

Valeant Announces That Afexa Supports and Recommends Valeant's Increased Offer and Agrees to Certain Amendments to Support Agreement

September 30, 2011

- **Valeant's increased offer is C\$0.85 per Afexa common share**
- **Offer no longer subject to a minimum tender condition, comparable to Paladin's no minimum tender condition, providing greater certainty of completion**
- **Break up fee increased from C\$3.75 million to C\$4.5 million, which is proportional to the increase in aggregate purchase price under Valeant's offer**

MISSISSAUGA, Ontario, Sept. 30, 2011 /PRNewswire via COMTEX/ --

Valeant Pharmaceuticals International, Inc. ("**Valeant**") (NYSE/TSX:VRX), announced today that Afexa's Board of Directors unanimously recommends Valeant's increased friendly offer (the "**Increased Offer**") for all of the outstanding common shares of Afexa Life Sciences Inc. ("**Afexa**") for a price of C\$0.85 per share in cash. The offer is made by Valeant's wholly-owned subsidiary 1625907 Alberta Ltd. (the "**Offeror**"). Afexa also agreed to certain amendments to the support agreement among Valeant, the Offeror and Afexa, to reflect the following:

- **Increased Purchase Price.** The all cash purchase price has been increased from C\$0.71 to C\$0.85 per Afexa common share.
- **No Minimum Tender Condition.** The Increased Offer will no longer be subject to a minimum tender condition such that the Offeror will take-up and pay for any and all shares tendered to the Increased Offer if the other customary conditions of the Increased Offer are satisfied. The removal of the minimum tender condition provides greater certainty to shareholders that shares tendered to the Increased Offer will be taken-up and paid for.
- **Increase in Termination Fee.** The increase in the break up fee payable to Offeror in certain circumstance has been increased from C\$3.75 million to C\$4.5 million. The increase is proportional to the increase in the aggregate purchase price payable by Valeant under the Increased Offer.

Based on the recommendation of the Special Committee of Afexa's Board of Directors and advice from its advisors, including an opinion from Scotia Capital Inc. as financial advisors to Afexa that the consideration to be offered under the Increased Offer is fair, from a financial point of view, to Afexa's shareholders, Afexa's Board of Directors has unanimously recommended that shareholders accept Valeant's Increased Offer and reject Paladin's offer.

As previously announced, Valeant has entered into lock-up agreements with directors and officers of Afexa and certain of their affiliates and associates pursuant to which they have agreed to tender all common shares of Afexa held by them, representing in the aggregate 9.2% of the outstanding common shares of Afexa on a fully-diluted basis.

"We are delighted that the Afexa Board of Directors has unanimously recommended that Afexa shareholders accept our increased bid and reject Paladin's hostile offer," said J. Michael Pearson,

chairman and chief executive officer. "We commend Afexa's Board as they continue to act in the best interest of Afexa's shareholders, and we remain excited about the potential to enhance our consumer portfolio with the Afexa franchise in both Canada and our international operations."

Valeant's all-cash offer provides Afexa shareholders the ability to receive their proceeds in cash and then, to either invest that cash in Valeant common shares, which are traded on both the Toronto Stock Exchange and the New York Stock Exchange, thus sharing in potential future growth opportunities from Afexa's strong consumer portfolio supported by Valeant's international platform, or to invest in alternative investments as they deem appropriate.

Full details of the Increased Offer will be included in a notice of variation to be filed on SEDAR and mailed to Afexa's shareholders promptly. Afexa's Board of Directors will also file on SEDAR and mail to its shareholders a notice of change to its directors' circulars recommending that shareholders of Afexa accept the Increased Offer.

Other than as stated above, the Increased Offer remains subject to the same conditions as the original offer of September 9, 2011, as amended by the Notice of Variation. Shareholders who have already tendered their common shares of Afexa under the terms of the original offer will receive the Increased Offer and are not required to take any further steps to accept the Increased Offer.

Afexa has retained Georgeson Shareholder Communications Canada Inc. as information agent in connection with the offer. Any questions or requests for assistance or further information on how to tender common shares to the Increased Offer may be directed to, and copies of the above referenced documents may be obtained by contacting the information agent in North American at: 1-866-676-3005 or by email at askus@georgeson.com

About Valeant Pharmaceuticals International, Inc.

Valeant Pharmaceuticals International, Inc. is a multi-national specialty pharmaceutical company that develops, manufactures and markets a broad range of pharmaceutical products primarily in the areas of neurology, dermatology and branded generics. More information about Valeant Pharmaceuticals International, Inc. can be found at www.valeant.com

Forward Looking Information

To the extent any statements made in this document 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 as defined under applicable Canadian securities legislation (collectively, "forward-looking statements").

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 Valeant's most recent annual or quarterly report filed with the SEC and risks and uncertainties as detailed from time to time in Valeant's filings with the SEC and the Canadian Securities Administrators, which factors are incorporated herein by reference. These risks and

uncertainties also include the ability to obtain all necessary regulatory approvals, third party consents and otherwise satisfy the conditions of the Increased Offer and delays in closing the Increased Offer. 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 the events or circumstances after the date of this press release or to reflect actual outcomes.

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