

# Valeant Pharmaceuticals International, Inc.

**Valeant's Acquisition of Bausch + Lomb:  
Creating a Global Leader in Eye Health**

**May 28, 2013**

# Forward-Looking Statements

This presentation contains forward-looking statements regarding, among other things, the proposed business combination between Valeant and Bausch + Lomb and Valeant's and Bausch + Lomb's expected financial position, market position, product development and business strategy, cost synergies, timing of the closing, timing and benefits of the transaction, financing, debt levels and executive appointments, as well as estimates of Valeant's future expenses and future earnings per share. Statements including words such as "believes," "expects," "anticipates," "intends," "estimates," "plan," "will," "may," "intend," "guidance" or similar expressions are forward-looking statements. Because these statements reflect Valeant's or Bausch + Lomb's current views, expectations and beliefs concerning future events, these forward-looking statements involve risks and uncertainties.

Investors should note that many factors could affect the proposed business combination of the companies, future financial results and could cause actual results to differ materially from those expressed in forward-looking statements contained in this presentation. These factors include, but are not limited to: the risk that the acquisition will not close; the risk that Valeant's business and/or Bausch + Lomb's business will be adversely impacted during the pendency of the acquisition; the risk that the operations of the two companies will not be integrated successfully; Valeant and Bausch + Lomb's ability to successfully develop, commercialize and market new products; Valeant and Bausch + Lomb's ability to obtain regulatory approval of any of their respective pipeline products; competition for the business of Valeant and Bausch + Lomb's products; market acceptance of Valeant and Bausch + Lomb's future products; government regulation of the companies' industries; the outcome of any pending or future litigation or claims by third parties or the government; the risk of changes in governmental regulations; the impact of economic conditions; the impact of competition and pricing and other risks and uncertainties, including those (i) detailed from time to time in the Valeant's periodic reports filed with the Securities and Exchange Commission ("SEC") and the Canadian Securities Administrators ("CSA"), including current reports on Form 8-K, quarterly reports on Form 10-Q and annual reports on Form 10-K, particularly the discussion under the caption "RISK FACTORS" in their annual reports on Form 10-K for the year ended December 31, 2012, which have been filed with the SEC and the CSA and (ii) the risk factors detailed in Amendment No. 1 to the Form S-1 Registration Statement of WP Prism Inc. (the former name of Bausch + Lomb Holdings Incorporated), filed with the SEC on April 26, 2013, which has not been declared effective by the SEC. The forward-looking statements in this press release are qualified by these risk factors. These are factors that, individually or in the aggregate, could cause the companies' actual results to differ materially from expected and historical results. The companies assume no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.

# Transaction Highlights

## Terms

- \$8.7 billion total value
  - ~\$4.5 billion to existing shareholders
  - ~\$4.2 billion used to repay existing debt
- At least \$800 million in cost synergies by the end of 2014

## Board of Directors

- Fred Hassan will join Valeant's Board of Directors

## Bausch+Lomb Management joining Valeant

- Dan Wechsler - EVP, Company Group Chairman
- Cal Roberts, MD - Chief Medical Officer, Ophthalmology
- Additional B + L executives expected to join Valeant

## Financing

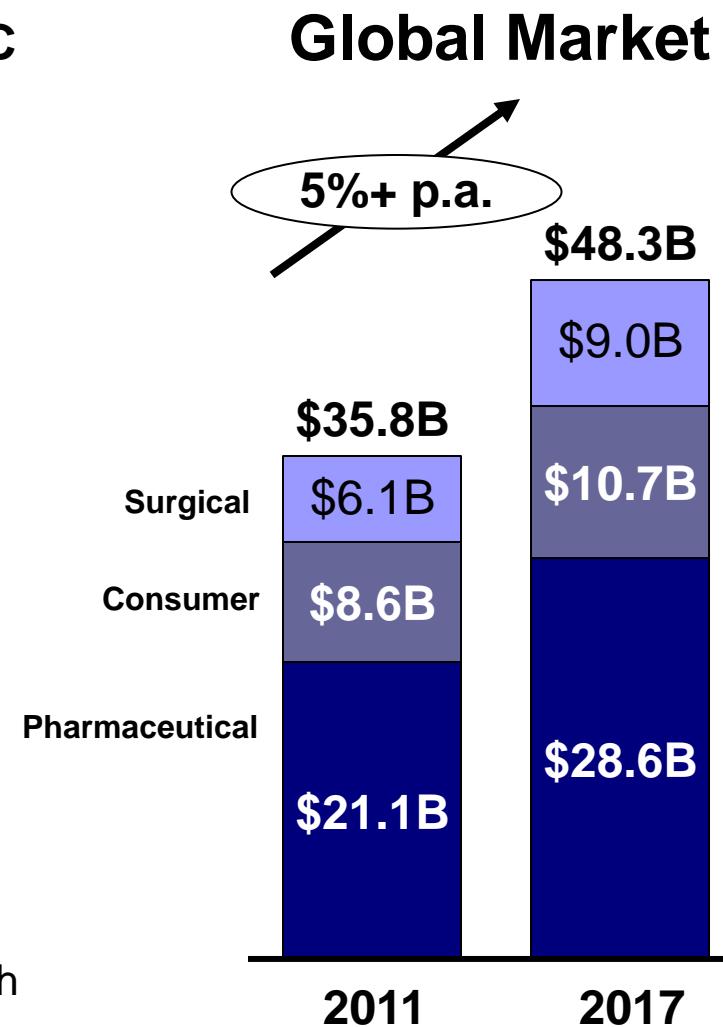
- Fully committed debt financing from Goldman Sachs
- ~\$1.5 - \$2.0 billion equity to be issued

## Next Steps

- Regulatory filings expected to be submitted in early June
- Expect to close in third quarter of 2013

# Why Ophthalmology (Eye Health)

- Attractive specialty pharmaceutical, OTC and device space
- Similar characteristics to dermatology
  - Growing market
  - Durable products
  - Low exposure to reimbursement pressures
  - Significant cash pay component
- Key drivers of market growth
  - Aging population
  - Increased incidence of diabetes
  - Rising wealth in emerging markets
  - New product innovation offering superior solutions for patients
- Opportunities for lower-risk innovation
  - More development, less early stage research
  - Huge unmet medical need

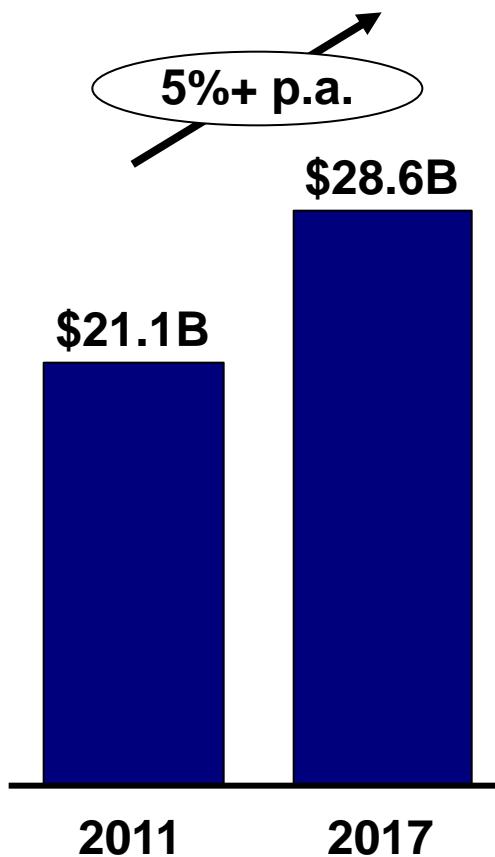


# A Compelling Transaction

- **Attractive financial returns**
  - Mid-to-high single digit market growth
  - Pro forma >\$8 billion in revenues
  - At least \$800 million in cost synergies
  - 20%+ IRR
- **A leading global eye health company**
  - Significant presence in all major segments of eye health
    - Prescription drugs
    - Surgical products
    - Consumer / OTC products
  - Highly regarded sales force around the world
- **Strong brand recognition in a market where brand is important**
- **Late stage pipeline with 9 near-term launches**
- **Strong Emerging Markets potential**
  - Complementary to Valeant's geographic footprint
  - Provides at-scale entry into China, Middle East, South Korea and Turkey

# Pharmaceuticals

## Global market growth

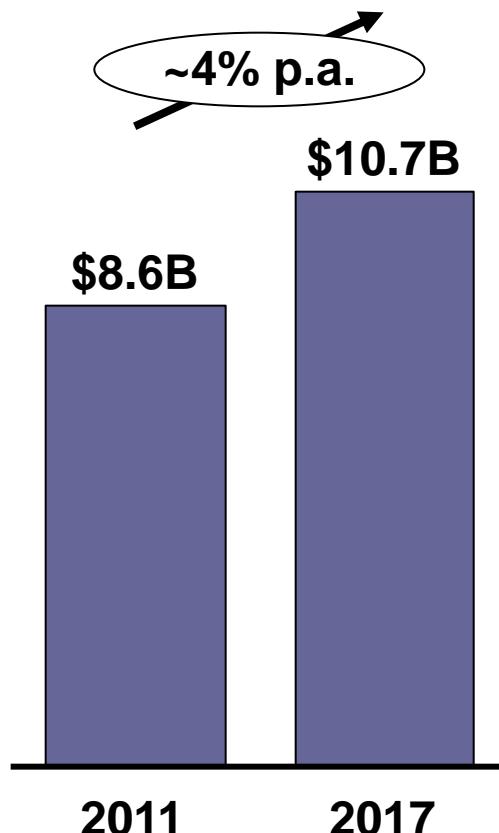


## Bausch + Lomb position

- Top 4 competitor in Rx & OTC
- Strong product portfolio
  - Comprehensive offerings for the “front of the eye” (ocular surface)
  - Product presence across all major disease states: Anti-inflammatory, Anti-infective, Allergy, Dry Eye, Anti-viral
  - Complementary to Valeant’s portfolio of retina products
- Balanced portfolio
  - Across market segments: Rx, Gx, OTC
  - Across geographies
- Significant new product launches in Glaucoma and anti-inflammatory Rx
- Pipeline:
  - Mapracorat
  - Latanaprostene Bunod
  - Ocular Redness Therapy

# Vision Care

## Global market growth

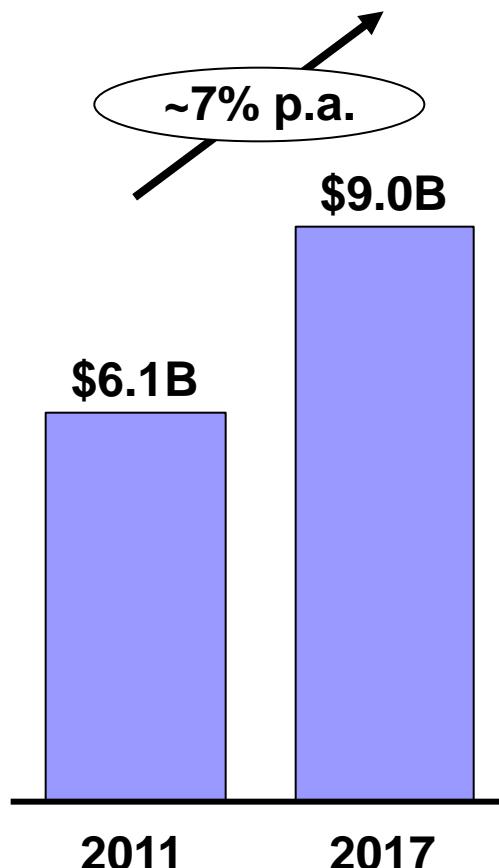


## Bausch + Lomb position

- Top 2 competitor globally in lens care, Top 4 in contact lenses
- Comprehensive product portfolio
  - Leading lens care products: multipurpose solutions, specialty solutions
  - Presence in each key lens segment: planned replacement, daily disposable, cosmetic
- Significant new product launches: next generation daily and monthly silicone hydrogel lens
- Particular strength in emerging markets
  - #1 or #2 in many Asian and Latin American markets
  - Strong selling infrastructure
  - Attractive intrinsic market growth (10-15%)
- Pipeline
  - Biotrue ONEday Multifocal Contact Lens
  - Next Generation SiHy(Silicone Hydrogel) Monthly Contact Lens
  - PeroxiClear

# Surgical

## Global market growth

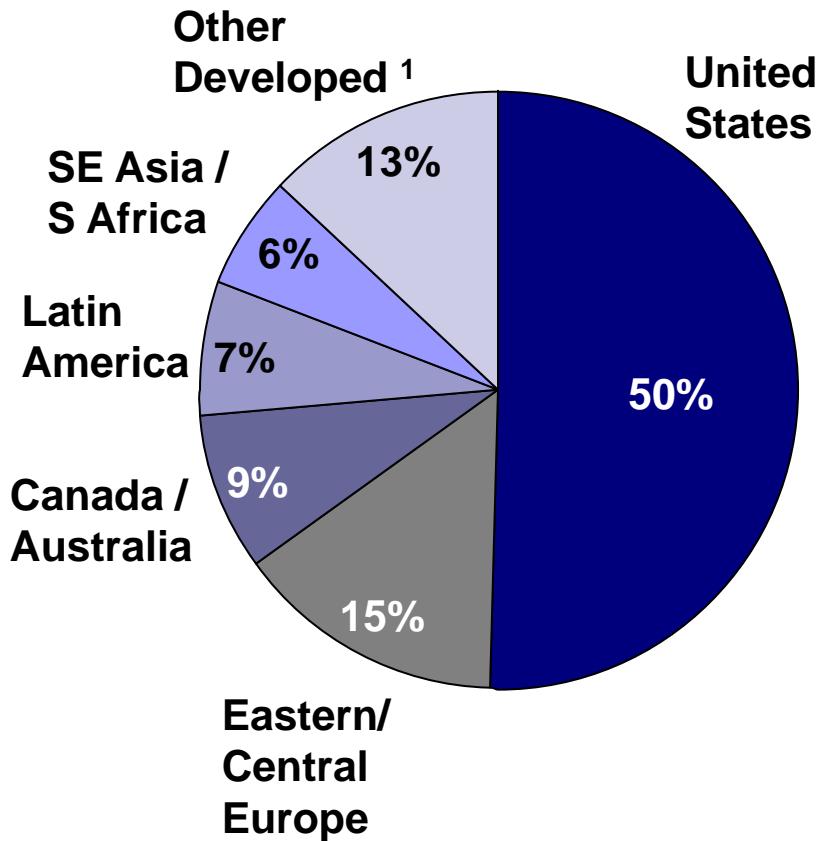


## Bausch + Lomb position

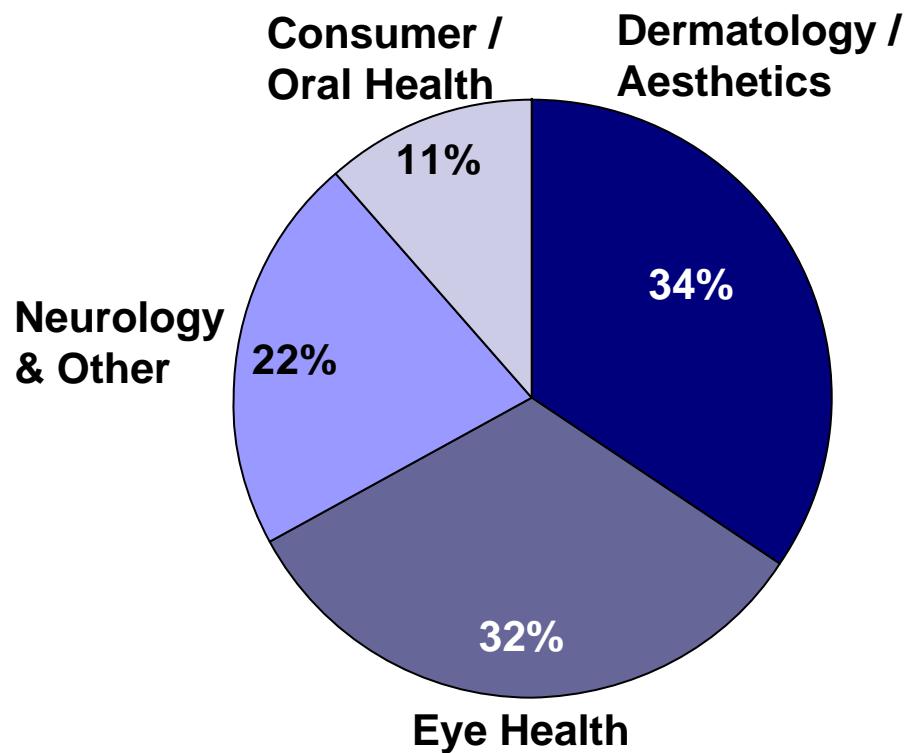
- Top 3 competitor globally
- Comprehensive product portfolio
  - Products presence across all key market segments: IOL, Anterior Phaco & VitRet, Visco, Instruments
  - Support cataract, refractive and therapeutic procedures from a single platform
- Launching VICTUS Femtosecond Laser (Cataract and Refractive Surgery), which strengthens competitiveness of overall offering
- Expanding IOL offering, with multiple products across the development lifecycle
- Pipeline:
  - Trulign Toric Premium IOL
  - enVista Toric IOL (US)
  - Technolas 317 Excimer Refractive Laser Platform

# Pro Forma Business Mix

## By Geography



## By U.S. Business Line



<sup>1</sup> Western Europe and Japan

# Focused Integration Strategy to Drive Synergies

- **Corporate HQ to remain in Laval, Quebec**
- **Continued use of Bausch + Lomb name**
- **“Best of the Best” selection process for personnel to build a stronger organization**
- **Synergies expected in corporate, commercial, and operational areas, while preserving key B+L strengths**



**At least \$800mm in annual run rate cost synergies from both companies expected to be achieved by end of 2014**

# Financial Considerations

- **Expected 2013 Bausch + Lomb financials**
  - Revenue of ~\$3.3 billion
    - Pharmaceuticals = ~\$1.4B
    - Vision Care = ~\$1.3B
    - Surgical = ~\$0.6 B
  - Adjusted Gross Margins = ~62%
  - Adjusted EBITDA of ~\$720 million
- **At least \$800 million in synergies expected by the end of 2014**
- **Expect to integrate into Valeant's corporate structure**
- **Immediately accretive**
  - ~40% accretive to Valeant's 2013 Cash EPS <sup>1</sup>

<sup>1</sup> Pro forma for full year 2013

# Financing and Balance Sheet Impact

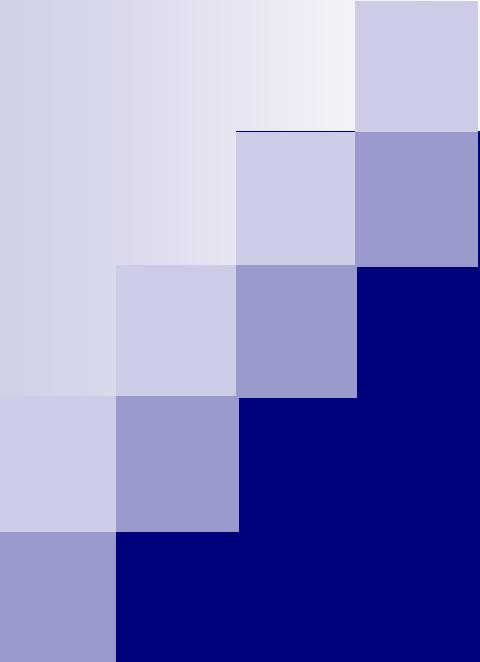
- **Transaction value approximately \$8.7 billion**
  - Expected to close in the third quarter
- **Committed financing from Goldman Sachs**
  - A combination of bank debt and bonds; approximately 55% bank debt and 45% bonds
  - Between \$1.5 - \$2.0 billion in equity to be issued
- **~4.6x Net Debt/ Pro Forma Adjusted EBITDA**
- **Company expects leverage to be below 4.0x by the second half of 2014**

# Integration Plans

- **Integration plans already underway**
- **Brent Saunders to join Valeant in an advisory role to help ensure a seamless transition**
- **Key leaders from Bausch + Lomb to join Valeant**
  - Dan Wechsler – EVP & Company Group Chairman, Ophthalmology & Eye Health
  - Calvin Roberts, MD – Chief Medical Officer, Ophthalmology & Eye Health
  - Others to be named in the near future
- **Fred Hassan to join Valeant's Board of Directors**

# Key Highlights

- **Acquiring a leader in an attractive specialty therapeutic category**
- **Company with strong brand recognition worldwide**
- **Attractive financial returns for our shareholders**
- **Significant product and commercial presence across all major eye health markets and geographic segments**
- **Strong Emerging Markets potential**
- **At least \$800 million in synergies captured by the end of 2014**
- **Maintains strong Balance Sheet**
- **Cultural fit**



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