



# Valeant Pharmaceuticals International, Inc.

**First Quarter 2016 Conference Call  
June 7, 2016**

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# Forward-looking Statements

## Forward-looking Statements

Certain statements made in this presentation may constitute forward-looking statements, including, but not limited to, statements regarding expected future performance of Valeant Pharmaceuticals International, Inc. (“Valeant” or the “Company”), including guidance with respect to total revenue, Adjusted EPS and Adjusted EBITDA and the assumptions used in connection with such guidance, revenue expectations and expected revenue growth, debt reduction, expected investments in key functions, future acquisitions and divestitures, anticipated restructuring of certain businesses, SG&A cost reductions, expectations with respect to compliance with certain financial maintenance covenants under our Credit Agreement, planned improvements to U.S. manufacturing business strategy, and stabilization, action and acceleration plans. Forward-looking statements may generally be identified by the words “anticipates,” “expects,” “intends,” “plans,” “should,” “could,” “would,” “may,” “will,” “believes,” “estimates,” “pursues,” “target,” or “continue” and variations or similar expressions. These statements are based upon the current expectations and assumptions of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those stated in the forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties disclosed in the Company’s most recent annual or quarterly report and detailed from time to time in Valeant’s other filings with the Securities and Exchange Commission and the Canadian Securities Administrators, which factors are incorporated herein by reference. You are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak 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, except as required by law.

**Note 1: The guidance in this presentation is only effective as of the date given, June 7, 2016, 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, the Company uses certain non-GAAP financial measures including (i) Adjusted earnings per share (“EPS”), (ii) EBITDA, (iii) Cash flow available for debt repayment and other purposes (non-GAAP), (v) Adjusted cost of goods sold (non-GAAP), (vi) Adjusted selling, general and administrative expenses (non-GAAP), (vii) Adjusted total revenue, (viii) Adjusted gross margin, (ix) Adjusted operating income and (x) EBITA.

The reconciliations of these historic non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP can be found in this presentation and/or the tables to the Company’s press release dated June 7, 2016 (the “press release”), a copy of which can be found on the Company’s website at [www.valeant.com](http://www.valeant.com), and as a result, this presentation should be read in conjunction with the press release. Other than with respect to total revenue, the Company only provides guidance on a non-GAAP basis and does not provide reconciliations of such forward-looking non-GAAP measures to GAAP, due to the inherent difficulty in forecasting and quantifying the amounts that are necessary for such reconciliations, including adjustments that could be made for restructuring and acquisition-related expenses, share-based compensation amounts, adjustments to inventory and other changes. As reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

Management uses these non-GAAP measures as key metrics in the evaluation of Company performance and 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 raises with 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, non-GAAP financial measures are not calculated in accordance with GAAP, as they exclude certain items as described herein. Therefore, the information is not comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. GAAP net income and earnings per share are generally less than Adjusted net income (non-GAAP) and Adjusted EPS (non-GAAP).



## Today's Topics

- **Q1 2016 Financial Results**
- **Stabilizing Valeant in 2016**
  - State of the Business
  - 2016 Guidance Update
  - Liquidity, Capital Structure and Cash Flow Update
- **Areas of Improvement and Opportunity**
  - Dermatology
  - Salix
- **Valeant has a Strong Future**
  - Diversified Portfolio with Strong Global Brands
  - U.S. Market Access
  - Investment in R&D

## Q1 2016 Summary

	<b>Q1 2016 Results</b>	<b>Q1 2016 Guidance</b>
<b>Total GAAP Revenue</b>	\$2.37B	\$2.3 - \$2.4B
<b>GAAP EPS (diluted)</b>	\$(1.08)	N/A
<b>Adjusted EPS (non-GAAP)<sup>1</sup></b>	\$1.27	\$1.18 – \$1.43
<b>GAAP Cash Flow from Operations</b>	\$558M	N/A
<b>Adjusted EBITDA (non-GAAP)<sup>2</sup></b>	\$1.0B	N/A

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