sp. z o.o. sp.j. entered into between VP Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (Polish version)
27. Agreement for the security assignment of rights entered into between VP Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (English version)
28. Submission to enforcement of VP Valeant sp. z o.o. sp.j.
29. Agreement for registered pledge and financial pledge over shares in Przedsiębiorstwo Farmaceutyczne JELFA S.A. between Sanitas AB and Goldman Sachs Lending Partners LLC (Polish version)
30. Agreement for registered pledge and financial pledge over shares in Przedsiębiorstwo Farmaceutyczne JELFA S.A. between Sanitas AB and Goldman Sachs Lending Partners LLC (English version)

31. Notarial protocol regarding the deposit of shares of Przedsiębiorstwo Farmaceutyczne JELFA S.A. executed on behalf of Sanitas AB and Goldman Sachs Lending Partners LLC (Polish version)

32. Submission to enforcement of Sanitas AB

33. Agreement for registered and financial pledges over investment certificates (C series) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych between Valeant Europe BV and Goldman Sachs Lending Partners LLC (English version)

34. Agreement for registered and financial pledges over investment certificates (C series) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych between Valeant Europe BV and Goldman Sachs Lending Partners LLC (Polish version)

35. Agreement for registered pledges over protection rights over trademarks of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (English version)

36. Agreement for registered pledges over protection rights over trademarks of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (Polish version)

37. Agreement for registered pledges over bank accounts of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (English version)

38. Agreement for registered pledges over bank accounts of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (Polish version)

39. Agreement for financial pledges over bank accounts of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (English version)

40. Agreement for registered pledge over collection of assets of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (English version)

41. Agreement for registered pledge over collection of assets of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (Polish version)

42. Agreement for security assignment of rights between Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC

43. Submission to enforcement by Valeant Sp. z o.o. sp. j.

44. Agreement for registered and financial pledges over the investment certificates (D series) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych between Valeant Europe B.V. and Goldman Sachs Lending Partners LLC (English version)

45. Agreement for registered and financial pledges over the investment certificates (D series) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych between Valeant Europe B.V. and Goldman Sachs Lending Partners LLC (Polish version)

46. Agreement for registered and financial pledges over the investment certificates (series E) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych between Valeant Europe B.V. and Goldman Sachs Lending Partners LLC (English version)

47. Agreement for registered and financial pledges over the investment certificates (series E) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych between Valeant Europe B.V. and Goldman Sachs Lending Partners LLC (Polish version)

Assignment Documents, Filings and Registrations

48. Certificate regarding confirmation of transfer of agency (the " **Certificate** ")

49. Accession agreement to the agreement for registered pledge over collection of assets of Przedsiębiorstwo Farmaceutyczne JELFA S.A. between Przedsiębiorstwo Farmaceutyczne JELFA S.A., Goldman Sachs Lending Partners LLC and Barclays Bank Plc (Polish and English version).

50. The agreement on re-assignment of the rights between Przedsiębiorstwo Farmaceutyczne JELFA S.A. and Goldman Sachs Lending Partners LLC (English version).

51. Agreement for the security assignment of rights between Przedsiębiorstwo Farmaceutyczne JELFA S.A. and 2) Barclays Bank Plc (English version).

52. Accession agreement to the agreement for registered pledge and financial pledge over shares in “Emo-Farm” sp. z o.o. between Przedsiębiorstwo Farmaceutyczne JELFA S.A., Goldman Sachs Lending Partners LLC and Barclays Bank Plc(Polish and English version).

53. Accession agreement to the agreement for financial pledges over bank accounts of Przedsiębiorstwo Farmaceutyczne JELFA S.A. between Przedsiębiorstwo Farmaceutyczne JELFA S.A., Goldman Sachs Lending Partners LLC and Barclays Bank Plc (English version).

54. Accession agreement to the agreement for registered pledges over bank accounts of Przedsiębiorstwo Farmaceutyczne JELFA S.A. between Przedsiębiorstwo Farmaceutyczne JELFA S.A., Goldman Sachs Lending Partners LLC, Barclays Bank Plc (Polish and English version).

55. New submission to enforcement of Przedsiębiorstwo Farmaceutyczne JELFA S.A in favour of Barclays Bank Plc executed in front of the notary public by Przedsiębiorstwo Farmaceutyczne JELFA S.A. (in Polish).

56. Accession agreement to the agreement for registered pledge and financial pledge over shares in “Valeant” sp. z o.o. between Valeant Europe BV, Goldman Sachs Lending Partners LLC, Barclays Bank Plc (Polish and English version).

57. Accession agreement to the agreement for registered and financial pledges over investment certificates (A and B series) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych] between Valeant Europe BV, Goldman Sachs Lending Partners LLC, Barclays Bank Plc (Polish and English version).

58. New submission to enforcement of Valeant Europe B.V. in favour of Barclays Bank Plc executed in front of the notary public by Valeant Europe B.V. (in Polish).

59. Accession agreement to the agreement for registered pledges over bank accounts of Valeant sp. z o.o. between Valeant sp. z o.o., Goldman Sachs Lending Partners LLC, Barclays Bank Plc (Polish and English version).

60. Accession agreement to the agreement for financial pledges over bank accounts of Valeant sp. z o.o. between Valeant sp. z o.o., Goldman Sachs Lending Partners LLC, Barclays Bank Plc (English version).

61. Accession agreement to the agreement for registered pledge over collection of assets of Valeant sp. z o.o. between Valeant sp. z o.o.,Goldman Sachs Lending Partners LLC, Barclays Bank Plc (Polish and English version).

62. New submission to enforcement of Valeant sp. z o.o. in favour of Barclays Bank Plc executed in front of the notary public by Valeant sp. z o.o. (in Polish).

63. Accession agreement to the agreement for registered pledge over bank account of VP Valeant Sp. z o.o. sp.j. between VP Valeant sp. z o.o. sp.j.,Goldman Sachs Lending Partners LLC, Barclays Bank Plc (Polish and English version).

64. Accession agreement to the agreement for financial pledge over bank account of VP Valeant Sp. z o.o. sp.j. between VP Valeant sp. z o.o. sp.j., Goldman Sachs Lending Partners LLC and Barclays Bank Plc (English version).

65. Accession agreement to the agreement for registered pledge over collection of assets of VP Valeant Sp. z o.o. sp.j. between VP Valeant sp. z o.o. sp.j., Goldman Sachs Lending Partners LLC, and Barclays Bank Plc (Polish and English version).

66. The agreement on re-assignment of the rights between VP Valeant Sp. z o.o. sp.j. and Goldman Sachs Lending Partners LLC (English version).

67. Agreement for the security assignment of rights betweenVP Valeant Sp. z o.o. sp.j. and Barclays Bank Plc (English version).

68. New submission to enforcement of VP Valeant sp. z o.o. in favour of Barclays Bank Plc executed in front of the notary public by VP Valeant sp. z o.o. (in Polish).

69. Accession agreement to the agreement for registered pledge and financial pledge over shares in Przedsiębiorstwo Farmaceutyczne JELFA S.A. between Sanitas AB, Goldman Sachs Lending Partners LLC and Barclays Bank Plc (Polish and English version).

70. New protocol regarding the deposit of shares of Przedsiębiorstwo Farmaceutyczne JELFA S.A. (Polish version) between Sanitas AB, Goldman Sachs Lending Partners LLC, Barclays Bank Plc.

71. New submission to enforcement of Sanitas AB in favour of Barclays Bank Plc (in Polish) executed in front of the notary public by Sanitas AB.

72. Accession agreement to the agreement for registered and financial pledges over investment certificates (C series) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych between Valeant Europe BV, Goldman Sachs Lending Partners LLC, Barclays Bank Plc (Polish and English version).

73. Accession agreement to the agreement for registered pledges over protection rights over trademarks of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j., Goldman Sachs Lending Partners LLC and Barclays Bank Plc (Polish and English version).

74. Accession agreement to the agreement for registered pledges over bank accounts of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j., Goldman Sachs Lending Partners LLC and Barclays Bank Plc (Polish and English version).

75. Accession agreement to the agreement for financial pledges over bank accounts of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j., Goldman Sachs Lending Partners LLC, Barclays Bank Plc (English version).

76. Accession agreement to the agreement for registered pledge over collection of assets of Valeant Sp. z o.o. sp.j. between Valeant Sp. z o.o. sp.j., Goldman Sachs Lending Partners LLC, Barclays Bank Plc (Polish and English version).

77. The agreement on re-assignment of the rights between Valeant Sp. z o.o. sp.j., and Goldman Sachs Lending Partners LLC (English version).

78. Agreement for the security assignment of rights between Valeant Sp. z o.o. sp.j. and Barclays Bank Plc (English version).

79. New submission to enforcement of Valeant Sp. z o.o. sp. j. in favour of Barclays Bank Plc executed in front of the notary public by Valeant Sp. z o.o. sp. j. (in Polish).

80. Accession agreement to the agreement for registered and financial pledges over investment certificates (D series) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych between Valeant Europe BV, Goldman Sachs Lending Partners LLC and Barclays Bank Plc (Polish and English version).

81. Accession agreement to the agreement for registered and financial pledges over investment certificates (series E) issued by Ipopema 73 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych between Valeant Europe BV, Goldman Sachs Lending Partners LLC and Barclays Bank Plc (Polish and English version).

82. Submission of applications for registration of the new agent in the register of pledges on the basis of the Certificate.

83. Submission of applications for registration of the new agent in the mortgage register on the basis of the Certificate.

84. Filing of new shareholder lists and updating the share books.

85. Notifications to the debtors and insurance companies pursuant to the new assignment agreements.

86. Notifications to the account banks.

SERBIA

Original Documents

1. Ownership Interest Pledge Agreement dated March 7, 2014, by and among Pharmaswiss S.A. (“Pledgor”) and Goldman Sachs Lending Partners LLC (“Pledgee”)

Assignment Documents, Filings and Registrations

2. Drafting of Annex to the Ownership Interest Pledge Agreement

3. Execution of Annex to the Ownership Interest Pledge Agreement
4. Registration of Barclays Bank PLC with Serbian Pledge Registry

SINGAPORE

Original Documents

1. Debenture dated 22 May 2014 between Inova Pharmaceuticals (Singapore) Pte. Limited ("Chargor") and Goldman Sachs Lending Partners LLC ("Collateral Agent") in respect of the assets and undertakings of the Chargor
2. Share Charge dated 22 May 2014 between Valeant Pharmaceuticals Ireland ("Chargor") and Goldman Sachs Lending Partners LLC ("Collateral Agent") in respect of the shares of Inova Pharmaceuticals (Singapore) Pte. Limited

Assignment Documents, Filings and Registrations

3. Variation of Charge to be filed with Accounting and Regulatory Authority of Singapore
4. Notice of Change of Collateral Agent to be sent to the relevant parties pursuant to the Debenture dated 22 May 2014 between Inova Pharmaceuticals (Singapore) Pte. Limited ("Chargor") and Goldman Sachs Lending Partners LLC ("Collateral Agent") in respect of the assets and undertakings of the Chargor

SLOVENIA

Original Documents

1. Share Pledge Agreement dated as March 7, 2014, by and among Pharmaswiss S.A. ("Pledgor") and Goldman Sachs Lending Partners LLC ("Pledgee")

Assignment Documents, Filings and Registrations

2. Consent of Pharmaswiss to Transfer of Agency
3. Registration of change in agent to be filed with the court register

SWITZERLAND

Original Documents

1. Pledge Agreement dated October 20, 2011 between Biovail International S.àr.l. ("Pledgor") and Goldman Sachs Lending Partners LLC ("Collateral Agent") over all the shares of PharmaSwiss SA
2. Assignment Agreement dated October 20, 2011 between PharmaSwiss SA and Goldman Sachs Lending Partners LLC over the bank accounts and trade receivables of PharmaSwiss SA dated 20 October 2011

Assignment Documents, Filings and Registrations

3. Amendment to Pledge Agreement
4. Amendment to Assignment Agreement

UNITED KINGDOM

Original Documents

1. Security Trust Deed dated May 22, 2014 entered into by Goldman Sachs Lending Partners LLC ("Collateral Agent")
2. Debenture dated May 22, 2014, by and between Bausch & Lomb U.K. Limited ("Chargor") and Goldman Sachs Lending Partners LLC ("Collateral Agent")
3. Certificate of Registration of a Charge at Companies House, dated as of June 4, 2014.

Assignment Documents, Filings and Registrations

4. Deed of Appointment and Retirement, dated as of January 8, 2015, by and among Goldman Sachs Lending Partners LLC, as Retiring Collateral Agent and Barclays Bank PLC, as Successor Collateral Agent.
5. Delivery of the Certificate of Registration of a Charge at Companies House to Barclays Bank Plc.

Schedule IV

COVENANTS OF THE EXISTING AGENT WITH RESPECT TO THE COLLATERAL OF CERTAIN FOREIGN SUBSIDIARIES

AUSTRALIAN COLLATERAL PROVISIONS

1. The Existing Agent covenants and agrees that it will, in each case, at the Borrower's expense (in accordance with and pursuant to Sections 10.2 and 10.3 of the Credit Agreement, which are incorporated by reference herein *mutatis matandis*) use commercially reasonable efforts to deliver, or cause to be delivered, promptly to the Successor Agent, in respect of the Australian Collateral, each token issued by the Registrar of the Australian Personal Property Securities Register (" Australian PPSR ") in respect of the registrations in favor of the Existing Agent against certain Credit Parties (" Australian PPSR Registrations "), and all other records in respect of each Australian PPSR Registration and the Australian Collateral.

2. The Existing Agent agrees that, in respect of the Australian Collateral, for the period commencing on the Effective Date and ending upon the time the transfers of the Australian PPSR Registrations to the Successor Agent are recorded on the Australian PPSR:

i) it holds such Australian PPSR Registrations as nominee for the Successor Agent and with authority, subject to this agreement, to act on behalf of the Successor Agent and will comply with any instructions the Successor Agent may give in respect of the Australian PPSR Registrations and will not deal with the Australian PPSR Registrations in any manner without the consent of the Successor Agent; and

ii) in relation to any notice received by the Existing Agent under part 5.6 or section 275 of the *Personal Property Securities Act 2009* (Cth) (" Australian PPSA ") and relating to any Australian PPSR Registration or any Liens and security interests granted by a Credit Party, it shall provide the Successor Agent with a copy of such notice with within one business day of receiving such notice and if so requested by the Successor Agent, respond to the notice in the form required by the Successor Agent, and not otherwise.

3. In respect of any Australian Collateral, to the extent that any records comprise any certificate which evidences an "investment instrument" (as defined in the Australian PPSA) the subject of a Lien or security interest in favor of the Existing Agent, the parties agree that:

i) as and from the Effective Date, the Existing Agent has possession of any such certificate on its own behalf and on behalf of the Successor Agent and the Existing Agent agrees to comply with any instruction given by the Successor Agent relating to such certificate and the investment instrument which it evidences until delivered to the Successor Agent; and

ii) where any certificates are delivered to the Successor Agent prior to the Effective Date, the Successor Agent has possession of any such certificate on its own behalf and on behalf of the Existing Agent and the Successor Agent agrees to comply with any instruction given by the Existing Agent relating to such certificate and the investment instrument which it evidences until the Effective Date has occurred.

LITHUANIAN COLLATERAL PROVISIONS

Within 10 days after registration with the Mortgage Register of the Republic of Lithuania of the transfer of security rights under Lithuanian law governed Collateral Documents, the Existing Agent shall use commercially reasonable efforts to privide notice about such transfer as stated below:

1. Notice to Valeant Pharmaceuticals International, Inc. regarding the transfer of security rights arising out of Lithuanian law governed Collateral Documents;

2. Notice to AB Sanitas regarding transfer of security rights arising out of Lithuanian law governed Collateral Documents.

Exhibit 10.41

Execution Version

JOINDER AGREEMENT

This Joinder Agreement is dated as of January 22, 2015 (this **"Agreement"**), by and among each of the financial institutions set forth on Schedule A annexed hereto (each a **"New Revolving Loan Lender"** and collectively the **"New Revolving Loan Lenders"**), Valeant Pharmaceuticals International, Inc., a corporation continued under the laws of the Province of British Columbia (" **Borrower** "), the undersigned subsidiaries of Borrower and Barclays Bank PLC (" **Barclays** "), as Administrative Agent and Collateral Agent.

RECITALS:

WHEREAS , reference is hereby made to the Third Amended and Restated Credit and Guaranty Agreement, dated as of February 13, 2012, as amended by Amendment No. 1, dated as of March 6, 2012, by Amendment No. 2, dated as of September 10, 2012, by Amendment No. 3, dated as of January 24, 2013, by Amendment No. 4, dated as of February 21, 2013, by Amendment No. 5, dated as of June 6, 2013, by Amendment No. 6, dated as of June 26, 2013, by Amendment No. 7, dated as of September 17, 2013, by Amendment No. 8, dated as of December 20, 2013, by the Successor Agent Agreement and Amendment No. 9, dated as of January 8, 2015, as further supplemented by the Joinder Agreement, dated as of June 14, 2012, by the Joinder Agreement, dated as of July 9, 2012, by the Joinder Agreement, dated as of September 11, 2012, by the Joinder Agreement dated as of October 2, 2012, by the Joinder Agreement, dated as of December 11, 2012, by the Joinder Agreements, each dated as of August 5, 2013, and by the Joinder Agreements, each dated as of February 6, 2014 (as it may be amended, restated, replaced, supplemented or otherwise modified from time to time, the " **Credit Agreement** "; the terms defined therein and not otherwise defined herein being used herein as therein defined), among Borrower, certain Subsidiaries of Borrower, as Guarantors, the Lenders party thereto from time to time, Goldman Sachs Lending Partners LLC (" **GSLP** "), J.P. Morgan Securities LLC and Morgan Stanley Senior Funding, Inc. (" **Morgan Stanley** "), as Joint Lead Arrangers and Joint Bookrunners, JPMorgan Chase Bank, N.A. (" **JPMorgan** ") and Morgan Stanley, as Co-Syndication Agents, JPMorgan, as Issuing Bank, Barclays (as successor to GSLP), as Administrative Agent and Collateral Agent, and the other Agents party thereto;

WHEREAS , subject to the terms and conditions of the Credit Agreement, Borrower may obtain New Revolving Loan Commitments and/or New Term Loan Commitments by entering into one or more Joinder Agreements with the New Revolving Loan Lenders; and

WHEREAS , pursuant to Section 2.25 of the Credit Agreement, the Credit Agreement may, without the consent of any other Lenders, be amended as may be necessary or appropriate, in the opinion of the Administrative Agent, to give effect to the provisions of Section 2.25 of the Credit Agreement.

NOW, THEREFORE , in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Each New Revolving Loan Lender (i) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or

not taking action under the Credit Agreement; (iii) appoints and authorizes Administrative Agent and each other Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to Administrative Agent or such other Agent, as the case may be, by the terms thereof, together with such powers as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

Each New Revolving Loan Lender hereby commits to provide its respective New Revolving Loan Commitment as set forth on Schedule A annexed hereto, on the terms and subject to the conditions set forth below:

1. **New Revolving Loan Commitments.** The New Revolving Loan Commitments established under this Joinder Agreement shall have identical terms to the Revolving Commitments in existence under the Credit Agreement prior to the date hereof (the " **New Revolving Loan Commitment Effective Date** "). The New Revolving Loan Commitments and New Revolving Loans made pursuant thereto shall be subject to the provisions of the Credit Agreement and the other Credit Documents, and shall constitute "Revolving Commitments" and "Revolving Loans", respectively, thereunder.

2. **Closing Fee.** Borrower agrees to pay on the date hereof to Administrative Agent, for the account of each New Revolving Loan Lender party to this Agreement, as fee compensation for the commitment of such New Revolving Loan Lender's New Revolving Loan Commitments, a closing fee in an amount equal to 0.15% of the aggregate principal amount of such New Revolving Loan Lender's New Revolving Loan Commitments as of the date hereof.

3. **New Lenders.** Each New Revolving Loan Lender (other than any New Revolving Loan Lender that, immediately prior to the execution of this Agreement, is a "Lender" under the Credit Agreement) acknowledges and agrees that upon its execution of this Agreement its New Revolving Loan Commitments shall be effective and that such New Revolving Loan Lender shall become a "Lender" under, and for all purposes of, the Credit Agreement and the other Credit Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder.

4. **Borrower's Certifications.** By its execution of this Agreement, the undersigned officer, to the best of his or her knowledge, and Borrower hereby certify that:

    i. The representations and warranties contained in the Credit Agreement and the other Credit Documents are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date;

    ii. No event has occurred and is continuing or would result from the consummation of the transactions contemplated hereby that would constitute a Default or an Event of Default; and

    iii. Borrower has performed in all material respects all agreements and satisfied all conditions which the Credit Agreement provides shall be performed or satisfied by it on or before the date hereof in connection with the transactions contemplated by this Agreement.

5. **Borrower Covenants.** By its execution of this Agreement, Borrower hereby covenants that:

   i. Borrower shall deliver or cause to be delivered, on or before the New Revolving Loan Commitment Effective Date, the following legal opinions and documents: originally executed copies of the favorable written opinions of (a) Skadden, Arps, Slate, Meagher & Flom LLP, U.S. counsel and special France counsel to the Credit Parties, (b) Chancery Chambers, special Barbados counsel to the Credit Parties, (c) Norton Rose Fulbright Canada LLP, special Canada counsel to the Credit Parties, (d) Baker & McKenzie, special Luxembourg counsel to the Credit Parties, (e) Conyers Dill & Pearman Limited, special Bermuda counsel to the Credit Parties, (f) Arthur Cox, special Ireland counsel to the Credit Parties, (g) Venable LLP, special Maryland counsel to the Credit Parties, (h) Souza, Cescon, Barrieu & Flesch Advogados, special Brazil counsel to the Credit Parties, (i) Squire Sanders Święcicki Krześniak sp.k., special Poland counsel to the Credit Parties, (j) Tark Grunte Sutkiene, special Lithuania counsel to the Credit Parties, (k) White & Case LLP, special France counsel to the Administrative Agent, (l) Allen & Overy LLP, special Netherlands counsel to the Administrative Agent, (m) Rajah & Tann LLP, special Singapore counsel to the Credit Parties, (n) Stamford Law Corporation, special Singapore counsel to the Administrative Agent and (o) Fluxmans Inc., special South Africa counsel to the Credit Parties, together with all other legal opinions and other documents reasonably requested by Administrative Agent in connection with this Agreement.

6. **Eligible Assignee.** By its execution of this Agreement, each New Revolving Loan Lender (other than any New Revolving Loan Lender that, immediately prior to the execution of this Agreement, is a "Lender" under the Credit Agreement) represents and warrants that it is an Eligible Assignee.

7. **Notice.** For purposes of the Credit Agreement, the initial notice address of each New Revolving Loan Lender shall be as set forth below its signature below.

8. **Non-U.S. Lenders.** For each New Revolving Loan Lender that is a Non-U.S. Lender, delivered herewith to Administrative Agent are such forms, certificates or other evidence with respect to United States federal income tax withholding matters as such New Revolving Loan Lender may be required to deliver to Administrative Agent pursuant to subsection 2.20(d) of the Credit Agreement.

9. **Recordation of the New Loans.** Upon execution and delivery hereof, Administrative Agent will record the New Revolving Loan Commitments made by New Revolving Loan Lenders pursuant hereto in the Register.

10. **Reaffirmation.**

   i. Each Credit Party hereby expressly acknowledges the terms of this Agreement and reaffirms, as of the date hereof, the covenants and agreements contained in each Credit Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Agreement and the transactions contemplated hereby.

   ii. Each Credit Party, by its signature below, hereby affirms and confirms (a) its obligations under each of the Credit Documents to which it is a party, and (b) the pledge of and/or grant of a security interest or hypothec in its assets as Collateral

to secure such Obligations, all as provided in the Collateral Documents as originally executed, and acknowledges and agrees that such guarantee, pledge and/or grant continue in full force and effect in respect of, and to secure, such Obligations under the Credit Agreement and the other Credit Documents.

ii. Each Credit Party acknowledges and agrees that each of the Credit Documents in existence as of the date hereof shall be henceforth read and construed in accordance with and so as to give full force and effect to the ratifications, confirmations, acknowledgements and agreements made herein.

11. **Amendment, Modification and Waiver.** This Agreement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto.

12. **Entire Agreement.** This Agreement, the Credit Agreement and the other Credit Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof. It is understood and agreed that each reference in each Credit Document to the Credit Agreement, whether direct or indirect, shall hereafter be deemed to be a reference to the Credit Agreement as amended and supplemented hereby and that this Agreement is a Credit Document.

13. **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

14. **Severability.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

15. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF , each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

BARCLAYS BANK PLC, as a "New Revolving Loan Lender"

By: /s/ Christine Aharonian
Name: Christine Aharonian
Title: Vice President

Notice Address:

745 Seventh Avenue, New York, NY 10019

Attention: Christine Aharonian
Telephone: 212 320 9943
Facsimile: 212 526 5115

BANK OF MONTREAL, as a "New Revolving Loan Lender"

By: /s/ Phillip Ho
Name: Phillip Ho
Title: Director

Notice Address:

3 Times Square, 29 th Floor
New York, NY 10036

Attention: Phillip Ho
Telephone: 212 702 1194
Facsimile: 212 702 1961

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CITIBANK, N.A., as a "New Revolving Loan Lender"

By: /s/ Laura Fogarty
Name: Laura Fogarty
Title: Vice President

Notice Address:
388 Greenwich Street, Floor 32
New York, NY 10013

Attention: Laura Fogarty
Telephone: 212 816 2197
Facsimile: 646 862 8137

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DEUTSCHE BANK AG NEW YORK BRANCH, as a "New Revolving Loan Lender"

By: /s/ Michael Winters
Name: Michael Winters
Title: Vice President

By: /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Vice President

Notice Address:

Loan Admin
5022, Gate Parkway, Suite 200
Jacksonville, FL 32256

Attention: Karthik Krishnan
Telephone: 904 520 5449
Facsimile: 866 240 3622

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DNB CAPITAL LLC, as a "New Revolving Loan Lender"

By: /s/ Geshu Sugandh
Name: Geshu Sugandh
Title: First Vice President

By: /s/ Bjørn E. Hammerstad
Name: Bjørn E. Hammerstad
Title: Senior Vice President

Notice Address: DNB Bank, 200 Park Avenue,
31 st Floor, New York – 10166

Attention: Vadim Shutov
Telephone: 212 681 3874
Facsimile: 212 681 3900

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HSBC BANK CANADA, as a "New Revolving Loan Lender"

By: /s/ John C. Barrette
Name: John C. Barrette
Title: VP, Global Banking

By: /s/ Jeffrey Allsop
Name: Jeffrey Allsop
Title: EVP, MD, Head of Global Banking

Notice Address:

HSBC Bank Canada
70 York Street
Toronto, Ontario M5J1S9, Canada

Credit related matters:
Attention:
Annie Houle, Director
Telephone: +1 514 286 4567
Fax: +1 514 285 8637
Email address Annie_Houle@hsbc.ca

Administrative matters:
Attention:
Raji Kodumalla, Agency Administrator
Telephone: +1 416 868 3819
Fax: +1 647 788 2188
Email address: cacmbagency5@hsbc.ca

Or

Attention:
Ivan Mok, Manager Agency Services
Telephone: +1 416 868 8235
Fax: +1 647 788 2188
Email address: cacmbagency5@hsbc.ca

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH as a "New Revolving Loan Lender"

By: /s/ Michael N. Tam
Name: Michael N. Tam
Title: Senior Vice President

Notice Address:

Attention:
Telephone:
Facsimile:

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MORGAN STANLEY BANK, N.A., as a "New Revolving Loan Lender"

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

Notice Address:

Morgan Stanley Loan Servicing
1300 Thames Street Wharf, 4 th floor
Baltimore, MD 21231
Telephone: 443 627 4335
Facsmile: 718 233 2140
msloanservicing@morganstanley.com

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ROYAL BANK OF CANADA, as a "New Revolving Loan Lender"

By: /s/ Diana Lee
Name: Diana Lee
Title: Authorized Signatory

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SUMITOMO MITSUI BANKING CORPORATION
as a "New Revolving Loan Lender"

By: /s/ David W. Kee
Name: David W. Kee
Title: Managing Director

Notice Address: 277 Park Avenue
New York, NY 10172

Attention: David Kee
Telephone: 212 224 4074
Facsimile: 212 224 4384

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SUNTRUST BANK as a "New Revolving Loan Lender"

By: /s/ Katherine Bass
Name: Katherine Bass
Title: Director

Notice Address:

Attention:
Telephone:
Facsimile:

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THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as a "New Revolving Loan Lender"

By: /s/ Scott O'Connell
Name: Scott O'Connell
Title: Director

Notice Address:

1251 Avenue of the Americas,
New York, NY 10020

Attention: Allen Fisher
Telephone: 212 782 6824
Facsimile: 212 782 6445

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VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VALEANT PHARMACEUTICALS INTERNATIONAL

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB INCORPORATED

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB HOLDINGS INCORPORATED

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Vice President and Treasurer

SOLTA MEDICAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Vice President and Treasurer

ATON PHARMA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

CORIA LABORATORIES, LTD.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

DOW PHARMACEUTICAL SCIENCES, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

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OBAGI MEDICAL PRODUCTS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

OMP, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

ONPHARMA INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

[Signature Page to Joinder Agreement]

Signed by
Valeant Holdco 2 Pty Ltd (ACN 154 341 367)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Wirra Holdings Pty Limited (ACN 122 216 577)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Wirra Operations Pty Limited (ACN 122 250 088)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
iNova Pharmaceuticals (Australia) Pty Limited
(ACN 000 222 408)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Wirra IP Pty Limited (ACN 122 536 350)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
iNova Sub Pty Limited (ACN 134 398 815)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Valeant Pharmaceuticals Australasia Pty Limited
(ACN 001 083 352)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Linda A. LaGorga
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Linda A. LaGorga
Name of director (please print)	Name of director/secretary (please print)

Signed by
DermaTech Pty Limited (ACN 003 982 161)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

[Signature Page to Joinder Agreement]

Signed by
Private Formula International Holdings Pty Ltd
(ACN 095 450 918)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

Signed by
Private Formula International Pty Ltd
(ACN 095 451 442)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

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Signed by
Ganehill Pty Ltd (ACN 065 261 538)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

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Signed by
Bausch & Lomb (Australia) Pty Ltd
(ACN: 000 650 251)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Linda A. LaGorga	/s/ Ling Zeng
Signature of director	Signature of director/secretary
Linda LaGorga	Ling Zeng
Name of director (please print)	Name of director/secretary (please print)

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HYTHE PROPERTY INCORPORATED

By: /s/ Mauricio Zavala
Name: Mauricio Zavala
Title: Manager and Assistant Secretary

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VALEANT INTERNATIONAL BERMUDA

By: /s/ Graham Jackson
Name: Graham Jackson
Title: Director

VALEANT PHARMACEUTICALS NOMINEE BERMUDA

By: /s/ Peter McCurdy
Name: Peter McCurdy
Title: President and Assistant Secretary

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PROBIÓTICA LABORATÓRIOS LTDA.

By: /s/ Marcelo Noll Barboza
Name: Marcelo Noll Barboza
Title: Officer

By: /s/ Guilherme Maradei
Name: Guilherme Maradei
Title: Officer

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IOLAB CORPORATION

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

TECHNOLAS PERFECT VISION, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB PHARMA HOLDINGS CORP.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB CHINA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB SOUTH ASIA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB TECHNOLOGY CORPORATION

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

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RHC HOLDINGS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

SIGHT SAVERS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB INTERNATIONAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB REALTY CORPORATION.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Vice President and Treasurer

ISTA PHARMACEUTICALS, LLC

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VRX HOLDCO, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Chief Financial Officer and Treasurer

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VALEANT CANADA GP LIMITED

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Executive Vice President and Chief Financial Officer

VALEANT CANADA S.E.C./VALEANT CANADA LP

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Executive Vice President and Chief Financial Officer

V-BAC HOLDING CORP.

By: /s/ Robert R. Chai-Onn
Name: Robert R. Chai-Onn
Title: Vice President

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MEDICIS PHARMACEUTICAL CORPORATION

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

OCEANSIDE PHARMACEUTICALS, INC.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

DR. LEWINN'S PRIVATE FORMULA INTERNATIONAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

PRINCETON PHARMA HOLDINGS, LLC

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

PRIVATE FORMULA CORP.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

RENAUD SKIN CARE LABORATORIES, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VALEANT BIOMEDICALS, INC.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

VALEANT PHARMACEUTICALS NORTH AMERICA LLC

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BIOVAIL AMERICAS CORP.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

ORAPHARMA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

ORAPHARMA TOPCO HOLDINGS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

PRESTWICK PHARMACEUTICALS, INC.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

BIOVAIL INTERNATIONAL S.Á.R.L.

By: /s/ Michael Kennan
Name: Michael Kennan
Title: Manager

VALEANT PHARMACEUTICALS LUXEMBOURG S.Á.R.L.

By: /s/ Michael Kennan
Name: Michael Kennan
Title: Manager

VALEANT INTERNATIONAL LUXEMBOURG S.Á.R.L.

By: /s/ Michael Kennan
Name: Michael Kennan
Title: Manager

BAUSCH & LOMB LUXEMBOURG S.Á.R.L.

By: /s/ Michael Kennan
Name: Michael Kennan
Title: Manager

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LABORATOIRE CHAUVIN S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

BAUSCH & LOMB FRANCE S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

BCF S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

CHAUVIN OPSIA S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

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VALEANT PHARMA HUNGARY LLC

By: /s/ István Langer
Name: István Langer
Title: Managing Director

VALEANT PHARMA HUNGARY LLC

By: /s/ Zoltán Gábor
Name: Zoltán Gábor
Title: Managing Director

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VALEANT PHARMACEUTICALS IRELAND

By: /s/ Graham Jackson
Name: Graham Jackson
Title: Director

VALEANT HOLDINGS IRELAND

By: /s/ Graham Jackson
Name: Graham Jackson
Title: Director

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B.L.J. COMPANY, LTD.

By: /s/ Ian Dolling
Name: Ian Dolling
Title: Representative Director and President

[Signature Page to Joinder Agreement]

AB SANITAS

By: /s/ Saulius Mečislovas Žemaitis
Name: Saulius Mečislovas Žemaitis
Title: General Manager

[Signature Page to Joinder Agreement]

UCYCLYD PHARMA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

[Signature Page to Joinder Agreement]

VALEANT EUROPE B.V.

By: /s/ Robert Meijer
Name: Robert Meijer
Title: Attorney-in-Fact

BAUSCH & LOMB B.V.

By: /s/ Robert Meijer
Name: Robert Meijer
Title: Attorney-in-Fact

BAUSCH & LOMB OPS B.V.

By: /s/ Robert Meijer
Name: Robert Meijer
Title: Attorney-in-Fact

[Signature Page to Joinder Agreement]

PRZEDSIĘBIORSTWO FARMACEUTYCZNE JELFA S.A.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

VALEANT SP.Z O. O.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

VP VALEANT SP. Z O.O.SP.J.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

VALEANT SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ SP.J.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

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PHARMASWISS D.O.O., BEOGRAD

By: /s/ Dejan Antonić
Name: Dejan Antonić
Title: General Manager

(corporate stamp)

[Signature Page to Joinder Agreement]

PHARMASWISS D.O.O., LJUBLJANA

By: /s/ Senahil Asanagić
Name: Senahil Asanagić
Title: Director

[Signature Page to Joinder Agreement]

INOVA PHARMACEUTICALS PROPRIETARY LIMITED

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Director

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PHARMASWISS SA

By: /s/ Matthias Courvosier
Name: Matthias Courvoisier
Title: Director

[Signature Page to Joinder Agreement]

Executed by BAUSCH & LOMB U.K. LIMITED, acting by:

/s/ Linda A. LaGorga
Director

Name of director: Linda A. LaGorga
in the presence of:

/s/ Kaleena Nguyen
Name of witness: Kaleena Nguyen
Address: 400 Somerset Corporate Blvd.
Bridgewater, New Jersey 08807 U.S.A.

Occupation: Legal

[Signature Page to Joinder Agreement]

BAUSCH & LOMB IOM S.P.A.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Director

[Signature Page to Joinder Agreement]

SIGNED for and on behalf of **VALEANT PHARMACEUTICALS NEW ZEALAND LIMITED**)

/s/ Howard Schiller	/s/ Robert R. Chai-Onn
Name: Howard Schiller	Name: Robert R. Chai-Onn
Title: Director	Title: Director

[Signature Page to Joinder Agreement]

INOVA PHARMACEUTICALS (SINGAPORE) PTE LIMITED

By: /s/ Howard Schiller
Name: Howard Schiller
Title: Director

[Signature Page to Joinder Agreement]

Consented to by:

BARCLAYS BANK PLC
As Administrative Agent and Collateral Agent

By: /s/ Christine Aharonian
Authorized Signatory

[Signature Page to Joinder Agreement]

SCHEDULE A
TO JOINDER AGREEMENT

Name of Lender	Type of Commitment	Amount
BARCLAYS BANK PLC	New Revolving Loan Commitment	$52,976,562.50
JPMORGAN CHASE BANK, N.A., TORONTO BRANCH	New Revolving Loan Commitment	$43,257,812.50
MORGAN STANLEY BANK, N.A.	New Revolving Loan Commitment	$52,976,562.50
ROYAL BANK OF CANADA	New Revolving Loan Commitment	$52,976,562.50
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	New Revolving Loan Commitment	$40,000,000.00
CITIBANK N.A.	New Revolving Loan Commitment	$18,000,000.00
DEUTSCHE BANK AG NEW YORK BRANCH	New Revolving Loan Commitment	$90,000,000.00
DNB CAPITAL LLC	New Revolving Loan Commitment	$18,000,000.00
HSBC BANK CANADA	New Revolving Loan Commitment	$40,000,000.00
SUNTRUST BANK	New Revolving Loan Commitment	$18,000,000.00
BANK OF MONTREAL	New Revolving Loan Commitment	$37,250,000.00
SUMITOMO MITSUI BANKING CORPORATION	New Revolving Loan Commitment	$36,562,500.00
Total:		$ 500,000,000

[Signature Page to Joinder Agreement]

Exhibit 10.42

Execution Version

JOINDER AGREEMENT

This Joinder Agreement is dated as of January 22, 2015 (this **"Agreement"**), by and among each of the financial institutions set forth on Schedule A annexed hereto (each a **"New Term Loan Lender"** and collectively the **"New Term Loan Lenders"**), Valeant Pharmaceuticals International, Inc., a corporation continued under the laws of the Province of British Columbia (" **Borrower** "), the undersigned subsidiaries of Borrower and Barclays Bank PLC (" **Barclays** "), as Administrative Agent and Collateral Agent.

RECITALS:

WHEREAS , reference is hereby made to the Third Amended and Restated Credit and Guaranty Agreement, dated as of February 13, 2012, as amended by Amendment No. 1, dated as of March 6, 2012, by Amendment No. 2, dated as of September 10, 2012, by Amendment No. 3, dated as of January 24, 2013, by Amendment No. 4, dated as of February 21, 2013, by Amendment No. 5, dated as of June 6, 2013, by Amendment No. 6, dated as of June 26, 2013, by Amendment No. 7, dated as of September 17, 2013, by Amendment No. 8, dated as of December 20, 2013, by the Successor Agent Agreement and Amendment No. 9, dated as of January 8, 2015, as further supplemented by the Joinder Agreement, dated as of June 14, 2012, by the Joinder Agreement, dated as of July 9, 2012, by the Joinder Agreement, dated as of September 11, 2012, by the Joinder Agreement dated as of October 2, 2012, by the Joinder Agreement, dated as of December 11, 2012, by the Joinder Agreements, each dated as of August 5, 2013, and by the Joinder Agreements, each dated as of February 6, 2014 (as it may be amended, restated, replaced, supplemented or otherwise modified from time to time, the " **Credit Agreement** "; the terms defined therein and not otherwise defined herein being used herein as therein defined), among Borrower, certain Subsidiaries of Borrower, as Guarantors, the Lenders party thereto from time to time, Goldman Sachs Lending Partners LLC (" **GSLP** "), J.P. Morgan Securities LLC and Morgan Stanley Senior Funding, Inc. (" **Morgan Stanley** "), as Joint Lead Arrangers and Joint Bookrunners, JPMorgan Chase Bank, N.A. (" **JPMorgan** ") and Morgan Stanley, as Co-Syndication Agents, JPMorgan, as Issuing Bank, Barclays (as successor to GSLP), as Administrative Agent and Collateral Agent, and the other Agents party thereto;

WHEREAS , subject to the terms and conditions of the Credit Agreement, Borrower may obtain New Revolving Loan Commitments and/or New Term Loan Commitments by entering into one or more Joinder Agreements with the New Term Loan Lenders;

WHEREAS , pursuant to Section 2.25 of the Credit Agreement, the Credit Agreement may, without the consent of any other Lenders, be amended as may be necessary or appropriate, in the opinion of the Administrative Agent, to give effect to the provisions of Section 2.25 of the Credit Agreement; and

WHEREAS , the Borrower may, in its sole discretion, use the proceeds of the Additional Series A-3 Tranche A Term Loans (as defined below) for general corporate purposes, including repayment of outstanding Indebtedness of the Borrower.

NOW, THEREFORE , in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Each New Term Loan Lender (i) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to

therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes Administrative Agent and each other Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to Administrative Agent or such other Agent, as the case may be, by the terms thereof, together with such powers as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

Each New Term Loan Lender hereby commits to provide its respective New Term Loan Commitment (each an " **Additional Series A-3 Tranche A Term Loan Commitment** ") as set forth on Schedule A annexed hereto, on the terms and subject to the conditions set forth below:

1. **Additional Series A-3 Tranche A Term Loan Commitments** . The terms and provisions of the New Term Loans made pursuant to this Agreement (the "A **dditional Series A-3 Tranche A Term Loans** " and each an " **Additional Series A-3 Tranche A Term Loan** ") shall be identical to, and constitute, Series A-3 Tranche A Term Loans for all purposes under the Credit Agreement. The Additional Series A-3 Tranche A Term Loan Commitments and Additional Series A-3 Tranche A Term Loans made pursuant thereto shall be subject to the provisions of the Credit Agreement and the other Credit Documents, and shall constitute " **Tranche A Term Loan Exposure** " and " **Tranche A Term Loans** ", respectively, thereunder.

2. **Principal Payments .** Borrower shall make principal payments on the Additional Series A-3 Tranche A Term Loans beginning March 31, 2016 in installments on the dates and in the amounts equal to the percentage which are identical to those with respect to Series A-3 Tranche A Term Loans which, for the avoidance of doubt, are set forth below including with respect to the Additional Series A-3 Tranche A Term Loans:

Amortization Date	Additional Series A-3 Tranche A Term Loan Installments
March 31, 2015	—
June 30, 2015	—
September 30, 2015	—
December 31, 2015	—
March 31, 2016	5.42%
June 30, 2016	5.42%
September 30, 2016	5.42%
December 31, 2016	5.42%
March 31, 2017	5.42%
June 30, 2017	5.42%
September 30, 2017	5.42%
December 31, 2017	5.42%
March 31, 2018	5.42%
June 30, 2018	5.42%
September 30, 2018	5.42%
Series A-3 Tranche A Term Loan Maturity Date	Remaining Balance

3. **Closing Fee** . Borrower agrees to pay on the Additional Series A-3 Tranche A Term Loan Funding Date (as defined below) to Administrative Agent, for the account of each New Term Loan Lender party to this Agreement, as fee compensation for the commitment of such New Term Loan Lender's Additional Series A-3 Tranche A Loan Commitments, a closing fee in an amount equal to 0.15 % of the aggregate principal amount of such New Term Loan Lender's allocated Additional Series A-3 Tranche A Term Loan Commitments which are actually funded on the Additional Series A-3 Tranche A Term Loan Funding Date.

4. **Proposed Borrowing .** In accordance with Section 2.25 of the Credit Agreement, Borrower has previously delivered to Administrative Agent an executed Funding Notice for Additional Series A-3 Tranche A Term Loans, requesting a proposed borrowing in the principal amount of up to $250,000,000 (the " **Proposed Borrowing** ") on the date hereof (the " **Additional Series A-3 Tranche A Term Loan Funding Date** "). Each New Term Loan Lender shall make its Additional Series A-3 Tranche A Term Loan available to Administrative Agent not later than 11:00 a.m. (New York City time) on the date hereof, by wire transfer of same day funds in Dollars at the Principal Office designated by Administrative Agent. Promptly upon receipt thereof, Administrative Agent shall make the proceeds of the Additional Series A-3 Tranche A Term Loans available to Borrower on the date hereof by causing an amount of same day funds in Dollars equal to the proceeds of all such loans received by Administrative Agent from New Term Loan Lenders to be credited to the account of Borrower, at the Principal Office designated by Administrative Agent or to such other account as may be designated in writing to Administrative Agent by Borrower.

5. **New Lenders .** Each New Term Loan Lender (other than any New Term Loan Lender that, immediately prior to the execution of this Agreement, is a "Lender" under the Credit Agreement) acknowledges and agrees that upon its execution of this Agreement its Additional Series A-3 Tranche A Term Loan Commitments shall be effective and that such New Term Loan Lender shall become a "Lender" under, and for all purposes of, the Credit Agreement and the other Credit Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder.

6. **Credit Agreement Governs .** Additional Series A-3 Tranche A Term Loans shall be subject to the provisions of the Credit Agreement and the other Credit Documents, except as set forth in this Agreement, and shall constitute Tranche A Term Loans thereunder.

7. **Borrower's Certifications .** By its execution of this Agreement, the undersigned officer, to the best of his or her knowledge, and Borrower hereby certify that:

    i. The representations and warranties contained in the Credit Agreement and the other Credit Documents are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date;

    ii. No event has occurred and is continuing or would result from the consummation of the Proposed Borrowing contemplated hereby that would constitute a Default or an Event of Default; and

    iii. Borrower has performed in all material respects all agreements and satisfied all conditions which the Credit Agreement provides shall be performed or satisfied by it on or before the date hereof in connection with the Proposed Borrowing.

8. **Borrower Covenants .** By its execution of this Agreement, Borrower hereby covenants that:

   i. Borrower shall deliver or cause to be delivered, on or before the Additional Series A-3 Tranche A Term Loan Funding Date, the following legal opinions and documents: originally executed copies of the favorable written opinions of (a) Skadden, Arps, Slate, Meagher & Flom LLP, U.S. counsel and special France counsel to the Credit Parties, (b) Chancery Chambers, special Barbados counsel to the Credit Parties, (c) Norton Rose Fulbright Canada LLP, special Canada counsel to the Credit Parties, (d) Baker & McKenzie, special Luxembourg counsel to the Credit Parties, (e) Conyers Dill & Pearman Limited, special Bermuda counsel to the Credit Parties, (f) Arthur Cox, special Ireland counsel to the Credit Parties, (g) Venable LLP, special Maryland counsel to the Credit Parties, (h) Souza, Cescon, Barrieu & Flesch Advogados, special Brazil counsel to the Credit Parties, (i) Squire Sanders Święcicki Krześniak sp.k., special Poland counsel to the Credit Parties, (j) Tark Grunte Sutkiene, special Lithuania counsel to the Credit Parties, (k) White & Case LLP, special France counsel to the Administrative Agent, (l) Allen & Overy LLP, special Netherlands counsel to the Administrative Agent, (m) Rajah & Tann LLP, special Singapore counsel to the Credit Parties, (n) Stamford Law Corporation, special Singapore counsel to the Administrative Agent and (o) Fluxmans Inc., special South Africa counsel to the Credit Parties, together with all other legal opinions and other documents reasonably requested by Administrative Agent in connection with this Agreement.

9. **Eligible Assignee .** By its execution of this Agreement, each New Term Loan Lender (other than any New Term Loan Lender that, immediately prior to the execution of this Agreement, is a "Lender" under the Credit Agreement) represents and warrants that it is an Eligible Assignee.

10. **Notice .** For purposes of the Credit Agreement, the initial notice address of each New Term Loan Lender shall be as set forth below its signature below.

11. **Non-U.S. Lenders .** For each New Term Loan Lender that is a Non-U.S. Lender, delivered herewith to Administrative Agent are such forms, certificates or other evidence with respect to United States federal income tax withholding matters as such New Term Loan Lender may be required to deliver to Administrative Agent pursuant to subsection 2.20(d) of the Credit Agreement.

12. **Recordation of the New Loans .** Upon execution and delivery hereof, Administrative Agent will record in the Register the Additional Series A-3 Tranche A Term Loans made by New Term Loan Lenders pursuant hereto as being of the same Class as the Series A-3 Tranche A Term Loans.

13. **Reaffirmation** .

   i. Each Credit Party hereby expressly acknowledges the terms of this Agreement and reaffirms, as of the date hereof, the covenants and agreements contained in each Credit Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Agreement and the transactions contemplated hereby.

   ii. Each Credit Party, by its signature below, hereby affirms and confirms (a) its obligations under each of the Credit Documents to which it is a party, and (b) the pledge of and/or grant of a security interest or hypothec in its assets as Collateral to secure such Obligations, all as provided in the Collateral Documents as originally

executed, and acknowledges and agrees that such guarantee, pledge and/or grant continue in full force and effect in respect of, and to secure, such Obligations under the Credit Agreement and the other Credit Documents.

ii. Each Credit Party acknowledges and agrees that each of the Credit Documents in existence as of the date hereof shall be henceforth read and construed in accordance with and so as to give full force and effect to the ratifications, confirmations, acknowledgements and agreements made herein.

14. **Amendment, Modification and Waiver .** This Agreement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto.

15. **Entire Agreement .** This Agreement, the Credit Agreement and the other Credit Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof. It is understood and agreed that each reference in each Credit Document to the Credit Agreement, whether direct or indirect, shall hereafter be deemed to be a reference to the Credit Agreement as amended and supplemented hereby and that this Agreement is a Credit Document.

16. **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

17. **Severability .** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

18. **Counterparts .** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF , each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

BARCLAYS BANK PLC , as a "New Term Loan Lender"

By: /s/ Christine Aharonian
Name: Christine Aharonian
Title: Vice President

Notice Address:

745 Seventh Avenue, New York, NY 10019

Attention: Christine Aharonian
Telephone: 212 320 9943
Facsimile: 212 52605515

[Signature Page to Joinder Agreement]

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH , as a "New Term Loan Lender"

By: /s/ Michael N. Tam
Name: Michael N. Tam
Title: Senior Vice President

Notice Address:

Attention:
Telephone:
Facsimile:

[Signature Page to Joinder Agreement]

MORGAN STANLEY BANK, N.A ., as a "New Term Loan Lender"

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

Notice Address:

Morgan Stanley Loan Servicing
1300 Thames Street Wharf, 4th floor
Baltimore, MD 21231
Telephone: 443 627 4335
Facsimile: 718 233 2140
msloanservicing@morganstanley.com

[Signature Page to Joinder Agreement]

SUNTRUST BANK , as a "New Term Loan Lender"

By: /s/ Katherine Bass
Name: Katherine Bass
Title: Director

Notice Address:

Attention:
Telephone:
Facsimile:

[Signature Page to Joinder Agreement]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. ,
as a "New Term Loan Lender"

By: /s/ Scott O'Connell
Name: Scott O'Connell
Title: Director

Notice Address:

1251 Avenue of the Americas,

New York, NY 10020

Attention: Allen Fisher
Telephone: 212 782 6824
Facsimile: 212 782 6445

[Signature Page to Joinder Agreement]

CITIBANK, N.A. , as a "New Term Loan Lender"

By: /s/ Laura Fogarty
Name: Laura Fogarty
Title: Vice President

Notice Address:

388 Greenwich Street, Floor 32
New York, NY 10013

Attention: Laura Fogarty
Telephone: 212 816 2197
Facsimile: 646 862 8137

[Signature Page to Joinder Agreement]

DEUTSCHE BANK AG NEW YORK BRANCH , as a "New Term Loan Lender"

By: /s/ Michael Winters
Name: Michael Winters
Title: Vice President

By: /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Vice President

Notice Address:

Loan Admin
5022, Gate Parkway, Suite 200
Jacksonville, FL 32256

Attention: Karthik Krishnan
Telephone: 904 520 5449
Facsimile: 866 240 3622

[Signature Page to Joinder Agreement]

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VALEANT PHARMACEUTICALS INTERNATIONAL

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB INCORPORATED

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB HOLDINGS INCORPORATED

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Vice President and Treasurer

SOLTA MEDICAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Vice President and Treasurer

ATON PHARMA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

CORIA LABORATORIES, LTD.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

DOW PHARMACEUTICAL SCIENCES, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

[Signature Page to Joinder Agreement]

OBAGI MEDICAL PRODUCTS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

OMP, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

ONPHARMA INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

[Signature Page to Joinder Agreement]

Signed by
Valeant Holdco 2 Pty Ltd (ACN 154 341 367)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Wirra Holdings Pty Limited (ACN 122 216 577)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Wirra Operations Pty Limited (ACN 122 250 088)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
iNova Pharmaceuticals (Australia) Pty Limited
(ACN 000 222 408)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Wirra IP Pty Limited (ACN 122 536 350)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
iNova Sub Pty Limited (ACN 134 398 815)

in accordance with section 127 of the *Corporations Act 2001*
by two directors:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director (please print)

Signed by
Valeant Pharmaceuticals Australasia Pty Limited
(ACN 001 083 352)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert R. Chai-Onn	/s/ Linda A. LaGorga
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Linda A. LaGorga
Name of director (please print)	Name of director/secretary (please print)

Signed by
DermaTech Pty Limited (ACN 003 982 161)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

[Signature Page to Joinder Agreement]

Signed by
Private Formula International Holdings Pty Ltd
(ACN 095 450 918)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

Signed by
Private Formula International Pty Ltd
(ACN 095 451 442)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

[Signature Page to Joinder Agreement]

Signed by
Ganehill Pty Ltd (ACN 065 261 538)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Robert R. Chai-Onn	/s/ Howard B. Schiller
Signature of director	Signature of director/secretary
Robert R. Chai-Onn	Howard B. Schiller
Name of director (please print)	Name of director/secretary (please print)

[Signature Page to Joinder Agreement]

Signed by
Bausch & Lomb (Australia) Pty Ltd (ACN: 000 650 251)

in accordance with section 127 of the *Corporations Act 2001*
by a director and secretary/director:

/s/ Linda LaGorga	/s/ Ling Zeng
Signature of director	Signature of director/secretary
Linda LaGorga	Ling Zeng
Name of director (please print)	Name of director/secretary (please print)

[Signature Page to Joinder Agreement]

HYTHE PROPERTY INCORPORATED

By: /s/ Mauricio Zavala
Name: Mauricio Zavala
Title: Manager and Assistant Secretary

[Signature Page to Joinder Agreement]

VALEANT INTERNATIONAL BERMUDA

By: /s/ Graham Jackson
Name: Graham Jackson
Title: Director

VALEANT PHARMACEUTICALS NOMINEE BERMUDA

By: /s/ Peter McCurdy
Name: Peter McCurdy
Title: President and Assistant Secretary

[Signature Page to Joinder Agreement]

PROBIÓTICA LABORATÓRIOS LTDA.

By: /s/ Marcelo Noll Barboza
Name: Marcelo Noll Barboza
Title: Officer

By: /s/ Guilherme Maradei
Name: Guilherme Maradei
Title: Officer

[Signature Page to Joinder Agreement]

IOLAB CORPORATION

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

TECHNOLAS PERFECT VISION, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB PHARMA HOLDINGS CORP.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB CHINA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB SOUTH ASIA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB TECHNOLOGY CORPORATION

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Treasurer

[Signature Page to Joinder Agreement]

RHC HOLDINGS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

SIGHT SAVERS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB INTERNATIONAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BAUSCH & LOMB REALTY CORPORATION.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Vice President and Treasurer

ISTA PHARMACEUTICALS, LLC

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VRX HOLDCO, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Chief Financial Officer and Treasurer

[Signature Page to Joinder Agreement]

VALEANT CANADA GP LIMITED

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Executive Vice President and Chief Financial Officer

VALEANT CANADA S.E.C./VALEANT CANADA LP

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Executive Vice President and Chief Financial Officer

V-BAC HOLDING CORP.

By: /s/ Robert R. Chai-Onn
Name: Robert R. Chai-Onn
Title: Vice President

[Signature Page to Joinder Agreement]

MEDICIS PHARMACEUTICAL CORPORATION

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

OCEANSIDE PHARMACEUTICALS, INC.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

DR. LEWINN'S PRIVATE FORMULA INTERNATIONAL, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

PRINCETON PHARMA HOLDINGS, LLC

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

PRIVATE FORMULA CORP.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

RENAUD SKIN CARE LABORATORIES, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

VALEANT BIOMEDICALS, INC.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

VALEANT PHARMACEUTICALS NORTH AMERICA LLC

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

BIOVAIL AMERICAS CORP.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

ORAPHARMA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

ORAPHARMA TOPCO HOLDINGS, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

PRESTWICK PHARMACEUTICALS, INC.

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Chief Financial Officer and Treasurer

BIOVAIL INTERNATIONAL S.Á.R.L.

By: /s/ Michael Kennan
Name: Michael Kennan
Title: Manager

VALEANT PHARMACEUTICALS LUXEMBOURG S.Á.R.L.

By: /s/ Michael Kennan
Name: Michael Kennan
Title: Manager

VALEANT INTERNATIONAL LUXEMBOURG S.Á.R.L.

By: /s/ Michael Kennan
Name: Michael Kennan
Title: Manager

BAUSCH & LOMB LUXEMBOURG S.Á.R.L.

By: /s/ Michael Kennan
Name: Michael Kennan
Title: Manager

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LABORATOIRE CHAUVIN S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

BAUSCH & LOMB FRANCE S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

BCF S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

CHAUVIN OPSIA S.A.S.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: General Manager

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VALEANT PHARMA HUNGARY LLC

By: /s/ István Langer
Name: István Langer
Title: Managing Director

VALEANT PHARMA HUNGARY LLC

By: /s/ Zoltán Gábor
Name: Zoltán Gábor
Title: Managing Director

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VALEANT PHARMACEUTICALS IRELAND

By: /s/ Graham Jackson
Name: Graham Jackson
Title: Director

VALEANT HOLDINGS IRELAND

By: /s/ Graham Jackson
Name: Graham Jackson
Title: Director

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B.L.J. COMPANY, LTD.

By: /s/ Ian Dolling
Name: Ian Dolling
Title: Representative Director and President

[Signature Page to Joinder Agreement]

AB SANITAS

By: /s/ Saulius Mečislovas Žemaitis
Name: Saulius Mečislovas Žemaitis
Title: General Manager

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UCYCLYD PHARMA, INC.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Senior Vice President and Treasurer

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VALEANT EUROPE B.V.

By: /s/ Robert Meijer
Name: Robert Meijer
Title: Attorney-in-Fact

BAUSCH & LOMB B.V.

By: /s/ Robert Meijer
Name: Robert Meijer
Title: Attorney-in-Fact

BAUSCH & LOMB OPS B.V.

By: /s/ Robert Meijer
Name: Robert Meijer
Title: Attorney-in-Fact

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PRZEDSIĘBIORSTWO FARMACEUTYCZNE JELFA S.A.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

VALEANT SP.Z O. O.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

VP VALEANT SP. Z O.O.SP.J.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

VALEANT SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ SP.J.

By: /s/ Marcin Wnukowski
Name: Marcin Wnukowski
Title: Attorney-in-Fact

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PHARMASWISS D.O.O., BEOGRAD

By: /s/ Dejan Antonić
Name: Dejan Antonić
Title: General Manager

(corporate stamp)

[Signature Page to Joinder Agreement]

PHARMASWISS D.O.O., LJUBLJANA

By: /s/ Senahil Asanagić
Name: Senahil Asanagić
Title: Director

[Signature Page to Joinder Agreement]

INOVA PHARMACEUTICALS PROPRIETARY LIMITED

By: /s/ Howard B. Schiller
Name: Howard B. Schiller
Title: Director

[Signature Page to Joinder Agreement]

PHARMASWISS SA

By: /s/ Matthias Courvoisier
Name: Matthias Courvoisier
Title: Director

[Signature Page to Joinder Agreement]

Executed by BAUSCH & LOMB U.K. LIMITED, acting by:

/s/ Linda A. LaGorga
Director

Name of director: Linda A. LaGorga
in the presence of:

/s/ Kaleena Nguyen
Name of witness: Kaleena Nguyen
Address: 400 Somerset Corporate Blvd.
Bridgewater, New Jersey 08807 U.S.A.

Occupation: Legal

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BAUSCH & LOMB IOM S.P.A.

By: /s/ Linda A. LaGorga
Name: Linda A. LaGorga
Title: Director

[Signature Page to Joinder Agreement]

SIGNED for and on behalf)
of **VALEANT PHARMACEUTICALS**)
NEW ZEALAND LIMITED)

/s/ Howard Schiller	/s/ Robert R. Chai-Onn
Name: Howard Schiller	Name: Robert R. Chai-Onn
Title: Director	Title: Director

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INOVA PHARMACEUTICALS (SINGAPORE) PTE LIMITED

By: /s/ Howard Schiller
Name: Howard Schiller
Title: Director

[Signature Page to Joinder Agreement]

Consented to by:

BARCLAYS BANK PLC
As Administrative Agent and Collateral Agent

By: /s/ Christine Aharonian
Authorized Signatory

[Signature Page to Joinder Agreement]

SCHEDULE A
TO JOINDER AGREEMENT

Name of Lender	Type of Commitment	Amount
BARCLAYS BANK PLC	Series A-3 Tranche A Term Loan Commitment	$ 43,355,063.29
JPMORGAN CHASE BANK, N.A., TORONTO BRANCH	Series A-3 Tranche A Term Loan Commitment	$ 13,815,361.55
MORGAN STANLEY BANK, N.A.	Series A-3 Tranche A Term Loan Commitment	$ 43,866,587.69
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	Series A-3 Tranche A Term Loan Commitment	$ 37,784,395.23
CITIBANK N.A.	Series A-3 Tranche A Term Loan Commitment	$ 18,057,639.49
DEUTSCHE BANK AG NEW YORK BRANCH	Series A-3 Tranche A Term Loan Commitment	$ 74,703,025.70
SUNTRUST BANK	Series A-3 Tranche A Term Loan Commitment	$ 18,417,927.05
		Total: $ 250,000,000

Exhibit 21.1

Subsidiary Information

As of February 25, 2015

Company	Jurisdiction of Incorporation	Doing Business As
Bausch & Lomb Argentina S.R.L.	Argentina	Bausch & Lomb Argentina S.R.L.
Waicon Vision S.A.	Argentina	Waicon Vision S.A.
Bausch & Lomb (Australia) Pty. Limited	Australia	Bausch & Lomb (Australia) Pty. Limited
DermaTech Pty. Ltd.	Australia	DermaTech Pty. Ltd.
Ganehill North America Pty. Ltd.	Australia	Ganehill North America Pty. Ltd.
Ganehill Pty. Ltd.	Australia	Ganehill Pty. Ltd.
Hissyfit International Pty Ltd.	Australia	Hissyfit International Pty Ltd.
iNova Pharmaceuticals (Australia) Pty Limited	Australia	iNova Pharmaceuticals (Australia) Pty Limited
iNova Sub Pty Limited	Australia	iNova Sub Pty Limited
Private Formula International Holdings Pty. Ltd.	Australia	Private Formula International Holdings Pty. Ltd.
Private Formula International Pty. Ltd.	Australia	Private Formula International Pty. Ltd.
Solta Medical Australia Propretary Ltd	Australia	Solta Medical Australia Propretary Ltd
Valeant Holdco 2 Pty Ltd	Australia	Valeant Holdco 2 Pty Ltd
Valeant Holdco 3 Pty Ltd	Australia	Valeant Holdco 3 Pty Ltd
Valeant Pharmaceuticals Australasia Pty. Ltd.	Australia	Valeant Pharmaceuticals Australasia Pty. Ltd.
Wirra Holdings Pty Limited	Australia	Wirra Holdings Pty Limited
Wirra IP Pty Limited	Australia	Wirra IP Pty Limited
Wirra Operations Pty Limited	Australia	Wirra Operations Pty Limited
Bausch & Lomb GmbH	Austria	Bausch & Lomb GmbH
Hythe Property Incorporated	Barbados	Hythe Property Incorporated
Natur Produkt-M	Belarus	Natur Produkt-M
Bausch & Lomb B.V.B.A.	Belgium	Bausch & Lomb B.V.B.A.
Bausch & Lomb Pharma S.A.	Belgium	Bausch & Lomb Pharma S.A.
Croma Pharma BVBA	Belgium	Croma Pharma BVBA
Valeant International Bermuda	Bermuda	Valeant International Bermuda
Valeant Pharmaceuticals Nominee Bermuda	Bermuda	Valeant Pharmaceuticals Nominee Bermuda
PharmaSwiss BH drustvo za trgovinu na veliko d.o.o.	Bosnia	PharmaSwiss BH drustvo za trgovinu na veliko d.o.o.
BL Importações Ltda.	Brazil	BL Importações Ltda.
BL Indústria Ótica Ltda.	Brazil	BL Indústria Ótica Ltda.
Instituto Terapêutico Delta Ltda.	Brazil	Instituto Terapêutico Delta Ltda.
Probiótica Laboratórios Ltda.	Brazil	Probiótica Laboratórios Ltda.
Valeant Farmacêutica do Brasil Ltda.	Brazil	Valeant Farmacêutica do Brasil Ltda.
0938638 BC Ltd.	British Columbia (Canada)	0938638 BC Ltd.
0938893 BC Ltd.	British Columbia (Canada)	0938893 BC Ltd.
Croma Pharma Canada Ltd.	British Columbia (Canada)	Croma Pharma Canada Ltd.
Bauch & Lomb-Lord (BVI) Incorporated	British Virgin Islands	Bauch & Lomb-Lord (BVI) Incorporated

PharmaSwiss EOOD	Bulgaria	PharmaSwiss EOOD
9079-8851 Quebec, Inc.	Canada	9079-8851 Quebec, Inc.
Bausch & Lomb Canada Inc.	Canada	Bausch & Lomb Canada Inc.
Medicis Aesthetics Canada Ltd.	Canada	Medicis Aesthetics Canada Ltd.
Medicis Canada Ltd.	Canada	Medicis Canada Ltd.
Valeant Canada GP Limited	Canada	Valeant Canada GP Limited
Valeant Canada S.E.C./Valeant Canada LP	Canada	Valeant Canada S.E.C./Valeant Canada LP
Valeant Canada Ltd.	Canada	Valeant Canada Ltd.
Valeant Groupe Cosmoderme Inc.	Canada	Valeant Groupe Cosmoderme Inc.
V-BAC Holding Corp.	Canada	V-BAC Holding Corp.
Bausch & Lomb (Shanghai) Trading Co., Ltd.	China	Bausch & Lomb (Shanghai) Trading Co., Ltd.
Beijing Bausch & Lomb Eyecare Company, Ltd.	China	Beijing Bausch & Lomb Eyecare Company, Ltd.
Shandong Bausch & Lomb Freda New Packaging Materials Co Ltd	China	Shandong Bausch & Lomb Freda New Packaging Materials Co Ltd
Shandong Bausch & Lomb Freda Pharmaceutical Co. Ltd.	China	Shandong Bausch & Lomb Freda Pharmaceutical Co. Ltd.
PharmaSwiss drustvo s ogranicenom odgovornoscu za trgovinu I usluge	Croatia	PharmaSwiss drustvo s ogranicenom odgovornoscu za trgovinu I usluge
PharmaSwiss Ceska republika s.r.o.	Czech Republic	PharmaSwiss Ceska republika s.r.o.
Valeant Czech Pharma s.r.o.	Czech Republic	Valeant Czech Pharma s.r.o.
PharmaSwiss Eesti OU	Estonia	PharmaSwiss Eesti OU
Bausch & Lomb France S.A.S.	France	Bausch & Lomb France SAS
BCF S.A.S.	France	BCF SAS
Chauvin Opsia S.A.S.	France	Chauvin Opsia S.A.S.
Croma SAS	France	Croma SAS
Laboratoire Chauvin S.A.S.	France	Laboratoire Chauvin SAS
Pharma Pass S.A.S.	France	Pharma Pass SAS
Bausch & Lomb GmbH	Germany	Bausch & Lomb GmbH
BLEP Europe GmbH	Germany	BLEP Europe GmbH
BLEP Holding GmbH	Germany	BLEP Holding GmbH
Chauvin ankerpharm GmbH	Germany	Chauvin ankerpharm GmbH
Croma-Pharma Deutschland G.m.b.H.	Germany	Croma-Pharma Deutschland G.m.b.H.
Dr. Gerhard Mann chem.-pharm. Fabrik GmbH	Germany	Dr. Gerhard Mann chem.-pharm. Fabrik GmbH
Dr. Robert Winzer Pharma GmbH	Germany	Dr. Robert Winzer Pharma GmbH
Grundstuckgesellschaft Dr. Gerhard Mann GmbH	Germany	Grundstuckgesellschaft Dr. Gerhard Mann GmbH
Pharmaplast Vertriebsgesellschaft mbH	Germany	Pharmaplast Vertriebsgesellschaft mbH
Technolas Perfect Vision GmbH	Germany	Technolas Perfect Vision GmbH
PharmaSwiss Hellas S.A.	Greece	PharmaSwiss Hellas S.A.
Bausch & Lomb (Hong Kong) Limited	Hong Kong	Bausch & Lomb (Hong Kong) Limited
iNova Pharmaceuticals (Hong Kong) Limited	Hong Kong	iNova Pharmaceuticals (Hong Kong) Limited
Sino Concept Technology Limited	Hong Kong	Sino Concept Technology Limited
Solta Medical International, Ltd	Hong Kong	Solta Medical International, Ltd
Technolas Hong Kong Limited	Hong Kong	Technolas Hong Kong Limited
Valeant Pharma Hungary Commercial LLC	Hungary	Valeant Pharma Hungary Commercial LLC
Bausch & Lomb Eyecare (India) Private Limited	India	Bausch & Lomb Eyecare (India) Private Limited

PT Armoxindo Farma	Indonesia	PT Armoxindo Farma
PT Bausch Lomb Indonesia	Indonesia	PT Bausch Lomb Indonesia
PT Bausch & Lomb (Distributing)	Indonesia	PT Bausch & Lomb (Distributing)
PT Bausch & Lomb Manufacturing	Indonesia	PT Bausch & Lomb Manufacturing
C&C Vision International Limited	Ireland	C&C Vision International Limited
Valeant Holdings Ireland	Ireland	Valeant Holdings Ireland
Valeant Pharmaceuticals Ireland	Ireland	Valeant Pharmaceuticals Ireland
PharmaSwiss Israel Ltd.	Israel	PharmaSwiss Israel Ltd.
Bausch & Lomb IOM S.p.A.	Italy	Bausch & Lomb IOM S.p.A.
Eyeonics Europe SRL	Italy	Eyeonics Europe SRL
B.L.J. Company, Ltd.	Japan	B.L.J. Company, Ltd.
Bausch & Lomb (Jersey) Limited	Jersey	Bausch & Lomb (Jersey) Limited
TOO "NP Market Asia"	Kazakhstan	TOO "NP Market Asia"
Bausch & Lomb Korea Co. Ltd.	Korea	Bausch & Lomb Korea Co. Ltd.
Bescon Co. Ltd.	Korea	Bescon Co. Ltd.
Bescon Korea Distribution Inc.	Korea	Bescon Korea Distribution Inc.
PharmaSwiss SA Sh.k.p.	Kosovo	PharmaSwiss SA Sh.k.p.
PharmaSwiss Latvia	Latvia	PharmaSwiss Latvia
UAB PharmaSwiss	Lithuania	UAB PharmaSwiss
Bausch & Lomb Luxembourg s.a.r.l.	Luxembourg	Bausch & Lomb Luxembourg s.a.r.l.
Bausch & Lomb Luxembourg s.a.r.l. & Cie	Luxembourg	Bausch & Lomb Luxembourg s.a.r.l. & Cie
Biovail International S.a.r.l.	Luxembourg	Biovail International S.a.r.l.
Valeant Holdings Luxembourg S.a r.l.	Luxembourg	Valeant Holdings Luxembourg S.a r.l.
Valeant International Luxembourg S.a r.l.	Luxembourg	Valeant International Luxembourg S.a r.l.
Valeant Pharmaceuticals Luxembourg S.a r.l.	Luxembourg	Valeant Pharmaceuticals Luxembourg S.a r.l.
PharmaSwiss dooel Skopje	Macedonia	PharmaSwiss dooel Skopje
Bausch & Lomb (Malaysia) Sdn Bhd	Malaysia	Bausch & Lomb (Malaysia) Sdn Bhd
Aton Malta Limited	Malta	Aton Malta Limited
Bausch & Lomb Mexico, S.A. de C.V.	Mexico	Bausch & Lomb Mexico, S.A. de C.V.
Laboratorios Grossman, S.A.	Mexico	Laboratorios Grossman, S.A.
Logistica Valeant, S.A. de C.V.	Mexico	Logistica Valeant, S.A. de C.V.
Nysco de Mexico S.A. de C.V.	Mexico	Nysco de Mexico S.A. de C.V.
Tecnofarma, S.A. de C.V.	Mexico	Tecnofarma, S.A. de C.V.
Valeant Farmaceutica S.A. de CV.	Mexico	Valeant Farmaceutica S.A. de CV.
Valeant Servicios y Administracion, S. de R.L. de C.V.	Mexico	Valeant Servicios y Administracion, S. de R.L. de C.V.
Bausch & Lomb B.V.	Netherlands	Bausch & Lomb B.V.
Bausch+Lomb OPS B.V.	Netherlands	Bausch+Lomb OPS B.V.
Croma-Pharma Nederland BV	Netherlands	Croma-Pharma Nederland BV
Natur Produkt Europe BV	Netherlands	Natur Produkt Europe BV
Solta Medical International, B.V.	Netherlands	Solta Medical International, B.V.
Technolas Perfect Vision Cooperatief U.A.	Netherlands	Technolas Perfect Vision Cooperatief U.A.
Valeant Dutch Holdings B.V.	Netherlands	Valeant Dutch Holdings B.V.
Valeant Europe BV	Netherlands	Valeant Europe BV
Bausch & Lomb (New Zealand) Limited	New Zealand	Bausch & Lomb (New Zealand) Limited
iNova Pharmaceuticals (New Zealand) Limited	New Zealand	iNova Pharmaceuticals (New Zealand) Limited
Valeant Pharmaceuticals New Zealand Limited	New Zealand	Valeant Pharmaceuticals New Zealand Limited

Valeant Farmaceutica Panama S.A.	Panama	Valeant Farmaceutica Panama S.A.
Valeant Peru	Peru	Valeant Peru
Bausch & Lomb (Philippines), Inc.	Philippines	Bausch & Lomb (Philippines), Inc.
Bausch & Lomb Polska Sp. z.o.o.	Poland	Bausch & Lomb Polska Sp. z.o.o.
Cadogan spółka z ograniczoną odpowiedzialnością	Poland	Cadogan spółka z ograniczoną odpowiedzialnością
Cochrane spółka z ograniczoną odpowiedzialnością	Poland	Cochrane spółka z ograniczoną odpowiedzialnością
Croma Inter Sp.z.o.o.	Poland	Croma Inter Sp.z.o.o.
Croma Polska Sp. z o.o.	Poland	Croma Polska Sp. z o.o.
Croma-Pharma Polska Sp. z o.o.	Poland	Croma-Pharma Polska Sp. z o.o.
Emo-Farm spółka z ograniczoną odpowiedzialnością	Poland	Emo-Farm spółka z ograniczoną odpowiedzialnością
ICN Polfa Rzeszow SA	Poland	ICN Polfa Rzeszow SA
IPOPEMA 73 Fundusz inwestycyjny Zamkniety Aktywow Niepublicznych (FIZAN)	Poland	IPOPEMA 73 Fundusz inwestycyjny Zamkniety Aktywow Niepublicznych (FIZAN)
Laboratorium Farmaceutyczne Homeofarm Sp. Z.o.o.	Poland	Laboratorium Farmaceutyczne Homeofarm Sp. Z.o.o.
PharmaSwiss Poland Sp. z.o.o.	Poland	PharmaSwiss Poland Sp. z.o.o.
Przedsiebiorstwo Farmaceutyczne Jelfa SA	Poland	Przedsiebiorstwo Farmaceutyczne Jelfa SA
Valeant sp. z.o.o.	Poland	Valeant sp. z.o.o.
Valeant spółka z ograniczoną odpowiedzialnością	Poland	Valeant spółka z ograniczoną odpowiedzialnością
VP Valeant Sp. z o.o.	Poland	VP Valeant Sp. z o.o.
S.C. Croma Romania Srl	Romania	S.C. Croma Romania Srl
S.C. PharmaSwiss Medicines S.R.L.	Romania	S.C. PharmaSwiss Medicines S.R.L.
JSC "Natur Produkt International"	Russia	JSC "Natur Produkt International"
Limited Liability Company "Bausch & Lomb"	Russia	Limited Liability Company "Bausch & Lomb"
OOO "NP-Logistika"	Russia	OOO "NP-Logistika"
OOO "NP-Nedvizhimost"	Russia	OOO "NP-Nedvizhimost"
Valeant LLC	Russia	Valeant LLC
PharmaSwiss d.o.o. Serbia	Serbia	PharmaSwiss d.o.o. Serbia
Bausch & Lomb (Singapore) Private Limited	Singapore	Bausch & Lomb (Singapore) Private Limited
iNova Pharmaceuticals (Singapore) Pte Limited	Singapore	iNova Pharmaceuticals (Singapore) Pte Limited
Solta Medical Singapore Private Limited	Singapore	Solta Medical Singapore Private Limited
Technolas Singapore Pte. Ltd.	Singapore	Technolas Singapore Pte. Ltd.
Wirra International Bidco Pte Limited	Singapore	Wirra International Bidco Pte Limited
Wirra International Holdings Pte Limited	Singapore	Wirra International Holdings Pte Limited
Sanitas Pharma	Slovakia	Sanitas Pharma
Valeant Slovakia s.r.o.	Slovakia	Valeant Slovakia s.r.o.
PharmaSwiss d.o.o., Ljubljana	Slovenia	PharmaSwiss d.o.o., Ljubljana
Bausch & Lomb (South Africa) (Pty) Ltd	South Africa	Bausch & Lomb (South Africa) (Pty) Ltd
iNova Pharmaceuticals (Pty) Limited	South Africa	iNova Pharmaceuticals (Pty) Limited
Soflens (Pty) Ltd	South Africa	Soflens (Pty) Ltd
Bausch & Lomb S.A.	Spain	Bausch & Lomb S.A.
Croma Pharma SL	Spain	Croma Pharma SL
Bausch & Lomb Nordic AB	Sweden	Bausch & Lomb Nordic AB

Croma-Pharma Nordic AB	Sweden	Croma-Pharma Nordic AB
Valeant Sweden AB	Sweden	Valeant Sweden AB
Bausch & Lomb Fribourg s.a.r.l.	Switzerland	Bausch & Lomb Fribourg s.a.r.l.
Bausch & Lomb Swiss AG	Switzerland	Bausch & Lomb Swiss AG
Biovail S.A.	Switzerland	Biovail S.A.
fx Life Sciences AG	Switzerland	fx Life Sciences AG
PharmaSwiss SA	Switzerland	PharmaSwiss SA
Bausch & Lomb Taiwan Limited	Taiwan	Bausch & Lomb Taiwan Limited
Bausch & Lomb (Thailand) Limited	Thailand	Bausch & Lomb (Thailand) Limited
iNova Pharmaceuticals (Thailand) Ltd	Thailand	iNova Pharmaceuticals (Thailand) Ltd
Bausch & Lomb Saglik ve Optic Urunleri Tic. A.S.	Turkey	Bausch & Lomb Saglik ve Optic Urunleri Tic. A.S.
Valeant Pharmaceuticals LLC	Ukraine	Valeant Pharmaceuticals LLC
Medpharma Pharmaceutical & Chemical Industries LLC	UAE	Medpharma Pharmaceutical & Chemical Industries LLC
Bausch & Lomb Scotland Limited	United Kingdom	Bausch & Lomb Scotland Limited
Bausch & Lomb UK Holdings Limited	United Kingdom	Bausch & Lomb UK Holdings Limited
Bausch & Lomb U.K. Limited	United Kingdom	Bausch & Lomb U.K. Limited
Chauvin Pharmaceuticals Limited	United Kingdom	Chauvin Pharmaceuticals Limited
Solta Medical UK Limited	United Kingdom	Solta Medical UK Limited
Dr. LeWinn's Private Formula International, Inc.	California (US)	Dr. LeWinn's Private Formula International, Inc.
Iolab Corporation	California (US)	Iolab Corporation
OnPharma Inc.	California (US)	OnPharma Inc.
Private Formula Corp.	California (US)	Private Formula Corp.
Aesthera Corporation	Delaware (US)	Aesthera Corporation
Aton Pharma, Inc.	Delaware (US)	Aton Pharma, Inc.
Audrey Enterprise, LLC	Delaware (US)	Audrey Enterprise, LLC
B&L Financial Holdings Corp.	Delaware (US)	B&L Financial Holdings Corp.
Bausch & Lomb China, Inc.	Delaware (US)	Bausch & Lomb China, Inc.
Bausch & Lomb Holdings Incorporated	Delaware (US)	Bausch & Lomb Holdings Incorporated
Bausch & Lomb Pharma Holdings Corp.	Delaware (US)	Bausch & Lomb Pharma Holdings Corp.
Bausch & Lomb South Asia, Inc.	Delaware (US)	Bausch & Lomb South Asia, Inc.
Bausch & Lomb Technology Corporation	Delaware (US)	Bausch & Lomb Technology Corporation
Biovail Americas Corp.	Delaware (US)	Biovail Americas Corp.
Biovail NTI Inc.	Delaware (US)	Biovail NTI Inc.
COLD-FX Pharmaceuticals (USA) Inc.	Delaware (US)	COLD-FX Pharmaceuticals (USA) Inc.
Coria Laboratories, Ltd.	Delaware (US)	Coria Laboratories, Ltd.
Dow Pharmaceutical Sciences, Inc.	Delaware (US)	Dow Pharmaceutical Sciences, Inc.
Drone Acquisition Sub Inc.	Delaware (US)	Drone Acquisition Sub Inc.
ECR Pharmaceuticals Co., Inc.	Delaware (US)	ECR Pharmaceuticals Co., Inc.
Emma Z LP	Delaware (US)	Emma Z LP
Erin S LP	Delaware (US)	Erin S LP
eyeonics, inc.	Delaware (US)	eyeonics, inc.
Eyetech Inc.	Delaware (US)	Eyetech Inc.
ICN Southeast, Inc.	Delaware (US)	ICN Southeast, Inc.
ISTA Pharmaceuticals, LLC	Delaware (US)	ISTA Pharmaceuticals, LLC
Katie Z LP	Delaware (US)	Katie Z LP
KGA Fulfillment Services, Inc.	Delaware (US)	KGA Fulfillment Services, Inc.

Kika LP	Delaware (US)	Kika LP
Liposonix, Inc.	Delaware (US)	Liposonix, Inc.
Medicis Body Aesthetics, Inc.	Delaware (US)	Medicis Body Aesthetics, Inc.
Medicis Pharmaceutical Corporation	Delaware (US)	Medicis Pharmaceutical Corporation
Nicox, Inc.	Delaware (US)	Nicox, Inc.
Obagi Medical Products, Inc.	Delaware (US)	Obagi Medical Products, Inc.
Oceanside Pharmaceuticals, Inc .	Delaware (US)	Oceanside Pharmaceuticals, Inc .
OMP, Inc.	Delaware (US)	OMP, Inc.
Onset Dermatologics LLC	Delaware (US)	Onset Dermatologics LLC
OPO, Inc.	Delaware (US)	OPO, Inc.
OraPharma TopCo Holdings, Inc.	Delaware (US)	OraPharma TopCo Holdings, Inc.
OraPharma, Inc.	Delaware (US)	OraPharma, Inc.
OrphaMed Inc.	Delaware (US)	OrphaMed Inc.
PreCision Dermatology, Inc.	Delaware (US)	PreCision Dermatology, Inc.
PreCision MD LLC	Delaware (US)	PreCision MD LLC
Prestwick Pharmaceuticals, Inc.	Delaware (US)	Prestwick Pharmaceuticals, Inc.
Princeton Pharma Holdings, LLC	Delaware (US)	Princeton Pharma Holdings, LLC
ProSkin LLC	Delaware (US)	ProSkin LLC
Reliant Technologies LLC	Delaware (US)	Reliant Technologies LLC
RHC Holdings, Inc.	Delaware (US)	RHC Holdings, Inc.
RTI Acquisition Corporation, Inc.	Delaware (US)	RTI Acquisition Corporation, Inc.
Sight Savers, Inc.	Delaware (US)	Sight Savers, Inc.
Solta Medical, Inc.	Delaware (US)	Solta Medical, Inc.
Stephanie LP	Delaware (US)	Stephanie LP
Technolas Perfect Vision, Inc.	Delaware (US)	Technolas Perfect Vision, Inc.
Tinea Pharmaceuticals, Inc.	Delaware (US)	Tinea Pharmaceuticals, Inc.
Tori LP	Delaware (US)	Tori LP
TP Cream Sub, LLC	Delaware (US)	TP Cream Sub, LLC
TP Lotion Sub, LLC	Delaware (US)	TP Lotion Sub, LLC
Valeant Biomedicals, Inc.	Delaware (US)	Valeant Biomedicals, Inc.
Valeant Pharmaceuticals International	Delaware (US)	Valeant Pharmaceuticals International
Valeant Pharmaceuticals North America LLC	Delaware (US)	Valeant Pharmaceuticals North America LLC
VRX Holdco Inc.	Delaware (US)	VRX Holdco Inc.
VRX Holdco2 Inc.	Delaware (US)	VRX Holdco2 Inc.
Croma Pharmaceuticals Inc.	Florida (US)	Croma Pharmaceuticals Inc.
Ucyclyd Pharma, Inc.	Maryland (US)	Ucyclyd Pharma, Inc.
Bausch & Lomb Incorporated	New York (US)	Bausch & Lomb Incorporated
Bausch & Lomb International Inc.	New York (US)	Bausch & Lomb International Inc.
Bausch & Lomb Realty Corporation	New York (US)	Bausch & Lomb Realty Corporation
Pedinol Pharmacal, Inc.	New York (US)	Pedinol Pharmacal, Inc.
Renaud Skin Care Laboratories, Inc.	New York (US)	Renaud Skin Care Laboratories, Inc.
Image Acquisition Corp.	Texas (US)	Image Acquisition Corp.
Euvipharm Pharmaceuticals Joint Stock Company	Vietnam	Euvipharm Pharmaceuticals Joint Stock Company

In accordance with the instructions of Item 601 of Regulation S-K, certain subsidiaries are omitted from the foregoing table.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-8 (Nos. 333-92229, 333-196120, 333-138697, 333-168629, 333-168254, and 333-176205), as amended (where applicable), of Valeant Pharmaceuticals International, Inc. of our report dated February 25, 2015 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Florham Park, NJ
February 25, 2015

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, J. Michael Pearson, certify that:

1. I have reviewed this annual report on Form 10-K of Valeant Pharmaceuticals International, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: February 25, 2015
/s/ J. MICHAEL PEARSON

J. Michael Pearson
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Howard B. Schiller, certify that:

1. I have reviewed this annual report on Form 10-K of Valeant Pharmaceuticals International, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: February 25, 2015
/s/ HOWARD B. SCHILLER

Howard B. Schiller
Executive Vice-President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, J. Michael Pearson, Chairman of the Board and Chief Executive Officer of Valeant Pharmaceuticals International, Inc. (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2014 (the "Annual Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2015
/s/ J. MICHAEL PEARSON

J. Michael Pearson
Chairman of the Board and Chief Executive Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Howard B. Schiller, Executive Vice-President and Chief Financial Officer of Valeant Pharmaceuticals International, Inc. (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2014 (the "Annual Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2015
/s/ HOWARD B. SCHILLER

Howard B. Schiller
Executive Vice-President and Chief Financial Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

EXHIBIT C

Dendreon Corporation, et al
Liquidation Analysis
Consolidated
($ in Thousands)

Consolidated Liquidation and Wind-Down *	**Notes**	**Chapter 7**		**Chapter 11**	
Assets					
Cash On Hand as of March 27, 2015	1	$ 458,672		$ 458,672	
Litigation Proceeds and Other Receipts	2	3,922		3,922	
Business Unit Sales - Equity	3	49,500		49,500	
Total Assets/Proceeds		512,094		512,094	
Wind-Down Expenses					
Wind-Down Reserve	4	8,943		7,154	
Trustee Fees	5	15,363		-	
Professional Fee Reserve	6	26,762		26,762	
Total Wind-Down Expenses		51,068		33,917	
Net Proceeds Available for Payment of Claims		461,026		478,178	
Administrative and Priority Claims Reserve					
Post-Petition Claims	7	3,162		3,162	
Cure and Critical Vendor Costs	8	895		895	
Total Administrative Priority Claims		4,057		4,057	
Excess in Proceeds over Administrative Claims		456,970		474,121	
General Unsecured Claims		**Low**	**High**	**Low**	**High**
Allowed General Unsecured Claims	9	625,695	625,695	625,695	625,695
Disputed Claims Reserve	10	32,292	4,261	32,292	4,261
Total General Unsecured Claims Reserves		$ 657,987	$ 629,956	$ 657,987	$ 629,956
Recovery to General Unsecured Claims		69%	73%	72%	75%

* There are a number of estimates and assumptions underlying the analysis below that are inherently subject to significant uncertainties and contingencies beyond the control of the Debtors and their professionals. Additionally, assumptions are made with respect to certain liquidation decisions which could be subject to change. Accordingly, there can be no assurance that the values reflected in the analysis would be realized and actual results could vary materially from those shown here.

Values are as of March 27, 2015. The Debtors plan to include a Wind-down Budget as part of the Plan Supplement to be filed with the Court at a later date. You should review both this Liquidation Analysis and the Wind-down Budget as values may differ based on the timing of each analysis.

Notes

1 Cash On Hand: Reflects cash and cash equivalents held in all bank accounts.

2 Litigation Proceeds and Other Receipts: Anticipated recovery of various litigation matters as well as recoveries from healthcare refunds and other miscellaneous receipts. Litigation is inherently speculative and uncertain in nature and no creditor should rely upon the potential recovery from litigation actions as a basis for recovery on account of their claims.

3 Business Unit Sales: Equity held by Valeant from the sale of substantially all of the Debtors' assets to Drone Acquisition Sub Inc., a subsidiary of Valeant Pharmaceuticals International, Inc.

4 Wind-Down Reserve: The Company anticipates that the liquidation process would take six to twelve months. Wind-down operating costs would include compensation expenses, insurance, taxes, and the costs of orderly winding down healthcare and other employee-related plans. Under a Chapter 7 liquidation, a change in professionals would result in lost efficiencies, which is reflected in a 25% increase in the wind-down budget. The Wind-Down Reserve is calculated based on estimates and is being provided for illustrative purposes only. Actual expenses may differ materially from the stated value.

5 Trustee Fees: Assumed to be 3% of the gross proceeds from the liquidation of the assets.

6 Professional Fee Reserve: The Professional Fee Reserve is intended to cover (a) all Professional Fee Claims of Professionals employed by the Debtors or the Committee, including but not limited to an amount sufficient to pay (i) all unpaid Professional Fee Holdback Amounts and other expenses billed by Professionals of the Debtors or the Committee prior to the Effective Date; (ii) all outstanding fee applications of Professionals of the Debtors or the Committee not ruled upon by the Court as of the Effective Date; and (iii) the estimated aggregate amount of all reasonable fees and expenses due to Professionals of the Debtors or the Committee for periods that have not been billed as of the Effective Date; (b) the Supporting Noteholders Professionals Fee Estimate; (c) the Allowed Deerfield Substantial Contribution Claim; and (d) the Allowed Committee Member Substantial Contribution Claims. The Professional Fee Reserve is based on estimates and is being provided for illustrative purposes only. Actual expenses may differ materially from the stated value. For the Chapter 7 liquidation, the Professional Fee Reserve also contains an estimate of certain fees that would be incurred by professionals during the liquidation.

7 Post-Petition Claims: Includes estimates of post-petition expenses that will be paid prior to confirmation, consisting of, among other expenses, vacation accruals, sales incentive payments, and other employee-related payments earned post-petition. This estimate assumes that plan confirmation will occur in June 2015.

8 Cure and Critical Vendor Costs: Includes estimates of payments that will be paid prior to confirmation or as part of the emergence to Critical Vendors and contract counterparties for Assumed Contracts. This estimate assumes that plan confirmation and emergence will occur in June 2015.

9 Allowed General Unsecured Claims: The actual amount of Allowed General Unsecured Claims may differ materially from the stated amount.

10 Disputed Claims Reserve: The actual amount to be allocated to the Disputed Claims Reserve may differ materially from the stated amounts.

EXHIBIT 2

THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE COURT

This proposed Disclosure Statement is not a solicitation of acceptance or rejection of the Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code Proposed by the Debtors. Acceptances or rejections may not be solicited until the Bankruptcy Code has approved this Disclosure Statement under section 1125 of the Bankruptcy Code. This proposed Disclosure Statement is being submitted for approval only, and has not yet been approved by the Bankruptcy Court.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
	:	Case No. 14-12515 (LSS)
DENDREON CORPORATION, et al.,	:	Jointly Administered
Debtors.[1]	:	

DISCLOSURE STATEMENT WITH RESPECT TO FIRST AMENDED PLAN OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY THE DEBTORS

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

Anthony W. Clark (I.D. No. 2051)
Sarah E. Pierce (I.D. No. 4648)
One Rodney Square
P.O. Box 636
Wilmington, DE 19899
Telephone: (302) 651-3000
Fax: (302) 651-3001

Kenneth S. Ziman
Raquelle L. Kaye
Four Times Square
New York, NY 10036
Telephone: (212) 735-3000
Fax: (212) 735-2000

Felicia Gerber Perlman
Candice Korkis
155 N. Wacker Dr.
Chicago, IL 60606
Telephone: (312) 407-0700
Fax: (312) 407-0411

[1] The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Dendreon Corporation (3193), Dendreon Holdings, LLC (8047), Dendreon Distribution, LLC (8598) and Dendreon Manufacturing, LLC (7123). The address of the Debtors' corporate headquarters is 601 Union Street, Suite 4900, Seattle, Washington 98101.

Counsel for Debtors and Debtors in Possession

Dated: Wilmington, DE
~~March~~April 10, 2015

DISCLAIMER[2]

THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY THE DEBTORS AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY PROVIDE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL HOLDERS OF CLAIMS AND INTERESTS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETIES BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT WITH RESPECT TO THE PLAN ARE QUALIFIED IN THEIR ENTIRETIES BY REFERENCE TO THE PLAN, THE EXHIBITS ATTACHED TO THE PLAN AND ANY PLAN SUPPLEMENT(S). THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-APPLICABLE BANKRUPTCY LAWS. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), AND THE SEC HAS NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OR CLAIMS OF THE DEBTORS SHOULD EVALUATE

[2] Terms used in this Disclaimer that are not otherwise defined will have the meanings ascribed to such terms elsewhere in the Disclosure Statement.

THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSES FOR WHICH THEY WERE PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR WILL IT BE CONSTRUED TO CONSTITUTE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS IT RELATES TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTORS.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING VALEANT PHARMACEUTICALS INTERNATIONAL, INC. ("VALEANT") HAS BEEN PROVIDED BY VALEANT SPECIFICALLY FOR INCLUSION IN THIS DISCLOSURE STATEMENT. THE DEBTORS PROVIDE NO ASSURANCES AS TO THE ACCURACY OF THIS INFORMATION.

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ARTICLE I

INTRODUCTION

A. Purpose of the Disclosure Statement

On November 10, 2014 (the "Petition Date"), Dendreon Corporation, Dendreon Holdings, LLC, Dendreon Distribution, LLC and Dendreon Manufacturing, LLC (together, the "Debtors") filed voluntary petitions for relief, thereby commencing cases (together, the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 - 1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Court" or "Bankruptcy Court").

The Debtors have filed the Plan Of Liquidation Pursuant To Chapter 11 Of The Bankruptcy Code Proposed By The Debtors (including all exhibits and schedules attached thereto, and as may be amended, altered, modified or supplemented from time to time, the "Plan") with the Court. A copy of the Plan is attached hereto as Exhibit A.

Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Plan; provided, however, that any capitalized term used herein that is not defined herein or in the Plan, but is defined in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") will have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

The Debtors submit this disclosure statement (as may be amended, altered, modified, revised or supplemented from time to time, the "Disclosure Statement") pursuant to section 1125 of the Bankruptcy Code to Holders of Claims against the Debtors in connection with (i) the solicitation of acceptances of the Plan and (ii) the hearing to consider confirmation of the Plan.

The purpose of this Disclosure Statement is to describe the Plan and its provisions and to provide certain information, as required under section 1125 of the Bankruptcy Code, to creditors who will have the right to vote on the Plan so they can make informed decisions in doing so. Creditors entitled to vote to accept or reject the Plan will receive a Ballot (as defined herein) together with this Disclosure Statement to enable them to vote on the Plan.

This Disclosure Statement includes, among other things, information pertaining to the Debtors' prepetition business operations and financial history and the events leading to the filing of the Chapter 11 Cases. This Disclosure Statement also contains information regarding significant events that have occurred during the Chapter 11 Cases. In addition, an overview of the Plan is included, which overview sets forth certain terms and provisions of the Plan, the effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which distributions will be made under the Plan. This Disclosure Statement also discusses the confirmation process and the procedures for voting, which procedures must be

followed by the Holders of Claims entitled to vote under the Plan for their votes to be counted.

B. Disclosure Statement Enclosures

Accompanying this Disclosure Statement are:

1. Order Approving the Disclosure Statement. A copy of the Court's order (the "Solicitation Procedures Order") approving this Disclosure Statement and, among other things, establishing procedures for voting on the Plan, setting the deadline for objecting to the Plan and scheduling the Confirmation Hearing (as defined herein).

2. Ballot. A ballot (the "Ballot") for voting to accept or reject the Plan, if you are the record Holder of a Claim in a Class entitled to vote on the Plan (each, a "Voting Class").

3. Notice. A notice setting forth: (i) the deadline for casting Ballots either accepting or rejecting the Plan; (ii) the deadline for filing objections to confirmation of the Plan; and (iii) the date, time and location of the Confirmation Hearing (the "Notice").

C. Confirmation of the Plan

1. Requirements. The requirements for confirmation of the Plan are set forth in section 1129 of the Bankruptcy Code. The requirements for the Disclosure Statement are set forth in section 1125 of the Bankruptcy Code.

2. Approval of the Plan and Confirmation Hearing. To confirm the Plan, the Court must hold a hearing to determine whether the Plan meets the requirements of section 1129 of the Bankruptcy Code.

3. Only Impaired Classes Vote. Pursuant to the provisions of the Bankruptcy Code, only classes of claims or interests that are "impaired" under a plan may vote to accept or reject such plan. Generally, a claim or interest is impaired under a plan if the holder's legal, equitable or contractual rights are changed under such plan. In addition, if the holders of claims or interests in an impaired class do not receive or retain any property under a plan on account of such claims or interests, such impaired class is deemed to have rejected such plan under section 1126(g) of the Bankruptcy Code and, therefore, such holders do not need to vote on such plan.

Under the Plan, Holders of Claims in Classes 1, 2, and 8 are Unimpaired and therefore deemed to accept the Plan.

Under the Plan, Holders of Claims in Classes 3 and 4 are Impaired and are entitled to vote on the Plan.

Under the Plan, Holders of Claims and Interests in Classes 5, 6, and 7 are deemed to reject the Plan and are not entitled to vote on the Plan.

ACCORDINGLY, A BALLOT FOR ACCEPTANCE OR REJECTION OF THE PLAN IS BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN CLASSES 3 AND 4.

D. Treatment and Classification of Claims and Interests; Impairment

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. For a summary of the treatment of each Class of Claims and Interests, see Article IV, "Summary of Plan," below.

Class Description	Status	Proposed Treatment
Administrative Claims Estimated Recovery: 100%	Unclassified	On the later of (i) the Distribution Date or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Administrative Claim (other than a Professional) will receive, in full satisfaction, settlement~~, release~~ and discharge of, and in exchange for, such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Administrative Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Priority Tax Claims Estimated Recovery: 100%	Unclassified	On the later of (i) the Distribution Date or (ii) the date such Priority Tax Claim becomes an Allowed Priority Tax Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Tax Claim will receive, in full satisfaction, settlement~~, release~~ and discharge of, and in exchange for, such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Tax Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing. For the avoidance of doubt, any payments made by the Plan Administrator on

Class Description	Status	Proposed Treatment
		account of Allowed Priority Tax Claims will be paid solely from the Administrative and Priority Claims Reserve.
Class 1: Priority Non-Tax Claims Estimated Recovery: 100%	Unimpaired	On the later of (i) the Distribution Date or (ii) the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Non-Tax Claim will receive, in full satisfaction, settlement~~,~~ ~~release~~ and discharge of, and in exchange for, such Allowed Priority Non-Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Non-Tax Claim or (b) such other treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Class 2: Secured Claims Estimated Recovery: 100%	Unimpaired	On the later of (i) the Distribution Date or (ii) the date such Secured Claim becomes an Allowed Secured Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Secured Claim will receive, in full satisfaction, settlement, ~~release~~ and discharge of, and in exchange for, such Allowed Secured Claim, (a) Cash equal to the value of such Allowed Secured Claim, (b) a return of the Collateral securing the Secured Claim, (c) such treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be rendered Unimpaired or (d) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Class 3: 2016 Noteholder Claims ~~Estimated Recovery: [●]%~~ Estimated Amount of Claims: $625,694,097	Impaired	On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed 2016 Noteholder Claim will receive, in full

Class Description	Status	Proposed Treatment
Estimated Recovery: 72% to 75%		satisfaction~~, settlement, release and discharge~~ of, and in exchange for, such Allowed 2016 Noteholder Claim, (i) its Pro Rata share of 100% of the Valeant Shares (which will be distributed immediately upon the occurrence of the Effective Date) and (ii) its Pro Rata share of Available Cash in the amount necessary to provide such Holder its Pro Rata share of Total Distributable Value available to Holders of Class 3 Claims and Class 4 Claims, or (iii) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Class 4: General Unsecured Claims ~~Estimated Recovery: [●]%~~ Estimated Amount of Claims: $4,261,000 to $32,292,000 Estimated Recovery: 72% to 75%[3]	Impaired	On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed General Unsecured Claim will receive, in full satisfaction~~, settlement, release and discharge~~ of, and in exchange for, such Allowed General Unsecured Claim, (i) its Pro Rata share of Total Distributable Value available to Holders of Class 3 Claims and Class 4 Claims, solely in the form of Available Cash or (ii) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.
Class 5: Intercompany Claims Estimated Recovery: 0%	Impaired	In connection with, and as a result of, the substantive consolidation of the Debtors' Estates and the Chapter 11 Cases, on the Effective Date, all Intercompany Claims will be eliminated and the Holders of Intercompany Claims will not be entitled to, and will not receive or retain, any property or interest

[3] As noted, the amount of claims provided is only an estimate. The variation in the range of the estimated amount of claims provided is largely due to the unknown value of the claim asserted by GSK. For further discussion of the GSK claim, see Article III.F.1.

Class Description	Status	Proposed Treatment
		in property on account of such Claims.
Class 6: Subordinated Claims Estimated Recovery: 0%	Impaired	On the Effective Date, all Subordinated Claims will be eliminated and the Holders of Subordinated Claims will not be entitled to, and will not receive or retain, any property or interest in property on account of such Claims.
Class 7: Interests Estimated Recovery: 0%	Impaired	On the Effective Date, the Interests will be deemed eliminated, cancelled and/or extinguished and each Holder thereof will not be entitled to, and will not receive or retain, any property under the Plan on account of such Interest.
Class 8: Intercompany Interests Estimated Recovery: 100%	Unimpaired	On the Effective Date, the Intercompany Interests will be reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

E. Voting Procedures and Voting Deadline

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purpose of voting on the Plan. To ensure your vote is counted, you must (i) complete the Ballot, (ii) indicate your decision either to accept or reject the Plan in the boxes provided, and (iii) sign and return the Ballot(s) in the envelope provided.

The Ballot also contains an election to opt out of the release provisions contained in Section 10.4 of the Plan for those who vote to reject the Plan. Unless you vote to reject the Plan and indicate your decision to opt-out of the releases described in Section 10.4 of the Plan on the Ballot, you will be deemed to consent to such releases.

TO BE COUNTED, YOUR BALLOT WITH YOUR ORIGINAL SIGNATURE INDICATING YOUR ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED NO LATER THAN **4:00 P.M. (EASTERN TIME) ON MAY 19, 2015** (THE "VOTING DEADLINE").

The following Ballots will not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected:

(i) any Ballot or Master Ballot (as defined in the Solicitation Procedures Order) received after the Voting Deadline (unless extended by the Debtors);

(ii) any Ballot or Master Ballot that is illegible or contains insufficient information to permit the identification of the claimant;

(iii) any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan;

(iv) any Ballot cast for a scheduled Claim designated as contingent, unliquidated or disputed or as zero or unknown in amount and for which no Rule 3018(a) Motion has been filed by the Rule 3018(a) Motion Deadline (as such terms are defined in the Solicitation Procedures Order);

(v) any Ballot that indicates neither an acceptance nor a rejection, or indicates both an acceptance and a rejection, of the Plan;

(vi) any Ballot (other than a Master Ballot) that casts part of its vote in the same Class to accept the Plan and part to reject the Plan;

(vii) any form of Ballot or Master Ballot other than the official form sent by Prime Clerk LLC ("Prime Clerk" or the "Voting Agent"), or a copy thereof;

(viii) any Ballot received that the Voting Agent cannot match to an existing database record;

(ix) any Ballot or Master Ballot that does not contain an original signature; or

(x) any Ballot or Master Ballot that is submitted by facsimile, email or by other electronic means.

In order for the Plan to be accepted by an Impaired Class of Claims, a majority in number and two-thirds in dollar amount of the Claims voting in such Class must vote to accept the Plan. At least one Voting Class, excluding the votes of insiders, must actually vote to accept the Plan.

YOU ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY MAIL THE BALLOT ENCLOSED WITH THE NOTICE. PLEASE BE SURE TO COMPLETE THE BALLOT PROPERLY AND LEGIBLY, AND IDENTIFY THE EXACT AMOUNT OF YOUR CLAIM AND THE NAME OF THE CREDITOR. IF YOU ARE A HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN AND YOU DID NOT RECEIVE A BALLOT, YOU RECEIVED A DAMAGED BALLOT OR YOU LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THE DISCLOSURE STATEMENT, THE PLAN OR PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE VOTING AGENT PRIME CLERK, AT 844-794-3479 OR AT DENDREONINFO@PRIMECLERK.COM. THE VOTING AGENT IS NOT AUTHORIZED TO AND WILL NOT PROVIDE LEGAL ADVICE.

F. Confirmation Hearing

The Court has scheduled a hearing to consider confirmation of the Plan for June 2, 2015 at 10:00 a.m. (Eastern Time) in the United States Bankruptcy Court for the District of

Delaware, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801 (the "Confirmation Hearing"). The Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before May 19, 2015 at 4:00 p.m. (Eastern Time) in the manner described in the Notice accompanying this Disclosure Statement. The Confirmation Hearing may be adjourned from time to time by way of announcement of such continuance in open Court or otherwise, without further notice to parties in interest.

THE DEBTORS URGE ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN TO VOTE TO ACCEPT THE PLAN.

ARTICLE II

GENERAL INFORMATION REGARDING THE DEBTORS

A. Overview

As described in further detail herein, prior to the filing of the Chapter 11 Cases, the Debtors entered into Plan Support Agreements with their Supporting Noteholders (each as defined herein). The keystone of the Plan Support Agreements was a competitive process pursuant to which the Debtors would sell all or substantially all of their assets. This competitive process resulted in the sale of substantially all of their assets to a subsidiary of Valeant. The premise of this Plan is to distribute the proceeds of that sale.

B. The Debtors' Formation

Dendreon was incorporated in Delaware in 1992 as Activated Cell Therapy, Inc. and changed its corporate name to Dendreon Corporation in June 2000. Dendreon Holdings, LLC, Dendreon Distribution, LLC and Dendreon Manufacturing, LLC were each organized in Delaware in 2010.

C. The Debtors' Business and Employees

1. PROVENGE®

The Company[34] was a biotechnology company focused on the discovery, development and commercialization of novel cellular immunotherapies to significantly improve treatment options for cancer patients. The Company was primarily focused on commercializing PROVENGE® in the United States (the "U.S.") and around the world. PROVENGE is the first and only Food and Drug Administration (the "FDA") approved personalized immunotherapy. It is a first-in-class immunotherapy used to treat patients suffering from

[34] References to the "Company" include the Debtors together with their non-debtor subsidiaries and affiliates.

advanced-stage prostate cancer. PROVENGE is designed to target a certain prostate cancer antigen (prostatic acid phosphatase), an antigen that is expressed in more than 90% of all prostate cancers. The Company engineered these antigens to be used as key agents for the production of immunotherapies to fight the disease in which the antigen presents itself. While a typical immune response from the body triggers antibodies to help fight disease, the Company designed these agents to trigger and maximize cell-mediated immunity by activating the cells to deliver a signal to other components of the immune system to fight the antigen. This was achieved in part by fusing the antigen to an immune-stimulatory protein in the Company's proprietary Antigen Delivery Cassette.™ To obtain antigen-presenting cells, the Company acquired white blood cells removed from a patient via a standard blood collection process called leukapheresis. The cells were processed using the Company's proprietary cell separation technology, and the final product was re-infused into the patient. The process required less than three days from cell collection to the administration of the active immunotherapy product.

The primary market for PROVENGE is the U.S., where the drug was approved for marketing by the FDA and became commercially available for the treatment of men with asymptomatic or minimally symptomatic castrate-resistant (hormone-refractory) prostate cancer in April 2010. While most prostate cancer initially responds to hormone ablation therapy, the majority of these patients will experience disease progression after 18 to 24 months, as the cancer becomes resistant to hormone treatment. PROVENGE is used to treat patients in this advanced stage of prostate cancer.

While the Company was focused on the commercialization of PROVENGE, the Company had several other product candidates in research and development. These included: (i) DN24-02, the Company's investigational active cellular immunotherapy that potentially may be used for the treatment of patients with bladder, breast, ovarian and other solid tumors expressing the antigen HER2/neu; (ii) CA-9 antigen, which is a transmembrane protein highly expressed in over 75% of primary metastatic renal cell carcinomas, as well as other cancers, such as non-small cell lung and breast tumors; and (iii) CEA, an antigen found to be present on 70% of lung cancers, virtually all cases of colon cancers and approximately 65% of breast cancers. The Company was also exploring the application of small molecules for the treatment of a variety of cancers.

2. The Debtors' Corporate Headquarters

The Company's principal research, development and administrative facilities were located at its corporate headquarters in Seattle, Washington, where the Company leased approximately 112,915 square feet of office space and in Bridgewater, New Jersey, where the Company leased 39,937 square feet. The Company now maintains offices at 601 Union Street, Suite 4900, Seattle, WA 98101.

3. The Debtors' Employees

As of the Petition Date, the Debtors had approximately 700 employees. The employees provided a variety of essential functions, including: (i) sales and marketing, (ii) research and development (including clinical, regulatory, quality assurance and control, and manufacturing or

production), and (iii) general and administrative (including executive, finance, legal, human resources, investor relations, information technology and operations). The employees were each offered a position with Valeant or one of Valeant's affiliates effective as of the closing of the sale of substantially all of the Debtors' assets (as further outlined below). Two employees accepted offers to return to Dendreon Corporation: Gregory R. Cox as Chief Financial Officer and Treasurer and Robert L. Crotty as President, General Counsel and Secretary.

D. The Debtors' Corporate and Capital Structure

The Debtors in the Chapter 11 Cases are Dendreon Corporation, Dendreon Holdings, Inc., Dendreon Distribution, LLC and Dendreon Manufacturing, LLC. Dendreon is the parent of Dendreon Holdings, Inc., which in turn is the parent of Dendreon Distribution, LLC and Dendreon Manufacturing, LLC. Dendreon Corporation was also the parent of its wholly-owned, non-Debtor subsidiary, Dendreon Holdings (Netherlands) B.V., which in turn is the parent of non-debtors Dendreon UK Limited, Dendreon Germany GmbH and Dendreon Operations B.V. The equity interests in Dendreon Holdings (Netherlands) B.V. were transferred to the Purchaser (as defined herein) as part of the sale of substantially all of the Debtors' assets (as further outlined herein).

1. The 2016 Notes

As of the Petition Date, the Debtors had one issuance of debt outstanding: the "2016 Notes".[45] Pursuant to a First Supplemental Indenture dated January 20, 2011, Dendreon Corporation issued $620 million aggregate principal amount of unsecured 2.875% Convertible Senior Notes with a maturity date of January 15, 2016 (the "2016 Notes").[56] The 2016 Notes were issued as part of an underwritten offer and sale ~~underwritten by J.P. Morgan Securities LLC ("JPM")~~, which included an initial issuance of $540 million ~~in~~of 2016 Notes and, after the exercise of an overallotment option by the underwriter, an additional issuance of $80 million~~.~~ ~~The~~ of 2016 Notes ~~are unsecured and resulted in the Company's receipt of~~. The Company received net cash proceeds ~~in the amount~~ of $607.1 million from the sale of the 2016 Notes, after deducting underwriting fees and expenses. The 2016 Notes are convertible at the option of the holder at ~~a conversion rate equivalent to~~ an initial conversion price of $51.24 per share. As of the Petition Date, ~~the 2016 Notes had an outstanding principal balance of~~there were $620 million ~~and~~of 2016 Notes outstanding and accrued and unpaid interest thereon of $5,694,097.22~~.~~, for an aggregate Allowed Claim in respect of the 2016 Notes of $625,694,097.22. In entering into the Plan Support Agreements and again in formulating the Plan's treatment of Class 3, the Debtors evaluated whether the 2016 Note Claims should be

[45] On June 17, 2014, Company timely paid the final principal and interest payment on its 4.75% Convertible Senior Subordinated Notes due 2014.

[56] This indenture supplemented the indenture Dendreon Corporation entered into on March 16, 2007 for the issuance of debt securities in an unlimited amount.

allowed at the face amount or whether the fact that the 2016 Note Claims were issued with a conversion feature should result in the 2016 Note Claims being allowed at something less than face amount. The Debtors determined that the 2016 Note Claims are not subject to any legitimate defenses, counterclaims or offsets and are properly Allowed at their full face amount plus accrued and unpaid interest.

2. Dendreon Common Stock

As of September 30, 2014, there were 158,716,893 shares of common stock in Dendreon Corporation outstanding.[67] On November 7, 2014, the closing price of Dendreon Corporation's stock was $0.942 per share. Dendreon Corporation's stock was traded on The NASDAQ Global Market.

On December 11, 2014, NASDAQ filed a Form 25 with the SEC to remove Dendreon Corporation's securities from listing and registration on NASDAQ, effective at the opening of the trading session on December 22, 2014. While shares of common stock of the Company are currently traded on the OTC Pink Marketplace under the trading symbol "DNDNQ", the Plan does not provide for any distributions on account of the shares of common stock of Dendreon Corporation and effects the cancellation of the stock on the effective date of the Plan (the "Effective Date").

E. Summary of Events Leading to the Chapter 11 Filings

1. Challenges Faced by the Debtors and Restructuring Efforts

When PROVENGE was officially launched after receiving FDA approval in April 2010, expectations for the pioneering drug were high. It received a substantial amount of market attention and certain market analyst projections estimated that PROVENGE could generate over $4 billion of revenue by 2020. To support its efforts to commercialize PROVENGE and create a platform through which it could ultimately support the revenues predicted by the market, early in 2011, the Company raised capital through the issuance of the 2016 Notes, among other securities. Consistent with management and market expectations, the Company's operating structure and footprint was developed to support billions in revenue: at that time the Company employed nearly 1,500 individuals and had significantly invested in manufacturing facilities and related operations, including facilities in New Jersey, Georgia and California. However, with the passage of time after launch and by August 2011, it became apparent to the Company that revenue growth would take more time than initially anticipated and the Company predicted a more gradual adoption of use by physicians. While the Company remained optimistic about its potential for significant growth in the long term, it decided to aggressively manage its costs in the interim.

[67] The Company currently has 10,000,000 shares, $0.01 par value, of authorized preferred stock, of which 2,500,000 shares have been designated as Series A Junior Participating Preferred Stock. As of the Petition Date, no preferred stock was issued or outstanding.

In furtherance of its efforts to increase revenue and manage costs, in September of 2011, the Company implemented a reduction of 25% of its workforce. Then, in July of 2012, the Board of Directors (the "Board") directed the Company to engage in additional efforts to reduce costs. To that end, the Company announced a 12-month strategic restructuring plan that included a re-configuration of the Company's manufacturing model, a restructuring of its administrative functions and a strengthening of the Company's marketing and sales operations. The Company hoped that the restructuring would allow a reduction in costs by approximately $150 million annually. In addition, the Company reduced headcount by more than 600 full-time and contractor positions and sold its manufacturing facility in Morris Plains, New Jersey. The Company projected that it would be able to continue to reduce cost of goods sold through, among other things, the implementation of certain automated manufacturing processes. The Company expected to see net benefits associated with this restructuring as early as the first half of 2013.

During the second half of 2013, after the 2012 restructuring was completed, the Debtors decided to begin exploring potential strategic alternatives for maximizing value and managing its debt load, including exploring exchange transactions and a potential sale. To that end, the Company worked with outside advisors to explore a potential debt exchange transaction. Further, in September of 2013 the Debtors retained J.P. Morgan Securities LLC ("JPM") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") to assist the Company with a potential sale or other transaction. At this time, the Company again assessed and evaluated its overall strategy and cost-structure to identify additional expense reductions. As a result, on November 13, 2013, at the direction of the Board, the Company announced that it was implementing additional cost reduction measures, including a reduction of cash operating expenses by approximately $125 million or 20% and a reduction in workforce of approximately 150 full-time employees.

Between October and December 2013, JPM and Merrill conducted a broad confidential auction process to solicit potential buyers for the Company. A significant number of parties conducted due diligence; however, no bids were ultimately submitted.

Although the Company remained positive about its longer-term prospects and its ability to ultimately maximize value, the Company continued to be concerned with its highly levered capital structure and inability to generate positive free cash flow in the near term. Therefore, in February 2014, the Debtors retained Lazard Frères & Co. LLC ("Lazard") as their investment banker to provide general financial advisory services and evaluate potential strategic alternatives, including assisting the Company in any potential restructuring, sale transaction or financing transaction. The Company's initial goal in hiring Lazard was to gain assistance with addressing the 2016 Notes, possibly through a refinancing, an extension of the maturity or a conversion of the 2016 Notes to new debt or equity. Soon thereafter, the Board directed the Company to hire AlixPartners, LLP ("AlixPartners") to, among other things, work with management to identify further cost reductions. Additionally, the Company engaged Trinity Partners, LLC, a life science strategic consulting firm, to prepare a valuation report and develop independent revenue forecast models. In March and April 2014, the Company

discussed the possibility of a strategic combination with two separate third-parties, however, these discussions did not advance beyond the preliminary stages.

2. Consideration of Strategic Alternatives and Discussions with Creditors

The Company continued to consider its strategic alternatives, refine its business plan, and examine the possibility of further cost reductions throughout the spring and summer of 2014. While the Company had concluded (and disclosed in its Form 10-Q for the second quarter of 2014) that absent executing an alternative transaction there was significant risk that it would be unable to repay or refinance the 2016 Notes, it remained hopeful that such a transaction would occur and would provide value for all stakeholders, including equity.

In early summer 2014, the Company had completed its revised business plan and its analysis with respect to cost reductions and, as a result, came to several conclusions. First, the Company determined that its previously-held view that it would ultimately be able to increase revenues through an increase in its volume of units sold was unlikely to occur in the next few years. Second, while the Company had managed to cut costs significantly over the last several years, and AlixPartners has identified certain additional areas for cost reduction, the Company determined that cost reductions alone would not make the Company independently viable with its existing capital structure. Finally, the manufacturing process for PROVENGE has a relatively high cost because it is made manually by skilled lab technicians. The Company had begun to implement plans for automated manufacturing in 2012 to increase quality control and came to believe that automation would also result in significant cost savings. However, after analysis by AlixPartners and investigation by the Company's automation group, the results of which were presented to the Board, it became clear that while automation could improve quality control, there would be no meaningful cost savings resulting from automation.

As a result, the Company concluded that given that it was highly levered and faced significant challenges in achieving positive free cash flows in the near term, the business likely would not be viable on a stand-alone basis absent a strategic transaction or a restructuring of its debt.

To that end, and beginning in July of 2014, the Board authorized Lazard, on behalf of the Company, to initiate discussions with the largest holder of the 2016 Notes, Deerfield Management Company, L.P. ("Deerfield") pursuant to a nondisclosure agreement ("NDA") regarding, among other things, a restructuring of the debt or a potential sale process.[8] Given that the 2016 Notes constitute the Company's only outstanding institutional debt and the overwhelming majority of the unsecured claims against the Debtors, the Debtors believed that it would be desirable to obtain input from the holders of such notes or their representatives. In August 2014, the Debtors executed an NDA with Brown Rudnick LLP as counsel to certain

[8] Deerfield is represented by Willkie Farr & Gallagher LLP. Katten Muchin Rosenman LLP has also acted as counsel to Deerfield during the pendency of the Chapter 11 Cases.

unaffiliated holders of approximately 48% of the 2016 Notes (collectively, the "Unaffiliated Noteholders"). The Debtors, subject to these NDAs, informed Deerfield and its counsel as well as counsel to the Unaffiliated Noteholders of the Company's investigation of strategic alternatives. In September 2014, the Company, Deerfield and the Unaffiliated Noteholders mutually agreed that, among the strategic alternatives considered, the appropriate path for the Company would involve pursuing a sale process that would be implemented through the filing of these Chapter 11 Cases.

3. The Pre-filing Marketing Process

The Company believed that, on account of the significant investments the Company had made in commercializing PROVENGE, the cutting edge technology, equipment and process it had developed and the intellectual "know-how", the Company's assets might be of additional value to a purchaser, particularly one with "synergies". Therefore, the Board directed the Company to conduct a marketing process, in parallel with discussions with Deerfield and counsel to the Unaffiliated Noteholders as an additional option to maximize value. To that end, and acknowledging that the in-court process would include a marketing process toward a potential sale, Lazard identified and developed a list of potentially interested parties and solicited such parties' interest in a sale transaction. Beginning in mid-September 2014, Lazard contacted approximately forty (40) potential buyers, a number of which had been contacted in the auction process conducted by JPM and Merrill in the third quarter of 2013. The goal in this pre-filing marketing process was to sign up potential buyers to NDAs and afford them time to evaluate the opportunity in advance of any in-court sale process. A virtual data room was made available containing extensive information about the Company, including documents describing the Company's business and financial results in considerable detail, and Lazard gave potential purchasers the opportunity to conduct due diligence via the electronic data room.

4. The Plan Support Agreements and the Competitive Process

Contemporaneous with the pre-filing marketing process, the Company continued discussions with Deerfield and counsel to the Unaffiliated Noteholders, as well as their financial advisors. In September and October of 2014, the Debtors entered into NDAs with individual Unaffiliated Noteholders. The Debtors periodically updated counsel to the Unaffiliated Noteholders and Deerfield regarding the process and strategic alternatives.

The Company continued discussions with the Unaffiliated Noteholders and Deerfield regarding a consensual stand-alone restructuring to right-size the Company's balance sheet. Good faith, arm's length negotiations culminated in the execution of two substantially similar agreements dated November 9, 2014 (the "Plan Support Agreements") one among the Debtors and the Unaffiliated Noteholders and the other among the Debtors and certain funds managed by Deerfield (the "Deerfield Noteholders" and, together with the Unaffiliated Noteholders, the "Supporting Noteholders"). Pursuant to the Plan Support Agreements, the Debtors and the Supporting Noteholders agreed to a restructuring in accordance with the terms of a term sheet attached to each of the Plan Support Agreements (the "PSA Term Sheet"). The Plan Support Agreements contemplated that the Debtors would, with the support of the Supporting Noteholders, pursue a dual path of third-party sale or plan transaction with a "stand-alone

plan" backstop (the "Stand-Alone Plan"). Pursuant to the PSA Term Sheet, under the Stand-Alone Plan, the reorganized Debtors would issue new common stock in the reorganized entity, and holders of 2016 Noteholder Claims would receive, on a pro rata basis with holders of general unsecured claims, shares of the new common stock.

Specifically, the Plan Support Agreements provided the framework for a competitive process (the "Competitive Process") whereby prospective buyers could bid to purchase all or substantially all of the Debtors' non-cash assets either (i) in a sale pursuant to Bankruptcy Code section 363, or (ii) in the form of a recapitalization transaction effectuated through a plan of reorganization. Simultaneously with the filing of the Chapter 11 Cases, the Debtors filed the Sale and Bidding Procedures Motion (as defined herein) seeking approval of the Bidding Procedures (as defined herein) pursuant to which the Competitive Process would take place. A Qualified Bid (as defined in the Bidding Procedures Order, as defined herein) in the Competitive Process had to have a value in excess of $275 million as determined in accordance with the Bidding Procedures.

Pursuant to the PSA Term Sheet, whether the Competitive Process resulted in a sale pursuant to Bankruptcy Code section 363 followed by a plan of liquidation or in a recapitalization transaction followed by a plan of reorganization, the result would be the same for the Debtors' two largest creditor constituencies, holders of claims pursuant to the 2016 Notes and holders of general unsecured claims. In either case, these constituencies would share pro rata in the distributable cash or other assets of the Debtors' Estates. The PSA Term Sheet also contemplated that if the Competitive Process did not result in any Qualified Bid being received, the Debtors would prosecute the Stand-Alone Plan and emerge from bankruptcy as a reorganized entity whose equity would be owned by the Supporting Noteholders and other unsecured creditors. As such, the transaction contemplated by the Plan Support Agreements allowed the Debtors to pursue a competitive sale process that ensured that the value of their Estates would be maximized for the benefit of all stakeholders.

The Board met bi-weekly throughout the Debtors' process of considering strategic alternatives and was kept fully apprised of the status of proposals and options available to the Debtors. The Board directed the Company's actions throughout this process and was kept regularly informed of all actions taken by the Company in connection therewith. In addition to the numerous other meetings that were regularly held throughout the strategic alternatives process, at a meeting of the Board held on November 5, 2014, the Board was updated and advised regarding the Plan Support Agreements negotiated with the Supporting Noteholders and other matters relevant to the Competitive Process and the Debtors strategic options. At the meeting (and in prior meetings throughout the process), the Board was advised by Lazard and by counsel regarding these matters. After full deliberation, on November 9, 2014, the Board determined that entering into the Plan Support Agreements, filing these Chapter 11 Cases and pursuing the Competitive Process contemplated in the Plan Support Agreements as part of these Chapter 11 Cases, was the best way to maximize value.

F. Summary of Material Pre-Petition Legal Proceedings

1. GSK Litigation

Dendreon Corporation received notice in November 2011 of a lawsuit filed in the Durham County Superior Court of North Carolina (the "Superior Court") against Dendreon Corporation by GlaxoSmithKline LLC ("GSK"). The lawsuit, captioned GlaxoSmithKline LLC v. Dendreon Corporation, Case No. 11 CVS 5458, asserts claims for monies due and owing and breach of Dendreon Corporation's obligations under the Development and Supply Agreement, effective September 15, 2010, between GSK and Dendreon Corporation. Under the agreement, GSK was to be Dendreon Corporation's second source antigen provider. The agreement was terminated by Dendreon Corporation as of October 31, 2011~~ due to GSK's failure to reach certain milestones under the agreement. Although GSK does not dispute Dendreon Corporation's right to terminate the agreement, GSK asserts that it is entitled to be paid for minimum purchasing requirements ordered prior to termination.~~.

Dendreon Corporation filed a Counterclaim and Answer on January 6, 2012. On April 9, 2013, GSK amended its complaint to add a claim for breach of North Carolina's unfair and deceptive trade practices act. On November 4, 2014, the Superior Court issued an opinion and order on GSK's motion for summary judgment on its breach of contract claim and Dendreon Corporation's cross motion for summary judgment on GSK's breach of contract, breach of the covenant of good faith and fair dealing, and unfair and deceptive trade practices act claims, both of which had been fully briefed since March 2014. In its opinion and order, the Superior Court found that GSK is entitled to be paid for a firm order placed by Dendreon Corporation before it terminated the parties' agreement, but otherwise dismissed GSK's remaining claims. On its breach of contract claim GSK is seeking approximately $17.6 million in damages, plus interest and extension fees, but the Superior Court has not yet made any determination of amounts that may be owed for the firm order or whether any offsets, including amounts recoverable on the Company's counterclaims, would reduce any amounts owed. On June 11, 2014, GSK filed a second motion for summary judgment on Dendreon Corporation's counterclaims, which Dendreon Corporation opposed and is now fully briefed. The Superior Court has not yet scheduled oral argument or issued a ruling on Dendreon Corporation's second motion for summary judgment. There is currently no date set for trial. Dendreon Corporation's position remains that no monies are owed under the agreement.

GSK filed a proof of claim in the Chapter 11 Cases asserting a claim for $26,089,724. The Debtors filed an objection to GSK's proof of claim on March 30, 2015 [Docket No. 536]. The Debtors assert that the claim should be disallowed in full. The litigation surrounding the agreement with GSK is still pending and no final judgment determining amounts due, if any, has been rendered. The Debtors believe that the summary judgment decision reached by the Superior Court would be overturned on appeal. In addition, the Debtors assert that GSK's proof of claim includes amounts expressly disallowed by the Superior Court.

As a consequence of the bankruptcy filings (as discussed below), all pending litigation against the Debtors was stayed automatically by section 362 of the Bankruptcy Code and, absent further order of the Court, no party may take any action in any such litigation to recover on prepetition Claims against the Debtors.

2. Bolling Securities Action and Related Actions and Investigations

a. Bolling Securities Action

Dendreon Corporation and three of its former officers are named defendants in a securities action pending in the United States District Court for the Western District of Washington (the "District Court") that was brought by a group of individual investors who elected to opt out of a securities class action lawsuit that was settled for $40 million in August 2013. The pending action, filed May 16, 2013, is captioned Christoph Bolling, et al. v. Dendreon Corporation, et al., Case No. 2:13-cv-0872 JLR. Plaintiffs allege generally that Dendreon Corporation made various false or misleading statements between April 29, 2010 and August 3, 2011 concerning Dendreon Corporation, its finances, business operations and prospects with a focus on the market launch of PROVENGE and related forecasts concerning physician adoption, and revenue from sales of PROVENGE. Based on information provided by plaintiffs' counsel, the plaintiff group, which totals approximately thirty (30) persons, purports to have purchased approximately 250,000 shares of Dendreon Corporation common stock during the relevant period. The Bolling plaintiffs filed an amended complaint on July 16, 2013, alleging both violations of certain provisions of the federal Securities Exchange Act of 1934 and provisions of Washington state law and seeking unspecified damages. In response to a motion by defendants, the federal claims were dismissed with leave to amend in January 2014. On February 17, 2014, plaintiffs filed a Second Amended Complaint which defendants moved to dismiss on March 24, 2014. After briefing, the District Court, by order dated June 5, 2014, again dismissed the federal claims, but denied the motion as to the plaintiffs' Washington state law claims for fraudulent and negligent misrepresentation. The case is now in the discovery phase. On September 4, 2014, the District Court entered an order setting a trial date of February 22, 2016 with discovery cut-off of October 26, 2015. On February 23, 2015, the plaintiffs filed motions to sever their claims against Dendreon from those against the individual defendants.

b. Stockholder Derivative Complaints

Dendreon Corporation is also the subject of stockholder derivative complaints first filed in August 2011 generally arising out of the facts and circumstances that are alleged to underlie the above-referenced previously settled securities class action. Derivative suits filed in the District Court were consolidated into a proceeding captioned In re Dendreon Corp. Derivative Litigation, Master Docket No. C 11-1345 JLR; others were filed in the Superior Court of Washington for King County and were consolidated into a proceeding captioned In re Dendreon Corporation Shareholder Derivative Litigation, Lead Case No. 11-2-29626-1 SEA. On June 22, 2012, another derivative action was filed in the Court of Chancery of the State of Delaware, captioned Herbert Silverberg, derivatively on behalf of Dendreon Corporation v. Mitchell H. Gold, et al., Case No. 7646-VCP. The various derivative complaints name as defendants various current and former officers and directors of Dendreon Corporation (the "Individual Defendants"). While the complaints assert various legal theories of liability, the lawsuits generally allege that the defendants breached fiduciary duties owed to Dendreon Corporation in connection with the launch of PROVENGE and by purportedly subjecting

Dendreon Corporation to potential liability for securities fraud. The complaints also include claims against certain defendants for supposed misappropriation of Dendreon Corporation's information and insider trading; the Silverberg complaint asserts only this latter claim. On July 18, 2014, a new derivative complaint was filed in the District Court captioned Liu v. Gold et al., Case No. 2-14cv1087. The allegations in the Liu complaint are substantially the same as those in the existing consolidated actions pending in the District Court. Plaintiffs have requested that the Liu action be consolidated into the existing consolidated federal actions.

After a formal mediation on June 24, 2014, and further post-mediation negotiations, the parties to the various derivative actions reached a tentative settlement of the actions, the terms of which are set out in a Memorandum of Understanding dated as of July 18, 2014. On November 6, 2014, the parties entered into a stipulation of settlement, which settlement ~~is subject to~~required court approval, with respect to the litigation~~. On January 16, 2015, the Delaware Court of Chancery entered an order scheduling a hearing on the proposed settlement for March 30, 2015~~. While the derivative lawsuits do not seek relief against Dendreon Corporation, Dendreon Corporation has certain indemnification obligations, including obligations to advance legal expenses to the named defendants for defense of these lawsuits.

The stipulation of settlement provides that in connection with the settlement and in consideration of certain releases set forth in the stipulation, the Individual Defendants would cause to be paid $4,500,000 (the "Settlement Payment") into an escrow account. In recognition of certain coverage disputes and their obligation to fund the defense of the Individual Defendants in these derivative cases should the cases not settle, the insurers under certain remaining excess insurance policies have agreed to a buyback payment that will be used by the Individual Defendants to fund the Settlement Payment. In consideration of the buyback payment, ~~once the stipulation is approved by the Delaware Court of Chancery (the "Chancery Court"),~~ certain remaining excess insurance policies will receive releases with regard to this derivative litigation. The Settlement Payment will be used to pay any attorneys' fees and expenses awarded by the Chancery Court to plaintiff's counsel as well as any costs of notice. Such fees and costs may not exceed $1,250,000 in the aggregate. The remaining amount of the Settlement Payment will be paid from the escrow account to Dendreon Corporation~~ upon the entry of an order by the Chancery Court giving final approval of the settlement. Dendreon Corporation will not have any interest in the escrowed Settlement Payment until the stipulation is approved by the Chancery Court~~. In addition, as part of the Stipulation, the Debtor has agreed to implement certain corporate governance measures. As is customary, in exchange for the Settlement Payment and agreement to settle these actions, the Individual Defendants will receive certain releases from the plaintiffs and Dendreon Corporation, and the plaintiffs and Dendreon Corporation will receive certain releases from the Individual Defendants.

The Bankruptcy Court entered an order lifting the automatic stay to the extent necessary to allow the insurers to advance and/or to reimburse defense costs, settlements, and/or losses on December 17, 2014 [Docket No. 196]. On March 30, 2015, the Delaware Court of Chancery entered an order approving the proposed settlement. For additional details, see Article IIID.3.

c. SEC Investigation

The SEC ~~is~~has been conducting a formal investigation of Dendreon Corporation, which Dendreon Corporation ~~believes relates~~believed related to some of the same issues raised in the aforementioned securities and derivative actions. Dendreon Corporation ~~is cooperating~~cooperated fully with the SEC investigation. On March 23, 2015, Dendreon Corporation received written notice from the SEC indicating that the SEC had concluded its investigation of Dendreon Corporation and that the SEC did not intend to recommend an enforcement action by the SEC.

3. Quintal Stockholder Derivative Complaint

On March 7, 2014, a stockholder derivative complaint was filed in United States District Court for the District of Delaware (the "Delaware District Court"). The lawsuit, captioned Quintal v. Bayh, et al., No. 1:14-cv-00311-LPS, names as defendants both present and former members of Dendreon Corporation's Board. This derivative litigation is separate and apart from the stockholder litigation referenced in Article IIF.2.b. Plaintiff's purported derivative complaint alleges that members of Dendreon Corporation's Board violated the terms of Dendreon Corporation's 2009 equity incentive plan by granting to non-employee directors shares of Dendreon Corporation stock that vested immediately upon grant as part of the non-employee director's annual compensation package. Defendants filed a motion to dismiss the complaint on April 14, 2014. The Delaware District Court heard oral argument on Defendants' motion on July 29, 2014, and the motion is now under submission. While Dendreon Corporation has certain indemnification obligations, including obligations to advance legal expense to the named defendants for defense of this lawsuit, the lawsuit does not seek monetary relief against Dendreon Corporation.

ARTICLE III

THE CHAPTER 11 CASES

A. Commencement of the Chapter 11 Cases

As set forth above, on the Petition Date the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Court. By order dated November 12, 2014 [Docket No. 49], the Debtors' cases are being jointly administered for procedural purposes only. No trustee or examiner has been appointed in the Chapter 11 Cases.

Since the Petition Date, the Debtors have continued to operate their businesses and manage their properties as debtors and debtors-in-possession.

B. "First Day" Motions and Related Applications

On the Petition Date, the Debtors filed a number of "first-day" motions and applications designed to ease the Debtors' transition into chapter 11, maximize the Debtors' assets and

minimize the effects of the commencement of the Chapter 11 Cases.[79] On November 12, 2014, the Court entered orders providing various first-day relief, including:

> (i) authorizing the Debtors to continue use of their existing cash management system and bank accounts, business forms and deposit and investment practices; pay related prepetition obligations; waiver of certain operating guidelines relating to bank accounts; and continue intercompany transactions (final order entered December 9, 2014) [Docket No. 160];
>
> (ii) authorizing the Debtors to pay prepetition wages, compensation and employee benefits; continue certain employee benefit programs in the ordinary course; and direct banks to honor prepetition checks for the payment of prepetition employee obligations (final order entered December 9, 2014) [Docket No. 157];
>
> (iii) enforcing the "automatic stay" protections of 11 U.S.C. § 362 and the bankruptcy termination provisions of 11 U.S.C. § 365 [Docket No. 55];
>
> (iv) authorizing the Debtors to honor certain prepetition obligations to customers; continue customer programs; and pay Medicaid and other obligations (final order entered December 9, 2014) [Docket No. 158];
>
> (v) authorizing the Debtors to maintain existing insurance policies; pay all insurance obligations arising thereunder; and renew, revise, extend, supplement, change or enter into new insurance policies [Docket No. 53];
>
> (vi) authorizing the Debtors to pay certain prepetition taxes and related obligations [Docket No. 54];
>
> (vii) approving the Debtors' proposal for adequate assurance of payment; establishing procedures for resolving objections by utility companies; and prohibiting utility companies from altering, refusing or discontinuing service (final order entered December 9, 2014) [Docket No. 161];

[79] In addition to the "first-day" motions, the Debtors filed certain other motions that are described more fully herein.

(viii) extending the deadline for the Debtors to file their schedules of assets and liabilities and statements of financial affairs [Docket No. 59];

(ix) establishing notice and hearing procedures for trading in equity securities of the Debtors (final order entered December 9, 2014) [Docket No. 162]; and

(x) authorizing payment of prepetition claims of certain critical vendors [Docket No. 57].

C. Retention of Professionals and Appointment of the Committee

1. Retention of Debtors' Professionals

By orders entered December 9, 2014, the Debtors were authorized to retain (i) Skadden, Arps, Slate, Meagher & Flom LLP as their bankruptcy counsel [Docket No. 152], (ii) AlixPartners as their restructuring advisor [Docket No. 155], and (iii) Lazard as their investment banker [Docket No. 156].

The Debtors also were authorized to retain certain professionals utilized by the Debtors in the ordinary course of business prior to the Petition Date pursuant to an order [Docket No. 159] entered by the Court on December 9, 2014.

2. Retention of Claims and Noticing Agent and Administrative Agent

By order entered on November 12, 2014 [Docket No. 60], the Court authorized the Debtors to retain Prime Clerk as their claims and noticing agent in the Chapter 11 Cases. By order entered December 9, 2014 [Docket No. 154], the Court also authorized the Debtors to retain Prime Clerk as their administrative agent in the Chapter 11 Cases.

3. Appointment of Committee and Retention of Committee Professionals

On November 19, 2014, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an Official Committee of Unsecured Creditors in the Chapter 11 Cases (the "Committee") pursuant to section 1102(a) of the Bankruptcy Code [Docket No. 92]. The initial members of the Committee (the "Committee Members") were: (i) American Red Cross, (ii) Document Technologies, LLC, (iii) New York Blood Center, Inc., (iv) Piedmont – Bridgewater NJ, LLC and (v) GSK. On March 3, 2015, the U.S. Trustee filed an Amended Notice of Appointment of Committee of Unsecured Creditors [Docket No. 452], reflecting the resignation of New York Blood Center, Inc. from the Committee. On ~~February 27~~March 12, 2015, ~~the American Red Cross also indicated its intent to withdraw from the Committee in a letter to~~ the U.S. Trustee filed a second Amended Notice of Appointment of Committee of Unsecured Creditors [Docket No. 480], reflecting the resignation of the American Red Cross from the Committee.

By orders entered January 28, 2015, the Committee was authorized to retain (i) Sullivan & Cromwell LLP as its counsel [Docket No. 322], (ii) Young Conaway Stargatt & Taylor, LLP as its co-counsel [Docket No. 323], and (iii) Centerview Partners LLP as its investment banker [Docket No. 324]. By an order entered January 26, 2015, the Committee was authorized to retain Deloitte Financial Advisory Services LLP as its financial advisor [Docket No. 312].

D. Significant Events During the Chapter 11 Cases

In addition to the first-day relief sought and received in the Chapter 11 Cases, the Debtors have sought and received authority with respect to various matters designed to assist in the administration of the Chapter 11 Cases and to maximize the value of the Debtors' Estates. Material events since the commencement of the Chapter 11 Cases are summarized below and include:

1. Approval of Plan Support Agreements

As noted in Article IIE.4, the Debtors negotiated and entered into the Plan Support Agreements with the Supporting Noteholders, which contemplated that the Debtors would, with the support of the Supporting Noteholders, pursue a dual path of a third-party sale or plan transaction with the Stand-Alone Plan backstop. On November 10, 2014, the Debtors filed a motion seeking authorization to assume the Plan Support Agreements [Docket No. 20]. Following its formation, the Committee raised certain concerns and potential objections to the assumption of the Plan Support Agreements. The Debtors, the Supporting Noteholders, and the Committee negotiated in good faith the resolution of those concerns and objections and reached a settlement. The Debtors and the Supporting Noteholders entered into amended plan support agreements as part of that settlement (the "Amended and Restated Plan Support Agreements"). The payment of professional fees was outlined pursuant to the UCC Settlement Term Sheet (the "Settlement Term Sheet") agreed to by the Debtors, the Committee, and the Supporting Noteholders for the consensual assumption of the Amended and Restated Plan Support Agreements. According to the Settlement Term Sheet, reimbursement of legal fees is limited to the reasonable fees and expenses of one counsel per group, plus local counsel per group. In addition, the Debtors and Supporting Noteholders agreed not to object to a substantial contribution fee award for counsel to members of the UCC, provided that the fees did not exceed $100,000 in the aggregate. The Court entered an order, over the U.S. Trustee's objection, authorizing the Debtors to assume the Amended and Restated Plan Support Agreements on December 23, 2014 (the "PSA Order") [Docket No. 215].

2. Approval of Key Employee Incentive Program

Prior to the Petition Date, the Debtors recognized a need to address the concerns of their employees and their creditors and to align the interests of these respective constituencies. With these objectives in mind, the Debtors, after extensive consultation with, and benchmarking analysis by, their employee benefits consultant, Mercer (US) Inc., developed the Key Employee

Incentive Plan ("KEIP") to properly incentivize certain key employees identified by the Debtors.

The KEIP was designed to provide incentives to nine (9) eligible executives (the "Participants") to pursue a timely and successful reorganization or sale. The KEIP provided for variable payouts to the Participants based upon the distributable value of the Debtors' assets upon the occurrence of a qualifying sale (a "Qualifying Sale") or recapitalization of the Debtors' business effectuated through the Stand-Alone Plan.

The minimum threshold was a distributable value of (i) $50 million in the case of a Stand-Alone Plan and (ii) $325 million in the case of a Qualifying Sale (the "Minimum Threshold"). Participants were not eligible to receive a KEIP payment unless the Minimum Threshold was exceeded. A $250,000 discretionary pool was available at the Minimum Threshold and could be distributed to any employee if the Board determined that an employee's efforts in effecting the transaction merited some reward. The maximum threshold was a Distributable Value of (i) $345 million in the case of a Stand-Alone Plan and (ii) $620 million in the case of a Qualifying Sale (the "Maximum Threshold"). At the Maximum Threshold, the aggregate amount of the KEIP would be approximately $3.1 million. There were no additional amounts available if the Maximum Threshold was exceeded.

Therefore, a "Payment Event" would be triggered upon the earlier of (a) the effective date of a confirmed Plan of Reorganization if (i) in the case of a Stand-Alone Plan, the Debtors had distributable value of at least $50 million or (ii) if a Qualifying Sale was consummated, the Debtors had distributable value of at least $325 million or (b) on the ninetieth (90th) day following the consummation of a Qualifying Sale with distributable value of at least $325 million.

In the event that a Qualifying Sale was consummated and a Participant (i) commenced employment with the acquiror or (ii) did not receive an employment offer from the acquiror and was terminated by the Company without cause prior to the Payment Event (a "Sale Termination"), the Company was to pay such Participant his or her full bonus amount on the date such Participant's employment was so terminated.

The KEIP was not a "pay to stay" retention plan. Absent achievement of the Minimum Thresholds, Participants were not eligible for a KEIP payment. Accordingly, the KEIP successfully aligned the interests of the Debtors, their employees, and their creditors and was a true incentive plan.

The Debtors received comments from the Committee regarding the KEIP, which were resolved. By order entered December 17, 2014, the Court approved the implementation of the KEIP [Docket No. 194].

As a result of the Sale (as defined herein), which constituted a Qualifying Sale, a "Payment Event" under the KEIP was triggered. The Debtors are currently in the process of calculating the amount of such payments, which fall within the range of $~~[●]~~1.6 million to $~~[●]~~2.0 million.

3. Derivative Litigation Settlement

As noted in Article IIF.2.b., after a formal mediation on June 24, 2014, and further post-mediation negotiations, the parties to the certain derivative actions reached a tentative settlement, the terms of which are set out in a Memorandum of Understanding dated as of July 18, 2014. The settlement has been memorialized in a formal stipulation of settlement. The Debtors filed a motion in the Bankruptcy Court for an order (I) approving the stipulation; (II) authorizing the advancement and reimbursement of defense costs and other loss related thereto; (III) authorizing the advancement and reimbursement of defense costs and other loss by the remaining excess insurers; and (IV) granting related relief [Docket No. 93]. The Bankruptcy Court entered an order approving the motion (the "9019 Order") on December 17, 2014 [Docket No. 196]. Pursuant to the 9019 Order, the Bankruptcy Court lifted the automatic stay to the extent necessary to allow insurers to advance and/or to reimburse defense costs, settlements, and/or losses. The Bankruptcy Court also found pursuant to the 9019 Order, that the stipulation was a reasonable exercise of the Debtors' business judgment and could be presented to the Chancery Court for approval. ~~The next step is for the parties to present the stipulation to the Chancery Court to obtain its approval. On January 16~~On March 30, 2015, the Chancery Court entered an order ~~scheduling a hearing on~~approving the proposed settlement ~~for March 30, 2015~~.

4. Sale to Valeant

a. A Brief Summary of the Sale Process

As described in further detail in this Article IIE.4, prior to the filing of the Chapter 11 Cases, the Debtors entered into Plan Support Agreements with their Supporting Noteholders. The keystone of the Plan Support Agreements was a competitive process pursuant to which the Debtors would sell all or substantially all of their assets. As described more fully below, on the Petition Date, the Debtors filed the Sale and Bidding Procedures Motion (as defined herein). Following several rounds of bidding between Valeant and another bidder, the Debtors selected Valeant as the stalking horse bidder. The Debtors did not receive any additional qualifying bids prior to the deadline for submitting such bids. The auction was, therefore, cancelled and Valeant became the successful bidder. Prior to the hearing to approve the sale to Valeant as the successful bidder, the Debtors and Valeant entered into the Second Amended Acquisition Agreement (as defined herein) that would provide the Debtors with an additional $15 million in incremental value. The Court entered an order approving the sale of substantially all of the Debtors' assets to a subsidiary of Valeant on February 20, 2015, and the sale transaction was consummated on February 23, 2015.

b. The Sale Motion and Bidding Procedures Order

On the Petition Date, the Debtors filed a motion [Docket No. 17] (the "Sale and Bidding Procedures Motion") seeking entry of an order (the "Bidding Procedures Order") (A)(i) establishing bidding procedures (the "Bidding Procedures") relating to the sale of substantially all of the Debtors' assets; (ii) establishing procedures for the Debtors to enter into

stalking horse agreement with bid protections in connection with a sale of substantially all of the Debtors' assets (the "Acquired Assets"); (iii) establishing procedures for the assumption and assignment of executory contracts and unexpired leases, including notice of proposed cure amounts; (iv) approving the form and manner of notice of all procedures, protections, schedules and agreements; and (v) scheduling a hearing (the "Sale Hearing") to approve such sale (the "Sale"); and (B)(i) approving the Sale of the Debtors' assets free and clear of all liens, claims, encumbrances and interests; (ii) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (iii) granting certain related relief.

On December 17, 2014, the Court entered the Bidding Procedures Order [Docket No. 195] approving the Debtors' proposed bidding procedures. Among other things, the Bidding Procedures Order allowed the Debtors, in consultation with the Supporting Noteholders, the Committee, and any other official committee appointed in the Chapter 11 Cases, to select a stalking horse bidder (the "Stalking Horse Bidder") for the Acquired Assets for the purposes of establishing a minimum acceptable bid with which to begin an auction (the "Auction"). The Bidding Procedures Order set (i) December 29, 2014, as the deadline by which the Debtors were required to select a stalking horse bidder (the "Stalking Horse Deadline"); and (ii) January 27, 2015, as the deadline to submit qualified bids (the "Bid Deadline"). As the initial Stalking Horse Deadline approached, the Debtors had active participation in the sale process by a number of bidders and determined, in light of all of the circumstances, not to select a Stalking Horse Bidder at that time.

c. Selection of a Stalking Horse Bidder

As the original Bid Deadline approached, the Debtors received both conforming and non-conforming bids relative to the bid standards, seeking to qualify as Qualified Bids. As such, Lazard and the Debtors continued to work with interested parties. On January 23, 2015, just prior to the Bid Deadline, the Debtors became aware that Valeant, a large pharmaceutical company with a market capitalization exceeding $55 billion, was interested in participating in the process. On January 26, 2015, Valeant requested that the bid deadline be extended for approximately two weeks. In order to balance the Debtors' interest in accommodating Valeant's participation with the complaints that surfaced of others that had participated throughout the process, the Debtors agreed to work closely with one other interested party (the "Alternative Bidder") towards becoming a Stalking Horse Bidder. To that end, the Debtors determined to extend the Bid Deadline for two days until January 29, 2015.

After making the determination to extend the Bid Deadline, the Debtors further determined to retain certain assets previously offered for sale, including the Debtors' assets related to their enteric coated D-3263 hydrochloride product candidate (the "D-3263 Assets"), with the prospect that the Debtors could be reorganized around the development of the retained assets and the utilization of the Debtors' U.S. federal income tax attributes. The Debtors informed bidders of the determination to retain certain assets and that the Debtors would not entertain bids for the retained assets until the primary bidding process was completed.

Subsequently, Valeant also informed the Debtors that it was interested in becoming the Stalking Horse Bidder. Over the ensuing two days, from January 27, 2015 to January 29, 2015, significant negotiations occurred between the Debtors and each of the parties interested in becoming the Stalking Horse Bidder. The Debtors ultimately determined that Valeant submitted the highest and best offer at the time to become the Stalking Horse Bidder for the Acquired Assets. Notably, the Valeant contract included preferable contract provisions, including offers of employment for all employees. The Alternative Bidder's contract did not include such provisions.

On January 29, 2015, the Debtors filed the Emergency Motion for Order (A) Approving Stalking Horse Bidder and Authorizing Bid Protections in Connection with the Sale of Substantially All of the Debtors' Assets, (B) Rescheduling the Hearing to Approve Such Sale and (C) Granting Related Relief [Docket No. 330] (the "Stalking Horse Selection Motion"). Pursuant to this motion, the Debtors' sought approval of Valeant as the Stalking Horse Bidder at a purchase price of $296 million.

d. The Subsequent Bidding and Selection of a Successful Bidder

Subsequent negotiations and bidding occurred after the filing of the Stalking Horse Selection Motion. The subsequent bidding began on February 3, 2015 when the Alternative Bidder informed the Debtors that it would be submitting a new bid later that day or the following morning. It did in fact submit a fully executed and financed bid late in the evening on February 3, 2015. The net value of that bid (after deductions from the face value of the bid due to terms in the contract that differed from the Valeant contract) was materially higher than the value of Valeant's bid.

The Debtors engaged in numerous rounds of bidding with the Stalking Horse Bidder and the Alternative Bidder over the course of the day on February 4, 2015. At the conclusion of this bidding, Valeant's last bid was materially higher and better than the last bid received from the Alternative Bidder. The Alternative Bidder advised the Debtors that it would not bid again. The final Valeant bid provided a purchase price of $400 million, reflecting an increase of more than $100 million of value over the original bid filed with the Court in the Stalking Horse Selection Motion.

After a hearing on February 5, 2015, the Court entered an order granting the relief sought in the Stalking Horse Selection Motion, namely approving Valeant as the Stalking Horse Bidder [Docket No. 355] (the "Stalking Horse Order"). Following entry of the Stalking Horse Order, the Debtors filed a Notice of Selection of Stalking Horse Bidder and Rescheduled Sale Hearing [Docket No. 356], rescheduling the Sale Hearing for February 20, 2015 at 10:00 a.m. and setting out the Bid Deadline as February 10, 2015 at 5:00 p.m. The Notice of Selection of Stalking Horse Bidder and Rescheduled Sale Hearing was served on (i) the U.S. Trustee; (ii) counsel to the indenture trustee for the 2.875% Convertible Senior Notes due 2016; (iii) counsel to the Unaffiliated Noteholders; (iv) counsel to the Deerfield Noteholders; (v) the Committee; (vi) all entities known to have expressed an interest in a transaction with respect to some or all of the Acquired Assets at any time; (vii) all entities

known to have asserted any lien, claim, interest or encumbrance in or upon any of the Debtors' assets to be acquired; (viii) all federal, state and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested by the Stalking Horse Selection Motion; (ix) the United States Attorney's office; (x) the SEC; (xi) the Internal Revenue Service; (xii) the Debtors' full creditor matrix; (xiii) all known equity holders and noteholders; and (xiv) all parties entitled to notice pursuant to Bankruptcy Rule 2002. As of the Bid Deadline, the Debtors did not receive any Qualified Bids other than that submitted by Valeant as the Stalking Horse Bidder. Therefore, the Debtors cancelled the Auction and accepted the bid of Valeant for the purchase of all or substantially all of the Debtors' assets. On February 12, 2015, the Debtors filed a proposed order approving the sale to Valeant on the terms agreed to in the Amended and Restated Acquisition Agreement, dated as of February 4, 2015 (the "Amended Acquisition Agreement") [Docket No. 380].

Subsequent to entering into the Amended Acquisition Agreement, the Debtors were willing to entertain bids for the assets retained by the Debtors, including the D-3263 Assets, pursuant to a transaction that would allow for the transfer to the purchaser of the Debtors' U.S. federal income tax attributes. Valeant and the Debtors engaged in negotiations regarding the acquisition by Valeant of such assets retained by the Debtors, including the D-3263 Assets.

e. The Second Amended Acquisition Agreement, the Sale Hearing and Closing

Prior to the Sale Hearing, the Debtors and Valeant entered into a Second Amended and Restated Acquisition Agreement among the Debtors, Valeant and Valeant's wholly-owned subsidiary, Drone Acquisition Sub Inc. (the "Purchaser"), dated as of February 19, 2015 (the "Second Amended Acquisition Agreement" or, as referred to in the Plan, the "Asset Purchase Agreement"). The Second Amended Acquisition Agreement provided for a higher purchase price, consisting of common shares of Valeant, having an aggregate value of $49.5 million as of the close of the market on the Trading Day immediately prior to the Effective Date, paid to the Debtors as partial consideration for the assets acquired by the Purchaser pursuant to the Sale Order (the "Valeant Shares"), plus $445.5 million in cash to be delivered at closing of the sale transaction. Pursuant to the Second Amended Acquisition Agreement, if the amount of the allowed prepetition general unsecured claims (other than the 2016 Noteholder Claims) did not exceed $200 million in the aggregate, then the Valeant Shares could be distributed proportionately in respect of the 2016 Noteholder Claims. The consideration under the Second Amended Acquisition Agreement provided an additional $15 million in incremental value to the Debtors' Estates over that provided for under the Amended Acquisition Agreement, and $140 million more than the minimum Qualified Bid. The Acquired Assets under the Second Amended Acquisition Agreement included all of the assets contemplated under the Amended Acquisition Agreement, plus the D-3263 Assets and $80 million of cash and cash equivalents of the Debtors. In addition, the parties agreed that the agreement will constitute a "plan of reorganization" of Dendreon and the Purchaser for purposes of sections 368 and 354 of the Internal Revenue Code of 1986, as amended (the "Tax Code") (which plan includes the liquidation of Dendreon and the distribution of the Valeant Shares).

As the Court's electronic filing system was unexpectedly unavailable, the Debtors first served and posted on the Debtors' website hosted by the Debtors' claims and noticing agent, Prime Clerk, a Notice of Filing of Second Amended Acquisition Agreement and Proposed Sale Orders on February 19, 2015, which included a chart with the key differences between the Amended Acquisition Agreement and the Second Amended Acquisition Agreement (the "Notice of Second Amended APA"). The Debtors filed the Notice of Second Amended APA once the electronic filing system became available later on February 19, 2015 [Docket No. 400]. The Court found that notice of the Second Amended Acquisition Agreement was sufficient under the circumstances, relying in part on the fact that the Supporting Noteholders and the Committee were kept involved and informed throughout the negotiation of the Second Amended Acquisition Agreement and were supportive of its terms.

An order was entered on February 20, 2015 (the "Sale Order"), approving the sale of substantially all of the Debtors' assets to the Purchaser pursuant to the terms of the Second Amended Acquisition Agreement as it may be amended, authorizing the assumption and assignment of certain executory contracts and unexpired leases, and granting related relief [Docket No. 410] (the "Sale Transaction"). On February 23, 2015, the Sale Transaction was consummated.

5. The Claims Process

a. Schedules

On January 9, 2015 the Debtors filed their Schedules of Assets and Liabilities [Docket Nos. 246 through 249] and Statements of Financial Affairs [Docket Nos. 250 through 253] (collectively, the "Schedules"). Among other things, the Schedules set forth the claims of known creditors against the Debtors as of the Petition Date, based upon the Debtors' books and records. The Debtors retain the right to amend the Schedules during the pendency of the Chapter 11 Cases. On February 20, 2015, the Debtors filed an Amended Schedule B23 for Dendreon Corporation, to list additional licenses and permits of the Debtors [Docket No. 413].

b. Bar Date Order

On February 5, 2015, an order establishing bar dates for filing claims against the Debtors and approving the form and manner of notice was entered [Docket No. 352] (the "Bar Date Order"). The Bar Date Order establishes the below deadlines for filing claims against the Debtors (the "Bar Dates").

> General Bar Date. Each person or entity (including, without limitation, each individual, partnership, joint venture, corporation, limited liability company, estate, trust or governmental unit) holding or asserting a claim against one or more of the Debtors that arose (or is deemed to have arisen) on or before the Petition Date (including any claims arising under section 503(b)(9) of the Bankruptcy Code) is required to file a proof of claim form so that it is actually

received by Prime Clerk on or before March 16, 2015 at 4:00 p.m. (Eastern Time) (the "General Bar Date").

Governmental Bar Date. Each governmental unit holding or asserting a claim against one or more of the Debtors that arose (or is deemed to have arisen) on or before the Petition Date must file a proof of claim form so that it is actually received by Prime Clerk on or before May 11, 2015 at 4:00 p.m. (Eastern Time) (the "Governmental Bar Date").

Rejection Bar Date. If the Debtors reject pursuant to section 365 of the Bankruptcy Code any executory contract or unexpired lease, each person or entity holding or asserting a claim arising from such rejection must file a proof of claim form so that it is actually received by Prime Clerk on or before the later of (i) the General Bar Date or (ii) thirty (30) days after entry of any order authorizing the rejection of an executory contract or unexpired lease (the "Rejection Bar Date").

c. Claims Objections

The Debtors and their professionals are investigating claims filed against the Debtors to determine the validity of such claims and anticipate filing objections or have already filed objections to claims that are filed in improper amounts or classifications, or are otherwise subject to objection under the Bankruptcy Code or other applicable law. As of the filing of this Disclosure Statement, the Debtors have filed objections to the claim of GSK [Docket No. 536]; the plaintiffs in the Bolling securities action [Docket No. 537]; and William K. Jenkinson [Docket No. 538]. The Debtors have also filed two omnibus objections to claims [Docket Nos. 539, 540].

d. Deerfield Substantial Contribution Claim

Section 503(b)(3)(D) allows as an administrative expense costs a creditor incurs in making "a substantial contribution in a case under … chapter 11" of the Bankruptcy Code. Section 503(b)(4), in turn, allows reasonable compensation for professional services of an attorney of a creditor whose expense is allowable under section 503(b)(3)(D). In making a substantial contribution determination, courts consider whether the efforts of the applicant resulted in an actual and demonstrable benefit to the debtor's estate and creditors. As noted, subsequent bidding occurred after the filing of the Stalking Horse Selection Motion. In addition to Valeant, there was one additional bidder, i.e., the Alternative Bidder. Deerfield provided committed financing to the Alternative Bidder. As counsel to Deerfield, Katten Muchin Rosenman LLP ("Katten Muchin") expended significant time and resources during this period drafting the financing documents to support the Alternative Bidder's bid. As a result of this competitive bidding process, the purchase price increased to $400 million, $125 million or 45.5% above the minimum for Qualified Bids. Thus, the Debtors believe Deerfield made a substantial contribution within the meaning of section 503. Pursuant to Section 9.2 of the Plan, the Deerfield Substantial Contribution Claim will be deemed allowed if there are no

objections received by the ~~Claims Objection Deadline~~deadline to object to confirmation of the Plan.

e. Committee Members Substantial Contribution Claim

The Debtors also believe that the Committee Members made a substantial contribution within the meaning of section 503. The Committee Members worked closely with their counsel (i) in evaluating materials related to the sale of substantially all of the Debtors' assets, including bids submitted to the Debtors, (ii) in negotiating with the Debtors and the Supporting Noteholders the terms of the potential plans for disposition of those assets, and (iii) in facilitating compromise among the various parties. In approving the Sale Transaction and in finding sufficient notice of the Second Amended Acquisition Agreement had been provided, the Court noted the variety of the claimants that the Committee had as part of its constituency. The Court also noted that the Committee was kept involved and informed throughout the negotiation of the Second Amended Acquisition Agreement. In part based upon this, the Court was able to find sufficient notice and to approve the Sale Transaction, which brought an effective $415 million of value to the Debtors' Estates. The efforts of the Committee Members resulted in an actual and demonstrable benefit to the Debtors' Estates and all creditors. Pursuant to Section 9.2 of the Plan, the Committee Members' Substantial Contribution Claims will be deemed allowed if there are no objections received by the ~~Claims Objection Deadline~~deadline to object to confirmation of the Plan.

6. Extension of Time to Remove Actions

As of the Petition Date, the Debtors were party to certain judicial and/or administrative proceedings in various courts and/or administrative agencies (collectively, the "Actions"). Some of the Actions may be subject to removal to the Court pursuant to 28 U.S.C. § 1452, which applies to claims relating to bankruptcy cases. Although the Debtors may find it appropriate and beneficial to remove certain of the Actions to federal court, the Debtors had not completed their analysis with respect to desirability or feasibility of removing the Actions as of mid-January 2015. As such, on January 15, 2015, the Debtors filed a motion [Docket No. 274] seeking to extend the February 9, 2015 removal deadline by 150 days through and until July 9, 2015. An order was entered granting the extension of time for removing the Actions on February 5, 2015 [Docket No. 350].

7. Motion to Extend Exclusivity

On March 6, 2015, the Debtors filed the Motion for Order Under Bankruptcy Code Section 1121(d) Extending Exclusive Periods During Which Debtors May File and Solicit Acceptances of a Chapter 11 Plan (the "Motion to Extend Exclusivity") [Docket No. 461]. Bankruptcy Code section 1121(b) provides for an initial 120-day period after the Petition Date within which a debtor has the exclusive right to file a chapter 11 plan (the "Plan Period"). Bankruptcy Code section 1121(c) further provides for an initial 180-day period after the Petition Date within which a debtor has the exclusive right to solicit and obtain acceptances of a plan filed by the debtor during the Plan Period (the "Solicitation Period" and, together with the Plan Period, the "Exclusive Periods"). In the Chapter 11 Cases, the Plan Period is set to

expire on March 10, 2015, and the Solicitation Period is set to expire on May 9, 2015. By the Motion to Extend Exclusivity, the Debtors requested entry of an order (i) extending each of the Exclusive Periods for 110 days, whereby the Plan Period would be extended through June 29, 2015, and the Solicitation Period would be extended through August 27, 2015, and (ii) prohibiting any party, other than the Debtors, from filing a competing plan or soliciting acceptances of a competing plan during the extended Exclusive Periods.

ARTICLE IV

SUMMARY OF PLAN

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN. THIS SECTION IS QUALIFIED IN ITS ENTIRETY BY AND IS SUBJECT TO THE PLAN AS WELL AS THE EXHIBITS THERETO AND DEFINITIONS THEREIN. THE PLAN IS ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT A.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN. REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN CONTROL THE ACTUAL TREATMENT OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS UNDER THE PLAN. UPON OCCURRENCE OF THE EFFECTIVE DATE, THE PLAN AND ALL SUCH DOCUMENTS WILL BE BINDING UPON ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS AND THEIR ESTATES AND ALL OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT, ON THE ONE HAND, AND THE PLAN, THE PLAN ADMINISTRATOR AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT, ON THE OTHER HAND, THE TERMS OF THE PLAN, THE PLAN ADMINISTRATOR AGREEMENT AND SUCH OTHER OPERATIVE DOCUMENT WILL CONTROL.

A. Classification and Treatment of Claims and Interests

Section 1123 of the Bankruptcy Code provides that a plan must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with section 1123 of the Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than Administrative Claims and Priority Tax Claims, which pursuant to section 1123(a)(1) of the Bankruptcy Code need not be and have not been

classified. The Debtors also are required, under section 1122 of the Bankruptcy Code, to classify Claims against and Interests in, the Debtors (except for certain claims classified for administrative convenience) into Classes that contain Claims and Interests that are substantially similar to the other Claims and Interests in such Class.

The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the claim holder or interest holder agrees to a less favorable treatment of its claim or interest. The Debtors believe that they have complied with such standard. If the Court finds otherwise, however, it could deny confirmation of the Plan if the Claimholders and Interest Holders affected do not consent to the treatment afforded them under the Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim also is placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released or otherwise settled prior to the Effective Date.

The Debtors believe that the Plan has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law. It is possible that a holder of a Claim or Interest may challenge the Debtors' classification of Claims and Interests and that the Court may find that a different classification is required for the Plan to be confirmed. If such a situation develops, the Debtors intend, in accordance with the terms of the Plan, to make such permissible modifications to the Plan as may be necessary to permit its confirmation. Any such reclassification could adversely affect holders of Claims by changing the composition of one or more Classes and the vote required of such Class or Classes for approval of the Plan. UNLESS SUCH MODIFICATION OF CLASSIFICATION MATERIALLY ADVERSELY AFFECTS THE TREATMENT OF A HOLDER OF A CLAIM AND REQUIRES RESOLICITATION, ACCEPTANCE OF THE PLAN BY ANY HOLDER OF A CLAIM OR INTEREST PURSUANT TO THIS SOLICITATION WILL BE DEEMED TO BE A CONSENT TO THE PLAN'S TREATMENT OF SUCH HOLDER OF A CLAIM REGARDLESS OF THE CLASS AS TO WHICH SUCH HOLDER ULTIMATELY IS DEEMED TO BE A MEMBER.

The amount of any Impaired Claim that ultimately is Allowed by the Court may vary from any estimated Allowed amount of such Claim and, accordingly, the total Claims that are ultimately Allowed by the Court with respect to each Impaired Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any Impaired Class. Thus, the value of property that ultimately will be received by a particular Holder of an Allowed Claim may be adversely or favorably affected by the aggregate amount of Claims Allowed in the applicable Class.

The classification of Claims and Interests and the nature of Distributions to members of each Class are summarized below. The Debtors believe that the consideration, if any, provided under the Plan to holders of Claims and Interests reflects an appropriate resolution of their

Claims and Interests, taking into account the differing nature and priority (including applicable contractual subordination) of such Claims and Interests. The Court must find, however, that a number of statutory tests are met before it may confirm the Plan. Many of these tests are designed to protect the interests of holders of Claims or Interests who are not entitled to vote on the Plan, or do not vote to accept the Plan, but who will be bound by the provisions of the Plan if it is confirmed by the Court.

1. Unclassified Claims

a. Administrative Claims

An Administrative Claim means a Claim for payment of an administrative expense of a kind specified in sections 503(b) or 1114(e)(2) of the Bankruptcy Code and entitled to priority in payment under sections 507(a)(2) or 507(b) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries or commissions for services and payments for goods and other services and leased premises) and Claims by Governmental Units for taxes accruing after the Petition Date (but excluding Claims related to taxes accruing on or before the Petition Date); (b) Professional Fee Claims; (c) all fees and charges assessed against the Estates under 28 U.S.C. § 1930; (d) obligations designated as Administrative Claims pursuant to an order of the Court; and (e) Claims under section 503(b)(9) of the Bankruptcy Code.

On the later of (i) the Distribution Date or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Administrative Claim (other than a Professional) will receive, in full satisfaction, settlement~~, release~~ and discharge of, and in exchange for, such Allowed Administrative Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Administrative Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by a Debtor in the ordinary course of business during the Chapter 11 Cases may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto (x) on or prior to the Effective Date, by the Debtors, and (y) after the Effective Date, by the Disbursing Agent. Allowed Professional Fee Claims will be paid from the Professional Fee Reserve pursuant to Section 5.9(a) of the Plan. For the avoidance of doubt, any payments made by the Plan Administrator on account of Allowed Administrative Claims (other than Professional Fee Claims) will be paid solely from the Administrative and Priority Claims Reserve.

b. Priority Tax Claims

A Priority Tax Claim means any Claim accorded priority in right of payment under section 507(a)(8) of the Bankruptcy Code.

On the later of (i) the Distribution Date or (ii) the date such Priority Tax Claim becomes an Allowed Priority Tax Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Tax Claim will receive, in full satisfaction, settlement~~, release~~ and discharge of, and in exchange for, such Allowed Priority Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Tax Claim or (b) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing. For the avoidance of doubt, any payments made by the Plan Administrator on account of Allowed Priority Tax Claims will be paid solely from the Administrative and Priority Claims Reserve.

2. Unimpaired Claims

a. Class 1: Priority Non-Tax Claims

A Priority Non-Tax Claim means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

On the later of (i) the Distribution Date or (ii) the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Priority Non-Tax Claim will receive, in full satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Priority Non-Tax Claim, (a) Cash equal to the unpaid portion of the Face Amount of such Allowed Priority Non-Tax Claim or (b) such other treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.

b. Class 2: Secured Claims

A Secured Claim means a Claim (a) that is secured by a Lien on property in which an Estate has an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or (b) that is subject to setoff under section 553 of the Bankruptcy Code and such right of setoff has been asserted by the holder of such right prior to the Confirmation Date in a properly filed motion for relief from the automatic stay, to the extent of the value of the Claimholder's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

On the later of (i) the Distribution Date or (ii) the date such Secured Claim becomes an Allowed Secured Claim (or as soon as reasonably practicable thereafter), a Holder of an Allowed Secured Claim will receive, in full satisfaction, settlement~~, release~~ and discharge of, and in exchange for, such Allowed Secured Claim, (a) Cash equal to the value of such Allowed Secured Claim, (b) a return of the Collateral securing the Secured Claim, (c) such treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be rendered Unimpaired or (d) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing.

Any Holder of a Secured Claim will retain its Lien in the Collateral or the proceeds of the Collateral (to the extent that such Collateral is sold by the Debtors or the Plan Administrator free and clear of such Lien) to the same extent and with the same priority as such Lien held as of Petition Date until such time as (A) the Holder of such Secured Claim (i) has been paid Cash equal to the value of its Allowed Secured Claim, (ii) has received a return of the Collateral securing the Secured Claim, (iii) has received such treatment required under section 1124(2) of the Bankruptcy Code for such Claim to be rendered Unimpaired, or (iv) has been afforded such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing; or (B) such purported Lien has been determined by an order of the Court to be invalid or otherwise avoidable.

3. Impaired Claims

a. Class 3: 2016 Noteholder Claims

A 2016 Noteholder Claim means, individually, a Claim of a holder of the 2016 Notes arising under or as a result of such notes and, collectively, the Claims of all such holders arising under or as a result of such notes, which Claims will be deemed Allowed in the aggregate amount of $625,694,097.22 as of the Effective Date.

On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed 2016 Noteholder Claim will receive, in full satisfaction~~, settlement, release and discharge~~ of, and in exchange for, such Allowed 2016 Noteholder Claim, (i) its Pro Rata share of 100% of the Valeant Shares (which will be distributed immediately upon the occurrence of the Effective Date) and (ii) its Pro Rata share of Available Cash in the amount necessary to provide such Holder its Pro Rata share of Total Distributable Value available to Holders of Class 3 Claims and Class 4 Claims, or (iii) such other lesser treatment as to which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing; provided, however, that each Holder of an Allowed 2016 Noteholder Claim will not receive an amount that exceeds 100% of the amount of such Allowed 2016 Noteholder Claim~~; provided further, however, if Distributions on account of Allowed Class 3 Claims can exceed 100% of the amount of such Allowed 2016 Noteholder Claim, any Pro Rata reduction will be made solely from Available Cash~~.

b. Class 4: General Unsecured Claims

A General Unsecured Claim means a Claim against any or all of the Debtors that is not an Administrative Claim, Priority Tax Claim, Secured Claim, Priority Non-Tax Claim, Intercompany Claim, Subordinated Claim or 2016 Noteholder Claim.

On the Distribution Date, and from time to time thereafter in accordance with the Plan, each Holder of an Allowed General Unsecured Claim will receive, in full satisfaction~~, settlement, release and discharge~~ of, and in exchange for, such Allowed General Unsecured Claim, (i) its Pro Rata share of Total Distributable Value available to Holders of Class 3 and Class 4 Claims, solely in the form of Available Cash or (ii) such other lesser treatment as to

which such Holder and the Debtors or the Plan Administrator, as applicable, will have agreed upon in writing; provided, however, that each Holder of an Allowed General Unsecured Claim will not receive an amount that exceeds 100% of the amount of such Allowed General Unsecured Claim.

c. Class 5: Intercompany Claims

An Intercompany Claim means any Claim, if any, held by a Debtor against another Debtor, including, without limitation: (i) any account reflecting intercompany book entries by a Debtor with respect to another Debtor, (ii) any Claim not reflected in such book entries that is held by a Debtor against another Debtor, and (iii) any derivative Claim asserted by or on behalf of one Debtor against another Debtor.

In connection with, and as a result of, the substantive consolidation of the Debtors' Estates and the Chapter 11 Cases, on the Effective Date, all Intercompany Claims will be eliminated and the Holders of Intercompany Claims will not be entitled to, and will not receive or retain, any property or interest in property on account of such Claims.

d. Class 6: Subordinated Claims

A Subordinated Claim means any Claim subordinated pursuant to sections 510(b) or 510(c) of the Bankruptcy Code.

On the Effective Date, all Subordinated Claims will be eliminated and the Holders of Subordinated Claims will not be entitled to, and will not receive or retain, any property or interest in property on account of such Claims.

4. Impaired Interests

a. Class 7: Interests

Interest means the legal interests, equitable interests, contractual interests, equity interests or ownership interests, or other rights of any Person in the Debtors, including all capital stock, stock certificates, common stock, preferred stock, partnership interests, limited liability company or membership interests, rights, treasury stock, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtors, partnership interests in the Debtors' stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights, subscription rights and liquidation preferences, puts, calls, awards or commitments of any character whatsoever relating to any such equity, common stock, preferred stock, ownership interests or other shares of capital stock of the Debtors or obligating the Debtors to issue, transfer or sell any shares of capital stock whether or not certificated, transferable, voting or denominated stock or a similar security.

On the Effective Date, the Interests will be deemed eliminated, cancelled and/or extinguished and each Holder thereof will not be entitled to, and will not receive or retain, any property under the Plan on account of such Interest.

5. Unimpaired Interests

a. Class 8: Intercompany Interests

Intercompany Interest means an Interest in a Debtor held by another Debtor.

On the Effective Date, the Intercompany Interests will be reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

6. Special Provision Regarding Unimpaired Claims

Except as otherwise provided in the Plan, the Confirmation Order, any other order of the Court or any document or agreement enforceable pursuant to the terms of the Plan, nothing will affect the rights and defenses, both legal and equitable, of the Debtors and the Plan Administrator with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims and the rights to assert all Causes of Action against the holders of such Unimpaired Claims that the Debtors had immediately prior to the Petition Date as if the Chapter 11 Cases had not been commenced.

7. Allowed Claims

Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent will only make Distributions to Holders of Allowed Claims. No Holder of a Disputed Claim will receive any Distribution on account thereof until (and then only to the extent that) its Disputed Claim becomes an Allowed Claim. The Debtors and/or the Plan Administrator may, in their discretion, withhold Distributions otherwise due under the Plan to any Claimholder until the Claims Objection Deadline, to enable a timely objection thereto to be filed. Any Holder of a Claim that becomes an Allowed Claim after the Effective Date will receive its Distribution in accordance with the terms and provisions of the Plan.

8. Special Provisions Regarding Insured Claims

Distributions under the Plan to each Holder of an Insured Claim will be in accordance with the treatment provided under the Plan for the Class in which such Insured Claim is classified; provided, however, that the maximum amount of any Distribution under the Plan on account of an Allowed Insured Claim will be limited to an amount equal to: (a) the applicable deductible or self-insured retention under the relevant insurance policy minus (b) any reimbursement obligations of the Debtors to the insurance carrier for sums expended by the insurance carrier on account of such Claim (including defense costs); provided further, however, that, to the extent that a Claimholder has an Allowed Insured Claim, the amount of which exceeds the total coverage available from the relevant insurance policies of the Debtors,

such Claimholder will have an Allowed General Unsecured Claim in the amount by which such Allowed Insured Claim exceeds the coverage available from the relevant Debtor's insurance policies. Nothing in this Section will constitute a waiver of any Cause of Action the Debtors may hold against any Person, including the Debtors' insurance carriers, or is intended to, will or will be deemed to preclude any Holder of an Allowed Insured Claim from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtors in addition to any Distribution such Holder may receive under the Plan; provided, however, that the Debtors do not waive, and expressly reserve their rights to assert that any insurance coverage is property of the Estates to which they are entitled.

The Plan will not expand the scope of, or alter in any other way, the obligations of the Debtors' insurers under their policies, and the Debtors' insurers will retain any and all defenses to coverage that such insurers may have. The Plan will not operate as a waiver of any other Claims the Debtors' insurers have asserted or may assert in any Proof of Claim or the Debtors' rights and defenses to such Proofs of Claim.

B. Means for Implementation of the Plan

1. Substantive Consolidation

a. Consolidation of the Chapter 11 Estates

The Plan contemplates and is predicated upon entry of an order substantively consolidating the Debtors' Estates and Chapter 11 Cases for all purposes, including voting, Distribution and Confirmation. On the Effective Date, (i) all Intercompany Claims, if any, between the Debtors will be eliminated, (ii) all assets and liabilities of the Affiliate Debtors will be merged or treated as if they were merged with the assets and liabilities of Dendreon, (iii) any obligation of a Debtor and any guarantee thereof by the other Debtor will be deemed to be one obligation of Dendreon, and any such guarantee will be eliminated, (iv) the issued and outstanding Intercompany Interests will be reinstated, (v) each Claim Filed or to be Filed against any Debtor will be deemed Filed only against Dendreon and will be deemed a single Claim against and a single obligation of Dendreon, and (vi) any joint or several liability of the Debtors will be deemed one obligation of Dendreon. On the Effective Date, and in accordance with the terms of the Plan and the consolidation of the assets and liabilities of the Debtors, all Claims based upon guarantees of collection, payment or performance made by one Debtor as to the obligations of another Debtor will be released and of no further force and effect.

The substantive consolidation effected pursuant to Section 5.1(a) of the Plan (x) will not affect the rights of any Holder of a Secured Claim with respect to the Collateral securing such Claims and (y) will not, and will not be deemed to, prejudice the Causes of Action and the Avoidance Actions (subject to the releases set forth in Section 10.4 of the Plan), which will survive entry of the Substantive Consolidation Order, as if there had been no substantive consolidation. Notwithstanding the substantive consolidation provided for herein, each and every Debtor will remain responsible for the payment of fees pursuant to 28 U.S.C. § 1930 until a particular case is closed, dismissed or converted.

b. Substantive Consolidation Order

The Plan will serve as, and will be deemed to be, a motion for entry of an order substantively consolidating the Debtors' Chapter 11 Cases. If no objection to substantive consolidation is timely Filed and served by any Holder of an Impaired Claim affected by the Plan as provided in the Plan on or before the deadline to object to Confirmation of the Plan, or such other date as may be fixed by the Court, the Substantive Consolidation Order (which may be the Confirmation Order) may be approved by the Court. If any such objections are timely Filed and served, a hearing with respect to the substantive consolidation of the Chapter 11 Cases and the objections thereto will be scheduled by the Court, which hearing may, but is not required to, coincide with the Confirmation Hearing.

2. Corporate Action

a. Merger and Dissolution of Debtors

Immediately following the occurrence of the Effective Date, (a) the respective boards of directors of the Debtors will be terminated and the members of the boards of directors of the Debtors will be deemed to have resigned and (b) the Debtors will continue to exist as the Liquidating Debtors after the Effective Date in accordance with the laws of the State of Delaware and pursuant to their respective certificates of incorporation, by-laws, articles of formation, operating agreements, and other organizational documents in effect prior to the Effective Date, except to the extent such organizational documents are amended under the Plan, for the limited purposes of liquidating all of the assets of the Estates and making Distributions in accordance with the Plan.

On December 31, 2015 (the "Outside Date"), and without further order of the Court, the Affiliate Debtors will be deemed merged with and into Dendreon, without the necessity of any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that the Debtors, the Liquidating Debtors or the Plan Administrator may execute and file documents and take all other actions as they deem appropriate relating to the foregoing corporate actions under the laws of the State of Delaware and, in such event, all applicable regulatory or governmental agencies will take all steps necessary to allow and effect the prompt merger of the Affiliate Debtors as provided in the Plan, without the payment of any fee, Tax or charge and without need for the filing of reports or certificates.

Moreover, on and after the first day following the Outside Date, the Affiliate Debtors (i) will be deemed to have withdrawn their business operations from any state in which they were previously conducting, or are registered or licensed to conduct, their business operations, and will not be required to file any document, pay any sum or take any other action in order to effectuate such withdrawal, and (ii) will not be liable in any manner to any taxing or other authority for franchise, business, license or similar Taxes accruing on or after the Outside Date.

~~The Chapter 11 Cases of the Affiliate Debtors will be closed on the first day following the Effective Date upon submission of an appropriate order to the Court under certification of counsel, following which any and all proceedings that could have been brought or otherwise commenced in the Chapter 11 Cases of the Affiliate Debtors will be brought or otherwise commenced in Dendreon's Chapter 11 Case.~~

As soon as practicable after the Plan Administrator exhausts substantially all of the assets of the Debtors' Estates by making the final Distribution of Cash under the Plan, the Plan Administrator will at the expense of the Debtors' Estates (i) provide for the retention and storage of the books, records and files that will have been delivered to or created by the Plan Administrator until such time as all such books, records and files are no longer required to be retained under applicable law, and File a certificate informing the Court of the location at which such books, records and files are being stored; provided that any Tax records will be turned over to the Purchaser in accordance with the Asset Purchase Agreement no later than the issuance of the final decree in the Chapter 11 Cases; (ii) File a certification stating that the assets of the Debtors' Estates have been exhausted and final Distributions of Cash have been made under the Plan; (iii) File the necessary paperwork in the state of Delaware to effectuate the dissolution of Dendreon in accordance with the laws of such jurisdiction; and (iv) resign as the sole shareholder, officer, director and manager, as applicable, of the Liquidating Debtors. Upon the Filing of the certificate described in clause (ii) of the preceding sentence, Dendreon will be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Liquidating Debtors or payments to be made in connection therewith other than the filing of a motion for final decree.

In furtherance of the liquidation of the Liquidating Debtors and as necessary to comply with section 8.1(h) of the Asset Purchase Agreement, on or prior to December 31, 2015, a liquidating trust may be established pursuant to documentation, including a liquidating trust agreement, approved by the Liquidating Debtors, the Plan Administrator and the Oversight Committee, for the primary purpose of receiving assets of the Estates, continuing the wind down of such Estates in a commercially reasonable but expeditious manner, and distributing any such assets pursuant to this Plan, with no objective to continue or engage in the conduct of a trade or business except to the extent reasonably necessary to and consistent with, the liquidating purpose of the trust (any such trust, the "Liquidating Trust").

If established, the Liquidating Trust will be structured to qualify as a "liquidating trust" within the meaning of Treasury Regulations Section 301.7701-4(d) and in compliance with Revenue Procedure 94-45, 1994-2 C.B. 684, and, thus, as a "grantor trust" within the meaning of Sections 671 through 679 of the Tax Code to the Holders of Claims, consistent with the terms of the Plan; provided, however, that the Plan Administrator in its role as liquidating trustee, after consultation with the Oversight Committee, may make an election under Treasury Regulations Section 1.468B-9(c)(2)(ii) to treat the Liquidating Trust (or any portion thereof) as a disputed ownership fund. Accordingly, unless an election is made to treat the Liquidating Trust as a disputed ownership fund, such Holders will be treated for U.S. federal income tax purposes, (i) as direct recipients of an undivided interest in the assets transferred to the Liquidating Trust and as having immediately contributed such assets to the Liquidating Trust,

and (ii) thereafter, as the grantors and deemed owners of the Liquidating Trust and thus, the direct owners of an undivided interest in the assets held by the Liquidating Trust. All parties (including Claimholders) will report consistent with the valuation of the assets transferred to the Liquidating Trust as established by the Plan Administrator or its designee. The Plan Administrator will be deemed appointed in such instance pursuant to section 1123(b)(3)(B) of the Bankruptcy Code to handle all of the Debtors' tax matters, including without limitation, the filing of all tax returns, and the handling of tax audits and proceedings, of the Debtors. The liquidating trustee will be responsible for filing information on behalf of the Liquidating Trust as grantor trust pursuant to Treasury Regulation Section 1.671-4(a) or as a disputed ownership fund.

b. Certificate of Incorporation and By-laws

The certificate and articles of incorporation and by-laws of each Debtor will be amended as necessary to satisfy the provisions of the Plan and the Bankruptcy Code and will include, among other things, a provision (a) prohibiting the issuance of non-voting equity securities under section 1123(a)(6) of the Bankruptcy Code and (b) limiting the activities of the Liquidating Debtors to matters authorized under the Plan. The amended certificate of incorporation and by-laws of each Debtor will be reasonably acceptable to the Committee, the Deerfield Requisite Supporting Noteholders and the Unaffiliated Requisite Supporting Noteholders and will be Filed on or before the date of the Confirmation Hearing.

c. Cancellation of Existing Securities and Agreements

Except as otherwise provided in the Plan, and in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article III of the Plan, any promissory notes, share certificates, whether for preferred or common stock (including treasury stock), other instruments evidencing any Claims or Interests, other than a Claim or Interest that is being reinstated and rendered unimpaired, and all options, warrants, calls, rights, puts, awards, commitments or any other agreements of any character to acquire such Interests will be deemed cancelled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the Debtors under the notes, share certificates and other agreements and instruments governing such Claims and Interests will be discharged; provided, however, that certain instruments, documents and credit agreements related to Claims will continue in effect solely for the purposes of allowing the agents to make distributions to the beneficial holders and lenders thereunder. The holders of or parties to such cancelled notes, share certificates and other agreements and instruments will have no rights arising from or relating to such notes, share certificates and other agreements and instruments or the cancellation thereof, except the rights provided pursuant to the Plan.

The Final Order Pursuant to Bankruptcy Code Sections 105(a), 362(a)(3) and 541 and Bankruptcy Rule 3001 Establishing Notice and Hearing Procedures for Trading in Equity Securities in Debtors [Docket No. 162], entered on December 9, 2014, will remain in full force

and effect on and after the Effective Date to enforce any violations of such order that occurred prior to the Effective Date.

Notwithstanding anything to the contrary in the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article III of the Plan, the 2016 Notes Indenture will be cancelled except to the extent required for the purposes of permitting the 2016 Notes Trustee to enforce its right to compensation and related lien rights under section 6.07 of the 2016 Notes Indenture, subject to Section 5.14 of the Plan.

d. No Further Action

Each of the matters provided for under the Plan involving the corporate structure of the Debtors or corporate action to be taken by or required of the Debtors will, as of the Effective Date, be deemed to have occurred and be effective as provided in the Plan, and will be authorized and approved in all respects without any requirement of further action by any Person, including but not limited to, the Plan Administrator, Holders of Claims or Interests against or in the Debtors, or directors or officers of the Debtors, as permitted by section 303 of the Delaware General Corporation Law.

e. Effectuating Documents

Prior to the Effective Date, any appropriate officer of Dendreon or the Affiliate Debtors, as the case may be, will be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The secretary of Dendreon or the Affiliate Debtors, as the case may be, will be authorized to certify or attest to any of the foregoing actions.

f. Directors and Officers; Further Transactions

Immediately upon the occurrence of the Effective Date, the Plan Administrator will serve as the sole shareholder, officer, director or manager of each of the Liquidating Debtors. The Plan Administrator will be authorized to execute, deliver, file or record such documents, instruments, releases and other agreements and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

3. Compliance with the Asset Purchase Agreement

Notwithstanding anything in the Plan to the contrary, nothing in the Plan will eliminate any post-closing obligations of the Debtors under the Asset Purchase Agreement, including, without limitation, that (i) the Valeant Shares may be distributed proportionately solely to the Holders of the Allowed 2016 Noteholder Claims provided that the total amount of Allowed General Unsecured Claims does not exceed $200 million, and (ii) Dendreon will liquidate as determined for U.S. federal income tax purposes no later than December 31, 2015.

4. Privilege Matters

a. Legal Representation of the Debtors and Committee After the Effective Date

Upon the Effective Date, the attorney-client relationship between (i) the Debtors and their current counsel, Skadden, Arps, Slate, Meagher & Flom LLP, and (ii) the Committee and its current counsel, Sullivan & Cromwell LLP, and Young Conaway Stargatt & Taylor, LLP, will be deemed terminated. No successor to the Debtors and/or the Committee, whether under the Plan or otherwise, including but not limited to the Liquidating Debtors and the Plan Administrator, will be deemed to succeed to the attorney-client relationship that currently exists between the Debtors and its counsel and the Committee and its counsel. Subject only to the applicable ethical rules governing attorneys, their receipt of confidential information and their relationship with former clients, current counsel for the Debtors or the Committee will not be precluded from representing any party in any action that might be brought by or against the Liquidating Debtors and/or the Plan Administrator.

b. Transfer of Evidentiary Privileges; Document Requests

On the Effective Date, the Liquidating Debtors and the Plan Administrator will succeed to the evidentiary privileges, including attorney-client privilege, formerly held by the Debtors.

Accordingly, to the extent that documents are requested from current counsel to the Debtors by any Person, after the Effective Date, only the Liquidating Debtors and the Plan Administrator will have the ability to waive such attorney-client or other privileges. In addition, unless otherwise ordered by the Court, current counsel to the Debtors will have no obligation to produce any documents currently in their possession as a result of or arising in any way out of their representation of the Debtors unless (i) the Person requesting such documents serves their request on the Plan Administrator; (ii) the Plan Administrator consents in writing to such production and any waiver of the attorney-client or other privilege such production might cause; and (iii) the Plan Administrator or the Person requesting such production, agrees to pay the reasonable costs and expenses incurred by current counsel for the Debtors in connection with such production.

5. Dissolution of the Committee

The Committee will continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code and will perform such other duties as it may have been assigned by the Court prior to the Effective Date. On the Effective Date, the Committee will be dissolved and its members will ~~be deemed released of all their~~have no further duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Committee's attorneys, financial advisors and other agents will terminate, except with respect to (i) all Professional Fee Claims and (ii) any appeals of the Confirmation Order. All expenses of Committee members and the reasonable fees and expenses of the Committee's Professionals

through the Effective Date will be paid in accordance with the terms and conditions of the Professional Fee Order and/or the Plan, as applicable. Professionals employed by the Committee will be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities, including the preparation, filing and prosecution of final fee applications.

6. The Plan Administrator

a. Appointment of the Plan Administrator

From and after the Effective Date, a Person or Entity to be designated by the Debtors, and subject to the consent of the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee, which consent will not be unreasonably withheld, will serve as the Plan Administrator pursuant to the Plan Administrator Agreement and the Plan, until the resignation or discharge and the appointment of a successor Plan Administrator in accordance with the Plan Administrator Agreement and the Plan. The Debtors will file a notice providing the information set forth in sections 1129(a)(4) and (5) of the Bankruptcy Code on a date that is not less than ten (10) days prior to the hearing to consider confirmation of the Plan designating the Person who it has selected as Plan Administrator. The appointment of the Plan Administrator will be approved in the Confirmation Order, and such appointment will be as of the Effective Date. The Plan Administrator will have and perform all of the duties, responsibilities, rights and obligations set forth in the Plan and Plan Administrator Agreement.

b. The Plan Administrator Agreement

Prior to or on the Effective Date, the Debtors will execute a Plan Administrator Agreement in substantially the same form as set forth in Exhibit A to the Plan, which will be reasonably acceptable to the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee. Any nonmaterial modifications to the Plan Administrator Agreement made by the Debtors, and reasonably acceptable to the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders, and the Committee, prior to the Effective Date are deemed ratified by the Plan. The Plan Administrator Agreement will contain provisions permitting the amendment or modification of the Plan Administrator Agreement necessary to implement the provisions of the Plan.

c. Rights, Powers and Duties of the Liquidating Debtors and the Plan Administrator

The Liquidating Debtors will retain and have all the rights, powers and duties necessary to carry out its responsibilities under the Plan. Such rights, powers and duties, which will be exercisable by the Plan Administrator on behalf of the Liquidating Debtors and the Estates pursuant to the Plan and the Plan Administrator Agreement, will include, among others, (i) investigating and, if appropriate, pursuing Causes of Action, (ii) administering and pursuing the Liquidating Debtors' assets, (iii) resolving all Disputed Claims and any Claim objections

pending as of the Effective Date and (iv) making Distributions to Holders of Allowed Claims as provided for in the Plan.

d. Compensation of the Plan Administrator

The Plan Administrator will be compensated from the Wind-down Reserve pursuant to the terms of the Plan Administrator Agreement. Any professionals retained by the Plan Administrator will be entitled to reasonable compensation for services rendered and reimbursement of expenses incurred from the Wind-down Reserve. The payment of the fees and expenses of the Plan Administrator and its retained professionals will be made in the ordinary course of business and will not be subject to the approval of the Court; provided, however, that any disputes related to such fees and expenses will be brought before the Court.

e. Indemnification

The Liquidating Debtors will indemnify and hold harmless (i) the Plan Administrator (in its capacity as such and as officer and director of the Liquidating Debtors), (ii) such individuals that may serve as officers and directors of the Liquidating Debtors, if any, and (iii) the Plan Administrator Professionals (collectively, the "Indemnified Parties"), from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including but not limited to attorneys' fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, other than acts or omissions resulting from such Indemnified Party's willful misconduct or gross negligence, with respect to the Liquidating Debtors or the implementation or administration of the Plan or Plan Administrator Agreement. To the extent an Indemnified Party asserts a claim for indemnification as provided above, the legal fees and related costs incurred by counsel to the Plan Administrator in monitoring and participating in the defense of such claims giving rise to the asserted right of indemnification will be advanced to such Indemnified Party (and such Indemnified Party undertakes to repay such amounts if it ultimately will be determined that such Indemnified Party is not entitled to be indemnified therefore) out of the Wind-down Reserve or any insurance purchased using the Wind-down Reserve. The indemnification provisions of the Plan Administrator Agreement will remain available to and be binding upon any former Plan Administrator or the estate of any decedent of the Plan Administrator and will survive the termination of the Plan Administrator Agreement.

f. Insurance

The Plan Administrator will be authorized to obtain and pay for out of the Wind-down Reserve all reasonably necessary insurance coverage for itself, its agents, representatives, employees or independent contractors, and the Liquidating Debtors, including, but not limited to, coverage with respect to (i) any property that is or may in the future become the property of the Liquidating Debtors or their Estates and (ii) the liabilities, duties and obligations of the Plan Administrator and its agents, representatives, employees or independent contractors under the Plan Administrator Agreement (in the form of an errors and omissions policy or otherwise), the latter of which insurance coverage may remain in effect for a reasonable period of time as

determined by the Plan Administrator after the termination of the Plan Administrator Agreement.

g. Revesting of Assets.

Except as expressly provided elsewhere in the Plan, on the Effective Date, the property of each Debtor's Estate, if any, will revest in the applicable Liquidating Debtor.

7. Distributions to Holders of 2016 Noteholder Claims and General Unsecured Claims

a. Initial Distributions

On the Distribution Date, the Plan Administrator will make, or will make adequate reserves in the Disputed Claims Reserve for, the Distributions required to be made under the Plan to Holders of Allowed 2016 Noteholder Claims and Allowed General Unsecured Claims. The Disbursing Agent will not make any Distributions to the Holders of Allowed 2016 Noteholder Claims or Allowed General Unsecured Claims unless the Plan Administrator retains and reserves in the Disputed Claims Reserve such amounts as are required under Section 6.9(c) of the Plan.

b. Interim Distributions

The Disbursing Agent will make interim Distributions of Cash in accordance with the Plan (i) to Holders of Allowed 2016 Noteholder Claims and Allowed General Unsecured Claims at least once each three-month period, unless the aggregate amount of such Distributions, except for the last anticipated Distributions, is $100,000.00 or less, ~~or an amount as modified prior to the Effective Date by the Debtors, subject to the consent of the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders and the Committee, which consent will not be unreasonably withheld,~~ and (ii) from the Disputed Claims Reserve as Disputed General Unsecured Claims become Allowed Claims.

c. Final Distributions

The Liquidating Debtors will be dissolved and their affairs wound up and the Plan Administrator will make the final Distributions on the date when, (A) in the reasonable judgment of the Plan Administrator, substantially all of the assets of the Liquidating Debtors have been liquidated and there are no substantial potential sources of additional Cash for Distribution, and (B) there remain no substantial Disputed Claims. The date on which the Plan Administrator determines that all obligations under the Plan and Plan Administrator Agreement have been satisfied is referred to as the "Plan Termination Date." On the Plan Termination Date, the Plan Administrator will, to the extent not already done, request that the Court enter an order closing the Chapter 11 Cases.

Upon dissolution of the Liquidating Debtors in accordance with Section 5.2(a) of the Plan, if the Plan Administrator reasonably determines that any remaining assets of the

Liquidating Debtors are ~~insufficient to render a further distribution practicable~~valued at $10,000.00 or less, or exceed the amounts required to be paid under the Plan, the Plan Administrator will transfer such remaining funds to a charitable institution selected by the Plan Administrator, which charitable institution will be qualified as a not-for-profit corporation under applicable federal and state laws. If the Plan Administrator determines that any remaining assets of the Liquidating Debtors are valued at more than $10,000.00, the Plan Administrator may seek to transfer such remaining assets to a charitable institution in accordance with Section 5.7(c) of the Plan upon a motion to the Court.

8. Limited Release of Liens

On the Effective Date, all mortgages, deeds of trust, liens or other security interests against property of the Estates will be released, subject to the requirements of Section 3.2(b) of the Plan.

9. Accounts and Reserves

a. Professional Fee Reserve

On or before the Effective Date, the Debtors will create and fund the Professional Fee Reserve in Cash in the Amount of the Professional Fee Estimate. Subject to Section 5.9(e) of the Plan, the Cash so transferred will not be used for any purpose other than to pay Allowed Professional Fee Claims and Supporting Noteholders Professional Fee Claims, and no payments on account of such claims will be made from any source other than the Professional Fee Reserve. The Plan Administrator (i) will segregate and will not commingle the Cash held in the Professional Fee Reserve, (ii) subject to the terms and conditions of the Plan, will pay each Professional Fee Claim of a Professional employed by the Debtors or the Committee, on or as soon as reasonably practicable after the date such Claim becomes an Allowed Claim, upon entry of a Final Order allowing such Claim and (iii) will pay the Supporting Noteholders Professional Fee Claims upon satisfaction of the conditions to payment provided under the PSA Order. After all Professional Fee Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid by the Plan Administrator, any remaining Cash in the Professional Fee Reserve will be transferred to the Administrative and Priority Claims Reserve until such time as all Administrative Claims (except Professional Fee Claims), Priority Tax Claims and Priority Non-Tax Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid by the Plan Administrator, then such remaining Cash, if any, will be available for Pro Rata distribution to Holders of Allowed Class 3 Claims and Allowed Class 4 Claims. Only Professionals employed in the Chapter 11 Cases by the Debtors or the Committee and the Supporting Noteholders Professionals will be entitled to payment from the Professional Fee Reserve. For the avoidance of doubt, the Supporting Noteholders Professionals will not be required to file final fee applications and will only be required to meet the conditions necessary to payment as set forth in the PSA Order.

The Professionals employed by the Debtors and the Committee, as applicable, the Supporting Noteholders and the 2016 Notes Trustee, will be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date

activities, including the preparation, filing and prosecution of final fee applications (if applicable), upon the submission of redacted invoices to the Plan Administrator for payment from the Professional Fee Reserve. Any Supporting Noteholders Professional that serves as a member of the Oversight Committee will be entitled to such post-Effective Date fees and expenses incurred for serving in such capacity and, separately, in its capacity as a Supporting Noteholders Professional; provided, however, that in no event will any such Supporting Noteholders Professional be entitled to receive fees and expenses in more than one such capacity on account of any given efforts. Any time or expenses incurred in the preparation, filing and prosecution of final fee applications will be disclosed by each Professional in its final fee application and will be subject to approval of the Court.

b. Administrative and Priority Claims Reserve

On or before the Effective Date, the Debtors will create and fund the Administrative and Priority Claims Reserve in Cash in the Amount of the Administrative and Priority Claims Estimate. The Cash so transferred will not be used for any purpose other than to pay Allowed Administrative Claims (except Professional Fee Claims, which will be paid from the Professional Fee Reserve), Priority Tax Claims and Priority Non-Tax Claims, and, subject to Section 5.9(e), no payments on account of the foregoing claims will be made from any source other than the Administrative and Priority Claims Reserve. The Plan Administrator (i) will segregate and will not commingle the Cash held in the Administrative and Priority Claims Reserve and (ii) will pay each Administrative Claim (except Professional Fee Claims, which will be paid from the Professional Fee Reserve), Priority Tax Claim and Priority Non-Tax Claim, on or as soon as reasonably practicable after the date such Claim becomes an Allowed Claim. After all Administrative Claims (including Professional Fee Claims), Priority Tax Claims and Priority Non-Tax Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid by the Plan Administrator, any remaining Cash in the Administrative and Priority Claims Reserve will be available for Pro Rata distribution to Holders of Allowed Class 3 Claims and Allowed Class 4 Claims.

c. Disputed Claims Reserve

On or before the Effective Date, the Debtors will create and fund the Disputed Claims Reserve in Cash in the amount of the Disputed Claims Estimate. Subject to Section 5.9(e) of the Plan, no payments made on account of Disputed General Unsecured Claims that become Allowed Claims after the Effective Date will be made from any source other than the Disputed Claims Reserve.

d. Wind-down Reserve

On or before the Effective Date, the Debtors will create and fund the Wind-down Reserve in Cash in the amount of the Wind-down Budget. Subject to Section 5.9(e) of the Plan, no payments to the Plan Administrator and Plan Administrator Professionals will be made from any source other than the Wind-down Reserve. Any recovery from Causes of Action will be deposited by the Plan Administrator into the Wind-down Reserve.

e. Other Reserves and Modifications to Reserves

Subject to and in accordance with the provisions of the Plan Administrator Agreement and the Wind-down Budget, the Plan Administrator may establish and administer any other necessary reserves that may be required under the Plan or Plan Administrator Agreement, subject to the consent of the Deerfield Requisite Supporting Noteholders, the Unaffiliated Requisite Supporting Noteholders and the Committee prior to the Effective Date, or the Oversight Committee on and after the Effective Date, which consent will not be unreasonably withheld. Notwithstanding anything to the contrary contained in the Plan, the Plan Administrator may, in consultation with the Oversight Committee, make transfers of money between the reserves established under the Plan to satisfy Claims and other obligations in accordance with the Plan and the Wind-down Budget.

10. Exemption from Certain Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the Confirmation Order will direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents without the payment of any such tax or governmental assessment. In Florida Dept. of Revenue v. Piccadilly Cafeterias, 554 U.S. 33 (2008), the Supreme Court held that such exemption only applies to sales and transfers made after confirmation of a chapter 11 plan. Therefore, this exemption is not being sought in connection with the Sale Order.

11. Exemption from Securities Laws

As provided in the Solicitation Procedures Order, the offer and sale of the Valeant Shares pursuant to the Plan is exempt from the registration requirements of the Securities Act and similar state and local statutes pursuant and subject to section 1145 of the Bankruptcy Code. The Debtors are authorized to offer the Valeant Shares pursuant to the safe harbor contained in section 1125(e) of the Bankruptcy Code. The Valeant Shares may be resold by the holders thereof without restriction except to the extent that any such holder is deemed to be (i) an underwriter as defined in section 1145(b)(1) of the Bankruptcy Code, (ii) an issuer or an affiliate of an issuer, or (iii) a dealer.

12. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, the Debtors and their Estates will retain all of the Causes of Action, a nonexclusive list of which is set forth on Exhibit C, annexed to the Plan. The Plan Administrator, on behalf of the Liquidating Debtors, may enforce all rights to commence and pursue, as appropriate, the Causes of Action, and the Plan Administrator's rights to commence, prosecute or settle such Causes of Action will be preserved notwithstanding the occurrence of the Effective Date or the dissolution of the

Debtors. The Plan Administrator expressly reserves all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Court order, the Plan Administrator expressly reserves all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppels (judicial, equitable or otherwise) or laches, will apply to such Causes of Action upon, after or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, the Plan Administrator will waive and will not commence, pursue or prosecute claims, if any, pursuant to section 547 of the Bankruptcy Code against any non-Insiders of the Debtors.

The Plan Administrator will be authorized to (i) enforce, (ii) prosecute, and (iii) settle or compromise (subject to the consent of the Oversight Committee for settlements in the amount of $~~[●]~~100,000.00 and above) the Causes of Action. The Plan Administrator may pursue such Causes of Action, with the consent of the Oversight Committee, which consent will not be unreasonably withheld, in accordance with the obligations of the Plan and the best interests of all of the beneficiaries of the Plan. The method of distribution of the Estates' assets pursuant to the Plan will not, and will not be deemed to, prejudice the Causes of Action, which will survive entry of the Confirmation Order for the beneficiaries of the Plan. At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in the Plan to the contrary, the Debtors may settle any or all of the Causes of Action with the approval of the Court pursuant to Fed. R. Bankr. P. 9019.

The Debtors have not conducted an investigation into the Causes of Action. Accordingly, in considering the Plan, each party in interest should understand that any and all Causes of Action that may exist against such Person or Entity may be pursued by the Plan Administrator, regardless of whether, or the manner in which, such Causes of Action are listed on Exhibit C to the Plan or described in the Plan. The failure of the Debtors to list a claim, right, cause of action, suit or proceeding on Exhibit C to the Plan will not constitute a waiver or release by the Debtors or their Estates of such claim, right of action, suit or proceeding.

The substantive consolidation of the Debtors and their Estates pursuant to the Confirmation Order and Section 5.1 of the Plan will not, and will not be deemed to, prejudice any of the Causes of Action, which will survive entry of the Confirmation Order for the benefit of the Debtors and their Estates, and, upon the Effective Date, for the benefit of the Liquidating Debtors.

13. Effectuating Documents; Further Transactions

The Plan Administrator, subject to the terms and conditions of the Plan and the Plan Administrator Agreement, will be authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the conveyance and transfer of assets and liabilities provided for by the Asset Purchase Agreement.

14. 2016 Notes Trustee Fee Claims

The Debtors or the Liquidating Debtors, on the Effective Date to the extent invoiced, or as soon as reasonably practicable following receipt of redacted invoices post-Effective Date (which invoices will also be provided to the Supporting Noteholders and the Committee), will pay the 2016 Notes Trustee Fee Claims incurred through the Effective Date; provided, however, if the Debtors, the Liquidating Debtors, the Committee or the Supporting Noteholders, as applicable, and the 2016 Notes Trustee cannot agree with respect to the reasonableness of the fees and expenses to be paid, the Debtors or the Liquidating Debtors, as applicable, will (i) pay the undisputed portion of any invoices submitted with respect to 2016 Notes Trustee Fee Claims, (ii) place the disputed amounts of any such invoices in escrow, and (iii) notify the 2016 Notes Trustee of any dispute within ten (10) days after the presentation of such invoices. After the parties have attempted in good faith to resolve any such dispute for at least fifteen (15) days after the notification of the dispute, the 2016 Notes Trustee may submit such dispute for resolution to the Court; provided, however, that the Court's review will be limited to a determination under the reasonableness standard in accordance with the 2016 Notes Indenture. Nothing in the Plan (including, without limitation, any release, discharge or injunction provided under the Plan) will impair, waive, discharge or negatively affect any charging lien for any fees, costs and expenses not paid pursuant to the Plan and otherwise claimed by the 2016 Notes Trustee in accordance with the 2016 Notes Indenture.

15. Oversight Committee

As of the Effective Date, a post-confirmation committee (the "Oversight Committee") will be formed. The members of the Oversight Committee will be identified in the Plan Supplement ~~or the Confirmation Order~~. After the Effective Date, the Plan Administrator will consult with the Oversight Committee regarding (i) Causes of Action and Disputed Claims for which the Plan Administrator proposes a settlement in the amount of $~~[●]~~100,000.00 and above) and (ii) the disposition of property of the Debtors and the Liquidating Debtors for $~~[●]~~100,000.00 and above in accordance with the terms of the Plan and the Plan Administrator Agreement.

The compensation of the members of the Oversight Committee will be provided in the Plan Supplement.

C. Provisions Governing Distributions

1. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in the Plan or as ordered by the Court, all Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date will be made on the Distribution Date by the Disbursing Agent in accordance with Section 5.7(a) of the Plan; provided that the Pro Rata Distribution of the Valeant Shares to the Holders of Allowed 2016 Noteholder Claims will be made immediately upon the occurrence of the Effective Date and the Liquidating Debtors will make reasonable efforts to make a Pro Rata

Distribution of Available Cash to Holders of Allowed 2016 Noteholder Claims and Holders of Allowed General Unsecured Claims on the Effective Date. Distributions on account of Claims that first become Allowed Claims after the Effective Date will be made pursuant to the terms and conditions of the Plan. Notwithstanding any other provision of the Plan to the contrary, no Distribution will be made on account of any Allowed Claim or portion thereof that (i) has been satisfied after the Petition Date; (ii) is listed in the Schedules as contingent, unliquidated, disputed or in a zero amount, and for which a Proof of Claim has not been timely filed; or (iii) is evidenced by a Proof of Claim that has been amended by a subsequently filed Proof of Claim.

2. Disbursing Agent

The Disbursing Agent will make all Distributions required under the Plan, subject to the terms and provisions of the Plan. If the Disbursing Agent is an independent third party designated to serve in such capacity, such Disbursing Agent will receive, without further Court approval, reasonable compensation from the Wind-down Reserve for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses. No Disbursing Agent will be required to give any bond or surety or other security for the performance of its duties. The Disbursing Agent will be authorized and directed to rely upon the Debtors' Books and Records and the Plan Administrator's representatives and professionals in determining Allowed Claims not entitled to Distributions under the Plan in accordance with the terms and conditions of the Plan. Class 3 Distributions of the Valeant Shares on account of the Allowed 2016 Noteholder Claims will be made immediately upon the occurrence of the Effective Date to such Holders.

3. Delivery of Distributions and Undeliverable or Unclaimed Distributions

a. Delivery of Distributions in General

Distributions to Holders of Allowed Claims will be made by the Disbursing Agent (a) at the addresses set forth on the Proofs of Claim filed by such Holders (or at the last known addresses of such Holders if no Proof of Claim is filed or if the Debtors have been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent after the date of any related Proof of Claim, after sufficient evidence of such addresses as may be requested by the Disbursing Agent is provided, (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Disbursing Agent has not received a written notice of a change of address, (d) at the addresses set forth in the other records of the Debtors or the Disbursing Agent at the time of the Distribution or (e) in the case of the Holder of a Claim that is governed by an agreement and is administered by an agent or servicer, at the addresses contained in the official records of such agent or servicer.

In making Distributions under the Plan, the Disbursing Agent may rely upon the accuracy of the Claims register maintained by the Claims Agent in the Chapter 11 Cases, as modified by any Final Order of the Court disallowing Claims in whole or in part.

b. Undeliverable and Unclaimed Distributions

If the Distribution to any Holder of an Allowed Claim is returned to the Disbursing Agent as undeliverable or is otherwise unclaimed, no further Distributions will be made to such Holder unless and until the Disbursing Agent is notified in writing of such Holder's then-current address and such Holder provides sufficient evidence of such address as may be requested by the Disbursing Agent, at which time all missed Distributions will be made to such Holder without interest, subject to the time limitations set forth below. Amounts in respect of undeliverable Distributions made by the Disbursing Agent will be returned to the Disbursing Agent until such Distributions are claimed. The Disbursing Agent will segregate and, with respect to Cash, deposit in a segregated account designated as an unclaimed Distribution reserve undeliverable and unclaimed Distributions for the benefit of all such similarly-situated Persons until such time as a Distribution becomes deliverable or is claimed, subject to the time limitations set forth below.

Any Holder of an Allowed Claim that does not assert a claim pursuant to the Plan for an undeliverable or unclaimed Distribution within ninety (90) days after the date such Distribution was returned undeliverable will be deemed to have forfeited its Claim for such undeliverable or unclaimed Distribution and will be forever barred and enjoined from asserting any such claim for an undeliverable or unclaimed Distribution against the Debtors and their Estates, the Liquidating Debtors, the Plan Administrator, and their respective agents, attorneys, representatives, employees or independent contractors, and/or any of its or their property. In the case of undeliverable or unclaimed Distributions on account of Administrative Claims, Priority Tax Claims or Priority Non-Tax Claims, any Cash otherwise reserved for undeliverable or unclaimed Distributions will revert to the Administrative and Priority Claims Reserve. In the case of undeliverable or unclaimed Distributions on account of Allowed General Unsecured Claims, any Cash otherwise reserved for undeliverable or unclaimed Distributions will revert to the Disputed Claims Reserve, and all title to and all beneficial interests in the Available Cash represented by any such undeliverable Distributions will revert to and/or remain in the Liquidating Debtors and will be distributed in accordance with the Plan. The reversion of such Cash to the Administrative and Priority Claims Reserve or the Disputed Claims Reserve, as applicable, will be free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary and will be treated in accordance with the terms of the Plan. Nothing contained in the Plan or the Plan Administrator Agreement will require the Debtors, the Liquidating Debtors, the Plan Administrator, or any Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

This Article IVC.3.b of the Disclosure Statement and Section 6.3(b) of the Plan are not applicable to the 2016 Notes Trustee or the holders of the 2016 Notes.

4. Prepayment

Except as otherwise provided in the Plan or in the Confirmation Order, the Debtors or the Plan Administrator, on behalf of the Liquidating Debtors, as applicable, will have the right to prepay, without penalty, all or any portion of an Allowed Administrative Claim, Allowed Priority Tax Claim, Allowed Priority Non-Tax Claim or Allowed Secured Claim at any time.

5. Means of Cash Payment

Cash payments made pursuant to the Plan will be in U.S. dollars and will be made at the option and in the sole discretion of the Disbursing Agent by (i) checks drawn on or (ii) wire transfers from a domestic bank selected by the Disbursing Agent. In the case of foreign creditors, Cash payments may be made, at the option of the Disbursing Agent, in such funds and by such means as are necessary or customary in a particular jurisdiction.

6. Interest on Claims

Unless otherwise specifically provided for in the Plan or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest will not accrue or be paid on any Claims, and no Claimholder will be entitled to interest accruing on or after the Petition Date on any Claim. Interest will not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final Distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

7. Withholding and Reporting Requirements

In connection with the Plan and all Distributions thereunder, the Disbursing Agent or the Plan Administrator, as applicable, on behalf of the Liquidating Debtors, is authorized to take any and all actions that may be necessary or appropriate to comply with all withholding, payment and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Allowed Claims and Distributions under the Plan will be subject to any such withholding and reporting requirements. The Disbursing Agent or the Plan Administrator, as applicable, on behalf of the Liquidating Debtors, will be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding, payment and reporting requirements. All Holders of Claims will be required to provide any information necessary to allow the Plan Administrator to comply with all withholding, payment and reporting requirements with respect to such Taxes. The Disbursing Agent or the Plan Administrator will withhold the full amount required by law on any Distribution on account of any Holder of an Allowed Claim that fails to timely provide to the Disbursing Agent or the Plan Administrator the required information.

8. Setoffs

Subject to the terms and conditions of the Plan Administrator Agreement, the Debtors and/or the Plan Administrator may, but will not be required to, set off against any Claim and the payments or other Distributions to be made under the Plan on account of the Claim, claims of any nature whatsoever that the Debtors may have against the Holder thereof, provided that any such right of setoff that is exercised will be allocated, first, to the principal amount of the related Claim, and thereafter to any interest portion thereof, but neither the failure to do so nor the allowance of any Claim under the Plan will constitute a waiver or release by the Debtors, the Liquidating Debtors or the Plan Administrator of any such claim that the Debtors may have against such Holder.

9. Procedure for Treating and Resolving Disputed, Contingent and/or Unliquidated Claims

a. Objection Deadline; Prosecution of Objections

Except as set forth in the Plan with respect to Professional Fee Claims, all objections to Claims must be filed and served on the Holders of such Claims by the Claims Objection Deadline, as the same may be extended by the Court. If an objection has not been filed to a Proof of Claim or the Schedules have not been amended with respect to a Claim that (i) was Scheduled by the Debtors but (ii) was not Scheduled as contingent, unliquidated and/or disputed, by the Claims Objection Deadline, as the same may be extended by order of the Court, the Claim to which the Proof of Claim or Scheduled Claim relates will be treated as an Allowed Claim if such Claim has not been Allowed earlier. Notice of any motion for an order extending the Claims Objection Deadline will be required to be given only to those persons or entities that have requested notice in the Chapter 11 Cases in accordance with Bankruptcy Rule 2002.

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, on and after the Effective Date, the Plan Administrator will have the authority to: (1) file, withdraw or litigate to judgment objections to and requests for estimation of Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Court, subject to the consent of the Oversight Committee for proposed settlements in the amount of $~~[●]~~100,000.00 and above, which consent will not be unreasonably withheld; and (3) administer and adjust the Claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Court; provided, however, that the objection to and settlement of Professional Fee Claims will not be subject to Section 6.9(a) of the Plan, but rather will be governed by Section 9.1(a) of the Plan. In the event that any objection filed by the Debtors or the Committee remains pending as of the Effective Date, the Plan Administrator will be deemed substituted for the Debtors or the Committee, as applicable, as the objecting party.

The Plan Administrator will be entitled to assert all of the Debtors' rights, claims, defenses, offsets, rights of recoupment, setoffs, rights of disallowance, subrogation, recharacterization and/or equitable subordination and counter-claims with respect to Claims.

b. No Distributions Pending Allowance

Notwithstanding any other provision of the Plan or the Plan Administrator Agreement, no payments or Distributions will be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim. To the extent that a Claim is not a Disputed Claim but is held by a Holder that is or may be liable to the Debtors or the Liquidating Debtors on account of a Cause of Action, no payments or Distributions will be made with respect to all or any portion of such Claim unless and until such Claim and liability have been settled or withdrawn or have

been determined by Final Order of the Court or such other court having jurisdiction over the matter.

c. Disputed Claims Reserve

On the Distribution Date and on each subsequent Periodic Distribution Date, the Plan Administrator will withhold on a Pro Rata basis from property that would otherwise be distributed to Holders of 2016 Noteholder Claims and Holders of General Unsecured Claims entitled to Distributions under the Plan on such date, in a separate Disputed Claims Reserve, such amounts or property as may be necessary to equal one hundred percent (100%) of Distributions to which Holders of such Disputed General Unsecured Claims would be entitled under the Plan if such Disputed General Unsecured Claims were allowed in their Disputed Claim Amounts. The Plan Administrator may request, if necessary, estimation for any Disputed General Unsecured Claim that is contingent or unliquidated, or for which the Plan Administrator determines to reserve less than the Face Amount. The Plan Administrator will withhold the applicable Disputed Claim Amounts with respect to such Claims based upon the estimated amount of each such Claim as estimated by the Court. If practicable, the Plan Administrator will invest any Cash that is withheld as the Disputed Claims Reserve in an appropriate manner to ensure the safety of the investment, in accordance with the Plan Administrator Agreement. Nothing in the Plan, the Disclosure Statement or the Plan Administrator Agreement will be deemed to entitle the Holder of a Disputed General Unsecured Claim to postpetition interest on such Claim.

d. Distributions After Allowance or Disallowance

Payments and Distributions to Holders of Disputed Claims that ultimately become Allowed Claims will be made in accordance with provisions of the Plan that govern Distributions to Holders of 2016 Noteholder Claims and Allowed General Unsecured Claims and Holders of Allowed Administrative Claims, Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims. The Plan Administrator will no longer reserve for and will distribute to the Holders of Allowed Class 3 Claims and Allowed Class 4 Claims, on the next Periodic Distribution Date and pursuant to the Plan, their Pro Rata shares of the funds held in the Disputed Claims Reserve on account of any Disputed General Unsecured Claim that becomes a Disallowed Claim.

e. De Minimis Distributions

The Plan Administrator will not be required to make any distributions to Holders of Allowed Claims (other than Priority Tax Claims or Administrative Claims) aggregating less than fifty dollars ($50.00). Cash that otherwise would be payable under the Plan to Holders of Allowed General Unsecured Claims but for Section 6.9(e) of the Plan will be available for Distributions to Holders of Allowed Class 3 Claims and Allowed Class 4 Claims. Subject to Section 5.9(e) of the Plan, Cash that otherwise would be payable under the Plan to Holders of Administrative Claims, Priority Tax Claims and Priority Non-Tax Claims but for Section 6.9(e) of the Plan will remain in the Administrative and Priority Claims Reserve until such time as all such Claims are Allowed or Disallowed and the Allowed amounts of such Claims are paid.

f. Fractional Dollars

Any other provision of the Plan notwithstanding, the Disbursing Agent will not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment will reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

g. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, such Distribution will, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

h. Distribution Record Date

The Disbursing Agent will have no obligation to recognize the transfer of or sale of any participation in any Allowed Claim that occurs after the close of business on the Distribution Record Date. Instead, the Disbursing Agent will be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on the official Claims register or the Debtors' Books and Records, as applicable, as of the close of business on the Distribution Record Date.

D. Treatment of Executory Contracts and Unexpired Leases

1. Rejected Contracts and Leases

Except as otherwise provided in the Plan, the Sale Order, or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, each of the Executory Contracts and Unexpired Leases to which any Debtor is a party will be deemed automatically rejected by the applicable Debtor as of the Effective Date, unless such contract or lease (i) previously has been assumed or rejected by the Debtors, (ii) expired or terminated pursuant to its own terms, (iii) is the subject of a motion to assume or reject pending before the Court as of the Confirmation Date or (iv) is identified on Exhibit B hereto as a contract to be assumed; provided, however, that nothing contained in the Plan will constitute an admission by any Debtor that any such contract or lease is an Executory Contract or Unexpired Lease or that any Debtor or its successors and assigns has any liability thereunder; and, provided further, that the Debtors reserve their right, at any time before the Confirmation Date, to assume any Executory Contract or Unexpired Lease that was not already rejected prior to the Confirmation Date. The Confirmation Order will constitute an order of the Court approving the rejections described in Section 7.1 of the Plan, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date.

2. Rejection Damages Bar Date

If the rejection of an Executory Contract or Unexpired Lease pursuant to Section 7.1 of the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim will be forever barred and will not be enforceable against the applicable Debtor or its Estate, the Liquidating Debtors or their respective successors or properties unless a Proof of Claim is filed with the Court and served on counsel for the Plan Administrator within thirty (30) days after service of notice of entry of the Confirmation Order.

3. Assumed Contracts and Leases

Except as otherwise provided in the Confirmation Order, the Plan, the Plan Administrator Agreement or any other document entered into after the Petition Date or in connection with the Plan, the Confirmation Order will constitute an order under Bankruptcy Code section 365 assuming, as of the Effective Date, those contracts listed on Exhibit B to the Plan; provided, however, that the Debtors may amend such Exhibit at any time prior to the Confirmation Date; provided further, however, that listing an insurance agreement on such Exhibit will not constitute an admission by a Debtor that such agreement is an executory contract or that any Debtor has any liability thereunder.

Any monetary amounts by which each executory contract and unexpired lease to be assumed pursuant to the Plan is in default, if any, will be satisfied, under section 365(b)(1) of the Bankruptcy Code, by Cure, with such Cure being provided by, at the option of the Liquidating Debtors or the Plan Administrator, either (x) Dendreon or (y) the assignee to whom such contract or lease is being assigned. If there is a dispute regarding (a) the nature or amount of any Cure, (b) the ability of Dendreon or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (c) any other matter pertaining to assumption, Cure will occur following the entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment, as the case may be; provided that if there is a dispute as to the amount of Cure that cannot be resolved consensually among the parties, the Liquidating Debtors or the Plan Administrator will have the right to reject the contract or lease for a period of five (5) days after entry of a Final Order establishing a Cure amount in excess of that provided by the Debtors. The Confirmation Order, if applicable, will contain provisions providing for notices of proposed assumptions and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto (which will provide not less than twenty (20) days' notice of such procedures and any deadlines pursuant thereto) and resolution of disputes by the Court.

4. Indemnification Obligations

Any obligations of the Debtors pursuant to their corporate charters and bylaws or agreements, including amendments, entered into any time prior to the Effective Date, to indemnify, reimburse or limit the liability of any Person pursuant to the Debtors' certificates of incorporation, bylaws, policy of providing employee indemnification, applicable state law or

specific agreement in respect of any claims, demands, suits, causes of action or proceedings against such Persons based upon any act or omission related to such Persons' service with, for or on behalf of the Debtors prior to the Effective Date with respect to all present and future actions, suits and proceedings relating to the Debtors will survive confirmation of the Plan and except as set forth in the Plan, remain unaffected thereby, and will not be discharged, irrespective of whether such defense, indemnification, reimbursement or limitation of liability accrued or is owed in connection with an occurrence before or after the Petition Date; provided, however, that all obligations under Section 7.4 of the Plan will be limited solely to available insurance coverage and neither the Liquidating Debtors, the Plan Administrator nor any of their assets will be liable for any such obligations. Any Claim based on the Debtors' obligations set forth in Section 7.4 of the Plan will not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code. This provision for indemnification obligations will not apply to or cover any Claims, suits or actions against a Person that result in a final order determining that such Covered Person is liable for fraud, willful misconduct, gross negligence, bad faith, self-dealing or breach of the duty of loyalty.

E. Conditions Precedent to Confirmation and Consummation of the Plan

1. Conditions to Confirmation

The following are conditions precedent to confirmation of the Plan, each of which must be satisfied or waived in accordance with Section 8.3 of the Plan:

a. the Confirmation Order will be in form and substance reasonably acceptable to the Debtors, the Committee, the Unaffiliated Noteholders and the Deerfield Noteholders and will, among other things:

(i) provide that the Debtors are authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the agreements or documents created under or in connection with the Plan; and

(ii) provide that, notwithstanding Bankruptcy Rule 3020(e), the Confirmation Order will be immediately effective, subject to the terms and conditions of the Plan; and

b. the amounts of the Administrative and Priority Claims Estimate, the Disputed Claims Estimate, the Wind-down Reserve, the Professional Fee Estimate, and the Wind-down Budget will be reasonably acceptable to the Committee, the Deerfield Requisite Supporting Noteholders and the Unaffiliated Requisite Supporting Noteholders;

c. the Plan Administrator Agreement will be in form and substance reasonably acceptable to the Committee, the Deerfield Requisite Supporting Noteholders, and the Unaffiliated Requisite Supporting Noteholders; and

d. the Confirmation Order will have been entered by the Court.

2. Conditions to Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Section 8.3 of the Plan:

a. the Confirmation Order will not then be stayed pending appeal, vacated or reversed and will not have been amended without the agreement of the Debtors, the Committee, the Unaffiliated Noteholders and the Deerfield Noteholders;

b. the Professional Fee Reserve, the Administrative and Priority Claims Reserve and the Disputed Claims Reserve will have been funded in Cash in full and the Wind-down Reserve will have been funded with the amount agreed pursuant to Section 5.9(d) of the Plan;

c. the Plan Administrator will have been appointed and assumed its rights and responsibilities under the Plan and the Plan Administrator Agreement, as applicable;

d. the Debtors will have retained and pre-paid appropriate professionals for the preparation of the Debtors' tax returns for 2014 and 2015;

e. all actions, documents and agreements necessary to implement the provisions of the Plan to be effectuated on or prior to the Effective Date will be reasonably satisfactory to the Debtors, the Committee, the Unaffiliated Noteholders and the Deerfield Noteholders, and such actions, documents and agreements will have been effected or executed and delivered. The Plan Administrator Agreement will be completed and in final form and, as applicable, executed by the parties thereto and all conditions precedent contained in any of the foregoing will have been satisfied or waived; and

f. the Debtors will have received the Valeant Shares.

3. Waiver of Conditions

Each of the conditions to the Effective Date set forth in Section 8.2 of the Plan may be waived in whole or in part by the Debtors without any other notice to parties in interest or the Court, provided that the Debtors have received the consent of the Committee, the Deerfield Requisite Supporting Noteholders and the Unaffiliated Requisite Supporting Noteholders, which consent will not unreasonably be withheld, provided further that it will be deemed reasonable to withhold consent if the Debtors are not in receipt of the Valeant Shares. The failure of any party to exercise any of its foregoing rights will not be deemed a waiver of any of its other rights, and each such right will be deemed an ongoing right that may be asserted thereby at any time.

4. Consequences of Non-Occurrence of Effective Date

If the Effective Date does not occur within 180 days of the Confirmation Date, or by such date, after notice and a hearing, as approved by the Court, (a) the Plan will be null and void in all respects; (b) any settlement of claims will be null and void without further order of the Court; and (c) the time within which the Debtors may assume and assign or reject all Executory Contracts will be extended for a period of thirty (30) days after such motion is granted.

F. Allowance and Payment of Certain Administrative Claims

1. Professional Fee Claims

a. Final Fee Applications

All final requests for payment of Professional Fee Claims (the "Final Fee Applications") must be filed no later than forty-five (45) days after the Effective Date. Objections, if any, to Final Fee Applications of such Professionals must be filed and served on the Liquidating Debtors, the Plan Administrator, counsel to the Deerfield Noteholders, counsel to the Unaffiliated Noteholders, the requesting Professional and the Office of the United States Trustee no later than twenty (20) days from the date on which each such Final Fee Application is served and filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Court, the Allowed amounts of such Professional Fee Claims will be determined by the Court.

b. Employment of Professionals after the Effective Date

From and after the Effective Date, any requirement that professionals comply with sections 327 through 331 of the Bankruptcy Code or any order previously entered by the Court in seeking retention or compensation for services rendered or expenses incurred after such date will terminate.

2. Substantial Contribution Compensation and Expenses Bar Date

Any Person who wishes to make a Substantial Contribution Claim based on facts or circumstances arising after the Petition Date must file an application with the clerk of the Court, on or before the Administrative Claims Bar Date, and serve such application on the Liquidating Debtors and the Plan Administrator and as otherwise required by the Court and the Bankruptcy Code on or before the Administrative Claims Bar Date, or be forever barred from seeking such compensation or expense reimbursement. Objections, if any, to the Substantial Contribution Claim must be filed no later than the Claims Objection Deadline, unless otherwise extended by Order of the Court. For the avoidance of doubt, this Article IVF.2 and Section 9.2 of the Plan will not apply to the Committee Member Substantial Contribution Claim and the Deerfield Substantial Contribution Claim.

3. Other Administrative Claims

All other requests for payment of an Administrative Claim arising after the Petition Date, other than Professional Fee Claims and Claims arising under section 503(b)(9) of the Bankruptcy Code, must be filed with the Court and served on the Liquidating Debtors and the Plan Administrator no later than the Administrative Claims Bar Date. Unless the Plan Administrator or any other party in interest objects to an Administrative Claim by the Claims Objection Deadline, such Administrative Claim will be deemed Allowed in the amount requested. In the event that the Plan Administrator or any other party in interest objects to an Administrative Claim, the Court will determine the Allowed amount of such Administrative Claim.

G. Effects of Confirmation

1. ~~Compromise and Settlement~~Satisfaction of Claims ~~and Controversies~~

~~Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the classification,~~ Distributions~~, releases and other benefits provided pursuant to~~ made under the Plan~~, on the Effective Date, the provisions of the Plan will constitute a good faith compromise and settlement of all Claims, Interests and controversies resolved pursuant to the Plan or relating to the contractual, legal and subordination rights that a Holder of a Claim or Interest may have with respect to any Claim or Interest, or any Distribution to be made on account of such Claim or Interest~~ on account of Claims or Interests will satisfy the obligations of the Debtors and the Liquidating Debtors, as adjusted by the Plan, in respect of such Claims or Interests. The entry of the Confirmation Order will constitute the Court's approval of ~~the compromise or settlement~~such treatment and satisfaction of all such Claims~~,~~ and Interests~~ and controversies~~, as well as a finding by the Court that such ~~compromise or settlement~~treatment and satisfaction is in the best interests of the Debtors, their Estates and Holders of Claims and Interests and is fair, equitable and reasonable.

2. Binding Effect

The Plan will be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, whether or not such Holders will receive or retain any property or interest in property under the Plan, and their respective successors and assigns, including, but not limited to, the Liquidating Debtors and the Plan Administrator and all other parties in interest in the Chapter 11 Cases.

3. Effects of Confirmation

No Claimholder or Interest Holder may, on account of a Claim or Interest, seek or receive any payment or other Distribution from, or seek recourse against, any Debtor or its respective successors, assigns and/or property, except as expressly provided in the Plan.

4. Releases

a. Releases by the Debtors

Pursuant to section 1123(b) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise specifically provided in the Plan, upon the Effective Date, each of the Debtors will release unconditionally, and hereby is deemed to forever release unconditionally (i) the Committee and, solely in their respective capacities as members or representatives of the Committee, (and not as individual lenders or creditors to or on behalf of the Debtors), each member of the Committee; (ii) the Released Parties; and (iii) each of their the respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives of any of the foregoing or of the Debtors, solely in their respective capacities as such; and (iv) all individuals serving, or who have served, since the Petition Date, as a director or officer of the Debtors, from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever (other than the right to enforce the performance of their respective obligations, if any, to the Debtors or the Liquidating Debtors under the Plan, the Plan Administrator Agreement and the contracts, instruments, releases and other agreements delivered under the Plan and the Plan Administrator Agreement), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan or the Disclosure Statement, other than Claims or liabilities arising out of or relating to any act or omission that constitutes a failure to perform the duty to act in good faith and where such failure to perform constitutes willful misconduct, gross negligence, or fraud.

b. Release by Holders of Claims

Except as otherwise specifically provided in the Plan and to the fullest extent permissible under applicable law, on the Effective Date, the Released Parties and each Holder of a Claim (excluding any of the Debtors), including each Claimholder deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, will release unconditionally, and hereby is deemed to forever release unconditionally (i) the Released Parties, (ii) the Committee, (iii) each of their respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives, solely in their respective capacities as such, and only with respect to their activities and conduct during or in connection with the Chapter 11 Cases, (iv) all individuals serving, or who have served, since the Petition Date, as a manager, director, managing member, officer, partner, agent, employee, attorney or other advisor of the Debtors and (yv) any successors or assigns of the foregoing, from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever (other than the right to enforce the performance of their respective obligations, if any, to the Debtors under the Plan, the Plan Administrator Agreement and the contracts, instruments, releases and other agreements delivered under the Plan and the Plan Administrator Agreement), whether liquidated or unliquidated, fixed or contingent, matured or

unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, whether or not by or in the right of any of the Debtors, that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan or the Disclosure Statement other than Claims or liabilities arising out of or relating to any act or omission that constitutes a failure to perform the duty to act in good faith and where such failure to perform constitutes willful misconduct, gross negligence, or fraud; provided, that this subsection will not release any Person from any Claim or cause of action existing as of the Effective Date, based on (x) the Internal Revenue Code or any other domestic state, city or municipal tax code, (y) the environmental laws of the United States or any domestic state, city or municipality or (z) any criminal laws of the United States or any domestic state, city or municipality. Notwithstanding anything to the contrary in Section 10.4(b) of the Plan, a Holder of a Claim (other than a Released Party) will be deemed not to provide the releases in Section 10.4(b) if such Holder (i) votes to reject the Plan and (ii) "opts out" of the releases provided in section 10.4(b) of the Plan in a timely submitted, valid Ballot. For the avoidance of doubt, each Released Party that is the Holder of a Claim will be deemed to have given the releases in Section 10.4(b) of the Plan.

5. Exculpation and Limitation of Liability

Except as otherwise specifically provided in the Plan, to the maximum extent permitted by the Bankruptcy Code and applicable law, none of (i) the Debtors, (ii) the Liquidating Debtors, (iii) the Plan Administrator, (iv) the Committee, (v) the ~~Released Parties~~Supporting Noteholders, nor (vi) any of their respective members, officers, directors, shareholders, employees, advisors, attorneys or agents acting in such capacity on or after the Petition Date, will have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or an Interest, or (with respect to such Claims or Interests) any of their respective agents, affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Debtors' Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct or gross negligence, and in all respects will be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under the Plan.

6. Injunction

Except as otherwise expressly provided in the Plan, the Plan Supplement or related documents, or for obligations issued pursuant to the ~~plan~~Plan, all Persons who have held, hold or may hold Claims against or Interests in the Debtors are permanently enjoined, from and after the ~~Confirmation~~Effective Date, from taking any of the following actions against any of the ~~Debtors, the~~ Estate(s), the Plan Administrator, any of the property of the foregoing, the property of the Liquidating Debtors, ~~the Plan Administrator, the Committee (or any of its members from time to time), the 2016 Notes Trustee, the Unaffiliated Noteholders, the Deerfield Noteholders, or any of their~~

~~property~~or any successors or assigns of the foregoing **on account of any such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (C) creating, perfecting or enforcing any lien or encumbrance; (D) asserting a setoff~~, or **right of subrogation ~~or recoupment~~ of any kind against any debt, liability or obligation due to the Debtors; and (E) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan. By accepting Distributions pursuant to the Plan, each Holder of an Allowed Claim receiving any Distribution pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth in Section 10.6 of the Plan.**

The releases pursuant to Article X of the Plan shall also act as a permanent injunction against any party that has provided such releases from commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim released under this Plan to the fullest extent authorized by applicable law.

7. Satisfaction of Subordination Rights

All Claims against the Debtors and all rights and claims between or among Claimholders relating in any manner whatsoever to Distributions on account of Claims against the Debtors based upon any subordination rights, whether asserted or unasserted, legal or equitable, will be deemed satisfied by the Distributions under the Plan to Claimholders having such subordination rights, and such subordination rights will be deemed waived, released, discharged and terminated as of the Effective Date. Distributions to the various Classes of Claims under the Plan will not be subject to levy, garnishment, attachment or like legal process by any Claimholder by reason of any subordination rights or otherwise, so that each Claimholder will have and receive the benefit of the Distributions in the manner set forth in the Plan.

H. Retention of Jurisdiction

1. Retention of Jurisdiction by the Court

Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order, substantial consummation of the Plan and occurrence of the Effective Date, the Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases, the Plan, and the Plan Administrator Agreement to the fullest extent permitted by law, including, among other things, jurisdiction to:

1. To the extent not otherwise determined by the Plan, determine (i) the allowance, classification or priority of Claims upon objection by any party in interest entitled to file an objection, or (ii) the validity, extent, priority and nonavoidability of consensual and nonconsensual Liens and other encumbrances

against assets of the Estates, Causes of Action, or property of the Estates or the Liquidating Debtors;

2. Issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Entity or Person, construe and to take any other action to enforce and execute the Plan, the Confirmation Order or any other order of the Court, issue such orders as may be necessary for the implementation, execution, performance and consummation of the Plan and all matters referred to in the Plan, and determine all matters that may be pending before the Court in the Chapter 11 Cases on or before the Effective Date with respect to any Entity or Person;

3. Protect the assets or property of the Estates and/or the Liquidating Debtors, including Causes of Action, from claims against, or interference with, such assets or property, including actions to quiet or otherwise clear title to such property or to resolve any dispute concerning Liens or other encumbrances on any assets of the Estates;

4. Determine any and all applications for allowance of Professional Fee Claims;

5. Determine any Priority Tax Claims, Priority Non-Tax Claims or Administrative Claims, entitled to priority under section 507(a) of the Bankruptcy Code;

6. Resolve any dispute arising under or related to the implementation, execution, consummation or interpretation of the Plan and the making of Distributions under the Plan;

7. Determine any and all motions related to the rejection, assumption or assignment of Executory Contracts or Unexpired Leases or determine any issues arising from the deemed rejection of Executory Contracts and Unexpired Leases set forth in Article VII of the Plan;

8. Except as otherwise provided in the Plan, determine all applications, motions, adversary proceedings, contested matters, actions and any other litigated matters instituted in and prior to the closing of the Chapter 11 Cases, including any remands;

9. Enter a Final Order closing each of the Chapter 11 Cases;

10. Modify the Plan under section 1127 of the Bankruptcy Code, remedy any defect, cure any omission or reconcile any inconsistency in the Plan or the Confirmation Order so as to carry out their intent and purposes;

11. Issue such orders in aid of consummation of the Plan and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Entity or Person, to the full extent authorized by the Bankruptcy Code;

12. Determine any Tax liability pursuant to section 505 of the Bankruptcy Code;

13. Enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

14. Resolve any disputes concerning whether an Entity or Person had sufficient notice of the Chapter 11 Cases, the applicable Bar Date, the hearing to consider approval of the Disclosure Statement or the Confirmation Hearing or for any other purpose;

15. Resolve any dispute or matter arising under or in connection with any order of the Court entered in the Chapter 11 Cases;

16. Authorize, as may be necessary or appropriate, sales of assets as necessary or desirable and resolve objections, if any, to such sales;

17. Resolve any disputes concerning any release, injunction, exculpation or other waiver or protection provided in the Plan;

18. Approve, if necessary, any Distributions, or objections thereto, under the Plan;

19. Approve, as may be necessary or appropriate, any Claims settlement entered into or offset exercised by the Plan Administrator;

20. Resolve any dispute or matter arising under or in connection with the Liquidating Debtors or the Plan Administrator;

21. Order the production of documents, disclosures or information, or to appear for deposition demanded pursuant to Bankruptcy Rule 2004; and

22. Determine such other matters, and for such other purposes, as may be provided in the Confirmation Order or as may be authorized under provisions of the Bankruptcy Code.

2. Retention of Non-Exclusive Jurisdiction by the Court

Notwithstanding anything else in the Plan, the Court will retain non-exclusive jurisdiction over all Causes of Action prosecuted by the Plan Administrator on behalf of the Liquidating Debtors.

3. Failure of Court to Exercise Jurisdiction

If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in Section 11.1 of the Plan, the provisions of Article XI of the Plan will have no effect upon and will not control, prohibit or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

I. Miscellaneous Provisions

1. Modifications and Amendments

The Debtors may alter, amend or modify the Plan or any Exhibits thereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date provided that the Debtors have received the prior consent of the Committee, the Deerfield Requisite Supporting Noteholders, and the Unaffiliated Requisite Supporting Noteholders, which consent will not unreasonably be withheld. After the Confirmation Date and prior to substantial consummation of the Plan as defined in section 1101(2) of the Bankruptcy Code, the Debtors may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims under the Plan; provided, however, that prior notice of such proceedings will be served in accordance with the Bankruptcy Rules or order of the Court.

2. Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, then the Court, at the request of the Debtors, will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

3. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan will be binding on, and will inure to the benefit of, any heir, executor, administrator, successor or assign of that Person.

4. Payment of Statutory Fees

All fees payable through the Effective Date pursuant to 28 U.S.C. § 1930 will be paid on ~~or as soon as practicable after~~ the Effective Date. The Debtors, prior to the Effective Date, and the Plan Administrator, on behalf of the Liquidating Debtors, from and after the Effective Date, will pay ~~the~~ U.S. Trustee Fees in accordance with 28 U.S.C. § 1930 until the Chapter 11 Cases are closed or converted and/or the entry of final decrees. In addition, the Plan Administrator will file post-confirmation quarterly reports or any pre-confirmation monthly operating reports not filed as of the Confirmation Hearing in conformance with the U.S. Trustee Guidelines. The U.S. Trustee will not be required to file a request for payment of its quarterly fees~~, which will be deemed an Administrative Claim against the Debtors and their Estates~~.

5. Revocation, Withdrawal or Non-Consummation

The Debtors reserve the right to revoke or withdraw the Plan as to any or all of the Debtors prior to the Confirmation Date and to file subsequent plans. If the Debtors revoke or withdraw the Plan as to any or all of the Debtors, or if Confirmation or consummation of the Plan as to any or all of the Debtors does not occur, then, with respect to such Debtors, (a) the Plan will be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, will be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, will (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of such Debtors or any other Person or (iii) constitute an admission of any sort by such Debtors or any other Person.

6. Insurance Policies

The Debtors or the Plan Administrator, on behalf of the Liquidating Debtors, may cancel, terminate, or surrender any insurance policies in accordance with the terms thereof and the applicable insurer is authorized to accept such cancellation, termination, or surrender of any such policy. Any insurer is authorized to pay, and the Debtors or the Plan Administrator, on behalf of the Liquidating Debtors, may collect any proceeds of such cancellation, termination or surrender.

~~6~~7. Service of Documents

Any notice, request or demand required or permitted to be made or provided to or upon a Debtor, a Liquidating Debtor, the Committee, or the Plan Administrator will be (a) in writing, (b) served by (i) certified mail, return receipt requested, (ii) hand delivery, (iii) overnight delivery service, or (iv) facsimile transmission, (c) deemed to have been duly given or

made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed and (d) addressed as follows:

The Debtors:

Dendreon Corporation
601 Union Street
Suite 4900
Seattle, WA 98101
Attn: Rob Crotty, Esq.
Title: General Counsel and Secretary
Telephone: (888) 369-8915

with a copy to:
Ken Ziman, Esq.
Skadden, Arps, Slate, Meager & Flom LLP
Four Times Square
New York, New York 10036-6522
Telephone: (212) 735-3000
Fax: (212) 735-2000

with a copy to:
Felicia Gerber Perlman, Esq.
Skadden, Arps, Slate, Meager & Flom LLP
155 N. Wacker Dr.
Chicago, IL 60606-1720
Telephone: (312) 407-0700
Fax: (312) 407-0411

The Liquidating Debtors:

Dendreon Corporation
601 Union Street
Suite 4900
Seattle, WA 98101
Attn: Rob Crotty, Esq.
Title: General Counsel and Secretary
Telephone: (888) 369-8915

Committee:

c/o Michael Torkin, Esq.
Mark Schneiderman, Esq.

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Telephone: (212) 558-4000
Facsimile: (212) 558-3588

Deerfield Noteholders:

c/o John C. Longmire, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

Unaffiliated Noteholders:

c/o Steven D. Pohl, Esq.
Brown Rudnick LLP
One Financial Center
Boston, Massachusetts 02111
Telephone: (617) 856-8200
Facsimile: (617) 856-8201

and

c/o John Storz, Esq.
Seven Times Square
New York, NY 10036
Telephone: (212) 209-4800
Facsimile: (212) 209-4801

Plan Administrator:

Name
Address
Telephone:
Facsimile:

~~7~~8. Plan Supplement(s)

Exhibits to the Plan not attached to the Plan will be filed in one or more Plan Supplements by the Plan Supplement Filing Date. Any Plan Supplement (and amendments thereto) filed by the Debtors will be deemed an integral part of the Plan and will be incorporated by reference as if fully set forth in the Plan. Substantially contemporaneously with their filing, the Plan Supplements may be viewed at the Debtors' case website

(https://cases.primeclerk.com/dendreon/) or the Court's website (http://www.deb.uscourts.gov). Copies of case pleadings, including the Plan Supplements, also may be examined between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday, excluding federal holidays, at the Office of the Clerk of the Court, 824 N. Market St., 3rd Floor, Wilmington, Delaware 19801. Finally, copies of case pleadings also may be obtained by written request to the Claims Agent, at dendreoninfo@primeclerk.com. The documents contained in any Plan Supplements will be approved by the Court pursuant to the Confirmation Order.

ARTICLE V

ISSUANCE OF VALEANT SHARES UNDER THE PLAN

A. Valuation of Valeant Shares

Pursuant to the Second Amended Acquisition Agreement, the Valeant Shares will be valued at the closing price of the Valeant Shares on the New York Stock Exchange as reported by Bloomberg L.P. (or, if not reported therein, in another authoritative source mutually selected by the parties) on the trading day immediately prior to the Effective Date. The Second Amended Acquisition Agreement also provides that Valeant will use commercially reasonable efforts to cause the Valeant Shares issued as consideration for the purchase of the Acquired Assets to be approved for listing on the New York Stock Exchange and the Toronto Stock Exchange on or prior to the date of issuance of such Valeant Shares. A discussion of certain federal and securities laws can be found at Article ~~X~~XI.

B. Delivery of Valeant Shares to the Debtors

Pursuant to the Second Amended Acquisition Agreement, the Debtors will provide at least three (3) business days prior written notice to Valeant and the Purchaser of the anticipated Effective Date. On the same date, the Debtors will also file a notice on the docket in these Chapter 11 Cases. The Valeant Shares will be delivered by Valeant through Valeant's transfer agent to Dendreon Corporation on the Effective Date of the Plan through the facilities of The Depository Trust Company by crediting the account of Dendreon Corporation's prime broker with The Depository Trust Company. Distributions of the Valeant Shares on account of Allowed 2016 Noteholder Claims will be made immediately to such Holders upon the occurrence of the Effective Date.

C. Information Concerning Valeant

As more fully detailed in its public filings with the SEC, Valeant is a multinational, specialty pharmaceutical and medical device company that develops, manufactures, and markets a broad range of products and medical devices which are marketed directly or indirectly in over 100 countries. Valeant is a public company with a market capitalization exceeding $55 billion that is traded on the New York Stock Exchange and the Toronto Stock Exchange under the ticker symbol VRX. This Disclosure Statement hereby incorporates by reference the publicly filed financial statements of Valeant. For additional information regarding Valeant, please see

Valeant's most recent Form 10-K attached to this Disclosure Statement as Exhibit B. As of April 13, 2015, shares of Valeant were trading at [__] with a daily volume of [__].

ARTICLE VI

VOTING REQUIREMENTS; ACCEPTANCE AND CONFIRMATION OF THE PLAN

A. General

The Bankruptcy Code requires that, in order to confirm the Plan, the Court must make a series of findings concerning the Plan and the Debtors, including that (i) the Plan has classified Claims in a permissible manner; (ii) the Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Plan has been proposed in good faith and not by any means forbidden by law; (iv) the disclosure required by section 1125 of the Bankruptcy Code has been made; (v) the Plan has been accepted by the requisite votes of Holders of Claims (except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code); (vi) the Plan is feasible and confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors unless such liquidation or reorganization is proposed in the Plan; (vii) the Plan is in the "best interests" of all Holders of Claims in an Impaired Class by providing to such Holders on account of their Claims property of a value, as of the Effective Date, that is not less than the amount that such Holders would receive or retain in a chapter 7 liquidation, unless each Holder of a Claim in such Class has accepted the Plan; and (viii) all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Court at the hearing on confirmation, have been paid or the Plan provides for the payment of such fees on the Effective Date.

B. Parties in Interest Entitled to Vote

Pursuant to the Bankruptcy Code, only Classes of Claims that are "impaired" (as defined in section 1124 of the Bankruptcy Code) under the Plan are entitled to vote to accept or reject the Plan. A Class is impaired if the legal, equitable or contractual rights to which the Claims of that Class entitled the Holders of such Claims are modified, other than by curing defaults and reinstating the Claims. Classes that are not impaired are not entitled to vote on the Plan and are conclusively presumed to have accepted the Plan. In addition, Classes that receive no distributions under the Plan are not entitled to vote on the Plan and are deemed to have rejected the Plan.

C. Classes Impaired and Entitled to Vote under the Plan

The following Classes are Impaired under the Plan and entitled to vote on the Plan:

Class	Claim	Status	Voting Right
3	2016 Noteholder Claims	Impaired	Entitled to Vote

4	General Unsecured Claims	Impaired	Entitled to Vote

Acceptances of the Plan are being solicited only from Holders of Claims in Classes 3 and 4 that will or may receive consideration under the Plan. Holders of Claims and Interests in Classes 5, 6, and 7 are deemed to reject the Plan. Holders of Claims in Classes 1, 2, and 8 are deemed to accept the Plan and are not entitled to vote.

D. Voting Procedures and Requirements

1. Ballots

The Solicitation Procedures Order sets April 7, 2015, as the record date for voting on the Plan (the "Record Date"). Accordingly, only Holders of record as of the Record Date that are otherwise entitled to vote under the Plan will receive a Ballot and may vote on the Plan.

In voting for or against the Plan, please use only the Ballot sent to you with this Disclosure Statement. If you are a Holder of a Claim in Classes 3 or 4 and did not receive a Ballot, if your Ballot is damaged or lost or if you have any questions concerning voting procedures, please contact the Voting Agent at (844) 794-3479 or at dendreoninfo@PrimeClerk.com.

2. Returning Ballots

If you are entitled to vote to accept or reject the Plan, you should read carefully, complete, sign and return your Ballot, with original signature, in the enclosed envelope.

TO BE COUNTED, YOUR BALLOT WITH YOUR ORIGINAL SIGNATURE INDICATING YOUR ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED NO LATER THAN **4:00 P.M. (EASTERN TIME) ON MAY 19, 2015** (THE "VOTING DEADLINE").

3. Voting

Pursuant to section 105(a) of the Bankruptcy Code, Bankruptcy Rules 2002(a)(7) and 3003(c)(2) and the Bar Date Order, any creditors whose claims are not the subject of a timely-filed proof of claim, or a proof of claim deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or other order of the Court, or otherwise deemed timely filed under applicable law and (a) are scheduled in Debtors' Schedules as disputed, contingent or unliquidated; or (b) are not scheduled (the "Non-Voting Claims"), will be denied treatment as creditors with respect to such claims for purposes of voting on the Plan and receiving distributions under the Plan.

For purposes of voting, the amount of a Claim used to calculate acceptance or rejection of the Plan under section 1126 of the Bankruptcy Code will be determined in accordance with the following hierarchy:

a. if an order has been entered by the Court determining the amount of such Claim, whether pursuant to Bankruptcy Rule 3018 or otherwise, then in the amount prescribed by the order;

b. if no such order has been entered, then in the liquidated amount contained in a timely-filed proof of claim that is not the subject of a timely-filed objection; and

c. if no such proof of claim has been timely filed, then in the liquidated, noncontingent and undisputed amount contained in the Debtors' Schedules.

For purposes of voting, the following conditions will apply to determine the amount and/or classification of a Claim:

a. if a Claim is partially liquidated and partially unliquidated, such Claim will be allowed for voting purposes only in the liquidated amount;

b. if a scheduled or filed Claim has been paid, such Claim will be disallowed for voting purposes;

c. the holder of a timely-filed proof of claim that is filed in a wholly unliquidated, contingent, disputed and/or unknown amount, and is not the subject of a timely-filed objection, is entitled to vote in the amount of $1.00; and

d. Claims filed for $0.00 are not entitled to vote.

Pursuant to the Solicitation Procedures Order, the deadline for filing and serving motions pursuant to Bankruptcy Rule 3018(a) seeking temporary allowance of claims for the purpose of accepting or rejecting the Plan will be May 12, 2015 at 4:00 p.m. (Eastern Time).

E. Acceptance of Plan

As a condition to confirmation, the Bankruptcy Code requires that each class of impaired claims vote to accept the Plan, except under certain circumstances. See "Confirmation Without Necessary Acceptances; Cramdown" below. A plan is accepted by an impaired class of claims if holders of at least two-thirds in dollar amount and more than one-half in number of claims of those that vote in such class vote to accept the plan. Only those holders of claims who actually vote count in these tabulations. Holders of claims who fail to vote are not counted as either accepting or rejecting a plan.

In addition to this voting requirement, section 1129 of the Bankruptcy Code requires that a plan be accepted by each holder of a claim or interest in an impaired class or that the plan otherwise be found by a court to be in the best interests of each holder of a claim or interest in such class. See "Best Interests Test" below. Moreover, each impaired class must accept the plan for the plan to be confirmed without application of the "fair and equitable" and "unfair discrimination" tests set forth in section 1129(b) of the Bankruptcy Code discussed below. See "Confirmation Without Necessary Acceptances; Cramdown" below.

F. Confirmation Without Necessary Acceptances; Cramdown

In the event that any impaired class of claims or interests does not accept a plan, a debtor nevertheless may move for confirmation of the plan. A plan may be confirmed, even if it is not accepted by all impaired classes, if the plan has been accepted by at least one impaired class of claims, and the plan meets the "cramdown" requirements set forth in section 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code requires that a court find that a plan (i) "does not discriminate unfairly" and (ii) is "fair and equitable," with respect to each non-accepting impaired class of claims or interests.

Here, because Classes 5, 6, and 7 are deemed to reject the Plan, and Classes 3 and 4 are entitled to vote on the Plan, the Debtors will seek confirmation of the Plan from the Court by satisfying the "cramdown" requirements set forth in section 1129(b) of the Bankruptcy Code. The Debtors believe that such requirements are satisfied as no Claim or Interest Holder junior to those in Classes 5-7 will receive any property under the Plan.

1. No Unfair Discrimination

A plan "does not discriminate unfairly" if (a) the legal rights of a nonaccepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the nonaccepting class, and (b) no class receives payments in excess of that which it is legally entitled to receive for its claims or interests. The Debtors believe that under the Plan all impaired Classes of Claims and Interests are treated in a manner that is consistent with the treatment of other Classes of Claims and Interests that are similarly situated, if any, and no class of Claims or Interests will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims or Allowed Interests in such Class. Accordingly, the Debtors believe the Plan does not discriminate unfairly as to any Impaired Class of Claims or Interests.

2. Fair and Equitable Test

With respect to a dissenting class of claims or interests, the "fair and equitable" standard requires that a plan provide that either the claims or interests in each class received everything to which they are legally entitled or that classes junior in priority to the class receive nothing. The strict requirement of the allocation of full value to dissenting classes before any junior class can receive distribution is known as the "absolute priority rule."

The Bankruptcy Code establishes different "fair and equitable" tests for holders of secured claims, unsecured claims and interests, which may be summarized as follows:

a. *Secured Claims.* Either (i) each holder of a claim in an impaired class of secured claims retains its liens securing its secured claim and it receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each holder of a claim in an impaired class of secured claims realizes the indubitable equivalent of its allowed secured claim or (iii) the property securing the

claim is sold free and clear of liens, with such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.

b. *Unsecured Claims.* Either (i) each holder of a claim in an impaired class of unsecured claims receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

c. *Equity Interests.* Either (i) each holder of an equity interest in an impaired class of interests will receive or retain under the chapter 11 plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock or (b) the value of the stock or (ii) the holders of interests that are junior to the stock will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

As discussed above, the Debtors believe that the distributions provided under the Plan satisfy the absolute priority rule.

ARTICLE VII

FEASIBILITY AND BEST INTERESTS OF CREDITORS

A. Best Interests Test

As noted above, even if the Plan is accepted by the holders of each class of claims and interests, the Bankruptcy Code requires a bankruptcy court to determine that such Plan is in the best interests of all holders of claims or interests that are impaired by that Plan and that have not accepted the Plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to holders of each impaired class of claims and interests if the Debtors were liquidated under chapter 7, a bankruptcy court must first determine the aggregate dollar amount that would be generated from a debtor's assets if its chapter 11 cases were converted to chapter 7 cases under the Bankruptcy Code. Because the Plan is a liquidating plan, the "liquidation value" in the hypothetical chapter 7 liquidation analysis for purposes of the "best interests" test is substantially similar to the estimates of the results of the chapter 11 liquidation contemplated by the Plan. However, the Debtors believe that in a chapter 7 liquidation, there would be additional costs and expenses that the Estates would incur as a result of liquidating the Estates in a chapter 7 case.

Costs of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a trustee, as well as of counsel and other professionals retained by the trustee, all unpaid expenses incurred by the debtor in its Chapter 11 Cases (such as compensation of attorneys, financial advisors and accountants) that are allowed in the chapter 7 cases, litigation costs, and claims arising from the operations of the debtor during the pendency of the Chapter 11 Cases.

B. Liquidation Analysis

If these cases were to be converted to chapter 7 cases, the Debtors' Estates would incur the costs of payment of a statutorily allowed commission to the chapter 7 trustee, as well as the costs of counsel and other professionals retained by the trustee. The Debtors believe such amount would exceed the amount of expenses that would be incurred in implementing the Plan and winding up the affairs of the Debtors. Conversion also would likely delay the liquidation process and ultimately distribution to unsecured creditors. The Debtors' Estates would also be obligated to pay all unpaid expenses incurred by the Debtors during these Chapter 11 Cases (such as compensation for professionals) which are allowed in the chapter 7 cases. Accordingly, the Debtors believe that holders of Allowed Claims would receive less than anticipated under the Plan if the Chapter 11 Cases were converted to chapter 7 cases. A hypothetical liquidation analysis is included as Exhibit C.

C. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successors to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan. Inasmuch as the Debtors have been liquidated and the Plan provides for the distribution of all of the proceeds of that liquidation to holders of claims that are allowed as of the Effective Date, the Plan is effectively exempted from the feasibility requirements in accordance with the express terms of section 1129(a)(11) of the Bankruptcy Code.

ARTICLE VIII

EFFECT OF CONFIRMATION

A. Binding Effect of Confirmation

Confirmation will bind the Debtors and all Holders of Claims and Interests to the provisions of the Plan, whether or not the Claim or Interest of any such Holder is Impaired under the Plan and whether or not any such Holder of a Claim or Interest has accepted the Plan. Confirmation will have the effect of converting all claims into rights to receive the treatment specified in Article IVA hereof and cancelling all Interests in Dendreon Corporation.

B. Good Faith

Confirmation of the Plan will constitute a finding that: (i) the Plan has been proposed in good faith and in compliance with applicable provisions of the Bankruptcy Code; and (ii) all solicitations of acceptances or rejections of the Plan have been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

ARTICLE IX

RELEASES

Pursuant to Section 10.4 of the Plan, the Debtors will provide releases (the "Debtor Third Party Releases"), as of the Effective Date, of, among other things, certain claims, rights, and causes of action that the Debtors may have against the following: (a) the Committee and, solely in their respective capacities as members or representatives of the Committee, (and not as individual lenders or creditors to or on behalf of the Debtors), each member of the Committee; (b) the Released Parties;[10] (c) each of the respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives of any of the foregoing or of the Debtors, solely in their respective capacities as such; and (d) all individuals serving, or who have served, since the Petition Date, as a director or officer of the Debtors (the "Debtor Third Party Releasees").

Section 10.4 of the Plan also provides for certain releases by the Released Parties and Holders of Claims (excluding any of the Debtors), including each Claimholder deemed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code (the "Non Debtor Third Party Releases", and together with the Debtor Third Party Releases, the "Third Party Releases") of (a) the Released Parties, (b) the Committee, (c) each of their respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives, solely in their respective capacities as such, and only with respect to their activities and conduct during or in connection with the Chapter 11 Cases, (d) all individuals serving, or who have served, since the Petition Date, as a manager, director, managing member, officer, partner, agent, employee, attorney or other advisor of the Debtors and (e) any successors or assigns of the foregoing (the "Non Debtor Third Party Releasees", and together with the Debtor Third Party Releasees, the "Releasees").

[10] "Released Party" as defined in the Plan means each of the following (a) the Deerfield Noteholders, (b) the Unaffiliated Noteholders, (c) the 2016 Notes Trustee, and (d) with respect to each of the foregoing persons in clauses (a) through (c), such Person's current and former subsidiaries, Affiliates, members, directors, officers, principals, agents, financial advisors, restructuring advisors, accountants, investment bankers, consultants, attorneys, employees, partners, equity holders, representatives, and other professionals, in each case, only in their capacity as such.

The Third Party Releases satisfy the test applied to third party releases in In re Master Mortgage Investment Fund, Inc., 168 B.R. 930, 934-35 (Bankr. W.D. Mo. 1994) and applied to debtor releases in In re Zenith Electronics Corp., 241 B.R. 92 (Bankr. D. Del. 1999). The Master Mortgage factors include: (a) whether an identity of interest between the debtors and the releasees exists, such that a suit against the releasees is, in essence, a suit against the debtors or would deplete assets of the estates; (b) whether the releasees have made a substantial contribution to the reorganization; (c) the essential nature of the releases to the likelihood of success of the reorganization; (d) whether a substantial majority of the impacted creditors support the plan; and (e) whether the plan pays substantially all of the claims of the impacted creditors. 168 B.R. at 935. The Master Mortgage factors are not a rigid test; rather, the court should engage "in a fact specific review, weighing the equities of [the individual] case." Id. Further, the factors are not "an exclusive list of considerations, nor are they a list of conjunctive requirements." Id.

The Debtors submit that the Third Party Releases set forth in the Plan satisfy the Master Mortgage factors. First, certain of the Releasees share an identity of interest with the Debtors because the Debtors have an obligation to indemnify them for claims arising out of their services or contracts with the Debtors. Thus, a suit against these Releasees would, in essence, be a claim against the Debtors. In addition, the Debtors and many of the Released Parties share the common goal of confirming the Plan, as the Plan represents the culmination of the broad negotiations among the Debtors, the Supporting Noteholders and the Committee that were documented in the settlement in connection with the Amended and Restated Plan Support Agreements.

Second, all of the Releasees have made substantial contributions to the Chapter 11 Cases and to the Plan process. The Supporting Noteholders' releases were negotiated as part of the Plan Support Agreements. The keystone of the Plan Support Agreements was a competitive process pursuant to which the Debtors would sell all or substantially all of their assets. The Plan Support Agreements allowed the Debtors to set a floor price for a potential sale, which resulted in the successful sale of substantially all of the Debtors' assets to a subsidiary of Valeant. The premise of the Plan is to distribute the proceeds of that sale. The Plan Support Agreements further assisted the Debtors by providing concrete evidence to the market of the support of the Supporting Noteholders, which in turn provided stability to the Debtors' business while they navigated the chapter 11 process and pursued a sale of their assets. The Plan Support Agreements enabled the Debtors to make a strong statement to all stakeholders, including doctors, patients, distributors, vendors and employees that the business was secure and viable and to assure such parties that PROVENGE would continue to be available. This stability also provided certainty to potential purchasers as to the viability of the Debtors' business, allowing the Debtors to maximize value for all stakeholders through the sale process. The Supporting Noteholders have continued to contribute to the Chapter 11 Cases through their oversight of the Debtors' liquidation efforts and by negotiating and supporting the Plan.

The Committee has also contributed substantially to the Chapter 11 Cases in that it ultimately supported the Debtors' entry into the Plan Support Agreements, was instrumental in

negotiating the Plan [and will assist in securing votes in favor of the Plan through its Letter of Support in connection with the Plan.] In addition, as noted with respect to the Committee Members' Substantial Contribution claim, the Committee assisted greatly with the sale, specifically by (i) evaluating materials related to the sale of substantially all of the Debtors' assets, including bids submitted to the Debtors, (ii) negotiating with the Debtors and the Supporting Noteholders the terms of the potential plans for disposition of those assets, and (iii) facilitating compromise among the various parties.

The directors and officers of the Debtors similarly contributed to the Chapter 11 Cases, among other ways, through maintaining the stability of the Debtors' business operations during the liquidation, managing a work force in an uncertain work environment, assisting in negotiating the terms of the Plan Support Agreements, participating in the sale process throughout these Chapter 11 Cases, and assisting in an orderly and efficient wind-down of the Debtors' estates.

In addition, the releases were an integral part of the Supporting Noteholders agreement to enter into the Plan Support Agreements and, therefore, to support the Plan. Likewise, the releases are an integral part of the Committee's decision to support the Plan and the Debtors' entry into the Plan Support Agreements.

Moreover, while it remains to be determined, the Debtors are optimistic that those classes entitled to vote, will vote in favor of the Plan. The Supporting Noteholders hold approximately 85% of the Class 3, 2016 Noteholder Claims. [Additionally, the Committee has provided a letter of support recommending that holders of Class 4 General Unsecured Claims vote in favor of the Plan.]

Further, the Plan provides a substantial distribution to the creditors in exchange for the Releases. The Debtors estimate that the recovery under the Plan for holders of claims in Classes 3 and 4 will be approximately 72% to 75%. The Liquidation Analysis establishes that the distribution to creditors under the Plan would be lower in a liquidation, and absent the support of the Releasees, liquidation of the Debtors may have been necessary. Finally, the Debtors do not believe there is any basis for the assertion of any claims against any of the Releasees. Based on the foregoing the Debtors believe the Third Party Releases are appropriate and the Debtors will be prepared to meet their burden to establish the basis for each of the Third Party Releases as part of the confirmation of the Plan.

ARTICLE X

CERTAIN RISK FACTORS TO BE CONSIDERED

THE PLAN AND ITS IMPLEMENTATION ARE SUBJECT TO CERTAIN RISKS, INCLUDING, BUT NOT LIMITED TO, THE RISK FACTORS SET FORTH BELOW. HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE ON THE PLAN SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE PLAN, BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation. No representations concerning or related to the Debtors, the Chapter 11 Cases or the Plan are authorized by the Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are not contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

A. Plan May Not Be Accepted

There can be no assurance that the requisite acceptances to confirm the Plan will be obtained. Thus, while the Debtors believe the Plan is confirmable under the standards set forth in section 1129 of the Bankruptcy Code, there is no guarantee that the Plan will be accepted by the requisite Classes entitled to vote on the Plan.

B. Certain Bankruptcy Law Considerations

Even if the Holders of Claims who are entitled to vote accept the Plan, the Court, which may exercise substantial discretion as a court of equity, may choose not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, that the value of distributions to dissenting Holders of Claims or Interests may not be less than the value such Holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Although the Debtors believe the Plan meets such requirement, there can be no assurance the Court will reach the same conclusion.

C. Distributions to Holders of Allowed Claims Under The Plan

Projected distributions are based upon good faith estimates of the total amount of Claims ultimately Allowed and the funds available for distribution. Both the actual amount of Allowed Claims in a particular Class and the funds available for distribution to such Class may differ from the Debtors' estimates. If the total amount of Allowed Claims in a Class is higher than the Debtors' estimates, or the funds available for distribution to such Class are lower than the Debtors' estimates, the percentage recovery to Holders of Allowed Claims in such Class will be less than projected.

D. Classification and Treatment of Claims and Equity Interests

Section 1122 of the Bankruptcy Code requires that the Plan classify Claims against, and Interests in, the Debtors. The Bankruptcy Code also provides that the Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests of such Class. The Debtors believe that all Claims and Interests have been appropriately classified in the Plan.

To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtors would seek (i) to modify the Plan to provide for

whatever classification might be required for confirmation and (ii) to use the acceptances received from any creditor pursuant to this solicitation for the purpose of obtaining the approval of the Class or Classes of which such creditor ultimately is deemed to be a member. Any such reclassification of creditors, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such creditor was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required for approval of the Plan. There can be no assurance that the Bankruptcy Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of classification in the Plan requires resolicitation, the Debtors will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan of any Holder of Claims pursuant to this solicitation will constitute a consent to the Plan's treatment of such Holder regardless of the Class as to which such Holder is ultimately deemed to be a member. The Debtors believe that under the Bankruptcy Rules, they would be required to resolicit votes for or against the Plan only when a modification adversely affects the treatment of the claim of any creditor or equity holder.

The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim or Interest of a particular Class unless the Holder of a particular Claim or Interest agrees to a less favorable treatment of its Claim or Interest. The Debtors believe that the Plan complies with the requirement of equal treatment. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such requirement, the Bankruptcy Court could deny confirmation of the Plan.

Issues or disputes relating to classification and/or treatment could result in a delay in the confirmation and consummation of the Plan and could increase the risk that the Plan will not be consummated.

E. Conditions Precedent to Consummation of the Plan

The Plan provides for certain conditions that must be satisfied (or waived) prior to confirmation of the Plan and for certain other conditions that must be satisfied (or waived) prior to the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, there can be no assurance that the Plan will be confirmed by the Court. Further, if the Plan is confirmed, there can be no assurance that the Plan will be consummated.

F. Certain Tax Considerations

There are a number of material income tax considerations, risks and uncertainties associated with consummation of the Plan. Holders of Claims and other interested parties should read carefully the discussion of certain U.S. federal income tax consequences of the Plan set forth below.

ARTICLE ~~X~~XI

CERTAIN FEDERAL AND SECURITIES LAW MATTERS

The Debtors believe that, subject to certain exceptions described below, various provisions of the Securities Act, the Bankruptcy Code, and state securities laws exempt from federal and state securities registration requirements (a) the offer and sale of securities pursuant to the Plan and (b) subsequent transfers of such securities.

A. Offer and Sale of Valeant Shares: Bankruptcy Code Exemption

Pursuant to the Plan, in full satisfaction, settlement, release and discharge of their allowed claims, each holder of a 2016 Noteholder Claim will receive, among other consideration, its pro rata distribution of Valeant Shares. Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan from registration under Section 5 of the Securities Act and state laws if three principal requirements are satisfied: (1) the securities must be offered or sold "under a plan" by the debtor or its successor under a plan or by an affiliate participating in a joint plan of reorganization with the debtor; (2) the recipients of the securities must hold a claim against, an interest in, or a claim for administrative expenses in the case concerning the debtor or such affiliate; and (3) the securities must be offered or sold in exchange for the recipient's claim against or interest in the debtor, or such affiliate, or "principally" in such exchange and "partly" for cash or property. In reliance upon this exemption, the Debtors believe that the offer and sale of the Valeant Shares under the Plan (including the distribution of Valeant Shares to each holder of a 2016 Noteholder Claim) will be exempt from registration under the Securities Act and state securities laws, and the rules and regulations promulgated thereunder.

[As part of the relief in connection with the approval of this Disclosure Statement, the Debtors sought an order from the Court authorizing the Debtors to offer and sell the Valeant Shares exempt from registration under the Securities Act and state securities laws pursuant to section 1145(a)(1) of the Bankruptcy Code and pursuant to the safe harbor contained in Bankruptcy Code section 1125(e). The Court entered the Solicitation Procedures Order authorizing this relief on [ ], 2015. The Solicitation Procedures Order also provides that Valeant is a successor to the Company under the Plan for purposes of section 1145 of the Bankruptcy Code.]

B. Subsequent Transfers of Valeant Shares Received under the Plan

Section 1145(c) of the Bankruptcy Code provides that the offer or sale of securities in a transaction of the kind referred to in Section 1145(a)(1) is deemed to be a public offering, except with respect to an "underwriter" under Section 1145(b) of the Bankruptcy Code, which includes any "affiliate" of the issuer. As such, the securities received in such offering are not "restricted securities" under Rule 144 of the Securities Act. Moreover, the exemption set forth in Section 4(a)(1) of the Securities Act would apply to resales of such securities without registration as long as such person is not (i) an "underwriter", (ii) an issuer, or (iii) a "dealer."

Further, Section 1145(b)(3) specifically provides that if a recipient of securities issued under a plan pursuant to Bankruptcy Code Section 1145(a) is not an "underwriter" under section 1145(b)(1) Bankruptcy Code, then such a person is not deemed to be an "underwriter" under section 2(a)(11) of the Securities Act. Therefore, unless such person is an "affiliate of the issuer or a "dealer," the exemption under Section 4(a)(1) of the Securities Act will apply in these circumstances.

[As part of the relief in connection with the approval of this Disclosure Statement, the Debtors sought an order from the Court finding that the Valeant Shares may be resold by the holders thereof without restriction except to the extent that any such holder is deemed to be (i) an "underwriter" as defined in Section 1145(b)(1) of the Bankruptcy Code, (ii) an issuer or an "affiliate" of an issuer, or (iii) a "dealer". As noted previously, the Court entered the Solicitation Procedures Order authorizing this relief on [ ], 2015.]

Section 1145(b) of the Bankruptcy Code defines the term "underwriter" for purposes of the Securities Act as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer", (1) purchases a claim against, interest in, or claim for an administrative expense in the case concerning the debtor, if such purchase is with a view to distributing any security received in exchange for such a claim or interest; (2) offers to sell securities offered or sold under a plan for the holders of such securities; (3) offers to buy securities offered or sold under the plan from the holders of such securities, if the offer to buy is: (a) with a view to distribution of such securities and (b) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (4) is an "issuer" with respect to the securities, as the term "issuer" is defined in Section 2(a)(11) of the Securities Act.

The term "issuer" is defined in Section 2(a)(4) of the Securities Act; however, the reference contained in Sections 1145(b)(1)(D) and 1145(b)(3) of the Bankruptcy Code to Section 2(a)(11) of the Securities Act purports to include as statutory underwriters all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. "Control" (as such term is defined in Rule 405 of Regulation C under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor (or its successor) under a plan may be deemed to be a "control person", particularly if such management position is coupled with the ownership of a significant percentage of the debtor's (or successor's) voting securities. Ownership of a significant amount of voting securities of a reorganized debtor or its successor could also result in a person being considered to be a "control person".

Section 2(a)(12) of the Securities Act defines a "dealer" as any person who engages either for all or part of his time, directly or indirectly, as agent, broker, or principal, in the business of offering, buying, selling, or otherwise dealing or trading in securities issued by another person.

To the extent that persons deemed to be "underwriters", "affiliates" of the issuer or "dealers" receive Valeant Shares pursuant to the Plan, resales by such persons would not be exempted by Section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Such persons would not be permitted to resell such Valeant Shares, unless such securities were registered under the Securities Act or an exemption from such registration requirements were available. Entities deemed to be statutory underwriters for purposes of Section 1145 of the Bankruptcy Code may, however, be able, at a future time and under certain conditions, to sell securities without registration pursuant to the resale provisions of Rule 144 under the Securities Act or another available exemption under the Securities Act.

Whether or not any particular person would be deemed to be an "underwriters", "affiliates" of the issuer or "dealers" with respect to the Valeant Shares to be issued pursuant to the Plan, or an "affiliate" of the Debtor(s), would depend upon various facts and circumstances applicable to that person.

Accordingly, the Debtors express no view as to whether any such person would be such an "underwriters", "affiliates" of the issuer or "dealers". PERSONS WHO RECEIVE VALEANT SHARES UNDER THE PLAN ARE URGED TO CONSULT THEIR OWN LEGAL ADVISOR WITH RESPECT TO THE RESTRICTIONS APPLICABLE UNDER THE SECURITIES LAWS AND THE CIRCUMSTANCES UNDER WHICH SECURITIES MAY BE SOLD IN RELIANCE ON SUCH LAWS.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING, AND DO NOT PROVIDE, ANY OPINIONS OR ADVICE WITH RESPECT TO THE VALEANT SHARES OR THE BANKRUPTCY MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT. IN LIGHT OF THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS, THE DEBTORS ENCOURAGE EACH 2016 NOTEHOLDER AND PARTY IN INTEREST TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH MATTERS. BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR 2016 NOTEHOLDER MAY BE AN UNDERWRITER, AFFILIATE OF AN ISSUER OR DEALER, THE DEBTORS MAKE NO REPRESENTATION CONCERNING THE ABILITY OF A PERSON TO DISPOSE OF THE VALEANT SHARES.

ARTICLE ~~XI~~XII

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion is a summary of certain U.S. federal income tax consequences of the Plan to the Debtors and to holders of 2016 Noteholder Claims and General Unsecured Claims. This discussion is based on the Tax Code, Treasury Regulations promulgated and

proposed thereunder, judicial decisions and published administrative rules and pronouncements of the Internal Revenue Service ("IRS"), all as in effect on the date hereof.

Due to the complexity of certain aspects of the Plan, the lack of applicable legal precedent, the possibility of changes in the law, the differences in the nature of the Claims, each holder's status and method of accounting and the potential for disputes as to legal and factual matters with the IRS, the tax consequences described herein are uncertain. No legal opinions have been requested from counsel with respect to any of the tax aspects of the Plan and no rulings have been or will be requested from the IRS with respect to the any of the issues discussed below. Further, legislative, judicial or administrative changes may occur, perhaps with retroactive effect, which could affect the accuracy of the statements and conclusions set forth below as well as the tax consequences to the Debtors and the holders of 2016 Noteholder Claims and General Unsecured Claims.

The following summary does not address the U.S. federal income tax consequences to creditors whose Claims are unimpaired or otherwise entitled to payment in full in Cash under the Plan (e.g., Priority Non-Tax Claims and Secured Claims), holders of Interests or Subordinated Claims, or purchasers of Claims following the Effective Date. This discussion assumes that the holder has not taken a bad debt deduction with respect to a Claim (or any portion thereof) in the current or any prior year and such Claim did not become completely or partially worthless in a prior taxable year. This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtors or the holders of 2016 Noteholder Claims or General Unsecured Claims in light of their personal circumstances, nor does the discussion deal with tax issues with respect to taxpayers subject to special treatment under the U.S. federal income tax laws (including, for example, broker dealers, insurance companies, financial institutions, real estate investment trusts, tax-exempt organizations, small business investment companies, regulated investment companies, persons whose functional currency is not the U.S. dollar, persons subject to the alternative minimum tax or the unearned income "Medicare" contribution tax, persons owning 5% or more of Valeant after the Effective Date, and persons holding Claims as part of a "straddle," "hedge," "constructive sale" or "conversion transaction" with other investments). No aspect of foreign, state, local or estate and gift taxation is addressed.

The Debtors believe, and the following discussion generally assumes, that the Plan implements the liquidation of the Debtors for U.S. federal income tax purposes and that all distributions to holders of Claims will be taxed accordingly (including as distributions pursuant to the Plan for U.S. federal income tax purposes).

EACH HOLDER OF A 2016 NOTEHOLDER CLAIM OR GENERAL UNSECURED CLAIM IS URGED TO CONSULT SUCH HOLDER'S TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF THE PLAN.

A. Tax Consequences to Certain Creditors

The following generally discusses the U.S. federal income tax consequences of the Plan to holders of 2016 Noteholder Claims and General Unsecured Claims. Additional potential U.S. federal income tax consequences potentially applicable to such holders are discussed below under "Tax Treatment of Liquidating Trusts."

1. Holders of 2016 Noteholder Claims

It is intended that the receipt of Valeant Shares and Available Cash in exchange for 2016 Noteholder Claims be treated as part of a "reorganization" for U.S. federal income tax purposes. The classification of an exchange as part of a reorganization for U.S. federal income tax purposes generally serves to defer the recognition of any gain or loss realized by the holder. Assuming qualification as a reorganization:

- a holder should recognize any gain to the extent of any cash and the fair market value of any property (other than Valeant Shares, but including, if a liquidating trust is established, the fair market value of its share of the assets of the liquidating trust, as described below) received. Such holder will also have interest income to the extent of any consideration allocable to accrued but unpaid interest. See "Distributions With Respect to Accrued But Unpaid Interest," below.

- A holder's aggregate tax basis in the Valeant Shares received should equal the holder's aggregate adjusted tax basis in the 2016 Noteholder Claims exchanged therefor, increased by any gain or interest income recognized by the holder with respect to the exchange, and decreased by any deductions claimed in respect of any previously accrued but unpaid interest and any consideration received other than Valeant Shares (i.e., any Cash and the fair market value of any other property received, whether on or after the Effective Date).

- A holder's holding period in the Valeant Shares received should include the holder's holding period in the Claims exchanged therefor, except to the extent of any exchange consideration received in respect of a Claim for accrued but unpaid interest (which will commence a new holding period for the Valeant Shares attributed thereto).

If the exchange does not qualify for reorganization treatment, the holder should generally have tax consequences as described below with respect to General Unsecured Claims (taking into account the fair market value of the Valeant Shares received).

2. Holders of General Unsecured Claims

Pursuant to the Plan, the holders of General Unsecured Claims will receive, in respect of their Claims, solely their share of Available Cash. Generally, a holder of a General Unsecured Claim should in most, but not all circumstances, recognize gain or loss equal to the difference between the amount of cash (and, if a liquidating trust is established, the fair market

value of their share of the assets of the liquidating trust, as described below) received by such holder pursuant to the Plan in exchange for its Claim and such holder's adjusted tax basis in the Claim.

3. Character of Gain or Loss

To the extent applicable, the character of any recognized gain or loss (e.g., ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the holder, the nature of the Claim in the holder's hands, the purpose and circumstances of its acquisition, the holder's holding period of the Claim, whether payments are received in respect thereof in more than one taxable year, and the extent to which the holder previously claimed a deduction for the worthlessness of all or a portion of the Claim. Generally, if the Claim is a capital asset in the holder's hands, any gain or loss realized generally will be characterized as capital gain or loss, and will constitute long-term capital gain or loss if the holder has held such Claim for more than one year.

If a holder acquired its Claim after its original issuance at a "market discount" (generally defined as the amount, if any, by which the debt obligation's adjusted issue price exceeds the holder's tax basis in a debt obligation immediately after its acquisition, subject to a de minimis exception), the holder generally will be required to treat any gain recognized pursuant to the Plan as ordinary income to the extent of the market discount accrued during the holder's period of ownership, unless the holder elected to include the market discount in income as it accrued.

The treatment of accrued market discount in a nonrecognition transaction is subject to the issuance of Treasury Regulations that have not yet been promulgated. In the absence of such regulations, the application of the market discount rules in the present transaction is uncertain. In the case of a reorganization exchange, the Tax Code indicates that, under Treasury regulations to be issued, any accrued market discount in respect of a Claim in excess of the gain recognized in the exchange should not be currently includible in income. However, such accrued market discount should carry over to any non-recognition property received in exchange therefor (i.e., to the Valeant Shares received in the exchange), such that any gain recognized by the holder upon a subsequent disposition of such exchange consideration would be treated as ordinary income to the extent of the accrued market discount allocable thereto not previously included in income. A holder of a market discount bond that is required under the market discount rules of the Tax Code to defer deduction of all or a portion of the interest on indebtedness incurred or maintained to acquire or carry the bond may be allowed to deduct such interest, in whole or in part, on disposition of such bond for cash. However, continued deferral of the deduction for interest may be required to the extent attributable to the Valeant Shares received in exchange for the Claim, and would be treated as interest paid or accrued in the year in which the Valeant Shares are disposed. To date, specific Treasury regulations implementing this rule have not been issued.

4. Distributions with Respect to Accrued but Unpaid Interest.

In general, to the extent that any consideration received pursuant to the Plan by a holder of a Claim (whether in cash, Valeant Shares or other property) is received in satisfaction of interest accrued but unpaid during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, a holder generally recognizes a deductible loss to the extent that any accrued interest was previously included in its gross income and is not paid in full.

Pursuant to the Plan, all distributions in respect of Allowed Claims will be allocated first to the principal amount of such Claims, as determined for U.S. federal income tax purposes, and thereafter to any remaining portion of such Claim (including accrued but unpaid interest). However, there is no assurance that such allocation would be respected by the IRS for U.S. federal income tax purposes. Each holder of a Claim is urged to consult its tax advisor regarding the allocation of consideration to, and the deductibility of a loss with respect to, accrued but unpaid interest for U.S. federal income tax purposes.

5. Non-United States Persons

A holder of a Claim that is not a "United States Person" within the meaning of the Tax Code (a "Non-U.S. Holder") generally will not be subject to United States federal income tax with respect to property (including money) received in exchange for such Claim pursuant to the Plan, unless (i) such holder is engaged in a trade or business in the United States to which income, gain or loss (unless an applicable income tax treaty provides otherwise) from the exchange is "effectively connected" for United States federal income tax purposes, or (ii) if such holder is an individual, such holder is present in the United States for 183 days or more during the taxable year of the exchange and certain other requirements are met (unless an applicable income tax treaty provides otherwise).

Payments to a Non-U.S. Holder that are attributable to accrued interest generally will not be subject to U.S. federal income or withholding tax, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, an IRS Form W-8BEN IRS Form W-8BEN-E, or a successor form) establishing that the Non-U.S. Holder is not a U.S. person, unless:

(i) the Non-U.S. Holder actually or constructively owns 10% or more of the total combined voting power of all classes of Dendreon's stock that are entitled to vote,

(ii) the Non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to Dendreon (each, within the meaning of the Tax Code), or

(iii) such interest is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (in which case, provided the Non-U.S. Holder provides a properly-executed IRS Form W-8ECI (or successor form) to the withholding agent, the Non-U.S. Holder (x) generally will not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S.

federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the interest at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty).

A Non-U.S. Holder that does not qualify for exemption from withholding tax with respect to interest that is not effectively connected income generally will be subject to withholding of U.S. federal income tax at a 30% rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on payments that are attributable to accrued interest. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business. To claim the benefits of a treaty, a Non-U.S. Holder must provide a properly-executed IRS Form W-8BEN or W8BEN-E (or a successor form) prior to the payment.

Non-U.S. Holders of Valeant Shares should consult their own tax advisors concerning the tax consequences of receiving and holding such stock in their particular circumstances.

B. Tax Consequences to the Debtors

The Debtors expect to remain in existence following the Effective Date, but in accordance with the Asset Purchase Agreement, in no event will they remain in existence for U.S. federal income tax purposes beyond December 31, 2015; however, the sole purpose of their remaining in existence is the liquidation of any remaining assets and the winding-up of their affairs. Accordingly, the Debtors intend to treat the Plan as the implementation of the liquidation of the Debtors in furtherance of the Plan for U.S. federal income tax purposes and in furtherance of the treatment of the Plan, in conjunction with the Sale Transaction, as a reorganization pursuant to Section 368(a)(1)(G) of the Tax Code.

Pursuant to the terms of the Sale Transaction, the parties will elect to treat Dendreon's tax year as ending on the closing date of the Sale Transaction. As a result of the election, pursuant to the Tax Code and regulations promulgated thereunder, Dendreon's tax attributes (e.g., tax asset basis, net operating losses ("NOLs") and NOL carryforwards), as reduced by any cancellation of indebtedness ("COD") income realized by Dendreon after the Sale Transaction, will transfer to Purchaser as of the closing date.

Because of the lack of direct authoritative guidance as to the survival and utilization of NOL carryforwards and the timing of recognition of COD in the context of a bankruptcy liquidation, there is a risk that certain favorable tax attributes of the Debtors (including any NOL carryforwards incurred since the Sale Transaction and any NOLs incurred through the end of the taxable year in which the Plan becomes effective) may be substantially reduced, eliminated, or subjected to significant limitations as the result of implementation of the Plan. The Debtors believe that, notwithstanding the potential for attribute reduction, elimination, or limitation, implementation of the Plan (including any distribution to a liquidating trust or other

liquidating vehicle) should not cause them to incur a material amount of U.S. federal income tax.

C. Tax Treatment of Liquidating Trusts

A liquidating trust may be established for the benefit of holders of 2016 Noteholder Claims and General Unsecured Claims in furtherance of the liquidation of the Debtors for U.S. federal income tax purposes. This Section applies unless an election is made under Treasury Regulations Section 1.468B-9 treat the trust as a disputed ownership fund.

1. Classification of Liquidating Trusts

If established, such liquidating trust will be intended to qualify as a "liquidating trust" for U.S. federal income tax purposes. In general, a liquidating trust is not a separate taxable entity but rather is treated for U.S. federal income tax purposes as a "grantor" trust (i.e., a pass-through entity). The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, set forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. The liquidating trust will be structured with the intention of complying with such general criteria. Pursuant to the Plan, and in conformity with Revenue Procedure 94-45, all parties (including the liquidating trustee and the holders of beneficial interests in the liquidating trust) will be required to treat for U.S. federal income tax purposes the liquidating trust as a grantor trust of which the holders of 2016 Noteholder Claims and General Unsecured Claims are the owners and grantors. While the following discussion assumes that the liquidating trust would be so treated for U.S. federal income tax purposes, no ruling will be requested from the IRS concerning the tax status of the liquidating trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the liquidating trust as a grantor trust. If the IRS were to challenge successfully such classification, the U.S. federal income tax consequences to the liquidating trust and the holders of Claims could vary from those discussed herein.

2. General Tax Reporting by Trusts and Beneficiaries

For all U.S. federal income tax purposes, all parties (including the liquidating trustee and the holders of beneficial interests in the liquidating trust) will be required to treat the transfer of assets to the liquidating trust, in accordance with the terms of the Plan, as a transfer of those assets directly to the holders of 2016 Noteholder Claims and General Unsecured Claims in respect of their Allowed Claims (see Article ~~XIA~~XIIA for a discussion of the tax treatment of such Claims) followed by the transfer of such assets by such holders to the liquidating trust. Consistent therewith, all parties will be required to treat the liquidating trust as a grantor trust of which such holders are to be owners and grantors. Thus, such holders (and any subsequent holders of interests in the liquidating trust) will be treated as the direct owners of an undivided beneficial interest in the assets of the liquidating trust for all U.S. federal income tax purposes. Accordingly, each holder of a beneficial interest in the liquidating trust will be required to report on its U.S. federal income tax return(s) the holder's allocable share of all income, gain, loss, deduction or credit recognized or incurred by the liquidating trust.

The U.S. federal income tax reporting obligation of a holder of a beneficial interest in the liquidating trust is not dependent upon the liquidating trust distributing any cash or other proceeds. Therefore, a holder of a beneficial interest in the liquidating trust may incur a U.S. federal income tax liability regardless of the fact that the liquidating trust has not made, or will not make, any concurrent or subsequent distributions to the holder. If a holder incurs a federal tax liability but does not receive distributions commensurate with the taxable income allocated to it in respect of its beneficial interests in the liquidating trust it holds, the holder may be allowed a subsequent or offsetting loss.

The liquidating trustee will file tax returns with the IRS for the liquidating trust as a grantor trust pursuant to Treasury Regulations Section 1.671-4(a). The liquidating trustee will also send to each holder of a beneficial interest in the liquidating trust a separate statement setting forth the holder's share of items of income, gain, loss, deduction or credit and will instruct the holder to report such items on its U.S. federal income tax return.

3. Allocations of Taxable Income and Loss

The liquidating trust's taxable income will be allocated to the holders of beneficial interests in the liquidating trust in accordance with each such holder's pro rata share of the liquidating trust's interests. The character of items of income, deduction and credit to any holder and the ability of such holder to benefit from any deductions or losses may depend on the particular situation of such holder.

Any amount a holder receives as a distribution from the liquidating trust in respect of its beneficial interest in the liquidating trust should not be included, for U.S. federal income tax purposes, in the holder's amount realized in respect of its Allowed Claim but should be separately treated as a distribution received in respect of such holder's beneficial interest in the liquidating trust.

In general, a holder's aggregate tax basis in its undivided beneficial interest in the assets transferred to the liquidating trust will equal the fair market value of such undivided beneficial interest in the assets as of the date the assets are transferred to the trust and the holder's holding period in such assets will begin the day following its receipt of such interest.

If established, the liquidating trustee will, in good faith, value the liquidating trust assets, and will (to the extent relevant, from time to time) apprise the holders of beneficial interests in the liquidating trust of such valuation. The valuation is required to be used consistently by all parties (including the Debtors, the trustee and the holders) for all U.S. federal income tax purposes, including applicable reporting requirements. The Court will resolve any dispute regarding the valuation of the assets.

D. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN. THE ABOVE DISCUSSION IS FOR

INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIM HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, CLAIM HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

ARTICLE ~~XII~~XIII

RECOMMENDATION AND CONCLUSION

This Disclosure Statement was approved by the Court after notice and a hearing. The Court has determined that this Disclosure Statement contains information adequate to permit holders of Claims to make an informed judgment about the Plan. Such approval, however, does not mean that the Court recommends either acceptance or rejection of the Plan.

The Debtors believe that confirmation and consummation of the Plan is in the best interests of the Debtors, their Estates and their creditors. The Plan provides for an equitable distribution to creditors. The Debtors believe that any alternative to confirmation of the Plan, such as liquidation under chapter 7 of the Bankruptcy Code, could result in significant delay, litigation and additional costs, as well as a reduction in the distributions to Holders of Claims in certain Classes. Consequently, the Debtors urge all eligible Holders of Impaired Claims to vote to ACCEPT the Plan, and to complete and return their Ballots so that they will be RECEIVED by the Voting Agent on or before the Voting Deadline.

Dated: Wilmington, Delaware
~~March~~April 10, 2015

DENDREON CORPORATION, et al.,
Debtors and Debtors-in-Possession
DRAFT
Name: ~~[●]~~Robert L. Crotty
Title: ~~[●]~~President, General Counsel and Secretary

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
DRAFT
Anthony W. Clark (I.D. No. 2051)
Sarah E. Pierce (I.D. No. 4648)
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899-0636
Telephone: (302) 651-3000
Fax: (302) 651-3001

- and -

Kenneth S. Ziman
Raquelle L. Kaye
Four Times Square
New York, New York 10036-6522
Telephone: (212) 735-3000
Fax: (212) 735-2000

- and -

Felicia Gerber Perlman
155 N. Wacker Drive
Chicago, Illinois 60606-1720
Telephone: (312) 407-0700
Fax: (312) 407-0411

Summary report: **Litéra® Change-Pro TDC 7.5.0.110 Document comparison done on 4/10/2015 9:19:45 AM**	
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EXHIBIT C

Dendreon Corporation, et al
Liquidation Analysis
Consolidated
($ in Thousands)

Consolidated Liquidation and Wind-Down *	**Notes**	**Chapter 7**		**Chapter 11**	
Assets					
Cash On Hand as of March 27, 2015	1	$ 458,672		$ 458,672	
Litigation Proceeds and Other Receipts	2	3,922		3,922	
Business Unit Sales - Equity	3	49,500		49,500	
Total Assets/Proceeds		512,094		512,094	
Wind-Down Expenses					
Wind-Down Reserve	4	8,943		7,154	
Trustee Fees	5	15,363		-	
Professional Fee Reserve	6	26,762		26,762	
Total Wind-Down Expenses		51,068		33,917	
Net Proceeds Available for Payment of Claims		461,026		478,178	
Administrative and Priority Claims Reserve					
Post-Petition Claims	7	3,162		3,162	
Cure and Critical Vendor Costs	8	895		895	
Total Administrative Priority Claims		4,057		4,057	
Excess in Proceeds over Administrative Claims		456,970		474,121	
General Unsecured Claims		**Low**	**High**	**Low**	**High**
Allowed General Unsecured Claims	9	625,695	625,695	625,695	625,695
Disputed Claims Reserve	10	32,292	4,261	32,292	4,261
Total General Unsecured Claims Reserves		$ 657,987	$ 629,956	$ 657,987	$ 629,956
Recovery to General Unsecured Claims		69%	73%	72%	75%

* There are a number of estimates and assumptions underlying the analysis below that are inherently subject to significant uncertainties and contingencies beyond the control of the Debtors and their professionals. Additionally, assumptions are made with respect to certain liquidation decisions which could be subject to change. Accordingly, there can be no assurance that the values reflected in the analysis would be realized and actual results could vary materially from those shown here.

Values are as of March 27, 2015. The Debtors plan to include a Wind-down Budget as part of the Plan Supplement to be filed with the Court at a later date. You should review both this Liquidation Analysis and the Wind-down Budget as values may differ based on the timing of each analysis.

Notes

1 Cash On Hand: Reflects cash and cash equivalents held in all bank accounts.

2 Litigation Proceeds and Other Receipts: Anticipated recovery of various litigation matters as well as recoveries from healthcare refunds and other miscellaneous receipts. Litigation is inherently speculative and uncertain in nature and no creditor should rely upon the potential recovery from litigation actions as a basis for recovery on account of their claims.

3 Business Unit Sales: Equity held by Valeant from the sale of substantially all of the Debtors' assets to Drone Acquisition Sub Inc., a subsidiary of Valeant Pharmaceuticals International, Inc.

4 Wind-Down Reserve: The Company anticipates that the liquidation process would take six to twelve months. Wind-down operating costs would include compensation expenses, insurance, taxes, and the costs of orderly winding down healthcare and other employee-related plans. Under a Chapter 7 liquidation, a change in professionals would result in lost efficiencies, which is reflected in a 25% increase in the wind-down budget. The Wind-Down Reserve is calculated based on estimates and is being provided for illustrative purposes only. Actual expenses may differ materially from the stated value.

5 Trustee Fees: Assumed to be 3% of the gross proceeds from the liquidation of the assets.

6 Professional Fee Reserve: The Professional Fee Reserve is intended to cover (a) all Professional Fee Claims of Professionals employed by the Debtors or the Committee, including but not limited to an amount sufficient to pay (i) all unpaid Professional Fee Holdback Amounts and other expenses billed by Professionals of the Debtors or the Committee prior to the Effective Date; (ii) all outstanding fee applications of Professionals of the Debtors or the Committee not ruled upon by the Court as of the Effective Date; and (iii) the estimated aggregate amount of all reasonable fees and expenses due to Professionals of the Debtors or the Committee for periods that have not been billed as of the Effective Date; (b) the Supporting Noteholders Professionals Fee Estimate; (c) the Allowed Deerfield Substantial Contribution Claim; and (d) the Allowed Committee Member Substantial Contribution Claims. The Professional Fee Reserve is based on estimates and is being provided for illustrative purposes only. Actual expenses may differ materially from the stated value. For the Chapter 7 liquidation, the Professional Fee Reserve also contains an estimate of certain fees that would be incurred by professionals during the liquidation.

7 Post-Petition Claims: Includes estimates of post-petition expenses that will be paid prior to confirmation, consisting of, among other expenses, vacation accruals, sales incentive payments, and other employee-related payments earned post-petition. This estimate assumes that plan confirmation will occur in June 2015.

8 Cure and Critical Vendor Costs: Includes estimates of payments that will be paid prior to confirmation or as part of the emergence to Critical Vendors and contract counterparties for Assumed Contracts. This estimate assumes that plan confirmation and emergence will occur in June 2015.

9 Allowed General Unsecured Claims: The actual amount of Allowed General Unsecured Claims may differ materially from the stated amount.

10 Disputed Claims Reserve: The actual amount to be allocated to the Disputed Claims Reserve may differ materially from the stated amounts.