

4Q & FY 2017

Financial Results



Forward-Looking Statements

This presentation contains forward-looking information and statements, within the meaning of applicable securities laws (collectively, “forward-looking statements”), including, but not limited to, statements regarding Valeant’s future prospects and performance (including the Company’s 2018 full-year guidance), expected revenue and Adjusted EBITDA (non-GAAP) compound annual growth rate over the next several years, planned dermatology growth, anticipated revenue from our significant seven products, the expected impact on long-term growth of new product approvals (including approvals of the Significant Seven), the timing and number of expected product launches, the anticipated submission, approval and launch dates for certain of our pipeline products and R&D programs, the anticipated timing of receipt of clinical and pre-clinical results or data for certain of our pipeline products and R&D programs, the anticipated timing of the loss of exclusivity of certain of our products and the expected impact of such loss of exclusivity on our financial condition, the amount of anticipated marketing and R&D spend, anticipated reduction in working capital, anticipated reduction in cost of goods, the court approval of the settlements of the Allergan securities litigation and the Solodyn antitrust litigation, the anticipated insurance recoveries related to the Allergan securities litigation settlement costs and legal fees, management’s commitments and expected targets and our ability to achieve the action plan and expected targets in the periods anticipated, the Company’s mission (and the elements and timing thereof) and the Company’s plans and expectations for 2018 and beyond. Forward-looking statements may generally be identified by the use of the words “anticipates,” “expects,” “goals,” “intends,” “plans,” “should,” “could,” “would,” “may,” “will,” “believes,” “estimates,” “potential,” “target,” “commit,” or “continue” and variations or similar expressions. These forward-looking statements, including the Company’s 2018 full-year guidance and management’s commitments and expected targets for 2018 and beyond, are based upon the current expectations and beliefs of management and are provided for the purpose of providing additional information about such expectations and beliefs and readers are cautioned that

these statements may not be appropriate for other purposes. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results and events to differ materially from those described in these forward-looking statements. These risks and uncertainties include, but are not limited to, the risks and uncertainties discussed in the Company’s most recent annual and quarterly reports and detailed from time to time in the Company’s other filings with the Securities and Exchange Commission and the Canadian Securities Administrators, which risks and uncertainties are incorporated herein by reference. In addition, certain material factors and assumptions have been applied in making these forward-looking statements (including the Company’s 2018 full-year guidance and management’s commitments and expected targets for 2018 and beyond), including that the risks and uncertainties outlined above will not cause actual results or events to differ materially from those described in these forward-looking statements, and additional information regarding certain of these material factors and assumptions may also be found in the Company’s filings described above. The Company believes that the material factors and assumptions reflected in these forward-looking statements are reasonable, but 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 presentation or to reflect actual outcomes, unless required by law.

The guidance in this presentation is only effective as of the date given, February 28, 2018, and will not be updated or affirmed unless and until the Company publicly announces updated or affirmed guidance.



Non-GAAP Information

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures including (i) Adjusted EBITDA, (ii) Adjusted EBITA, (iii) Adjusted EBITA Margin, (iv) Adjusted Operating Income, (v) Adjusted Gross Profit, (vi) Adjusted Gross Margin, (vii) Adjusted Selling A&P, (viii) Adjusted G&A, (ix) Adjusted SG&A, (x) Adjusted R&D, (xi) Total Adjusted Operating Expense, (xii) Adjusted Net Income, (xiii) Organic Revenue, (xiv) Organic Growth/Change and (xv) Constant Currency. Management uses some of these non-GAAP measures as key metrics in the evaluation of company performance and the consolidated financial results and, in part, in the determination of cash bonuses for its executive officers. The Company believes these non-GAAP measures are useful to investors in their assessment of our operating performance and the valuation of our Company. In addition, these non-GAAP measures address questions the Company routinely receives from analysts and investors and, in order to assure that all investors have access to similar data, the Company has determined that it is appropriate to make this data available to all investors.

However, these measures are not prepared in accordance with GAAP nor do they have any standardized meaning under GAAP. In addition, other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar non-GAAP measures. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

The reconciliations of these historic non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are shown in the appendix hereto. However, for guidance purposes, the Company does not provide reconciliations of projected Adjusted EBITDA (non-GAAP) to projected GAAP net income (loss), due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. In periods where significant acquisitions or divestitures are not expected, the Company believes it might have a basis for forecasting the GAAP equivalent for certain costs, such as amortization, that would otherwise be treated as a non-GAAP adjustment to calculate projected GAAP net income (loss). However, because other deductions (e.g., restructuring, gain or loss on extinguishment of debt and litigation and other matters) used to calculate projected net income (loss) may vary significantly based on actual events, the Company is not able to forecast on a GAAP basis with reasonable certainty all deductions needed in order to provide a GAAP calculation of projected net income (loss) at this time. The amounts of these deductions may be material and, therefore, could result in GAAP net income (loss) being materially different from (including materially less than) projected Adjusted EBITDA (non-GAAP).

Finally, commencing in 2017, the Company assessed the methodology with which it was calculating these non-GAAP measures and made updates where it deemed appropriate to better reflect the underlying business. As a result, where applicable, for the purposes of the Company's actual results for pre-2017 periods presented, the Company has calculated and presented the non-GAAP measures using the historic methodologies in place as of the applicable historic dates; however, the Company has also provided a reconciliation that calculates the non-GAAP measures using the new methodologies, to allow investors and readers to evaluate the non-GAAP measures on the same basis for the periods presented.

Today's Topics

1.

Opening Remarks &
2017 Progress Highlights

2.

4Q & FY 2017 Financial Results

3.

FY 2018 Guidance

4.

2018 Catalysts

Tangible Progress Toward Transformation

OUR MISSION:

Improve people's lives with our health care products.

STABILIZE
2016

TURNAROUND
2017-2018

TRANSFORM
2018+

- ✓ Resolving legacy issues and de-risking the balance sheet
- ✓ Investing in core franchises with attractive growth
- ✓ Launching new products with meaningful opportunities

“We’ve built a world-class organization and we are confident that continuing to successfully execute on these initiatives will get us to phase three of our multi-year plan – the transformation.”

– Joseph C. Papa, Chairman and CEO

Advancements in 2017 Through Today

Executing on Core Businesses

- ~75% of total revenue generated from the B+L/International segment and the Salix business
- 6% B+L/International segment organic revenue growth^{1,2} versus FY16 and generated mid-single digit organic growth¹ during each of the four quarters of 2017
 - ✓ Strong growth across China in Global Vision Care
- 5% Salix organic revenue growth^{1,2} versus FY16 and generated mid-single digit or higher organic growth^{1,2} during the second, third and fourth quarters of 2017
- Continued focus on stabilizing dermatology business, including increasing sales force by >25% in January 2018

Growing Pipeline and Launching New Products

- Launched more than 100 new products globally in 2017
 - ✓ Launched AQUALOX® contact lenses in Japan
 - ✓ Introduced Biotrue® ONEday for Astigmatism daily disposable contact lenses in 20 countries in Europe
- Launched VYZULTA™ and SILIQ™
- FDA approved LUMIFY™
- FDA accepted NDAs for DUOBRII™³, ALTRENO™³ and JEMDEL™³
- Received 510(k) clearance from the FDA for Thermage FLX™, Stellaris Elite™ and Vitesse™

Reducing Debt, Extending Maturities and Resolving Legacy Issues

- As of Feb. 28, 2018, reduced total debt by more than \$6.7 billion since the end of the first quarter of 2016
- Reduced debt repayment requirements through 2020 by more than \$10.8 billion since Dec. 31, 2016; eliminated all long-term debt maturities until 2020 and all mandatory amortization requirements
- Completed 13 divestitures since the beginning of 2016
- Achieved dismissals or other positive outcomes in resolving and managing litigation and investigations in more than 80 historical matters since the beginning of 2017
 - ✓ Resolved Allergan securities litigation, subject to court approval; we believe that our insurance policies are sufficient to cover the settlement costs and legal fees⁴
 - ✓ Agreed to resolve the SOLODYN® antitrust litigations in Feb. 2018, with the class settlement (\$58 million) being subject to court approval
- Simplified the supply chain by reducing a number of manufacturing sites by 23% and are in the process of discontinuing >1,900 SKUs
- Optimized manufacturing and supply chain with a cost improvement of ~\$90M in 2017
- All facilities are now rated either as “No Action Indicated” or “Voluntary Action Indicated”

Bausch + Lomb/International Update

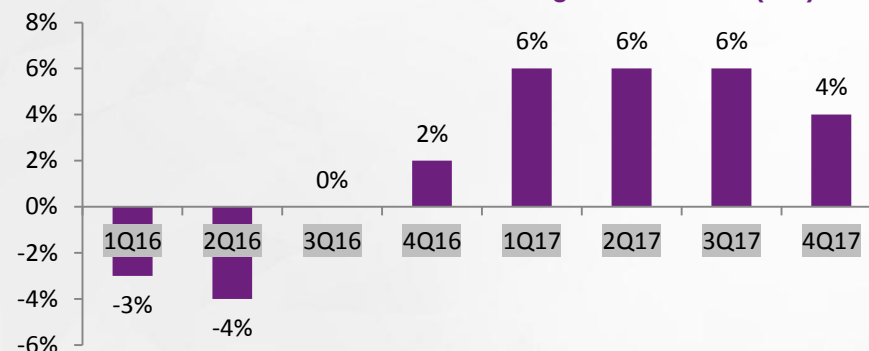
BAUSCH + LOMB

FY17 Revenues	4Q17 Revenues	3Q17 Revenues	2Q17 Revenues	1Q17 Revenues	4Q16 Revenues
\$4,871M	\$1,226M	\$1,254M	\$1,241M	\$1,150M	\$1,261M

Key Financial Highlights

- 6% organic revenue growth^{1,2} versus FY16 and generated mid-single digit organic growth^{1,2} during each of the four quarters of 2017
- Global Consumer organic revenue growth^{1,2} of 6% compared to FY16 and 9% Y/Y in 4Q17
 - ✓ Planned launches of 3 new products in 2018
- Global Vision Care organic revenue growth^{1,2} of 3% compared to FY16 and 5% Y/Y in 4Q17
 - ✓ 16% organic revenue^{1,2} growth across China compared to FY16
- Growing presence on e-commerce
 - ✓ Expanded presence of B+L on Amazon with 58% growth in FY17 compared to FY16
 - ✓ 35% spike in sales seen on Alibaba's Singles Day

Bausch + Lomb/International Organic Growth^{1,2} (Y/Y)



VYZULTA™ - FDA Approved and Now Launching

Prostaglandin analog with dual mechanism of action that reduces intraocular pressure (IOP) in patients with open-angle glaucoma or ocular hypertension

- One Molecule, Two Pathways
- Proven IOP reduction
- Demonstrated safety profile

Glaucoma Market Opportunity³

- Global glaucoma market represents ~\$6 billion
- Market is expected to grow at a CAGR of 15%, eventually accounting for a more than \$11 billion in revenue opportunity by the end of 2020

FY17 Revenues	4Q17 Revenues	3Q17 Revenues	2Q17 Revenues	1Q17 Revenues	4Q16 Revenues
\$1,566M	\$425M	\$452M	\$387M	\$302M	\$413M

Key Financial Highlights

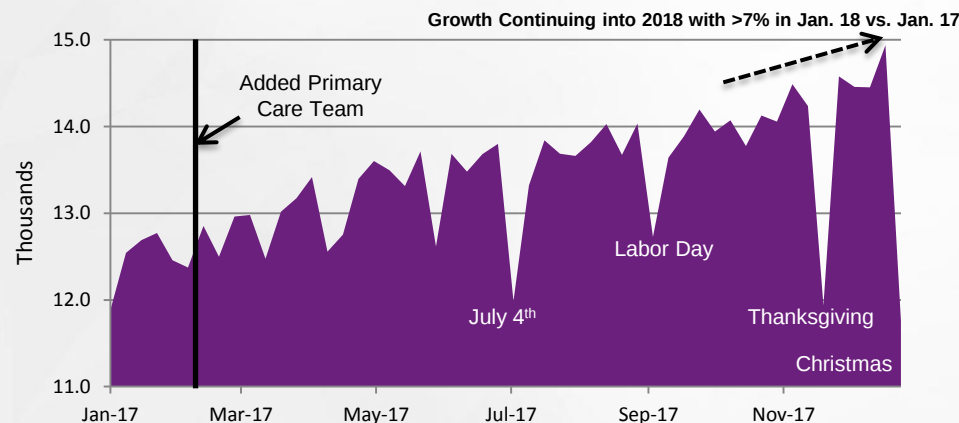
- 5% organic growth^{2,3} in FY17 compared to FY16 and 5% Y/Y in 4Q17
 - ✓ XIFAXAN[®] organic revenue growth^{2,3} of 5% in FY17 compared to FY16 and 10% Y/Y in 4Q17
 - ✓ RELISTOR[®] organic revenue growth^{2,3} of 4% in FY17 compared to FY16 highlighted by strong uptake on tablets
 - ✓ 8% prescription growth of APRISO[®] Y/Y

XIFAXAN[®] Highlights

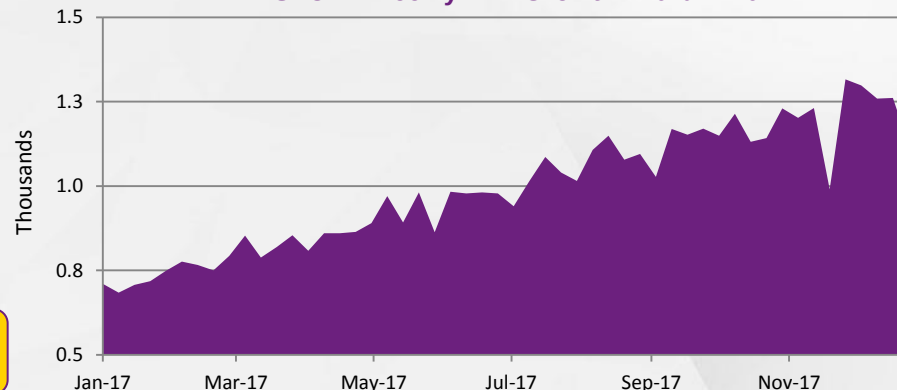
- 4% TRx unit volume growth in 4Q17 compared to 4Q16 driven by Primary Care expansion and sales force messaging on proper dosing for IBS-D
- Continue to invest in the future of this durable asset through study of new indications and new formulations
- Duration of market exclusivity supported by solid patent estate and challenging regulatory pathway

XIFAXAN[®] Achieved Blockbuster Status with >\$1B in Sales⁴

XIFAXAN[®] Weekly TRx Growth >10% Since Primary Care Team Added



RELISTOR[®] Weekly TRx Growth >40% in 2017



1. Reported within Branded Rx segment.

2. See Slide 2 and Appendix for further non-GAAP information.

3. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.

4. Achieved during January 2018 on a trailing twelve months basis.

Ortho Dermatologics¹ Update

FY17 Revenues	4Q17 Revenues	3Q17 Revenues	2Q17 Revenues	1Q17 Revenues	4Q16 Revenues
\$606M	\$136M	\$148M	\$130M	\$192M	\$214M

Status Update

- Continued focus on stabilizing the dermatology business
 - ✓ Recruited new leadership team and rebranded the business as Ortho Dermatologics
 - ✓ Increased dermatology sales force by >25% in Jan. 2018
 - ✓ Average Selling Prices have stabilized

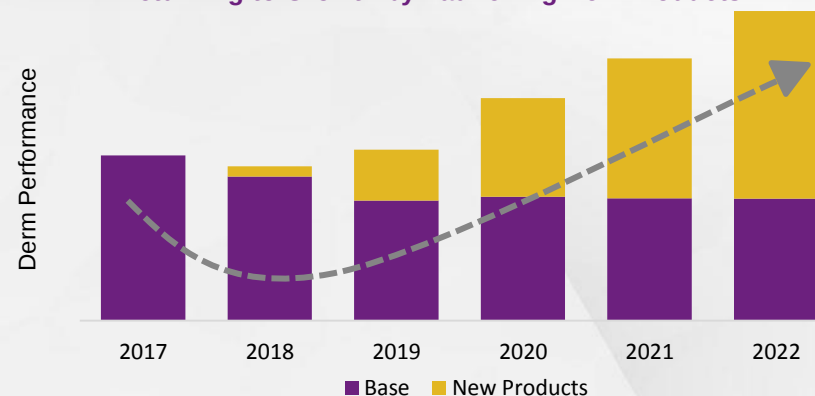
SILIQTM Launch

- Early market access better than expected; continuing to expand
- 2-year data on SILIQTM released in Oct. 2017 demonstrated durable results with a PASI 100 of 59%
- 90% of patients started on SILIQTM have stayed on therapy, according to Specialty Pharmacy data
- Data suggested that treatment with SILIQTM reduced anxiety and depression in patients with moderate-to-severe plaque psoriasis
- Pooled analysis of pivotal studies demonstrated the safety profile during 2nd year of treatment was similar to that of the 1st year of treatment

Recent Key Milestones

- Launching SILIQTM
- Launching RETIN-A MICRO[®] 06
- FDA accepted NDA for DUOBRIITM 2 (IDP-118); PDUFA date June 18, 2018
- FDA accepted NDA for ALTRENOTM 2 (IDP-121); PDUFA date Aug. 27, 2018
- FDA accepted NDA for JEMDELTM 2 (IDP-122); PDUFA date Oct. 5, 2018

Returning to Growth by Launching New Products³



Performance: Key FY17 Financial Highlights

		FY17 Revenue (% Organic Growth Y/Y) ^{1, 2}	FY17 Adj. EBITA (non-GAAP) ²	
> 	Bausch + Lomb/International	\$4,871M 6%	\$1,440M	~75% of Valeant's Total Revenue is Generated from the Bausch + Lomb/International Segment and the Salix Business
> 	Branded Rx	\$2,475M (6%)	\$1,361M	+6% Bausch + Lomb/International Segment Organic Revenue Growth ^{1,2} Versus FY16
> 	U.S. Diversified Products	\$1,378M (27%)	\$994M	+5% Salix Organic Revenue Growth ^{1,2} Versus FY16
	Total Company	\$8,724M (4%)	\$3,638M Adj. EBITDA² (non-GAAP)	

4Q

17

Financial Results

	Three Months Ended		Favorable (Unfavorable)	
	12.31.17	12.31.16	Reported	Constant Currency ³
➤ Revenues	\$2,163M	\$2,403M	(10%)	(11%)
➤ GAAP NI	\$513M	(\$515M)		
➤ Adj. NI (non-GAAP) ^{1,2} ~350 Million Shares Outstanding	\$347M	\$443M	(22%)	(30%)
➤ GAAP EPS	\$1.45	(\$1.47)		
➤ GAAP CF from Operations	\$578M	\$512M	13%	
➤ Adj. Gross Profit (non-GAAP) ^{1,2}	\$1,516M	\$1,737M	(13%)	(14%)
➤ Adj. Gross Margin (non-GAAP) ^{1,2}	70%	72%		
➤ Adj. Selling, A&P (non-GAAP) ¹	\$478M	\$477M	0%	1%
➤ Adj. G&A (non-GAAP) ^{1,2}	\$154M	\$181M	15%	16%
➤ Adj. R&D (non-GAAP) ¹	\$90M	\$93M	3%	3%
➤ Total Adj. Operating Expense (non-GAAP) ^{1,2}	\$722M	\$751M	4%	5%
➤ Adj. EBITA (non-GAAP) ^{1,2}	\$794M	\$986M	(19%)	(21%)
➤ Adj. EBITDA (non-GAAP) ^{1,2}	\$875M	\$1,047M	(16%)	(19%)

1. See Slide 2 and Appendix for further non-GAAP information.

2. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

3. See Appendix for further information on the use and calculation of constant currency.

+4%

**Bausch + Lomb/
International Segment
Organic Revenue
Growth^{1,4} Versus 4Q16**

	Three Months Ended		Favorable (Unfavorable)		
	12.31.17	12.31.16	Reported	Constant Currency ³	Organic Change ^{1,4}
➤ Global Vision Care Revenue	\$187M	\$178M	5%	3%	5%
➤ Global Surgical Revenue ⁵	\$187M	\$177M	6%	2%	2%
➤ Global Consumer Revenue	\$377M	\$397M	(5%)	(8%)	9%
➤ Global Ophtho Rx Revenue	\$164M	\$159M	3%	1%	1%
➤ International Rx Revenue ^{5,6}	\$311M	\$350M	(11%)	(13%)	2%
➤ Total Segment Revenue	\$1,226M	\$1,261M	(3%)	(5%)	4%
➤ Adj. Gross Profit (non-GAAP)^{1,2}	\$728M	\$781M	(7%)	(9%)	
➤ <i>Adj. Gross Margin (non-GAAP)^{1,2}</i>	59%	62%			
➤ <i>Adj. Selling, A&P (non-GAAP)¹</i>	\$313M	\$302M	(4%)	(1%)	
➤ <i>Adj. G&A (non-GAAP)^{1,2}</i>	\$55M	\$46M	(20%)	(15%)	
➤ <i>Adj. R&D (non-GAAP)¹</i>	\$17M	\$22M	23%	23%	
➤ Total Adj. Operating Expense (non-GAAP)^{1,2}	\$385M	\$370M	(4%)	(2%)	
➤ Adj. EBITA (non-GAAP)^{1,2}	\$343M	\$411M	(17%)	(19%)	
➤ <i>Adj. EBITA Margin (non-GAAP)^{1,2}</i>	28%	33%			
➤ Revenue % of total	57%	52%			
➤ Adj. EBITA (non-GAAP)^{1,2} % of total	43%	42%			

1. See Slide 2 and Appendix for further non-GAAP information.

2. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

3. See Appendix for further information on the use and calculation of constant currency.

4. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.

5. As of the third quarter of 2017, SYNOCROM® was removed from the Global Surgical business unit and added to the International business unit. Revenues were \$1.9 million and \$3.6 million for the fourth quarters of 2017 and 2016, respectively. This change was made as management believes that the product better aligns with the International business unit. For the purposes of allowing investors to evaluate the results of these two business units on the same basis for all periods presented, this change also has been made for the results of the three months ended Dec. 31, 2016.

6. Includes international Solta revenues.

	Three Months Ended		Favorable (Unfavorable)		
	12.31.17	12.31.16	Reported	Constant Currency ³	Organic Change ^{1,4}
➤ Salix Revenue	\$425M	\$413M	3%	3%	5%
➤ Ortho Dermatologics Revenue	\$136M	\$214M	(36%)	(36%)	(36%)
➤ Dendreon Revenue ⁵	\$0M	\$77M			
➤ Dentistry Revenue	\$39M	\$39M	0%	0%	3%
➤ Other Revenue ⁵	\$2M	\$1M			
➤ Total Segment Revenue	\$602M	\$744M	(19%)	(19%)	(8%)
➤ Adj. Gross Profit (non-GAAP) ^{1,2}	\$517M	\$625M	(17%)	(17%)	
➤ Adj. Gross Margin (non-GAAP) ^{1,2}	86%	84%			
➤ Adj. Selling, A&P (non-GAAP) ¹	\$143M	\$151M	5%	5%	
➤ Adj. G&A (non-GAAP) ^{1,2}	\$21M	\$18M	(17%)	(17%)	
➤ Adj. R&D (non-GAAP) ¹	\$16M	\$18M	11%	11%	
➤ Total Adj. Operating Expense (non-GAAP) ^{1,2}	\$180M	\$187M	4%	4%	
➤ Adj. EBITA (non-GAAP) ^{1,2}	\$337M	\$438M	(23%)	(23%)	
➤ Adj. EBITA Margin (non-GAAP) ^{1,2}	56%	59%			
➤ Revenue % of total	28%	31%			
➤ Adj. EBITA (non-GAAP) ^{1,2} % of total	42%	44%			

+5%

Salix Organic Revenue Growth^{1,4} Versus 4Q16

1. See Slide 2 and Appendix for further non-GAAP information.
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3. See Appendix for further information on the use and calculation of constant currency.
4. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.
5. Divested business.

	Three Months Ended		Favorable (Unfavorable)		
	12.31.17	12.31.16	Reported	Constant Currency ³	Organic Change ^{1,4}
➤ Neuro & Other Revenue	\$228M	\$276M	(17%)	(17%)	(17%)
➤ Generics Revenue	\$94M	\$93M	1%	1%	1%
➤ U.S. Solta Revenue ⁵	\$11M	\$9M	22%	22%	22%
➤ U.S. Obagi Revenue ^{5,7}	\$2M	\$17M			
➤ Other Revenue ⁶	\$0M	\$3M			
➤ Total Segment Revenue	\$335M	\$398M	(16%)	(16%)	(12%)
➤ Adj. Gross Profit (non-GAAP) ^{1,2}	\$271M	\$330M	(18%)	(18%)	
➤ Adj. Gross Margin (non-GAAP) ^{1,2}	81%	83%			
➤ Adj. Selling, A&P (non-GAAP) ¹	\$22M	\$24M	8%	8%	
➤ Adj. G&A (non-GAAP) ^{1,2}	\$10M	\$9M	(11%)	(11%)	
➤ Adj. R&D (non-GAAP) ¹	\$3M	\$1M			
➤ Total Adj. Operating Expense (non-GAAP) ^{1,2}	\$35M	\$34M	(3%)	(3%)	
➤ Adj. EBITA (non-GAAP) ^{1,2}	\$236M	\$296M	(20%)	(20%)	
➤ Adj. EBITA Margin (non-GAAP) ^{1,2}	70%	74%			
➤ Revenue % of total	15%	17%			
➤ Adj. EBITA (non-GAAP) ^{1,2} % of total	30%	30%			

As expected, the decline in total segment revenue was primarily driven by previously reported LOEs⁸ for a basket of products

1. See Slide 2 and Appendix for further non-GAAP information.

2. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

3. See Appendix for further information on the use and calculation of constant currency.

4. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.

5. Revenue represents the U.S. portion only of these businesses. International contributions are included in the B+L / International segment.

6. Exited business.

7. Divested business.

8. Loss of exclusivity.

Financial Results

	Twelve Months Ended		Favorable (Unfavorable)	
	12.31.17	12.31.16	Reported	Constant Currency ³
➤ Revenues	\$8,724M	\$9,674M	(10%)	(9%)
➤ GAAP NI	\$2,404M	(\$2,409M)		
➤ Adj. NI (non-GAAP) ^{1,2,4} ~350 Million Shares Outstanding	\$1,349M	\$1,916M	(30%)	(34%)
➤ GAAP EPS	\$6.83	(\$6.94)		
➤ GAAP CF from Operations	\$2,290M	\$2,087M	10%	
➤ Adj. Gross Profit (non-GAAP) ^{1,2}	\$6,176M	\$7,115M	(13%)	(13%)
➤ Adj. Gross Margin (non-GAAP) ^{1,2}	71%	74%		
➤ Adj. Selling, A&P (non-GAAP) ¹	\$1,900M	\$2,018M	6%	5%
➤ Adj. G&A (non-GAAP) ^{1,2}	\$639M	\$680M	6%	6%
➤ Adj. R&D (non-GAAP) ¹	\$361M	\$404M	11%	10%
➤ Total Adj. Operating Expense (non-GAAP) ^{1,2}	\$2,900M	\$3,102M	7%	6%
➤ Adj. EBITA (non-GAAP) ^{1,2}	\$3,276M	\$4,013M	(18%)	(18%)
➤ Adj. EBITDA (non-GAAP) ^{1,2}	\$3,638M	\$4,305M	(15%)	(17%)

1. See Slide 2 and Appendix for further non-GAAP information.

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3. See Appendix for further information on the use and calculation of constant currency

4. Includes annual effective tax rate of 13.2%.

Segment Results

Bausch + Lomb/International

+6%

**Bausch + Lomb/
International Segment
Organic Revenue
Growth^{1,4} Versus FY16**

	Twelve Months Ended		Favorable (Unfavorable)		
	12.31.17	12.31.16	Reported	Constant Currency ³	Organic Change ^{1,4}
➤ Global Vision Care Revenue	\$752M	\$743M	1%	1%	3%
➤ Global Surgical Revenue ⁵	\$677M	\$672M	1%	0%	0%
➤ Global Consumer Revenue	\$1,523M	\$1,577M	(3%)	(5%)	6%
➤ Global Ophtho Rx Revenue	\$623M	\$624M	0%	0%	0%
➤ International Rx Revenue ^{5,6}	\$1,296M	\$1,311M	(1%)	6%	13%
➤ Total Segment Revenue	\$4,871M	\$4,927M	(1%)	0%	6%
➤ Adj. Gross Profit (non-GAAP)^{1,2}	\$2,957M	\$3,057M	(3%)	(2%)	
➤ <i>Adj. Gross Margin (non-GAAP)^{1,2}</i>	61%	62%			
➤ <i>Adj. Selling, A&P (non-GAAP)¹</i>	\$1,246M	\$1,273M	2%	1%	
➤ <i>Adj. G&A (non-GAAP)^{1,2}</i>	\$199M	\$200M	1%	0%	
➤ <i>Adj. R&D (non-GAAP)¹</i>	\$72M	\$85M	15%	14%	
➤ Total Adj. Operating Expense (non-GAAP)^{1,2}	\$1,517M	\$1,558M	3%	2%	
➤ Adj. EBITA (non-GAAP)^{1,2}	\$1,440M	\$1,499M	(4%)	(2%)	
➤ <i>Adj. EBITA Margin (non-GAAP)^{1,2}</i>	30%	30%			
➤ Revenue % of total	56%	51%			
➤ Adj. EBITA (non-GAAP)^{1,2} % of total	44%	37%			

1. See Slide 2 and Appendix for further non-GAAP information.

2. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

3. See Appendix for further information on the use and calculation of constant currency.

4. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.

5. As of the third quarter of 2017, SYNOCROM® was removed from the Global Surgical business unit and added to the International business unit. Revenues were \$10 million and \$14.5 million for FY 2017 and 2016, respectively. This change was made as management believes that the product better aligns with the International business unit. For the purposes of allowing investors to evaluate the results of these two business units on the same basis for all periods presented, this change also has been made for the 2016 results.

6. Includes international Solta revenues.

Segment Results

Branded Rx

	Twelve Months Ended		Favorable (Unfavorable)		
	12.31.17	12.31.16	Reported	Constant Currency ³	Organic Change ^{1,4}
➤ Salix Revenue	\$1,566M	\$1,530M	2%	2%	5%
➤ Ortho Dermatologics Revenue	\$606M	\$840M	(28%)	(28%)	(28%)
➤ Dendreon Revenue ⁵	\$164M	\$303M			
➤ Dentistry Revenue	\$134M	\$152M	(12%)	(12%)	(10%)
➤ Other Revenue ⁵	\$5M	\$3M			
➤ Total Segment Revenue	\$2,475M	\$2,828M	(12%)	(12%)	(6%)
➤ Adj. Gross Profit (non-GAAP)^{1,2}	\$2,083M	\$2,387M	(13%)	(13%)	
➤ <i>Adj. Gross Margin (non-GAAP)^{1,2}</i>	84%	84%			
➤ Adj. Selling, A&P (non-GAAP) ¹	\$558M	\$643M	13%	13%	
➤ Adj. G&A (non-GAAP) ^{1,2}	\$103M	\$76M	(36%)	(36%)	
➤ Adj. R&D (non-GAAP) ¹	\$61M	\$88M	31%	31%	
➤ Total Adj. Operating Expense (non-GAAP)^{1,2}	\$722M	\$807M	11%	11%	
➤ Adj. EBITA (non-GAAP)^{1,2}	\$1,361M	\$1,580M	(14%)	(14%)	
➤ <i>Adj. EBITA Margin (non-GAAP)^{1,2}</i>	55%	56%			
➤ Revenue % of total	28%	29%			
➤ Adj. EBITA (non-GAAP)^{1,2} % of total	42%	39%			

+5%

Salix Organic Revenue Growth^{1,4} Versus FY16

1. See Slide 2 and Appendix for further non-GAAP information.

2. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

3. See Appendix for further information on the use and calculation of constant currency.

4. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.

5. Divested business.

Segment Results

U.S. Diversified Products

	Twelve Months Ended		Favorable (Unfavorable)		
	12.31.17	12.31.16	Reported	Constant Currency ³	Organic Change ^{1,4}
➤ Neuro & Other Revenue	\$946M	\$1,364M	(31%)	(31%)	(31%)
➤ Generics Revenue	\$343M	\$455M	(25%)	(25%)	(25%)
➤ U.S. Solta Revenue ⁵	\$35M	\$29M	21%	21%	21%
➤ U.S. Obagi Revenue ^{5,7}	\$51M	\$57M	(11%)	(11%)	19%
➤ Other Revenue ⁶	\$3M	\$14M			
➤ Total Segment Revenue	\$1,378M	\$1,919M	(28%)	(28%)	(27%)
➤ Adj. Gross Profit (non-GAAP) ^{1,2}	\$1,136M	\$1,671M	(32%)	(32%)	
➤ Adj. Gross Margin (non-GAAP) ^{1,2}	82%	87%			
➤ Adj. Selling, A&P (non-GAAP) ¹	\$95M	\$104M	9%	9%	
➤ Adj. G&A (non-GAAP) ^{1,2}	\$40M	\$36M	(11%)	(11%)	
➤ Adj. R&D (non-GAAP) ¹	\$7M	\$7M	0%	0%	
➤ Total Adj. Operating Expense (non-GAAP) ^{1,2}	\$142M	\$147M	3%	3%	
➤ Adj. EBITA (non-GAAP) ^{1,2}	\$994M	\$1,524M	(35%)	(35%)	
➤ Adj. EBITA Margin (non-GAAP) ^{1,2}	72%	79%			
➤ Revenue % of total	16%	20%			
➤ Adj. EBITA (non-GAAP) ^{1,2} % of total	30%	38%			

+21%

Solta Organic Revenue Growth^{1,4} in U.S. versus FY16

1. See Slide 2 and Appendix for further non-GAAP information.
2. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.
3. See Appendix for further information on the use and calculation of constant currency.
4. Organic growth, a non-GAAP metric, is defined as an increase on a year-over-year basis in revenues on a constant currency basis (if applicable) excluding the impact of divestitures and discontinuations.
5. Revenue represents the U.S. portion only of these businesses. International contributions are included in the B+L / International segment.
6. Exited business.
7. Divested business.

Balance Sheet Summary

As of
12.31.17As of
9.30.17As of
6.30.17As of
3.31.17As of
12.31.16

➤ Cash, cash equivalents, and restricted cash	\$797M	\$1,969M	\$2,025M	\$1,210M	\$542M
➤ Revolving credit drawn	\$250M	\$425M	\$525M	\$525M	\$875M
➤ Senior Secured Debt ²	\$8,771M	\$9,475M	\$10,385M	\$10,605M	\$10,814M
➤ Senior Unsecured Debt ²	\$16,981M	\$17,951M	\$18,393M	\$18,275M	\$19,355M
➤ Total Debt ²	\$25,752M	\$27,426M	\$28,778M	\$28,880M	\$30,169M
➤ TTM ³ Adj. EBITDA (non-GAAP) ^{1,4}	\$3,638M	\$3,808M	\$4,023M	\$4,158M	\$4,305M

Accessed credit markets in Mar., Oct., Nov., and Dec. of 2017, and completed a series of refinancing transactions to improve capital structure, whereby we **extended the maturities of certain debt obligations** originally scheduled to mature in the years 2018 through 2022 **out to Mar. 2022 through Dec. 2025**

1. See Slide 2 and Appendix for further non-GAAP information.

2. Debt balances shown at principal value.

3. Trailing Twelve Months.

4. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

Reduced Debt and Extended Maturities

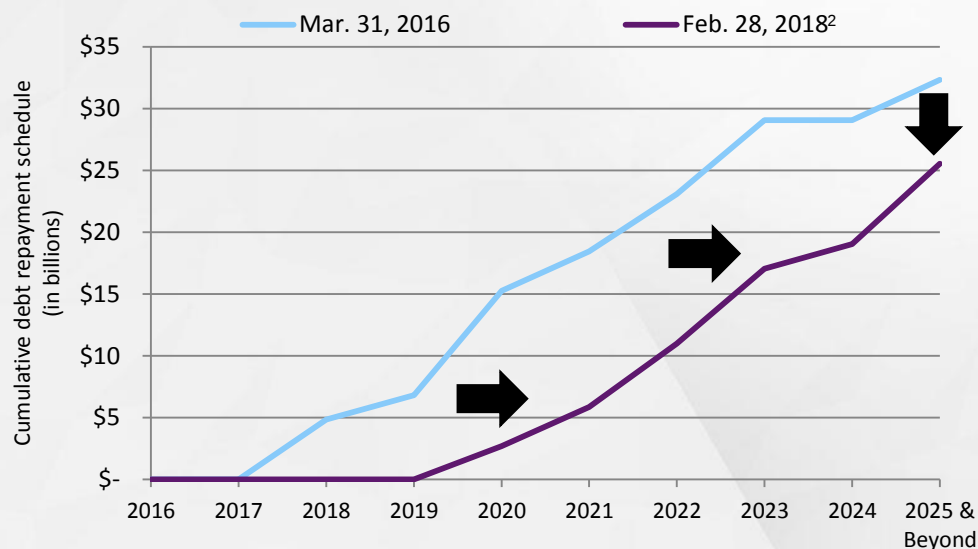
Long-Term Debt Maturity Profile as of Feb. 28, 2018^{1,2}

	2018	2019	2020	2021	2022	2023	2024 and beyond	Total
➤ Debt Maturities	\$0	\$0	\$2,690M	\$3,175M	\$5,121M	\$6,051M	\$8,512M	\$25,549M
➤ Mandatory Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
➤ Total	\$0	\$0	\$2,690M	\$3,175M	\$5,121M	\$6,051M	\$8,512M	\$25,549M

✓ **Reduced debt by >20%**
since the end of 1Q16

✓ Freedom to operate for the
next two years

Reduced Debt and Extended Maturities¹



FY 17 Cash Flow Summary

	Three Months Ended 12.31.17	Three Months Ended 12.31.16	Twelve Months Ended 12.31.17	Twelve Months Ended 12.31.16
➤ Net income (loss) ¹	\$512M	(\$512M)	\$2,404M	(\$2,408M)
➤ Net cash provided by operating activities	\$578M	\$512M	\$2,290M	\$2,087M
➤ Net cash provided by (used in) investing activities	\$90M	\$6M	\$2,887M	(\$125M)
➤ Net cash (used in) provided by financing activities	(\$1,842M)	(\$575M)	(\$4,963M)	(\$1,963M)
➤ Net (decrease) increase in cash, cash equivalents and restricted cash	(\$1,172M)	(\$117M)	\$255M	(\$55M)
➤ Cash, cash equivalents, and restricted cash at end of period	\$797M	\$542M	\$797M	\$542M

Generated **\$2,290 million in cash flow from operations** for the twelve months ending Dec. 31, 2017. In the fourth quarter, **generated cash flow from operations of \$578 million**

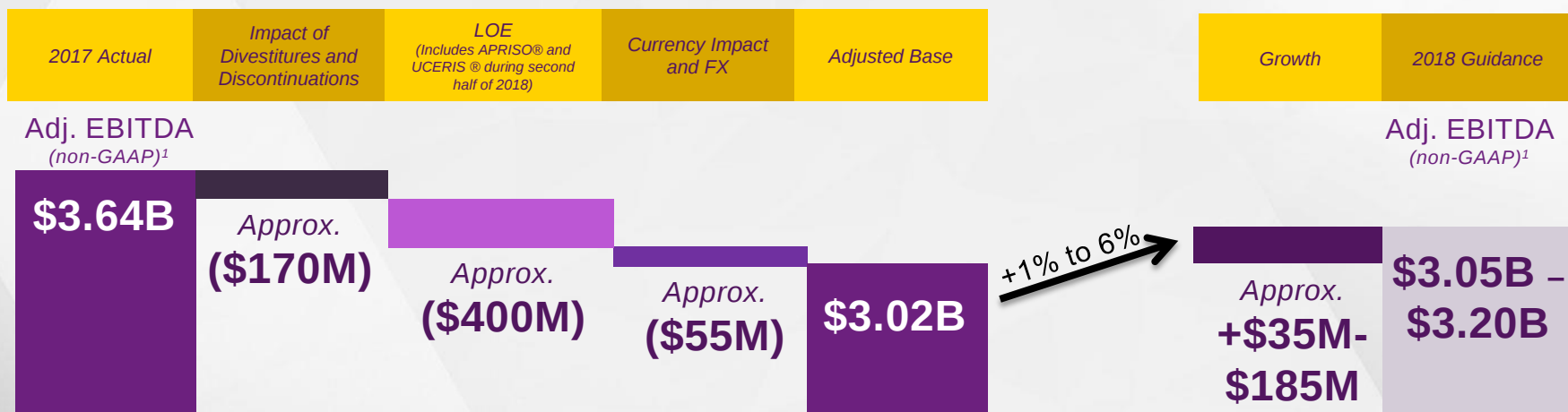
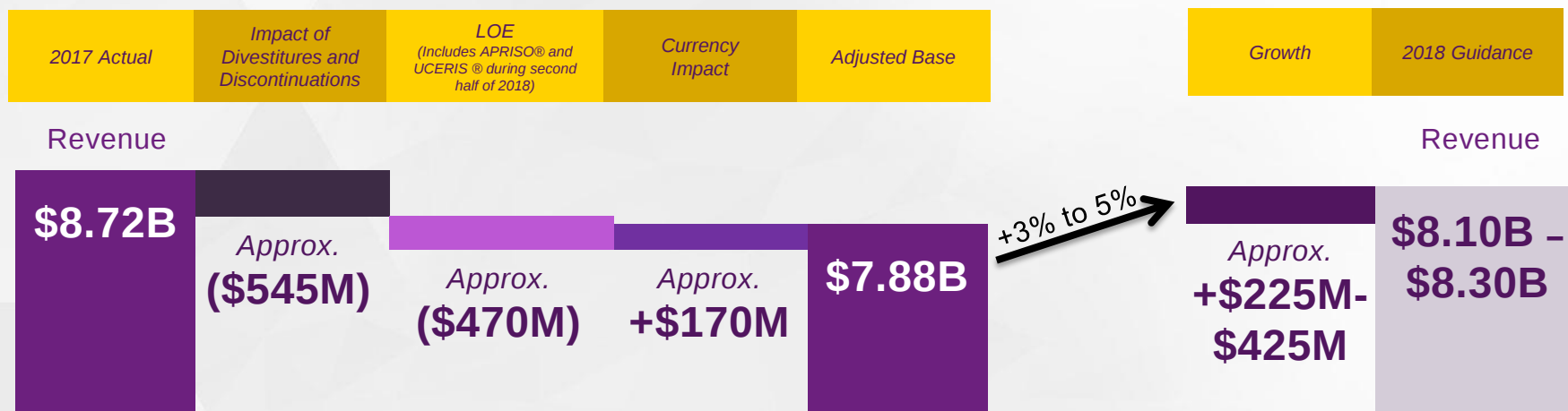
Reduction in working capital generated **~\$845 million** during 2017

Full-Year 2018 Revenue and Adjusted EBITDA (non-GAAP)¹ Guidance

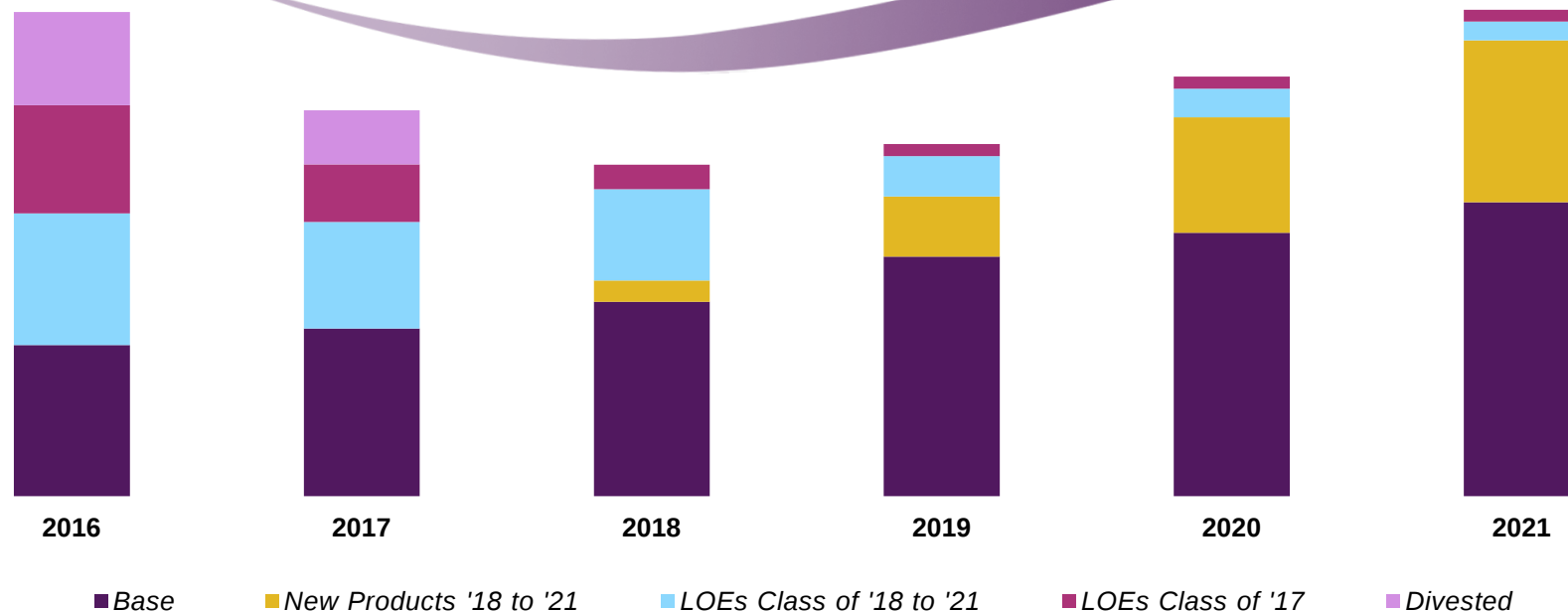
	Current Guidance (February 2018)
➤ Total Revenues	\$8.10B - \$8.30B
➤ Adjusted EBITDA (non-GAAP) ¹	\$3.05B - \$3.20B

Key Assumptions	Current Guidance (February 2018)
➤ Adj. SG&A Expense (non-GAAP) ¹	~\$2.50B
➤ Adj. R&D Expense (non-GAAP) ¹	~\$425M
➤ Interest Expense ²	~\$1.65B
➤ Adj. Tax Rate (non-GAAP) ¹	~13%
➤ Avg. Fully Diluted Share Count	~355M
➤ NON-CASH ADJUSTMENTS INCLUDED ABOVE	
➤ Depreciation	~\$180M
➤ Stock-Based Compensation	~\$80M
➤ ADDITIONAL CASH ITEM ASSUMPTIONS	
➤ Capital Expenditures	~\$250M
➤ Contingent Consideration / Milestones	~\$140M
➤ Restructuring and Other	~\$250M

Full-Year 2018 Revenue and Adjusted EBITDA (*non-GAAP*)¹ Guidance Bridge



Return to Growth¹



Strong Base & Innovative New Products to Drive Future Growth



Expect Revenue to Grow at a **4% - 6% CAGR** during 2018-2021



Expect Adj. EBITDA (non-GAAP)² to Grow at a **5% - 8% CAGR** during 2018-2021

Extensive Opportunity for Expansion in Derm

Market Opportunity

Size of Addressable Market Per Year

~\$6B	Biologic Psoriasis ³
~\$1.2B	Non-Biologic Psoriasis ³
~\$2B	Acne ²

Psoriasis Market Opportunity in the U.S.^{6,7,8}

- 7.5M psoriasis sufferers in the U.S
- 150,000 to 260,000 new cases of psoriasis are diagnosed each year in the U.S.
- Majority of patients are treated with a topical either alone or as an adjunct to biologics

Competitive Advantage

We believe ~35% of reported U.S. late-stage pipeline⁴ candidates in acne, atopic dermatitis and psoriasis are Ortho Dermatologics assets⁵

Leveraging Synergies

Combining Solta aesthetics business with Ortho Dermatologics to leverage synergies, create best-in-class global portfolio and accelerate growth⁹

Potential to Double Derm by 2022

Investing in Sales Force

Increased dermatology sales force in Jan. 2018 (>25% increase in sales force) with impact to SILIQ™ ramp up

Global Expansion

- Solta's global expansion into Asia Pacific, Europe and Middle East is expected to provide strong growth for the existing portfolio
 - ✓ Thermage FLX™
- Licensure of KP-470 to develop and commercialize topical products in North America and Europe to treat dermatological and rheumatological disorders

New Product Approvals and Launches

- SILIQ™ launched 3Q17
- RETIN-A MICRO® 06 launched in Jan. 2018
- FDA approvals expected in 2018
 - ✓ DUOBRII™¹ (IDP-118) PDUFA date June 18, 2018
 - ✓ ALTRENO™¹ (IDP-121) PDUFA date Aug. 27, 2018
 - ✓ JEMDEL™¹ (IDP-122) PDUFA date Oct. 5, 2018
- Additional Key Pipeline Candidates
 - ✓ IDP-120: Phase 3 (acne)
 - ✓ IDP-123: Phase 3 (acne)
 - ✓ IDP-124: Phase 3 (atopic dermatitis)
 - ✓ IDP-126: Phase 2 (acne)

1. Provisional name.

2. IMS (IQVIA) Monthly Rx and NSP Sales\$.

3. 2016 Decision Resources Group.

4. Phase 3 studies in progress or asset has been submitted for FDA approval.

5. Internal estimate based on public information from peer companies.

6. Rachakonda TD et al. J Am Acad Dermatol. 2014 Mar. Psoriasis prevalence among adults in the United States <https://www.ncbi.nlm.nih.gov/pubmed/24388724>.

7. Cowen. Therapeutic Outlook Dermatology. March 2016.

8. IMS Claims Data. April 2015- March 2016, Iqvia. Data on file.

9. As reported starting 1Q18

DUOBRII™¹ (IDP-118) Spotlight



PDUFA Date: June 18, 2018

- FDA accepted NDA for DUOBRII™¹ (IDP-118), an investigational topical treatment for plaque psoriasis
- If approved, DUOBRII™¹ will be the first and only topical high-potency steroid with a retinoid combination lotion with synergistic effect for adult psoriasis patients
 - ✓ Unique new formulation uses different strengths of halobatesol propionate and tazarotene than previously proprietary available with a single delivery vehicle that insures uniform distribution, allowing for simultaneous contact with the skin surface
- Phase 3 results demonstrated statistically significant improvement in achieving “clear” to “almost clear” scores
- In both pivotal Phase 3 studies IDP-118 was well tolerated when compared to vehicle with the most common Adverse Event (AE) being contact dermatitis which is an expected AE of tazarotene

Baseline Target Lesion



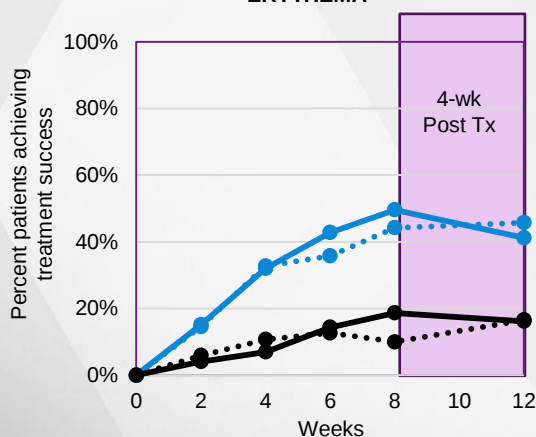
8 week target lesion



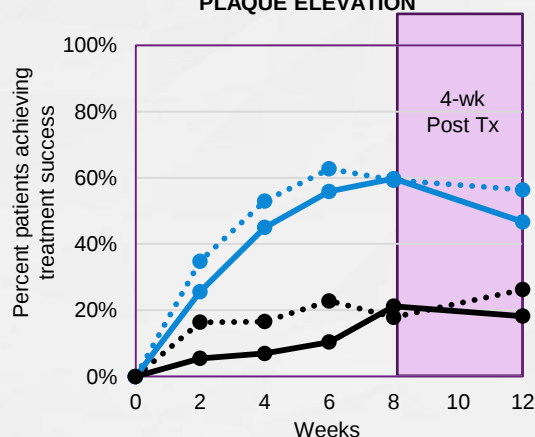
Treatment Success² in Phase 3

(Psoriasis Signs of Erythema, Plaque Elevation and Scaling, ITT Population)

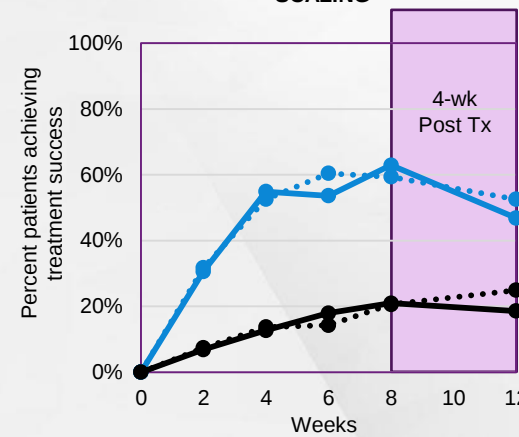
ERYTHEMA



PLAQUE ELEVATION



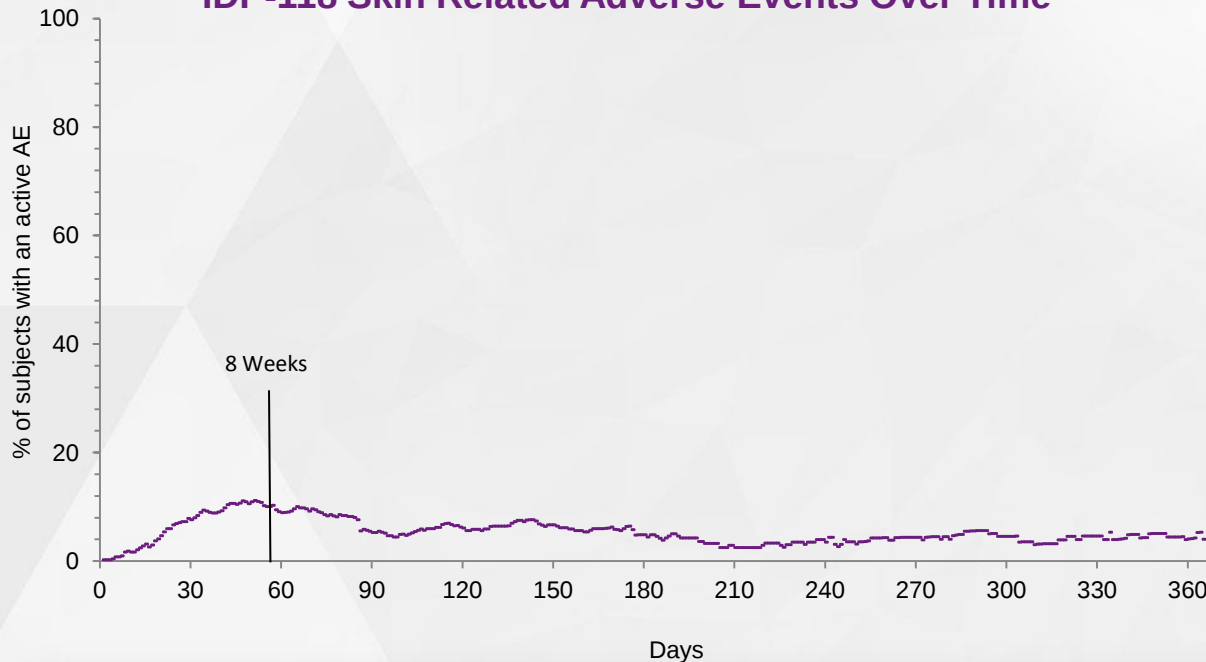
SCALING



--- HP/TAZ (Study 1) --- Vehicle (Study 1) --- HP/TAZ (Study 2) --- Vehicle (Study 2)

DUOBRII™¹ (IDP-118) Long-Term Safety Study and Cost Effective

IDP-118 Skin Related Adverse Events Over Time²



- Subjects applied DUOBRII™¹ (IDP-118) once daily for 8 weeks and then intermittently as needed for up to one year
- AEs seen in long-term safety study through 8 weeks were consistent with those seen in the Phase 4 3 studies
- The % of subjects with reported AE did not change from ~8 weeks through 52 weeks

For selected psoriasis patients, if approved, DUOBRII™¹ has the potential to **reduce the cost of treatment by up to 75%** versus injectable biologics³

Significant Seven

New Product Approvals Expected to Drive Long-Term Growth¹

<\$100M

in annualized revenues
today



>\$1B

in expected annualized
peak total revenues over
the **next five years**



RELISTOR®
(methylnatrexone bromide)

Duobrii^{TM1}
(halobetasol propionate
and tazarotene) Lotion
0.01% / 0.045%

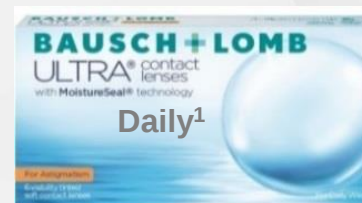
BAUSCH + LOMB
LUMIFYTM
BRIMONIDINE TARTRATE
OPHTHALMIC SOLUTION 0.025%
REDNESS RELIEVER EYE DROPS

Jemdel¹
(halobetasol propionate) Lotion, 0.01%

SILIQTM
(brodalumab) injection
210 mg/1.5 mL



VYZULTATM
(latanoprostene bunod ophthalmic solution)



Making Progress in Innovation

Late Phase

- New Material (Ophthalmic Viscosurgical Device); Initiated IDE Study – H1 2018
- Loteprednol Gel 0.38% (Ocular Inflammation) Submit NDA – H1 2018
- IDP-120 (Acne) Initiate Phase 3 – H1 2018
- IDP-123 (Acne) Initiated Phase 3 – H2 2017
- New XIFAXAN® formulation (new indication) In Process – 4Q17
- IDP-126 (Acne Combination) Initiated Phase 2 – H2 2017

2018 Launches and Beyond³

- Bausch + Lomb ULTRA® contact lenses extended wear Indication – PMA submitted Oct. 2017
- DUOBRII™¹ (IDP-118 Psoriasis) – PDUFA June 18, 2018
- ALTRENO™¹ (IDP-121 Acne Lotion) – PDUFA Aug. 27, 2018
- JEMDEL™¹ (IDP-122 Psoriasis) – PDUFA Oct. 5, 2018
- PLENVU®¹ (NER1006) – PDUFA May 13, 2018
- enVista® Trifocal (Intraocular Lens) IDE – H1 2018
- SILIQ™ – 3Q17
- Vitesse™² vitreous cutter – 4Q17
- Thermage®² FLX System – 4Q17
- VYZULTA™ – 4Q17
- LUMIFY™ – 2Q18
- SiHy Daily – 4Q18

Management Commitments and Expected Targets

Commitment	Action Plan and Expected Targets
Ortho Dermatologics	→ ✓ Double Revenue Over the Next 5 Years
Significant Seven	→ ✓ Generate Annualized Revenues of >\$1B Over Next 5 Years
Address Debt	→ ✓ Prioritize the use of cash flow to reduce debt ✓ Continue to address our capital structure through opportunistic capital markets transactions
Operational Efficiency	→ ✓ Take ~\$200M Out of COGS Over the Next 5 Years ✓ Reduce ~\$100M Amount Out of Working Capital Over the Next 5 Years
Focus on R&D	→ ✓ Increase R&D Spend By >15% in 2018 Compared to 2017



Appendix

Key Product LOE / Divestiture 2017 Impact

Business Unit	Product Line with Actual or Anticipated LOE/Divestiture Date ¹	LOE/Divested Rev/Profit 2016A		LOE/Divested Rev/Profit 2017A		Change 2017 vs 2016	
		Revenue	Profit	Revenue	Profit	Revenue	Profit
Optho Rx	- Lotemax® LOE 2018 (anticipated) - Istalol® LOE 4Q17	\$129M	\$124M	\$117M	\$112M	(\$12M)	(\$12M)
Int'l	- Divestitures Euvipharma and Armoxindo 1Q17 - Zegerid® LOE early 2Q17 - Glumetza® LOE 1Q17 - Wellbutrin® XL add't Gx Sept '16 - Sublinox® add't Gx Jan 2017	\$44M	\$32M	\$37M	\$29M	(\$7M)	(\$3M)
BAUSCH + LOMB / INTERNATIONAL		\$173M	\$156M	\$154M	\$141M	(\$19M)	(\$15M)
Salix	- Ruconest® Divested Dec. 2016 - Zegerid® add't US Gx 2017	\$78M	\$64M	\$22M	\$21M	(\$56M)	(\$43M)
BRAND Rx		\$78M	\$64M	\$22M	\$21M	(\$56M)	(\$43M)
Neuro & Other	- Nitropress® LOE Dec 2016 - Ammonul® LOE 1Q16 - Edecrin® LOE 3Q16 - Bupap® LOE 1Q17 - Xenazine® Gx and brand competition 2Q17 - Virazole® LOE Dec 2016 - Mephyton LOE 2018 (anticipated) - Syprine LOE 1Q18 - Isuprel® LOE Q317	\$694M	\$629M	\$376M	\$329M	(\$318M)	(\$300M)
Generics	Zegerid® LOE April 2016	\$98M	\$93M	\$5M	\$4M	(\$93M)	(\$89M)
DIVERSIFIED		\$792M	\$722M	\$381M	\$333M	(\$411M)	(\$389M)
OVERALL COMPANY		\$1,043M	\$942M	\$557M	\$495M	(\$486M)	(\$447M)

Key Product LOE / Divestiture 2017 Impact

Business Unit	Product Line with Actual or Anticipated LOE/Divestiture Date ¹	LOE/Divested Rev/Profit 2017 Actual		LOE/Divested Rev/Profit 2018 Estimates		Change Actual vs Estimate	
		Revenue	Profit	Revenue	Profit	Revenue	Profit
Optho Rx	- Lotemax® LOE 2018 (anticipated) - Istalol® LOE 4Q17	\$117M	\$112M	\$59M	\$56M	(\$58M)	(\$56M)
Int'l	- Divestitures Euvipharma and Armoxindo 1Q17 - Zegerid® LOE early 2Q17 - Glumetza® LOE 1Q17 - Wellbutrin® XL add't Gx Sept '16 - Sublinox® add't Gx Jan 2017	\$37M	\$29M	\$25M	\$21M	(\$12M)	(\$8M)
BAUSCH + LOMB / INTERNATIONAL		\$154M	\$141M	\$84M	\$77M	(\$70M)	(\$64M)
Salix	- Ruconest® Divested Dec. 2016 - Zegerid® add't US Gx 2017	\$22M	\$21M	\$11M	\$10M	(\$11M)	(\$11M)
BRAND Rx		\$22M	\$21M	\$11M	\$10M	(\$11M)	(\$11M)
Neuro & Other	- Nitropress® LOE Dec 2016 - Ammonul® LOE 1Q16 - Edecrin® LOE 3Q16 - Bupap® LOE 1Q17 - Xenazine® Gx and brand competition 2Q17 - Virazole® LOE Dec 2016 - Mephyton LOE 2018 (anticipated) - Syprine LOE 1Q18 - Isuprel® LOE Q317	\$376M	\$329M	\$137M	\$117M	(\$239M)	(\$212M)
Generics	Zegerid® LOE April 2016	\$5M	\$4M	\$5M	\$4M	\$0M	\$0M
DIVERSIFIED		\$381M	\$333M	\$142M	\$121M	(\$239M)	(\$212M)
OVERALL COMPANY		\$557M	\$495M	\$237M	\$208M	(\$320M)	(\$287M)

Key Product LOE – Class of 2018 Estimates

Business Unit	Product Line	LOE/Divested Rev/Profit 2017 Actual	
		Revenue	Profit
Canada	• Benzaclin (1Q18)	\$8M	\$6M
Derm	• Acanya (2H18) • Locoid Lotion (1Q18) • Solodyn (2 of 5 doses) (1Q18)	\$90M	\$84M
Salix	• Apriso (2H18-2H19, not date certain) • Uceris (2H18-2H19, not date certain)	\$279M	\$203M
Neuro & Other	• Cuprimine (2H18-2H19, not date certain)	\$78M	\$78M
2017 TOTAL (Class of 2018)		\$455M	\$371M

2018 TOTAL Included in Guidance (Class of 2018)	\$305M	\$258M
--	---------------	---------------

2018 Expected LOE Impact (Class of 2018)	(\$150M)	(\$113M)
2018 Expected LOE Impact (Class of 2017)	(\$320M)	(\$287M)
2018 Expected LOE Impact (Total)	(\$470M)	(\$400M)

Divestitures and Discontinuations included in 2017 Financials

Divestiture	Date Closed	Revenue	Adjusted EBITDA (non-GAAP) ¹
Sprout	Dec. 20, 2017	~\$5M	~(\$30M)
Obagi	Nov. 9, 2017	~\$60M	~\$20M
iNova	Sept. 29, 2017	~\$195M	~\$100M
Dendreon	June 28, 2017	~\$165M	~\$65M
Skincare Brands (CeraVe, AcneFree and AMBI)	March 3, 2017	~\$35M	~\$15M
Other Small Divestitures and Discontinuations ²	Various	~\$85M	~\$0M
TOTAL		~\$545M	~\$170M

FY17 Top 10 Products – Total Valeant

Top 10 products by revenues, trailing five quarters

Rank	Product	FY17	4Q17	3Q17	2Q17	1Q17	4Q16
1	XIFAXAN®	\$979M	\$275M	\$286M	\$233M	\$185M	\$251M
2	SofLens®	\$306M	\$78M	\$83M	\$76M	\$69M	\$79M
3	Ocuvite® + PreserVision®	\$286M	\$84M	\$73M	\$71M	\$58M	\$70M
4	WELLBUTRIN®	\$245M	\$69M	\$63M	\$61M	\$52M	\$69M
5	renu®	\$225M	\$62M	\$57M	\$55M	\$51M	\$55M
6	PROVENGE® ¹	\$164M	\$0M	\$0M	\$83M	\$81M	\$77M
7	APRISO®	\$144M	\$34M	\$42M	\$39M	\$29M	\$39M
8	UCERIS® ²	\$140M	\$37M	\$37M	\$37M	\$29M	\$45M
9	Biotrue® MultiPurpose Solution	\$139M	\$38M	\$34M	\$36M	\$31M	\$32M
10	GLUMETZA®	\$133M	\$27M	\$46M	\$37M	\$23M	\$24M

FY17 Top 10 Products – B+L / International

Top 10 products by revenues, trailing five quarters

Rank	Product	FY17	4Q17	3Q17	2Q17	1Q17	4Q16
1	SofLens®	\$306M	\$78M	\$83M	\$76M	\$69M	\$79M
2	Ocuvite® + PreserVision®	\$286M	\$84M	\$73M	\$71M	\$58M	\$70M
3	renu®	\$225M	\$62M	\$57M	\$55M	\$51M	\$55M
4	Biotrue® MultiPurpose Solution	\$139M	\$38M	\$34M	\$36M	\$31M	\$32M
5	LOTEMAX®	\$132M	\$33M	\$32M	\$37M	\$30M	\$38M
6	PureVision®	\$131M	\$32M	\$37M	\$31M	\$31M	\$37M
7	BioTrue® ONEday	\$115M	\$29M	\$30M	\$31M	\$25M	\$23M
8	Artelac®	\$90M	\$24M	\$21M	\$23M	\$22M	\$23M
9	Anterior Disposables	\$90M	\$25M	\$21M	\$23M	\$21M	\$22M
10	Boston Solutions	\$79M	\$21M	\$20M	\$20M	\$18M	\$20M

FY17 Top 10 Products – Branded Rx

Top 10 products by revenues, trailing five quarters

Rank	Product	FY17	4Q17	3Q17	2Q17	1Q17	4Q16
1	XIFAXAN®	\$979M	\$275M	\$286M	\$233M	\$185M	\$251M
2	PROVENGE® ¹	\$164M	\$0M	\$0M	\$83M	\$81M	\$77M
3	APRISO®	\$144M	\$34M	\$42M	\$39M	\$29M	\$39M
4	UCERIS® ²	\$140M	\$37M	\$37M	\$37M	\$29M	\$45M
5	GLUMETZA®	\$133M	\$27M	\$46M	\$37M	\$23M	\$24M
6	ARESTIN®	\$111M	\$33M	\$26M	\$28M	\$24M	\$37M
7	RETIN-A® Franchise	\$102M	\$20M	\$27M	\$24M	\$31M	\$32M
8	ELIDEL®	\$84M	\$24M	\$21M	\$18M	\$21M	\$23M
9	RELISTOR® ³	\$71M	\$25M	\$17M	\$16M	\$13M	\$15M
10	SOLODYN®	\$69M	\$10M	\$14M	\$13M	\$32M	\$29M

1. Divested asset

2. There are two UCERIS products within the Salix Reporting unit that were being treated as separate products prior to 3Q17. These products are now being aggregated, and the revenue numbers now reflect this change.

3. There are two RELISTOR products within the Salix Reporting unit that were previously being treated as separate products. These products are now being aggregated, and the revenue numbers now reflect this change. When aggregated, RELISTOR is now one of the top 10 products in Branded Rx.

FY17 Top 10 Products – U.S. Diversified Products

Top 10 products by revenues, trailing five quarters

Rank	Product	FY17	4Q17	3Q17	2Q17	1Q17	4Q16
1	WELLBUTRIN®	\$235M	\$67M	\$61M	\$58M	\$49M	\$67M
2	XENAZINE® US	\$113M	\$24M	\$28M	\$32M	\$29M	\$33M
3	ISUPREL®	\$105M	\$11M	\$23M	\$33M	\$38M	\$42M
4	SYPRINE®	\$91M	\$26M	\$18M	\$27M	\$20M	\$20M
5	CUPRIMINE®	\$78M	\$18M	\$20M	\$20M	\$20M	\$22M
6	ATIVAN®	\$61M	\$15M	\$13M	\$16M	\$17M	\$7M
7	MIGRANAL® AG	\$53M	\$12M	\$14M	\$15M	\$12M	\$14M
8	MEPHYTON®	\$52M	\$12M	\$14M	\$9M	\$17M	\$11M
9	GLUMETZA®	\$39M	\$11M	\$9M	\$8M	\$11M	\$0M
10	APLENZIN®	\$31M	\$8M	\$6M	\$9M	\$8M	\$11M

Bausch + Lomb/International Segment – Key Products

Global Consumer

Product	Description
PreserVision®	A brand of eye vitamins for those diagnosed with moderate-to-advanced age-related macular degeneration
renu® Multi-Purpose Solutions	Multi-Purpose solutions that clean and disinfect soft contact lenses
Biotrue® Multi-Purpose Solution	Multi-Purpose solution that cleans and disinfects soft contact lenses
LUMIFY™	First and only OTC eye drop developed with low-dose brimonidine tartrate for treatment of eye redness

International

Product	Description
Thermage®	Designated for use on different parts of the body to help with skin smoothing
JUBLIA®	Topical solution used to treat fungal infections of the toenails
Tiazac® XC	Used for the treatment of hypertension
Artelac®	Product used for providing relief for dry eyes
Bedoyecta®	A brand of vitamin B complex products

Bausch + Lomb/International Segment – Key Products

Global Vision Care

Product	Description
SofLens®	Daily disposable contact lenses
Biotrue® ONEday	Daily disposable contact lenses
Bausch + Lomb ULTRA®	Monthly disposable contact lenses
PureVision®	Monthly disposable contact lenses

Global Surgical

Product	Description
Stellaris Elite™	Next-generation phacoemulsification and vitrectomy platform
Stellaris® Cataract and Retina Consumables	Stellaris disposable packs and accessories for cataract surgery and retina surgery
enVista® IOL	Hydrophobic intraocular lens for placement during cataract surgery
Akreos® IOL	Hydrophilic intraocular lens for placement during cataract surgery

Bausch + Lomb/International Segment – Key Products

Global Ophtho Rx

Product	Description
LOTEMAX® Gel	Indicated for treatment of inflammation and pain following eye surgery
PROLENSA®	A nonsteroidal anti-inflammatory agent indicated to treat inflammation and reduce eye pain in patients after cataract surgery
ALREX®	Eye drops indicated for temporary relief of the signs and symptoms of seasonal allergic conjunctivitis
Besivance®	First and only topical ophthalmic flouroquinolone. Eye drops indicated for bacterial conjunctivitis (pink eye)
VYZULTA™	First prostaglandin analog, with one of its metabolites being nitric oxide, indicated for the reduction of intraocular pressure in patients with open-angle glaucoma or ocular hypertension

Branded Rx Segment – Key Products

Salix

Product	Description
XIFAXAN®	Tablets used to treat traveler's diarrhea, irritable bowel syndrome with diarrhea and for the reduction in risk of overt hepatic encephalopathy recurrence
RELISTOR®	Tablets or injections to treat constipation caused by opioids
APRISO®	Extended-release capsules indicated for the maintenance of remission of ulcerative colitis
UCERIS®	Prescription corticosteroid in extended-release tablet form to help control active, mild-to-moderate ulcerative colitis

Ortho Dermatologics

Product	Description
ELIDEL®	Topical cream for the treatment of atopic dermatitis, also known as eczema
JUBLIA®	Topical solution used to treat fungal infections of the toenails
RETIN-A MICRO®	Topical treatment of acne vulgaris
ONEXTON®	Topical treatment of acne vulgaris
SILIQ™	Injection for the treatment of moderate-to-severe plaque psoriasis

Branded Rx Segment – Key Products

Dentistry

Product	Description
ARESTIN®	Concentrated, locally applied antibiotic that remains active for an extended period of time for the reduction of pocket depth
NeutraSal®	A prescription rinse that helps perform important functions of saliva when suffering from oral mucositis and/or hyposalivation (Dry Mouth) stemming from systemic disorders

U.S. Diversified Products Segment – Key Products

Neuro & Other

Product	Description
WELLBUTRIN® XL	Extended-release tablet used to treat adults with a certain type of depression called major depressive disorder, and for the prevention of autumn-winter seasonal depression
XENAZINE® US	Tablet used to treat the involuntary movements (chorea) of Huntington's disease
CUPRIMINE®	Treatment for Wilson's disease (too much copper in the body), cystinuria (excess amount of certain proteins in the urine) and for patients with severe rheumatoid arthritis who have not responded to other therapies
SYPRINE®	Used for treating Wilson's disease in patients who cannot take the medication known as penicillamine

Generics

Product	Description
Metformin Hydrochloride	Extended-release tablet used in the management of type 2 diabetes
Tobramycin/ Dexamethasone	Treatment for bacterial infections of the eye
Bexarotene	Used to treat the skin problems that happen with a type of cancer called cutaneous T-cell lymphoma, or CTCL

U.S. Diversified Products Segment – Key Products

Solta

Product	Description
Thermage®	Designated for use on different parts of the body to help with skin smoothing
Fraxel®	Non-invasive laser therapy providing a wide array of treatment options to address many forms of aging
Clear + Brilliant®	Laser skin care treatment, clinically proven to help fight and prevent the effects of aging skin

4Q17 Other Financial Information¹

	Three Months Ended		Favorable (Unfavorable)	
	Dec. 31, 2017	Dec. 31, 2016	Reported	Constant Currency ³
Cash Interest Expense ^{1,2}	\$397M	\$438M	9%	9%
Net Interest Expense ^{1,2}	\$445M	\$436M	(2%)	(2%)
Non-cash adjustments				
Depreciation ^{1,2}	\$44M	\$50M	12%	12%
Non-cash share-based Comp ^{1,2}	\$17M	\$31M	45%	45%
Additional cash items				
Contingent Consideration / Milestones	\$31M	\$38M		
Restructuring and Other	\$13M	\$19M		
Capital Expenditures	\$53M	\$54M		
Tax rate on Adj. EBT & Other Revenue	5.8%	16.6%		

Other Financial Information¹ for twelve months ended Dec. 31, 2017

	Twelve Months Ended		Favorable (Unfavorable)	
	Dec. 31, 2017	Dec. 31, 2016	Reported	Constant Currency ³
Cash Interest Expense ^{1,2}	\$1,689M	\$1,718M	2%	2%
Net Interest Expense ^{1,2}	\$1,828M	\$1,710M	(7%)	(7%)
Non-cash adjustments				
Depreciation ^{1,2}	\$168M	\$178M	6%	6%
Non-cash share-based Comp ^{1,2}	\$87M	\$142M	39%	39%
Additional cash items				
Contingent Consideration / Milestones	\$214M	\$207M		
Restructuring and Other	\$85M	\$121M		
Capital Expenditures	\$171M	\$235M		
Tax rate on Adj. EBT & Other Revenue	13.2%	15.8%		

Non-GAAP Adjustments EPS Impact (4Q17)

	Quarter Ended December 31, 2017		Quarter Ended December 31, 2016	
\$ in millions, except per share impact	Income (Expense)	Earnings Per Share Impact	Income (Expense)	Earnings Per Share Impact
Net Income GAAP	\$ 513	\$ 1.45	\$ (515)	\$ (1.47)
Acquisition-related adjustments excluding amortization of intangible assets	8	0.02	(31)	(0.09)
Other (including Gain on Divestures)	237	0.67	128	0.37
Loss on Extinguishment of debt	57	0.16		
Restructuring and integration costs	10	0.03	54	0.15
Goodwill impairment			28	0.08
Asset Impairments	85	0.24	28	0.08
Amortization of finite-lived intangible assets	775	2.20	658	1.88
Amortization of deferred financing costs and debt discounts			29	0.08
Tax effect of non-GAAP adjustments	(1,338)	(3.79)	64	0.18
Adjusted Net Income (Non- GAAP) (a)	\$ 347		\$ 443	
Foreign exchange loss/gain on intercompany transactions			(28)	(0.08)
Amortization of deferred financing costs and debt discounts			(29)	(0.08)
Adjusted Net Income (Non- GAAP) [revised basis](b)	\$ 347		\$ 386	

(a) This subtotal reflects the Adjusted Net income(loss) (non-GAAP) reported by the Company for the periods ended Dec. 31, 2017 and 2016 using the methodology for calculating Adjusted Net Income(loss) (non-GAAP) as of that date.

(b) As of the third quarter of 2016, Adjusted net income(loss) (non-GAAP) no longer includes adjustments for the following items: Depreciation resulting from a PP&E step-up resulting from acquisitions and Previously accelerated vesting of certain share-based equity adjustments. Depreciation resulting from a PP&E step-up resulting from acquisitions was a component of Acquisition-related adjustments excluding amortization of intangible assets. Previously accelerated vesting of certain share-based equity adjustments was a component of Other non-GAAP charges. As of the first quarter of 2017, Adjusted net income(loss) (non-GAAP) also no longer includes adjustments for Foreign exchange loss/gain on intercompany transactions and Amortization of deferred financing costs and debt discounts. For the purpose of allowing investors to evaluate Adjusted net income(loss) (non-GAAP) on the same basis for the periods presented, these adjustments have been removed from the results for the fourth quarter of 2016.

Non-GAAP Adjustments EPS Impact (FY17)

	Year to Date Ended December 31, 2017		Year to Date Ended December 31, 2016	
\$ in millions, except per share impact	Income (Expense)	Earnings Per Share Impact	Income (Expense)	Earnings Per Share Impact
Net Income GAAP	\$ 2,404	\$ 6.83	\$ (2,409)	\$ (6.94)
Acquisition-related adjustments excluding amortization of intangible assets	(289)	(0.82)	33	0.09
In-process research and development costs	5	0.01	34	0.10
Other (including Gain on Divestitures)	(310)	(0.89)	222	0.62
Loss on Extinguishment of debt	122	0.35		
Restructuring and integration costs	52	0.15	132	0.38
Goodwill impairment	312	0.89	1,077	3.08
Asset Impairments	714	2.03	422	1.21
Amortization of finite-lived intangible assets	2,690	7.65	2,673	7.63
Amortization of deferred financing costs and debt discounts			118	0.34
Tax effect of non-GAAP adjustments	(4,351)	(12.37)	(386)	(1.10)
EPS difference between basic and diluted shares				0.06
Adjusted Net Income (Non- GAAP) (a)	\$ 1,349		\$ 1,916	
Depreciation resulting from a PP&E step-up from acquisition			(8)	(0.01)
Previously accelerated vesting of certain share-based equity adjustments			(23)	(0.07)
Foreign exchange loss/gain on intercompany transactions			(14)	(0.04)
Amortization of deferred financing costs and debt discounts			(118)	(0.34)
Adjusted Net Income (Non- GAAP) [revised basis](b)	\$ 1,349		\$ 1,753	

(a) This subtotal reflects the Adjusted Net income(loss) (non-GAAP) reported by the Company for the period ended Dec. 31, 2017 and 2016 using the methodology for calculating Adjusted Net Income(loss) (non-GAAP) as of that date.

(b) As of the third quarter of 2016, Adjusted net income(loss) (non-GAAP) no longer includes adjustments for the following items: Depreciation resulting from a PP&E step-up resulting from acquisitions and Previously accelerated vesting of certain share-based equity adjustments. Depreciation resulting from a PP&E step-up resulting from acquisitions was a component of Acquisition-related adjustments excluding amortization of intangible assets. Previously accelerated vesting of certain share-based equity adjustments was a component of Other non-GAAP charges. As of the first quarter of 2017, Adjusted net income(loss) (non-GAAP) also no longer includes adjustments for Foreign exchange loss/gain on intercompany transactions and Amortization of deferred financing costs and debt discounts. For the purpose of allowing investors to evaluate Adjusted net income(loss) (non-GAAP) on the same basis for the periods presented, these adjustments have been removed from the results for the fourth quarter of 2016.

Delivering on Commitment to Simplify Operating Model and Reduce Debt

Divestiture	Date Closed
Sprout	Dec. 20, 2017
Obagi	Nov. 9, 2017
iNova	Sept. 29, 2017
Dendreon	June 28, 2017
Armoxindo (Indonesia)	May 17, 2017
Delta (Brazil)	April 20, 2017
Skin Care Brands (CeraVe®, AcneFree® and AMBI®)	March 3, 2017

Divestiture	Date Closed
Euvipharm (Vietnam)	Jan. 25, 2017
Ruconest	Dec. 7, 2016
Paragon	Nov. 9, 2016
Brodalumab EU Rights	June 30, 2016
Synergetics OEM	April 1, 2016
Cosmederme (Canada)	Jan. 22, 2016

~\$3.8B

in total asset sales
announced since
beginning of 2016¹

Bausch + Lomb / Int'l Segment Trailing Five Quarters¹

Bausch + Lomb / International	FY17	4Q17	3Q17	2Q17	1Q17	4Q16
Global Vision Care Revenue	\$752M	\$187M	\$208M	\$187M	\$170M	\$178M
Global Surgical Revenue ⁴	\$677M	\$187M	\$161M	\$175M	\$154M	\$177M
Global Consumer Revenue	\$1,523M	\$377M	\$392M	\$379M	\$375M	\$397M
Global Ophtho Rx Revenue	\$623M	\$164M	\$149M	\$167M	\$143M	\$159M
International Revenue ⁴	\$1,296M	\$311M	\$344M	\$333M	\$308M	\$350M
Segment Revenue	\$4,871M	\$1,226M	\$1,254M	\$1,241M	\$1,150M	\$1,261M
Segment Adjusted Gross Margin (non-GAAP)^{2,3}	61%	59%	61%	62%	61%	62%
Segment Adjusted R&D (non-GAAP)²	\$72M	\$17M	\$14M	\$20M	\$21M	\$22M
Segment Adjusted SG&A (non-GAAP)^{2,3}	\$1,445M	\$368M	\$358M	\$370M	\$349M	\$348M
Segment Adjusted Operating Income (non-GAAP)^{2,3}	\$1,440M	\$343M	\$387M	\$377M	\$333M	\$411M

1. Products with sales outside the United States impacted by F/X changes. Please note rounding impact on percentages.

2. See Slides 2 and this Appendix for further non-GAAP information.

3. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See this Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

4. As of the third quarter of 2017, one product was removed from the Global Surgical business unit and added to the International business unit. This change was made as management believes that the product better aligns with the International business unit. For the purposes of allowing investors to evaluate the results of these two business units on the same basis for all periods presented, this change also was made for the results of each of the historic quarters presented (2Q 2017, 1Q 2017, and 4Q 2016).

Branded Rx Segment Trailing Five Quarters¹

Brand Rx	FY17	4Q17	3Q17	2Q17	1Q17	4Q16
Salix Revenue	\$1,566M	\$425M	\$452M	\$387M	\$302M	\$413M
Dermatology Revenue	\$606M	\$136M	\$148M	\$130M	\$192M	\$214M
Dendreon Revenue ⁴	\$164M	\$0M	\$0M	\$83M	\$81M	\$77M
Dentistry Revenue	\$134M	\$39M	\$32M	\$35M	\$28M	\$39M
All Other Revenue ⁴	\$5M	\$2M	\$1M	\$1M	\$1M	\$1M
Segment Revenue	\$2,475M	\$602M	\$633M	\$636M	\$604M	\$744M
Segment Adjusted Gross Margin (non-GAAP)^{2,3}	84%	86%	84%	83%	84%	84%
Segment Adjusted R&D (non-GAAP)²	\$61M	\$16M	\$16M	\$15M	\$14M	\$18M
Segment Adjusted SG&A (non-GAAP)^{2,3}	\$661M	\$164M	\$160M	\$170M	\$167M	\$169M
Segment Adjusted Operating Income (non-GAAP)^{2,3}	\$1,361M	\$337M	\$357M	\$341M	\$326M	\$438M

1. Please note rounding impact on percentages.

2. See Slide 2 and this Appendix for further non-GAAP information.

3. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See this Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

4. Divested business.

U.S. Diversified Products Segment Trailing Five Quarters¹

Diversified Products	FY17	4Q17	3Q17	2Q17	1Q17	4Q16
Neuro & Other Revenue	\$946M	\$228M	\$227M	\$248M	\$243M	\$276M
Generics Revenue	\$343M	\$94M	\$82M	\$82M	\$85M	\$93M
U.S. Solta Revenue ⁶	\$35M	\$11M	\$7M	\$9M	\$8M	\$9M
U.S. Obagi Revenue ⁴	\$51M	\$2M	\$16M	\$16M	\$17M	\$17M
Other Revenue ⁵	\$3M	\$0M	\$0M	\$1M	\$2M	\$3M
Segment Revenue	\$1,378M	\$335M	\$332M	\$356M	\$355M	\$398M
Segment Adjusted Gross Margin (non-GAAP)^{2,3}	82%	81%	81%	83%	85%	83%
Segment Adjusted R&D (non-GAAP)²	\$7M	\$3M	\$1M	\$1M	\$2M	\$1M
Segment Adjusted SG&A (non-GAAP)^{2,3}	\$135M	\$32M	\$30M	\$36M	\$37M	\$33M
Segment Adjusted Operating Income (non-GAAP)^{2,3}	\$994M	\$236M	\$239M	\$255M	\$264M	\$296M

1. Please note rounding impact on percentages.

2. See Slide 2 and this Appendix for further non-GAAP information.

3. The non-GAAP measures for historic periods are calculated using the former methodologies used as of that date. See this Appendix for a presentation of the non-GAAP measures on the same basis for all periods presented and further information on the changes to the methodologies.

4. Divested business.

5. Exited business.

6. Revenue represents the U.S. portion only of these businesses. International contributions are included in the B+L / International segment.

Selected U.S. Businesses Pipeline Inventory Trending (4Q17)

Months on Hand								
Business Units	As of Sept 30, 2016	As of Dec 31, 2016	Change 4Q16	As of Sept 30, 2017	As of Dec 31, 2017	Change 4Q17	Relative Change 4Q17 vs 4Q16	Change Dec. 31, 2017 vs Dec. 31, 2016
Derm	1.70	1.34	(0.36)	1.38	1.39	0.01	0.37	0.05
Neuro	1.49	1.59	0.10	1.53	1.62	0.09	(0.01)	0.03
Ophtho	1.49	1.44	(0.05)	1.19	1.21	0.02	0.07	(0.23)
GI	1.47	1.57	0.10	1.37	1.39	0.02	(0.08)	(0.18)

Selected U.S. Businesses Pipeline Inventory Trending (FY17)

Months on Hand								
Business Units	As of Dec. 31, 2015	As of Dec 31, 2016	Change YTD16	As of Dec. 31, 2016	As of Dec 31, 2017	Change YTD17	Relative Change 17 vs 16	Change Dec. 31, 2017 vs Dec. 31, 2016
Derm	0.99	1.34	0.35	1.34	1.39	0.05	(0.30)	0.05
Neuro	1.51	1.59	0.08	1.59	1.62	0.03	(0.05)	0.03
Ophtho	1.32	1.44	0.12	1.44	1.21	(0.23)	(0.35)	(0.23)
GI	1.80	1.57	(0.23)	1.57	1.39	(0.18)	0.05	(0.18)

Financial Summary – Adjusted (non-GAAP)

Presentation Reconciliation

YTD 2017							
	Total Gross Profit	Total Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income (EBITA)
YTD 2017 GAAP	\$ 6,176	71%	\$ 1,900	\$ 683	\$ 361	\$ 2,944	\$ 102
Acquisition-related contingent consideration	-	0%	-	-	-	-	(289)
In-process research and development costs	-	0%	-	-	-	-	5
Other (income)/expense	-	0%	-	-	-	-	(353)
Restructuring and integration costs	-	0%	-	-	-	-	52
Other non-GAAP charges	-	0%	-	(44)	-	(44)	43
Amortization of finite-lived intangibles	-	0%	-	-	-	-	2,690
Asset Impairments	-	0%	-	-	-	-	714
Goodwill impairment	-	0%	-	-	-	-	312
YTD 2017 Non-GAAP	\$ 6,176	71%	\$ 1,900	\$ 639	\$ 361	\$ 2,900	\$ 3,276

YTD 2016							
	Total Gross Profit	Total Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income (EBITA)
YTD 2016 GAAP	\$ 7,062	73%	\$ 2,024	\$ 786	\$ 421	\$ 3,231	\$ (566)
Amortization resulting from inventory step-up	38	0%	-	-	-	-	38
Depreciation expense resulting from PP&E step-up/down	6	0%	-	(2)	-	(2)	8
Acquisition-related contingent consideration	-	0%	-	-	-	-	(13)
Share-based compensation	-	0%	-	2	-	2	(2)
In-process research and development costs	-	0%	-	-	-	-	34
Other (income)/expense	-	0%	(6)	-	-	(6)	72
Restructuring and integration costs	-	0%	-	-	-	-	132
Other non-GAAP charges	9	0%	-	(106)	(16)	(122)	138
Amortization of finite-lived intangibles	-	0%	-	-	-	-	2,673
Asset Impairments	-	0%	-	-	-	-	422
Goodwill impairment	-	0%	-	-	-	-	1,077
YTD 2016 Non-GAAP (As Reported) (a)	\$ 7,115	74%	\$ 2,018	\$ 680	\$ 404	\$ 3,103	\$ 4,014
Depreciation expense resulting from PP&E step-up/down	(6)	0%	-	2	-	2	(8)
Share-based compensation	-	0%	-	(23)	-	2	(23)
YTD 2016 Non-GAAP (Revised Basis) (b)	\$ 7,109	73%	\$ 2,018	\$ 659	\$ 404	\$ 3,107	\$ 3,983

(a) These subtotals reflect Adjusted financial measures (non-GAAP) reported by the Company for the 2017 and 2016 periods presented using the methodology for calculating the Adjusted financial measures (non-GAAP) as of those dates.

(b) As of the third quarter of 2016, these Adjusted financial measures (non-GAAP) no longer include adjustments for the following items: Depreciation resulting from a PP&E step-up resulting from acquisitions and Previously accelerated vesting of certain share-based equity adjustments. Depreciation resulting from a PP&E step-up resulting from acquisitions was a component of Acquisition-related adjustments excluding amortization of intangible assets. Previously accelerated vesting of certain share-based equity adjustments was a component of Other non-GAAP charges. For the purpose of allowing investors to evaluate these Adjusted financial measures (non-GAAP) on the same basis for the periods presented, these adjustments have been removed from the results for the periods presented in 2016.

Financial Summary – Adjusted (non-GAAP)

Presentation Reconciliation

YTD 2017								
B&L / International								
	Segment Gross Profit	Segment Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income (EBITA)	Operating Margin/ EBITA Margin
YTD 2017 GAAP	\$ 2,957	61%	\$ 1,246	\$ 199	\$ 72	\$ 1,517	\$ 1,440	30%
Other non-GAAP charges	-	0%	-	-	-	-	-	0%
YTD 2017 Non-GAAP	\$ 2,957	61%	\$ 1,246	\$ 199	\$ 72	\$ 1,517	\$ 1,440	30%

YTD 2016								
B&L / International								
	Total Gross Profit	Total Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income (EBITA)	Operating Margin/ EBITA Margin
YTD 2016 GAAP	\$ 3,042	62%	\$ 1,273	\$ 200	\$ 85	\$ 1,558	\$ 1,484	30%
Amortization resulting from inventory step-up	5	0%	-	-	-	-	5	0%
Depreciation expense resulting from PP&E step-up/down	6	0%	-	-	-	-	6	0%
Other non-GAAP charges	4	0%	-	-	-	-	4	0%
YTD 2016 Non-GAAP (As Reported) (a)	\$ 3,057	62%	\$ 1,273	\$ 200	\$ 85	\$ 1,558	\$ 1,499	30%
Depreciation expense resulting from PP&E step-up/down	(6)	0%	-	-	-	-	(6)	0%
YTD 2016 Non-GAAP (Revised Basis) (b)	\$ 3,051	62%	\$ 1,273	\$ 200	\$ 85	\$ 1,558	\$ 1,493	30%

(a) These subtotals reflect Adjusted financial measures (non-GAAP) reported by the Company for the 2017 and 2016 periods presented using the methodology for calculating the Adjusted financial measures (non-GAAP) as of those dates.

(b) As of the third quarter of 2016, these Adjusted financial measures (non-GAAP) no longer include adjustments for the following items: Depreciation resulting from a PP&E step-up resulting from acquisitions and Previously accelerated vesting of certain share-based equity adjustments. Depreciation resulting from a PP&E step-up resulting from acquisitions was a component of Acquisition-related adjustments excluding amortization of intangible assets. Previously accelerated vesting of certain share-based equity adjustments was a component of Other non-GAAP charges. For the purpose of allowing investors to evaluate these Adjusted financial measures (non-GAAP) on the same basis for the periods presented, these adjustments have been removed from the results for the periods presented in 2016.

Financial Summary – Adjusted (non-GAAP)

Presentation Reconciliation

YTD 2017								
Branded Rx								
	Segment Gross Profit	Segment Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income (EBITA)	Operating Margin/ EBITA Margin
YTD 2017 GAAP	\$ 2,083	84%	\$ 558	\$ 103	\$ 61	\$ 722	\$ 1,361	55%
Other non-GAAP charges	-	0%			-	-	-	0%
YTD 2017 Non-GAAP	\$ 2,083	84%	\$ 558	\$ 103	\$ 61	\$ 722	\$ 1,361	55%

YTD 2016								
Branded Rx								
	Total Gross Profit	Total Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income (EBITA)	Operating Margin/ EBITA Margin
YTD 2016 GAAP	\$ 2,350	83%	\$ 649	\$ 82	\$ 104	\$ 835	\$ 1,516	54%
Amortization resulting from inventory step-up	33	1%			-	-	33	1%
Depreciation expense resulting from PP&E step-up/down	(0)	0%			-	-	(0)	0%
Other non-GAAP charges	4	0%	(6)	(6)	(16)	(28)	31	1%
YTD 2016 Non-GAAP	\$ 2,387	84%	\$ 643	\$ 76	\$ 88	\$ 807	\$ 1,580	56%

(a) These subtotals reflect Adjusted financial measures (non-GAAP) reported by the Company for the 2016 periods presented using the methodology for calculating the Adjusted financial measures (non-GAAP) as of those dates.

Financial Summary – Adjusted (non-GAAP) Presentation Reconciliation

YTD 2017									
US Diversified									
	Segment Gross Profit	Segment Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income (EBITA)	Operating Margin/ EBITA Margin	
YTD 2017 GAAP	\$ 1,136	82%	\$ 95	\$ 40	\$ 7	\$ 142	\$ 994	72%	
Other non-GAAP charges	-	0%			-	-	-	0%	
YTD 2017 Non-GAAP	\$ 1,136	82%	\$ 95	\$ 40	\$ 7	\$ 142	\$ 994	72%	

YTD 2016									
US Diversified									
	Total Gross Profit	Total Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income (EBITA)	Operating Margin/ EBITA Margin	
YTD 2016 GAAP	\$ 1,669	87%	\$ 104	\$ 36	\$ 7	\$ 147	\$ 1,522	79%	
Other non-GAAP charges	2	0%			-	-	2	0%	
YTD 2016 Non-GAAP	\$ 1,671	87%	\$ 104	\$ 36	\$ 7	\$ 147	\$ 1,524	79%	

(a) These subtotals reflect Adjusted financial measures (non-GAAP) reported by the Company for the 2017 and 2016 periods presented using the methodology for calculating the Adjusted financial measures (non-GAAP) as of those dates.

Financial Summary – Adjusted (non-GAAP) Presentation Reconciliation

Q4 2017							
	Total Gross Profit	Total Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income/ EBITA
GAAP	\$ 1,516	70%	\$ 478	\$ 161	\$ 90	\$ 729	\$ (322)
Acquisition-related contingent consideration	-	0%			-	-	8
Other (income)/expense	-	0%			-	-	231
Restructuring and integration costs	-	0%			-	-	10
Other non-GAAP charges	-	0%		(7)	-	(7)	7
Amortization of finite-lived intangibles	-	0%			-	-	775
Asset Impairments	-	0%			-	-	85
Non-GAAP	\$ 1,516	70%	\$ 478	\$ 154	\$ 90	\$ 722	\$ 794

Q4 2016							
	Total Gross Profit	Total Gross Margin	Selling, A&P Expense	G&A Expense	R&D Expense	Operating Expense	Operating Income/ EBITA
GAAP	\$ 1,737	72%	\$ 477	\$ 188	\$ 93	\$ 758	\$ 150
Acquisition-related contingent consideration	-	0%			-	-	(31)
Other (income)/expense	-	0%			-	-	92
Restructuring and integration costs	-	0%			-	-	54
Other non-GAAP charges	-	0%		(7)	-	(7)	7
Amortization of finite-lived intangibles	-	0%			-	-	658
Asset Impairments	-	0%			-	-	28
Goodwill impairment	-	0%			-	-	28
Non-GAAP (As Reported) (a)	\$ 1,737	72%	\$ 477	\$ 181	\$ 93	\$ 751	\$ 986
Non-GAAP (Revised Basis) (b)	\$ 1,737	72%	\$ 477	\$ 181	\$ 93	\$ 751	\$ 986

(a) This subtotal reflects the Adjusted EBITDA (non-GAAP) reported by the Company for the three months ended Dec. 31, 2016 using the methodology for calculating Adjusted EBITDA (non-GAAP) as of that date.

(b) As of the first quarter of 2017, non-GAAP adjustments no longer include adjustments for Foreign exchange gain/loss arising from intercompany transactions. For the purpose of allowing investors to evaluate Adjusted EBITDA on the same basis for the periods presented, this adjustment has been removed from the results for the three months ended Dec. 31, 2016.

Financial Summary – Adjusted (non-GAAP)

Presentation Reconciliation

Qtr 4 2017								
B&L / International								
	Segment	Segment	Selling,					Operating
	Gross	Gross	A&P	G&A	R&D	Operating	Operating	Margin/
	Profit	Margin	Expense	Expense	Investment	Expense	Income/ EBITA	EBITA Margin
GAAP	\$ 728	59%	\$ 313	\$ 55	\$ 17	\$ 385	\$ 343	28%
Other non-GAAP charges								
Non-GAAP	\$ 728	59%	\$ 313	\$ 55	\$ 17	\$ 385	\$ 343	28%

Qtr 3 2017								
B&L / International								
	Segment	Segment	Selling,					Operating
	Gross	Gross	A&P	G&A	R&D	Operating	Operating	Margin/
	Profit	Margin	Expense	Expense	Investment	Expense	Income/ EBITA	EBITA Margin
GAAP	\$ 759	61%	\$ 311	\$ 47	\$ 14	\$ 372	\$ 387	31%
Other non-GAAP charges								
Non-GAAP	\$ 759	61%	\$ 311	\$ 47	\$ 14	\$ 372	\$ 387	31%

Qtr 2 2017								
B&L / International								
	Segment	Segment	Selling,					Operating
	Gross	Gross	A&P	G&A	R&D	Operating	Operating	Margin/
	Profit	Margin	Expense	Expense	Investment	Expense	Income/ EBITA	EBITA Margin
GAAP	\$ 768	62%	\$ 319	\$ 51	\$ 21	\$ 391	\$ 377	30%
Other non-GAAP charges								
Non-GAAP	\$ 768	62%	\$ 319	\$ 51	\$ 21	\$ 391	\$ 377	30%

Qtr 1 2017								
B&L / International								
	Segment	Segment	Selling,					Operating
	Gross	Gross	A&P	G&A	R&D	Operating	Operating	Margin/
	Profit	Margin	Expense	Expense	Investment	Expense	Income/ EBITA	EBITA Margin
GAAP	\$ 703	61%	\$ 302	\$ 47	\$ 21	\$ 370	\$ 333	29%
Other non-GAAP charges								
Non-GAAP (As Reported) (a)	\$ 703	61%	\$ 302	\$ 47	\$ 21	\$ 370	\$ 333	29%

Qtr 4 2016								
B&L / International								
	Segment	Segment	Selling,					Operating
	Gross	Gross	A&P	G&A	R&D	Operating	Operating	Margin/
	Profit	Margin	Expense	Expense	Investment	Expense	Income/ EBITA	EBITA Margin
GAAP	\$ 781	62%	\$ 302	\$ 46	\$ 22	\$ 370	\$ 411	33%
Other non-GAAP charges								
Non-GAAP	\$ 781	62%	\$ 302	\$ 46	\$ 22	\$ 370	\$ 411	33%

(a) These subtotals reflect Adjusted financial measures (non-GAAP) reported by the Company for the 2017 and 2016 periods presented using the methodology for calculating the Adjusted financial measures (non-GAAP) as of those dates.

Financial Summary – Adjusted (non-GAAP) Presentation Reconciliation

	Qtr 4 2017							
	Branded Rx							
	Segment Gross Profit	Segment Gross Margin	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/ EBITA	Operating Margin/ EBITA Margin
GAAP	\$ 517	86%	\$ 143	\$ 21	\$ 16	\$ 180	\$ 337	56%
Other non-GAAP charges								
Non-GAAP	\$ 517	86%	\$ 143	\$ 21	\$ 16	\$ 180	\$ 337	56%

	Qtr 3 2017							
	Branded Rx							
	Segment Gross Profit	Segment Gross Margin	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/ EBITA	Operating Margin/ EBITA Margin
GAAP	\$ 533	84%	\$ 133	\$ 27	\$ 16	\$ 176	\$ 357	56%
Other non-GAAP charges								
Non-GAAP	\$ 533	84%	\$ 133	\$ 27	\$ 16	\$ 176	\$ 357	56%

	Qtr 2 2017							
	Branded Rx							
	Segment Gross Profit	Segment Gross Margin	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/ EBITA	Operating Margin/ EBITA Margin
GAAP	\$ 526	83%	\$ 144	\$ 26	\$ 15	\$ 185	\$ 341	54%
Other non-GAAP charges								
Non-GAAP	\$ 526	83%	\$ 144	\$ 26	\$ 15	\$ 185	\$ 341	54%

	Qtr 1 2017							
	Branded Rx							
	Segment Gross Profit	Segment Gross Margin	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/ EBITA	Operating Margin/ EBITA Margin
GAAP	\$ 507	84%	\$ 139	\$ 28	\$ 14	\$ 181	\$ 326	54%
Other non-GAAP charges								
Non-GAAP (As Reported) (a)	\$ 507	84%	\$ 139	\$ 28	\$ 14	\$ 181	\$ 326	54%

	Qtr 4 2016							
	Branded Rx							
	Segment Gross Profit	Segment Gross Margin	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/ EBITA	Operating Margin/ EBITA Margin
GAAP	\$ 625	84%	\$ 151	\$ 18	\$ 18	\$ 187	\$ 438	59%
Other non-GAAP charges								
Non-GAAP	\$ 625	84%	\$ 151	\$ 18	\$ 18	\$ 187	\$ 438	59%

(a) These subtotals reflect Adjusted financial measures (non-GAAP) reported by the Company for the 2017 and 2016 periods presented using the methodology for calculating the Adjusted financial measures (non-GAAP) as of those dates.

Financial Summary – Adjusted (non-GAAP)

Presentation Reconciliation

Qtr 4 2017									
US Diversified									
	Segment	Segment Gross Profit	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/EBITA	Operating Margin/EBITA Margin	
GAAP		\$ 271	81%	\$ 22	\$ 10	\$ 3	\$ 35	\$ 236	70%
Other non-GAAP charges									
Non-GAAP		\$ 271	81%	\$ 22	\$ 10	\$ 3	\$ 35	\$ 236	70%

Qtr 3 2017									
US Diversified									
	Segment	Segment Gross Profit	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/EBITA	Operating Margin/EBITA Margin	
GAAP		\$ 270	81%	\$ 21	\$ 10	\$ 1	\$ 32	\$ 238	72%
Other non-GAAP charges									
Non-GAAP		\$ 270	81%	\$ 21	\$ 10	\$ 1	\$ 32	\$ 238	72%

Qtr 2 2017									
US Diversified									
	Segment	Segment Gross Profit	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/EBITA	Operating Margin/EBITA Margin	
		\$ 292	83%	\$ 27	\$ 9	\$ 1	\$ 37	\$ 255	72%
		\$ 292	83%	\$ 27	\$ 9	\$ 1	\$ 37	\$ 255	72%

Qtr 1 2017									
US Diversified									
	Segment	Segment Gross Profit	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/EBITA	Operating Margin/EBITA Margin	
GAAP		\$ 303	85%	\$ 25	\$ 12	\$ 2	\$ 39	\$ 264	74%
Other non-GAAP charges									
Non-GAAP		\$ 303	85%	\$ 25	\$ 12	\$ 2	\$ 39	\$ 264	74%

Qtr 4 2016									
US Diversified									
	Segment	Segment Gross Profit	Selling, A&P Expense	G&A Expense	R&D Investment	Operating Expense	Operating Income/EBITA	Operating Margin/EBITA Margin	
		\$ 330	83%	\$ 24	\$ 9	\$ 1	\$ 34	\$ 296	74%
		\$ 330	83%	\$ 24	\$ 9	\$ 1	\$ 34	\$ 296	74%

(a) These subtotals reflect Adjusted financial measures (non-GAAP) reported by the Company for the 2017 and 2016 periods presented using the methodology for calculating the Adjusted financial measures (non-GAAP) as of those dates.

Reconciliation of reported Net Income (Loss) to EBITDA and Adjusted EBITDA (\$M) (Quarter-to-Date)

Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.

Interest expense, net
(Benefit from) provision for income taxes
Depreciation and amortization

EBITDA

Adjustments:

Restructuring and integration costs
Acquired in-process research and development costs
Goodwill impairments
Asset impairments
Share-based compensation
Acquisition-related adjustments excluding amortization of intangible assets, net of depreciation expense (d)
Loss on extinguishment of debt
Foreign exchange and other
Other adjustments (a)

Adjusted EBITDA (non-GAAP) (as reported) (b)

Foreign exchange loss on intercompany transactions

Adjusted EBITDA (non-GAAP) (as revised) (c)

	2017	2016
	\$ 513	\$ (515)
	445	465
	(1,316)	152
	819	707
	461	809
	10	54
	-	-
	-	28
	85	28
	17	31
	8	(31)
	57	-
	-	28
	237	100
	875	1,047
	-	(28)
	\$ 875	\$ 1,019

(a) Other adjustments include:

Integration related inventory and technology transfer costs
CEO termination costs (cash severance payment)
Legal and other professional fees
Settlement of certain disputed invoices related to transition services
Litigation and other matters
Net loss/(gain) on sale of assets
Acquisition related transaction costs
Philidor Rx Services, LLC net loss through deconsolidation as of January 31, 2016
Other

	\$ 237	\$ 100
	-	(1)
	-	-
	7	8
	-	-
	116	91
	115	2
	-	-
	-	-
	(1)	-

(b) This subtotal reflects the Adjusted EBITDA (non-GAAP) reported by the Company for the three months ended Dec. 31, 2016 using the methodology for calculating Adjusted EBITDA (non-GAAP) as of that date.

(c) As of the first quarter of 2017, non-GAAP adjustments no longer include adjustments for Foreign exchange gain/loss arising from intercompany transactions. For the purpose of allowing investors to evaluate Adjusted EBITDA on the same basis for the periods presented, this adjustment has been removed from the results for the three months ended Dec. 31, 2016.

Reconciliation of reported Net Income (Loss) to EBITDA and Adjusted EBITDA (\$M) (Year-to-Date)

Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.

Interest expense, net
(Benefit from) provision for income taxes
Depreciation and amortization

EBITDA

Adjustments:

Restructuring and integration costs
Acquired in-process research and development costs
Goodwill impairments
Asset impairments
Share-based compensation
Acquisition-related adjustments excluding amortization of intangible assets, net of depreciation expense (d)
Loss on extinguishment of debt
Foreign exchange and other
Other adjustments (a)

Adjusted EBITDA (non-GAAP) (as reported) (b)

Foreign exchange loss on intercompany transactions

Adjusted EBITDA (non-GAAP) (as revised) (c)

	2017	2016
\$	2,404	\$ (2,409)
	1,828	1,828
	(4,145)	(27)
	2,858	2,866
	2,945	2,258
	52	132
	5	34
	312	1,077
	714	422
	87	165
	(289)	25
	122	-
	-	14
	(310)	178
	3,638	4,305
	-	(14)
\$	3,638	\$ 4,291

(a) Other adjustments include:

Integration related inventory and technology transfer costs
CEO termination costs (cash severance payment)
Legal and other professional fees
Settlement of certain disputed invoices related to transition services
Litigation and other matters
Net loss/(gain) on sale of assets
Acquisition related transaction costs
Philidor Rx Services, LLC net loss through deconsolidation as of January 31, 2016
Other

\$	(310)	\$	178
	-		9
	-		10
	44		65
	-		16
	227		59
	(580)		(7)
	-		2
	-		3
	(1)		21

(b) This subtotal reflects the Adjusted EBITDA (non-GAAP) reported by the Company for the twelve months ended Dec. 31, 2016 using the methodology for calculating Adjusted EBITDA (non-GAAP) as of that date.

(c) As of the first quarter of 2017, non-GAAP adjustments no longer include adjustments for Foreign exchange gain/loss arising from intercompany transactions. For the purpose of allowing investors to evaluate Adjusted EBITDA on the same basis for the periods presented, this adjustment has been removed from the results for the twelve months ended of Dec. 31, 2016.

Reconciliation of reported Growth to Organic Growth (\$M) (Quarter-to-Date)

	2017 Revenue	2016 Revenue	Currency impact	2017 Revenues Excluding Currency		Divestitures and Discontinuation	Organic Growth (4/(2-6))/(2-6)
				Amount	Percent Change		
Global Vision Care	187	178	3	184	3%	2	5%
Global Surgical (d)	187	177	7	180	2%	-	2%
Global Consumer Products	377	397	12	365	-8%	63	9%
Global Ophtho Rx	164	159	3	161	1%	-	1%
International Rx (d)	311	350	7	304	-13%	51	2%
Total Bausch + Lomb / International	1,226	1,261	32	1,194	-5%	116	4%
Salix (f)	425	413	-	425	3%	10	5%
Ortho Dermatologics	136	214	-	136	-36%	-	-36%
Dendreon (g)	-	77	-	-	--	77	--
Dentistry	39	39	-	39	0%	1	3%
Other revenue (g)	2	1	-	2	--	-	--
Total Branded Rx	602	744	-	602	-19%	88	-8%
Neuro & Other	228	276	-	228	-17%	-	-17%
Generics	94	93	-	94	1%	-	1%
U.S. Solta	11	9	-	11	22%	-	22%
U.S. Obagi (g)	2	17	-	2	--	14	--
Other revenue	-	3	-	-	--	3	--
Total U.S. Diversified Products	335	398	-	335	-16%	17	-12%
Total revenues	\$ 2,163	\$ 2,403	\$ 32	\$ 2,131	-11%	\$ 221	-2%

(f) Includes Xifaxan Organic Growth:

	2017 Revenue	2016 Revenue	Currency impact (a)	2017 Revenues Excluding Currency Impact (b)		Impact of Divestitures and Discontinuations	Organic Growth (4/(2-6))/(2-6) (c)
				Amount	Percent Change		
XIFAXAN	275	251	-	275	10%	-	10%

(d) As of the third quarter of 2017, one product has been removed from the Global Surgical business unit and added to the International business unit. This change has been made as management believes that the product better aligns with the International business unit. For the purposes of allowing investors to evaluate the results of these two business units on the same basis for all periods presented, this change has been made for the results of the three months ended Dec. 31, 2016.

(g) Divested businesses

Reconciliation of reported Growth to Organic Growth (\$M) (Year-to-Date)

	2017 Revenue	2016 Revenue	Currency impact	2017 Revenues Excluding Currency		Impact of Divestitures and Discontinuations	Organic Growth (4/(2-6))/(2-6)
				Amount	Percent Change		
Global Vision Care (e)	752	743	(2)	754	1%	12	3%
Global Surgical (d)	677	672	3	674	0%	1	0%
Global Consumer Products	1,523	1,577	21	1,502	-5%	156	6%
Global Ophtho Rx	623	624	-	623	0%	-	0%
International Rx (d)	1,296	1,311	(100)	1,396	6%	71	13%
Total Bausch + Lomb / International	4,871	4,927	(78)	4,949	0%	240	6%
Salix (f)	1,566	1,530	-	1,566	2%	32	5%
Ortho Dermatologics	606	840	-	606	-28%	-	-28%
Dendreon (g)	164	303	-	164	--	159	--
Dentistry	134	152	-	134	-12%	3	-10%
Other revenue (g)	5	3	-	5	--	-	--
Total Branded Rx	2,475	2,828	-	2,475	-12%	194	-6%
Neuro & Other	946	1,364	-	946	-31%	-	-31%
Generics	343	455	-	343	-25%	-	-25%
U.S. Solta	35	29	-	35	21%	-	21%
U.S. Obagi (g)	51	57	-	51	-11%	14	19%
Other revenue	3	14	-	3	--	11	--
Total U.S. Diversified Products	1,378	1,919	-	1,378	-28%	25	-27%
Total revenues	\$ 8,724	\$ 9,674	\$ (78)	\$ 8,802	-9%	\$ 459	-4%

(f) Includes Xifaxan/Relistor Organic Growth:

	2017 Revenue	2016 Revenue	Currency impact	Excluding Currency Impact		Impact of Divestitures and	Organic Growth (4/(2-6))/(2-6)
				Amount	Percent Change		
XIFAXAN	979	932	-	979	5%	-	5%
RELISTOR	71	68	-	71	4%	-	4%

(d) As of the third quarter of 2017, one product has been removed from the Global Surgical business unit and added to the International business unit. This change has been made as management believes that the product better aligns with the International business unit. For the purposes of allowing investors to evaluate the results of these two business units on the same basis for all periods presented, this change has been made for the results of the twelve months ended Dec. 31, 2016.

(g) Divested businesses

Reconciliation of TTM¹ adjusted EBITDA (\$M)

Adjusted EBITDA (non-GAAP)						
	TTM	TTM	TTM	TTM	TTM	TTM
	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Net income (loss) attributable to Valeant Pharmaceuticals International, Inc.	\$ 2,404	\$ 1,376	\$ (1,143)	\$ (1,407)	\$ (2,409)	\$ (2,279)
Interest expense, net	1,828	1,848	1,859	1,873	1,828	1,794
Benefit from income taxes	(4,145)	(2,677)	(1,090)	(958)	(27)	(60)
Depreciation and amortization	2,858	2,746	2,755	2,809	2,866	2,900
EBITDA	2,945	3,293	2,381	2,317	2,258	2,355
Adjustments:						
Restructuring and integration costs	52	96	110	112	132	164
Acquired in-process research and development costs	5	5	36	37	34	140
Goodwill impairments	312	340	1,077	1,077	1,077	1,049
Asset impairments	714	657	399	544	422	547
Share-based compensation	87	100	119	129	165	163
Acquisition-related adjustments excluding amortization of intangible assets, net of depreciation expense	(289)	(328)	(79)	(16)	25	48
Loss on extinguishment of debt	122	65	64	64	-	-
Foreign exchange and other	-	28	29	16	14	(16)
Other adjustments	(310)	(448)	(113)	(122)	178	178
Adjusted EBITDA (non-GAAP) (as reported) (a)	\$ 3,638	\$ 3,808	\$ 4,023	\$ 4,158	\$ 4,305	\$ 4,628
Foreign exchange loss/gain on intercompany transactions	\$ -	\$ (28)	(29)	(16)	(14)	16
Adjusted EBITDA (non-GAAP) (as revised) (b)	\$ 3,638	\$ 3,780	\$ 3,994	\$ 4,142	\$ 4,291	\$ 4,644

(a) This subtotal reflects the Adjusted EBITDA (non-GAAP) reported by the Company for the three months ended Dec. 31, 2016 using the methodology for calculating Adjusted EBITDA (non-GAAP) as of that date.

(b) As of the first quarter of 2017, non-GAAP adjustments no longer include adjustments for Foreign exchange gain/loss arising from intercompany transactions. For the purpose of allowing investors to evaluate Adjusted EBITDA on the same basis for the periods presented, this adjustment has been removed from the results for the three months ended Dec. 31, 2016.



Non-GAAP Appendix

Description of Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses certain non-GAAP financial measures, as follows. These measures do not have any standardized meaning under GAAP and other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar non-GAAP measures. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP) is GAAP net income (its most directly comparable GAAP financial measure) adjusted for certain items, as further described below. Management of the Company believes that Adjusted EBITDA (non-GAAP), along with GAAP measures used by management, most appropriately reflect how the Company measures the business internally and sets operational goals and incentives, especially in light of the Company's new strategies. In particular, the Company believes that Adjusted EBITDA (non-GAAP) focuses management on the Company's underlying operational results and business performance. As a result, the Company uses Adjusted EBITDA (non-GAAP) both to assess the actual financial performance of the Company and to forecast future results as part of its guidance. Management believes Adjusted EBITDA (non-GAAP) is a useful measure to evaluate current performance. Adjusted EBITDA (non-GAAP) is intended to show our unleveraged, pre-tax operating results and therefore reflects our financial performance based on operational factors. In addition, commencing in 2017, cash bonuses for the Company's executive officers and other key employees are based, in part, on the achievement of certain Adjusted EBITDA (non-GAAP) targets.

Description of Non-GAAP Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA/Adjusted EBITA
Margin/Adjusted Operating
Income

Adjusted Gross Profit/Adjusted
Gross Margin

Adjusted Selling, A&P/Adjusted
SG&A

Adjusted R&D

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency



Non-GAAP Appendix

Adjusted EBITDA reflect adjustments based on the following items:

Restructuring and integration costs: Since 2016 and for the foreseeable future, while the Company has undertaken fewer acquisitions, the Company has incurred additional restructuring costs as it implements its new strategies, which will involve, among other things, improvements to our infrastructure and other operational improvements, internal reorganizations and impacts from the divestiture of assets and businesses. With regard to infrastructure and operational improvements which the Company has taken to improve efficiencies in the businesses and facilities, these tend to be costs intended to right size the business or organization that fluctuate significantly between periods in amount, size and timing, depending on the improvement project, reorganization or transaction. As a result, the Company does not believe that such costs (and their impact) are truly representative of the underlying business. The Company believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Company's operating performance, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.

Acquired in-process research and development costs: The Company has excluded expenses associated with acquired in-process research and development, as these amounts are inconsistent in amount and frequency and are significantly impacted by the timing, size and nature of acquisitions. Furthermore, as these amounts are associated with research and development acquired, they are not a representation of the Company's research and development efforts during the period.

Asset Impairments: The Company has excluded the impact of impairments of finite-lived and indefinite-lived intangibles, as well as impairments of assets held for sale, as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions and divestitures. The Company believes that the adjustments of these items correlate with the sustainability of the Company's operating performance. Although the Company excludes intangible impairments from its non-GAAP expenses, the Company believes that it is important for investors to understand that intangible assets contribute to revenue generation.

Share-based Compensation: The Company excludes the impact of costs relating to share-based compensation. The Company believes that the exclusion of share-based compensation expense assists investors in the comparisons of operating results to peer companies. Share-based compensation expense can vary significantly based on the timing, size and nature of awards granted.

Acquisition-related adjustments excluding amortization of intangible assets and depreciation expense: The Company has excluded the impact of acquisition-related contingent consideration non-cash adjustments due to the inherent uncertainty and volatility associated with such amounts based on changes in assumptions with respect to fair value estimates, and the amount and frequency of such adjustments is not consistent and is significantly impacted by the timing and size of the Company's acquisitions, as well as the nature of the agreed-upon consideration. In addition, the Company has excluded the impact of fair value inventory step-up resulting from acquisitions as the amount and frequency of such adjustments are not consistent and are significantly impacted by the timing and size of its acquisitions.

Description of Non-GAAP Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP) Adjustments

Adjusted EBITA/Adjusted EBITA Margin/Adjusted Operating Income

Adjusted Gross Profit/Adjusted Gross Margin

Adjusted Selling, A&P/Adjusted SG&A

Adjusted R&D

Total Adjusted Operating Expense

Adjusted Net Income (Loss) (non-GAAP)

Adjusted Net Income (non-GAAP) Adjustments

Organic Revenue / Organic Growth / Organic Change

Constant Currency



Non-GAAP Appendix

Loss on extinguishment of debt: The Company has excluded loss on extinguishment of debt as this represents a cost of refinancing our existing debt and is not a reflection of our operations for the period. Further, the amount and frequency of such charges are not consistent and are significantly impacted by the timing and size of debt financing transactions and other factors in the debt market out of management's control.

Other Non-GAAP Charges: The Company has excluded certain other amounts including integration related inventory and technology transfer costs, CEO termination costs, legal and other professional fees incurred in connection with recent legal and governmental proceedings, investigations and information requests respecting certain of our distribution, marketing, pricing, disclosure and accounting practices, litigation and other matters, net (gain)/loss on sale of assets, acquisition-related transaction costs and certain costs associated with the wind-down of the arrangements with Philidor Rx Services, LLC ("Philidor"). In addition, the Company has excluded certain other expenses that are the result of other, non-comparable events to measure operating performance. These events arise outside of the ordinary course of continuing operations. Given the unique nature of the matters relating to these costs, the Company believes these items are not normal operating expenses. For example, legal settlements and judgments vary significantly, in their nature, size and frequency, and, due to this volatility, the Company believes the costs associated with legal settlements and judgments are not normal operating expenses. In addition, as opposed to more ordinary course matters, the Company considers that each of the recent proceedings, investigations and information requests, given their nature and frequency, are outside of the ordinary course and relate to unique circumstances. The Company believes that the exclusion of such out-of-the-ordinary-course amounts provides

supplemental information to assist in the comparison of the financial results of the Company from period to period and, therefore, provides useful supplemental information to investors. However, investors should understand that many of these costs could recur and that companies in our industry often face litigation.

Finally, to the extent not already adjusted for above, Adjusted EBITDA (non-GAAP) reflects adjustments for interest, taxes, depreciation and amortization (EBITDA represents earnings before interest, taxes, depreciation and amortization).

In 2017, the Company assessed the methodology with which it was calculating these non-GAAP measures and made updates where it deemed appropriate to better reflect the underlying business. As a result, commencing with the first quarter actual results of 2017, there are certain differences in the calculation of Adjusted EBITDA (non-GAAP) between the current presentation and the historic presentation. In particular, Adjusted EBITDA (non-GAAP) no longer includes adjustments for Foreign exchange gain/loss arising from intercompany transactions. For the purposes of the Company's actual results for the full year and fourth quarter of 2016 and other historical periods presented, the Company has calculated and presented the non-GAAP measures using the historic methodologies in place as of the applicable historic dates; however, the Company has also provided a reconciliation that calculates the non-GAAP measure using the new methodology, to allow investors and readers to evaluate the non-GAAP measure (such as Adjusted EBITDA) on the same basis for the periods presented.

Please also see the reconciliation tables in this appendix for further information as to how these non-GAAP measures are calculated for the periods presented.

Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA/Adjusted EBITA
Margin/Adjusted Operating
Income

Adjusted Gross Profit/Adjusted
Gross Margin

Adjusted Selling, A&P/Adjusted
SG&A

Adjusted R&D

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency



Non-GAAP Appendix

Adjusted EBITA/Adjusted EBITA Margin/Adjusted Operating Income

Management uses these non-GAAP measures (the most directly comparable GAAP financial measure for which is Total GAAP Revenue less total operating expenses (GAAP)) to assess performance of its business units and operating and reportable segments, and the Company, in total, without the impact of foreign currency exchange fluctuations, fair value adjustments to inventory in connection with business combinations and integration related inventory charges and technology transfer costs. In addition, it excludes certain CEO termination benefits, acquisition related contingent consideration, acquired in-process research and development, asset impairments, restructuring, integration and acquisition-related expenses, amortization of finite-lived intangible assets, other non-GAAP charges for wind down operating costs, legal and other professional fees relating to legal and governmental proceedings, investigations and information requests respecting certain of our distribution, marketing, pricing, disclosure and accounting practices and loss upon deconsolidation of Philidor. The Company believes the exclusion of such amounts provides supplemental information to management and the users of the financial statements to assist in the understanding of the financial results of the Company from period to period and, therefore, provides useful supplemental information to investors. Please also see the reconciliation tables in this appendix for further information as to how these non-GAAP measures are calculated for the periods presented.

As indicated above, there are certain differences in the calculation of these non-GAAP measures between the current presentation and the historic presentation. In particular, these non-GAAP

measures no longer include adjustments for Depreciation resulting from a PP&E step-up resulting from acquisitions and Previously accelerated vesting of certain share-based equity adjustments. For the purposes of the Company's actual results for the full year and fourth quarter of 2016 and other historic periods presented, the Company has calculated and presented the non-GAAP measures using the historic methodologies in place as of the applicable historic dates; however, the Company has also provided a reconciliation that calculates the non-GAAP measures using the new methodology, to allow investors and readers to evaluate the non-GAAP measures on the same basis for the periods presented.

Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

**Adjusted EBITA/Adjusted EBITA
Margin/Adjusted Operating
Income**

Adjusted Gross Profit/Adjusted
Gross Margin

Adjusted Selling, A&P/Adjusted
SG&A

Adjusted R&D

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency



Non-GAAP Appendix

Adjusted Gross Profit/Adjusted Gross Margin

Management uses these non-GAAP measures (the most directly comparable GAAP financial measure for which is Product sales less Cost of goods sold) to assess performance of its business units and operating and reportable segments, and the Company in total, without the impact of foreign currency exchange fluctuations, fair value adjustments to inventory in connection with business combinations and integration related inventory charges and technology transfer costs. Such measures are useful to investors as it provides a supplemental period-to-period comparison. Please also see the reconciliation tables in this appendix for further information as to how these non-GAAP measures are calculated for the periods presented.

As indicated above, there are certain differences in the calculation of these non-GAAP measures between the current presentation and the historic presentation. In particular, these non-GAAP measures no longer includes adjustments for Depreciation resulting from a PP&E step-up resulting from acquisitions. For the purposes of the Company's actual results for the full year and fourth quarter of 2016 and other historic periods presented, the Company has calculated and presented the non-GAAP measures using the historic methodologies in place as of the applicable historic dates; however, the Company has also provided a reconciliation that calculates the non-GAAP measures using the new methodology, to allow investors and readers to evaluate the non-GAAP measures on the same basis for the periods presented.

Adjusted Selling, A&P/Adjusted G&A/Adjusted SG&A

Management uses these non-GAAP measures (the most directly comparable GAAP financial measure for which is selling, general and administrative) as a supplemental measure for period-to-period comparison. Adjusted Selling, General and Administrative excludes, as applicable, CEO termination benefits, accelerated depreciation expense related to fixed assets acquired in the acquisition of Salix, certain costs associated with the wind-down of the arrangements with Philidor, and certain costs primarily related to legal and other professional fees relating to legal and governmental proceedings, investigations and information requests respecting certain of our distribution, marketing, pricing, disclosure and accounting practices. See the discussion under "Other Non-GAAP charges" above. Please also see the reconciliation tables in this appendix for further information as to how this non-GAAP measure is calculated for the periods presented.

As indicated above, there are certain differences in the calculation of Adjusted G&A and Adjusted SG&A between the current presentation and the historic presentation. In particular, these non-GAAP measures no longer includes adjustments for Depreciation resulting from a PP&E step-up resulting from acquisitions and Previously accelerated vesting of certain share-based equity adjustments. For the purposes of the Company's actual results for the full year and fourth quarter of 2016 and other historic periods presented, the Company has calculated and presented the non-GAAP measures using the historic methodologies in place as of the applicable historic dates; however, the Company has also provided a reconciliation that calculates the non-GAAP measures using the new methodology, to allow investors and readers to evaluate the non-GAAP measures on the same basis for the periods presented.

Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA/Adjusted EBITA
Margin/Adjusted Operating
Income

Adjusted Gross Profit/Adjusted
Gross Margin

Adjusted Selling, A&P/Adjusted
SG&A

Adjusted R&D

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency



Non-GAAP Appendix

Adjusted R&D

Management uses this non-GAAP measure (the most directly comparable GAAP financial measure for which is research and development expenses) as a supplemental measure for period-to-period comparison. This non-GAAP measure reflects adjustments for a charge in connection with a settlement of certain disputed invoices related to transition services. Please also see the reconciliation tables in this appendix for further information as to how this non-GAAP measure is calculated for the periods presented.

Total Adjusted Operating Expense

Management uses this non-GAAP measure (the most directly comparable GAAP financial measure for which is total operating expenses (GAAP)) as a supplemental measure for period-to-period comparison. This non-GAAP measure allows investors to supplement the evaluation of operational efficiencies of the underlying business without the variability of items that the Company believes are not normal course of business.

As indicated above, there are certain differences in the calculation of this non-GAAP measure between the current presentation and the historic presentation. In particular, total adjusted operating expense no longer includes adjustments for Depreciation resulting from a PP&E step-up resulting from acquisitions and Previously accelerated vesting of certain share-based equity adjustments. For the purposes of the Company's actual results for the full year and fourth quarter of 2016 and other historic periods presented, the Company has calculated and presented the non-GAAP measure using the historic methodologies in place as of the applicable historic dates; however, the Company has also provided a reconciliation that calculates the non-GAAP measure using the new methodology, to allow investors and readers to evaluate the non-GAAP measure on the same basis for the periods presented.

Adjusted Net Income (Loss) (non-GAAP)

Historically, management has used adjusted net income (loss) (non-GAAP) (the most directly comparable GAAP financial measure for which is GAAP net income (loss)) for strategic decision making, forecasting future results and evaluating current performance. This non-GAAP measure excludes the impact of certain items (as further described below) that may obscure trends in the Company's underlying performance. By disclosing this non-GAAP measure, it was management's intention to provide investors with a meaningful, supplemental comparison of the Company's operating results and trends for the periods presented. It was management belief that this measure was also useful to investors as such measure allowed investors to evaluate the Company's performance using the same tools that management had used to evaluate past performance and prospects for future performance. Accordingly, it was the Company's belief that adjusted net income (loss) (non-GAAP) was useful to investors in their assessment of the Company's operating performance and the valuation of the Company. It is also noted that, in recent periods, our GAAP net income was significantly lower than our adjusted net income (non-GAAP). Commencing in 2017, new management of the Company identified and began using certain new primary financial performance measures to assess Company financial performance. As a result, the Company no longer uses or relies on adjusted net income (loss) (non-GAAP) in assessing the financial performance of the Company. However, a reconciliation of GAAP net income (loss) to adjusted net income (loss) (non-GAAP) is presented in the tables in this appendix for the information of readers to provide readers comparable information for prior periods.

Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA/Adjusted EBITA
Margin/Adjusted Operating
Income

Adjusted Gross Profit/Adjusted
Gross Margin

Adjusted Selling, A&P/Adjusted
SG&A

Adjusted R&D

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency



Non-GAAP Appendix

In addition to certain of the adjustments made to Adjusted EBITDA and described above (namely restructuring and integration costs, acquired in-process research and development costs, loss on extinguishment of debt, acquisition-related adjustments excluding amortization, asset impairments and other non-GAAP changes), adjusted net income (non-GAAP) also reflects adjustments based on the following additional items:

Amortization of intangible assets: The Company has excluded the impact of amortization of intangible assets, as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. The Company believes that the adjustments of these items correlate with the sustainability of the Company's operating performance. Although the Company excludes amortization of intangible assets from its non-GAAP expenses, the Company believes that it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.

Tax: The Company has included the tax impact of the non-GAAP adjustments using an annualized effective tax rate of 13.2%.

As indicated above, commencing with the first-quarter results of 2017, there are certain differences in the calculation of adjusted net income (loss) (non-GAAP) between the current presentation and the historic presentation. In particular, adjusted net income (loss) (non-GAAP) no longer includes Foreign exchange gain/loss arising from intercompany transactions and amortization of deferred financing costs and debt discounts. In addition, as of the third quarter of 2016, adjusted net income (loss) (non-GAAP) no longer includes adjustments for the following items: Depreciation resulting from a PP&E step-up resulting from acquisitions and Previously accelerated vesting of certain share-

based equity adjustments. For the purposes of the Company's actual results for the full year and fourth quarter of 2016 and other historical periods presented, the Company has calculated and presented the non-GAAP measures using the historic methodologies in place as of the applicable historic dates; however, the Company has also provided a reconciliation that calculates the non-GAAP measure using the new methodology, to allow investors and readers to evaluate the non-GAAP measure (such as adjusted net income (loss)) on the same basis for the periods presented.

Description of Non-GAAP Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP) Adjustments

Adjusted EBITA/Adjusted EBITA Margin/Adjusted Operating Income

Adjusted Gross Profit/Adjusted Gross Margin

Adjusted Selling, A&P/Adjusted SG&A

Adjusted R&D

Total Adjusted Operating Expense

Adjusted Net Income (Loss) (non-GAAP)

Adjusted Net Income (non-GAAP) Adjustments

Organic Revenue / Organic Growth / Organic Change

Constant Currency



Non-GAAP Appendix

Organic Revenue / Organic Growth / Organic Change

Organic growth, a non-GAAP metric, is defined as an increase on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of recent acquisitions, divestitures and discontinuations. Organic Growth / Organic Change is change in GAAP Revenue (its most directly comparable GAAP financial measure) adjusted for certain items, as further described below, of businesses that have been owned for one or more years. The Company uses organic revenue, organic growth and organic change to assess performance of its business units and operating and reportable segments, and the Company in total, without the impact of foreign currency exchange fluctuations and recent acquisitions, divestitures and product discontinuations. The Company believes that such measures are useful to investors as it provides a supplemental period-to-period comparison.

Organic revenue growth reflects adjustments for: (i) the impact of period-over-period changes in foreign currency exchange rates on revenues and (ii) the revenues associated with acquisitions, divestitures and discontinuations of businesses divested and/ or discontinued. These adjustments are determined as follows:

- *Foreign currency exchange rates:* Although changes in foreign currency exchange rates are part of our business, they are not within management's control. Changes in foreign currency exchange rates, however, can mask positive or negative trends in the business. The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly

average currency exchange rates during the comparable prior period.

- *Acquisitions, divestitures and discontinuations:* In order to present period-over-period organic revenues (non-GAAP) on a comparable basis, revenues associated with acquisitions, divestitures and discontinuations are adjusted to include only revenues from those businesses and assets owned during both periods. Accordingly, organic revenue (non-GAAP) growth excludes from the current period, revenues attributable to each acquisition for twelve months subsequent to the day of acquisition, as there are no revenues from those businesses and assets included in the comparable prior period. Organic revenue (non-GAAP) growth excludes from the prior period (but not the current period), all revenues attributable to each divestiture and discontinuance during the twelve months prior to the day of divestiture or discontinuance, as there are no revenues from those businesses and assets included in the comparable current period.

Please also see the reconciliation in this Appendix for further information as to how this non-GAAP measure is calculated for the periods presented.

Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA/Adjusted EBITA
Margin/Adjusted Operating
Income

Adjusted Gross Profit/Adjusted
Gross Margin

Adjusted Selling, A&P/Adjusted
SG&A

Adjusted R&D

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency

Constant Currency Appendix

Constant Currency

Changes in the relative values of non-US currencies to the US dollar may affect the Company's financial results and financial position. To assist investors in evaluating the Company's performance, we have adjusted for foreign currency effects.

Constant currency impact is determined by comparing 2017 reported amounts adjusted to exclude currency impact, calculated using 2016 monthly average exchange rates, to the actual 2016 reported amounts.



Description of Non-GAAP
Financial Measures

Adjusted EBITDA (non-GAAP)

Adjusted EBITDA (non-GAAP)
Adjustments

Adjusted EBITA/Adjusted EBITA
Margin/Adjusted Operating
Income

Adjusted Gross Profit/Adjusted
Gross Margin

Adjusted Selling, A&P/Adjusted
SG&A

Adjusted R&D

Total Adjusted Operating
Expense

Adjusted Net Income (Loss)
(non-GAAP)

Adjusted Net Income (non-
GAAP) Adjustments

Organic Revenue / Organic
Growth / Organic Change

Constant Currency