

Valeant Pharmaceuticals Reports 2011 Fourth Quarter Financial Results

February 27, 2012

MISSISSAUGA, Ontario, Feb. 27, 2012 /PRNewswire/ --

Fourth Quarter 2011

- **2011 Fourth Quarter Total Revenue \$688.5 million; an increase of 34% over the prior year**
- **Pro forma organic growth, excluding the impact of foreign exchange and acquisitions, was 10%**
- **2011 Fourth Quarter GAAP EPS \$0.18; Cash EPS \$0.94**
- **2011 Fourth Quarter GAAP Operating Cash Flow \$190 million; Adjusted Operating Cash Flow \$253 million**

Full Year 2011

- **Total 2011 revenue was \$2.46 billion**
- **Total 2011 pro forma organic growth, excluding the impact of foreign exchange and acquisitions, was 9%**
- **Total 2011 GAAP EPS \$0.49; Cash EPS \$2.93**
- **Total 2011 GAAP Operating Cash Flow \$676 million; Adjusted Operating Cash Flow \$925 million**

Valeant Pharmaceuticals International, Inc. (NYSE: VRX) (TSX: VRX) announces fourth quarter financial results for 2011.

"We are pleased by our financial results for the fourth quarter and the full year," said J. Michael Pearson, chairman and chief executive officer. "Our performance continues to demonstrate the strength of our diversified model and our capacity to integrate acquisitions and still deliver strong top-line and bottom-line results."

Revenue

Total reported revenue was \$688.4 million in the fourth quarter of 2011 as compared to \$514.6 million in the fourth quarter of 2010 primarily attributable to acquisitions completed in 2011 and the growth of key dermatology brands, partly offset by a negative foreign exchange impact.

Product sales were \$654.2 million in the fourth quarter of 2011, as compared to \$488.7 million in the 2010 year quarter. Pro forma organic growth for the Company was 10% for the fourth quarter of 2011 and 9% for the full year 2011.

Operating Expenses

The Company's cost of goods sold was \$182.0 million in the fourth quarter of 2011, and represented 28% of product sales, as compared to \$210.6 million in the fourth quarter of 2010, representing 43% of product sales. Cost of goods sold in the fourth quarter of 2011 included an

\$18.3 million fair value adjustment to inventory, amortization and other non-GAAP items, while the comparable quarter in 2010 included \$60.4 million fair value adjustment to inventory and other non-GAAP items related to acquisitions. Excluding the adjustments, cost of goods for the fourth quarter of 2011 and 2010 were 25% and 31% of product sales, respectively.

Selling, General and Administrative (SG&A) expenses were \$148.5 million in the fourth quarter of 2011 and included a \$12.9 million step-up in stock based compensation expenses related to the acquisition of Legacy Valeant. This compares to SG&A expenses of \$127.8 million in the fourth quarter of 2010 including a \$17.0 million step-up in stock based compensation. Excluding the step-up in stock based compensation expenses related to the acquisition of Legacy Valeant, SG&A as a percentage of product sales in 2011 and 2010 was 21% and 22%, respectively.

Research and Development expenses were \$16.8 million in the fourth quarter of 2011, or 2% of revenue, as compared to \$18.3 million in the fourth quarter of 2010, or 4% of revenue.

Merger Related Costs & Expenses

We recorded restructuring and acquisition-related costs of \$56.7 million in the quarter, virtually all of which arise from acquisitions and are primarily employee severance costs, contract cancellations fees and facility related costs.

Net Income and Cash Flow from Operations

The Company reported net income of \$55.9 million for the fourth quarter of 2011, or \$0.18 per diluted share. On an adjusted Cash EPS basis, adjusted income was \$297.7 million, or \$0.94 per diluted share, as compared to guidance of \$0.83 to \$0.87 per diluted share.

GAAP cash flow from operations, which includes acquisition transaction fees, was \$189.8 million in the quarter. Adjusted cash flow from operations was \$253.1 million in the fourth quarter of 2011, as compared to guidance of greater than \$230 million.

Foreign Currency Impact

Valeant'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. Due to the strengthening of the U.S. dollar in the fourth quarter of 2011, product sales were negatively impacted by approximately \$36 million as compared to originally budgeted rates, consistent with previously announced expectations.

In connection with the acquisition of iNova, Valeant entered into foreign currency forward-exchange contracts to buy AUD\$625.0 million, which were settled on December 20, 2011. The Company recorded a \$16.4 million foreign exchange gain on the settlement of these contracts, which was recognized in Other Income in the consolidated statements of income for the year ended December 31, 2011.

Cash EPS for the fourth quarter of 2011 was negatively impacted by foreign currency by approximately \$0.06 per diluted share, which was offset by the positive impact of approximately \$0.05 related to the foreign currency forward-exchange contracts entered into as part of the iNova transaction.

Acquisitions Completed in the Fourth Quarter

During the fourth quarter of 2011, Valeant completed four strategic transactions including: iNova, a company that sells and distributes a range of prescription and OTC products in Australia, New

Zealand, Southeast Asia and South Africa; Dermik, a dermatological unit of Sanofi in the U.S. and Canada that manufactures, markets and sells a range of therapeutic and aesthetic dermatology products; Ortho Dermatologics, a division of Janssen Pharmaceuticals, Inc. that develops products to treat skin disorders; and Afexa Life Sciences, Inc., a Canadian company that markets several consumer brands, such as COLD-FX®, Canada's leading OTC cold and flu treatment, and COLDSORE-FX®, a topical OTC cold sore treatment.

2012 Guidance

The Company is not updating 2012 annual guidance of \$3.95 - \$4.20 Cash EPS provided on January 6, 2012. This guidance does not include transactions announced so far in 2012 and future acquisitions.

Conference Call and Webcast Information

The Company will host a conference call and a live Internet webcast along with a slide presentation today at 10:00 a.m. ET (7:00 a.m. PT), February 27, 2012 to discuss its fourth quarter financial results for 2011. The dial-in number to participate on this call is (877) 876-8393, confirmation code 49361027. International callers should dial (973) 200-3961, confirmation code 49361027. A replay will be available approximately two hours following the conclusion of the conference call through March 5, 2012 and can be accessed by dialing (855) 859-2056, or (404) 537-3406, confirmation code 49361027. The live webcast of the conference call may be accessed through the investor relations section of the Company's corporate website at

www.valeant.com

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About Valeant

Valeant Pharmaceuticals International, Inc. (NYSE/TSX:VRX) is a multinational specialty pharmaceutical company that develops and markets a broad range of pharmaceutical products primarily in the areas of neurology, dermatology and branded generics. More information about Valeant can be found at

www.valeant.com

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Forward-looking Statements

This press release may contain forward-looking statements, including, but not limited to, statements regarding our business model, performance and results of operations, and anticipated Cash EPS for 2012, anticipated closing of pending acquisitions and share repurchases and financing alternatives. Forward-looking statements may be identified by the use of the words "anticipates," "expects," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," or "continue" and variations or similar expressions. These statements are based upon the current expectations and beliefs of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties discussed in the company's most recent annual or quarterly report filed with the Securities and Exchange Commission ("SEC") and risks and uncertainties relating to future acquisitions, integration of acquired businesses and results of operations, as detailed from time to time in Valeant's filings with the SEC and the Canadian Securities Administrators ("CSA"), which factors are incorporated herein by reference. Readers are cautioned not to place undue reliance on any of these forward-looking statements. Valeant undertakes no obligation to update any of

these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect actual outcomes.

Note on Guidance

The guidance contained in this press release is only effective as of the date given, January 6, 2012, and will not be updated or confirmed until the Company publicly announces updated or affirmed guidance.

Non-GAAP Information

To supplement the financial measures prepared in accordance with generally accepted accounting principles (GAAP), the company uses non-GAAP financial measures that exclude certain items, such as amortization of inventory step-up, stock-based compensation step-up, restructuring and acquisition-related costs, acquired in-process research and development ("IPR&D"), legal settlements, amortization and other non-cash charges, amortization of deferred financing costs, debt discounts and ASC 470-20 (FSP APB 14-1) interest, loss on extinguishment of debt, and (gain) loss on investments, net, and adjusts tax expense to cash taxes. Management uses non-GAAP financial measures internally for strategic decision making, forecasting future results and evaluating current performance. By disclosing non-GAAP financial measures, management intends to provide investors with a meaningful, consistent comparison of the company's core operating results and trends for the periods presented. Non-GAAP financial measures are not prepared in accordance with GAAP; therefore, the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

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Financial Tables follow.

Valeant Pharmaceuticals International, Inc.

Condensed Consolidated Statement of Income

For the Three and Twelve Months Ended December 31, 2011 and 2010

	Thr
(In thousands, except per share data)	201
Product sales	\$ 6!

Alliance and royalty	2
Service and other	
Total revenues	68
Cost of goods sold (exclusive amortization of intangible assets shown separately below)	18
Cost of services	
Cost of alliances	
Selling, general and administrative ("SG&A")	14
Research and development	1
Contingent consideration fair value adjustments	(2)
Acquired in-process research and development	10
Legal settlements	
Restructuring and acquisition-related costs	1
Amortization of intangible assets	19
	69
Operating income (loss)	(1)
Interest expense, net	(9)
Loss on extinguishment of debt	(1)
Gain (loss) on investments, net	
Other income (expense), net including translation and exchange	2
Income (loss) before (recovery) provision for income taxes	(7)

Recovery of income taxes	(13)
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Net income (loss)	\$
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Earnings per share:

Basic:

Net income (loss)	\$
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Shares used in per share computation	30
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Diluted:

Net income (loss)	\$
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Shares used in per share computation	30
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(a) Prior year amounts have been modified to conform to the 2011 disclosure.

Valeant Pharmaceuticals International, Inc.

Reconciliation of GAAP EPS to Adjusted Non-GAAP (Cash) EPS

For the Three and Twelve Months Ended December 31, 2011 and 2010

Three Months E

(In thousands, except per share data)

2011

Net income (loss)	\$	55,855	\$
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Non-GAAP adjustments (b)(c):

Inventory step-up (d)		10,317	
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Alliance product assets & pp&e step-up (e)		214	
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Stock-based compensation step-up (f)		12,936	
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Contingent consideration fair value adjustment		(20,028)	
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Restructuring, integration and acquisition-related costs (g)		56,718	
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Acquired in-process research and development (IPR&D)		105,200	
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Legal settlements		9,441	
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Amortization and other non-cash charges		198,080	
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		372,878	
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Amortization of deferred financing costs, debt discounts and ASC 470-20 (FSP APB 14-1) interest		8,069	
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Loss on extinguishment of debt		3,519	
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(Gain) loss on assets held for sale/impairment, net		3,199	
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(Gain) loss on investments, net		-	
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Tax		(145,861)	
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Total adjustments		241,804	
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Adjusted income	\$	297,659	\$
GAAP earnings per share - diluted	\$	0.18	\$
Adjusted Non-GAAP (Cash) earnings per share - diluted	\$	0.94	\$
Shares used in diluted per share calculation - Adjusted Non-GAAP (Cash) earnings per share		317,390	

(a) Prior year non-GAAP adjustments have been modified to conform to the 2011 disclosure.

(b) To supplement the financial measures prepared in accordance with generally accepted accounting principles (GAAP), the company uses non-GAAP financial measures that exclude certain items, such as amortization of inventory step-up, amortization of alliance product assets & pp&e step up, stock-based compensation step-up, contingent consideration fair value adjustments, restructuring, integration and acquisition-related costs, acquired in-process research and development ("IPR&D"), legal settlements outside the ordinary course of business, amortization and other non-cash charges, amortization of deferred financing costs, debt discounts and ASC 470-20 (FSP APB 14-1) interest, loss on extinguishment of debt, (gain) loss on assets held for sale/impairment, net, (gain) loss on investments, net, and adjusts tax expense to cash taxes. Management uses non-GAAP financial measures internally for strategic decision making, forecasting future results and evaluating current performance. By disclosing non-GAAP financial measures, management intends to provide investors with a meaningful, consistent comparison of the company's core operating results and trends for the periods presented. Non-GAAP financial measures are not prepared in accordance with GAAP. Therefore, the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

(c) This table includes Adjusted Non-GAAP (Cash) Earnings Per Share, which is a non-GAAP financial measure that represents earnings per share, excluding amortization of inventory step-up, alliance product assets & pp&e step up, stock-based compensation step-up, contingent consideration fair value adjustments, restructuring, integration and acquisition-related costs, acquired in-process research and development ("IPR&D"), legal settlements outside the ordinary course of business, amortization and other non-cash charges, amortization of deferred

financing costs, debt discounts and ASC 470-20 (FSP APB 14-1) interest, loss on extinguishment of debt, (gain) loss on assets held for sale/impairment, (gain) loss on investments, net, and adjusts tax expense to cash taxes.

(d) ASC 805, accounting for business combinations requires an inventory fair value step-up. The impact of the amortization of this step-up is included in cost of goods sold. For the three and twelve months ended December 31, 2011 the total impact is \$10.3 million and \$59.3 million, respectively. For the three and twelve months ended December 31, 2011 a total of \$0.0 million and \$27.3 million related to the merger with Valeant Pharmaceutical International, \$0.7 million and \$1.2 million related to the acquisition of Ganehill Pty Limited on April 4, 2011, \$0.0 million and \$18.8 million related to the acquisition of PharmaSwiss SA on March 10, 2011, \$2.9 million and \$5.3 million related to the acquisition of Sanitas on August 19th, 2011, \$2.1 million and \$2.1 million related to acquisition of Afexa on October 17th, 2011, \$0.7 million and \$0.7 million related to acquisition of Ortho Dermatologics on December 12th, 2011, \$2.8 million and \$2.8 million related to the acquisition of Dermik on December 16th, 2011, and \$1.1 million and \$1.1 million related to acquisition of iNova on December 21st, 2011, respectively.

(e) Alliance product assets & pp&e step-up represents the step up to fair market value from Legacy Valeant's original cost resulting from the merger of Legacy Valeant into Legacy Biovail. The impact of the amortization of this step-up is included in cost of alliance and royalty & SG&A. For the three and twelve months ended December 31, 2011 the total impact is \$0.2 million and \$19.7 million, respectively.

(f) Total stock-based compensation for the three and twelve months ended December 31, 2011 was \$20.6 million and \$93.0 million, of which \$12.9 million and \$63.5 million reflect the amortization of the fair value step-up increment resulting from the merger, respectively.

(g) Restructuring, integration and acquisition-related costs for the three and twelve months ended December 31, 2011 represent costs related to the merger of Legacy Valeant and Legacy Biovail, the acquisitions of PharmaSwiss SA, Sanitas, Afexa, Ortho Dermatologics, Dermik and iNova. These include \$5.9 million and \$23.9 million related to facility related costs, \$7.8 million and \$24.7 million related to contract cancellation fees, consulting, legal and other, \$15.0 million and \$29.3 million related to employee severance costs, \$0.5 million and \$3.4 million related to increases in deferred stock unit values related to directors retired as a result of the merger between Legacy Valeant and Legacy Biovail, \$20.1 million and \$33.0 million related to acquisition costs, \$2.8 million and \$7.2 million related to manufacturing integration, \$1.6 million and \$1.6 million related to co-promote expenses and \$3.0 million and \$7.5 million related to wind down costs, respectively.

Valeant Pharmaceuticals International, Inc.

Reconciliation of Non-GAAP Adjustments

For the Three Months Ended December 31, 2011 and 2010

	Inventory step-up	Alliance product assets & pp&e step-up
Product Sales	--	--
Cost of goods sold (exclusive amortization of intangible assets shown separately below)	10,317	57
Selling, general and administrative ("SG&A")	--	157
Research and development	--	--
Acquired in-process research and development	--	--
Legal settlements	--	--
Contingent consideration fair value adjustments	--	--
Restructuring and acquisition-related costs	--	--
Amortization of intangible assets	--	--
Interest expense, net	--	--
Loss on extinguishment of debt	--	--
Tax	--	--
Total Adjustments	\$ 10,317	\$ 214

	Inventory step-up	Stock-based compensation step-up
Product Sales	--	--
Cost of goods sold (exclusive amortization of intangible assets shown separately below)	53,266	--
Selling, general and administrative ("SG&A")	--	17,040
Acquired in-process research and development	--	--
Legal settlements	--	--
Restructuring and acquisition-related costs	--	--
Amortization of intangible assets	--	--
Interest expense, net	--	--
Loss on extinguishment of debt	--	--
Tax	--	--
Total Adjustments	\$ 53,266	\$ 17,040

Valeant Pharmaceuticals International, Inc.

Reconciliation of Non-GAAP Adjustments

For the Twelve Months Ended December 31, 2011 and 2010

	Inventory step-up	Alliance product assets & pp&e step-up	S co
Product Sales	--	--	
Cost of goods sold (exclusive amortization of intangible assets shown separately below)	59,256	426	
Cost of alliances	--	18,837	
Selling, general and administrative ("SG&A")	--	429	
Research and development	--	--	
Contingent consideration fair value adjustments	--	--	
Acquired in-process research and development	--	--	
Legal settlements	--	--	
Restructuring and acquisition-related costs	--	--	
Amortization of intangible assets	--	--	
Interest expense, net	--	--	
Loss on extinguishment of debt	--	--	
Gain (loss) on investments, net	--	--	
Tax	--	--	
Total Adjustments	\$ 59,256	\$ 19,692	\$

	Inventory step-up	Stock-based compensation step-up	Re int a re
Product Sales	- -	- -	
Cost of goods sold (exclusive amortization of intangible assets shown separately below)	53,266	- -	
Selling, general and administrative ("SG&A")	- -	17,040	
Legal settlements	- -	- -	
Restructuring and acquisition-related costs	- -	- -	
Acquired in-process research and development	- -	- -	
Amortization of intangible assets	- -	- -	
Interest expense, net	- -	- -	
Loss on extinguishment of debt	- -	- -	
Gain (loss) on investments, net	- -	- -	
Tax	- -	- -	
Total Adjustments	\$ 53,266	\$ 17,040	\$

Valeant Pharmaceuticals International, Inc.

Statement of Revenue - by Segment

For the Three and Twelve Months Ended December 31, 2011 and 2010

(In thousands)

Three Months

December

Revenue (a)(b)	2011 GAAP	2010 GAAP	% Change (c)	2011
U.S. Neurology & Other	\$ 202,899	\$ 212,899	-5%	
U.S. Dermatology	174,096	103,896	68%	
Total U.S.	376,995	316,795	19%	
Canada/Australia	101,352	80,422	26%	
Specialty Pharmaceuticals	478,347	397,217	20%	
Branded Generics - Europe	144,335	48,310	199%	
Branded Generics - Latin America	65,771	69,037	-5%	
Branded Generics	210,106	117,347	79%	
Total Revenue	\$ 688,453	\$ 514,564	34%	

Twelve Months

December

Revenue (a)(b)	2011 GAAP	2010 GAAP	% Change (c)	2011
U.S. Neurology & Other	\$ 829,289	\$ 658,312	26%	
U.S. Dermatology	568,298	219,008	159%	
Total U.S.	1,397,587	877,320	59%	
Canada/Australia	340,240	161,568	111%	

Specialty Pharmaceuticals	1,737,827	1,038,888	67%
Branded generics - Europe	470,783	73,312	542%
Branded generics - Latin America	254,840	69,037	269%
Branded Generics	725,623	142,349	410%
Total Revenue	\$ 2,463,450	\$ 1,181,237	109%

(a) Note: Currency effect for constant currency sales is determined by comparing 2011 reported amounts adjusted to exclude currency impact, calculated using 2010 monthly average exchange rates, to the actual 2010 reported amounts. Constant currency sales is not a GAAP-defined measure of revenue growth. Constant currency sales as defined and presented by us may not be comparable to similar measures reported by other companies.

(b) See footnote (b) to Table 2.

(c) The % change reflects revenue for the combined company for the three months ended December 31, 2011 as compared to the combined company for the three months ended December 31, 2010. The % change for the twelve months ended December 31, 2011 is as compared to Legacy Biovail only for nine months ended September 30, 2010 and combined company for three months ended December 31, 2010.

Valeant Pharmaceuticals International, Inc.

Reconciliation of GAAP Statement of Cost of Goods Sold to Non-GAAP Statement Cost of For the Three and Twelve Months Ended December 31, 2011

(In thousands)

Three Months End

4.1 Cost of goods sold (a)
December 31,

	2011 as reported GAAP	% of product sales	2011 fair value step- up adjustment to inventory and Other non-GAAP (b)
U.S. Neurology & Other	\$ 34,937	18%	\$ 2,025
U.S. Dermatology	18,882	12%	1,721
Canada/Australia	32,070	32%	8,506
Branded Generics - Europe	68,900	49%	2,952
Branded Generics - Latin America	27,085	41%	2,981
Corporate	109		88
	<u>\$ 181,983</u>	<u>28%</u>	<u>\$ 18,273</u>

Twelve Months End
December 31,

	2011 as reported GAAP	% of product sales	2011 fair value step-up adjustment to inventory and Other non-GAAP (b)
U.S. Neurology & Other	\$ 148,128	19%	\$ 17,550
U.S. Dermatology	74,179	17%	9,418
Canada/Australia	106,609	31%	12,141
Branded Generics - Europe	245,453	52%	26,525
Branded Generics -	108,271	42%	7,936

Latin America

Corporate

1,110

617

\$ 683,750 30%

\$ 74,187

(a) See footnote (b) to Table 2.

(b) For the three and twelve months ended December 31, 2011 U.S. Neurology and Other and U.S. Dermatology include \$0.0 million and \$9.4 million and \$1.7 million and \$9.4 million of fair value step-up adjustment to inventory, respectively and in the three and twelve months ended December 31, 2011, U.S. Neurology and Other includes \$2.0 million and \$8.1 million of amortization. For the three and twelve months ended December 31, 2011 Canada/Australia includes \$5.7 million and \$9.6 million of fair value step up adjustment to inventory, respectively and in the three and twelve months ended December 31, 2011, Canada/Australia includes \$2.8 million and \$2.5 million of accelerated depreciation and PP&E step-up. For the three and twelve months ended December 31, 2011 Branded Generics-Latin America includes \$0.0 million and \$5.0 million of fair value step up adjustment to inventory, respectively and in the three and twelve months ended December 31, 2011, Branded Generics-Latin America includes \$2.9 million and \$2.9 million of inventory write-offs. For the three and twelve months ended December 31, 2011 Corporate includes \$0.0 million and \$0.6 million of stock base compensation step up.

Valeant Pharmaceuticals International, Inc.

Consolidated Balance Sheet and Other Data

(In thousands)

As of

December 31, De

5.1 Cash	2011		
Cash and cash equivalents	\$	164,111	\$
Marketable securities		6,338	
Total cash and marketable securities	\$	170,449	\$

Debt

Revolving credit facility	\$	220,000	\$
New Term loan A facility, net of unamortized debt discount of \$39,480		2,185,520	
Term loan A facility		-	
Senior notes		4,228,480	
Convertible notes		17,011	
Other		-	
		6,651,011	
Less: Current portion		(111,250)	
	\$	6,539,761	\$

5.2 Summary of Cash Flow Statement

Three Months E

December 3

2011

Cash flow provided by (used in):

Net cash provided by (used in) operating activities (GAAP)	\$	189,780	\$
Restructuring and acquisition-related costs		56,718	
Payment of accrued legal settlements		9,441	
Effect of ASC 470-20 (FSP APB 14-1)		1,390	
Tax Benefit from Stock Options Exercised (a)		(7,125)	
Working Capital changes from Ortho and Dermik		21,434	
Changes in working capital related to restructuring and acquisition-related costs		(18,510)	
Adjusted cash flow from operations (Non-GAAP) (b)	\$	253,128	\$

(a) Includes stock option tax benefit which will reduce taxes in future periods.

(b) See footnote (b) to Table 2.

Valeant Pharmaceuticals International

Proforma Organic Growth - by Segment

For the Three and Twelve Months Ended December 31, 2011

(In thousands)

(a) (b)

(a) (c)

(d)

	December 2011	December 2010	Total Proforma Acquisitions	To
U.S. Dermatology	\$ 151,360	\$ 90,330	\$ 20,083	\$
	195,879	201,470	-	
U.S. Neurology & Other (d)				
Total U.S.	347,239	291,800	20,083	
Canada/Australia	100,017	79,573	8,312	
Specialty Pharmaceuticals	447,256	371,373	28,395	
Branded generics - Latin America	65,771	69,038	-	
Branded generics - Europe	141,144	48,310	91,329	
Branded Generics	206,915	117,348	91,329	
Total product sales	\$ 654,171	\$ 488,721	\$ 119,724	\$
Add: JV Revenue (f)	1,048	177	-	
Total	\$ 655,219	\$ 488,898	\$ 119,724	\$
	(a) (b)	(a) (c)	(d)	
	December 2011	December 2010	Total Proforma Acquisitions	To
U.S. Dermatology	\$ 437,663	\$ 306,664	\$ 35,614	\$

	767,222	780,681	20,625
U.S. Neurology & Other (d)			
Total U.S.	1,204,885	1,087,345	56,239
Canada/Australia	334,794	268,033	13,346
Specialty Pharmaceuticals	1,539,679	1,355,378	69,585
Branded generics - Latin America	254,840	214,406	6,471
Branded generics - Europe	460,531	198,138	209,260
Branded Generics	715,371	412,544	215,731
Total product sales	\$ 2,255,050	\$ 1,767,922	\$ 285,316
Add: JV Revenue (f)	3,361	659	-
Total	\$ 2,258,411	\$ 1,768,581	\$ 285,316

(a) See footnote (b) to Table 2.

(b) Includes all acquisitions.

(c) Total Q4 revenue of \$514.6 million also includes \$5.5 million and \$20.4 million of Service, Alliance and Royalty revenue recorded by Legacy Biovail and Legacy Valeant, respectively. Combined YTD proforma revenue includes Legacy Biovail and Legacy Valeant product sales of \$879.2 million and \$888.7 million, respectively. Total proforma revenue of \$1,928.3 million also includes \$27.6 million and \$132.8 million of Service, Alliance and Royalty revenue recorded by Legacy Biovail and Legacy Valeant, respectively.

(d) Includes proforma historical revenue for acquisitions with a purchase price > \$20 million.

(e) See footnote (a) to Table 3.

(f) Represents Valeant's attributable portion of revenue from joint ventures (JV) not included in Consolidated Valeant revenues.



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