

ACTAVIS PLC
January 1, 2014 -March 31, 2014
(In millions)

Description	Pre-tax Adjustment	After-tax Adjustment	Line item	Segment
Amortization expense ⁽¹⁾	\$ 424.2	\$ 372.5	Amortization	
Legal matters ⁽²⁾	\$ -	\$ -	General and administrative	
Acquisition and licensing ⁽³⁾				
Amortization of inventory step-up	\$ 124.6	\$ 121.7	Cost of goods sold	Actavis Pharma
Integration and restructuring expenses	0.6	0.6	Cost of goods sold	Actavis Pharma
Acquisition related settlements	0.3	0.2	Research and development	Actavis Pharma
Contingent consideration fair value adjustments	(11.0)	(9.5)	Research and development	Actavis Pharma
Integration and restructuring expenses	0.3	0.3	Research and development	Actavis Pharma
Integration and restructuring expenses	2.3	0.3	Selling and marketing	Actavis Pharma
Pending acquisition related costs	14.2	14.2	General and administrative	Actavis Pharma
Acquisition, integration & restructuring expenses	14.2	12.7	General and administrative	Actavis Pharma
Acquisition related payment for the release of trading restrictions	(5.0)	(5.0)	Other income	
Amortization of bridge loan financing fees	9.4	9.4	Other income	
Debt premium amortization	(5.5)	(5.4)	Interest	
Total acquisition and licensing	144.4	139.5		
Accretion expense ⁽⁴⁾				
Accretion expense	\$ 0.3	\$ 0.2	Cost of goods sold	Actavis Pharma
Accretion expense	3.7	2.6	Research and development	Actavis Pharma
Total accretion expense	4.0	2.8		
Global supply chain ⁽⁵⁾				
Severance, accelerated depreciation, facility decommissioning and product transfer costs	\$ 11.4	\$ 7.2	Cost of goods sold	Actavis Pharma
Accelerated depreciation and product transfer costs	0.9	0.9	Research and development	Actavis Pharma
Accelerated depreciation and severance costs	3.1	3.1	General and administrative	Actavis Pharma
Total global supply chain	15.4	11.2		
Loss on asset sales and impairments ⁽⁶⁾				
Operating results for assets held for sale	\$ (112.1)	\$ (112.1)	Net revenue	Actavis Pharma
Operating results for assets held for sale	78.3	78.3	Cost of goods sold	Actavis Pharma
Operating results for assets held for sale	2.7	2.7	Research and development	Actavis Pharma
Operating results for assets held for sale	26.6	26.6	Selling and marketing	Actavis Pharma
Operating results for assets held for sale	6.9	6.9	General and administrative	Actavis Pharma
Costs associated with holding assets out for sale	5.2	3.7	General and administrative	
Loss (gain) on asset sales and impairments, net	(0.4)	(2.8)	Asset sales, impairments, and contingent consideration adjustment, net	
Loss (gain) on asset sales	(4.3)	(4.3)	Other income (expense)	
Total asset sales and impairments	2.9	(1.0)		
Non-recurring (gains) losses ⁽⁷⁾				
Other	\$ (1.4)	\$ (0.9)	General and administrative	Actavis Pharma
Discrete tax items	-	(9.7)	Provision(benefit) for income taxes	
Total Non-recurring (gains) losses	(1.4)	(10.6)		
Totals by segment and P&L line item	\$ 589.5	\$ 514.4		

Explanation of reconciling items to arrive at non-GAAP financial results:

- Includes amortization of acquired intangibles including product rights.
- Includes charges related to the accrual and settlement of litigation related matters, if any.
- Amount in cost of goods sold includes amortization of the Warner Chilcott acquisition related inventory step up of \$124.6. Amount in research and development includes fair market value adjustments relating to contingent consideration liabilities assumed as part of acquisition accounting, which created income in the quarter of \$11.0 as well as integration and restructuring costs of \$0.3. Amount in selling and marketing includes integration and restructuring costs related to the acquisitions of the Actavis Group and Warner Chilcott of \$2.3. Amount in general and administrative includes costs incurred with the proposed acquisition of Forest Laboratories of \$14.2 and restructuring and integration charges for legacy Actavis of \$1.8 and for Warner Chilcott of \$12.4 which included continuing benefit expenses for severed employees of \$5.0, stock-based compensation of \$5.0 and other integration expenses. Amount in interest expense includes the amortization of the fair value step up of senior secured notes assumed as part of the Warner Chilcott acquisition. Amount in other income (expense) includes the amortization expenses relating to the bridge loan commitments entered into in connection with the proposed acquisition of Forest Laboratories of \$9.4 and fees received by former Legacy Actavis shareholders to end their restricted trading window of \$5.0.
- Amount includes accretion of acquisition related contingent consideration based upon the passage of time.
- Represents amounts attributable to our global supply chain initiative to improve efficiencies within the Actavis Pharma segment.
- Amounts recorded in net revenue, cost of goods sold, research and development and selling and marketing represents the operating results from Western European assets held for sale in Q1 14. Amounts in general and administrative expenses represents the operating results from Western European assets held for sale in Q1 14, as well as costs associated with disposing of these assets of \$5.3. Included in asset sales, impairments and contingent consideration adjustment, net are gains on the assets held for sale of Foshan and Western Europe due to movements in working capital in the period (\$5.6) as well as miscellaneous gains for assets sold, offset by the impairment of assets held for sale in our Lincolnnton manufacturing facility of \$5.7 and the impairment of intangible assets for discontinued products of \$1.5. Included in other income (expense) is a gain on the sale of our investment in Columbia Laboratories Inc. of \$4.3.
- Non-recurring (gains) losses are primarily comprised of the impact of a tax audit settlement.