

**ACTAVIS PLC**  
**April 1, 2014 - June 30, 2014**  
(In millions)

Description	Pre-tax Adjustment	After-tax Adjustment	Line item	Segment
<b>Amortization expense</b> <sup>(1)</sup>	\$ 422.9	\$ 371.0	Amortization	
<b>Legal matters</b> <sup>(2)</sup>	\$ 1.5	\$ 1.4	General and administrative	
<b>Acquisition and licensing</b> <sup>(3)</sup>				
Revenue recognition adjustment resulting for acquisition accounting	\$ 5.5	\$ 4.3	Net revenue	Actavis Pharma
Amortization of inventory step-up	85.4	85.4	Cost of goods sold	Actavis Pharma
Contingent consideration fair value adjustments	6.0	6.0	Cost of goods sold	Actavis Pharma
Acquisition, integration & restructuring expenses	3.8	1.8	Cost of goods sold	Actavis Pharma
Actavis restructuring relating to the Forest Acquisition	0.8	0.7	Research and development	Actavis Pharma
Contingent consideration fair value adjustments	(7.0)	(4.6)	Research and development	Actavis Pharma
Actavis restructuring relating to the Forest Acquisition	3.4	2.1	Selling and marketing	Actavis Pharma
Contract termination payment	10.0	6.2	Selling and marketing	Actavis Pharma
Integration and restructuring expenses	2.3	2.2	Selling and marketing	Actavis Pharma
Acquisition related costs	22.7	21.8	General and administrative	Actavis Pharma
Actavis restructuring relating to the Forest Acquisition	11.4	7.1	General and administrative	Actavis Pharma
Acquisition, integration & restructuring expenses	13.1	10.6	General and administrative	Actavis Pharma
Amortization of bridge loan financing fees	13.6	13.6	Other income	
Debt premium amortization	(5.4)	(5.3)	Interest	
<b>Total acquisition and licensing</b>	<b>165.6</b>	<b>151.9</b>		
<b>Accretion expense</b> <sup>(4)</sup>				
Accretion expense	\$ 0.9	\$ 0.8	Cost of goods sold	Actavis Pharma
Accretion expense	3.5	2.1	Research and development	Actavis Pharma
<b>Total accretion expense</b>	<b>4.4</b>	<b>2.9</b>		
<b>Global supply chain</b> <sup>(5)</sup>				
Severance, accelerated depreciation, facility decommissioning and product transfer costs	\$ 11.0	\$ 7.1	Cost of goods sold	Actavis Pharma
Accelerated depreciation and product transfer costs	0.6	0.4	Research and development	Actavis Pharma
Accelerated depreciation and severance costs	3.3	3.1	General and administrative	Actavis Pharma
<b>Total global supply chain</b>	<b>14.9</b>	<b>10.6</b>		
<b>Loss on asset sales and impairments</b> <sup>(6)</sup>				
Operating results for assets held for sale	\$ (37.4)	\$ (37.4)	Net revenue	Actavis Pharma
Operating results for assets held for sale	38.3	38.3	Cost of goods sold	Actavis Pharma
Write-off of contingent consideration	(24.7)	(24.7)	Research and development	Actavis Pharma
Costs associated with holding assets out for sale	0.5	1.4	General and administrative	Actavis Pharma
Loss (gain) on asset sales and impairments, net	22.1	15.2	Asset sales, impairments, and contingent consideration adjustment, net	
Loss (gain) on asset sales	20.9	18.9	Other income (expense)	
<b>Total asset sales and impairments</b>	<b>19.7</b>	<b>11.7</b>		
<b>Non-recurring (gains) losses</b> <sup>(7)</sup>				
<b>Total Non-recurring (gains) losses</b>	<b>-</b>	<b>-</b>		
<b>Totals by segment and P&amp;L line item</b>	<b>\$ 629.0</b>	<b>\$ 549.5</b>		

**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 included in revenues is the adjustment relating to the amount recognized in Europe resulting from acquisition accounting of deferred revenues of \$5.5. Amount in cost of goods sold includes amortization of the Warner Chilcott acquisition (\$84.8) and Silom acquisition (\$0.6) related inventory step ups of \$85.4, the fair value adjustment of contingent consideration for marketed products of \$6.0 and integration costs associated with the Warner Chilcott acquisition of \$3.8. Amount in research and development includes the income resulting from the fair value adjustments of contingent consideration of 7.0, offset by restructuring costs related to the Forest Laboratories acquisition. Amount in selling and marketing includes termination costs relating to the Company's co-promotion agreements with Valeant of \$10.0, integration and restructuring costs related to the Forest Laboratories acquisition of \$5.3, including severance-related charges of \$3.4, and the acquisitions of the Actavis Group and Warner Chilcott of \$0.4. Amount in general and administrative includes costs associated with the acquisition of Forest Laboratories of \$34.5, which includes severance-related charges of \$11.4, financing-related charges of \$5.8 and other costs associated with the acquisition of \$17.3, acquisition related fees in association with the Silom acquisition of \$3.5, integration charges for the Actavis group and Warner Chilcott acquisitions of \$7.8 and the foreign currency impact of contingent consideration of 1.4. 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 \$13.6.
- 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 revenues and cost of goods sold represents the operating results from Western European assets sold in Q2 14. Amounts in general and administrative expenses represent the costs associated with disposing of Western European assets of \$0.5. Amounts included in research and development includes the write-off of contingent consideration associated with R&D projects not currently being continued. Included in asset sales, impairments and contingent consideration adjustments is the impairment of IPR&D of \$16.3, the net loss on the movement of assets held for sale / sold during the period relating to our Corona and Lincolnton manufacturing facilities of \$6.3, as well as other miscellaneous items. Included in other income (expense) is the net loss associated with the Q2 14 sale of our Western European infrastructure based on the allocation of consideration to the assets sold and the supply agreement entered into at the time of sale of \$20.9.
- N/A

**ACTAVIS PLC**  
**January 1, 2014 - June 30, 2014**  
*(In millions)*

Description	Pre-tax Adjustment	After-tax Adjustment	Line item	Segment
<b>Amortization expense</b> <sup>(1)</sup>	\$ 847.1	\$ 743.5	Amortization	
<b>Legal matters</b> <sup>(2)</sup>	\$ 1.5	\$ 1.4	General and administrative	
<b>Acquisition and licensing</b> <sup>(3)</sup>				
Revenue recognition adjustment resulting for acquisition accounting	\$ 5.5	\$ 4.3	Net revenue	Actavis Pharma
Amortization of inventory step-up	210.0	207.1	Cost of goods sold	Actavis Pharma
Contingent consideration fair value adjustments	6.0	6.0	Cost of goods sold	Actavis Pharma
Acquisition, integration & restructuring expenses	4.4	2.4	Cost of goods sold	Actavis Pharma
Acquisition related settlements	0.3	0.2	Research and development	Actavis Pharma
Actavis restructuring relating to the Forest Acquisition	0.8	0.7	Research and development	Actavis Pharma
Contingent consideration fair value adjustments	(18.0)	(14.1)	Research and development	Actavis Pharma
Integration and restructuring expenses	0.3	0.3	Research and development	Actavis Pharma
Actavis restructuring relating to the Forest Acquisition	3.4	2.1	Selling and marketing	Actavis Pharma
Contract termination payment	10.0	6.2	Selling and marketing	Actavis Pharma
Integration and restructuring expenses	4.6	2.5	Selling and marketing	Actavis Pharma
Acquisition related costs	36.9	36.0	General and administrative	Actavis Pharma
Actavis restructuring relating to the Forest Acquisition	11.4	7.1	General and administrative	Actavis Pharma
Acquisition, integration & restructuring expenses	27.3	23.3	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	23.0	23.0	Other income	
Debt premium amortization	(10.9)	(10.7)	Interest	
<b>Total acquisition and licensing</b>	<b>310.0</b>	<b>291.4</b>		
<b>Accretion expense</b> <sup>(4)</sup>				
Accretion expense	\$ 1.2	\$ 1.0	Cost of goods sold	Actavis Pharma
Accretion expense	7.2	4.7	Research and development	Actavis Pharma
<b>Total accretion expense</b>	<b>8.4</b>	<b>5.7</b>		
<b>Global supply chain</b> <sup>(5)</sup>				
Severance, accelerated depreciation, facility decommissioning and product transfer costs	\$ 22.4	\$ 14.3	Cost of goods sold	Actavis Pharma
Accelerated depreciation and product transfer costs	1.5	1.3	Research and development	Actavis Pharma
Accelerated depreciation and severance costs	6.4	6.2	General and administrative	Actavis Pharma
<b>Total global supply chain</b>	<b>30.3</b>	<b>21.8</b>		
<b>Loss on asset sales and impairments</b> <sup>(6)</sup>				
Operating results for assets held for sale	\$ (149.5)	\$ (149.5)	Net revenue	Actavis Pharma
Operating results for assets held for sale	116.6	116.6	Cost of goods sold	Actavis Pharma
Operating results for assets held for sale	2.7	2.7	Research and development	Actavis Pharma
Write-off of contingent consideration	(24.7)	(24.7)	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	5.7	5.1	General and administrative	Actavis Pharma
Loss (gain) on asset sales and impairments, net	21.7	12.4	Asset sales, impairments, and contingent consideration adjustment, net	
Loss (gain) on asset sales	16.6	14.6	Other income (expense)	
<b>Total asset sales and impairments</b>	<b>22.6</b>	<b>10.7</b>		
<b>Non-recurring (gains) losses</b> <sup>(7)</sup>				
Other	\$ (1.4)	\$ (0.9)	General and administrative	Actavis Pharma
Discrete tax items	-	(9.7)	Provision(benefit) for income taxes	
<b>Total Non-recurring (gains) losses</b>	<b>(1.4)</b>	<b>(10.6)</b>		
<b>Totals by segment and P&amp;L line item</b>	<b>\$ 1,218.5</b>	<b>\$ 1,063.9</b>		

**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 included in revenues is the adjustment relating to the amount recognized in Europe resulting from acquisition accounting of deferred revenues of \$5.5. Amount in cost of goods sold includes amortization of the Warner Chilcott acquisition (\$209.4) and Silom acquisition (\$0.6) related inventory step ups of \$210.0, the fair value adjustment of contingent consideration for marketed products of \$6.0 and integration costs associated with the Warner Chilcott acquisition of \$4.4. 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 period of \$18.0, and other acquisition related charges of \$1.4. Amount in selling and marketing includes termination costs relating to the Company's co-promotion agreements with Valeant of \$10.0, integration and restructuring costs related to the Forest Laboratories acquisition of \$5.3, including severance-related charges of \$3.4, and the acquisitions of the Actavis Group and Warner Chilcott of \$2.7. Amount in general and administrative includes costs associated with the acquisition of Forest Laboratories of \$48.6, which includes severance-related charges of \$11.4, financing-related charges of \$8.7 and other costs associated with the acquisition of \$28.5, acquisition related fees in association with the Silom acquisition of \$3.5, acquisition and integration fees for the acquisitions of the Actavis Group and Warner Chilcott of \$22.2, which included system integration costs and other restructuring costs primarily related to continuing benefits, stock-based compensation (\$5.0) and other integration expenses and the foreign currency impact of contingent consideration of 1.3. 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 \$23.0 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 revenues, cost of goods sold, research and development and selling and marketing includes the operating results from Western European assets held for sale in Q1 14 and subsequently sold in Q2 14. Amounts in general and administrative expenses represents the operating results from Western European assets held for sale in Q1 14 and subsequently sold in Q2 14, as well as costs associated with disposing of the entities of \$5.7. Amounts included in research and development includes the write-off of contingent consideration associated with R&D projects not currently being continued of \$24.7. Included in asset sales, impairments and contingent consideration adjustments, net is the impairment of assets held for sale / sold in our Lincolnton and Corona manufacturing facilities of \$12.0, the impairment of IPR&D of \$16.3 and the impairment of intangible assets for discontinued products of \$1.5, offset, in part, by gains on the assets while they were held for sale of Foshan and Western Europe due to movements in working capital in the period (\$5.6) as well as miscellaneous amounts for assets sold. Included in other income (expense) is a gain on the sale of our investment in Columbia Laboratories Inc. of \$4.3, offset by the net loss associated with the Q2 14 sale of our Western European infrastructure based on the allocation of consideration to the assets sold and the supply agreement entered into at the time of sale of \$20.9.
- Non-recurring (gains) losses are primarily comprised of the impact of a tax audit settlement.