

Endo International plc

1Q 2014 Earnings Report

May 1, 2014



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 and EHSI’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 EHSI’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 filed with 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

- Review of Recent Accomplishments
- Review of Q1 2014 Financial Results
- Update to 2014 Financial Guidance
- Q&A

Progress on Near-Term Strategic Priorities

- **Deploying capital to accretive, value-creating opportunities**
 - Announced acquisition of Grupo Farmaceutico Somar
 - Announced acquisition of rights to Sumavel[®] DosePro[®]
 - Agreed to repurchase \$240M of 1.75% Convertible Notes in April 2014
- **Managing LIDODERM[®] loss of exclusivity**
 - Expect imminent launch of LIDODERM Authorized Generic by Qualitest
- **Enhancing operational focus on organic growth drivers**
 - Aveed approved and launched in March 2014
 - U.S. Generics growing at double digit rates
- **Sharpening R&D focus on near-term opportunities**
 - BEMA Buprenorphine – Expect data from second phase 3 study in mid-2014
 - Progress on OPANA[®] ER development
- **Meet our Financial Targets**
 - Raising 2014 Revenue and Adjusted EPS Financial Guidance based on solid operating results and progress on near term priorities

Progress on Resolving Vaginal Mesh Litigation

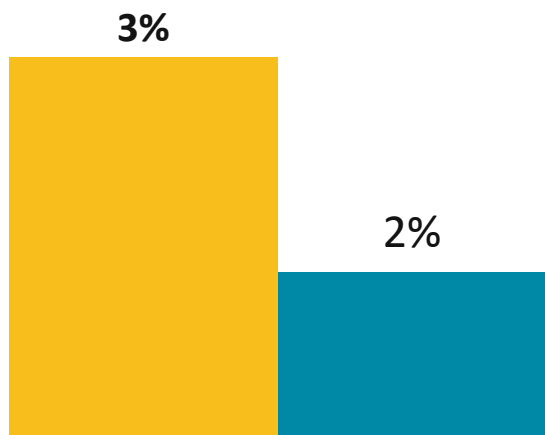
- **Agreements in principle to settle substantial majority of claims against AMS subsidiary**
 - Approximately 20,000 claims
 - No admission of liability or fault
 - Includes majority of leading plaintiffs' attorneys in MDL
- **Aggregate terms of settlements**
 - Settlements of approximately \$830 Million, pre-tax
 - Subject to final documentation, verification of product identification, and pertinent medical records
- **Increase of reserve to reflect settlements**
 - Increase in accrual of approximately \$625 Million to approximately \$1.1 billion in total
 - Expected payments through 2016
 - AMS continues to defend remaining cases vigorously
- **Focused on maintaining safety and efficacy of product line**
 - Physician education
 - Patient well being
 - Commitment to ongoing clinical studies

Q1 2014 Financial Performance

(US \$M except EPS)	Q1 2014	Y/Y Growth %
Revenue	\$595	(10%)
Reported (GAAP) EPS	(\$3.41)	NM
Adjusted Net Income	\$134	9%
Adjusted Diluted EPS	\$0.92	(16%)

Drive Organic Growth – U.S. Branded Pharmaceuticals

Branded Pharmaceuticals Core Revenue Growth



■ 2H 2013

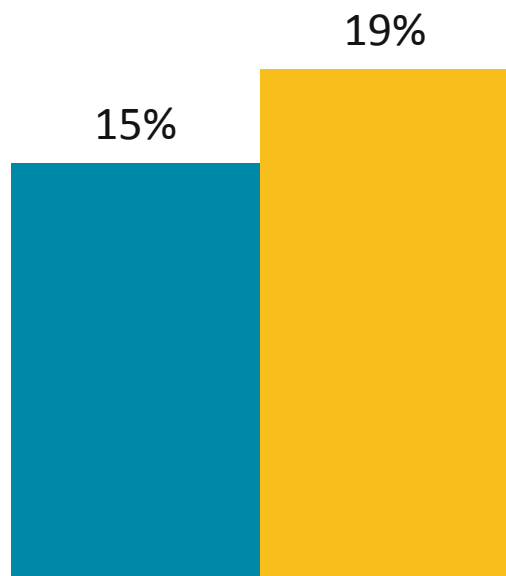
■ Q1 2014

Core Excludes Lidoderm[®],
Actavis Royalty and
OPANA[®] ER

- Managing successfully through Lidoderm LOE – Launch of AG imminent
- Launched AVEED in March; leading indicators on-track
- BEMA Buprenorphine development meeting key milestones
- Announced acquisition of Sumavel[®] DosePro[®]

Drive Organic Growth – U.S. Generic Pharmaceuticals

U.S. Generics Revenue Growth

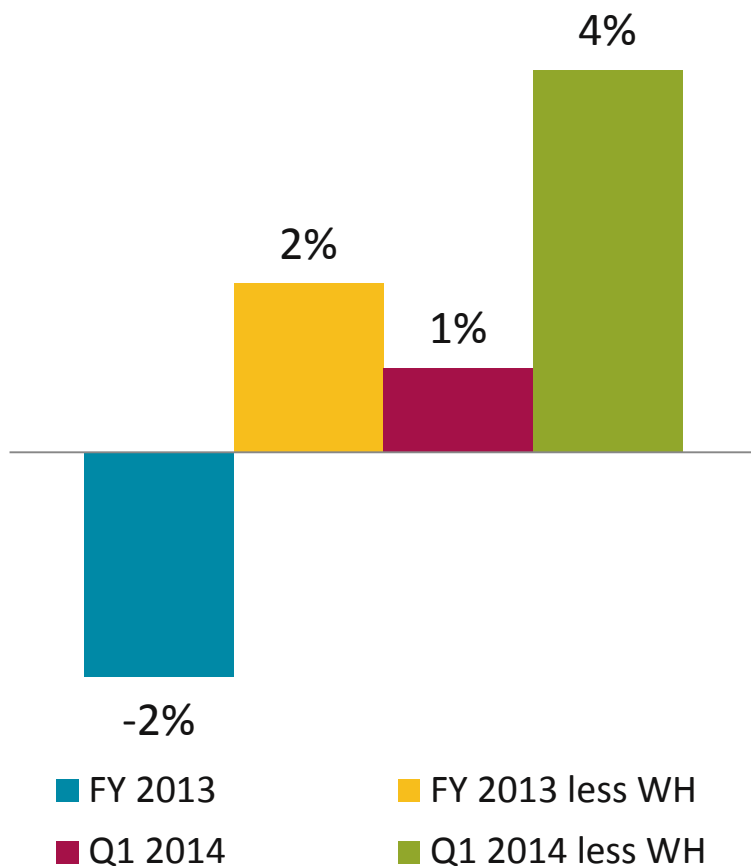


■ FY2013 ■ Q1 2014

- Successful Integration of Boca Pharmacal
- Strong prescription volumes growth in controlled substances business outpacing the market
- Conversion of high-dose APAP products to low dose successful
- Continued strong double digit growth

Drive Organic Growth - Devices

Devices Revenue Growth Versus



- Continued strength in Men's Health
- Strong growth in BPH business led by increased fiber sales
- Solid growth in International
- Managing impact of market decline in Women's Health
- Accelerated process remediation plan underway

Drive Organic Growth – International Pharmaceuticals

- March 2014 performance on-track with internal expectations
- Established Irish Trading Company (Endo Ventures)
 - Supports ability to complete transactions through Ireland
 - Key functions in-place and actively recruiting for management positions
 - Continuing to optimize corporate structure
- Progress in Paladin business development
 - In licensing projects (e.g., Zertane™)

Progress on Acquisition Program

- Continued focus on near-term accretive, value creating transactions
- Agreement to acquire Sumavel[®] DosePro[®]
- Agreement to acquire Grupo Farmaceutico Somar
- Continued focus on integration and new transactions

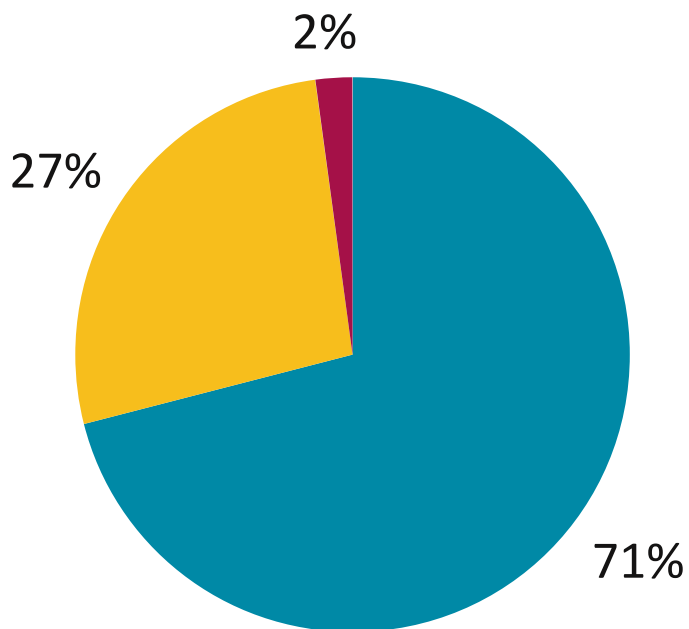
Product Profile – Sumavel® DosePro®



- Sumavel DosePro expands portfolio of branded pharmaceuticals products
- Logical fit with existing U.S. Branded Pharmaceuticals commercial structure
- Potential to add value through greater focus
- Acquisition expected to close in Q2 2014

Company Profile –Grupo Farmaceutico Somar

2013E Sales ~\$100M



■ Generics ■ Branded Generics ■ OTC

- Creates new Latin America platform
- Builds on starting point of Paladin in Mexico
- Access to high growth emerging markets, sales and marketing, R&D and manufacturing capabilities
- Acquisition expected to close in Q3 2014

Q1 2014 Financial Update and Full-Year Guidance



Q1 2014 Segment Revenues

<i>(US \$M)</i>	Q1 2014	Y/Y Growth %
U.S. Branded Pharmaceuticals	\$234	(35%)
U.S. Generic Pharmaceuticals	\$212	19%
Devices	\$124	1%
International Pharmaceuticals	\$25	NM
Total	\$595	(10%)

Q1 2014 Income Statement (Adjusted)

<i>(\$M except Shares and EPS)</i>	Q1 2013	Q1 2014	Y/Y Change Favorable / (Unfavorable)
Revenues	\$658	\$595	(10%)
Gross Margin	\$449	\$399	(11%)
<i>% of Revenues</i>	68.2%	67.1%	
Operating Expenses	\$239	\$180	25%
<i>% of Revenues</i>	36.3%	30.2%	
Operating Income	\$210	\$219	5%
<i>% of Revenues</i>	31.9%	36.9%	
Tax Rate (Continuing Operations)	26.9%	24.2%	270 bps
Adjusted Net Income	\$123	\$134	9%
Adjusted EPS	\$1.09	\$0.92	(16%)
Adjusted Diluted Shares (M)	113.2	145.4	
Reported (GAAP) EPS	\$0.14	(\$3.41)	NM

2014 Financial Guidance

Measure	Prior Guidance	Updated 2014 Guidance
Revenues	\$2.50B - \$2.62B	\$2.55B - \$2.64B
Adjusted Gross Margin	63% to 65%	63% to 65%
Adjusted Operating Expenses	Year-over-year low-double digit percentage decrease	Year-over-year low-double digit percentage decrease
Adjusted Interest Expenses	~\$210M	~\$205M
Reported (GAAP) Earnings (Loss) per share	\$1.36 to \$1.81	(\$1.35) to (\$1.10)
Adjusted Diluted EPS	\$3.40 to \$3.65	\$3.60 to \$3.85
Adjusted Effective Tax Rate	23% to 25%	23% to 25%
Weighted Average Diluted Shares Outstanding	Approximately 164M	Approximately 158M

Near-Term Implications of Strategy

- ➔ Meet Financial Targets
- ➔ Drive Organic Growth Through Our Core Business
- ➔ Establish New Corporate Structure
- ➔ Implement Lean Operating Model
- ➔ Complete 2-3 Near-term Accretive, Value-creating Transactions
- ➔ Increase Value of Pipeline and Launch Products
- ➔ Maximize Balance Sheet Flexibility
- ➔ Develop Organization and Culture Aligned with New Strategy
- ➔ Enhance Continued Focus on Quality, Compliance and Risk

Appendix



Reconciliation of Non-GAAP Measures

Three Months Ended March 31, 2014 (unaudited)	Actual Reported (GAAP)	Adjustments	Non-GAAP Adjusted
REVENUES	\$ 594,609	\$ —	\$ 594,609
COSTS AND EXPENSES:			
Cost of revenues	251,961	(56,415) (1)	195,546
Selling, general and administrative	226,704	(78,665) (2)	148,039
Research and development	41,680	(10,076) (3)	31,604
Litigation-related and other contingencies	626,151	(626,151) (4)	—
Acquisition-related and integration items	45,269	(45,269) (5)	—
OPERATING (LOSS) INCOME	\$ (597,156)	\$ 816,576	\$ 219,420
INTEREST EXPENSE, NET	53,398	(5,969) (6)	47,429
LOSS ON EXTINGUISHMENT OF DEBT	9,596	(9,596) (7)	—
OTHER INCOME, NET	(6,032)	—	(6,032)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	\$ (654,118)	\$ 832,141	\$ 178,023
INCOME TAX	(215,421)	258,495 (8)	43,074
(LOSS) INCOME FROM CONTINUING OPERATIONS DISCONTINUED OPERATIONS, NET OF TAX	\$ (438,697)	\$ 573,646	\$ 134,949
CONSOLIDATED NET (LOSS) INCOME	\$ (433,278)	\$ 570,977	\$ 137,699
Less: Net income attributable to noncontrolling interests	3,634	—	3,634
NET (LOSS) INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	\$ (436,912)	\$ 570,977	\$ 134,065
DILUTED EARNINGS PER SHARE DATA ATTRIBUTABLE TO ENDO INTERNATIONAL PLC.:			
Continuing operations	\$ (3.42)		\$ 0.93
Discontinued operations	0.01		(0.01)
DILUTED (LOSS) EARNINGS PER SHARE	\$ (3.41)		\$ 0.92
DILUTED WEIGHTED AVERAGE SHARES	128,135		145,361

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

- To exclude amortization of commercial intangible assets related to developed technology of \$52,679, a step-up in inventory of \$3,581 and accruals for milestone payments to partners of \$155.
- To exclude certain separation benefits and other costs incurred in connection with continued efforts to enhance the company's operations of \$1,201, amortization of intangible assets of \$2,515, mesh litigation-related defense costs of \$14,949 and excise tax payments of \$60,000.
- To exclude milestone payments to partners of \$11,000 and adjustments to accruals for other costs incurred in connection with continued efforts to enhance the company's operations of \$(924).
- To exclude the net impact of accruals primarily for mesh-related product liability.
- To exclude acquisition and integration costs of \$45,269 associated with the Paladin, Boca and other acquisitions.
- To exclude additional interest expense as a result of the prior adoption of ASC 470-20.
- To exclude the unamortized debt issuance costs written off and recorded as a net loss on extinguishment of debt upon our refinancing of our term loan indebtedness.
- To reflect the cash tax savings results from our acquisitions and dispositions and the tax effect of the pre-tax adjustments above at applicable tax rates.
- To exclude certain items related to the HealthTronics business, which is reported as Discontinued operations, net of tax, that the Company believes does not reflect its core operating performance.

Reconciliation of Non-GAAP Measures

Three Months Ended March 31, 2013 (unaudited)	Actual Reported (GAAP)	Adjustments	Non-GAAP Adjusted
REVENUES	\$ 658,494	\$ —	\$ 658,494
COSTS AND EXPENSES:			
Cost of revenues	254,381	(44,736) (1)	209,645
Selling, general and administrative	227,232	(21,267) (2)	205,965
Research and development	38,769	(5,815) (3)	32,954
Litigation-related and other contingencies	68,232	(68,232) (4)	—
Asset impairment charges	1,100	(1,100) (5)	—
Acquisition-related and integration items	558	(558) (6)	—
OPERATING INCOME	\$ 68,222	\$ 141,708	\$ 209,930
INTEREST EXPENSE, NET	44,276	(5,450) (7)	38,826
LOSS ON EXTINGUISHMENT OF DEBT	11,312	(11,312) (8)	—
OTHER (INCOME) EXPENSE, NET	(18,269)	19,227 (9)	958
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	\$ 30,903	\$ 139,243	\$ 170,146
INCOME TAX	9,250	36,558 (10)	45,808
INCOME FROM CONTINUING OPERATIONS	\$ 21,653	\$ 102,685	\$ 124,338
DISCONTINUED OPERATIONS, NET OF TAX	\$ 4,950	\$ 5,204 (11)	\$ 10,154
CONSOLIDATED NET INCOME	\$ 26,603	\$ 107,889	\$ 134,492
Less: Net income attributable to noncontrolling interests	11,254	—	11,254
NET INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	\$ 15,349	\$ 107,889	\$ 123,238
DILUTED EARNINGS PER SHARE DATA ATTRIBUTABLE TO ENDO INTERNATIONAL PLC.:			
Continuing operations	\$ 0.19		\$ 1.10
Discontinued operations	(0.05)		(0.01)
DILUTED EARNINGS PER SHARE	\$ 0.14		\$ 1.09
DILUTED WEIGHTED AVERAGE SHARES	113,189		113,189

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

- To exclude amortization of commercial intangible assets related to marketed products of \$44,736.
- To exclude certain separation benefits and other costs incurred in connection with continued efforts to enhance the company's operations of \$10,453, amortization of customer relationships of \$2,514 and mesh litigation-related defense costs of \$8,300.
- To exclude milestone payments to partners of \$2,574 and certain separation benefits and other costs incurred in connection with continued efforts to enhance the company's operations of \$3,241.
- To exclude the net impact of accruals for litigation-related and other contingencies.
- To exclude asset impairment charges.
- To exclude acquisition-related and integration costs.
- To exclude additional interest expense as a result of the prior adoption of ASC 470-20.
- To exclude the unamortized debt issuance costs written off and recorded as a net loss on extinguishment of debt upon our March 2013 prepayment on our term loan indebtedness as well as upon the amendment and restatement of our existing credit facility.
- To exclude patent litigation settlement income.
- To reflect the cash tax savings results from our acquisitions and the tax effect of the pre-tax adjustments above at applicable tax rates.
- To exclude certain items related to the HealthTronics business, which is reported as Discontinued operations, net of tax, that the Company believes does not reflect its core operating performance.

Reconciliation of Non-GAAP Measures

Endo Health Solutions Inc. Net Revenues (unaudited) (in thousands)

	Three Months Ended March 31,		Percent
	2014	2013	Growth
Branded Pharmaceuticals:			
LIDODERM®	\$ 33,080	\$ 187,024	(82) %
OPANA® ER	46,953	56,327	(17) %
Voltaren® Gel	37,559	36,110	4 %
PERCOCET®	28,980	26,618	9 %
FORTESTA® Gel	11,143	14,654	(24) %
FROVA®	15,280	13,777	11 %
SUPPRELIN® LA	13,757	13,426	2 %
VALSTAR®	5,379	5,415	(1) %
VANTAS®	1,698	3,867	(56) %
Other Branded Products	576	273	111 %
Royalty and Other Revenue	39,760	98	NM
Total Branded Pharmaceuticals	\$ 234,165	\$ 357,589	(35) %
Total Generic Pharmaceuticals	\$ 211,855	\$ 178,253	19 %
Total International Pharmaceuticals	24,822	—	NM
Devices:			
Men's Health	68,321	67,568	1 %
Women's Health	25,837	28,604	(10) %
BPH Therapy	29,609	26,480	12 %
Total Devices	123,767	122,652	1 %
Total Revenue	\$ 594,609	\$ 658,494	(10) %

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 filed today with 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, 2014

	Lower End of Range	Upper End of Range
Projected GAAP diluted income per common share	(\$1.35)	(\$1.10)
Upfront and milestone-related payments to partners	\$0.14	\$0.14
Amortization of commercial intangible assets and inventory step-up	\$1.51	\$1.51
Acquisition Related, Integration and Restructuring Charges	\$0.76	\$0.76
Basic to Diluted weighted average share count effect	\$0.08	\$0.08
Charges for Litigation and other legal matters	\$4.35	\$4.35
Interest expense adjustment for ASC 470-20 and other treasury items	\$0.12	\$0.12
Tax effect of pre-tax adjustments at the applicable tax rates and certain other expected cash tax savings as a result of recent acquisitions	(\$2.01)	(\$2.01)
Diluted adjusted income per common share guidance	\$3.60	\$3.85

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 May 1, 2014

Diluted Share Count

	\$70.86 Q1 2014 Actual	\$60.00	\$70.00	\$80.00	\$90.00
Dilutive Effect of Convertible Notes	7.6M	6.7M	7.6M	8.3M	8.8M
Dilutive Effect of Warrants	5.7M	4.3M	5.6M	6.5M	7.2M
Total	13.3M	11.0M	13.1M	14.8M	16.0M
Potential Economic Offset of Convertible Note Hedge	7.6M	6.7M	7.6M	8.3M	8.8M

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