BAUSCH Health

Valeant Announces New U.S. Fulfillment Agreements With Walgreens; Plans To Further Extend Distribution To Independent Pharmacies

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Valeant to reduce prices by 10 percent for all dermatological and ophthalmological products distributed through more than 8,000 Walgreens retail outlets as well as additional participating independent pharmacies

Valeant will also distribute certain branded products, that have generics available, in the dermatology, ophthalmology, gastrointestinal and neurology/other therapeutic areas through Walgreens at generic prices; an expected average price decrease of more than 50 percent

Valeant estimates that the price decreases across both programs are expected to provide the healthcare system up to $600 million in annual savings

Fulfillment agreements designed to help enhance patient care through expanded services and lower out-of-pocket expenses

LAVAL, Quebec and DEERFIELD, Ill., Dec. 15, 2015 /PRNewswire/ -- Valeant Pharmaceuticals International, Inc. (NYSE: VRX) (TSX: VRX) ("Valeant") today announced new fulfillment agreements with Walgreens while indicating it intends to extend this distribution model to additional participating independent retail pharmacies. In conjunction with the fulfillment agreement, Valeant will reduce prices of its branded prescription-based dermatological and ophthalmological products by 10 percent. The reduced pricing will apply to the wholesale list prices of these products and will be phased in over the next six to nine months. This agreement also covers Valeant's over-the-counter product portfolio.

The agreement will enable consumers to conveniently access Valeant's dermatology and ophthalmology products at a lower out-of-pocket cost from more than 8,000 Walgreens U.S. retail pharmacy locations, as well as participating independent retailers. The 20-year agreement takes effect the first quarter of 2016 and will initially cover Valeant's dermatology products – including, most notably, Jublia®, Luzu™, Solodyn®, Retin-A Micro® Gel 0.08%, Onexton™ and Acanya® Gel – and ophthalmology products – including Besivance®, Lotemax®, Alrex®, Prolensa ®, Bepreve® and Zylet®. Valeant and Walgreens hope to expand the relationship to include other therapeutic areas over time.

The agreement is designed to create a more efficient model to help lower costs while ensuring patients have convenient access to the products their doctors prescribe. Patients with commercial insurance can benefit from lower out-of-pocket costs, such as reduced copays, set to be as low as zero for some products initially, and the program will provide convenient access for patients who lack coverage for the products. Because of government regulation, the cost sharing program will not be applicable to patients with government insurance.

Walgreens and Valeant also have entered into a separate agreement under which Valeant will distribute more than 30 branded products, where generics are available, in the dermatology, ophthalmology, gastrointestinal and neurology/other therapeutic areas through Walgreens at

generic prices, giving doctors the ability to make the branded product available to patients at generic prices. The reduced pricing for the branded products, which will be available to all patients beginning the second half of 2016, is expected to range from 5 percent to 95 percent, or a weighted average price decrease of more than 50 percent. The agreement covers such products as Aldara®, Tiazac®, and Glumetza®. This program will be available to all patients, including those with government coverage.

Valeant expects the price decreases across both programs, when fully implemented, will provide up to $600 million in annual savings to the healthcare system. This number is derived from calculating the 10 percent reduction in average selling price (ASP) of Valeant's dermatology and ophthalmology brands, multiplied by the actual 2015 volume, plus the estimated 50 percent price reduction in ASP of Valeant's branded products to the current reimbursed generic equivalent at 2015 volumes.

"We have listened to what the marketplace is saying and we've taken positive steps to respond. We are pleased to announce both a strategic fulfillment agreement with Walgreens, as well as a new agreement to offer innovator products at generic prices, which is good for consumers, good for physicians and good for the healthcare system," said J. Michael Pearson , chairman and chief executive officer of Valeant. "Our goal is to create a system that allows prescription medications to be dispensed and insurance claims adjudicated in an efficient manner while allowing physicians to focus their efforts on what matters most: patient care."

"Walgreens is always looking for ways to expand the products and services people want and need, and our agreement with Valeant advances our commitment to creating a patient-led pharmacy experience," said Alex Gourlay , President of Walgreen Co. "In addition to promoting pharmacist-patient interactions to improve care and medication adherence, this agreement creates a new direct distribution model that we believe will help increase efficiency."

The direct distribution model for Valeant's dermatology and ophthalmology products through Walgreens and independent pharmacies is designed to help reduce costs and administrative processes, yielding savings that can benefit patients and the healthcare system. Independently, Walgreens has retained Leavitt Partners, headed by former U.S. Dept. of Health and Human Services (HHS) Secretary and former Utah governor Michael Leavitt , to assess the model and evaluate its benefits to patients and markets to ensure it is delivering value.

ABOUT VALEANT PHARMACEUTICALS INTERNATIONAL, INC.

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

Walgreens (
www.walgreens.com
), the nation's largest drugstore chain, is included in the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), the first global pharmacy-led, health and wellbeing enterprise. More than 8 million customers interact with Walgreens each day in communities across America, using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice. Walgreens operates 8,173 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Walgreens digital business includes Walgreens.com,

drugstore.com, Beauty.com, SkinStore.com and VisionDirect.com. Walgreens also manages more than 400 Healthcare Clinic and provider practice locations around the country.

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Valeant Forward Looking Statements:

This press release may contain forward-looking statements, including, but not limited to, statements regarding the fulfillment agreements with Walgreens (including, among other things, the timing of commencement of the respective programs, the future supply and sales of product and the anticipated benefits) and Valeant's plans to reduce pricing on its products (including amount and timing of the reduction and anticipated impact). Forward-looking statements may generally be identified by the use of the words "anticipates," "expects," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," "target," or "continue" and variations or similar expressions. These statements are based upon the current expectations and beliefs of management of Valeant 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 the risks and uncertainties discussed in Valeant's most recent annual or quarterly report and detailed from time to time in Valeant's other filings with the Securities and Exchange Commission (the "SEC") and the Canadian Securities Administrators, which factors are incorporated herein by reference. Readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak only as of the date hereof. 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, except as required by law.

Walgreens Forward Looking Statements:

All statements in this press release that are not historical facts are forward-looking statements, including estimates of and goals for future financial and operating performance, statements

regarding the fulfillment agreements with Walgreens (including, among other things, the timing of commencement of the respective programs, the future supply and sales of product and the anticipated benefits) and Valeant's plans to reduce pricing on its products (including amount and timing of the reduction and anticipated impact). Forward-looking statements may generally be identified by the use of the words "anticipates," "expects," "intends," "plans," "goal," "guidance," "should," "could," "would," "may," "can," "will," "believes," "estimates," "potential," "target," or "continue" and variations or similar expressions. These statements are based upon the current expectations and beliefs of management of Valeant and, where indicated, Walgreens Boots Alliance, Inc. ("WBA") 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 the risks and uncertainties discussed in Valeant's and WBA's most recent annual or quarterly report and detailed from time to time in other filings with the Securities and Exchange Commission (the "SEC") and the Canadian Securities Administrators, as applicable, which factors are incorporated herein by reference. Readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak only as of the date hereof. Each of Valeant and WBA do not undertake, and expressly disclaim, any duty or 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, except to the extent required by law.

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