

## Valeant Ad Hoc Committee has Made Substantial Progress in Its Review of Philidor and Related Accounting Matters

February 22, 2016

LAVAL, Quebec, Feb. 22, 2016 /PRNewswire/ -- Valeant Pharmaceuticals International, Inc. (NYSE: VRX) (TSX: VRX) ("Valeant" or the "Company") today announced that based on the work of the Ad Hoc Committee of the Board of Directors appointed to review the Company's relationship with Philidor and related matters, as well as additional work and analysis by the Company, the Company has preliminarily identified certain sales to Philidor during 2014, prior to Valeant's entry into an option to acquire Philidor, that should have been recognized when product was dispensed to patients rather than on delivery to Philidor.

The Company currently believes that approximately \$58 million of net revenues previously recognized in the second half of 2014 should not have been recognized upon delivery of product to Philidor. Correcting the misstatements is expected to reduce reported 2014 GAAP EPS by approximately \$0.10 and increase 2015 GAAP EPS by approximately \$0.09. Following entry into the option to acquire Philidor in December 2014, the Company began to consolidate Philidor's accounts and began to recognize sales to Philidor only when dispensed to patients, and no similar adjustments would be necessary for sales after that date.

The Company expects to delay filing its 2015 10-K pending completion of the review of related accounting matters by the Ad Hoc Committee, with the assistance of its independent advisors, and the Company's ongoing assessment of the impact on financial reporting and internal controls.

"This determination and the need to delay our 10-K filing are very disappointing but necessary," stated Howard Schiller, interim chief executive officer. "We remain committed to improving reporting procedures, internal controls and transparency for our investors."

Mr. Schiller continued, "Valeant has a collection of great healthcare brands -- including strong franchises in dermatology, ophthalmology, gastro-intestinal health and consumer products -- with an exceptional team responsible for building and growing these franchises. The last few months have been challenging on many levels. We have made mistakes in the past and our focus today is on executing our business plan and rebuilding trust."

Robert Ingram, interim chairman of the board and head of the Ad Hoc Committee said, "The Ad Hoc Committee has made substantial progress in its review of Philidor and related accounting matters and we believe this correction is an important step forward. Valeant is a strong company and we as a Board, Ad Hoc Committee and Company are working to restore confidence among investors and Valeant's other constituencies."

The preliminary, unaudited financial information provided above with respect to currently anticipated adjustments to 2014 and 2015 should not be viewed as final and remains subject to change based on the Company's ongoing procedures and review with respect to such periods. In

addition, the Ad Hoc Committee is continuing its review of the circumstances relating to the misstatements and appropriate actions to be taken.

## **February 29, 2016 Conference Call Information**

Company plans to host a conference call at 8:00 a.m. ET (5:00 a.m. PT), February 29, 2016 to discuss unaudited financial results for the fourth quarter of 2015, and provide a business update. The dial-in number to participate on this call is (877) 876-8393 confirmation code 36137959. International callers should dial (973) 200-3961, confirmation code 36137959. A replay will be available approximately two hours following the conclusion of the conference call through March 7, 2016 and can be accessed by dialing (855) 859-2056, or (800) 585-8367, confirmation code 36137959.

## **About Valeant**

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](http://www.valeant.com).

## **Forward-looking Statements**

This press release may contain forward-looking statements, including, but not limited to, statements regarding Valeant's management, financial reporting, future prospects and ability to execute its strategic plan. 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 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 and detailed from time to time in Valeant's other filings with the Securities and Exchange Commission 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. Valeant has not completed its review procedures with respect to 2015 financial information or adjustments to 2014 financial information, and the information herein may be subject to change based on such review, including the subsequent identification of other adjustments. 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, unless required by law.

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