Endo International plc

Q2 2015 Earnings Report

August 10, 2015

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Forward Looking Statements; Non-GAAP Financial Measures

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Canadian securities legislation. Statements including words such as “believes,” “expects,” “anticipates,” “intends,” “estimates,” “plan,” “will,” “may,” “look forward,” “intend,” “guidance,” “future” or similar expressions are forward-looking statements. Because these statements reflect our current views, expectations and beliefs concerning future events, these forward-looking statements involve risks and uncertainties. Although Endo believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, readers should not place undue reliance on them, or any other forward looking statements or information in this news release. Investors should note that many factors, as more fully described in the documents filed by Endo with securities regulators in the United States and Canada including under the caption “Risk Factors” in Endo’s Form 10-K, Form 10-Q and Form 8-K filings, as applicable, with the Securities and Exchange Commission and with securities regulators in Canada on System for Electronic Document Analysis and Retrieval (“SEDAR”) and as otherwise enumerated herein or therein, could affect Endo’s future financial results and could cause Endo’s actual results to differ materially from those expressed in forward-looking statements contained in Endo’s Annual Report on Form 10-K. The forward-looking statements in this presentation are qualified by these risk factors. These are factors that, individually or in the aggregate, could cause our actual results to differ materially from expected and historical results. Endo assumes no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise, except as may be required under applicable securities law.

This presentation may refer to non-GAAP financial measures, including adjusted diluted EPS, that are not prepared in accordance with accounting principles generally accepted in the United States and that may be different from non-GAAP financial measures used by other companies. Investors are encouraged to review Endo’s current report on Form 8-K furnished to the SEC for Endo’s reasons for including those non-GAAP financial measures in this presentation. Reconciliation of non-GAAP financial measures to the nearest comparable GAAP amounts have been provided within the appendix at the end of this presentation.

Today's Agenda

- Recent Milestones and Corporate Accomplishments
- Review of Q2 2015 Financial Results
- 2015 Financial Guidance
- Q&A

Progress on Near-Term Strategic Priorities

- Enhancing operational focus to drive organic growth
  - U.S. Generics delivered strong, double-digit underlying revenue growth YTD
  - International announced multiple strategic transactions designed to increase focus on the core pharmaceuticals business line within Litha Group
  - U.S. Branded completed integration of Auxilium portfolio and sales force
- Sharpening R&D focus on near-term opportunities
  - PDUFA action date on October 23, 2015 for BELBUCA™
  - Expect to initiate phase 2b studies of XIAFLEX® in Frozen Shoulder Syndrome/Adhesive Capsulitis and Cellulite by end of 2015
- Deploying capital to accretive, value-creating opportunities
  - Acquisition of Par creates a leading specialty pharmaceutical company with a top five generics business as measured by U.S. sales[1]
  - Completed sale of AMS Men's and Prostate Health Businesses to Boston Scientific and evaluating strategic options for Women's Health business
- Delivering strong and sustainable financial performance
  - Maintaining Full-Year 2015 Guidance for Revenues and Adjusted EPS[2]

1 - Source: IMS Health LTM as of 10/31/14
2 - Updated 2015 guidance excludes the dilutive effects associated with the pre-close financing activities related to the acquisition of Par

Par Acquisition: Significant Value Creation

Capabilities	• Diversifies product portfolio and R&D pipeline • Expands manufacturing and technology capabilities

Growth Profile	• Accretive to existing growth profile: expected to drive double-digit organic growth
	  • Revenue: double-digit CAGR for pro forma revenue in the near- to mid-term
	  • EPS: expect adjusted diluted EPS to grow faster than revenues

Accretion	• Accretive to adjusted diluted EPS within first 12 months and;
	  • Mid-teens percentage accretion to adjusted diluted EPS in 2016
	  • Approximately 20% accretion to adjusted diluted EPS in 2017

Synergies	• Financial synergies of $175 million • Strategically preserving R&D pipeline

Transaction Multiple	• Transaction multiple of 10-11x 2016 adjusted pro forma EBITDA on a post-synergy basis
	  • Anticipate returns well in excess of cost of capital
	  • Enables de-levering to a projected 3-4x net debt to EBITDA in 12-18 months

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Par Pharmaceutical Acquisition: Updates

- Acquisition expected to close by Q3 2015 reporting, subject to regulatory and other customary closing conditions
  - Based on discussions with FTC, expect to divest less than 10 products/projects, with no material impact to value, in order to secure clearance under HSR
- All financing in-place following:
  - $2.3 billion registered offering of ordinary shares completed in June
  - Placement of $1.635 billion of 6.00% senior notes in July
  - Secured commitments for $3.8 billion of new senior secured credit facilities in July

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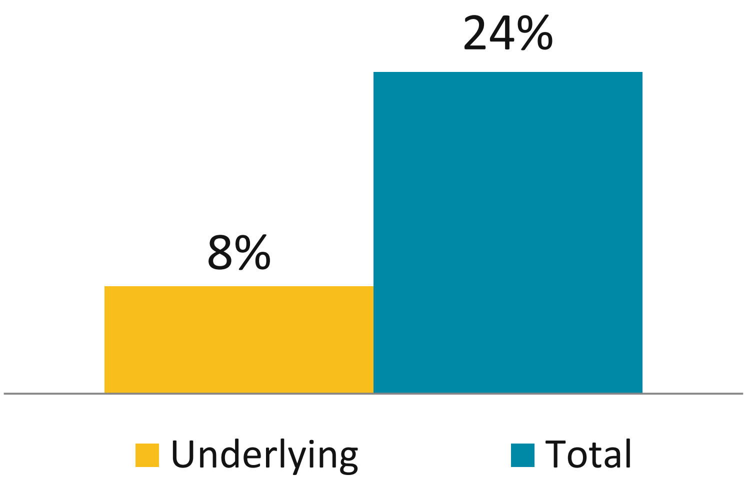
Summary of Q2 2015 Financial Results

Q2 and YTD 2015 Financial Performance (Continuing Operations)

(US $M except EPS)	Q2 2015	Y/Y Growth %	YTD 2015	Y/Y Growth %
Revenue	$735	24%	$1,449	36%
Reported (GAAP) EPS	($0.49)	NM	$0.33	NM
Adjusted Income	$204	39%	$412	61%
Adjusted Diluted EPS	$1.08	21%	$2.25	36%

Driving Organic Growth – U.S. Branded Pharmaceuticals

U.S. Branded Pharmaceuticals
YTD Core Revenue Growth



Underlying growth includes Auxilium *pro forma* results and "same store sales" for 2014 acquisitions. Underlying growth excludes LIDODERM® and Actavis Royalty.

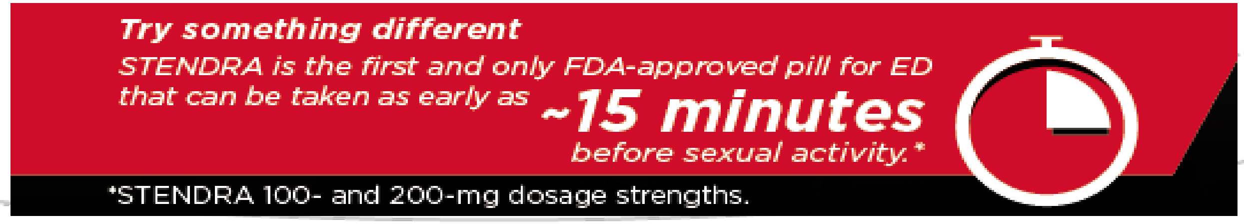
- XIAFLEX® performance in line with expectations
- STENDRA® re-launch underway
- Continuing support for OPANA® ER
  - Expect to submit supplemental request for label to FDA by early 2016
  - Expect near-term decision in Paragraph IV patent infringement cases
    - IPR proceeding - validity of '216 patent (expires 2023) upheld by U.S. Patent Office in July 2015 decision
- Focused on building momentum for a broader set of growth products

Driving Organic Growth – XIAFLEX®

- Performance in line with internal expectations
- Approximately 13,100 demand vials in Q2 2015 – Y/Y growth of 67%
  - ~6,900 vials in PD and ~6,200 vials in DC
- PD: continued commercial progress and growth
  - ~2,100 certified physicians as of June 30, 2015; and
  - ~9,800 cumulative patients treated
  - First ever PD treatment guidelines issued by AUA in May support XIAFLEX treatment
- DC: continued procedure growth and physician adoption
  - Label expansion - approved in May 2015 by FDA for treatment of recurrent contractures
- Focused on optimizing reimbursement processes and sales force execution as keys to accelerate growth

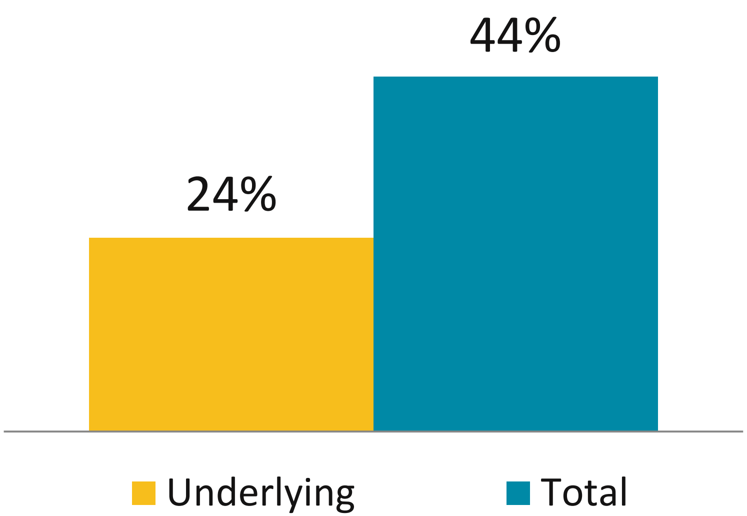
STENDRA® Re-launch Initiative

- Actions taken in Q2 stabilized Rx trends
- Emphasis on building brand awareness and driving trial
- Targeted DTC campaign to build patient and physician awareness:
  - Digital and print campaigns driving awareness and patient requests for STENDRA®
- CSO fully deployed
- Focused on pulling through recent managed care wins that are expected to improve patient access



Driving Organic Growth – U.S. Generic Pharmaceuticals

U.S. Generic Pharmaceuticals
YTD Core Revenue Growth vs. PY



Underlying growth includes "same store sales" for 2014 acquisitions and excludes sales of LIDODERM® AG.

- Base business growth of 24% YTD 2015
- Incremental revenues from Boca, DAVA and LIDODERM® AG drive total revenue growth of 44% YTD 2015
- Price increases in Q2
  - Associated penalties and shelf stock adjustments reduced Q2 revenues
  - Benefit primarily for 2016 performance
- On–track to meet objective to file 6 ANDAs in 2015

Drive Organic Growth – International Pharmaceuticals

- Q2 2015 performance in line with plan and internal expectations
- Base Paladin business delivering solid performance
- In June, Paladin announced the signing of a Commercial Distribution Agreement for Iclusig™ in Canada
  - Iclusig™ approved by Health Canada - preparing for launch by late-Q3
- Somar performance on-track with expectations
- Sharpening Litha Group focus on core pharmaceuticals businesses
  - Acquisition of product portfolio from Aspen expected to close in Q3
  - Divestiture of device, vaccine and additional non-core product lines expected to close in Q4
- Expanded International leadership team with GM appointments for Litha and Somar businesses

Q2 2015 Financial Update

Q2 and YTD 2015 Segment Revenues

(US $M)	**Q2 2015**	**Y/Y Growth %**	**YTD 2015**	**Y/Y Growth %**
U.S. Branded Pharmaceuticals	$316	27%	$600	24%
U.S. Generic Pharmaceuticals	$338	24%	$695	44%
International Pharmaceuticals	$81	12%	$154	58%
Total	**$735**	**24%**	**$1,449**	**36%**

Q2 2015 Income Statement (Adjusted Continuing Operations)

($M except Shares and EPS)	**Q2 2014**	**Q2 2015**	**Y/Y Change** Favorable / (Unfavorable)
Revenues	$593	$735	24%
Gross Margin	$361	$463	28%
% of Revenues	*60.9%*	*63.0%*	*+210 bps*
Operating Expenses	$128	$165	(30%)
% of Revenues	*21.5%*	*22.5%*	*(100 bps)*
Operating Income	$234	$298	27%
% of Revenues	*39.4%*	*40.5%*	*+110 bps*
Tax Rate	21.5%	6.8%	+1470 bps
Adjusted Income	$147	$204	39%
Adjusted EPS	$0.89	$1.08[1]	21%
Adjusted Diluted Shares (M)	163.4	188.8[1]	
Reported (GAAP) EPS – Continuing Operations	$0.25	($0.49)	NM

(1) - Q2 2015 Adjusted Diluted Shares include the weighted average of ~28 million shares issued in June 2015 as part of the financing to fund the pending acquisition of Par Pharmaceutical. Q2 2015 Adjusted EPS, excluding the effect of the additional shares, would have been $1.12.

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YTD 2015 Income Statement (Adjusted Continuing Operations)

($M except Shares and EPS)	YTD 2014	YTD 2015	Y/Y Change Favorable / (Unfavorable)
Revenues	$1,064	$1,449	36%
Gross Margin	$663	$929	40%
% of Revenues	*62.3%*	*64.1%*	*+180 bps*
Operating Expenses	$250	$313	(26%)
% of Revenues	*23.5%*	*21.6%*	*+190 bps*
Operating Income	$413	$615	49%
% of Revenues	*38.9%*	*42.4%*	*+350 bps*
Tax Rate	21.6%	11.9%	+1040 bps
Adjusted Income	$256	$412	61%
Adjusted EPS	$1.65	$2.25[(1)]	36%
Adjusted Diluted Shares (M)	154.4	182.8[(1)]	
Reported (GAAP) EPS – Continuing Operations	($0.04)	$0.33	NM

(1) - YTD 2015 Adjusted Diluted Shares include the weighted average of ~28 million shares issued in June 2015 as part of the financing to fund the pending acquisition of Par Pharmaceutical. YTD 2015 Adjusted EPS, excluding the effect of the additional shares, would have been $2.29.

2015 Outlook and Financial Guidance

2015 Financial Guidance (Continuing Operations)

- Expect to update full-year 2015 financial guidance following the close of the Par acquisition to include both operating and financing effects
  - Expect transaction to close prior to reporting Q3 2015
- Q2 guidance update affirms prior expectations for full-year 2015 operating performance
- Updated guidance <u>excludes</u> the dilutive effects associated with the pre-close financing activities related to the acquisition of Par
  - As highlighted, Q2 2015 Adjusted EPS, excluding the pre-close issuance of ~28 million shares in June, would be $1.12 versus $1.08
  - If the acquisition of Par does not close before end of Q3 2015 the pre-close financing activities are expected to reduce Adjusted EPS by ~$0.23 cents

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2015 Financial Guidance (Continuing Operations)

Updated 2015 guidance <u>excludes</u> the dilutive effects associated with the pre-close financing activities related to the acquisition of Par

Measure	***Prior 2015 Guidance***	**Updated 2015 Guidance**
Revenues	*\$2.90B - \$3.00B*	\$2.90B - \$3.00B
Adjusted Gross Margin	*64% to 65%*	64% to 65%
Adjusted Operating Expense to Revenue Ratio	*23% to 24%*	23% to 24%
Adjusted Interest Expenses	*~\$310M*	~\$310M
Adjusted Effective Tax Rate	*13% to 14%*	13% to 14%
Adjusted Diluted EPS	*\$4.40 to \$4.60*	\$4.40 to \$4.60
Reported (GAAP) EPS	*\$1.70 to \$1.90*	\$1.42 to \$1.62
Weighted Average Diluted Shares Outstanding	*~180M*	~180M

Summary

- Investing to support current and future organic growth
- Increasing organizational focus on core pharmaceuticals businesses
- Focused on deploying capital to accretive, value-creating opportunities

Appendix

Reconciliation of Non-GAAP Measures

Three Months Ended June 30, 2015 (unaudited)	Actual Reported (GAAP)	Adjustments		Non-GAAP Adjusted
REVENUES	$ 735,166	$ —		$ 735,166
COSTS AND EXPENSES:				
Cost of revenues	438,858	(166,558)	(1)	272,300
Selling, general and administrative	154,491	(6,585)	(2)	147,906
Research and development	18,984	(1,507)	(3)	17,477
Litigation-related and other contingencies, net	6,875	(6,875)	(4)	—
Asset impairment charges	70,243	(70,243)	(5)	—
Acquisition-related and integration items	44,225	(44,225)	(6)	—
OPERATING INCOME	$ 1,490	$ 295,993		$ 297,483
INTEREST EXPENSE, NET	80,611	(2,999)	(7)	77,612
OTHER EXPENSE, NET	24,493	(23,929)	(8)	564
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	$ (103,614)	$ 322,921		$ 219,307
INCOME TAX (BENEFIT) EXPENSE	(12,720)	27,692	(9)	14,972
(LOSS) INCOME FROM CONTINUING OPERATIONS	$ (90,894)	$ 295,229		$ 204,335
DISCONTINUED OPERATIONS, NET OF TAX	(159,632)	181,771	(10)	22,139
CONSOLIDATED NET (LOSS) INCOME	$ (250,526)	$ 477,000		$ 226,474
Less: Net loss attributable to noncontrolling interests	(107)	—		(107)
NET (LOSS) INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	$ (250,419)	$ 477,000		$ 226,581
DILUTED EARNINGS PER SHARE DATA ATTRIBUTABLE TO ENDO INTERNATIONAL PLC ORDINARY SHAREHOLDERS:				
Continuing operations	$ (0.49)			$ 1.08
Discontinued operations	(0.86)			0.12
DILUTED (LOSS) EARNINGS PER SHARE	$ (1.35)			$ 1.20
DILUTED WEIGHTED AVERAGE SHARES	185,328			188,819

Notes to reconciliation of our GAAP statements of operations to our adjusted statements of operations:

1. To exclude amortization of commercial intangible assets related to developed technology of $116,987, a fair value step-up in inventory of $46,699, certain excess manufacturing costs that will be eliminated pursuant to integration plans of $2,249 and accruals for milestone payments to partners of $623.
2. To exclude certain separation benefits and other costs incurred in connection with continued efforts to enhance the Company's operations of $5,785 and costs associated with unused financing commitments of $800.
3. To exclude milestone payments to partners of $1,512 offset by separation costs of $(5).
4. To exclude the impact of net litigation charges.
5. To exclude asset impairment charges.
6. To exclude acquisition and integration costs, primarily associated with the Auxilium and Par acquisitions and the AMS divestiture.
7. To exclude debt abandonment costs of $2,746 and additional non-cash interest expense related to our 1.75% Convertible Senior Subordinated Notes of $253.
8. To exclude other than temporary impairment of equity investment of $18,869, foreign currency impact related to the re-measurement of intercompany debt instruments of $2,792, costs associated with unused financing commitments of $2,261 and other miscellaneous expenses of $7.
9. Primarily to reflect the tax savings from acquired tax attributes and the effect of the pre-tax adjustments above at applicable rates. Additionally, included within this amount is an adjustment to exclude approximately $500 of tax benefit resulting from the expected realization of deferred tax assets in the foreseeable future related to certain components of our AMS business, which was listed as held for sale during the first quarter of 2015.
10. Primarily to exclude certain items related to the AMS businesses, including litigation charges related to vaginal mesh cases, reported as Discontinued operations, net of tax.

Reconciliation of Non-GAAP Measures

Three Months Ended June 30, 2014 (unaudited)	Actual Reported (GAAP)	Adjustments		Non-GAAP Adjusted
REVENUES	$ 592,848	$ —		$ 592,848
COSTS AND EXPENSES:				
Cost of revenues	303,445	(71,905)	(1)	231,540
Selling, general and administrative	124,366	(16,450)	(2)	107,916
Research and development	30,406	(10,646)	(3)	19,760
Litigation-related and other contingencies	3,954	(3,954)	(4)	—
Acquisition-related and integration items	19,618	(19,618)	(5)	—
OPERATING INCOME	$ 111,059	$ 122,573		$ 233,632
INTEREST EXPENSE, NET	52,183	(3,346)	(6)	48,837
LOSS ON EXTINGUISHMENT OF DEBT	20,089	(20,089)	(7)	—
OTHER INCOME, NET	(6,596)	3,850	(8)	(2,746)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	$ 45,383	$ 142,158		$ 187,541
INCOME TAX EXPENSE	4,808	35,447	(9)	40,255
INCOME FROM CONTINUING OPERATIONS	$ 40,575	$ 106,711		$ 147,286
DISCONTINUED OPERATIONS, NET OF TAX	(20,189)	47,755	(10)	27,566
CONSOLIDATED NET INCOME	$ 20,386	$ 154,466		$ 174,852
Less: Net (loss) income attributable to noncontrolling interests	(774)	1,944	(11)	1,170
NET INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	$ 21,160	$ 152,522		$ 173,682
DILUTED EARNINGS PER SHARE DATA ATTRIBUTABLE TO ENDO INTERNATIONAL PLC ORDINARY SHAREHOLDERS:				
Continuing operations	$ 0.25			$ 0.89
Discontinued operations	(0.12)			0.17
DILUTED EARNINGS PER SHARE	$ 0.13			$ 1.06
DILUTED WEIGHTED AVERAGE SHARES	163,369			163,369

Notes to reconciliation of our GAAP statements of operations to our adjusted statements of operations:

1. To exclude amortization of commercial intangible assets related to developed technology of $52,761 and a fair value step-up in inventory of $19,144.
2. To exclude certain separation benefits and other costs incurred in connection with continued efforts to enhance the Company's operations of $11,150, an adjustment to the accrual for excise tax payments of $(4,700) and a charge of $10,000 related to the non-recoverability of certain non-trade receivables that did not relate to our core operating activities.
3. To exclude milestone payments to partners of $10,350 and adjustments to accruals for other costs incurred in connection with continued efforts to enhance the Company's operations of $296.
4. To exclude the impact of charges primarily for mesh-related product liability.
5. To exclude acquisition and integration costs associated with the Paladin, Boca and other acquisitions.
6. To exclude additional non-cash interest expense related to our 1.75% Convertible Senior Subordinated Notes.
7. To exclude the unamortized debt issuance costs written off and recorded as a net loss on extinguishment of debt in connection with various refinancing and note repurchase activity.
8. To exclude the net gain on sale of certain early-stage drug discovery and development assets.
9. Primarily to reflect the cash tax savings from acquired tax attributes and the tax effect of the pre-tax adjustments above at applicable tax rates.
10. To exclude certain items related to the AMS and Healthtronics businesses, including litigation charges related to vaginal mesh cases, reported as Discontinued operations, net of tax.
11. To exclude the impact of the portion of certain of the above adjustments attributable to noncontrolling interests.

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Reconciliation of Non-GAAP Measures

Six Months Ended June 30, 2015 (unaudited)	Actual Reported (GAAP)	Adjustments		Non-GAAP Adjusted
REVENUES	$ 1,449,294	$ —		$ 1,449,294
COSTS AND EXPENSES:				
Cost of revenues	823,124	(302,347)	(1)	520,777
Selling, general and administrative	366,069	(85,995)	(2)	280,074
Research and development	36,881	(3,570)	(3)	33,311
Litigation-related and other contingencies, net	19,875	(19,875)	(4)	—
Asset impairment charges	77,243	(77,243)	(5)	—
Acquisition-related and integration items	78,865	(78,865)	(6)	—
OPERATING INCOME	$ 47,237	$ 567,895		$ 615,132
INTEREST EXPENSE, NET	153,750	(4,378)	(7)	149,372
LOSS ON EXTINGUISHMENT OF DEBT	980	(980)	(8)	—
OTHER EXPENSE (INCOME), NET	12,498	(13,795)	(9)	(1,297)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	$ (119,991)	$ 587,048		$ 467,057
INCOME TAX (BENEFIT) EXPENSE	(179,589)	234,951	(10)	55,362
INCOME FROM CONTINUING OPERATIONS	$ 59,598	$ 352,097		$ 411,695
DISCONTINUED OPERATIONS, NET OF TAX	(385,842)	428,636	(11)	42,794
CONSOLIDATED NET (LOSS) INCOME	$ (326,244)	$ 780,733		$ 454,489
Less: Net loss attributable to noncontrolling interests	(107)	—		(107)
NET (LOSS) INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	$ (326,137)	$ 780,733		$ 454,596
DILUTED EARNINGS PER SHARE DATA ATTRIBUTABLE TO ENDO INTERNATIONAL PLC ORDINARY SHAREHOLDERS:				
Continuing operations	$ 0.33			$ 2.25
Discontinued operations	(2.11)			0.24
DILUTED (LOSS) EARNINGS PER SHARE	$ (1.78)			$ 2.49
DILUTED WEIGHTED AVERAGE SHARES	182,822			182,822

Notes to reconciliation of our GAAP statements of operations to our adjusted statements of operations:

1. To exclude amortization of commercial intangible assets related to developed technology of $212,256, a fair value step-up in inventory of $84,253, certain excess manufacturing costs that will be eliminated pursuant to integration plans of $4,611 and accruals for milestone payments to partners of $1,227.
2. To exclude certain separation benefits and other costs incurred in connection with continued efforts to enhance the Company's operations of $47,592 and a charge of $37,603 related to the acceleration of Auxilium employee equity awards at closing and costs associated with unused financing commitments of $800.
3. To exclude milestone payments to partners of $3,575 offset by separation costs of $(5).
4. To exclude the impact of certain net litigation charges.
5. To exclude asset impairment charges.
6. To exclude acquisition and integration costs, primarily associated with the Auxilium and Par acquisitions and the AMS divestiture.
7. To exclude debt abandonment costs of $2,746 and additional non-cash interest expense related to our 1.75% Convertible Senior Subordinated Notes of $1,632.
8. To exclude a net loss on extinguishment of debt in connection with note repurchase activity.
9. To exclude other than temporary impairment of equity investment of $18,869, the foreign currency impact related to the re-measurement of intercompany debt instruments of $(18,298), costs associated with unused financing commitments of $14,071 and other miscellaneous income of $(847).
10. Primarily to reflect the tax savings from acquired tax attributes and the effect of the pre-tax adjustments above at applicable rates. Additionally, included within this amount is an adjustment to exclude approximately $159,200 of tax benefit resulting from the expected realization of deferred tax assets in the foreseeable future related to certain components of our AMS business, which was listed as held for sale during the first quarter of 2015.
11. Primarily to exclude certain items related to the AMS businesses, reported as Discontinued operations, net of tax, including an impairment charge of $222,753 based on the estimated fair values of the underlying businesses being sold, less the costs to sell and litigation charges related to vaginal mesh cases.

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Reconciliation of Non-GAAP Measures

Six Months Ended June 30, 2014 (unaudited)	Actual Reported (GAAP)	Adjustments		Non-GAAP Adjusted
REVENUES	$ 1,063,690	$ —		$ 1,063,690
COSTS AND EXPENSES:				
Cost of revenues	516,124	(115,311)	(1)	400,813
Selling, general and administrative	284,432	(75,444)	(2)	208,988
Research and development	61,352	(20,722)	(3)	40,630
Litigation-related and other contingencies	3,954	(3,954)	(4)	—
Acquisition-related and integration items	64,887	(64,887)	(5)	—
OPERATING INCOME	$ 132,941	$ 280,318		$ 413,259
INTEREST EXPENSE, NET	105,575	(9,315)	(6)	96,260
LOSS ON EXTINGUISHMENT OF DEBT	29,685	(29,685)	(7)	—
OTHER INCOME, NET	(13,004)	3,850	(8)	(9,154)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	$ 10,685	$ 315,468		$ 326,153
INCOME TAX EXPENSE	17,511	52,879	(9)	70,390
(LOSS) INCOME FROM CONTINUING OPERATIONS	$ (6,826)	$ 262,589		$ 255,763
DISCONTINUED OPERATIONS, NET OF TAX	(406,066)	462,854	(10)	56,788
CONSOLIDATED NET (LOSS) INCOME	$ (412,892)	$ 725,443		$ 312,551
Less: Net income attributable to noncontrolling interests	2,860	1,944	(11)	4,804
NET (LOSS) INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	$ (415,752)	$ 723,499		$ 307,747
DILUTED EARNINGS PER SHARE DATA ATTRIBUTABLE TO ENDO INTERNATIONAL PLC ORDINARY SHAREHOLDERS:				
Continuing operations	$ (0.04)			$ 1.65
Discontinued operations	(2.92)			0.34
DILUTED (LOSS) EARNINGS PER SHARE	$ (2.96)			$ 1.99
DILUTED WEIGHTED AVERAGE SHARES	140,252			154,365

Notes to reconciliation of our GAAP statements of operations to our adjusted statements of operations:

1. To exclude amortization of commercial intangible assets related to developed technology of $92,431, a fair value step-up in inventory of $22,725 and accruals for milestone payments to partners of $155.
2. To exclude certain separation benefits and other costs incurred in connection with continued efforts to enhance the Company’s operations of $10,144, accruals for excise tax payments of $55,300 and a charge of $10,000 related to the non-recoverability of certain non-trade receivables that did not relate to our core operating activities.
3. To exclude milestone payments to partners of $21,350 and adjustments to accruals for other costs incurred in connection with continued efforts to enhance the Company's operations of $(628).
4. To exclude the impact of net charges primarily for mesh-related product liability.
5. To exclude acquisition and integration costs of associated with the Paladin, Boca and other acquisitions.
6. To exclude additional non-cash interest expense related to our 1.75% Convertible Senior Subordinated Notes.
7. To exclude the unamortized debt issuance costs written off and recorded as a net loss on extinguishment of debt in connection with various refinancing and note repurchase activity.
8. To exclude the net gain on sale of certain early-stage drug discovery and development assets.
9. Primarily to reflect the cash tax savings from acquired tax attributes and the tax effect of the pre-tax adjustments above at applicable tax rates.
10. To exclude certain items related to the AMS and Healthtronics businesses, including litigation charges related to vaginal mesh cases, reported as Discontinued operations, net of tax.
11. To exclude the impact of the portion of certain of the above adjustments attributable to noncontrolling interests.

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Reconciliation of Non-GAAP Measures

Our Net cash used in operating activities includes the impact of certain payments for legal settlements, primarily related to mesh and the Department of Justice settlement related to the sale, marketing and promotion of Lidoderm. The following schedule presents the unaudited impact of these payments on our Net cash used in operating activities for the six months ended June 30, 2015 and 2014:

(*in thousands*)	Six Months Ended June 30,	
	2015	**2014**
Net cash used in operating activities, as reported	($77,486)	($52,631)
Payments for certain legal settlements	$395,916	$202,265
Net cash provided by (used in) operating activities, excluding payments for certain legal settlements	$318,430	$149,634

Reconciliation of Non-GAAP Measures

For an explanation of Endo's reasons for using non-GAAP measures, see Endo's Current Report on Form 8-K furnished today to the Securities and Exchange Commission		
Reconciliation of Projected GAAP Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share Guidance for the Year Ending December 31, 2015		
	Lower End of Range	Upper End of Range
Projected GAAP diluted income per common share	**$1.42**	**$1.62**
Upfront and milestone-related payments to partners	$0.31	$0.31
Amortization of commercial intangible assets, fair value inventory step-up and certain excess costs that will be eliminated pursuant to integration plans	$3.34	$3.34
Acquisition related, integration and restructuring charges and certain excess costs that will be eliminated pursuant to integration plans	$1.00	$1.00
Asset Impairment Charges	$0.43	$0.43
Charges for litigation and other legal matters	$0.11	$0.11
Interest expense adjustment for non-cash interest related to our 1.75% Convertible Senior Subordinated Notes and other treasury related items	$0.01	$0.01
Tax effect of pre-tax adjustments at the applicable tax rates and certain other expected cash tax savings as a result of acquisitions	($2.22)	($2.22)
Diluted adjusted income per common share guidance	**$4.40**	**$4.60**

The Company's guidance is being issued based on certain assumptions including:

- Certain of the above amounts are based on estimates and there can be no assurance that Endo will achieve these results
- Includes all completed business development transactions as of August 10, 2015

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Endo International plc

Q2 2015 Earnings Report

August 10, 2015

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