Perrigo Company plc

Directors' Report and Consolidated Financial Statements

For the Year Ended June 28, 2014

Contents

DIRECTORS' REPORT

For the year ended 28 June 2014

Amounts are in millions of dollars or shares unless otherwise indicated.

The directors present their report and audited consolidated financial statements of Perrigo Company plc ("Perrigo" or "the Company") for the year ended June 28, 2014. The consolidated financial statements can be found from pages 38 to 42.

The directors have elected to prepare the consolidated financial statements in accordance with Section 1 of the Companies (Miscellaneous Provisions) Act 2009, which provides that a true and fair view of the state of affairs and profit or loss may be given by preparing the financial statements in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP), as defined in section 1(1) of the Companies (Miscellaneous Provisions) Act 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Acts or of any regulations thereunder.

BASIS OF PREPARATION

The accompanying consolidated financial statements include the accounts of Perrigo and its majority owned subsidiaries or affiliated companies where Perrigo has the ability to control the entity through voting or similar rights.

PRINCIPAL ACTIVITIES

Perrigo Company plc (formerly known as Perrigo Company Limited, and prior thereto, Blisfont Limited), was incorporated under the laws of Ireland on June 28, 2013, and became the successor registrant of Perrigo Company on December 18, 2013 in connection with the consummation of the acquisition of Elan Corporation, plc ("Elan"), which is discussed further below. From its beginnings as a packager of home remedies in 1887, Perrigo has grown to become a leading global healthcare supplier. Perrigo develops, manufactures and distributes over-the-counter ("OTC") and generic prescription ("Rx") pharmaceuticals, nutritional products and active pharmaceutical ingredients ("API"), and has a specialty sciences business comprised of assets focused predominantly on the treatment of Multiple Sclerosis (Tysabri®). The Company is the world's largest manufacturer of OTC healthcare products for the store brand market. Perrigo's mission is to offer uncompromised "Quality Affordable Healthcare Products®", and it does so across a wide variety of product categories primarily in the United States, United Kingdom, Mexico, Israel and Australia, as well as many other key markets worldwide, including Canada, China and Latin America.

The Company has five reportable segments, aligned primarily by type of product: Consumer Healthcare, Nutritionals, Rx Pharmaceuticals, API, and Specialty Sciences. In conjunction with the acquisition of Elan, the Company expanded its operating segments to include the Specialty Sciences segment, which is comprised of assets focused predominantly on the treatment of Multiple Sclerosis (Tysabri®). In addition, the Company has an Other category that consists of the Israel Pharmaceutical and Diagnostic Products operating segment, which does not individually meet the quantitative thresholds required to be a separately reportable segment. This segment structure is consistent with the way management makes operating decisions, allocates resources and manages the growth and profitability of the Company's business.

Acquisition of Elan

On December 18, 2013, the Company acquired Elan for a purchase price totalling approximately $9.5 billion, which consisted of cash consideration totalling approximately $3.3 billion and Perrigo share consideration valued at approximately $6.1 billion.

The purchase of Elan, headquartered in Dublin, Ireland, provided the Company with assets focused on the treatment of Multiple Sclerosis (Tysabri®). The Company's management believes the acquisition of Elan will provide recurring annual operational synergies, related cost reductions and tax savings. Certain of these synergies result from the elimination of redundant public company costs while optimizing back-office support. Additionally, due to changes to the jurisdictional mix of income and the new corporate structure following the acquisition of Elan, the Company was able to reduce its effective tax rate.

The operating results for Elan were included in a new "Specialty Sciences" segment of the Company's Consolidated Profit and Loss Account beginning December 18, 2013. Additional information related to the acquisition of Elan and business segments is presented in Note 2 and Note 20, respectively, of the Notes to the Consolidated Financial Statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The risks that could materially and adversely affect the Company's business, financial condition or results of operations can be broken into the following categories;

Risks Related to the Company's Products and Industry

The Company operates in a highly regulated industry. An inability to meet current or future regulatory requirements could have a material adverse effect on the Company's business, financial position and operating results.

Several U.S. and non-U.S. agencies regulate the manufacturing, processing, formulation, packaging, labeling, testing, storing, distribution, advertising and sale of the Company's products. Various state and local agencies also regulate these activities. In addition, the Company manufactures and markets certain of its products in accordance with the guidelines established by voluntary standards organizations. Should the Company or one of its third-party service providers used in the development or commercialization of products fail to adequately conform to these regulations and guidelines, there may be a material adverse impact on the operating results of the Company. Packaging, labeling or marketing changes mandated by the FDA or state and local agencies can have a material adverse impact on the results of operations of the Company. The U.S. government has enacted the Federal Drug Supply Chain Security Act ("DSCSA") that requires development of an electronic pedigree to track and trace each prescription drug at the saleable unit level through the distribution system, which will be effective incrementally over a 10-year period. Compliance with DSCSA and future U.S. federal or state electronic pedigree requirements may increase the Company's operational expenses and impose significant administrative burdens.

Required changes could also be related to safety or efficacy issues. Similarly, the failure by the Company or one of its suppliers to comply with manufacturing, quality and testing guidelines and regulations could have a significant adverse impact on the Company's operating results. There is also the risk that the FDA could require the Company to audit or repeat prior bioequivalence or clinical studies or the FDA could change or withdraw the approval governing such products, which could have a material adverse impact on the results of the Company's operations. The Company believes that it generally has a good relationship with the FDA, which it intends to maintain. If these relationships should deteriorate, however, the Company's ability to bring new and current products to market could be impeded.

All U.S. facilities where Rx, infant formula, dietary supplements and OTC drugs are manufactured, tested, packaged, stored or distributed must comply with FDA cGMPs. All of the Company's ANDA, NDA and OTC drug products are manufactured, tested, packaged, stored and distributed according to cGMP regulations. The FDA performs periodic audits to ensure that the Company's facilities remain in compliance with all applicable regulations. If it finds violations of cGMP, the FDA could make its concerns public and could impose sanctions including, among others, fines, product recalls, total or partial suspension of production and/or distribution, suspension of the FDA's review of product applications, injunctions and civil or criminal prosecution. If imposed, enforcement actions could have a material adverse effect on the Company's operating results and financial condition. Under certain circumstances, the FDA also has the authority to revoke previously granted drug approvals. Although the Company has internal compliance programs in place that it believes are adequate, the FDA may conclude that these programs do not meet regulatory standards. If compliance is deemed deficient in any significant way, it could have a material adverse effect on the Company's business.

The FDA's policy regarding the award of a 180-day market exclusivity period to generic manufacturers who successfully challenge patents relating to specific products continues to be the subject of extensive litigation in the U.S. The FDA's current interpretation of Hatch-Waxman is to award 180 days of exclusivity to the first generic manufacturer who files a successful Paragraph IV certification under Hatch-Waxman challenging the patent(s) of the branded product, regardless of whether the manufacturer was sued for patent infringement. Although the FDA's interpretation may benefit some of the products in the Company's pipeline, it may adversely affect others. The Medicare Prescription Drug Improvement and Modernization Act of 2003 provides that the 180-day market exclusivity period provided under Hatch-Waxman is triggered by the

commercial marketing of the product. However, the Medicare Prescription Drug Act also contains forfeiture provisions which, if met, will deprive the first Paragraph IV filer of exclusivity. Additionally, the manufacturer of the branded product may launch a generic version of its own drug, known as an authorized generic. Under certain circumstances, the Company may not be able to fully exploit its 180-day exclusivity period resulting from it being the first filer.

Under the Food and Drug Administration Amendments Act of 2007, the FDA has the power to restrict medications that raise serious safety concerns. This law requires, and provides funding for, the FDA to monitor drugs after they go on the market. In addition, this law requires companies to make public the results of many of their studies. Under this law, the FDA has the authority to require new studies, limit distribution or order label changes. Because of this law, the Company's ability to bring new and current products to market could be impeded, which could have a negative material impact on the Company's financial position or results of operations.

The Company's prescription drug products that are marketed without approved applications must meet certain manufacturing and labeling standards established by the FDA. The FDA's policy with respect to the continued marketing of unapproved products is stated in the FDA's September 2011 compliance policy guide, titled "Marketed New Drugs without Approved NDAs or ANDAs." Under this policy, the FDA has stated that it will follow a risk-based approach with regard to enforcement against such unapproved products. The FDA evaluates whether to initiate enforcement action on a case-by-case basis, but gives higher priority to enforcement action against products in certain categories, such as those marketed as unapproved drugs with potential safety risks or that lack evidence of effectiveness. The FDA recognizes that certain unapproved products, based on the introduction date of their active ingredients and the lack of safety concerns, among other things, have been marketed for many years and, at this time, might not be subject to immediate enforcement action. The Company believes that so long as it complies with applicable manufacturing and labeling standards, it will be in compliance with the FDA's current enforcement policy. There can be no assurance that the FDA will continue this policy or not take a contrary position with any individual product or group of products. If the FDA were to take a contrary position, the Company may be required to seek FDA approval for these products or withdraw such products from the market. For fiscal 2014, the Company's annual sales for such unapproved products were approximately $36 million.

The Non-prescription Drug Advisory Committee met in December 2007 to discuss the efficacy of phenylephrine, an active ingredient used in various cough and cold products as a nasal decongestant. The advisory committee vote recommended that available data is "supportive" of the efficacy of phenylephrine at 10 milligrams. In addition, the advisory committee recommended additional evidence to support the efficacy of a 10 milligram dose of phenylephrine. The recommendations by the advisory committee are not binding on the FDA. It is not known at this time what, if any, further action the FDA or industry will take in response to recommendations of the advisory committee. In fiscal 2014, products containing phenylephrine generated revenues of approximately $77.7 million.

In October 2007, the FDA convened a joint meeting of the Pediatric and Nonprescription Drugs Advisory committees to discuss the safety and efficacy of OTC cough and cold products for use in children. The advisory committees recommended that these products no longer be used in children under the age of six. On October 8, 2008, the FDA issued a statement supporting the voluntary action of the Consumer Healthcare Product Association ("CHPA"), of which the Company is a member, to modify product labels for consumers of OTC cough and cold medicines to state "do not use" in children under four years of age. The Company completed the CHPA recommended revisions to all OTC cough and cold products in April 2010. The FDA has not issued any further guidance about the labeling of OTC cough and cold medicines in children two years of age and older. Sales of the Company's pediatric cough and cold products could be adversely affected should the FDA adopt the more restrictive recommendations of the advisory committee.

The Company's activities with respect to its infant formula products also may be subject to barriers or sanctions imposed by countries or international organizations limiting international trade and dictating the specific content of infant formula products. In addition, regulatory changes or decisions that restrict the manufacture, labeling and availability of the Company's infant formula products could affect the Company's results of operations. For example, certain governmental agencies, non-governmental organizations and consumer advocates have lobbied against the marketing and sale of some infant formula products. These efforts could result in increased regulatory restrictions or enforcement. The U.S. government will likely continue to enhance its regulations on the industry aimed to ensure the safety and quality of dairy products, including, but not limited to, compulsory batch-by-batch inspection and testing for additional safety and quality issues.

Such inspections and testing may increase the Company's operating costs related to its infant formula products. Additionally, the FDA is beginning to scrutinize claims on infant formula labels. Labeling changes required for regulatory compliance could render packaging inventories obsolete.

The Food and Drug Administration Safety and Innovation Act ("FDASIA") was signed into law on July 9, 2012. The law established, among other things, new user fee statutes for generic drugs and biosimilars, FDA authority concerning drug shortages, changes to enhance the FDA's inspection authority of the drug supply chain, and a limited extension of the generic drug paragraph IV 30-month stay provision. The FDASIA also reduced the time required for FDA responses to generic blocking citizen petitions. The Company implemented new systems and processes to comply with the new facility self-identification and user fee requirements of FDASIA. The Company monitors facility self-identification and fee payment compliance to mitigate the risk of potential supply chain interruptions or delays in regulatory approval of new applications.

On August 1, 2013, the FDA released a Drug Safety Communication notifying the public of an association between acetaminophen and the risk of rare, but serious, skin reactions (reddening of the skin, rash, blisters, detachment of the skin's upper surface). This resulted from a review of the FDA adverse event database (1969-2012) and reports in the medical literature. Other prescription and OTC drugs used to treat fever and pain/body aches (e.g., non-steroidal anti-inflammatory drugs, or NSAIDS, such as ibuprofen and naproxen) also carry the risk of causing serious skin reactions, which is already described in the warnings section of their drug labels. As a result of these findings, the FDA has required the addition of a warning addressing serious skin reactions to prescription drug products containing acetaminophen. The FDA has also requested that manufacturers of acetaminophen OTC products marketed under a new drug application or under the OTC monograph add a similar warning. The warning has not materialized or resulted in a change in product sales.

On June 10, 2014, the FDA published a final rule ("FR") entitled "Current Good Manufacturing Practices, Quality Control Procedures, Quality Factors, Notification Requirements, and Records and Reports, for Infant Formula." The FR includes, among other things, new or modified requirements related to infant formula manufacturing, quality controls, record-keeping, and clinical trials. While it is uncertain how the FDA will interpret and enforce the FR, the Company is taking steps to comply with the provisions of the FR. Compliance with the FR may require significant expenditures. To the extent the FDA believes that the Company has not complied with the FR, it could lead to potential supply chain disruptions and delays in commercialization of new infant formula products, which could impede the Company’s sales and revenue and adversely affect the Company’s financial position or results of operations.

The FDA conducts non-prescription drug advisory committee meetings to evaluate the safety of introducing new prescription categories to the OTC market. The expansion of category switches is critical to the future growth of the Company. FDA reluctance to approve OTC switches in new product categories could impact that growth.

The Company manufactures products that are safe and effective when used in accordance with label directions; however, certain products contain ingredients that can be used for improper purposes. Additional legislation or regulation may be enacted to mitigate improper uses of these ingredients, which could have an adverse impact on the Company's sales of such products and resulting income.

The Company's products are safe and effective when used in accordance with label directions. However, certain products contain ingredients that can be, and in some cases are, used for improper purposes. Pseudoephedrine and dextromethorphan are two of these ingredients, but others may exist. Increasingly, various efforts are employed by U.S. federal and state governments in an effort to curb this misuse, including the consideration of additional legislation or regulation that may result in further restrictive requirements for the manufacture or sale of products containing these ingredients. The Company cannot predict if or when any additional legislation or regulation will be passed and any adverse impact it may have on the Company's results of operations.

Pseudoephedrine - The Company produces a number of products that contain the active ingredient pseudoephedrine ("PSE"), which is indicated as a nasal decongestant. PSE has been under scrutiny as an ingredient illegally used to produce methamphetamine. To address this concern, legislation has been enacted at the U.S. federal level restricting the sales of PSE products (i.e., Combat Methamphetamine Epidemic Act) and authorizing the DEA to place quotas on the amounts of PSE raw material that can be procured (i.e., the Controlled Substances Act). At the state level, a number of states have introduced or passed legislation placing

additional restrictions on the sale of PSE products. In addition, the states of Oregon and Mississippi have moved PSE products to Rx status; many localities have passed similar legislation and a few other states have considered moving PSE products to Rx status. Additionally, certain retailers have voluntarily restricted sales of single active ingredient PSE-containing products in at least one state. Sales of PSE products could be adversely affected by action at the U.S. state or federal level to place additional restrictions on the sale of PSE products.

Dextromethorphan - The Company manufactures several products that contain the active ingredient dextromethorphan, which is indicated for cough suppression. Dextromethorphan has come under scrutiny because of its potential to be abused. Legislation has been unsuccessfully introduced at the U.S. federal level over the past few sessions of Congress that, if enacted, generally would have prohibited the bulk sale of dextromethorphan and would have imposed an age limit of 18 years old in order to purchase finished products containing dextromethorphan. Similarly, six U.S. states and a number of localities have passed legislation to prohibit the sale of dextromethorphan containing products to minors without a prescription. It is possible that other government entities could introduce and pass legislation imposing additional or different restrictions on the sale of dextromethorphan in finished dosage form, such as requiring a minimum age to purchase product. The Company cannot predict whether any of the proposed legislation will be passed or, if it is passed, its impact on future revenues attributable to these products.

The FDA held a meeting of the Drug Safety and Risk Management Advisory Committee on September 14, 2010 to discuss the potential abuse of the drug dextromethorphan and the public health benefits and risks of dextromethorphan use as a cough suppressant in prescription and non-prescription drug products. In a 15-9 vote, an FDA advisory panel voted not to restrict dextromethorphan cough medications to prescription-only. It is possible the FDA could still recommend in the future that dextromethorphan containing products be considered a scheduled substance, which would remove their status as an OTC product. The Company cannot predict the likelihood of such activity by the FDA or any adverse impact such activity may have on the Company's results of operations. In fiscal 2014, products containing dextromethorphan generated revenues of approximately $131.3 million.

Acetaminophen - The Company manufactures several products that contain the active ingredient acetaminophen, which is indicated as an analgesic. In June 2009, the FDA held a public advisory committee meeting to discuss how to address the potential for liver injury related to the risk of overdose of acetaminophen in both OTC and Rx products. The FDA expressly stated that the risk of developing liver injury to the individual patient who uses the drug according to directions is extremely low and that it is not seeking to remove acetaminophen from the market. However, due to the extensive use of acetaminophen-containing products, the FDA sought guidance from several advisory committees regarding measures to reduce the potential for liver injury associated with acetaminophen use. Measures discussed include, but were not limited to, reducing the maximum single-dose and daily-dose, reducing packaging sizes, and increasing consumer educational efforts regarding such products. At a May 2011 meeting of the FDA's Nonprescription Drugs Advisory Committee and Pediatric Advisory Committee to review efforts to reduce medication errors around the use of single-ingredient pediatric acetaminophen, the FDA joint committees unanimously voted: (1) in support of the addition to the label of weight-based dosing for children ages two to twelve; (2) that the pharmacokinetic ("PK"), safety and efficacy data would be required to support the addition of new label directions for children six months to two years of age; and (3) that the new labeling for children six months to two years of age include the indication for fever reduction. The committees did not support an indication in labeling for children six months to two years of age for relief of pain; this indication is currently included for children over two years of age. The FDA is reviewing the input it received from the advisory committees and additional comments submitted through the docket. In fiscal 2014, products containing acetaminophen generated revenues of approximately $260.1 million for the Company. The Company cannot predict whether the FDA will adopt any recommendations of the advisory committees regarding the sale and use of acetaminophen or whether any such recommendations, if adopted by the FDA, would impact future revenues attributable to these products.

U.S. federal and state healthcare reform and related changes to reimbursement methods, as well as measures in Israel and many European countries, may have an adverse effect on the Company's financial condition and results of operations.

Increasing expenditures for healthcare have been the subject of considerable public attention in North America, Israel and many European countries. Both private and governmental entities are seeking ways to reduce or contain healthcare costs. In many countries where the Company currently operates, pharmaceutical prices are subject to regulation. In the U.S., numerous proposals that would effect changes in

the U.S. healthcare system and the pharmaceutical industry have been introduced or proposed in Congress and in some state legislatures that could include, but not be limited to, intellectual property, regulatory, antitrust, drug pricing and product liability issues. Similar activities are taking place throughout Europe. As a result of governmental budgetary constraints, the Israel Ministry of Health and the major Israeli health funds have sought to further reduce healthcare costs by, among other things, applying continuous pressure to reduce pharmaceutical prices and inventory levels. The Company cannot predict the nature of the measures that may be adopted, how they will be interpreted by the courts or the administrative agencies charged with enforcing them or their impact on the marketing, pricing and demand for its products.

The Company has a Medicaid rebate agreement in effect with the U.S. federal government. U.S. federal and/or state governments have enacted and are expected to continue to enact measures aimed at reducing the cost of drugs to such governmental payers as well as the public, including health reform legislation enacted in 2010. Management cannot predict the nature of such measures or their impact on the Company's profitability. Various U.S. states have in recent years also adopted supplemental drug rebate programs that are intended to provide the individual states with additional manufacturer rebates on Medicaid utilization over and above those required under a manufacturer's federal Medicaid agreement. States also have created drug coverage and corresponding manufacturer rebate programs for non-Medicaid populations, known as state pharmaceutical assistance programs. These rebate programs are generally designed to mimic the U.S. federal drug rebate program in terms of how the manufacturer rebates are calculated. Although there are a number of supplemental and state pharmacy assistance rebate programs, for the Company they are insignificant in the aggregate compared to its Medicaid drug rebate obligations.

As discussed under "Medicaid Drug Rebate Program and Other Drug Pricing Programs," the Company is required to report AMP data to CMS on a monthly as well as a quarterly basis. In addition to using AMP to calculate Medicaid rebates, CMS is preparing to use AMP to calculate a type of U.S. federal ceiling on reimbursement rates for multiple source drugs to pharmacies under the Medicaid program, known as the federal upper limit ("FUL"). Prior to using AMP, CMS typically used pricing data from third-party compendia, such as the AWP or WAC, in the calculation of FULs. Health reform legislation enacted in 2010 amended the statutory definition of AMP and also amended the definition of "multiple source drug" in a manner that materially affects the calculation of FULs. CMS has begun posting draft AMP-based FUL reimbursement files on the CMS website that are calculated based on the requirements of the health reform legislation. Currently, the FUL reimbursement files are for review and comment only; however, CMS has announced that it plans to publish final FULs after a period of releasing them in draft format. CMS issued a proposed rule in February 2012 that provided guidance on the revised AMP definition and calculation of FULs but has not issued a final rule. Separately, under existing statutory authority granted by the Deficit Reduction Act of 2005, CMS has begun collecting retail survey price information from retail community pharmacies to generate publicly available pricing files. CMS expects that the pricing files will provide state Medicaid agencies with an array of covered outpatient drug prices and that state agencies can use this information to compare their own reimbursement and pricing methodologies and rates to those derived from the surveys. CMS has begun posting drafts of this retail survey price information on at least a monthly basis in the form of draft NADAC files, which reflect retail community pharmacy invoice costs, and NARP files, which reflect retail community pharmacy prices to consumers. In July 2013, CMS suspended the publication of draft NARP data, pending funding decisions. In November 2013, CMS moved to publishing final rather than draft NADAC data and has since made updated NADAC data publicly available on a weekly basis. The Company does not know how the new methodologies for calculating AMP and FULs or the retail survey price information will affect the Company's pharmacy customers or to what extent these customers will seek to pass on any decrease in Medicaid reimbursements to the Company. The Company cannot predict how the sharing of FUL and retail survey prices may impact competition in the marketplace.

The Company encounters similar regulatory and legislative issues outside the U.S., too. In the European Union and some other international markets, the government provides healthcare at low direct cost to consumers and regulates pharmaceutical prices or patient reimbursement levels to control costs for the government-sponsored healthcare system. Many countries are seeking to reduce their public expenditures on healthcare. These efforts may result in patient access restrictions, increased pressure on drug pricing, including denial of price increases, prospective and retrospective price decreases and increased mandatory discounts or rebates.

The Company's reporting and payment obligations under the Medicaid rebate program and other governmental purchasing and rebate programs are complex and may involve subjective decisions. Any determination that the Company has failed to comply with those obligations could subject it to penalties and sanctions, which could adversely affect the Company's business and results of operations.

Pricing and rebate calculations vary among products and programs. The regulations regarding reporting and payment obligations with respect to Medicaid reimbursement and rebates and other governmental programs are complex and are often subject to interpretation by the Company, governmental or regulatory agencies and the courts. The Company's calculations and methodologies are subject to review by the governmental agencies, and it is possible that such reviews could result in challenges to the Company's submissions. If there is ambiguity with regard to how to properly calculate and report payments, and even in the absence of any such ambiguity, a governmental authority may take a position contrary to a position that the Company has taken and may impose civil and/or criminal sanctions. In addition, because these calculations involve, and will continue to involve, subjective decisions and complex methodologies, they are subject to the risk of errors.

Any governmental agencies that have commenced or that may commence an investigation of the Company could impose civil and/or criminal sanctions, including fines, penalties and possible exclusion from U.S. federal healthcare programs (including Medicaid and Medicare). Furthermore, should there be ambiguity with regard to how to properly calculate and report payments, and even in the absence of any such ambiguity, a governmental authority may take a position contrary to a position that we have taken and may impose civil and/or criminal sanctions on us, as disclosed above. Any such penalties, sanctions, or exclusion from U.S. federal healthcare programs could have a material adverse effect on the Company's business, financial position and results of operations and could cause the market value of its common stock to decline.

In June 2013, the Company received notices from the Office of the Attorney General for the State of Texas, of civil investigative demands to two of the Company's affiliates, Perrigo Pharmaceuticals Company and Paddock Laboratories, LLC, for information under the Texas Medicaid Fraud Prevention Act relating to the submission of prices to Texas Medicaid in claims for reimbursement for drugs. The Company has cooperated with requests for information and is in the process of evaluating this and other information. While the Company does not know the full extent of its potential liability at this time and intends to vigorously defend against any claims, the Company could be subject to material penalties and damages. The Company established a contingency loss accrual of $15.0 million to cover potential settlement or other outcomes. The Company cannot predict whether settlement on terms acceptable to it will occur, or that a settlement or potential liability for these claims will not be greater than the amount recorded.

Unfavorable publicity or consumer perception of the Company's products and any similar products distributed by other companies could have a material adverse impact on the Company's business.

The Company is dependent upon consumers' perception of the safety and quality of its products. Negative consumer perception may arise from media reports, product liability claims, regulatory investigations or recalls, regardless of whether such media reports, claims, investigations or recalls involve the Company or its products. The mere publication of information asserting defects in products or ingredients or concerns about the Company's products or the raw materials used in the Company's products could have a material adverse effect on the Company, regardless of whether such information is scientifically supported. For example, any major outbreak of illness or disease in cows could lead to a serious loss of consumer confidence in, and demand for, dairy products, including the Company's infant formula products. Adverse publicity about these types of concerns, whether valid or not, may negatively impact consumer perceptions and may discourage consumers from buying one or more of the Company's products, such that the Company's sales may decline and the Company may suffer losses in its business.

The Company may incur liabilities or experience negative effects on its reputation as a result of any real or perceived quality issues with the Company's products. The Company's products involve risks such as product contamination, spoilage, mislabeling and tampering that could require the Company to recall one or more of its products. Serious product quality concerns could also result in governmental actions against the Company that, among other things, could result in the suspension of production or distribution of the Company's products, product seizures, loss of certain licenses, delays in the issuance of governmental approvals for new products or other governmental penalties. Adverse publicity or negative public perception regarding the quality

of the Company's products, particular ingredients, or the industries in which the Company competes could result in a substantial decrease in demand for the Company's products.

The Company cannot guarantee that counterfeiting, imitation, or other tampering with its products will not occur or that the Company will be able to detect and resolve it if it happens. Any occurrence of counterfeiting or contamination could negatively impact sales of the Company's products, particularly if counterfeit or imitation products cause death or injury to consumers of those products.

Additionally, powdered infant formula products are not sterile. All of the Company's infant formula products must be prepared and maintained according to label instruction to retain their flavor and nutritional value and avoid contamination or deterioration. Depending on the product, a risk of contamination or deterioration may exist at each stage of the production cycle, including the purchase and delivery of raw materials, the processing and packaging of food products, and the use and handling by consumers, hospital personnel and health care professionals. In the event that certain of the Company's infant formula products are found or alleged to have suffered contamination or deterioration, whether or not such products are under the Company's control, the Company's reputation and its infant formula product category could be materially adversely affected.

The Company's infant formula product category is subject to changing consumer preferences and health and nutrition-related concerns. The Company's results of operations depend, in part, on consumer preferences and choices, including the number of mothers who choose to use infant formula products rather than breastfeed their babies. To the extent that private, public and government sources may promote the benefits of breastfeeding over the use of infant formula, there could be a reduced demand for infant formula products, and the Company's infant formula products business could be adversely affected. The Company's infant formula product category may also be affected by medical research relating to the healthfulness of cow's milk in the human diet. For example, adverse research may raise concerns about the fat, cholesterol, calorie, sodium and lactose content or contamination of dairy products, including infant formula. Any significant shift in consumer preference away from the use of infant formula may materially and adversely affect the results of operations of the Company's infant formula product category. Additionally, the Company's infant formula product category could be adversely impacted by an increase in the number of families that are provided with infant formula by the U.S. federal government through the Women, Infants and Children program, as the Company does not participate in this program.

The Company believes that growth in the nutritional products business is based largely on national media attention regarding scientific research suggesting potential health benefits from regular consumption of certain vitamin and other nutritional products. There can be no assurance of future favorable scientific results and media attention, or the absence of unfavorable or inconsistent findings. In the event of future unfavorable scientific results or media attention, the Company's sales of nutritional products could be materially adversely impacted.

The Company manufactures spot-on pesticides for the monthly control of fleas, ticks, or other external parasites in dogs and cats. These products are safe and effective when used in accordance with label directions; however, pesticide ingredients may cause harm to animals and humans if used improperly. Additional regulation may be enacted to mitigate improper uses of these ingredients, which could have an adverse impact on the Company's sales of such products and resulting income.

In spring 2009, the EPA noticed an increase in pet incidents being reported involving spot-on pesticide products for pets. The EPA received a large amount of information on individual reported adverse pet incidents from the companies that hold registrations for these products (called the registrants). The EPA also reviewed other information that was submitted. The EPA formed an expert veterinarian team to thoroughly analyze the data. The EPA also partnered with the Food and Drug Administration's Center for Veterinary Medicine ("CVM") and Canada's Pest Management Regulatory Agency ("PMRA") on the review of this analysis. The team studied incidents involving cats and dogs, looked at both active and inert ingredients, studied product labeling, and discussed data needs for the future to improve analyses and regulation. The EPA found that the products could be used safely but that some additional restrictions are needed. The EPA's team of veterinarians learned that most incidents were minor, but unfortunately there were some pet deaths and "major incidents" reported. The EPA learned that the most commonly affected organ systems were dermal, gastrointestinal, and nervous. Recommendations to reduce harmful effects include addressing concerns about dosing, improving labeling to avoid confusion between dog and cat products, making labels more understandable with larger fonts and pictograms, addressing uncertainties about the inert ingredients in these products, imposing conditions of

registration when granting amendments to existing products or granting new registrations, requiring more standardized reporting on adverse effects and sales, changing data requirements for pre-market clinical trials and implementing a formal post-market surveillance program. Future pet spot-on pesticide registrations and amendments to new registrations will be restricted by appropriate conditions and time-limitations to allow the EPA to continue to ensure the safety of these products after they are available to the public.

The EPA mitigation efforts for educating consumers and reducing misuse are ongoing. The Company cannot predict whether further label restrictions may be required, or whether additional regulations may be passed, or to the extent of the adverse impact additional restrictions or regulations may have on the Company's results of operations.

The manufacturing of sterile, injectable products is highly exacting and complex, and if the Company's suppliers encounter production problems, it could have an adverse effect on the Company's business, results of operations and financial condition.

The Company distributes sterile, injectable products that are manufactured by third parties. The manufacture of sterile, injectable products is highly complex and exacting in part due to strict regulatory and safety requirements and standards that govern both the manufacture and packaging of these types of projects. Failure of the third-party manufacturers to maintain strict controls or adherence to procedures may result in product recalls and liability claims, which could adversely affect the Company's results of operations and reputation.

Biogen Idec is directly responsible for the sales and distribution of Tysabri® and as a result any change in strategy by Biogen Idec or negative developments relating to Tysabri® could have a material impact on the Company's revenues, operating income and cash flows.

The Company acquired a significant revenue stream and a $5.8 billion intangible asset related to sales of the Multiple Sclerosis drug Tysabri® with the acquisition of Elan. The Company collects quarterly royalty payments from Biogen Idec, which is solely responsible for the sales and distribution of the drug. The Tysabri® royalty stream is expected to contribute significant revenues, operating income and cash flows to the Company's results of operations. Any negative developments relating to Tysabri®, such as safety, efficacy or reimbursement issues, the introduction or greater acceptance of competing products, including biosimilars, or adverse regulatory or legislative developments may reduce the payments the Company receives and adversely affect the results of operations. New competing products for use in the treatment of Multiple Sclerosis have (or will soon) entered the market, including Tecfidera for which Biogen Idec launched in the U.S. and Europe in fiscal 2014. If any of these competing products have a similar or more attractive profile in terms of efficacy, convenience or safety, future sales of Tysabri® could be limited, which would reduce royalties received.

Tysabri®'s sales growth cannot be assured given the significant restrictions on its use and the significant safety warnings in the label, including the risk of developing Progressive Multifocal Leukoencephalopathy ("PML"), a serious brain infection. The risk of developing PML increases with prior immunosuppressant ("IS") use, which may cause patients who have previously received IS or their physicians to refrain from using or prescribing Tysabri®. The risk of developing PML also increases with longer treatment duration, with limited experience beyond four years. This may cause prescribing physicians or patients to suspend treatment with Tysabri®. In addition, the risk of developing PML is heightened when a patient has anti-JC virus ("JCV") antibodies. In January 2012, the U.S. Food and Drug Administration approved a product label change for Tysabri® that identifies anti-JCV antibody status as a risk factor for PML. This risk had already been incorporated into the European label for Tysabri® in June 2011. Physicians have discontinued treatment and are likely to continue to discontinue treatment with Tysabri® in patients who test positive for JCV antibodies. Increased incidence of PML could limit sales growth, prompt regulatory review, require significant changes to the label or result in market withdrawal. Additional regulatory restrictions on the use of Tysabri® or safety-related label changes, including enhanced risk management programs, whether as a result of additional cases of PML or otherwise, may significantly reduce expected revenues and require significant expense and management time to address the associated legal and regulatory issues. In addition, ongoing or future clinical trials involving Tysabri®, efforts at stratifying patients into groups with lower or higher risk for developing PML and the commercial availability of the JCV antibody assay may have an adverse impact on prescribing behavior and reduce sales of Tysabri®. Further, the utility of the JCV antibody assay may be diminished as a result of the assay's false negative rate and because a patient who tests negative for JCV antibodies may be infected by the JCV after testing. Any or all of the above factors could lead to volatility in the number of patients who begin or continue to use Tysabri® or discontinue the use of Tysabri® in any period.

The Company's success is dependent, in large part, on continued store brand growth for its OTC and Nutritionals products, which is influenced by factors outside management's control. There can be no assurance that store brand market share will continue to grow; failure to achieve continued growth may adversely impact the Company's sales and resulting financial condition.

The future growth of U.S. store brand products market share will be influenced, in part, by general economic conditions, which can influence consumers to switch to and from store brand products, consumer perception and acceptance of the quality of the products available, the development of new products and/or product delivery forms, the market exclusivity periods awarded on Rx to OTC switch products and the ongoing or growing strength of the retailers' brands in the market. The OTC business does not advertise like the national brand companies and thus is largely dependent on retailer promotional activities to drive sales volume and increase market share. Growth opportunities for the products in which the Company currently has a significant store brand market share (cough/cold/flu/allergy, analgesic, smoking cessation and gastrointestinal products) will be driven by the ability to offer new products to existing U.S. customers. Branded pharmaceutical companies may use U.S. state and federal regulatory and legislative means to limit the availability of brand equivalent products. Should store brand growth be limited by any of these factors, there could be a significant adverse impact on the operating results of the Company.

If the Company is unable to maintain adequately high levels of customer service over time, it may lose market share, and its business and operating results may be materially adversely affected.

The Company understands that maintaining high levels of customer service requires the Company to be able to deliver high quality products to its customers on a timely basis. From time to time, the Company may experience interruptions and challenges to its customer service levels due to a variety of factors that may arise. If the Company is unable to deliver to expected customer service levels, customers may choose to assess penalties, obtain alternate sources for products, withhold new product introductions and/or end the relationship with the Company. If the Company is unable to maintain adequately high levels of customer service over time, due to these factors or otherwise, the Company may lose market share, and its business and operating results may be materially adversely affected.

Because the Company depends upon certain customers for a significant portion of its sales, the Company's sales and income would be adversely affected by a disruption of its relationship with these customers or any material adverse change in these customers' business.

The Company believes its primary customer base aligns with the concentration of large drug retailers in the current marketplace of the retail drug industry. Sales to the Company's largest customer, Walmart, comprised approximately 19% of fiscal 2014 net sales. Should Walmart's current relationship with the Company change adversely, the resulting loss of business could have a material adverse impact on the Company's financial position and results of operations. In addition, while no other customer individually comprises more than 10% of total net sales, the Company does have other significant customers. If the Company's relationship with one or more of these other customers, including the terms for doing business with the customers, changes significantly, it could have a material adverse impact on the Company's financial position and results of operations.

If the Company cannot continue to rapidly develop, manufacture and market innovative products that meet customer requirements for performance, safety and cost effectiveness, it may lose market share and its revenues may be negatively impacted.

The Company's future results of operations depend, to a significant degree, upon its ability to successfully commercialize additional OTC and generic prescription drugs and/or innovative pharmaceuticals, infant formulas and API. All pharmaceutical products must meet regulatory standards and/or receive regulatory approvals. The Company must prove that the ANDA or NDA drug products are bioequivalent to their branded counterparts, which typically requires bioequivalency studies or even more extensive clinical trials to demonstrate efficacy of topical products. The development and commercialization process, particularly with respect to innovative products, is both time consuming and costly and involves a high degree of business risk. Products currently under development, if and when fully developed and tested, may not perform as expected, may not pass required bioequivalence studies or may be the subject of intellectual property challenges, and necessary regulatory approvals may not be obtained in a timely manner, if at all, and the Company may not be able to successfully and profitably produce and market such products. Delays in any part of the process or the Company's inability to obtain regulatory approval of its products (including products developed by others to

which the Company has exclusive marketing rights) could adversely affect operating results by restricting or delaying its introduction of new products. Even upon the successful development of a product, the Company's customer's failure to launch a product could adversely affect operating results. The FDA could impose higher standards and additional requirements, such as requiring more supporting data and clinical data than previously required, in order to gain FDA clearance to launch new formulations into the market. Continuous introductions of new products and product categories are critical to the Company's business. Product margins may decline over time due to the products' aging life cycles, changes in consumer choice or developments in new drug delivery technology. Therefore, new product introductions are necessary for maintenance of the Company's current financial condition, and if the Company fails to introduce and market new products, the effect on its financial results could be materially adverse.

The Company contracts with clinical research organizations ("CROs") to conduct various studies that are used to support the Company's new product development program. During the third quarter of fiscal 2013, certain of the CROs used by the Company began bankruptcy or receivership proceedings, including PRACS Institute, LLC, PRACS Institute Canada B.C. Ltd., Comprehensive Clinical Development, Inc., and their related entities. It is uncertain what, if any, impact these insolvency proceedings may have on the ability of those CROs to deliver their study results to the Company or on the Company's ability to rely on research performed by those CROs. To the extent those CROs cannot deliver their study results to the Company or the Company cannot rely, in whole or in part, on the research conducted by those CROs, it may delay the launch of new products, which could have a material adverse impact on the Company's future operating results. These situations are unique and therefore it is uncertain what the position of the FDA will be towards the studies conducted by these now bankrupt CROs. The FDA may be limited in its ability to inspect the study facilities or gain access to source study documents which may result in the Company having to repeat biostudies. If these scenarios occur, it would result in approval delays.

The Company's investment in research and development is expected to increase above recent levels in dollar terms due to the Company's ongoing broadening of its OTC, ANDA or NDA, generic prescription and specialty API product portfolio, as well as several opportunities for new products that are switching or are anticipated to be switching from Rx to OTC status. The ability to attract scientists proficient in emerging delivery forms and/or contracting with a third party in order to generate new products of this type is a critical element of the Company's long-term plans. Should the Company fail to attract qualified employees, successfully develop products in a timely manner, or enter into reasonable agreements with third parties, long-term sales growth and profit would be adversely impacted.

Changes in supply relationships with the Company's customers, such as alternate sources for products, withholding new product introductions and/or development of customer store brand programs, could have a material adverse impact on the Company's financial position and results of operations.

Maintaining the supply relationships with the Company's customers is critical to its success. The success in recent years of private label marketing and branding programs has increased large retailers' attention to the importance of their store brand programs, and as a result, many are dedicating significant resources to auditing supplier compliance with their quality, ethical and service standards. Customers may limit the level of product sourcing with the Company in protection of the customer's own interests. Any or all of these factors could have a material adverse impact on the Company's financial position and results of operations.

The competitive markets in which the Company operates could lead to reduced demand for its products in favor of its competitors' products, which could negatively impact its sales, gross margin, and prospects.

The markets for OTC pharmaceutical, animal health, nutritional, infant formula, generic pharmaceutical and API products are highly competitive. Competition is based primarily on price, quality and assortment of products, customer service, marketing support and availability of new products. Competition also comes from national brand companies and branded pharmaceutical companies. That competition could be intensified should those companies lower prices or manufacture their own store brand or generic equivalent products. Due to the high degree of price competition, the Company has not always been able to fully pass on cost increases to its customers. The inability to pass on future cost increases, the impact of store brand competitors and the impact of national brand companies lowering prices of their products, offering special promotional discounts or operating in the store brand market could have a material adverse impact on financial results. The Company also sells nationally branded animal health products. The animal health segment has seen a dramatic increase

in the direct to consumer advertising of several branded competitors. The Company may see an increase in competition as more competitors increase national advertising expenditures. As additional companies come to market with product registrations similar to the Company, pricing strategies or marketing support may need to become more competitive. In addition, since the Company sells its nutritional products through retail drug, supermarket and mass merchandise chains, it may experience increased competition in its nutritional products business through alternative channels such as health food stores, direct mail and direct sales as more consumers obtain products through these channels. The Company has evaluated, and will continue to evaluate, the products and product categories in which it does business. Future product line extensions, or deletions, could have a material impact on the Company's financial position or results of operations.

Selling prices of generic drugs typically decline, sometimes dramatically, as competition intensifies due to additional companies receiving approvals for a given product or brands launching authorized generics. To the extent that the Company succeeds in being the first to market a generic version of a significant product, the Company's sales and profit can be substantially increased in the period following the introduction of such product and prior to a competitor's introduction of an equivalent product. The Company's ability to sustain its sales and profitability on any product over time is dependent on both the number of new competitors for such product, some of whom may be significantly larger than the Company, and the timing of their approvals.

Certain competitors are choosing to consolidate in the generic pharmaceutical and nutritional industries. These consolidations may create larger companies with which the Company must compete and provide further pressure on prices, development activities or customer retention. The impact of future consolidation in the industry could have a material impact on the Company's financial position or results of operations.

The Company's API business is subject to increased competition from other manufacturers of API located in Europe and developing countries, such as India and China. Such competition may result in loss of API customers and/or decreased profitability in this business segment.

Many companies are working to develop new therapies or alternative formulations of products for MS that, if successfully developed, would compete with Tysabri®. A drug may be subject to competition from alternative therapies during the period of patent protection or regulatory exclusivity and, thereafter, it may be subject to further competition from generic products or biosimilars.

The Company's quarterly results are impacted by a number of factors, some of which are beyond the control of management, that may result in significant quarter-to-quarter fluctuations in operating results.

The Company's quarterly operating results depend on a variety of factors including, but not limited to, the severity, length and timing of the cough/cold/flu season and flea and tick season, the timing of new product approvals and introductions by the Company and its competitors, price competition, changes in the regulatory environment, the magnitude and timing of research and development investments, changes in the levels of inventories maintained by the Company's customers and the timing of retailer promotional programs. Accordingly, the Company may be subject to significant and unanticipated quarter-to-quarter fluctuations in its operating results.

Changes in estimates regarding fair value of goodwill or intangible assets may result in an adverse impact on the Company's results of operations.

The Company tests goodwill for impairment annually or more frequently if changes in circumstances or the occurrence of events suggest impairment exists. The test for impairment requires the Company to make several estimates about fair value, most of which are based on projected future cash flows. Changes in these estimates may result in the recognition of an impairment loss. The Company's testing in fiscal 2014 resulted in no impairment charges related to goodwill.

Other intangible assets consist of a portfolio of individual developed product technology/formulation and product rights, distribution and license agreements, customer relationships, non-compete agreements, in-process research and development ("IPR&D") and trade names and trademarks. Certain trade names and trademarks, as well as IPR&D assets, are determined to have an indefinite useful life and are not subject to amortization. For intangible assets subject to amortization, an impairment analysis is performed whenever events or changes in circumstances indicate that the carrying amount of any individual asset may not be

recoverable. An impairment loss is recognized if the carrying amount of the asset is not recoverable and its carrying amount exceeds its fair value. Any significant change in market conditions, estimates or judgments used to determine expected future cash flows that indicate a reduction in carrying value may give rise to impairment in the period that the change becomes known. See Note 3 of the Notes to the Consolidated Financial Statements for further information regarding impairment of intangible assets.

Lack of availability of, or significant increases in the cost of, raw materials used in manufacturing the Company's products could adversely impact its profit margins and operating results.

Affordable high quality raw materials and packaging components are essential to all of the Company's business units due to the nature of the products the Company manufactures. Raw materials and packaging components are generally available from multiple suppliers. Supplies of certain raw materials, bulk tablets and finished goods purchased by the Company are limited, or are available from one or only a few suppliers. In these situations, increased prices, rationing and shortages can occur. In response to these problems the Company tries to identify alternative materials or suppliers for such raw materials, bulk tablets and finished goods. FDA requirements for products approved through the ANDA or NDA process could substantially lengthen the approval of an alternate material source. Certain material shortages and approval of alternate sources could adversely affect financial results. The rapid increase in cost of many raw materials from inflationary forces, such as increased energy costs, and the Company's ability or inability to pass on these increases to its customers, could have a material impact on the Company's financial results.

The Company maintains several single-source supplier relationships, either because alternative sources are not available or the relationship is advantageous due to regulatory, performance, quality, support, or price considerations. Unavailability or delivery delays of single-source components or products could adversely affect the Company's ability to ship the related product in a timely manner. The effect of unavailability or delivery delays would be more severe if associated with the Company's higher volume or more profitable products. Even where alternative sources of supply are available, qualifying the alternate suppliers and establishing reliable supplies could cost more or result in delays and a loss of revenues. As a result, the loss of a single-source supplier could have a material adverse effect on the Company's results of operations.

In addition, raw materials purchased from third parties, including those from foreign countries, may contain counterfeit ingredients or other adulterants. The Company maintains a strict program of verification and product testing throughout the ingredient sourcing and manufacturing process to identify potential counterfeit ingredients, adulterants and toxic substances. Nevertheless, discovery of previously unknown problems with the raw materials or product manufacturing processes or new data suggesting an unacceptable safety risk associated therewith, could result in a voluntary or mandatory withdrawal of the contaminated product from the marketplace, either temporarily or permanently. Any future recall or removal would result in additional costs to the Company and lost revenue and may give rise to product liability litigation, any of which could have a material adverse effect on the operating results of the Company.

The Company's infant formula products require certain key raw ingredients that are derived from raw milk, such as skim milk powder, whey protein powder and lactose. The Company's supply of milk-based ingredients may be limited by the ability of individual dairy farmers and cooperatives to provide raw milk in the amount and quality necessary to meet the needs of the Company's infant formula product category. Raw milk production is influenced by factors beyond the Company's control, including: (1) seasonal factors, such as dairy cows producing more milk in temperate weather than hot or cold weather, drought and extended unseasonably hot or cold weather potentially leading to lower than expected supplies; (2) environmental factors, such as the volume and quality of milk produced by dairy cows being linked closely to the quality of nourishment provided by the surrounding environment; (3) governmental agricultural and environmental policy, such as government grants, subsidies, land provisions, technical assistance, and other agricultural and environmental policies having a direct effect on the viability of individual dairy farmers and dairy farmer cooperatives and the number of dairy cows and quantities of milk they are able to produce and (4) global demand for milk and key ingredients derived from milk. The Company cannot guarantee that there will be sufficient supplies of these key ingredients derived from raw milk. Any disruption in the supply of these key ingredients derived from raw milk could adversely and materially impact the Company's infant formula product category.

The Company's products, and the raw materials used to make those products, generally have limited shelf lives. The Company's inventory levels are based, in part, on expectations regarding future sales. The Company may experience build-ups in inventory if sales slow. Any significant shortfall in sales may result in higher inventory levels of raw materials and finished products, thereby increasing the risk of inventory spoilage

and corresponding inventory write-downs and write-offs, which may materially and adversely affect the Company's results of operations. Cargo thefts and/or diversions and economically or maliciously motivated product tampering on store shelves may be experienced from time to time, causing unexpected shortages.

If the Company is unable to successfully obtain the necessary quota for controlled substances and List 1 chemicals, there is risk of delayed product launches or failure to meet commercial supply obligations. If the Company is unable to comply with regulatory requirements for controlled substances and List 1 chemicals, the DEA may take regulatory actions, resulting in temporary or permanent interruption of distribution, withdrawal of products from the market or other penalties.

Controlled substances and List 1 chemicals are subject to DEA regulation under the Controlled Substances Act. DEA quota requirements can limit the amount of controlled substances and List 1 chemicals a manufacturer may produce, the amount of API it may use to manufacture those products and the amount of controlled substance products and List 1 chemicals a packager may package. If the Company is unable to successfully obtain the quota amounts, there is the risk of delayed launches or failure to meet commercial supply obligations. In addition, failure to comply with the above laws and requirements can result in enforcement action that could have a material adverse effect on the Company's business, results of operations and financial condition. The DEA may seek civil penalties, refuse to renew necessary registrations or initiate proceedings to revoke those registrations. In certain circumstances, violations could result in criminal proceedings.

The costs, both financially and in regard to management attention, of combating legal proceedings could have an adverse impact on the Company's business, financial condition and results of operations.

From time to time, the Company and/or its subsidiaries become involved in lawsuits arising from various commercial matters, including, but not limited to, competitive issues, contract issues, intellectual property matters, false advertising/unfair competition, taxation matters, workers' compensation, product liability, environmental remediation issues and U.S. state or federal regulatory issues. See Note 18 of the Notes to the Company's Consolidated Financial Statements. Litigation is unpredictable and can be costly. No assurance can be made that litigation will not have a material adverse effect on the Company's financial position or results of operations in the future. Similarly, judicial decisions in proceedings to which the Company is not a party may result in the setting of legal precedent that could affect the future operation of the Company's business. In addition, the Company may face environmental exposures including, for example, those relating to discharges from and materials handled as part of its operations, the remediation of soil and groundwater contaminated by hazardous substances or wastes, and the health and safety of its employees. While the Company does not have any material remediation liabilities currently outstanding, the Company may in the future face liability for the costs of investigation, removal or remediation of certain hazardous substances or petroleum products on, under, or in its currently or formerly owned property, or from a third-party disposal facility that it may have used, without regard to whether the Company knew of, or caused, the presence of the contaminants. The actual or alleged presence of, or failure to remediate properly, these substances could have adverse effects, including, for example, substantial investigative or remedial obligations and limitations on the ability to sell or rent affected property or to borrow funds using affected property as collateral. There can be no assurance that environmental liabilities and costs will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

The Company may also be subject to liability if its products violate or are alleged to violate applicable laws or regulations in the jurisdictions where such products are distributed or in the event that its products cause or are alleged to cause injury, illness, or death. The successful assertion of product liability claims against the Company could result in potentially significant monetary damages and diversion of management resources, and require the Company to make significant payments and incur substantial legal expenses. Even if a product liability or consumer fraud claim is unsuccessful, not merited, or not fully pursued, the Company may still incur substantial legal expenses defending against such a claim, and the Company's reputation may suffer.

With regard to Tysabri®, the Company’s subsidiary Elan is a defendant in product liability lawsuits arising out of serious adverse events, including deaths, which occurred in patients taking Tysabri®. The Company expects additional product liability lawsuits related to Tysabri® usage to be filed. While the Company or Biogen Idec intend to vigorously defend these lawsuits, the Company cannot predict how these cases will be resolved. The Company and Biogen Idec will each be responsible for 50% of losses and expenses arising out

of any Tysabri® product liability claims. Adverse results in one or more of these cases could result in substantial monetary judgments.

Court rulings limiting the application of U.S. Federal pre-emption may have an adverse effect on the Company's operations as a result of a potential increase in litigation exposure.

On November 13, 2013, the FDA issued a proposed rule captioned, “Supplemental Applications Proposing Labeling Changes for Approved Drugs and Biologics.” Pursuant to the proposed rule, the FDA is proposing to change existing regulations to expressly provide that generic drug application holders may distribute revised labeling that differs from the corresponding brand drug upon submission of a "changes being effected" ("CBE-0") supplement to FDA. FDA states that the proposed revisions to its regulations would create parity between branded drug application holders and generic drug application holders with respect to submission of CBE-0 supplements for safety-related labeling changes based on newly acquired information. This proposal is also intended to ensure that generic drug companies actively participate with FDA in ensuring the timeliness, accuracy, and completeness of drug safety labeling in accordance with current regulatory requirements. The FDA received comments on the proposed rule until March 13, 2014. The FDA has not yet issued a final rule on this issue. If this proposed regulatory change is adopted, it may eliminate the preemption of certain failure-to-warn claims, with respect to generic drugs, which could have an adverse impact on the future operating results of the Company.

Third-party patents and other intellectual property rights may limit the Company's ability to bring new products to market and may subject the Company to potential legal liability. The failure to bring new products to market in a timely manner without incurring legal liability could cause the Company to lose market share and its operating results may suffer.

The Company's ability to bring new products to market is limited by certain patent, trademark and trade dress factors including, but not limited to, the existence of patents protecting brand products for all business segments and the regulatory exclusivity periods awarded on products. The cost and time to develop these prescription and switch products is significantly greater than the rest of the new products that the Company seeks to introduce. Moreover, the manufacture, use and sale of new products that are the subject of conflicting patent rights have been the subject of substantial litigation in the pharmaceutical industry. These lawsuits relate to the validity and infringement of patents or proprietary rights of third parties. The Company may have to defend against charges that it violated patents or proprietary rights of third parties. The Company's defense against charges that it infringed third-party patents or proprietary rights could require the Company to incur substantial expense and to divert significant effort of its technical and management personnel. If the Company is found to have infringed on the rights of others, it could lose its right to develop or manufacture some products or could be required to pay monetary damages or royalties to license proprietary rights from third parties.

Although the parties to patent and intellectual property disputes in the pharmaceutical industry have often settled their disputes through licensing or similar arrangements, the costs associated with these arrangements may be substantial and could include ongoing royalties. Furthermore, the Company cannot be certain that the necessary licenses would be available to it on terms it believes to be acceptable. As a result, an adverse determination in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent the Company from manufacturing and selling a number of its products.

At times, the Company may seek approval to market NDA or ANDA products before the expiration of patents for those products, based upon its belief that such patents are invalid, unenforceable or would not be infringed by its products. As a result, the Company may face significant patent litigation. Depending upon a complex analysis of a variety of legal and commercial factors, the Company may, in certain circumstances, elect to market a generic pharmaceutical product while litigation is pending, before any court decision or while an appeal of a lower court decision is pending. This is referred to in the pharmaceutical industry as an "at risk" launch. The risk involved in an "at risk" launch can be substantial because, if a patent holder ultimately prevails, the remedies available to the patent holder may include, among other things, damages measured by the profits lost by the holder, which are often significantly higher than the profits the Company makes from selling the generic version of the product. By electing to proceed in this manner, the Company could face substantial damages if a final court decision is adverse to the Company. In the case where a patent holder is able to prove that the Company's infringement was "willful" or "exceptional", under applicable law, the patent holder may be awarded up to three times the amount of its actual damages or the Company may be required to pay attorneys’

fees. In May 2014, the Company launched azelastine hydrochloride nasal spray prior to a court decision. The litigation was settled in June 2014.

The success of certain of the Company's products depends on the effectiveness of measures it takes to protect its intellectual property rights and patents.

The Company's success with certain of its products depends, in part, on its ability to protect and defend its intellectual property rights. If the Company fails to adequately protect its intellectual property, competitors may manufacture and market similar products. The Company has been issued patents covering certain of its products, and has filed, and expects to continue to file, patent applications seeking to protect newly developed technologies and products in various countries, including the U.S. Any existing or future patents issued to or licensed by the

Company may not provide it with any significant competitive advantages for its products or may even be challenged, invalidated or circumvented by competitors. In addition, such patent rights may not prevent the Company's competitors from developing, using or commercializing non-infringing products that are similar or functionally equivalent to its products.

The Company also relies on trade secrets, unpatented proprietary know-how and continuing technological innovation that it seeks to protect, in part by confidentiality agreements with licensees, suppliers, employees and consultants. If these agreements are breached, the Company may not have adequate remedies for any such breach. Disputes may arise concerning the ownership of intellectual property or the applicability of confidentiality agreements. Furthermore, trade secrets and proprietary technology may otherwise become known or be independently developed by competitors or, if patents are not issued with respect to products arising from research, the Company may not be able to maintain the value of such intellectual property rights. The Company is also increasing its research and development efforts in countries where risks of improper disclosure of trade secrets and proprietary technology are higher than in the U.S. and Israel.

A significant disruption at any of the Company's main manufacturing facilities could materially and adversely affect the Company's business, financial position and results of operations.

The Company's U.S. manufacturing operations are concentrated in Michigan, Minnesota, South Carolina, New York, Vermont, Ohio, and Nebraska. The primary non-U.S. operations are in Israel. Approximately 80% of the Company's fiscal 2014 revenues are related to these world-wide manufacturing facilities. A significant disruption resulting from, but not limited to, fire, tornado, storm, flood, cyber attacks, material supply, insufficient quality, or pandemic at any of the Company's facilities could impair its ability to develop, produce and/or ship products on a timely basis, which could have a material adverse effect on the Company's business, financial position and operating results.

The Company is dependent on the services of certain key executive and scientific employees. The failure to attract and retain such employees may have a material adverse impact on the Company's results of operations.

The Company's future success will depend in large part upon its ability to attract and retain highly skilled employees. Key functions for the Company include executive managers, operational managers, research and development scientists, information technology specialists, financial and legal specialists, regulatory professionals, quality compliance specialists and sales/marketing personnel. Should the Company be unable to attract or retain key qualified employees, future operating results may be adversely impacted.

Increasing use of social media could give rise to liability, breaches of data security or reputation damage.

The Company and its employees are increasingly utilizing social media tools as a means of communication both internally and externally. To the extent that the Company seeks to use these tools as a means to communicate about its products and/or business, there are uncertainties as to either the rules that apply to such communications, or as to the interpretations that authorities will apply to the rules that exist. As a result, despite the Company's efforts to monitor evolving social media communication guidelines and comply with applicable rules, there is risk that the Company's use of social media for such purposes may cause it to be found in violation of them. In addition, because of the availability of social media tools globally, the Company's employees may knowingly or inadvertently make use of them in ways that may not be aligned with the Company's social media strategy, and that may give rise to liability, or could lead to the loss of trade secrets or

other intellectual property, or public exposure of personal information (including sensitive personal information) of the Company's employees, clinical trial patients, customers and others. In either case, such uses of social media could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, negative posts or comments about the Company, store brands or generic pharmaceuticals, or its products in social media could seriously damage its reputation and could adversely affect the price of its securities.

To protect itself against various potential liabilities, the Company maintains a variety of insurance programs. Significant increases in the cost or decreases in the availability of such insurance could adversely impact the Company's financial condition.

The Company maintains insurance, including property, general and product liability, and directors' and officers' liability to protect itself against potential loss exposures. The Company cannot predict whether deductible or retention amounts will increase or whether coverage will be reduced in the future. To the extent that losses occur, there could be an adverse effect on the Company's financial results depending on the nature of the loss and the level of insurance coverage maintained by the Company. From time to time, the Company may reevaluate and change the types and levels of insurance coverage that it purchases. We are self-insured when insurance is not available, retain certain self-insured retentions and have risk management strategies where insurance is not available at reasonable premium levels.

The Company, like retailers and other distributors and manufacturers of products, is exposed to product liability claims in the event that, among other things, the use of its products results in injury. There is no assurance that product liability insurance will continue to be available to the Company at an economically reasonable cost (or at all for certain specific products) or that the Company's insurance will be adequate to cover liability that the Company incurs in connection with product liability claims. See Note 18 of the Notes to the Consolidated Financial Statements for further information related to Legal Proceedings.

Risks Related to Acquisitions

Although the Company only enters into business acquisitions and divestitures that it expects will result in benefits to the Company, the Company may not realize those benefits because of integration and other challenges, which could have a material adverse effect on the Company's stock price or operating results.

As part of the Company's strategy, it evaluates potential acquisitions in the ordinary course of business, some of which could be and have been material. Potential acquisition targets are evaluated on whether they have the capacity to deliver a return on invested capital ("ROIC") in excess of 200 basis points over the Company's weighted average cost of capital ("WACC") within three years. Acquisitions involve a number of risks and present financial, managerial and operational challenges, including:

- uncertainties in assessing the value, strengths, and potential profitability of, and identifying the extent of all weaknesses, risks, contingent and other liabilities of, the respective parties;
- the potential loss of key customers, management and employees of an acquired business;
- the consummation of financing transactions, acquisitions or dispositions and the related effects on the Company's business;
- the ability to achieve identified operating and financial synergies from an acquisition in the amounts and on the timeframe;
- problems that could arise from the integration of the respective businesses, including the application of internal control processes to the acquired business; and
- unanticipated changes in business, industry, market, or general economic conditions that differ from the assumptions underlying the Company's rationale for pursuing the transaction.

Any one or more of these factors could cause the Company not to realize the benefits anticipated from a transaction. Moreover, any acquisition opportunities the Company pursues could materially affect its liquidity and capital resources and may require the Company to incur indebtedness, seek equity capital or both. Future acquisitions could also result in the Company assuming more long-term liabilities relative to the value of the acquired assets than it has assumed in its previous acquisitions. Further, acquisition accounting rules require evaluation of certain assumptions, estimates or determination of financial statement classifications, which are completed during the measurement period as defined in current accounting standards. Accounting policies of the Company and acquisition accounting rules may materially vary from those of the acquired company. Any

changes in assumptions, estimates or financial statement classifications may be material and have a material adverse effect on the assets, liabilities or future earnings of the new combined consolidated company.

In addition, integration activities may place substantial demands on the Company's management, operational resources and financial and internal control systems. Customer dissatisfaction or performance problems with an acquired business, technology, service or product could also have a material adverse effect on the Company's reputation and business. The Company's failure to successfully integrate acquisitions could have a negative effect on its operations. Integration risks and synergies associated with the Company's acquisitions are likely to include, but are not limited to, sales force, sales channel or product portfolio rationalization; manufacturing, distribution and supply chain integration and purchasing savings; quality and regulatory process standardization; and information technology and administration shared service implementations. The dedication of management resources to such integration may detract attention from the Company's day-to-day business, and there can be no assurance that there will not be substantial costs associated with the transaction process or other material adverse effects as a result of these integration efforts. In addition, a lack of performance of acquisitions could cause financial difficulties.

The Company also evaluates the performance of all operating business units against an ROIC threshold. Underperforming assets typically have a specific period to improve performance before other strategic alternatives are considered. The Company's inability to successfully divest or sell assets in a timely manner could have a negative effect on its operations. In addition, the process of divestitures could cause strains on the ongoing operations of the Company.

The Company's actual financial positions and results of operations may differ materially from the unaudited pro forma financial data included in Note 2 of the Notes to the Consolidated Financial Statements.

The pro forma financial information contained in Note 2 of the Notes to the Consolidated Financial Statements is presented for illustrative purposes only and may not be an indication of what the Company's financial position or results of operations would have been had the acquisitions been completed on the dates indicated. The pro forma financial information has been derived from the historical financial information of Perrigo Company, Elan and the acquired Fera and Aspen assets, and certain adjustments and assumptions have been made regarding the combined company after giving effect to the transactions. The acquired assets and assumed liabilities have been measured at fair value based on various preliminary estimates using assumptions that the Company's management believes are reasonable utilizing information currently available. The process for estimating the fair value of acquired assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. These estimates may be revised as additional information becomes available and as additional analyses are performed. The pro forma financial data is based on a preliminary purchase price allocation, and the actual allocation of the purchase price will be performed only after all purchase price adjustments have been completed. Accordingly, the actual financial condition and results of operations of the combined company may not be consistent with, or evident from, this pro forma financial information.

In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations. Acquisition accounting rules require evaluation of certain assumptions, estimates or determination of financial statement classifications that are completed during the measurement period as defined in current accounting standards. The Company's accounting policies and acquisition accounting rules may materially vary from those of its acquired companies. Any changes in assumptions, estimates, or financial statement classifications may be material and have a material adverse effect on the assets, liabilities or future earnings of the new combined consolidated company. Any potential decline in the Company's financial condition or results of operations may cause significant variations in the Company's share price.

The Company's results of operations and cash flow needs could be materially impacted by acquisitions.

The Company's senior credit facilities, the agreements governing its senior notes and agreements governing its other indebtedness contain a number of restrictions and covenants that limit the Company's ability to make distributions or other payments to its investors and creditors unless certain financial tests or other criteria are satisfied. The Company also must comply with certain specified financial ratios and tests. These restrictions could affect the Company's ability to operate its business and may limit its ability to take advantage of potential business opportunities, such as acquisitions. If the Company does not comply with the covenants

and restrictions contained in its senior credit facilities, agreements governing its senior notes and agreements governing its other indebtedness, the Company could be in default under those agreements, and the debt, together with accrued interest, could then be declared immediately due and payable. Any default under the Company's senior credit facilities or agreements governing its senior notes or other indebtedness could lead to an acceleration of debt under other debt instruments that contain cross-acceleration or cross-default provisions. If the Company's indebtedness is accelerated, there can be no assurance that it would be able to repay or refinance its debt or obtain sufficient new financing.

The Company has various maturity dates associated with its credit facilities, senior notes and other debt facilities. There is no assurance that cash, future borrowings or equity financing will be available for the payment or refinancing of its indebtedness. Further, there is no assurance that future refinancing or renegotiation of the Company's senior credit facilities, senior notes or other debt facilities, or additional agreements will not have materially different or more stringent terms.

The Company has acquired significant assets that could become impaired or subject the Company to losses and may result in an adverse impact on the Company's results of operations.

In addition to the $5.8 billion Tysabri® distribution and license agreement recorded as an intangible asset and described above, the Company also acquired investment securities and equity method investments, and recorded $2.3 billion of goodwill in connection with the Elan acquisition. All of these assets are subject to impairment, which would adversely impact the Company's results of operations.

For intangible assets subject to amortization such as Tysabri®, an impairment analysis is performed whenever events or changes in circumstances indicate that the carrying amount of any individual asset may not be recoverable. An impairment loss is recognized if the carrying amount of the asset is not recoverable and its carrying amount exceeds its fair value. Any significant change in market conditions, estimates or judgments used to determine expected future cash flows that indicate a reduction in carrying value may give rise to impairment in the period that the change becomes known. See Note 3 of the Notes to the Consolidated Financial Statements for further information.

If the Company determines that a loss in the value of its equity method investments is other than temporary, the investment is written down to its estimated fair value. Any such losses are recorded to other expense (income), net. Evaluations of recoverability are based primarily on projected cash flows. Due to uncertainties in the estimation process, actual results could differ from such estimates. Additionally, the equity method of accounting requires the Company to record a proportionate share of the profits and losses of its equity method investments. If the entities accounted for as equity method investments experience significant losses, the Company will have to record a proportionate share of those losses, which could significantly impact the Company's results of operations.

Risks Related to Doing Business Internationally

A substantial portion of the sources of raw materials and an increasing volume of sales of the Company are outside the U.S. Additional legislation or regulation concerning importing/exporting may be enacted, which could have an adverse impact on the Company's net sales and resulting income.

The Company imports and exports products and raw materials from/to several jurisdictions around the world. This process involves Company subsidiaries and third parties operating in a number of jurisdictions with different customs and import/export regulations. The regulations are subject to change from time to time and the Company cannot predict the nature, scope or impact of these changes upon the Company's operations. The Company is subject to periodic reviews and audits by governmental authorities responsible for administering these regulations. To the extent that the Company is unable to successfully defend itself against an audit or review, the Company may be required to pay assessments, penalties and increased duties, which may, individually or in the aggregate, negatively impact the Company's gross margins and operating results. Certain of the Company's facilities operate in a special purpose subzone established by the U.S. Department of Commerce Foreign Trade Zone Board, which allows the Company certain tax advantages on products and raw materials shipped through these facilities. If the U.S. Department of Commerce Foreign Trade Zone Board were to revoke the subzone designation or limit its use by the Company, the Company could be subject to increased duties, which may negatively impact the Company's gross margins and operating results.

Conducting business in international markets involves risks and uncertainties such as foreign exchange rate exposure and social, political and economic instability that could lead to increased prices for raw materials, reduced international sales and reduced profitability associated with such sales, which could have an adverse impact on the Company's net sales and resulting income.

The Company sources certain key raw materials and finished products from foreign suppliers in countries that include, but are not limited to, Australia, Canada, China, Denmark, India and Mexico. The Company's primary markets for the sale of its products outside the U.S. are Canada, Germany, Israel, Mexico, the U.K., China and Australia. The Company may have difficulty in international markets due, for example, to regulatory barriers, the necessity of adapting to new regulatory systems and problems related to markets with different cultural biases and political systems and strict adherence to all anti-corruption laws including the U.S. Foreign Corrupt Practices Act. Violence and crime in Mexico could adversely affect the Company's manufacturing activities and ability to recruit and retain employees there. Sales to customers outside the U.S. and foreign raw material purchases expose the Company to a number of risks, including unexpected changes in regulatory requirements, possible difficulties in enforcing agreements, longer payment cycles, longer shipping lead-times, inefficient port operations, exchange rate fluctuations, difficulties obtaining export or import licenses, the imposition of withholding or other taxes, economic or political instability, embargoes, military hostilities or exchange controls. Should any of these risks occur, they may have a material adverse impact on the operating results of the Company.

Conditions in Israel affect the Company's operations and may limit its ability to produce and sell its products.

The Company has significant manufacturing and research and development facilities in Israel. Political, economic and military conditions in Israel directly affect the Company's operations, and the Company could be adversely affected by current or future hostilities involving Israel or a significant recession or downturn in the economic or financial condition of Israel.

Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries. A state of hostility, varying in degree and intensity, has led to security and economic problems for Israel in recent years. These hostilities can adversely affect Israel's relationship with a number of countries in the region and elsewhere, as well as its relationship with international organizations.

While none of the Company's facilities in Israel have been directly affected by hostile operations, there can be no assurance that a further escalation of hostilities will not impact the Company's facilities. Currently there is conflict in Gaza, and Perrigo facilities are within the ranges of the rockets fired at Israel from Gaza. Furthermore, the Company's employees in Israel include members of the Israeli military reserves, some of whom have been called up for active duty. If a significant number of the Company's employees in Israel are called up for active duty in the military, the Company's operations in Israel may be materially adversely affected. Finally, travel, including FDA travel, has been disrupted or halted during the recent hostilities.

Escalations of hostilities have disruptive effects on Israel's economy, and any international economic sanctions against Israel could further harm Israel's economy. These economic developments could have an adverse effect on the Company's Israel Pharmaceutical and Diagnostic Products business.

Furthermore, certain parties with whom the Company does business may decline to travel to Israel, which would force the Company to make alternative arrangements where necessary. The United States Department of State has at times issued an advisory regarding travel to various sections of Israel. As a result of the State Department's advisories, the FDA has at various times curtailed or prohibited its inspectors from traveling to Israel to inspect the facilities of Israeli companies, and should this occur with respect to the Company's Israeli facilities, the FDA could withhold approval for new products intended to be produced at those facilities.

Although it has not yet occurred, the political and security situation in Israel may result in certain parties with whom the Company has contracts claiming that they are not obligated to perform their commitments pursuant to force majeure provisions of those contracts.

The Company could experience disruption of its manufacturing and research and development facilities due to terrorist acts or military actions. If terrorist acts or military actions were to result in substantial

damage to the Company's facilities, business activities would be disrupted since, with respect to most products, the Company would need to obtain prior FDA approval for a change in manufacturing site. The Company's insurance may not adequately compensate it for losses that may occur and any losses or damages incurred by the Company could have a material adverse effect on its business.

Some neighboring countries, as well as certain companies and organizations, continue to participate in a boycott of Israeli firms and others doing business with Israel or with Israeli companies. The Company is also precluded from marketing its products to certain of these countries due to U.S. and Israeli regulatory restrictions. Because an immaterial amount of the Company's revenue is currently derived from sales to these countries, the Company believes that the boycott has not had a material adverse effect on its current operations. However, continuation or extension of the boycott or implementation of additional restrictive laws, policies or practices directed towards Israel or Israeli businesses could have an adverse impact on the expansion of the Company's business.

Risks Related to the Company's Liquidity and Capital Resources

The Company's business requires continuous capital investments and there can be no assurance that financial capital will always be available on favorable terms or at all. In some instances, the Company may determine to issue additional shares of capital stock in order to meet its capital needs, which would dilute existing shareholders' ownership.

The Company maintains a broad product line to function as a primary supplier for its customers. Capital investments are driven by growth, technological advancements, cost improvement and the need for manufacturing flexibility. Estimation of future capital expenditures could vary materially due to the uncertainty of these factors. If the Company fails to stay current with the latest manufacturing, information and packaging technology, it may be unable to competitively support the launch of new product introductions.

The Company anticipates that cash and cash flows from operations and borrowings available under its credit facilities will substantially fund working capital and capital expenditures. The Company has historically evaluated acquisition opportunities and anticipates that acquisition opportunities will continue to be identified and evaluated in the future. The historical growth of sales and profits has been positively influenced by acquisitions. There is no assurance that future sales and profits will, or will not, be impacted by acquisition activities.

If the Company decides to seek additional capital through the issuance of additional ordinary shares, existing shareholders' ownership may be diluted.

Changes in the Company's credit ratings may limit its access to capital and materially increase borrowing costs.

The Company has received ratings from Moody's Investor Service and Standard and Poor's Rating Services. Any changes or downgrades to the Company's credit ratings and outlook could negatively impact the Company's access to capital markets and the perception of the Company's credit risk by lenders and other third parties. The Company's credit ratings are based upon information furnished by the Company or obtained by a rating agency from its own sources and are subject to revision, suspension or withdrawal by one or more rating agencies at any time. Rating agencies may review the ratings assigned to the Company due to developments that are beyond the Company's control, including the introduction of new standards requiring the agencies to re-assess rating practices and methodologies.

Any downgrade to the ratings of the Company's debt securities may result in higher interest costs for certain of the Company's credit facilities and other debt financings, and could result in higher interest costs on future financings. Further, downgrades may impact the Company's ability to obtain adequate financing, including via trade payables with vendors. Customers' inclination to purchase goods from the Company may also be affected by the publicity associated with deterioration of the Company's credit ratings.

Customer channel consolidation, including retailers and buyers, can increase the Company's credit risk, which may adversely affect the Company's financial position or results of operations.

Retailer and buyer consolidation continues to increase the size of the Company's customers. If a large customer should encounter financial difficulties, the Company's exposure with respect to uncollectible

receivables and unusable inventory, as well as the potential loss of future sales, could result in a material adverse impact on the Company's financial position or results of operations.

The Company's results are impacted by global economic conditions; weaknesses or downturns in the global economy could adversely impact the Company's liquidity and financial condition.

The Company's business is impacted by economic conditions in the U.S. and in other countries in which the Company produces and markets its products. Slower economic growth, geopolitical issues, sovereign debt issues, and the state of global real estate markets may contribute to increased market volatility. Although economic conditions have improved over the last few years, there continues to be uncertainty as to whether this improvement is sustainable. Continued market volatility could adversely affect the Company's stock price, liquidity and overall financial condition.

The Company's customers and suppliers may be adversely affected if the current economic conditions worsen. Although the Company actively reviews the credit worthiness of its customers and suppliers, the Company cannot fully predict to what extent its customers and suppliers may be negatively impacted and thus to what extent the Company's operations would be affected.

The Company invests cash primarily in demand deposits and other short-term instruments with maturities of three months or less at the date of purchase. The Company typically maintains a balance between objectives of safety of principal, liquidity and return by investing primarily in U.S., federal, state and local government obligations, direct obligations of local sovereign governments and in bank obligations of the Company's credit banks meeting a minimum third-party credit rating standard. The value of the Company's assets may be adversely affected if economic conditions worsen.

Although the Company's lenders have made commitments to make funds available to the Company in a timely fashion, if economic conditions worsen or new information becomes publicly available impacting these lenders' credit ratings or capital ratios, the Company's lenders may be unable or unwilling to lend money pursuant to the Company's existing credit facilities. In addition, if the Company determines that it is appropriate or necessary to raise capital in the future, the cost of raising funds through the debt or equity markets may be more expensive or those markets may be unavailable. If the Company is unable to use its existing credit facilities or raise funds through debt or equity markets, the Company's liquidity or ability to follow its key growth strategies could be materially and adversely affected.

Additionally, decreases in personal incomes may have caused consumers to look for and purchase lower priced products, such as generic and store brand products manufactured by the Company, as an alternative to higher priced brand-name products. To the extent that this trend has occurred, the Company's sales could be negatively affected if economic conditions improve and if consumers were enticed to go back to purchasing higher-priced brand-name products.

Tax-Related Risks

The U.S. Internal Revenue Service ("IRS") may not agree with the conclusion that the Company is treated as a foreign corporation for U.S. federal tax purposes.

Although the Company is incorporated in Ireland, the IRS may assert that it should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal tax purposes pursuant to section 7874 of the U.S. Internal Revenue Code of 1986, as amended ("Code"). For U.S. federal tax purposes, a corporation generally is considered a tax resident in the jurisdiction of its organization or incorporation. Because the Company is an Irish incorporated entity, it would generally be classified as a foreign corporation (and, therefore, a non-U.S. tax resident) under these rules. Section 7874 of the Code provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal tax purposes.

For the Company to be treated as a foreign corporation for U.S. federal tax purposes under section 7874 of the Code, either (i) the former stockholders of Perrigo Company must own (within the meaning of section 7874 of the Code) less than 80% (by both vote and value) of the Company's stock by reason of holding shares in Perrigo Company (the "ownership test") or (ii) the Company must have substantial business activities in Ireland after the Elan acquisition (taking into account the activities of the Company's expanded affiliated group). As of the acquisition date, Perrigo Company stockholders held 71% (by both vote and value) of the shares in the Company. As a result, the Company believes that under current law, it should be treated as a

foreign corporation for U.S. federal tax purposes. However, the Company cannot assure that the IRS will agree with the position that the ownership test is satisfied. There is limited guidance regarding the section 7874 provisions, including the application of the ownership test.

Section 7874 of the Code likely will limit the Company's and its U.S. affiliates' ability to utilize their U.S. tax attributes to offset certain U.S. taxable income, if any, generated by the Elan acquisition or certain specified transactions for a period of time following the Elan acquisition.

Following the acquisition of a U.S. corporation by a foreign corporation, section 7874 of the Code can limit the ability of the acquired U.S. corporation and its U.S. affiliates to utilize U.S. tax attributes such as net operating losses to offset U.S. taxable income resulting from certain transactions. Based on the limited guidance available, the Company currently expects this limitation will apply, and as a result, the Company currently does not expect that it or its U.S. affiliates will be able to utilize their U.S. tax attributes to offset their U.S. taxable income, if any, resulting from certain specified taxable transactions.

Changes in tax laws or income tax rates could have a material adverse effect on the Company's results of operations and the ability to utilize cash in a tax efficient manner.

The Company believes that under current law, it should be treated as a foreign corporation for U.S. federal tax purposes. However, changes to the inversion rules in section 7874 of the Code, or the IRS Treasury regulations promulgated thereunder, or other IRS guidance, could adversely affect the Company's status as a foreign corporation for U.S. federal tax purposes, and any such changes could have prospective or retroactive application to the Company, Perrigo Company, and/or their respective stockholders, shareholders and affiliates. In addition, recent legislative proposals have aimed to expand the scope of U.S. corporate tax residence, and such legislation, if passed, could have an adverse effect on the Company.

Moreover, the Office of the Revenue Commissioners, U.S. Congress, the Organisation for Economic Co-operation and Development and other Government agencies in jurisdictions where the Company and its affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. One example is in the area of "base erosion and profit shifting", where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. As a result, the tax laws in the U.S. and other countries in which the Company and its affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely affect the Company.

A number of factors may adversely impact the Company's future effective tax rates, such as income tax rate changes by governments; the jurisdictions in which the Company's profits are determined to be earned and taxed; changes in the valuation of the Company's deferred tax assets and liabilities; adjustments to estimated taxes upon finalization of various tax returns; adjustments to the Company's interpretation of transfer pricing standards, changes in available tax credits, grants and other incentives; changes in stock-based compensation expense; changes in tax laws or the interpretation of such tax laws (e.g., proposals for fundamental U.S. international tax reform); changes in U.S. generally accepted accounting principles; expiration or the inability to renew tax rulings or tax holiday incentives; and the repatriation of non-U.S. earnings with respect to which the Company has not previously provided for U.S. taxes. A change in the Company's effective tax rate due to any of these factors may adversely impact the Company's future results from operations. Also, changes in tax laws could have a material adverse effect on the Company's ability to utilize cash in a tax efficient manner.

Although we believe that our tax estimates are reasonable and that we prepare our tax filings in accordance with all applicable tax laws, the final determination with respect to any tax audit, and any related litigation, could be materially different from our estimates or from our historical income tax provisions and accruals. The results of an audit or litigation could have a material effect on operating results and/or cash flows in the periods for which that determination is made. In addition, future period earnings may be adversely impacted by litigation costs, settlements, penalties, and/or interest assessments.

The government programs in Israel in which the Company participates and the tax benefits the Company receives require the Company to meet several conditions and may be terminated or reduced in the future, which would increase the Company's costs and tax expenses.

The Company has received grants for research and development from the Office of the Chief Scientist in Israel's Ministry of Industry and Trade. To continue to be eligible for these grants, the Company's

development projects must be approved by the Chief Scientist on a case-by-case basis. If the Company's development projects are not approved by the Chief Scientist, the Company will not receive grants to fund these projects, which would increase research and development costs. The receipt of such grants subjects the Company to certain restrictions and pre-approval requirements, which may be conditioned on additional royalty payments with rights to transfer intellectual property and/or production abroad. The Company also receives tax benefits, in particular exemptions and reductions, as a result of the Privileged Enterprise status of certain existing operations in Israel. To be eligible for these tax benefits, the Company must maintain its Privileged Enterprise status by meeting conditions, including making specified investments in fixed assets located in specific regions in Israel and investing additional equity in itself and its Israeli subsidiaries and by meeting projections provided to the regulatory agencies. If the Company fails to meet these conditions in the future, the tax benefits would be canceled, and the Company could be required to refund the tax benefits already received. These tax benefits may not be continued in the future at their current levels or at any level. If such benefits are reduced or eliminated in the future, the Company's results of operations will be adversely impacted.

In fiscal 2011, Israel enacted new tax legislation that reduced the effective tax rate to 10% for 2011 and 2012, 7% for 2013 and 2014, and 6% thereafter for certain qualifying entities that elect to be taxed under the new legislation. This legislation was rescinded as announced in the Official Gazette on August 5, 2013. The new legislation enacted a 9% rate for certain qualifying entities that elect to be taxed under the new legislation. The Company has two entities that had previously elected the new tax legislation for years after fiscal 2011. Therefore, the above risk is only applicable for the Company for fiscal year 2011 as statutes remain open for this year.

Risks Related to Ownership of the Company's Ordinary Shares

The Company is incorporated in Ireland, and Irish law differs from the laws in effect in the United States and may afford less protection to, or otherwise adversely affect, our shareholders.

The Company's shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. As an Irish company, we are governed by the Irish Companies Acts 1963-2013 (the 'Act'). The Act differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including the provisions relating to interested directors, mergers, amalgamations and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. For example, under Irish law, the duties of directors and officers of a company are generally owed to the company only. As a result, shareholders of Irish companies do not have the right to bring an action against the directors or officers of a company, except in limited circumstances. In addition, depending on the circumstances, shareholders may be subject to different or additional tax consequences under Irish law as a result of the acquisition, ownership and/or disposition of ordinary shares, including, but not limited to, Irish stamp duty, dividend withholding tax and capital acquisitions tax.

The Company is incorporated in Ireland, and it may be difficult to enforce judgments against the Company or certain of the Company's officers and directors.

The Company is incorporated in Ireland and a substantial portion of assets are located in jurisdictions outside the U.S. In addition, some of the officers and directors reside outside the U.S., and some or all of their respective assets are or may be located in jurisdictions outside of the U.S. Therefore, it may be difficult for investors to enforce against the Company any judgments of U.S. courts predicated upon civil liability provisions of the U.S. federal securities laws.

There is no treaty between Ireland and the U.S. providing for the reciprocal enforcement of foreign judgments. Before a foreign judgment would be deemed enforceable in Ireland, the judgment must be provided by a court of competent jurisdiction and be for a final and conclusive sum. An Irish court may also exercise its right to refuse judgment if the foreign judgment was obtained by fraud, if the judgment violated Irish public policy, if the judgment is in breach of natural justice or if it is irreconcilable with an earlier judgment. Further, an Irish court may stay proceedings if concurrent proceedings are being brought elsewhere. Judgments of U.S. courts of liabilities predicated upon U.S. federal securities laws may not be enforced by Irish courts if deemed to be contrary to public policy in Ireland.

In certain limited circumstances, dividends paid by the Company may be subject to Irish dividend withholding tax.

In certain limited circumstances, dividend withholding tax (currently at a rate of 20%) may arise in respect of dividends, if any, paid on Perrigo ordinary shares. A number of exemptions from dividend withholding tax exist such that shareholders resident in the U.S. and shareholders resident in certain other countries may be entitled to exemptions from dividend withholding tax (the "Relevant Territories").

Shareholders resident in the U.S. that hold their shares through the Depository Trust Company ("DTC") will not be subject to dividend withholding tax provided the addresses of the beneficial owners of such shares in the records of the brokers holding such shares are recorded as being in the U.S. (and such brokers have further transmitted the relevant information to a qualifying intermediary appointed by Perrigo). All U.S. resident shareholders in the Company that hold their shares outside of DTC and shareholders resident in other Relevant Territories will not be subject to dividend withholding tax provided the beneficial owners of such shares have furnished completed and valid dividend withholding tax forms and an IRS Form 6166, as appropriate, to the Company's transfer agent or their brokers (and such brokers have further transmitted the relevant information to the Company's transfer agent). However, other shareholders may be subject to dividend withholding tax, that could adversely affect the Company's share price.

Dividends received by Irish residents and certain other shareholders may be subject to Irish income tax.

Most Irish tax resident or ordinarily resident shareholders (other than Irish resident companies that have completed the appropriate dividend withholding tax ("DWT" forms)) will be subject to DWT in respect of dividends received from the Company. Shareholders that are residents of Ireland, but are entitled to receive dividends without DWT, must complete the appropriate DWT forms and provide them to their brokers before the record date for the dividend, or to the Company's transfer agent at least seven business days before the record date for the dividend.

Shareholders who are not resident nor ordinarily resident in Ireland but who are not entitled to an exemption from Irish dividend withholding tax will generally have no further liability to Irish income tax on those dividends which suffer dividend withholding tax.

Perrigo ordinary shares received by means of a gift or inheritance could be subject to Irish capital acquisitions tax.

Irish capital acquisitions tax ("CAT") could apply to a gift or inheritance of Perrigo ordinary shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because Perrigo ordinary shares will be regarded as property situated in Ireland. The person who receives the gift or inheritance has primary liability for CAT. Gifts and inheritances passing between spouses are exempt from CAT. Children have a tax-free threshold of €225,000 in respect of taxable gifts or inheritances received from their parents.

Risks Related to the Company's Corporate Structure

A number of factors may limit the Company's ability to pay dividends in the future.

The Company recently created distributable reserves by means of a reduction of share capital that was approved by the shareholders of the Company and the Irish High Court. In the event the Company chooses to seek to create further distributable reserves by means of a capital reduction, this will also require Irish High Court approval and shareholder approval. The Company is not aware of any reason why the Irish High Court would not approve the further creation of additional distributable reserves by means of a further capital reduction; however the issuance of the required order is a matter for the discretion of the Irish High Court. There also can be no guarantee that shareholder approval will be obtained.

The Company's ability to pay dividends will be limited by the availability of distributable reserves. Although distributable reserves can be created by means of a reduction in capital, the ongoing availability of distributable reserves will depend on whether the Company has, on an individual entity basis, "profits available for distribution" (within the meaning of the Irish Companies Acts); however, the future generation of additional distributable reserves cannot be guaranteed. The Company is a holding company that does not expect to conduct any business operations of its own. As a result, the Company will be dependent on cash dividends and distributions and other transfers from its subsidiaries in order to pay dividends to its shareholders. Any future

determination to declare dividends will be made at the discretion of the Company's board of directors, subject to compliance with applicable laws (including the Irish Companies Acts) and covenants under current or future credit facilities, which may restrict or limit the Company's ability to pay dividends. The determination also will depend on the Company's financial condition, results of operations, capital requirements, general business conditions and other factors that the Company's board of directors may deem relevant.

Irish shareholder voting requirements may limit the Company's flexibility with respect to certain aspects of capital management.

Under Irish law, the authorized share capital of the Company can be increased by an ordinary resolution of its shareholders, and the directors may issue new ordinary or preferred shares up to a maximum amount equal to the authorized but unissued share capital, without shareholder approval, once authorized to do so by the articles of association of the Company or by an ordinary resolution of the Company's shareholders. Additionally, subject to specified exceptions, Irish law grants statutory preemption rights to existing shareholders to subscribe for new issuances of shares for cash, but allows shareholders to authorize the waiver of the statutory preemption rights by way of special resolution with respect to any particular allotment of shares. Accordingly, the Company's articles of association contain, as permitted by Irish company law, a provision authorizing the board to issue new shares for cash without offering preemption rights. The authorization of the directors to issue shares and the authorization of the waiver of the statutory preemption rights must both be renewed by the shareholders at least every five years, and the Company cannot provide any assurance that these authorizations will always be approved, which could limit the Company's ability to issue equity and thereby adversely affect the holders of the Company's securities.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS

The results for the year are provided in the Consolidated Profit and Loss Account. Included below is a summary of the results for the year and the state of affairs of the Company.

RESULTS OF OPERATIONS

The Company has five reportable segments, aligned primarily by type of product: Consumer Healthcare, Nutritionals, Rx Pharmaceuticals, API, and Specialty Sciences. In addition, the Company has an Other category that consists of the Israel Pharmaceutical and Diagnostic Products operating segment, which does not individually meet the quantitative thresholds required to be a separately reportable segment.

In addition to general management and strategic leadership, each business segment has its own sales and marketing teams focused on servicing the specific requirements of its customer base. Each of these business segments share Research & Development, Supply Chain, Information Technology, Finance, Human Resources, Legal and Quality services.

CONSOLIDATED FINANCIAL RESULTS

	Fiscal Year End		
($ in millions)	**June 28, 2014**	**June 29, 2013**	**Percentage Change**
Net sales	$ 4,060.8	$ 3,539.8	15%
Gross profit	$ 1,447.7	$ 1,280.0	13%
Gross profit %	35.7%	36.2%	
Operating expenses	$ 880.7	$ 600.9	47%
Operating expenses %	21.7%	17.0%	
Operating income	$ 567.0	$ 679.1	(17)%
Operating income %	14.0%	19.2%	
Interest and other, net	$ 294.4	$ 71.4	312%
Income taxes	$ 67.3	$ 165.8	(59)%
Income from continuing operations	$ 205.3	$ 441.9	(54)%
Net income	$ 205.3	$ 441.9	(54)%

Net sales

Fiscal 2014 net sales increased $521.0 million over fiscal 2013 due primarily to $288.0 million of net sales attributable to acquisitions and new product sales of $231.4 million.

Gross profit

Fiscal 2014 gross profit increased $167.7 million over fiscal 2013 in line with the net sales increase. As a percent of sales, gross profit decreased due primarily to increased amortization expense associated with the Tysabri® intangible asset acquired during fiscal 2014.

Operating expenses

Fiscal 2014 operating expenses increased over fiscal 2013 due primarily to $108.9 million of transaction costs incurred in connection with the Elan acquisition, $47.0 million of restructuring expense and an increase of $37.3 million related to research and development expenses incurred in accordance with the Company's strategy.

Interest and other, net

Fiscal 2014 interest and other, net increased over fiscal 2013 due primarily to the $165.8 million loss in connection with the retirement of former debt arrangements and issuing new debt.

Performance Evaluation Criteria

The Company's management evaluates business performance using a Return on Invested Capital ("ROIC") metric. This includes evaluating performance of business segments, manufacturing locations, product categories and capital projects. Business segment performance is expected to meet or exceed the Company's weighted average cost of capital ("WACC") each year. Capital expenditures and large projects are required to demonstrate that they will contribute positively to ROIC in excess of the Company's WACC. Likewise, potential acquisition targets are evaluated on whether they have the capacity to deliver a ROIC in excess of 200 basis points over the Company's WACC within three years. In addition, improvement in return on capital is incorporated into management's Long-Term Incentive ("LTI") Plan. In order to make the overall ROIC metric more actionable for the broader operating management team, the metric used in the LTI award calculation is based on Return on Tangible Capital, which eliminates the direct effect of goodwill and acquired intangibles, and to incentivize management to focus on the critical business elements that they can directly impact. Both management and the Board of Directors regularly review corporate and business segment ROIC calculations as well as the return on tangible capital performance by segment and product category to track year-over year-improvements and/or the actions to achieve performance at or better than the required threshold.

Growth Strategy and Strategic Evaluation

Over recent years, the Company has been executing a strategy designed to expand its product offerings through both R&D and acquisitions and to reach new healthcare consumers through entry into new markets. This strategy is accomplished by investing in and continually improving all aspects of the Company's five strategic pillars: high quality, superior customer service, leading innovation, best cost and empowered people. The concentration of common shared service activities around the world and development of centers of excellence in R&D have played an important role in ensuring the consistency and quality of the Company's five strategic pillars.

Management plans to continue on its strategic path of growing the Company organically as well as inorganically. The Company continually reinvests in its own R&D pipeline and at the same time also works with partners as necessary to strive to be first to market with new products. In recent years, the Company has grown organically by launching a series of successful new products in the Consumer Healthcare and Rx Pharmaceuticals segments. Management expects to continue to grow inorganically through continued expansion into adjacent products, product categories and channels, as well as new geographic markets. Acquisition opportunities are evaluated on the basis of their ability to deliver long-term ROIC for the Company.

During fiscal 2014, the Company continued its strategic growth through the following product line expansions and acquisitions:

Product Launches:

- In partnership with Teva Pharmaceutical Industries Ltd., U.S. launch of temozolomide, generic equivalent of Temodar® in August 2013.
- Nitroglycerin lingual spray, 400 mcg/spray, the generic equivalent to Nitrolingual® pumpspray in September 2013.
- Fluocinonide cream 0.1%, the generic equivalent to Vanos® cream 0.1% in January 2014.
- Repaglinide tablets 1 mg and 2 mg, the generic equivalent to Prandin® tablets in January 2014.
- Sergeant's SENTRY Clean Up™ stain and odor remover product line in February 2014.
- Calcipotriene 0.005% / betamethasone dipropionate 0.064%, the authorized generic version of Taclonex® ointment in April 2014.
- Azelastine hydrochloride nasal spray (0.15%), the generic version of Astepro® nasal spray in May 2014.

Acquisitions:

- Acquisition in December 2013 of Elan, headquartered in Dublin, Ireland. The acquisition provides the Company with assets focused on the treatment of Multiple Sclerosis (Tysabri®).
- Acquisition in February 2014 of a distribution and license agreement for the marketing and sale of methazolomide from Fera Pharmaceuticals, LLC ("Fera").
- Acquisition in February 2014 of a basket of value-brand OTC products sold in Australia and New Zealand from Aspen Global Inc. ("Aspen"). The acquisition of this product portfolio broadens the Company's product offering in Australia and New Zealand and furthers the Company's strategy to expand the Consumer Healthcare portfolio internationally.

Capital and Liquidity

The Company's goal in managing its capital structure is to provide sufficient liquidity to enable it to pursue its business goals and objectives while optimizing long-term flexibility. Over its recent history, the Company has increasingly focused on the importance of funding a majority of its core organic objectives through cash flows from operations. Management is incented to achieve improved cash flows from operations through individual segment operating income and working capital targets and strives to achieve annual cash flows from operations greater than net income. Capital expenditures for the last three fiscal years were at higher levels to allow for capacity expansion, quality and technology investments, API strategic transformations and integration of acquisitions. Capital expenditures for fiscal 2015 are expected to be at or slightly above fiscal 2014 levels to allow for continued manufacturing productivity and capacity projects, quality and technology

investments and investments at newly acquired entities. To support its inorganic acquisition strategies, the Company seeks to maintain access to a broad range of debt capital markets to optimize cost, flexibility and liquidity. The Company has historically provided shareholder return of capital through its dividend policy, payments under which have increased steadily over recent years. Share repurchases authorized by the Company's Board of Directors are evaluated against alternative uses of cash, such as acquisitions and debt repayments, and when approved are typically made at levels to help offset the dilutive effects of share-based compensation awards. Refer to the Financial Condition, Liquidity and Capital Resources and Results of Operations sections below for a more detailed discussion of the Company's capital and liquidity.

CHANGES IN FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company finances its operations with internally-generated funds, supplemented by credit arrangements with third parties and capital market financing. The Company routinely monitors current and expected operational requirements and financial market conditions to evaluate accessing other available financing sources, including revolving bank credit and securities offerings. Based on the Company's current financial condition and credit relationships, management believes that the Company's operations and borrowing resources are sufficient to provide for the Company's current and foreseeable capital requirements. However, the Company continues to evaluate the impact of commercial and capital market conditions on liquidity and may determine that modifications to the Company's capital structure are appropriate if market conditions deteriorate or if favorable capital market opportunities become available.

Cash

Cash increased $25.5 million to $805.4 million at June 28, 2014 from $779.9 million at June 29, 2013. Working capital, including cash, at June 28, 2014 was consistent with June 29, 2013 at $1.5 billion. In addition to the cash balance of $805.4 million at June 28, 2014, the Company had approximately $600.0 million available under its revolving loan commitment and $200.0 million available under its accounts receivable securitization program described below.

Cash and cash flows from operations and borrowings available under the Company's credit facilities are expected to be sufficient to finance the known and/or foreseeable liquidity, capital expenditures, dividends, acquisitions and, to the extent authorized, share repurchases of the Company. Although the Company's lenders have made commitments to make funds available to it in a timely fashion, if economic conditions worsen or new information becomes publicly available impacting the institutions' credit rating or capital ratios, these lenders may be unable or unwilling to lend money pursuant to the Company's existing credit facilities.

	Fiscal Year Ended	
($ in millions)	**June 28, 2014**	**June 29, 2013**
Net cash from operating activities	$ 693.5	$ 553.8
Net cash for investing activities	$ (1,704.8)	$ (947.8)
Net cash from financing activities	$ 1,028.0	$ 577.2

In fiscal 2014, net cash provided from operating activities increased $139.7 million or 25% to $693.5 million compared to $553.8 million in fiscal 2013, due primarily to increased earnings. Net cash used for investing activities increased $757.0 million to $1.7 billion for fiscal 2014 compared to $947.8 million for fiscal 2013. This increase was due primarily to cash used to acquire Elan as well as increased capital expenditures, partially offset by proceeds from the sale of the Company's investments in Prothena and Janssen AI. The increase in cash provided from financing activities was due primarily to net borrowings of long-term debt under the Company's term loan and revolver as well as the issuance of senior unsecured notes associated with the acquisition of Elan.

Accounts Receivable Securitization

On July 23, 2009, the Company entered into an accounts receivable securitization program (the "Securitization Program") with several of its wholly owned subsidiaries and Bank of America Securities, LLC. The program was most recently renewed for one year on June 13, 2014 with Wells Fargo Bank, National Association ("Wells Fargo") as sole agent. For further details please see Note 12 of the financial statements.

Bank Loan Facilities

On September 6, 2013, the Company entered into a $1.0 billion Term Loan Agreement (the "Term Loan") and a $600.0 million Revolving Credit Agreement (the "Revolver"). For further details please see Note 7 of the financial statements.

Senior Notes

On November 8, 2013, the Company issued $500.0 million aggregate principal amount of its 1.30% Senior Notes due 2016 (the "2016 Notes"), $600.0 million aggregate principal amount of its 2.30% Senior Notes due 2018 (the "2018 Notes"), $800.0 million aggregate principal amount of its 4.00% Senior Notes due 2023 (the "2023 Notes") and $400.0 million aggregate principal amount of its 5.30% Senior Notes due 2043 (the "2043 Notes" and, together with the 2016 Notes, the 2018 Notes and the 2023 Notes, the "Bonds") in a private placement with registration rights. Subsequent to June 28, 2014, the Bonds were registered with the Securities and Exchange Commission pursuant to the terms of the Registration Rights Agreement. For further details please see Note 7 of the financial statements.

Credit Ratings

The Company's credit ratings on June 28, 2014 were Baa3 (stable) and BBB (negative) by Moody's Investors Service and Standard and Poor's Rating Services, respectively.

Factors that can affect the Company's credit ratings include changes in operating performance, the economic environment, the Company's financial position, and changes in business strategy. If changes in the Company's credit ratings were to occur, they could impact, among other things, future borrowing costs, access to capital markets, and vendor financing terms.

COMPANY BOOKS OF ACCOUNTS

The directors are responsible for ensuring that the Company keeps proper books of accounting records and appropriate accounting systems. On a periodic basis, regular reports, certifications and attestations on the Company’s financial matters, internal control and fraud are made to the Audit Committee of the Board of Directors, who in turn, briefs the full Board of Directors on these matters. These measures ensure the compliance with requirements of Section 202 of the Companies Act, 1990. The books and accounting records of Perrigo Company plc are maintained at the Company’s registered offices located at Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland.

SIGNIFICANT EVENTS SINCE YEAR END

Subsequent events have been evaluated through September 29, 2014, the date this report was approved by the Audit Committee of the Board of Directors and the Board of Directors. See the Notes to the Consolidated Financial Statements for any disclosures related to subsequent events.

DIRECTORS’ INTEREST IN SHARES

No director, secretary or any member of their immediate families had any interest in shares or debentures of any subsidiary. Directors’ remuneration is set forth in Note 22 to the Consolidated Financial Statements. The interest of the directors and company secretary in ordinary share capital of Perrigo Company plc at June 28, 2014 and December 18, 2013 (being the date of their appointment as director) are as follows:

	At June 28, 2014			At December 18, 2013		
	Ordinary shares	Stock options	Restricted share units	Ordinary shares	Stock options	Restricted share units
Directors						
Laurie Brlas	8,974	7,225	868	8,974	7,225	868
Gary M. Cohen	11,868	10,278	868	11,868	10,278	868
Jacqualyn Fouse	2,433	2,726	868	2,433	2,726	868
David T. Gibbons	13,175	5,001	868	12,189	5,001	868
Ran Gottfried	11,725	2,726	868	13,159	2,726	868
Ellen R. Hoffing	7,601	14,435	868	7,601	14,435	868
Michael J. Jandernoa (1)	431,191	24,093	868	431,191	24,093	868
Gary K. Kunkle, Jr.	24,204	24,093	868	24,204	24,093	868
Herman Morris, Jr. (2)	4,728	24,093	868	22,198	24,093	868
Joseph C. Papa	95,500	145,815	28,300	96,655	165,815	28,300
Ben-Zion Zilberfarb	3,197	22,643	868	3,197	22,643	868
Secretary						
Todd W. Kingma(3)	8,892	39,024	5,427	8,892	41,579	5,427

(1) Shares owned consist of 868 shares owned directly by Mr. Jandernoa; 161,369 shares owned by the Michael J. Jandernoa Trust, of which Mr. Jandernoa is trustee; 85,082 shares owned by the Susan M. Jandernoa Trust, of which Mrs. Jandernoa is trustee; 64,840 shares owned by The Jandernoa 2018 Charitable Remainder Uni-Trust; and 119,032 shares owned by The Jandernoa 2028 Charitable Remainder Uni-Trust.

(2) Shares owned include 1,600 shares owned as custodian for Mr. Morris' children.

(3) Shares owned include 3,000 shares in Todd Kingma's Charitable Remainder Uni-Trust.

POLITICAL DONATIONS

No political contributions that require disclosure under Irish law were made during the year.

DIVIDENDS

Dividend payments were $46.1 million during fiscal 2014. On August 13, 2014, the Company declared a quarterly cash dividend of $0.0105 per share to shareholders of record on August 29, 2014. The dividend, totalling $14.1 million, was paid on September 16, 2014. We expect that we will continue to pay dividends comparable to this amount to holders of our ordinary shares. The timing, declaration and payment of future dividends to holders of our ordinary shares, however, will depend upon many factors, including the statutory requirements of Irish law, our earnings and financial condition, the capital requirements of our businesses, industry practice and any other factors deemed relevant.

FUTURE DEVELOPMENTS

As discussed in Note 2 of the Notes to the Consolidated Financial Statements, the Company's subsidiary Elan has the rights to receive royalties from Biogen Idec Inc. The amount of royalties received under this agreement is expected to be material to the future results of operations and cash flows. For the six-month period ending June 28, 2014, Elan recorded $146.7 million in royalties associated with this agreement. Further, Elan incurs costs associated with the ongoing business operations, and, as outlined in Note 10 of the Notes to the Consolidated Financial Statements, maintains investments in various equity interests. In addition, the Company expects to realize approximately $291.1 million of amortization expense annually associated with the intangible assets acquired with the acquisition of Elan discussed in Note 2 of the Notes to the Consolidated Financial Statements.

The Company expects to realize recurring annual operating expense and tax savings associated with the acquisition of Elan. Certain of these savings result from the elimination of redundant public company costs while optimizing back-office support. Additionally, in fiscal 2015, the Company expects to have a lower annual effective tax rate due to changes to the estimated jurisdictional mix of income and the new corporate structure attributable to the acquisition of Elan.

The Company is in the process of transitioning its long-term strategy for its API business from primarily third-party to a dual focus on third-party business, including products to be manufactured in India, and vertical integration of high value and more difficult-to-manufacture inputs to the Consumer Healthcare and Rx businesses in an effort to gain efficiencies and lower costs, thus increasing margins. With a limited pipeline of products in development for future third-party customer new product introductions, the API segment revenues will likely decrease in the future, while intercompany vertical integration revenues (which will be eliminated in consolidation) will potentially increase. The Company plans to continue to seek and execute upon niche, complex differentiated new product APIs opportunistically for its overall portfolio, commence production in the Company's new API site in India, and strive to develop unique collaborations and profit sharing agreements between the Company's API business and pharmaceutical companies globally.

Beginning in the third quarter of fiscal 2010, a branded competitor in the OTC market began to experience periodic interruptions of distribution of certain of its products in the adult and pediatric analgesic categories. These interruptions have included periods of time where supply of certain products has been suspended altogether. Due to this situation, which continued through fiscal 2013, the Company experienced an increase in demand for certain adult and pediatric analgesic products. This increased demand has generally had a positive impact on the Consumer Healthcare segment’s net sales over that period of time. At present, the branded competitor continues its progress to re-enter the market, and the Company believes that this re-entry should largely be complete over the next six to 12 months. The Company is considering the impact of this ongoing development in its forward-looking sales forecast, but it cannot fully predict the extent of consumers' re-acceptance of the branded products, the full extent of the branded competitor's marketing activities or the ultimate market share this competitor can be expected to achieve.

The Company anticipates that research and development expenditures will increase above fiscal 2014 levels in dollar terms but remain relatively flat as a percentage of net sales in the foreseeable future as the Company continues to cultivate its presence in the RX/OTC switch and generic pharmaceutical markets and to develop its internal research and development capabilities.

SUBSIDIARY COMPANIES AND BRANCHES

Information regarding subsidiary undertakings, including information regarding branches, is provided in Note 24.

GOING CONCERN

The directors have a reasonable expectation that Perrigo has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have chosen to adopt the going concern basis in preparing the financial statements.

AUDITORS

Ernst & Young, Chartered Accountants, who were appointed during the period, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Directors:

Joseph C. Papa

Chairman of the Board of Directors

Laurie Brlas

Director, Audit Committee Chair

29 September 2014

Directors' responsibilities statement

Company law in the Republic of Ireland requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Parent Company and of the Group and of the profit or loss of the Group for that period.

In preparing the financial statements of the Group, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- comply with applicable US generally accepted accounting principles to the extent that the use of US generally accepted accounting principles does not contravene any provision of the Companies Acts or of any regulations made there under, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are set out on pages 92 to 105), in respect of which the applicable accounting standards are those which are generally accepted in the Republic of Ireland.

The Directors have elected to prepare the Parent Company's financial statements in accordance with generally accepted accounting practice in Ireland (Irish GAAP) comprising the financial reporting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, together with the Companies Acts, 1963 to 2013.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Parent Company and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable US generally accepted accounting principles and comply with the provisions of the Companies Acts, 1963 to 2013. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors on 29 September 2014, and signed on its behalf by;

Joseph C. Papa	Laurie Brlas
Chairman of the Board of Directors	Director, Audit Committee Chair

Independent Auditor's Report to the members of Perrigo Company plc

We have audited the financial statements of Perrigo Company plc for the year ended 28 June 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Shareholders' Equity, the Parent Company Balance Sheet, the related notes 1 to 24 in respect of the group financial statements and the related notes 1 to 12 in respect to the parent company financial statements. The financial reporting framework that has been applied in the preparation of the group financial statements is Irish law and U.S. Generally Accepted Accounting Principles (U.S. GAAP), as defined in section 1 (1) of the Companies (Miscellaneous Provisions) Act, 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Acts or of any regulation made there under, and for the preparation of the parent company financial statements in accordance with Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 35, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the group financial statements give a true and fair view in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP), as defined in section 1 (1) of the Companies (Miscellaneous Provisions) Act, 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Acts or of any regulation made there under, of the state of the group's affairs as at 28 June 2014 and of its profit for the year then ended;
- the parent company balance sheet gives a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the parent company's affairs as at 28 June 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company balance sheet is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 28 June 2014 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Breffni Maguire

For and on behalf of Ernst & Young

Dublin

29 September 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT
(in millions, except per share amounts)

	Notes	June 28, 2014	June 29, 2013
Net sales	20	$ 4,060.8	$ 3,539.8
Cost of sales		2,613.1	2,259.8
Gross profit		1,447.7	1,280.0
Operating expenses			
Distribution		55.3	47.5
Research and development		152.5	115.2
Selling		208.6	186.1
Administration		411.3	240.2
Write-off of in-process research and development		6.0	9.0
Restructuring	18	47.0	2.9
Total		880.7	600.9
Operating income		567.0	679.1
Interest, net		103.5	65.8
Other expense (income), net		12.4	0.9
Share of loss in investments in associates		8.2	—
Loss on sales of investments		4.5	4.7
Loss on extinguishment of debt	7	165.8	—
Income from continuing operations before income taxes		272.6	607.7
Income tax expense	16	67.3	165.8
Income from continuing operations		205.3	441.9
Net income		**$ 205.3**	**$ 441.9**
Earnings per share			
Basic			
Continuing operations		$ 1.78	$ 4.71
Diluted			
Continuing operations		$ 1.77	$ 4.68
Weighted average shares outstanding	13		
Basic		115.1	93.9
Diluted		115.6	94.5
Dividends declared per share		$ 0.39	$ 0.35

The accompanying notes are an integral part of the Consolidated Financial Statements.

The Consolidated Financial Statements were approved by the Audit Committee of the Board of Directors and the Board of Directors on 29 September 2014, and signed on its behalf by;

Joseph C. Papa

Chairman of the Board of Directors

Laurie Brlas

Director, Audit Committee Chair

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions)

	June 28, 2014	June 29, 2013
Net income	$ 205.3	$ 441.9
Other comprehensive income (loss):		
Foreign currency translation adjustments	83.8	26.9
Change in fair value of derivative financial instruments, net of tax of $(1.2) million and $3.2 million, respectively	(11.6)	6.0
Change in fair value of investment securities, net of tax of $1.2 million and $0.0 million, respectively	2.4	4.4
Post-retirement liability adjustments, net of tax of $0.0 million and $0.2 million, respectively	(12.0)	0.3
Other comprehensive income (loss), net of tax	62.6	37.6
Comprehensive income	**$ 267.9**	**$ 479.6**

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(in millions)

Assets	**Notes**		**June 28, 2014**		**June 29, 2013**
Fixed assets					
Goodwill and other indefinite-lived intangible assets	3	$	3,543.8		1,174.1
Other intangible assets, net	3		6,787.0		1,157.6
Fixed assets, net	4		779.9		681.4
Investment in associates			57.4		4.4
Pension assets	17		10.6		—
Financial assets			99.6		62.3
Current assets					
Inventory	6		631.6		703.9
Debtors	5		1,137.5		773.4
Investment securities			5.9		—
Cash at bank and in hand			799.5		779.9
Total assets		**$**	**13,852.8**	**$**	**5,337.0**
Liabilities					
Shareholders' equity					
Called up share capital					
Ordinary shares, €0.001 par value, 10 billion shares authorized		$	0.2	$	—
Preferred shares, $0.0001 par value, 10 million shares authorized			—		—
Share premium			6,636.9		515.4
Profit and loss account			1,847.9		1,703.4
Other reserves			207.9		112.5
Total Perrigo shareholders' equity			8,692.9		2,331.4
Minority interest			0.8		1.2
Total shareholders' equity			8,693.7		2,332.6
Provision for liabilities					
Deferred income taxes	16		729.0		128.0
Other provisions	18		74.7		25.1
Creditors					
Debt	7		3,206.8		1,960.1
Creditors	8		1,148.6		891.2
Total for provisions and creditors			5,159.1		3,004.4
Total liabilities and shareholders' equity		**$**	**13,852.8**	**$**	**5,337.0**

The accompanying notes are an integral part of the consolidated financial statements.

The Consolidated Financial Statements were approved by the Audit Committee of the Board of Directors and the Board of Directors on 29 September 2014, and signed on its behalf by;

Joseph C. Papa

Chairman of the Board of Directors

Laurie Brlas

Director, Audit Committee Chair

CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

	June 28, 2014	June 29, 2013
Cash Flows From (For) Operating Activities		
Net income	$ 205.3	$ 441.9
Adjustments to derive cash flows		
Loss on extinguishment of debt	165.8	—
Write-off of in-process research and development	6.0	9.0
Losses on sales of investments	12.7	4.7
Restructuring and asset impairment	47.0	2.9
Depreciation and amortization	358.9	160.2
Share-based compensation	24.6	18.4
Income tax benefit from exercise of stock options	(2.5)	(1.4)
Excess tax benefit of stock transactions	(5.7)	(15.7)
Deferred income taxes	(53.8)	5.7
Subtotal	758.3	625.6
Changes in operating assets and liabilities, net of asset and business acquisitions and disposition		
Accounts receivable	(226.7)	(37.0)
Inventory	83.0	(94.6)
Accounts payable	(24.9)	6.5
Payroll and related taxes	(55.5)	(11.9)
Accrued customer programs	113.1	12.6
Accrued liabilities	23.0	8.4
Accrued income taxes	(10.7)	28.9
Other	33.9	15.3
Subtotal	(64.8)	(71.8)
Net cash from operating activities	693.5	553.8
Cash Flows (For) From Investing Activities		
Acquisitions of businesses, net of cash acquired	(1,605.8)	(852.3)
Purchase of securities	(15.0)	—
Proceeds from sale of securities	81.4	8.6
Additions to property and equipment	(171.6)	(104.1)
Proceeds from sales of property and equipment	6.2	—
Net cash for investing activities	(1,704.8)	(947.8)
Cash Flows (For) From Financing Activities		
Purchase of non-controlling interest	(7.2)	—
Borrowings (repayments) of short-term debt, net	(3.0)	5.0
Premium on early retirement of debt	(133.5)	—
Net proceeds from debt issuances	3,293.6	637.3
Repayments of long-term debt	(2,035.0)	(40.0)
Deferred financing fees	(48.8)	(6.0)
Excess tax benefit of stock transactions	5.7	15.7
Issuance of common stock	9.8	10.7
Repurchase of common stock	(7.5)	(12.4)
Cash dividends	(46.1)	(33.0)
Net cash from (for) financing activities	1,028.0	577.2
Effect of exchange rate changes on cash	2.9	(5.8)
Net increase in cash	19.6	177.4
Cash at bank and in hand, beginning of period	779.9	602.5
Cash at bank and in hand, end of period	**$ 799.5**	**$ 779.9**

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(in millions, except per share amounts)

	Called up share capital					
	Shares	**Amount**	**Share premium**	**Other reserves**	**Profit and loss account**	**Total**
Balance at June 30, 2012	93.5	$ —	$ 504.7	$ 39.4	$ 1,306.9	$ 1,851.0
Net income	—	—	—	—	441.9	441.9
Other comprehensive income	—	—	—	37.6	—	37.6
Issuance of common stock under:						—
Stock options	0.4	—	10.7	—	—	10.7
Restricted stock plan	0.4	—	—	—	—	—
Compensation for stock options	—	—	—	6.1	—	6.1
Compensation for restricted stock	—	—	—	12.3	—	12.3
Cash dividends, $0.35 per share	—	—	—	—	(33.0)	(33.0)
Tax effect from stock transactions	—	—	—	17.1	—	17.1
Repurchases of common stock	(0.1)	—	—	—	(12.4)	(12.4)
Balance at June 29, 2013	**94.1**	**—**	**515.4**	**112.5**	**1,703.4**	**2,331.4**
Net income	—	—	—	—	205.3	205.3
Other comprehensive income	—	—	—	62.6	—	62.6
Issuance of common stock under:						
Elan acquisition	39.4	0.1	6,117.1	—	—	6,117.2
Exchange of Perrigo Company shares (par value $0.00 per share) for Perrigo Company plc shares (par value €.001 per share)	—	0.1	(0.1)	—	—	—
Stock options	0.2	—	9.8	—	—	9.8
Restricted stock plan	0.2	—	—	—	—	—
Compensation for stock options	—	—	—	6.5	—	6.5
Compensation for restricted stock	—	—	—	18.1	—	18.1
Cash dividends, $0.39 per share	—	—	—	—	(46.1)	(46.1)
Tax effect from stock transactions	—	—	—	8.2	—	8.2
Repurchases of common stock	(0.1)	—	—	—	(7.5)	(7.5)
Registration of ordinary shares	—	—	(5.4)	—	—	(5.4)
Purchase of non-controlling interest	—	—	—	—	(7.2)	(7.2)
Balance at June 28, 2014	**133.8**	**$ 0.2**	**$ 6,636.9**	**$ 207.9**	**$ 1,847.9**	**$ 8,692.9**

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Amounts are in millions unless otherwise indicated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General Information

Perrigo Company plc (formerly known as Perrigo Company Limited, and prior thereto, Blisfont Limited) ("Perrigo" or "the Company"), was incorporated under the laws of Ireland on June 28, 2013, and became the successor registrant of Perrigo Company on December 18, 2013 in connection with the consummation of the acquisition of Elan Corporation, plc ("Elan"), which is discussed further in Note 2. From its beginnings as a packager of home remedies in 1887, Perrigo has grown to become a leading global healthcare supplier. Perrigo, through several wholly owned subsidiaries, develops, manufactures and distributes over-the-counter ("OTC") and generic prescription ("Rx") pharmaceuticals, nutritional products and active pharmaceutical ingredients ("API"), and has a specialty sciences business comprised of assets focused predominantly on the treatment of Multiple Sclerosis (Tysabri®). The Company is the world's largest manufacturer of OTC healthcare products for the store brand market. Perrigo's mission is to offer uncompromised "Quality Affordable Healthcare Products®", and it does so across a wide variety of product categories primarily in the U.S., United Kingdom, Mexico, Israel and Australia, as well as many other key markets worldwide, including Canada, China and Latin America.

The Company's fiscal year is a 52 or 53 week period, which ends the Saturday on or about June 30. Fiscal years 2014 and 2013 were comprised of 52 weeks and ended on June 28, 2014 and June 29, 2013, respectively. In the event that the Company has discontinued operations or changes to purchase accounting during the measurement period for business combinations, prior year financial statements are adjusted accordingly to conform to current financial reporting requirements.

The Company has five reportable segments, aligned primarily by type of product: Consumer Healthcare ("CHC"), Nutritionals, Rx Pharmaceuticals, API, and Specialty Sciences. In conjunction with the acquisition of Elan, the Company expanded its operating segments to include the Specialty Sciences segment, which is comprised of assets focused predominantly on the treatment of Multiple Sclerosis (Tysabri®). In addition, the Company has an Other category that consists of the Israel Pharmaceutical and Diagnostic Products operating segment, which does not individually meet the quantitative thresholds required to be a separately reportable segment. This segment structure is consistent with the way management makes operating decisions, allocates resources and manages the growth and profitability of the Company's business.

The consolidated financial statements of the Company have been prepared in accordance with Section 1 of the Companies (Miscellaneous provisions) Act 2009, which provides that a true and fair view of the state of affairs and profit or loss may be given by preparing the financial statements in accordance with generally accepted accounting principles in the United States (U.S. GAAP), as defined in Section 1(1) of the Companies (Miscellaneous provisions) Act 2009, to the extent that the use of those principles in the preparation of the consolidated financial statements does not contravene any provisions of the Companies Acts or of any regulations made thereunder.

These consolidated financial statements were prepared in accordance with Irish Company Law, to present to the shareholders of the Company and file with the Companies Registration Office in Ireland. Accordingly, these consolidated financial statements include presentation and additional disclosures required by the Republic of Ireland's Companies Acts, 1963 to 2013 (Companies Acts) in addition to those disclosures required under U.S. GAAP.

Terminology typically utilized in a set of U.S. GAAP financial statements has been retained for the benefit of those users of these financial statements who also access form 10-K U.S. GAAP financial statements, rather than defaulting to the terminology set out under Irish Company Law. Accordingly, references to net sales, net interest, income tax expense, net income and inventory have the same meaning as references to turnover, other interest receivable and similar income, interest payable and similar charges, tax on profit on ordinary, profit on ordinary activities after taxation and stocks under Irish Company Law.

The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

The preparation of consolidated financial statements requires management to make estimates and assumptions, which affect the reported earnings, financial position and various disclosures. Although the estimates are considered reasonable, actual results could differ from the estimates.

Perrigo's functional currency is United States Dollars (USD). The Company translates its non-U.S. operations' assets and liabilities denominated in foreign currencies into USD at current rates of exchange as of the balance sheet date and income and expense at the weighted average exchange rates. All resulting translation adjustments are recognized in Other Reserves.

b. Reconciliation to amounts reported in Perrigo's annual report on Form 10-K filed with the United States Securities and Exchange Commission

These Consolidated Financial Statements are prepared using U.S. GAAP to the extent that the use of such principles does not contravene Irish Company Law. The Consolidated Financial Statements included in the annual report on Form 10-K as filed on August 14, 2014 with the United States Securities and Exchange Commission are prepared using U.S. GAAP. The primary differences between these statutory financial statements and the Consolidated Financial Statements included on Form 10-K are the presentation format of the income statement and balance sheet and the inclusion of certain additional disclosures.

It is noted that there are no material differences to be reconciled between the two financial statements.

c. Revenue Recognition

The Company generally records revenues from product sales when the goods are shipped to the customer. For customers with Free on Board ("FOB") destination terms, a provision is recorded to exclude shipments estimated to be in-transit to these customers at the end of the reporting period. A sales allowance is recorded and accounts receivable are reduced as revenues are recognized for estimated losses on credit sales due to customer claims for discounts, price discrepancies, returned goods and other items. Revenue is also reduced for any contractual customer program arrangements and related liabilities are recorded concurrently.

The Company maintains customer-related accruals and allowances that consist primarily of chargebacks, rebates, sales returns, shelf stock allowances, administrative fees and other incentive programs. Some of these adjustments relate specifically to the Rx Pharmaceuticals segment while others relate only to the CHC and Nutritionals segments. Certain of these accruals and allowances are recorded in the balance sheet as current liabilities and others are recorded as a reduction in accounts receivable. Changes in these estimates and assumptions related to customer programs may result in additional accruals or allowances. Customer-related accruals and allowances were $318.0 million at June 28, 2014 and $170.8 million at June 29, 2013.

Revenues from service and royalty arrangements, including revenues from collaborative agreements, consist primarily of royalty payments, payments for research and development services, up-front fees and milestone payments. If an arrangement requires the delivery or performance of multiple deliverables or service elements, the Company determines whether the individual elements represent separate units of accounting. If the separate elements represent separate units of accounting, the Company recognizes the revenue associated with each element separately and revenue is allocated among elements based on their relative selling prices. If the elements within a multiple deliverable arrangement are not considered separate units of accounting, the delivery of an individual element is considered not to have occurred if there are undelivered elements that are considered essential to the arrangement. To the extent such arrangements contain refund clauses triggered by non-performance or other adverse circumstances; revenue is not recognized until all contractual obligations are satisfied. Non-refundable up-front fees are deferred and amortized to revenue over the related performance period. The Company estimates the performance period based on the specific terms of each collaborative agreement. Revenue associated with research and development services is recognized on a proportional performance basis over the period that the Company performs the related activities under the terms of the agreement. Revenue resulting from the achievement of contingent milestone events stipulated in the agreements is recognized when the milestone is achieved. Milestones are based upon the occurrence of a substantive element specified in the contract. Tysabri® represents 92% of total royalty revenue.

Shipping and handling costs billed to customers are included in net sales. Conversely, shipping and handling expenses incurred by the Company are included in cost of sales.

d. Cash at bank and in hand

Cash consist primarily of demand deposits and other short-term investments with maturities of three months or less at the date of purchase. The carrying amount of cash approximates its fair value.

e. Investments

Available for Sale Investments

The Company determines the appropriate classification of securities as held-to-maturity, available-for-sale, or trading. The classification depends on the purpose for which the financial assets were acquired. Marketable equity securities are classified as available-for-sale. These securities are carried at fair value with unrealized gains and losses included in Other reserves. The assessment for impairment of marketable securities classified as available-for-sale is based on established financial methodologies, including quoted market prices for publicly traded securities. If the Company determines that a loss in the value of the investment is other than temporary, the investment is written down to its estimated fair value. Any such losses are recorded in other expense (income), net. Non-current investment securities are recorded in Financial assets on the Consolidated Balance Sheet. See Note 10 for more information on the Company's investment securities.

Cost Method Investments

Non-marketable equity securities are carried at cost, less write-down-for-impairments, and are adjusted for impairment based on methodologies, including the valuation achieved in the most recent private placement by an investee, an assessment of the impact of general private equity market conditions, and discounted projected future cash flows. Non-marketable equity securities are recorded in Financial assets on the Consolidated Balance Sheet. See Note 10 for more information on the Company's investment securities.

Equity Method Investments

The equity method of accounting is used for unconsolidated entities over which the Company has significant influence; generally this represents ownership interests of at least 20% and not more than 50%. Under the equity method of accounting, the Company records the investments at carrying value adjusted for a proportionate share of the profits and losses of these entities. The Company evaluates its equity method investments for recoverability. If the Company determines that a loss in the value of the investment is other than temporary, the investment is written down to its estimated fair value. Any such losses are recorded in other expense (income), net. Evaluations of recoverability are based primarily on projected cash flows. Due to uncertainties in the estimation process, actual results could differ from such estimates. Equity method investments are recorded in Investment in associates on the Consolidated Balance Sheet. See Note 10 for more information on the Company's equity method investments.

f. Derivative Instruments

The Company records derivative instruments (including certain derivative instruments embedded in other contracts) on the balance sheet on a gross basis as either an asset or liability measured at fair value. See Note 11 for a table indicating where each component is recorded on the Consolidated Balance Sheet. Additionally, changes in the derivative's fair value, which are measured at the end of each period, are recognized in earnings unless specific hedge accounting criteria are met. If hedge accounting criteria are met for cash flow hedges, the changes in a derivative’s fair value are recorded in shareholders’ equity as a component of other comprehensive income ("OCI"), net of tax. These deferred gains and losses are recognized in income in the period in which the hedged item and hedging instrument affect earnings. Any ineffective portion of the change in fair value is immediately recognized in earnings.

The Company is exposed to credit loss in the event of non-performance by the counterparties on derivative contracts. It is the Company’s policy to manage its credit risk on these transactions by dealing only with financial institutions having a long-term credit rating of "A" or better and by distributing the contracts among several financial institutions to diversify credit concentration risk. Should a counterparty default, the Company's maximum exposure to loss is the asset balance of the instrument. The maximum term of the forward currency exchange contracts at June 28, 2014 and June 29, 2013 was 15 months.

g. Accounts Receivable

The Company maintains an allowance for doubtful accounts that reduces receivables to amounts that are expected to be collected. In estimating the allowance, management considers factors such as current overall and industry-specific economic conditions, statutory requirements, historical and anticipated customer performance, historical experience with write-offs and the level of past-due amounts. Changes in these conditions may result in additional allowances. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

h. Inventory

Inventory are stated at the lower of cost or market. Cost is determined using the first-in first-out ("FIFO") method. Inventory related to research and development is expensed at the point when it is determined the materials have no alternative future use. See Note 6 for further information.

i. Fixed Assets

Property and equipment are recorded at cost and are depreciated using the straight-line method. Useful lives for financial reporting range from 5 to 15 years for machinery and equipment and 10 to 45 years for buildings. Maintenance and repair costs are charged to earnings, while expenditures that increase asset lives are capitalized. See Note 4 for further information.

j. Goodwill and Intangible Assets

Irish Company law requires that goodwill is written off over a period of time which does not exceed its useful economic life. However, the Company does not believe this gives a true and fair view as not all goodwill and intangible assets decline in value. In addition, since goodwill that does decline in value rarely does so on a straight-line basis, straight-line amortization of goodwill over an arbitrary period does not reflect the economic reality. Consistent with U.S. GAAP, Perrigo considers goodwill an indefinite-lived intangible asset that is not amortized over an arbitrary period. Rather, the Company accounts for goodwill in accordance with US GAAP. Therefore in order to present a true and fair view of the economic reality, goodwill is considered indefinite-lived and is not amortized. The Company is not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful economic of goodwill cannot be predicted with a satisfactory level of reliability nor can the pattern in which goodwill diminishes be known.

Goodwill represents the cost of acquired companies in excess of the fair value of the net assets of such companies at the acquisition date. Goodwill is tested for impairment annually in the Company's fourth quarter, or more frequently if changes in circumstances or the occurrence of events suggest impairment exists. The test for impairment requires the Company to make several estimates about fair value, most of which are based on projected future cash flows and market valuation multiples. The estimates associated with the goodwill impairment tests are considered critical due to the judgments required in determining fair value amounts, including projected discounted future cash flows. Changes in these estimates may result in the recognition of an impairment loss.

Intangible assets have been acquired through various business acquisitions and include trademarks and trade names, in-process research and development (IPR&D), developed product technology/formulation and product rights, distribution and license agreements, customer relationships and non-compete agreements. The assets are typically initially valued using either the:

- *Relief from royalty method*: This method assumes that if the acquired company did not own the intangible asset or intellectual property, it would be willing to pay a royalty for its use. The benefit of ownership of the intellectual property is valued as the relief from the royalty expense that would otherwise be incurred. This method is typically used by the Company for valuing readily transferable intangible assets that have licensing appeal, such as trade names and trademarks and certain technology assets.

- *Multi-period excess earnings method*: This method starts with a forecast of the net cash flows expected to be generated by the asset over its estimated useful life. These cash flows are then adjusted to present value by applying an appropriate discount rate that reflects the risk factors associated with the cash flow streams. This method is typically used by the Company for valuing

intangible assets such as developed product technology, customer relationships, product formulations and IPR&D.

Indefinite-lived intangible assets include IPR&D and certain trademarks and trade names. IPR&D assets are recognized at fair value and are classified as indefinite-lived assets until the successful completion or abandonment of the associated research and development efforts. If the associated research and development is completed, the IPR&D asset becomes a definite-lived intangible asset and is amortized over the asset's assigned useful life. If it is abandoned, an impairment loss is recorded.

Indefinite-lived trademarks and trade names are tested for impairment annually during the Company's fourth quarter, or more frequently if changes in circumstances or the occurrence of events suggest impairment exists, by comparing the carrying value of the assets to their estimated fair values. An impairment loss is recognized if the carrying amount of the asset is not recoverable and its carrying amount exceeds its fair value.

Definite-lived intangible assets consist of a portfolio of developed product technology/formulation and product rights, distribution and license agreements, customer relationships, non-compete agreements, and certain trademarks and trade names. The assets are amortized on either a straight-line basis or proportionately to the benefits derived from those relationships or agreements. Useful lives vary by asset type and are determined based on the period over which the intangible asset is expected to contribute directly or indirectly to the company's future cash flows. The Company also reviews all other long-lived assets that have finite lives and that are not held for sale for impairment when indicators of impairment are evident by comparing the carrying value of the assets to their estimated future undiscounted cash flows.

See Note 3 for further information on the Company's goodwill and intangible assets.

k. Debt

Debt issuance costs are being amortized to interest expense over the life of the debt using the effective interest method. See Note 7 for further information regarding the Company’s indebtedness.

l. Share-Based Awards

The Company measures and records compensation expense for all share-based awards based on estimated grant date fair values and net of any estimated forfeitures over the vesting period of the awards. Forfeiture rates are estimated at grant date based on historical experience and adjusted in subsequent periods for any differences in actual forfeitures from those estimates.

The Company estimates the fair value of stock option awards granted based on the Black-Scholes option pricing model, which requires the use of subjective and complex assumptions. These assumptions include estimating the expected term that awards granted are expected to be outstanding, the expected volatility of the Company's stock price for a period commensurate with the expected term of the related options, and the risk-free rate with a maturity closest to the expected term of the related awards. Restricted stock and restricted stock units are valued based on the Company's stock price on the day the awards are granted. See Note 14 for further information on share-based awards.

m. Income Taxes

Deferred income tax assets and liabilities are recorded based upon the difference between the financial reporting and the tax reporting basis of assets and liabilities using the enacted tax rates. To the extent that available evidence raises doubt about the realization of a deferred income tax asset, a valuation allowance is established.

Provision has not been made for U.S. or additional non-U.S. taxes on undistributed post-acquisition earnings of non-U.S. subsidiaries because those earnings are considered permanently reinvested in the operations of those subsidiaries.

The Company records reserves for uncertain tax positions to the extent it is more likely than not that the tax position will be sustained on audit, based on the technical merits of the position. Periodic changes in reserves for uncertain tax positions are reflected in the provision for income taxes. The Company includes interest and penalties attributable to uncertain tax positions and income taxes as a component of its income tax provision.

n. Legal Contingencies

The Company is involved in product liability, patent, commercial, regulatory and other legal proceedings that arise in the normal course of business. Refer to Note 18 of the Notes to the Consolidated Financial Statements for further information. The Company records a liability when a loss is considered probable and the amount can be reasonably estimated. If the reasonable estimate of a probable loss is a range and no amount within that range is a better estimate, the minimum amount in the range is accrued. If a loss is not probable or a probable loss cannot be reasonably estimated, no liability is recorded. The Company has established reserves for certain of its legal matters, as described in Note 18. The Company also separately records any insurance recoveries that are probable of occurring.

o. Research and Development

All research and development costs, including payments related to products under development and research consulting agreements, are expensed as incurred. The Company may continue to make non-refundable payments to third parties for new technologies and for research and development work that has been completed. These payments may be expensed at the time of payment depending on the nature of the payment made.

The Company actively collaborates with other pharmaceutical companies to develop, manufacture and market certain products or groups of products. The Company's policy on accounting for costs of strategic collaborations determines the timing of the recognition of certain development costs. In addition, this policy determines whether the cost is classified as development expense or capitalized as an asset. Management is required to form judgments with respect to the commercial status of such products in determining whether development costs meet the criteria for immediate expense or capitalization. For example, when the Company acquires certain products for which there is already an ANDA or a New Drug Application ("NDA") approval directly related to the product, and there is net realizable value based on projected sales for these products, the Company capitalizes the amount paid as an intangible asset. If the Company acquires product rights that are in the development phase and as to which the Company has no assurance that the third-party will successfully complete its development milestones, the Company expenses the amount paid. See Note 19 for more information on the Company’s current collaboration agreements.

p. Advertising Costs

The Company expenses advertising costs as incurred. The Company's advertising costs relate primarily to print advertising, direct mail and on-line advertising and social media communications for its consumer OTC, infant nutritionals and animal health businesses. Advertising costs were $41.4 million and $26.1 million in fiscal 2014 and 2013, respectively.

q. Earnings per Share ("EPS")

Basic EPS is calculated using the weighted average number of shares of common stock outstanding during each period. It excludes both the dilutive effects of additional common shares that would have been outstanding if the shares issued under stock incentive plans had been exercised and the dilutive effect of restricted shares and restricted share units, to the extent those shares and units have not vested. Diluted EPS is calculated including the effects of shares and potential shares issued under stock incentive plans, following the treasury stock method.

r. Defined Benefit Plans

As part of the Elan acquisition, the Company assumed responsibility for the funding of two Irish defined benefit plans. Two significant assumptions, the discount rate and the expected rate of return on plan assets, are important elements of expense and liability measurement. The Company evaluates these assumptions on an annual basis. Other assumptions involve employee demographic factors such as retirement patterns, mortality, turnover and the rate of compensation increase.

Actuarial gains and losses are recognized using the corridor method. Under the corridor method, to the extent that any cumulative unrecognized net actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognized over the expected average remaining working lives of the plan participants. Otherwise, the net actuarial gain or loss is recorded in OCI. The Company recognizes the funded status of benefit plans on the Consolidated Balance

Sheet. In addition, the Company recognizes the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic pension cost of the period as a component of OCI.

2. ACQUISITIONS

All of the below acquisitions, with the exception of the Vedants transaction, have been accounted for under the acquisition method of accounting, and the related assets acquired and liabilities assumed were recorded at fair value as of the acquisition date. For valuations that are indicated as preliminary, the allocation of the purchase price is based on valuation information, estimates and assumptions available at June 28, 2014. As the Company finalizes the fair value of assets acquired and liabilities assumed, any additional purchase price adjustments will be recorded during the measurement period. Fair value estimates are based on a complex series of judgments about future events and rely heavily on estimates and assumptions. The judgments used to determine the estimated fair value assigned to each class of assets and liabilities assumed, as well as asset lives, can materially impact the Company's results of operations. The finalization of the purchase accounting assessment may result in changes in the valuation of assets acquired and liabilities assumed and may have a material impact on the Company's results of operations and financial position. The effects of all acquisitions described below were included in the Consolidated Financial Statements prospectively from the date of acquisition. Unless otherwise indicated, acquisition costs incurred were immaterial and were recorded in administration expense.

Fiscal 2014 Acquisitions

Aspen Global Inc. **–** On February 28, 2014, the Company acquired a basket of value-brand OTC products sold in Australia and New Zealand from Aspen Global Inc. ("Aspen"). The acquisition of this product portfolio broadens the Company's product offering in Australia and New Zealand and furthers the Company's strategy to expand the Consumer Healthcare portfolio internationally. Operating results attributable to the acquired Aspen products are included in the Consumer Healthcare segment.

The intangible assets acquired consisted of trademarks and trade names, customer relationships, and non-compete agreements. Customer relationships were assigned a 15-year useful life. Trademarks and trade names were assigned a 25-year useful life and non-compete agreements were assigned a 5-year useful life. Goodwill is deductible for tax purposes.

Fera Pharmaceuticals, LLC **–** On February 18, 2014, the Company acquired a distribution and license agreement for the marketing and sale of methazolomide from Fera Pharmaceuticals, LLC ("Fera"), a privately-held specialty pharmaceutical company. The acquisition of this agreement further expands the Company's ophthalmic offerings. Operating results attributable to this agreement are included in the Rx Pharmaceuticals segment. The intangible asset acquired was assigned a 15-year useful life.

Elan Corporation, plc - On December 18, 2013, the Company acquired Elan in a cash and stock transaction as follows (in millions except per share data):

Elan shares outstanding as of December 18, 2013		515.7
Exchange ratio per share		0.07636
Total Perrigo shares issued to Elan shareholders		39.4
Perrigo per share value at transaction close on December 18, 2013	$	155.34
Total value of Perrigo shares issued to Elan shareholders	$	6,117.2
Cash consideration paid at $6.25 per Elan share		3,223.2
Cash consideration paid for vested Elan stock options and share awards		111.5
Total consideration	$	9,451.9

In addition, the Company paid cash consideration of $16.1 million to the Elan stock option and share award holders for the unvested portion of their awards, which was charged to earnings during fiscal 2014.

At the completion of the transaction, the holder of each Elan ordinary share and each Elan American Depositary Share received from Perrigo $6.25 in cash and 0.07636 of a Perrigo ordinary share. As a result of the transaction, based on the number of outstanding shares of Perrigo and Elan as of December 18, 2013,

former Perrigo and Elan shareholders held approximately 71% and 29%, respectively, of Perrigo's ordinary shares immediately after giving effect to the acquisition.

Elan, headquartered in Dublin, Ireland, provides the Company with assets focused on the treatment of Multiple Sclerosis (Tysabri®). The Company's management believes the acquisition of Elan will provide recurring annual operational synergies, related cost reductions and tax savings. Certain of these synergies result from the elimination of redundant public company costs while optimizing back-office support. The jurisdictional mix of income and the new corporate structure have resulted in a lower world-wide effective tax rate.

The operating results for Elan are included in the Specialty Sciences segment. See Note 20 for further information on this new reportable segment. During fiscal 2014, the Company incurred one-time acquisition-related costs of $284.9 million, which were expensed as incurred. These costs were recorded in unallocated expenses and related primarily to general transaction costs (legal, banking and other professional fees), financing fees, and debt extinguishment. See Note 7 for further details on the loss on extinguishment of debt. The table below details these transaction costs and where they were recorded in the Consolidated Statement of Income for fiscal 2014 (in millions).

Line item	Fiscal 2014
Administration expense	$ 108.9
Interest, net	10.0
Other expense (income), net	0.2
Loss on extinguishment of debt	165.8
Total acquisition-related costs	$ 284.9

The Company acquired two definite-lived intangible assets in the acquisition, both of which are exclusive technology agreements:

- Tysabri®: The Company is entitled to royalty payments from Biogen Idec Inc. ("Biogen") based on its Tysabri® revenues in all indications and geographies. The royalty was 12% for the 12 month period ended May 1, 2014. Subsequent to May 1, 2014, the Company is entitled to 18% royalty payments on annual sales up to $2.0 billion and 25% royalty payments on annual sales above $2.0 billion. The asset's value is $5.8 billion, which is being amortized over its useful life of 20 years.

- Prialt: The Company is also entitled to royalty payments based on Prialt revenues. The royalty rates range from 7% to 17.5% based on specific levels of annual U.S. sales. The value of the intangible asset is $11.0 million, which is being amortized over its useful life of 10 years.

Additionally, the Company recorded $2.3 billion of goodwill, which is not deductible for tax purposes, that represents the expected synergies of the combined company, as described above. The following table reflects the allocation by reportable segment (in millions):

Segment	Goodwill
Consumer Healthcare	$ 1,116.1
Rx Pharmaceuticals	849.8
Nutritionals	178.4
Specialty Sciences	201.7
Total	$ 2,346.0

Purchase Price Allocation of Fiscal 2014 Acquisitions

The Company finalized the purchase price allocations for Aspen and Fera (methazolomide) during the fourth quarter of fiscal 2014. There were no adjustments for Aspen. For Fera (methazolomide), the final valuation resulted in an increase in the intangible asset of $0.8 million and a corresponding increase to the purchase in the form of contingent consideration.

The purchase price allocation for Elan is final other than the verification of the valuation and recording of tax accounts and the resulting effects on the value of goodwill. The Company expects to finalize these matters during the measurement period as final asset and liability valuations are completed. Since the initial valuation, revisions to the initial Elan allocation have included a $300.0 million reduction in intangible assets due to the attribution of specifically identified expenses, an additional $28.8 million in accrued expenses, an additional $8.8 million in non-current liabilities related to tax accruals, and a $67.7 million reduction in net deferred tax liabilities, resulting in a net increase in goodwill of $269.4 million. Additionally, $0.5 million that was initially included in the purchase price has been expensed since the initial valuation.

The below table indicates the purchase price allocation [(1)] for fiscal 2014 acquisitions (in millions):

	Aspen[(1)]	Fera[(1)]	Elan[(1)]
Purchase price paid	$ 53.7	$ 17.3	$ 9,451.9
Contingent consideration	—	0.8	—
Total purchase consideration	$ 53.7	$ 18.1	$ 9,451.9
Assets acquired:			
Cash at bank and in hand	$ —	$ —	$ 1,807.3
Investment securities	—	—	100.0
Accounts receivable	—	—	44.2
Inventory	2.7	0.3	—
Prepaid expenses and other current assets	—	—	27.1
Property and equipment	—	—	9.2
Goodwill	4.6	—	2,346.0
Intangible assets:			
Trade names and trademarks	34.8	—	—
Customer relationships	9.8	—	—
Non-competition agreements	1.8	—	—
Distribution and license agreements	—	17.8	5,811.0
Intangible assets	46.4	17.8	5,811.0
Other non-current assets	—	—	93.4
Total assets	53.7	18.1	10,238.2
Liabilities assumed:			
Accounts payable	—	—	2.0
Accrued liabilities	—	—	118.6
Deferred tax liabilities	—	—	634.5
Other non-current liabilities	—	—	31.2
Total liabilities	—	—	786.3
Net assets acquired	$ 53.7	$ 18.1	$ 9,451.9

[(1)] Aspen and Fera valuations are final. The Elan valuation is final other than the verification of information related to the tax accounts and the resulting effects on the value of goodwill.

Vedants Drug & Fine Chemicals Private Limited - To further improve the long-term cost position of its API business, on August 6, 2009, the Company acquired an 85% stake in Vedants Drug & Fine Chemicals Private Limited ("Vedants"), an API manufacturing facility in India, for $11.5 million in cash. The Company purchased the remaining 15% stake in Vedants during the second quarter of fiscal 2014 for $7.2 million in cash. The transaction was accounted for as an equity transaction and resulted in the elimination of the non-controlling interest.

Actual and Pro Forma Impact of Fiscal 2014 Acquisitions

The Company's Consolidated Financial Statements include operating results from the Aspen, Fera (methazolomide), and Elan acquisitions from the date of each acquisition through June 28, 2014. Net sales and operating loss attributable to the acquisitions during this period which are included in the Company's financial statements for fiscal 2014, totalled $168.5 million and $53.9 million respectively. The $53.9 million operating loss includes $152.8 million of intangible asset amortization expense and $41.2 million of restructuring charges, both of which relate to the Elan acquisition.

The following unaudited pro forma information gives effect to the Company's Aspen, Fera (methazolomide), and Elan acquisitions as if the acquisitions had occurred on July 1, 2012 and had been included in the Company's Consolidated Profit and Loss Accounts for fiscal 2014 and 2013 (in millions):

(Unaudited)	Fiscal 2014	Fiscal 2013
Net sales	$ 4,192.6	$ 3,669.0
Net income (loss)	$ 270.1	$ (616.3)

The historical consolidated financial information of the Company, Elan, and the acquired Fera and Aspen assets has been adjusted in the pro forma information to give effect to pro forma events that are (1) directly attributable to the transactions, (2) factually supportable and (3) expected to have a continuing impact on combined results. In order to reflect the occurrence of the acquisitions on July 1, 2012 as required, the unaudited pro forma results include adjustments to reflect the incremental amortization expense to be incurred based on the current preliminary values of each acquisition's identifiable intangible assets, along with the reclassification of acquisition-related costs from the period ended June 28, 2014 to the period ended June 29, 2013. The unaudited pro forma results do not reflect future events that have occurred or may occur after the acquisitions, including but not limited to, the anticipated realization of ongoing savings from operating synergies and tax savings in subsequent periods.

Fiscal 2013 Acquisitions

Fera Pharmaceuticals, LLC – On June 17, 2013, the Company acquired an ophthalmic sterile ointment and solution product portfolio from Fera. The acquisition of this product portfolio expanded the Company's ophthalmic offerings and position within the Rx extended topical space. Operating results attributable to this agreement are included in the Rx Pharmaceuticals segment. The intangible assets were assigned a 15-year useful life. Goodwill is deductible for tax purposes.

Velcera, Inc. – On April 1, 2013, the Company completed the acquisition of 100% of the shares of privately-held Velcera, Inc. ("Velcera"). Velcera, through its FidoPharm subsidiary, was a leading companion pet health product company committed to providing consumers with best-in-class companion pet health products that contain the same active ingredients as branded veterinary products, but at a significantly lower cost. FidoPharm products, including the PetArmor® flea and tick products, are available at major retailers nationwide, offering consumers the benefits of convenience and cost savings to ensure the highest quality care for their pets. The acquisition complemented the Sergeant's business, which was acquired in October 2012, and further expanded the Company's Consumer Healthcare animal health category.

During fiscal 2013, the Company incurred restructuring and integration-related costs of $2.9 million and $2.7 million, respectively. During fiscal 2014 the Company incurred an additional $1.4 million of restructuring costs. The operating results for Velcera are included in the Consumer Healthcare segment.

The intangible assets acquired consisted of a distribution and license agreement, customer relationships, trade name and trademarks, and non-compete agreements. The distribution and license agreement was assigned a 10-year useful life. The customer relationships were assigned a 20-year useful life, the trademarks and trade names were assigned a 25-year useful life, and the non-compete agreements were assigned a 3-year useful life. Goodwill is not deductible for tax purposes.

Rosemont Pharmaceuticals Ltd. – On February 11, 2013, the Company acquired 100% of the shares of privately-held Rosemont Pharmaceuticals Ltd. ("Rosemont"). Based in Leeds, U.K., Rosemont is a specialty and generic prescription pharmaceutical company focused on the manufacturing and marketing of oral liquid formulations. The acquisition expanded the global presence of the Company's Rx product offering into the U.K. and Europe. The operating results for Rosemont are included in the Rx Pharmaceuticals segment.

The intangible assets acquired consisted of developed product technology, IPR&D, trademarks and trade names, distribution and license agreements, and non-compete agreements. The developed product technology has a useful life of 7 years. IPR&D is considered to have an indefinite life until such time as the research is completed (at which time it becomes a definite-lived intangible asset) or is determined to have no future use (at which time it is impaired). The distribution and license agreements were assigned a 14-year useful life and the non-compete agreements were assigned a 3-year useful life. Goodwill is not deductible for tax purposes.

At the time of the acquisition, a step-up in the value of inventory of $3.2 million was recorded in the opening balance sheet as assets acquired and was based on valuation estimates. The step-up in inventory value was charged to cost of sales as the acquired inventory was sold during fiscal 2013. In addition, fixed assets were written up by $4.9 million to their estimated fair market value based on a valuation method that included both the cost and market approaches. This additional step-up in value is being depreciated over the estimated remaining useful lives of the assets.

Cobrek Pharmaceuticals, Inc. – On December 28, 2012, the Company acquired the remaining 81.5% interest of Cobrek Pharmaceuticals, Inc. ("Cobrek"), a privately-held drug development company, for $42.0 million in cash. In May 2008, the Company acquired the initial 18.5% minority stake in Cobrek for $12.6 million in conjunction with entering into a product development collaborative partnership agreement focused on generic pharmaceutical foam dosage form products. As of the acquisition date, the partnership had successfully yielded two commercialized foam-based products and had an additional two U.S. Food and Drug Administration ("FDA") approved foam-based products, both of which were launched during fiscal 2013. Cobrek derived its earnings stream primarily from exclusive technology agreements, which were assigned useful lives of 12 years. The acquisition of Cobrek further strengthened the Company's position in foam-based technologies for existing and future U.S. Rx products. Goodwill is not deductible for tax purposes.

In conjunction with the acquisition, the Company adjusted the fair value of its 18.5% non-controlling interest, which was valued at $9.5 million, and recognized a loss of $3.0 million in other expense, net. Also in conjunction with the acquisition, the Company incurred $1.5 million of severance costs during fiscal 2013.

Sergeant's Pet Care Products, Inc. – On October 1, 2012, the Company completed the acquisition of substantially all of the assets of privately-held Sergeant's. Headquartered in Omaha, Nebraska, Sergeant's was a leading supplier of animal health products, including flea and tick remedies, health and well-being products, natural and formulated treats, and consumable products. The acquisition expanded the Company's Consumer Healthcare product portfolio into the animal health category.

The intangible assets acquired include developed product technology, trademarks and trade names, favourable supply agreements, customer relationships, and non-compete agreements. The developed product technology was assigned a 10-year useful life. Trademarks and trade names have an indefinite useful life. The favourable supply agreements were assigned a 7-year useful life. Customer relationships were assigned a 20-year useful life. Non-compete agreements were assigned useful lives ranging from 1 to 3 years. Goodwill is not deductible for tax purposes.

At the time of the acquisition, a step-up in the value of inventory of $7.7 million was recorded in the opening balance sheet as assets acquired and was based on valuation estimates, all of which was charged to cost of sales during fiscal 2013 as the acquired inventory was sold. In addition, fixed assets were written up by

$6.1 million to their estimated fair market value based on a valuation method that included both the cost and market approaches. This additional step-up in value is being depreciated over the estimated remaining useful lives of the assets.

Purchase Price Allocation of Fiscal 2013 Acquisitions

The purchase price allocations for all fiscal 2013 acquisitions are final. During fiscal 2014, the Company revised the initial estimate for Velcera, increasing intangible assets by $3.0 million and recording a corresponding decrease in goodwill. During fiscal 2013, the Company revised the initial estimate for Cobrek, increasing deferred tax assets by $3.6 million and recording a corresponding decrease in goodwill. The Company also finalized the Sergeant's valuation during fiscal 2013, which resulted in a $12.0 million decrease in other intangible assets and a corresponding increase in goodwill. Adjustments to the initial Fera and Rosemont valuations were immaterial. During fiscal 2014 the Company made a $6.7 million payment on the initial $22.2 million contingent consideration.

The below table indicates the final purchase price allocation for fiscal 2013 acquisitions (in millions):

	Fera	Velcera	Rosemont	Cobrek	Sergeant's
Purchase price paid	$ 88.4	$ 175.1	$ 282.9	$ 51.5	$ 285.0
Contingent consideration	22.2	—	—	—	—
Total purchase consideration	$ 110.6	$ 175.1	$ 282.9	$ 51.5	$ 285.0
Assets acquired:					
Cash at bank and in hand	$ —	$ 18.9	$ 2.1	$ —	$ —
Accounts receivable	—	6.3	10.6	—	19.7
Inventory	1.3	9.7	9.6	—	37.7
Property and equipment	—	0.6	13.1	—	25.4
Goodwill	2.8	62.5	147.0	15.3	80.2
Intangible assets:					
Developed product technology	107.0	—	114.6	51.1	66.1
Distribution and license agreements	—	116.0	3.6	—	1.3
Customer relationships	—	8.7	—	—	10.0
Trade names and trademarks	—	7.6	17.3	—	33.0
Non-competition agreements	—	3.0	1.5	—	—
IPR&D	—	—	11.2	—	—
Favourable supply agreement	—	—	—	—	25.0
Intangible assets	107.0	135.3	148.2	51.1	135.4
Deferred tax assets	—	7.9	0.2	3.6	1.5
Other non-current assets	—	0.4	0.8	0.3	3.0
Total assets	111.1	241.6	331.6	70.3	302.9
Liabilities assumed:					
Accounts payable	—	6.5	2.6	—	13.7
Accrued liabilities	0.5	4.8	7.6	—	4.2
Deferred tax liabilities	—	48.2	36.0	18.8	—
Other non-current liabilities	—	7.0	2.5	—	—
Total liabilities	0.5	66.5	48.7	18.8	17.9
Net assets acquired	$ 110.6	$ 175.1	$ 282.9	$ 51.5	$ 285.0

3. GOODWILL AND INTANGIBLES

Goodwill

Changes in the carrying amount of goodwill, by reportable segment, were as follows (in millions):

	Consumer Healthcare	Nutritionals	Rx Pharma-ceuticals	API	Specialty Sciences	Total
Balance as of June 29, 2013	$ 279.9	$ 331.7	$ 385.4	$ 92.2	$ —	$ 1,089.2
Business acquisitions	1,118.8	178.4	851.0	—	201.8	2,350.0
Currency translation adjustment	7.6	—	21.9	5.4		34.9
Balance as of June 28, 2014	$ 1,406.3	$ 510.1	$ 1,258.3	$ 97.6	$ 201.8	$ 3,474.1

The increase in goodwill in fiscal 2014 was due primarily to goodwill associated with the acquisition of Elan, which totalled $2.3 billion. The Company allocated $2.1 billion of goodwill to the reporting units that are expected to benefit from the synergies related to the transaction, see Note 2 for additional information. Additionally, the Company recorded $4.6 million of goodwill to the Consumer Healthcare segment due to the acquisition of the Aspen product portfolio.

During fiscal 2013, additions to goodwill in the Consumer Healthcare segment related to the Sergeant's and Velcera acquisitions and in the Rx Pharmaceuticals segment related to the Cobrek and Rosemont acquisitions, and the acquisition of the Fera product portfolio.

No impairment charges were recorded as a result of the annual goodwill impairment testing during fiscal 2014 or fiscal 2013.

Intangible Assets

Other intangible assets and related accumulated amortization consisted of the following (in millions):

	Distribution and license agreements	Developed product technology /formulation and product rights	Customer relationships	Other	Indefinite lived trademarks and in process R&D	Total
June 29 , 2013						
Cost	$ 192.7	$ 896.8	$ 358.2	$ 26.0	$ 84.8	$ 1,558.5
Accumulated amortization	(28.9)	(204.6)	(72.4)	(10.2)	-	(316.1)
Net book value	$ 163.8	$ 692.2	$ 285.8	$ 15.8	$ 84.8	$ 1,242.4
Acquisitions	$ 5,828.7	$ -	$ 9.8	$ 36.5	$ -	$ 5,875.0
Amortization expense	(160.9)	(92.7)	(23.2)	(4.1)	-	(280.9)
Transfers	-	13.0	-		(13.0)	-
Impairments					(6.0)	(6.0)
Currency translation	3.6	16.7	2.1	(.1)	3.9	26.2
June 28 , 2014						
Cost	$ 6,027.3	$ 931.7	$ 372.0	$ 63.1	$ 69.7	$ 7,463.8
Accumulated amortization	(192.1)	(302.5)	(97.5)	(15.0)	-	(607.1)
Net book value	$ 5,835.2	$ 629.2	$ 274.5	$ 48.1	$ 69.7	$ 6,856.7

Certain intangible assets are denominated in currencies other than the U.S. dollar; therefore, their gross and net carrying values are subject to foreign currency movements.

The increase in gross amortizable intangible assets during fiscal 2014 was due primarily to the Elan acquisition, and the Aspen and Fera product acquisitions, as discussed in Note 2. No impairment charges were recorded as a result of the annual intangible asset impairment testing during fiscal 2014 or fiscal 2013. However, the Company recorded an impairment charge on certain IPR&D assets during both years due to changes in the projected development and regulatory timelines for various projects. These impairments totalled $6.0 million and $9.0 million for fiscal 2014 and fiscal 2013, respectively.

Also during fiscal 2014, the remaining $13.0 million of IPR&D assets acquired as part of the Paddock acquisition was reclassified to a definite-lived developed product technology and is being amortized on a proportionate basis consistent with the economic benefits derived therefrom over an estimated useful life of 12 years. During fiscal 2013, $10.0 million was reclassified from IPR&D to a definite-lived developed product technology intangible asset and is being amortized on a straight-line basis over an estimated useful life of 12 years.

The Company recorded amortization expense of $281.0 million and $94.0 million during fiscal 2014 and 2013, respectively. The increase in amortization expense in fiscal 2014 was due primarily to the incremental amortization expense incurred on the amortizable intangible assets acquired as part of the Elan acquisition.

Estimated future amortization expense includes the additional amortization related to the recently acquired intangible assets subject to amortization. The estimated amortization expense for each of the following five years is as follows (in millions):

Fiscal Year	Amount
2015	$ 427.0
2016	438.0
2017	434.0
2018	427.0
2019	416.0

4. FIXED ASSETS

The Company held the following fixed assets at June 28, 2014 and June 29, 2013 (in millions):

	Land	Buildings	Machinery and equipment	Total
June 29 , 2013				
Cost	$ 36.0	$ 390.7	$ 863.7	$ 1,290.4
Accumulated depreciation	(7.7)	(178.4)	(422.7)	(608.9)
Net book value	$ 28.3	$ 212.2	$ 440.9	$ 681.4
Additions	$ 0.2	$ 41.8	$ 125.5	$ 167.5
Acquisitions	-	3.1	6.1	9.2
Disposals, gross asset	(0.7)	(11.7)	(7.4)	(19.8)
Disposals, accumulated depreciation	0.4	5.9	2.9	9.2
Depreciation expense	(0.3)	(16.8)	(60.1)	(77.2)
Currency translation	0.5	3.4	5.7	9.6
June 28, 2014				
Cost	$ 36.1	$ 430.3	$ 1,001.4	$ 1,467.8
Accumulated depreciation	(7.7)	(192.4)	(487.8)	(687.9)
Net book value	$ 28.4	$ 237.9	$ 513.6	$ 779.9

5. DEBTORS

Debtors	June 28, 2014	June 29, 2013
Amounts falling due within one year		
Accounts receivable net	$ 935.1	$ 651.9
Deferred income taxes	62.8	47.1
Value added tax refund receivable	10.0	1.5
Refundable Income tax	54.1	6.1
Prepaid expenses and other debtors	51.9	46.5
	1,113.9	753.1
Amounts falling due after one year		
Deferred income taxes	23.6	20.3
	23.6	20.3
Total debtors	$ 1,137.5	$ 773.4

6. INVENTORY

The Company maintains reserves for estimated obsolete or unmarketable inventory based on the difference between the cost of the inventory and its estimated net realizable value. In estimating the reserves, management considers factors such as excess or slow-moving inventories, product expiration dating, products on quality hold, current and future customer demand and market conditions. Changes in these conditions may result in additional reserves. Major components of inventory at June 28, 2014, and June 29, 2013, were as follows (in millions):

	June 28, 2014	June 29, 2013
Finished goods	$ 307.0	$ 333.9
Work in process	146.7	182.4
Raw materials	177.9	187.6
Total inventory	$ 631.6	$ 703.9

7. INDEBTEDNESS

Total borrowing outstanding are summarized as follows (in millions):

	June 28, 2014	June 29, 2013
Short term debt	$ 2.1	$ 5.0
Term loans		
2011 Term Loan due October 26, 2016	—	400.0
2013 Term Loan due December 18, 2015	300.0	—
2013 Term Loan due December 18, 2018	630.0	—
	930.0	400.0
Senior notes		
5.97% Unsecured Senior Notes due May 29, 2015[(1)]	—	75.0
4.91% Unsecured Senior Notes due April 30, 2017[(1)]	—	115.0
6.37% Unsecured Senior Notes due May 29, 2018[(1)]	—	125.0
5.45% Unsecured Senior Notes due April 30, 2020[(1)]	—	150.0
4.27% Unsecured Senior Notes due September 30, 2021[(1)]	—	75.0
5.55% Unsecured Senior Notes due April 30, 2022[(1)]	—	150.0
2.95% Unsecured Senior Notes due May 15, 2023, net of unamortized discount of $3.1 million	—	596.9
4.52% Unsecured Senior Notes due December 15, 2023[(1)]	—	175.0
4.67% Unsecured Senior Notes due September 30, 2026[(1)]	—	100.0
1.30% Unsecured Senior Notes due November 8, 2016, net of unamortized discount of $0.4 million[(2)]	499.6	—
2.30% Unsecured Senior Notes due November 8, 2018, net of unamortized discount of $0.7 million[(2)]	599.3	—
4.00% Unsecured Senior Notes due November 15, 2023, net of unamortized discount of $3.2 million[(2)]	796.8	—
5.30% Unsecured Senior Notes due November 15, 2043, net of unamortized discount of $1.7 million[(2)]	398.3	—
	2,294.0	1,561.9
Other financing	8.1	7.1
Deferred financing fees	(27.4)	(13.9)
Total borrowings outstanding	3,206.8	1,960.1
Less short-term debt and current portion of long-term debt	(143.7)	(46.2)
Total long-term debt, less current portion	$ 3,063.1	$ 1,913.9

(1) Private placement unsecured senior notes under Master Note Purchase Agreement discussed below collectively as the "Notes".

(2) Private placement unsecured senior notes with registration rights discussed below collectively as the "Bonds".

Bridge Agreements

On July 28, 2013, the Company entered into a $2.65 billion Debt Bridge Credit Agreement (the "Debt Bridge") and a $1.7 billion Cash Bridge Credit Agreement (the "Cash Bridge") with HSBC Bank USA, N.A. as Syndication Agent, Barclays Bank PLC as Administrative Agent and certain other participant banks (together, the "Bridge Credit Agreements"). The termination of commitments under such Bridge Credit Agreements was contingent on various factors, but not to be later than July 29, 2014. The funding commitment under the Debt Bridge was reduced by $1.0 billion on September 6, 2013 upon completion of the Company's Term Loan Agreement (see below) and by an additional $1.65 billion on November 8, 2013 upon funding into escrow of the Company's public bond offering (see below), at which time the Debt Bridge was terminated. The commitments under the Cash Bridge were terminated on December 24, 2013. At no time did the Company draw under the Bridge Credit Agreements. The Company incurred commitment fees under the Bridge Credit Agreements at a per annum rate of 0.175% from July 28, 2013 to termination of the Bridge Credit Agreements totalling $0.7 million for fiscal 2014. In addition, fees paid in relation to entering into the Bridge Credit Agreements totalled $19.0 million and were included in loss on debt extinguishment on the Company's Consolidated Profit and loss account for fiscal 2014.

Extinguishment of Old Debt

In November 2013, Perrigo Company, a wholly owned subsidiary of the Company, made scheduled payments totalling $40.0 million against its 2011 term loan. On December 18, 2013, the Company repaid the remaining principal balance of $360.0 million, together with accrued interest and fees of $0.4 million, then outstanding under its credit agreement dated as of October 26, 2011 with JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as Syndication Agents and certain other participant banks (the "2011 Credit Agreement"). Upon completion of such payment, the 2011 Credit Agreement was terminated in its entirety.

On November 20, 2013, Perrigo Company priced a Tender Offer and Consent Solicitation in regard to the 2.95% Notes which were issued pursuant to the Indenture dated as of May 16, 2013 between Perrigo Company and Wells Fargo Bank, National Association (the "Indenture"). Total tender consideration of $578.3 million was comprised of an aggregate principal amount of $571.6 million, a make-whole premium of $4.9 million, and accrued interest of $1.8 million. On December 26, 2013, pursuant to the Indenture, notice was given to holders that the remaining notes not duly tendered would be redeemed on December 27, 2013 at a redemption price of par plus accrued interest. On December 27, 2013, the redemption was completed for a total payment of $28.5 million comprised of aggregate principal of $28.4 million and accrued interest of $0.1 million. Upon completion of the redemption, the Indenture was terminated.

On December 23, 2013, Perrigo Company completed the prepayment of all obligations under its private placement senior notes (the "Notes"). All of the Notes were outstanding under the Master Note Purchase Agreement dated May 29, 2008 with various institutional investors (the "Note Agreement"). The terms of the Note Agreement provided for prepayment at any time at Perrigo Company's option together with applicable make-whole premiums and accrued interest. The total payment of $1,099.6 million was comprised of $965.0 million for the face amount of the Notes, $128.5 million for the make-whole premium, and $6.1 million for accrued interest. Upon completion of the prepayment, the Note Agreement was terminated.

As a result of the debt retirements, the Company recorded a loss of $165.8 million during fiscal 2014 as follows (in millions):

	Fiscal 2014
Make-whole payments	$ 133.5
Write-off of financing fees on Bridge Agreements	19.0
Write-off of deferred financing fees on old debt	10.5
Write-off of unamortized discount	2.8
Total loss on extinguishment of debt	$ 165.8

Issuance of New Debt

On September 6, 2013, the Company entered into a $1.0 billion Term Loan Agreement (the "Term Loan") and a $600.0 million Revolving Credit Agreement (the "Revolver") with Barclays Bank PLC as Administrative Agent, HSBC Bank USA, N.A. as Syndication Agent, Bank of America, N.A., JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A. as Documentation Agents and certain other participant banks (together, the "Permanent Credit Agreements"). The Term Loan consists of a $300.0 million tranche maturing December 18, 2015 and a $700.0 million tranche maturing December 18, 2018. Both tranches were drawn in full on December 18, 2013. No amounts were outstanding under the Revolver as of June 28, 2014. Obligations of the Company under the Permanent Credit Agreements are guaranteed by Perrigo Company, certain U.S. subsidiaries of Perrigo Company, Elan, and certain Irish subsidiaries of Elan. Amounts outstanding under each of the Permanent Credit Agreements will bear interest at the Company's option (a) at the alternative base rate or (b) the eurodollar rate plus, in either case, applicable margins as set forth in the Permanent Credit Agreements.

On November 8, 2013, the Company issued $500.0 million aggregate principal amount of its 1.30% Senior Notes due 2016 (the "2016 Notes"), $600.0 million aggregate principal amount of its 2.30% Senior Notes due 2018 (the "2018 Notes"), $800.0 million aggregate principal amount of its 4.00% Senior Notes due 2023 (the "2023 Notes") and $400.0 million aggregate principal amount of its 5.30% Senior Notes due 2043 (the "2043 Notes" and, together with the 2016 Notes, the 2018 Notes and the 2023 Notes, the "Bonds") in a private placement with registration rights. Interest on the Bonds is payable semi-annually in arrears in May and November of each year, beginning in May 2014. The Bonds are governed by a Base Indenture and a First Supplemental Indenture between the Company and Wells Fargo Bank N.A., as trustee (collectively the "2013 Indenture"). The Bonds are the Company's unsecured and unsubordinated obligations, ranking equally in right of payment to all of the Company's existing and future unsecured and unsubordinated indebtedness and are guaranteed on an unsubordinated, unsecured basis by the Company's subsidiaries that guarantee the Permanent Credit Agreements. The Company received net proceeds of $2.3 billion from issuance of the Bonds after deduction of issuance costs of $14.6 million and a market discount of $6.3 million. The Bonds are not entitled to mandatory redemption or sinking fund payments. The Company may redeem the Bonds in whole or in part at any time and from time to time for cash at the redemption prices described in the 2013 Indenture. Pursuant to the original terms of the agreement, The Company registered the bonds on September 2, 2014. The noteholders are allowed to exchange the Notes until September 30, 2014 at 5 pm, New York City time. The Exchange Notes to be issued in the Exchange Offer will be substantially identical to the Outstanding Notes, except that the Exchange Notes have been registered under the federal securities laws, are not subject to transfer restrictions, are not entitled to registration rights and will not provide for the payment of additional interest under circumstances relating to the timing of the Exchange Offer.

The Company was in compliance with all covenants under its various debt agreements as of June 28, 2014.

The annual future maturities of short-term and long-term debt, including capitalized leases, are as follows (in millions):

Fiscal Year	Amount
2015	$ 144.9
2016	443.4
2017	641.7
2018	140.2
2019	670.0
Thereafter	1,200.0

8. CREDITORS

Creditors	June 28, 2014	June 29, 2013
Amounts falling due within one year		
Accounts payable	$ 364.3	$ 382.0
Accrued payroll	102.2	75.0
Accrued payroll taxes	10.1	7.1
Accrued income taxes	17.4	11.6
Accrued customer programs	256.5	131.7
Accrued value added tax	2.4	—
Accrued liabilities	102.3	86.5
	855.2	693.9
Amounts falling due after one year		
Accrued income taxes	205.3	122.2
Other long term liabilities	88.1	75.1
	293.4	197.3
Total creditors	$ 1,148.6	$ 891.2

9. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy is used in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable.

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not observable.

The following tables summarize the valuation of the Company's financial instruments carried at fair value by the above pricing categories as of June 28, 2014 and June 29, 2013 (in millions):

	June 28, 2014			
	Level 1	Level 2	Level 3	Total
Assets:				
Investment securities	$ 20.7	$ —	$ —	$ 20.7
Foreign currency forward contracts	—	3.1	—	3.1
Funds associated with Israeli post-employment benefits	—	19.3	—	19.3
Total	$ 20.7	$ 22.4	$ —	$ 43.1
Liabilities:				
Contingent consideration	$ —	$ —	$ 17.4	$ 17.4
Interest rate swap agreements	—	8.3	—	8.3
Foreign currency forward contracts	—	0.8	—	0.8
Total	$ —	$ 9.1	$ 17.4	$ 26.5

	June 29, 2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Foreign currency forward contracts	$ —	$ 8.0	$ —	$ 8.0
Funds associated with Israeli post-employment benefits	—	16.1	—	16.1
Total	$ —	$ 24.1	$ —	$ 24.1
Liabilities:				
Contingent consideration	$ —	$ —	$ 22.2	$ 22.2
Interest rate swap agreements	—	10.8	—	10.8
Foreign currency forward contracts	—	0.4	—	0.4
Total	$ —	$ 11.2	$ 22.2	$ 33.4

The tables below present a reconciliation for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for years ended June 28, 2014 and June 29, 2013 (in millions).

	Balance at June 29, 2013	Net realized investment gains (losses) and net change in unrealized appreciation (depreciation) included in net income (loss)	Net change in unrealized appreciation (depreciation) included in other comprehensive income (loss)	Purchases or Additions	Sales	Settlements	Balance at June 28, 2014
Liabilities:							
Contingent Consideration	$ 22.2	$ 1.1	$ —	$ 0.8	$ —	$ (6.7)	$ 17.4

	Balance at June 30, 2012	Net realized investment gains (losses) and net change in unrealized appreciation (depreciation) included in net income (loss)	Net change in unrealized appreciation (depreciation) included in other comprehensive income (loss)	Purchases or Additions	Sales	Settlements	Balance at June 29, 2013
Assets:							
Investment securities	$ 6.5	$ —	$ 2.2	$ —	$ (8.6)	$ —	$ —
Liabilities:							
Contingent Consideration	2.9	(0.9)	—	22.2	—	(2.0)	22.2

Net realized gains (losses) in the tables above were recorded in other expense, net in the Consolidated Statements of Operations. There were no transfers between Level 1, 2, and 3 during years ended June 28, 2014 and June 29, 2013. The Company's policy regarding the recording of transfers between levels is to record any such transfers at the end of the reporting period. See Note 10 for information on the Company's investment securities. See Note 11 for a discussion of derivatives.

Israeli post-employment benefits represent amounts the Company has deposited in funds managed by financial institutions that are designated by management to cover post-employment benefits for its Israeli employees that are required by Israeli law. The funds are recorded in other non-current assets and values are determined using prices for recently traded financial instruments with similar underlying terms, as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Contingent consideration represents milestone payment obligations obtained through product acquisitions and is valued using estimates that utilize probability-weighted outcomes, sensitivity analysis, and discount rates reflective of the risk involved. The estimates are updated quarterly and the liabilities are adjusted to fair value depending on a number of assumptions, including the competitive landscape and regulatory approvals that may impact the future sales of a product.

Level 3 investment securities represented auction rate securities the Company sold during fiscal 2013. The fair value measurements for the investment securities were valued using Level 3 inputs, which included discount rates reflective of the illiquidity of the instruments.

As of June 28, 2014, the carrying value of the Company's fixed rate long-term debt was $2.3 billion and the fair value was $2.4 billion. As of June 29, 2013, the carrying value and fair value of the Company's fixed rate long-term debt were $1.6 billion and $1.5 billion, respectively. At June 28, 2014, the Company's fixed rate long-term debt consisted of private placement senior notes with registration rights. The fair value was determined by discounting the future cash flows of the financial instruments to their present value, using interest rates currently offered for borrowings and deposits of similar nature and remaining maturities (Level 2). At June 29, 2013, the fixed rate long-term debt consisted of private placement senior notes and public bonds. The private placement senior notes' fair value was calculated similarly to the private placement senior notes with registration rights mentioned above (Level 2), while the public bonds' fair value was determined by quoted market prices (Level 1).

The carrying amounts of the Company's financial instruments, consisting of cash, accounts receivable, accounts payable, short-term debt and variable rate long-term debt, approximate their fair value.

10. INVESTMENTS

Available for Sale Securities

As a result of the Elan acquisition, the Company acquired equity investment securities. The investments primarily included a 14.6% share in Prothena Corporation plc ("Prothena"), a drug discovery business incorporated in Ireland and traded on the NASDAQ Global Market. The investments also included a number of smaller interests in both public and privately-held emerging pharmaceutical and biotechnology companies. The Company sold its ownership stake in Prothena during fiscal 2014 for $79.4 million and recognized a loss on the sale of $9.9 million.

The Company also entered into a series of agreements with former collaboration partner Transition Therapeutics Inc. ("Transition") to progress the clinical development of ELND005 (Scyllo-inositol) in a number of important indications including Alzheimer's disease, Bipolar Disorder and Down Syndrome during fiscal 2014. As part of the agreement, Transition acquired all of the shares of a wholly owned, indirect Irish subsidiary of the Company, and is now solely responsible for all ongoing development activities and costs associated with ELND005. The Company made a $15.0 million investment in return for 2,255,640 common shares of Transition. The investment is carried at fair value and is included in other non-current assets on the Consolidated Balance Sheet.

Net unrealized investment gains (losses) on available for sale securities were as follows (in millions):

	Fiscal Year	
	2014	2013
Net unrealized investment gains (losses):		
Equity securities, at cost less impairments	$ 17.1	$ —
Gross unrealized gains	3.8	—
Gross unrealized losses	(0.2)	—
Estimated fair value of equity securities	$ 20.7	$ —

The equity securities in a gross unrealized loss position at June 28, 2014 were in that position for less than 12 months.

The factors affecting the assessment of impairments include both general financial market conditions and factors specific to a particular company. In the case of equity classified as available-for-sale, a significant and prolonged decline in the fair value of the security below its carrying amount is considered in determining whether the security is impaired. If any such evidence exists, an impairment loss is recognized in earnings.

All available for sale securities are listed on a recognized stock exchange. See note 9 for further details on the fair value of these investments.

Equity Method Investments/Investment in associates

The Company's equity method investments totalled $57.4 million and $4.4 million at June 28, 2014 and June 29, 2013, respectively, and are included in Investment in associates on the Consolidated Balance Sheet. During fiscal 2014, the Company acquired the following equity method investments with the Elan acquisition:

Janssen AI: A subsidiary of Johnson & Johnson, which in 2009, acquired all of the assets and liabilities related to Elan's Alzheimer's Immunotherapy Program collaboration with Wyeth (which has since been acquired by Pfizer). During fiscal 2014, the Company sold its 49.9% equity interest for $2.0 million, recording a loss on the sale of $2.7 million. Additionally, the Company recorded net losses of $1.6 million during fiscal 2014 related to the Company's share of Janssen AI's losses before it was sold.

Proteostasis Therapeutics, Inc. ("Proteostasis"): Proteostasis is focused on the discovery and development of disease modifying small molecule drugs and diagnostics for the treatment of neurodegenerative disorders and dementia-related diseases. The Company has a 22% equity interest in Proteostasis with a carrying value of $18.5 million at June 28, 2014. The Company recorded net losses of $1.5 million during fiscal 2014 related to the Company's share of Proteostasis losses during the period.

Newbridge Pharmaceutical Limited ("Newbridge"): Newbridge is a Dubai-based pharmaceuticals company specializing in in-licensing, acquiring, registering and commercializing drugs approved by the U.S. Food and Drug Administration ("FDA"), the European Medicines Agency and Japanese Pharmaceuticals and Medical Devices Agency to treat diseases with high regional prevalence in the Middle East, Africa, Turkey and the Caspian region. The Company has a 48% equity stake in Newbridge with a carrying value of $34.4 million at June 28, 2014. The Company has an option to acquire the majority of the remaining equity for approximately $243.0 million until March 2015. The Company recorded net losses of $5.6 million during fiscal 2014 related to the Company's share of Newbridge losses during the period.

The Company also has an investment in a joint venture in Xinghua, China, which the Company utilizes to source ibuprofen. The joint venture had a carrying value of $4.5 million and $4.4 million at June 28, 2014 and June 29, 2013, respectively.

11. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company enters into certain derivative financial instruments, when available on a cost-effective basis, to mitigate its risk associated with changes in interest rates and foreign currency exchange rates as follows:

Interest rate risk management - The Company is exposed to the impact of interest rate changes. The Company's objective is to manage the impact of interest rate changes on cash flows and the market value of the Company's borrowings. The Company utilizes a mix of debt maturities along with both fixed-rate and variable-rate debt to manage changes in interest rates. In addition, the Company may enter into treasury-lock agreements ("T-Locks") and interest rate swap agreements on certain investing and borrowing transactions to manage its interest rate changes and to reduce its overall cost of borrowing.

Foreign currency exchange risk management - The Company conducts business in several major international currencies and is subject to risks associated with changing foreign exchange rates. The Company's objective is to reduce cash flow volatility associated with foreign exchange rate changes to allow management to focus its attention on business operations. Accordingly, the Company enters into various contracts that change in value as foreign exchange rates change to protect the value of existing foreign currency assets and liabilities, commitments and anticipated foreign currency revenue and expenses.

All derivative instruments are managed on a consolidated basis to efficiently net exposures and thus take advantage of any natural offsets. Gains and losses related to the derivative instruments are expected to be largely offset by gains and losses on the original underlying asset or liability. The Company does not use derivative financial instruments for speculative purposes. The notional amount of all derivatives outstanding was $468.5 million and $494.9 million at June 28, 2014 and June 29, 2013, respectively.

Derivatives Instruments Designated as Hedges

As of June 28, 2014 and June 29, 2013, all of the Company's designated hedging instruments were classified as cash flow hedges. As noted in Note 1, for cash flow hedges that meet hedge accounting criteria, the fair value is recorded in shareholders' equity as a component of OCI, net of tax. These deferred gains and losses are recognized in income in the period in which the hedged item and hedging instrument affect earnings. Any ineffective portion of the change in fair value is immediately recognized in earnings.

Interest rate swaps

Interest rate swap agreements are contracts to exchange floating rate for fixed rate payments (or vice versa) over the life of the agreement without the exchange of the underlying notional amounts. The notional amounts of the interest rate swap agreements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The differential paid or received on the interest rate swap agreements is recognized as an adjustment to interest expense.

During fiscal 2014, the Company entered into a $1.0 billion Term Loan Agreement with floating interest rates priced off the LIBOR yield curve (see Note 7 for further information). The Company had pre-existing forward interest rate swap agreements with a notional amount totalling $240.0 million to hedge the change in the LIBOR rate of its previous term loans that were used to hedge the new Term Loan. At June 28, 2014 the after-tax loss for the effective portion of the hedge remaining in OCI totalled $5.0 million and is being amortized to earnings over the life of the debt.

During fiscal 2014, the Company entered into forward interest rate swap agreements to hedge against changes in interest rates that could impact the Company's new senior notes (discussed collectively in Note 7 as the "Bonds"). These swaps were designated as cash flow hedges of expected future debt issuances with a notional amount totalling $725.0 million. The agreements hedged the variability in future probable interest payments due to changes in the benchmark interest rate between the date the swap agreements were entered into and the date of future debt issuances. The interest rate swaps were settled upon the issuance of an aggregate of $2.3 billion principal amount on December 18, 2013 for a cumulative after-tax gain of $12.8 million, which was recorded in OCI and is being amortized to earnings over the life of the debt. Additionally, $0.5 million for the ineffective portion of the hedge was recorded to other expense (income), net. The effective portion remains in OCI at June 28, 2014 and is being amortized to earnings over the life of the debt.

During fiscal 2013, the Company entered into forward interest rate swap agreements with a notional amount totalling $300.0 million to hedge the exposure to the possible rise in the benchmark interest rate prior to

the issuance of the 2.95% Unsecured Senior Notes due May 15, 2023 discussed in Note 7. The interest rate swaps were settled upon the issuance of an aggregate of $600.0 million principal amount for a cumulative after-tax loss of $2.6 million, which was recorded in OCI and was amortized to earnings to interest expense until its termination discussed further below.

As further discussed in Note 7, the Company retired its private placement senior notes and redeemed its public bonds. Upon repayment of the underlying debt, the Company terminated the cash flow hedges related to the debt, resulting in a loss of $2.6 million recorded to other expense (income), net during fiscal 2014.

Foreign currency forward contracts

The Company enters into foreign currency forward contracts in order to hedge the impact of fluctuations of foreign exchange on expected future purchases and related payables denominated in a foreign currency and to hedge the impact of fluctuations of foreign exchange on expected future sales and related receivables denominated in a foreign currency. Both types of forward contracts have a maximum maturity date of 15 months.

During fiscal 2014, the Company reclassified $0.1 million from Other reserves to earnings related to the discontinuance of certain cash flow hedges, as the Company no longer considered it probable that the original forecasted transactions would occur.

Derivative Instruments Not Designated as Hedges

The Company also has forward foreign currency contracts that are not designated as hedging instruments. Accordingly, these derivative instruments are adjusted to current market value at the end of each period through earnings. The gains or losses on these instruments are substantially offset by the remeasurement adjustment on the foreign currency denominated asset or liability. The settlement of the derivative instrument and the remeasurement adjustment on the foreign currency denominated asset or liability are both recorded in other expense (income), net at the end of each period. The Company recorded a loss of $0.1 million and a gain of $4.7 million, related to these contracts during fiscal 2014 and 2013 respectively.

Fair Value Hedges

During fiscal 2014, the Company entered into three pay-floating interest rate swaps with a total notional amount of $425.0 million to hedge changes in the fair value of the Company's senior notes from fluctuations in interest rates. These swaps were designated and qualified as fair value hedges of the Company's fixed rate debt. Accordingly, the gain or loss recorded on the pay-floating interest rate swaps was directly offset by the change in fair value of the underlying debt. Both the derivative instrument and the underlying debt were adjusted to market value at the end of each period with any resulting gain or loss recorded in other expense (income), net. As a result, the Company recorded a net hedge loss of $3.2 million in other expense (income), net during fiscal 2014.

Due to the retirement of the underlying senior notes described in Note 7, the Company terminated its fair value hedges by settling the swap contracts, resulting in net proceeds of $0.9 million. In addition, a loss of $4.1 million was recognized on the change in the fair value of the underlying debt and was recorded in other expense (income), net, during fiscal 2014.

The balance sheet location and gross fair value of the Company's derivative instruments at June 28, 2014 and June 29, 2013 were as follows (in millions):

	Asset Derivatives		
	Balance Sheet Location	Fair Value	
		June 28, 2014	June 29, 2013
Hedging derivatives:			
Foreign currency forward contracts	Debtors	$ 2.8	$ 7.2
Total hedging derivatives		$ 2.8	$ 7.2
Non-hedging derivatives:			
Foreign currency forward contracts	Debtors	$ 0.3	$ 0.8
Total non-hedging derivatives		$ 0.3	$ 0.8

	Liability Derivatives		
	Balance Sheet Location	Fair Value	
		June 28, 2014	June 29, 2013
Hedging derivatives:			
Foreign currency forward contracts	Creditors	$ 0.7	$ 0.2
Interest rate swap agreements	Creditors	8.3	10.8
Total hedging derivatives		$ 9.0	$ 11.0
Non-hedging derivatives:			
Foreign currency forward contracts	Creditors	$ 0.1	$ 0.2
Total non-hedging derivatives		$ 0.1	$ 0.2

The effects (gross of tax) of the Company's cash flow hedges on the Profit and Loss Account and Statements of Other Comprehensive Income (Loss) at June 28, 2014 and June 29, 2013 were as follows (in millions):

Derivatives Qualifying for Cash Flow Hedging	Amount of (Gain)/ Loss Recognized in OCI on Derivative (Effective Portion)		Location and Amount of (Gain)/Loss Reclassified from Other Reserves into Income (Effective Portion)			Location and Amount of (Gain)/Loss Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)		
	June 28, 2014	June 29, 2013		June 28, 2014	June 29, 2013		June 28, 2014	June 29, 2013
T-Locks	$ —	$ —	Interest, net	$ (0.2)	$ 0.4	Interest, net	$ (2.3)	$ —
Interest rate swap agreements	(7.2)	1.3	Interest, net	(3.9)	(5.0)	Interest, net	5.4	—
Foreign currency forward contracts	(15.1)	10.6	Net sales	2.5	2.9	Net sales	0.1	—
			Cost of sales	6.3	(4.3)	Cost of sales	(0.3)	(0.2)
			Interest, net	0.2	0.1			
			Other (income) expense, net	2.2	3.2			
Total	$ (22.3)	$ 11.9		$ 7.1	$ (2.7)		$ 2.9	$ (0.2)

The Company expects $5.1 million to be reclassified from Other reserves into earnings over the next 12 months. This reclassification is due to the sale of inventory that includes previously hedged purchases and the amortization of the gain or loss recognized on the settlement of the Company's interest rate swaps.

The effects (gross of tax) of the Company's fair value hedges on the Statements of Profit and Loss at June 28, 2014 and June 29, 2013 were as follows (in millions):

Fair Value Hedges	Location and Amount of (Gain)/Loss Recognized into Income	June 28, 2014	June 29, 2013	Related Hedged Item	Location and Amount of (Gain)/Loss Recognized in Income on Related Hedged Item	June 28, 2014	June 29, 2013
Interest rate swap agreements	Other expense (income), net	$ (0.9)	$ —	Fixed-rate debt	Other expense (income), net	$ 4.1	$ —

12. ACCOUNTS RECEIVABLE SECURITIZATION

On July 23, 2009, the Company entered into an accounts receivable securitization program (the "Securitization Program") with several of its wholly owned subsidiaries and Bank of America Securities, LLC. The program was most recently renewed for one year on June 13, 2014 with Wells Fargo Bank, National Association ("Wells Fargo") as sole agent.

The Securitization Program is a one-year program, expiring June 13, 2015. Under the terms of the Securitization Program, the subsidiaries sell certain eligible trade accounts receivables to a wholly owned bankruptcy-remote special purpose entity ("SPE"), Perrigo Receivables, LLC. The Company has retained servicing responsibility for those receivables. The SPE will then transfer an interest in the receivables to the Committed Investors. Under the terms of the Securitization Program, Wells Fargo has committed $200.0 million, effectively allowing the Company to borrow up to that amount, subject to a Maximum Net Investment calculation as defined in the agreement. At June 28, 2014, the entire $200.0 million committed amount of the Securitization Program was available under this calculation. The annual interest rate on any borrowing is equal to thirty-day LIBOR plus 0.375%. In addition, an annual facility fee of 0.375% is applied to the entire $200.0 million commitment whether borrowed or undrawn. Under the terms of the Securitization Program, the Company may elect to have the entire amount or any portion of the facility unutilized.

Any borrowing made pursuant to the Securitization Program will be classified as short-term debt in the Company's Consolidated Balance Sheet. The amount of the eligible receivables will vary during the year based on seasonality of the business and could, at times, limit the amount available to the Company from the sale of these interests. At June 28, 2014 and June 29, 2013, there were no borrowings outstanding under the Securitization Program.

13. EARNINGS PER SHARE

A reconciliation of the numerators and denominators used in the basic and diluted EPS calculation follows (in millions):

	Fiscal Year	
	2014	2013
Numerator:		
Income from continuing operations	$ 205.3	$ 441.9
Income from discontinued operations, net of tax	—	—
Net income used for both basic and diluted EPS	$ 205.3	$ 441.9
Denominator:		
Weighted average shares outstanding for basic EPS	115.1	93.9
Dilutive effect of share-based awards	0.5	0.6
Weighted average shares outstanding for diluted EPS	115.6	94.5

Share-based awards outstanding that were anti-dilutive totalled 0.1 million and 0.2 million, for fiscal 2014 and 2013, respectively. Share-based awards that were anti-dilutive were excluded from the diluted EPS calculation.

14. SHAREHOLDERS' EQUITY

In January 2003, the Board of Directors adopted a policy of paying quarterly dividends. The Company paid dividends of $46.1 million and $33.0 million, or $0.39 and $0.35, during fiscal 2014 and 2013 respectively. The declaration and payment of dividends and the amount paid, if any, are subject to the discretion of the Board of Directors and depend on the earnings, financial condition, capital and surplus requirements of the Company and other factors the Board of Directors may consider relevant.

The Company does not currently have a common stock repurchase program, but does repurchase shares in private party transactions from time to time. Private party transactions are shares repurchased in connection with the vesting of restricted stock awards to satisfy employees' minimum statutory tax withholding obligations. During fiscal 2014, the Company repurchased 60 thousand shares of common stock for $7.5 million in private party transactions. During fiscal 2013, the Company repurchased 112 thousand shares of common stock for $12.4 million in private party transactions. All ordinary shares repurchased by the Company will either be cancelled or held as treasury shares available for reissuance in the future for general corporate purposes.

Share-Based Compensation Plans

All share-based compensation for employees and directors is granted under the 2008 Long-Term Incentive Plan, as amended. The plan has been approved by the Company's shareholders and provides for the granting of awards to its employees and directors. As of June 28, 2014, there were 5.5 million shares available to be granted. The purpose of the plan is to attract and retain individuals of exceptional managerial talent and encourage these individuals to acquire a vested interest in the Company's success and prosperity. The awards that are granted under this program include non-qualified stock options, restricted shares and restricted share units. Restricted shares are generally service-based, requiring a certain length of service before vesting occurs, while restricted share units can be either service-based or performance-based. Performance-based restricted share units require a certain length of service until vesting; however, they contain an additional performance feature, which can vary the amount of shares ultimately paid out based on certain performance criteria specified in the plan. Awards granted under the plan vest and may be exercised and/or sold from one to ten years after the date of grant based on a vesting schedule.

Share-based compensation expense was $24.6 million for fiscal 2014 and $18.4 million for fiscal 2013. As of June 28, 2014, unrecognized share-based compensation expense was $23.4 million and the weighted average period over which the expense is expected to be recognized was approximately 1.9 years. Proceeds from the exercise of stock options and excess income tax benefits attributable to stock options exercised are credited to share capital and share premium.

Stock Options

A summary of activity related to stock options is presented below (in thousands, except per share amounts):

	Fiscal Year Ended June 28, 2014			
	Number of Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Term in Years	Aggregate Intrinsic Value
Beginning options outstanding	891	$ 63.24		
Granted	165	$ 119.87		
Exercised	(200)	$ 48.94		
Forfeited or expired	(6)	$ 110.53		
Ending options outstanding	850	$ 77.26	6.4	$ 58.4
Options exercisable	491	$ 53.06	4.9	$ 45.6
Options expected to vest	351	$ 110.15	8.3	$ 12.6

The aggregate intrinsic value for options exercised during the year was $17.8 million for fiscal 2014 and $29.5 million for fiscal 2013. The weighted average fair value per share at the grant date for options granted during the year was $38.28 for fiscal 2014 and $34.24 for fiscal 2013. The fair values were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	Fiscal Year	
	2014	2013
Dividend yield	0.3 %	0.3 %
Volatility, as a percent	32.7 %	34.9 %
Risk-free interest rate	1.8 %	0.8 %
Expected life in years	5.3	5.4

The valuation model utilizes historical volatility. The risk-free interest rate is based on the yield of U.S. government securities with a maturity date that coincides with the expected term of the option. The expected life in years is estimated based on past exercise behaviour of employees.

Non-vested Restricted Shares

A summary of activity related to non-vested restricted shares is presented below (in thousands, except per share amounts):

	Fiscal Year Ended June 28, 2014			
	Number of Non-vested Shares	Weighted Average Grant Date Fair Value Per Share	Weighted Average Remaining Term in Years	Aggregate Intrinsic Value
Beginning non-vested restricted shares outstanding	9	$ 100.84		
Granted	16	$ 145.19		
Vested	(16)	$ 145.19		
Forfeited	—	$ —		
Ending no-vested restricted shares outstanding	9	$ 100.84	0.4	$ 1,267

The weighted average fair value per share at the date of grant for restricted shares granted during the year was $145.19 for fiscal 2014 and $100.84 for fiscal 2013. The total fair value of restricted shares that vested during the year was $2.3 million for fiscal 2014 and $0.6 million for fiscal 2013.

Non-vested Service-Based Restricted Share Units

A summary of activity related to non-vested service-based restricted share units is presented below (in thousands, except per share amounts):

	Fiscal Year Ended June 28, 2014			
	Number of Non-vested Service-Based Share Units	Weighted Average Grant Date Fair Value Per Share	Weighted Average Remaining Term in Years	Aggregate Intrinsic Value
Beginning non-vested service-based share units outstanding	260	$ 83.60		
Granted	115	$ 133.08		
Vested	(109)	$ 61.89		
Forfeited	(19)	$ 130.83		
Ending non-vested service-based share units outstanding	247	$ 112.89	1.1	$ 36,087

The weighted average fair value per share at the date of grant for service-based restricted share units granted during the year was $133.08 for fiscal 2014 and $109.20 for fiscal 2013. The total fair value of service-based restricted share units that vested during the year was $6.8 million for fiscal 2014 and $5.7 million for fiscal 2013.

Non-vested Performance-Based Restricted Share Units

A summary of activity related to non-vested performance-based restricted share units is presented below (in thousands, except per share amounts):

	Fiscal Year Ended June 28, 2014			
	Number of Non-vested Performance-Based Share Units	Weighted Average Grant Date Fair Value Per Share	Weighted Average Remaining Term in Years	Aggregate Intrinsic Value
Beginning non-vested performance-based share units outstanding	158	$ 84.85		
Granted	107	$ 119.85		
Vested	(78)	$ 59.22		
Forfeited	(5)	$ 11.59		
Ending non-vested performance-based share units outstanding	182	$ 109.63	1.4	$ 26,552

The weighted average fair value per share at the date of grant for performance-based restricted share units granted during the year was $119.85 for fiscal 2014 and $108.60 for fiscal 2013. The weighted average fair value of performance-based restricted share units can fluctuate depending upon the success or failure of the achievement of performance criteria as set forth in the plan. The total fair value of performance-based restricted share units that vested during the year was $4.6 million for fiscal 2014 and $5.0 million for fiscal 2013.

15. OTHER RESERVES

Changes in the Company's Other Reserves, net of tax, for fiscal 2014 were as follows (in millions):

	Fair value of derivative financial instruments, net of tax	Foreign currency translation adjustments	Fair value of investment securities, net of tax	Post-retirement and pension liability adjustment, net of tax	Other	Total
Balance as of June 29, 2013	$ (4.5)	$ 80.6	$ —	$ 0.9	$ 35.5	$ 112.5
OCI before reclassifications	(18.2)	83.8	(4.3)	(12)	—	49.3
Amounts reclassified from Other Reserves	6.6	—	6.7	—	—	13.3
Other comprehensive income	(11.6)	83.8	2.4	(12)	—	62.6
Other equity-based compensation					**32.8**	**32.8**
Balance as of June 28, 2014	$ **(16.1)**	$ **164.4**	$ **2.4**	$ **(11.1)**	$ **68.3**	$ **207.9**

16. INCOME TAXES

Pre-tax income and the provision for income taxes from continuing operations are summarized as follows (in millions):

	Fiscal Year	
	2014	2013
Pre-tax income:		
Ireland	(369.3)	—
Other Foreign	641.9	607.7
Total	272.6	607.7
Provision for income taxes:		
Current:		
Ireland	2.2	—
United States - Federal	44.0	125.0
United States - State	9.3	10.7
Other Foreign	49.1	24.3
Subtotal	104.6	160.1
Deferred (credit):		
Ireland	(24.2)	—
United States - Federal	7.8	16.6
United States - State	(5.8)	—
Other Foreign	(15.1)	(10.9)
Subtotal	(37.3)	5.7
Total	67.3	165.8

A reconciliation of the provision based on the Federal statutory income tax rate to the Company's effective income tax rate is as follows:

	Fiscal Year	
	2014	2013
	%	%
Provision at statutory rate	12.5%	35.0%
Ireland tax on non-trading differences	2.8	—
Expenses not deductible for tax purposes/ deductions not expensed for book, net	12.1	(0.6)
U.S. Operations		
State income taxes, net of Federal benefit	(0.2)	1.1
Foreign tax credit	0.2	(0.1)
Research and development credit	(0.5)	(0.5)
Other	(0.8)	(1.0)
Other foreign differences (earnings taxed at other than applicable statutory rate)	(16.0)	(8.7)
Worldwide Operations:		
Valuation allowance changes	2.9	—
Audit impacts	—	(1.2)
Change in unrecognized taxes	15.0	3.3
Rate change impacts	(3.3)	—
Effective income tax rate	24.7%	27.3%

No provision has been made for income taxes on undistributed earnings of foreign subsidiaries of approximately $2.3 billion at June 28, 2014, since it is Perrigo's intention to indefinitely reinvest undistributed earnings of its foreign subsidiaries. Due to the number of legal entities and taxing jurisdictions involved and the complexity of the legal entity structure, the complexity of tax laws in the various jurisdictions, including, but not limited to the rules pertaining to the utilization of foreign tax credits in the U.S. and the impact of income projections to calculations, Perrigo believes it is not practicable to estimate, within any reasonable range, the additional income taxes may be payable on the remittance of such undistributed earnings.

Deferred income taxes arise from temporary differences between the financial reporting and the tax reporting basis of assets and liabilities and operating loss and tax credit carry forwards for tax purposes. The components of the net deferred income tax asset (liability) are as follows:

	Fiscal Year	
	2014	2013
Deferred income tax asset (liability):		
Depreciation and Amortization	$ (982.6)	$ (203.3)
Inventory basis differences	43.9	35.6
Accrued liabilities	84.3	43.4
Allowance for doubtful accounts	0.9	0.5
Research and development	3.7	4.0
International operating loss carry-forwards	300.4	31.3
Share-based compensation	14.3	13.2
Foreign Tax Credit	10.6	13.7
Federal benefit of unrecognized tax positions	20.7	—
Other, net	59.6	19.6
Subtotal	(444.2)	(41.9)
Valuation allowance for loss and credit carry-forwards	(198.4)	(18.8)
Net deferred income tax (liability) asset:	$ (642.6)	$ (60.7)

The above amounts are classified in the consolidated balance sheet as follows (in millions):

	June 28, 2014	June 29, 2013
Assets	$ 86.4	$ 67.3
Liabilities	(729.0)	(128.0)
Net deferred income tax (liability) asset	$ (642.6)	$ (60.7)

At June 28, 2014, the Company had gross carry-forwards as follows: U.S. state net operating losses of $238.4 million, U.S. state credits of $12.8 million, non U.S. net operating losses of $2.1 billion, U.S. federal net operating losses of $33.9 million, U.S. capital losses of $10.1 million, U.S. credits of $30.2 million and non U.S. capital losses of $21.2 million. At June 28, 2014, gross valuation allowances had been provided for U.S. state net operating loss carry forwards in the amount of $197.1 million, $8.2 million for U.S. state credit carry-forwards, $1.3 billion for non U.S. net operating loss carry-forwards, $16.3 million for U.S. federal net operating loss carry-forwards, $10.1 million for U.S. federal capital loss carry-forwards, $30.2 million for U.S. federal credit carry-forward and $21.2 million for non U.S. capital loss carry-forwards as utilization of such carry-forwards within the applicable statutory periods is uncertain. The U.S. federal capital loss carry-forward expires through 2017 and the U.S. state net operating loss carry-forwards expire through 2034. $17.4 million of the non U.S. net operating loss carry-forwards expire through 2023, while the remaining amount and non U.S. capital loss carry-forwards have no expiration. The valuation allowances for these net operating loss carry-forwards are adjusted annually, as necessary. After application of the valuation allowances described above, the Company anticipates no limitations will apply with respect to the realization of its net deferred income tax assets.

The following table summarizes the activity related to amounts recorded for uncertain tax positions, excluding interest and penalties, for the years ended June 28, 2014 and June 29, 2013 (in millions):

	Unrecognized Tax Benefits
Balance at June 30, 2012	$ 99.2
Additions:	
Positions related to the current year	18.1
Positions related to prior years	1.9
Reductions:	
Positions related to the current year	—
Positions related to prior years	—
Settlements with taxing authorities	(7.5)
Lapse of statutes of limitation	(1.6)
Balance at June 29, 2013	110.1
Additions:	
Positions related to the current year	28.8
Positions related to prior years	22.7
Reductions:	
Positions related to the current year	—
Positions related to prior years	—
Settlements with taxing authorities	—
Lapse of statutes of limitation	(1.5)
Balance at June 28, 2014	$ 160.1

The Company recognizes interest and penalties related to uncertain tax positions as a component of income tax expense. The total amount accrued for interest and penalties in the liability for uncertain tax positions was $45.3 million and $24.3 million as of June 28, 2014 and June 29, 2013, respectively.

The total liability for uncertain tax positions was $205.4 million and $122.3 million as of June 28, 2014 and June 29, 2013, respectively, after considering the federal tax benefit of certain state and local items, of which $170.2 million and $107.1 million, respectively, would impact the effective tax rate in future periods, if recognized.

The Company files income tax returns in Ireland, the U.S., including various state and local jurisdictions, Israel and numerous other jurisdictions and is therefore subject to audits by tax authorities. Its primary income tax jurisdictions are Ireland, the U.S. and Israel.

Although we believe that our tax estimates are reasonable and that we prepare our tax filings in accordance with all applicable tax laws, the final determination with respect to any tax audit, and any related litigation, could be materially different from our estimates or from our historical income tax provisions and accruals. The results of an audit or litigation could have a material effect on operating results and/or cash flows in the periods for which that determination is made. In addition, future period earnings may be adversely impacted by litigation costs, settlements, penalties, and/or interest assessments.

Currently, the Internal Revenue Service is auditing fiscal years 2009 and 2010 and the Israel Tax Authority is auditing fiscal years 2011 and 2012. In regards to the audit for fiscal years 2009 and 2010, we have agreed on certain adjustments and made associated payments of $8 million, inclusive of interest. Other issues exist for which the Company disagrees with the positions asserted. We expect to contest these positions through applicable Internal Revenue Service and judicial procedures, as appropriate.

There are numerous other income tax jurisdictions for which tax returns are not yet settled, none of which are individually significant. At this time, the Company cannot predict the outcome of any audit or related litigation.

Based on the final resolution of tax examinations, judicial or administrative proceedings, changes in facts or law, expirations of statute of limitations in specific jurisdictions or other resolutions of, or changes in, tax positions, it is reasonably possible that unrecognized tax benefits for certain tax positions taken on previously filed tax returns may change materially from those represented on the financial statements as of June 28, 2014. During the next 12 months, it is reasonably possible that such circumstances may occur that would have a material effect on previously unrecognized tax benefits. As a result, the total net amount of unrecognized tax benefits may decrease, which would reduce the provision for taxes on earnings by a range estimated at $2.0 million to $15.0 million.

Tax Rate Changes and Exemptions in Israel

Prior to fiscal 2011, certain of the Company's Israel subsidiaries had been granted Privileged Enterprise status under the Law for the Encouragement of Capital Investments (1959). Income derived from such entities was entitled to various tax benefits beginning in the year the subsidiary first generated taxable income. These benefits applied to an entity depending on certain elections.

These benefits were generally granted with the understanding that cash dividends would not be distributed from the affected income. Should dividends be distributed out of tax exempt income, the subsidiary would be required to pay a 10% to 25% tax on the distribution. The Company does not currently intend to cause distribution of a dividend, which would involve additional tax liability in the foreseeable future; therefore, no provision has been made for such tax on post-acquisition earnings.

In fiscal 2011, Israel enacted new tax legislation that reduced the effective tax rate to 10% for 2011 and 2012, 7% for 2013 and 2014, and 6% thereafter for certain qualifying entities that elect to be taxed under the new legislation. This legislation was rescinded as announced in the Official Gazette on August 5, 2013. The new legislation enacted a 9% rate for certain qualifying entities that elect to be taxed under the new legislation. The Company has two entities that had previously elected the new tax legislation for years after fiscal 2011. For all other entities that do not qualify for this reduced rate, the tax rate has been increased from 25% to 26.5%. These rates were applicable to the Company as of June 30, 2013.

In addition to the above benefits, the Company periodically applies for grants to assist them with development projects. The grants are received from the Office of the Chief Scientist in Israel's Ministry of Industry and Trade. To continue to be eligible for these grants, the Company's development projects must be approved by the Chief Scientist on a case-by-case basis. If the Company's development projects are not approved by the Chief Scientist, the Company will not receive grants to fund these projects, which would increase research and development costs. The receipt of such grants subjects the Company to certain restrictions and pre-approval requirements which may be conditioned by additional royalty payments with rights to transfer intellectual property and/or production abroad. All affected subsidiaries are currently in compliance with these conditions.

17. RETIREMENT BENEFIT PLANS

Qualified Profit-Sharing and Investment Plans

The Company has a qualified profit-sharing and investment plan under Section 401(k) of the Internal Revenue Code, which covers substantially all U.S. employees. The Company’s contributions to the plan include an annual nondiscretionary contribution of 3% of an employee’s eligible compensation and a discretionary contribution at the option of the Board of Directors. Additionally, the Company matches a portion of employees’ contributions. The Company’s contributions to the plan were $25.6 million and $23.0 million in fiscal 2014 and 2013 respectively.

Israeli Retirement Benefits

Israeli labour laws and agreements require the Company to pay benefits to employees dismissed or retiring under certain circumstances. Severance pay is calculated on the basis of the most recent employee salary levels and the length of employee service. The Company’s Israeli subsidiaries also provide retirement bonuses to certain managerial employees. The Company makes regular deposits to retirement funds and purchases insurance policies to partially fund these liabilities. The deposited funds may be withdrawn only upon

the fulfilment of requirements pursuant to Israeli labour laws. The liability related to these post-employment benefits, which is recorded in other non-current liabilities, was $24.0 million at June 28, 2014. The Company funded $19.3 million of this amount, which is recorded in other non-current assets, as of June 28, 2014. As of June 29, 2013, the liability and corresponding asset related to these post-employment benefits were $21.1 million and $16.1 million, respectively. The Company's contributions to the above plans were $0.4 million and $0.9 million for fiscal 2014 and 2013 respectively.

Deferred Compensation Plans

The Company has non-qualified plans related to deferred compensation and executive retention that allow certain employees and directors to defer compensation subject to specific requirements. Although the plans are not formally funded, the Company owns insurance policies with a cash surrender value of $28.0 million at June 28, 2014 and $22.5 million at June 29, 2013 that are intended as a long-term funding source for these plans. The assets, which are recorded in other non-current assets, are not a committed funding source and may, under certain circumstances, be subject to claims from creditors. The deferred compensation liability of $28.1 million at June 28, 2014 and $22.6 million at June 29, 2013 was recorded in other non-current liabilities.

Post-Retirement Medical Benefits

The Company provides certain healthcare benefits to eligible U.S. employees and their dependents who meet certain age and service requirements when they retire. Generally, benefits are provided to eligible retirees after age 65 and to their dependents. Increases in the Company contribution for benefits are limited to increases in the Consumer Price Index. Additional healthcare cost increases are paid through participant contributions. The Company accrues the expected costs of such benefits during a portion of the employees' years of service. The plan is not funded. Under current plan provisions, the plan is not eligible for any U.S. federal subsidy related to the Medicare Modernization Act of 2003 Part D Subsidy. The unfunded accumulated projected benefit obligation was $4.6 million at June 28, 2014 and $3.9 million at June 29, 2013. The Company records unrecognized actuarial gains and losses as a component of Other Reserves (also see Note 15). As of June 28, 2014 and June 29, 2013, an unrecognized actuarial loss of $0.1 million and an actuarial gain of $0.3 million, respectively, were included in OCI net of tax. Net periodic benefit costs of $0.2 million and $0.1 million were recognized in fiscal 2014 and 2013 respectively.

Irish Defined Benefit and Defined Contribution Plans

The Company assumed the liability of two defined benefit plans (staff and executive plan) for employees based in Ireland with the acquisition of Elan. These plans were closed to new entrants from March 31, 2009, and a defined contribution plan was established for employees in Ireland hired after this date. In January 2013, the Company ceased the future accrual of benefits to the active members of the defined benefit pension plans. Active members became deferred members of the defined benefit plans on January 31, 2013 and became members of the Irish defined contribution plan on February 1, 2013. Under the plan, the Company contributes up to 18% of each participating employee's annual eligible salary on a monthly basis. From December 18, 2013 to June 28, 2014, we recorded $0.5 million of expense in connection with the matching contributions under the Irish defined contribution plan.

In general, on retirement, eligible employees in the staff plan are entitled to a pension calculated at 1/60th (1/52nd for the executive plan) of their final salary for each year of service, subject to a maximum of 40 years. The investments of the plans at June 28, 2014 consisted of units held in independently administered funds. A full actuarial valuation was last carried out on June 28, 2014, which is available for inspection by plan members but not for public inspection.

The change in the projected benefit obligation and plan assets at June 28, 2014 from the acquisition date of Elan as of December 18, 2013 consists of the following (in millions):

	Fiscal 2014
Projected benefit obligation at December 18, 2013	$ 84.4
Interest cost	1.4
Actuarial loss	12.1
Benefits paid	(0.2)
Settlements	(8.0)
Foreign currency translation	(0.7)
Benefit obligation at June 28, 2014	$ 89.0
Fair value of plan assets at December 18, 2013	107.3
Actual return on plan assets	5.4
Benefits paid	(0.2)
Settlements	(12.1)
Foreign currency translation	(0.8)
Fair value of plan assets at June 28, 2014	$ 99.6
Funded status recognized in Pension assets	$ 10.6

The total accumulated benefit obligation for the defined benefit pension plans was $89.0 million at June 28, 2014.

The unamortized net actuarial loss in Other reserves was $11.9 million. The estimated amount to be recognized from accumulated other comprehensive income into net periodic cost during fiscal 2015 is $0.8 million.

At June 28, 2014, the total estimated future benefit payments to be paid by the plans for the fiscal periods 2015-2019 is approximately $0.6 million, paid out as follows:

Fiscal Year	Pension Benefits
2015	—
2016	0.1
2017	0.1
2018	0.1
2019	0.3
2020-2024	4.5

The expected benefits to be paid are based on the same assumptions used to measure our benefit obligation at June 28, 2014, including the expected future employee service.

In fiscal 2015, the Company expects to contribute $2.6 million to the defined benefit plans.

Net periodic pension cost for the period from December 18, 2013 to June 28, 2014 consisted of the following (in millions):

	Fiscal 2014
Interest cost	$ 1.4
Expected return on plan assets	(1.9)
Net actuarial (gain)/loss	0.7
Net periodic pension cost	$ 0.2

The weighted-average assumptions used to determine net periodic pension cost and benefit obligation as of June 28, 2014 were:

	2014
Discount Rate	2.90%
Inflation	2.00%
Expected Return on Assets	2.92%

The discount rate is based on market yields at the valuation date and chosen with reference to the yields available on AA-rated corporate bonds, having regard to the duration of the plan's liabilities. With regard to inflation, the difference in the fixed interest bonds and the index-linked bonds issued by the British government, generally considered low risk, offers a guide to the market view of future price inflation. As of June 28, 2014, the expected long-term rate of return on assets of 2.92% was calculated based on the assumptions of the following returns for each asset class:

	2014
Equities	6.3 %
Property	5.3 %
Bonds	2.3 %
Cash	2.0 %
Absolute return fund	4.0 %

The investment mix of the pension plans' assets is a blended asset allocation, with a diversified portfolio of shares listed and traded on recognized exchanges.

The long-term asset allocation ranges of the trusts are as follows:

Equities	60%-80%
Bonds	10%-40%
Property	0%-10%
Other	0%-10%

The purpose of the pension fund is to provide a flow of income for members in retirement. A flow of income delivered through fixed interest bonds provides a costly but close match to this objective. Equities are held within the portfolio as a means of reducing this cost, but holding equities creates a strategic risk because they give a very different pattern of return. Property investments are held to help diversify the portfolio. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and investment portfolio reviews.

The following table sets forth the fair value of the pension plan assets, as of June 28, 2014 (in millions):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Equities	$ 20.8	$ —	$ —	$ 20.8
Bonds	48.3	—	—	48.3
Property	—	—	0.8	0.8
Cash	0.1	—	—	0.1
Absolute return fund	29.6	—	—	29.6
Total	$ 98.8	$ —	$ 0.8	$ 99.6

For a discussion of the fair value levels and the valuation methodologies used to measure equities, bonds, and the absolute return fund, see Note 9.

The following table sets forth a summary of the changes in the fair value of the Level 3 pension plan assets, which were measured at fair value on a recurring basis for the fiscal period ended June 28, 2014 (in millions):

	Fiscal 2014
Level 3 assets held at December 18, 2013	$ 0.7
Unrealized gains	0.1
Level 3 assets held at June 28, 2014	$ 0.8

All properties in the fund are valued by independent valuation experts in accordance with the Royal Institute of Chartered Surveyors Valuation Standards by forecasting the returns of the market at regular intervals. The inputs to the forecasts include gross national product growth, interest rates and inflation. Management reviews the valuation model including inputs and outputs.

18. OTHER PROVISIONS AND COMMITMENTS AND CONTINGENCIES

Changes in Other provisions are illustrated below:

	Balance at June 29, 2013	Provisions, net	Utilization	Acquisitions and Other	Balance at June 28, 2014
Legal liabilities	$ -	$ 21.6	$ (3.1)	$ 22.4	$ 40.9
Contingent consideration	22.2	1.9	(6.7)	-	17.4
Restructuring	2.9	47.0	(28.7)	(4.8)	16.4
	$ 25.1	$ 70.5	$ (38.5)	$ 17.6	$ 74.7

The Company leases certain assets, principally warehouse facilities and computer equipment, under agreements that expire at various dates through calendar 2024. Certain leases contain provisions for renewal and purchase options and require the Company to pay various related expenses. Future non-cancellable minimum operating lease commitments are as follows:

2015	$ 31.9
2016	21.9
2017	17.3
2018	14.0
2019	13.0
Thereafter	21.1

Rent expense under all leases was $34.5 million and $27.6 million for fiscal 2014 and 2013 respectively.

In addition to the discussions below, the Company has pending certain other legal actions and claims incurred in the normal course of business. The Company records accruals for such contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. As of June 28, 2014, the Company has determined that the liabilities associated with certain litigation matters are probable and can be reasonably estimated. The Company has accrued for these matters and will continue to monitor each related legal issue and adjust accruals for new information and further development. Other than what is disclosed below, the Company considers the remainder of litigation matters to be immaterial individually and in the aggregate.

Texas Medicaid

In June 2013, the Company received notices from the Office of the Attorney General for the State of Texas, of civil investigative demands to two of the Company's affiliates, Perrigo Pharmaceuticals Company and Paddock Laboratories, LLC, for information under the Texas Medicaid Fraud Prevention Act relating to the submission of prices to Texas Medicaid in claims for reimbursement for drugs. The Company has cooperated with requests for information and is in the process of evaluating this and other information. While the Company does not know the full extent of its potential liability at this time and intends to vigorously defend against any claims, the Company could be subject to material penalties and damages. The Company established a contingency loss accrual of $15.0 million to cover potential settlement or other outcomes. The Company cannot predict whether settlement on terms acceptable to it will occur, or that a settlement or potential liability for these claims will not be higher than the amount recorded.

Eltroxin

During October and November 2011, nine applications to certify a class action lawsuit were filed in various courts in Israel related to Eltroxin, a prescription thyroid medication manufactured by a third party and distributed in Israel by Perrigo Israel Agencies Ltd. The respondents include Perrigo Israel Pharmaceuticals Ltd. and/or Perrigo Israel Agencies Ltd., the manufacturers of the product, and various health care providers who provide health care services as part of the compulsory health care system in Israel.

The nine applications arose from the 2011 launch of a reformulated version of Eltroxin in Israel. The applications generally alleged that the respondents (a) failed to timely inform patients, pharmacists and physicians about the change in the formulation; and (b) failed to inform physicians about the need to monitor patients taking the new formulation in order to confirm patients were receiving the appropriate dose of the drug. As a result, claimants allege they incurred the following damages: (a) purchases of product that otherwise would not have been made by patients had they been aware of the reformulation; (b) adverse events to some patients resulting from an imbalance of thyroid functions that could have been avoided; and (c) harm resulting from the patients' lack of informed consent prior to the use of the reformulation.

All nine applications were transferred to one court in order to determine whether to consolidate any of the nine applications. On July 19, 2012, the court dismissed one of the applications and ordered that the remaining eight applications be consolidated into one application. On September 19, 2012, a consolidated motion to certify the eight individual motions was filed by lead counsel for the claimants. Generally, the allegations in the consolidated motion are the same as those set forth in the individual motions; however, the consolidated motion excluded the manufacturer of the reformulated Eltroxin as a respondent. Several hearings on whether or not to certify the consolidated application took place in December 2013 and January 2014. As this matter is in its early stages, the Company cannot reasonably predict at this time the outcome or the liability, if any, associated with these claims.

Neot Hovav

In March and June of 2007, lawsuits were filed by three separate groups against both the State of Israel and the Council of Neot Hovav in connection with waste disposal and pollution from several companies, including the Company, that have operations in the Neot Hovav region of Israel. These lawsuits were subsequently consolidated into a single proceeding in the District Court of Beer-Sheva. The Council of Neot Hovav, in June 2008, and the State of Israel, in November 2008, asserted third-party claims against several companies, including the Company. The pleadings allege a variety of personal injuries arising out of the alleged environmental pollution. Neither the plaintiffs nor the third-party claimants were required to specify a maximum amount of damages, but the pleadings allege damages in excess of $72.5 million, subject to foreign currency fluctuations between the Israeli shekel and the U.S. dollar. On January 9, 2013, the District Court of Beer-Sheva ruled in favour of the Company. On February 20, 2013, the plaintiffs filed an appeal to the Supreme Court, which has scheduled a hearing on this matter on September 29, 2014. While the Company intends to vigorously defend against these claims, the Company cannot reasonably predict at this time the outcome or the liability, if any, associated with these claims.

Tysabri® Product Liability Lawsuits

The Company and collaborator Biogen Idec are co-defendants in product liability lawsuits arising out of the occurrence of Progressive Multifocal Leukoencephalopathy ("PML"), a serious brain infection, and serious adverse events, including deaths, which occurred in patients taking Tysabri®. The Company and Biogen Idec will each be responsible for 50% of losses and expenses arising out of any Tysabri® product liability claims. While these lawsuits will be vigorously defended, management cannot predict how these cases will be resolved. Adverse results in one or more of these lawsuits could result in substantial judgments against the Company.

19. COLLABORATION AGREEMENTS

The Company actively collaborates with other pharmaceutical companies to develop, manufacture and market certain products or groups of products. These types of agreements are not uncommon in the pharmaceutical industry. The Company may choose to enter into these types of agreements to, among other things, leverage its or others' scientific research and development expertise or utilize its extensive marketing and distribution resources. Terms of the various collaboration agreements may require the Company to make or receive milestone payments upon the achievement of certain product research and development objectives and pay or receive royalties on future sale, if any, of commercial products resulting from the collaboration. Milestone payments and up-front payments made are generally recorded as research and development expenses if the payments relate to drug candidates that have not yet received regulatory approval. Milestone payments and up-front payments made related to approved drugs will generally be capitalized and amortized to cost of goods sold over the economic life of the product. Royalties received are generally reflected as revenues and royalties paid are generally reflected as cost of goods sold. The Company has entered into a number of collaboration agreements in the ordinary course of business. Although the Company does not consider these arrangements to be material, the following is a brief description of notable agreements entered into during fiscal years 2014 and 2013.

Fiscal 2014 Collaboration Agreements

With the acquisition of Elan on December 18, 2013, the Company inherited a collaborative arrangement with Transition related to the joint development and commercialization of a novel therapeutic agent for Alzheimer's disease (ELND005). As discussed in Note 10, during the third quarter of fiscal 2014, the Company announced that it had entered into an agreement with Transition to progress the clinical development of ELND005 (Scyllo-inositol) in a number of important indications including Alzheimer's disease, Bipolar Disorder and Down Syndrome. As part of the agreement, Transition acquired all of the shares of a wholly owned, indirect Irish subsidiary of the Company, which had previously been responsible for carrying out all development activities associated with ELND005, and upon closing on February 28, 2014, is now solely responsible for all ongoing development activities and costs associated with ELND005. The Company is eligible to receive milestone payments which range from $10.0 million to $15.0 million should ELND005 achieve approval of the ANDA as well as specific worldwide net sales hurdles. If commercialization were to occur, the Company would be entitled to receive a royalty of 6.5% of net sales for the life of the product.

Fiscal 2013 Collaboration Agreements

In November 2012, the Company entered into a joint development agreement with another generic pharmaceutical company pursuant to which the Company is to provide research and development and future manufacturing services for a generic version of a specified prescription pharmaceutical. The Company is entitled to receive various milestone payments throughout the development period, which will be recognized in accordance with the milestone method. During fiscal 2013, the Company recognized revenue of $0.8 million upon completion of a milestone under this agreement. The Company is entitled to receive additional individual milestone payments ranging from $0.5 million to $2.0 million for achieving other specified milestones including but not limited to completion of bioequivalence studies, FDA acceptance of the ANDA, and FDA approval of the ANDA. If the product is approved, the Company may receive combined total milestone payments ranging from $3.8 million to $5.5 million depending upon various market conditions at the time of generic market formation. Also in accordance with the agreement, the parties will share in development costs and future profits associated with the manufacture and sale of the generic prescription pharmaceutical product.

Additional future milestone payments and receipts related to agreements not specifically discussed above are not material.

20. SEGMENT AND GEOGRAPHIC INFORMATION

The Company has five reportable segments, aligned primarily by type of product: Consumer Healthcare, Nutritionals, Rx Pharmaceuticals, API, and Specialty Sciences, along with an Other category. As noted in Note 2, in conjunction with the acquisition of Elan on December 18, 2013, the Company expanded its operating segments to include the Specialty Sciences segment, which is comprised of assets focused on the treatment of Multiple Sclerosis (Tysabri®). The accounting policies of each segment are the same as those described in the summary of significant accounting policies set forth in Note 1. The majority of corporate expenses, which generally represent shared services, are charged to operating segments as part of a corporate allocation. Unallocated expenses relate to certain corporate services that are not allocated to the segments.

The Company generated third-party revenues in the following geographic locations [(1)] during each of the fiscal years presented (in millions):

	2014	2013
Ireland	$ 146.7	$ —
U.S.	3,291.6	2,978.1
All other countries[(2)]	622.5	561.7
	$ 4,060.8	$ 3,539.8

(1) The Company attributes revenues to countries based on sales location.
(2) Includes sales generated primarily in Israel, the U.K., Mexico, Australia, and Canada.

The net book value of property and equipment at June 28, 2014 and June 29, 2013 was as follows (in millions):

	June 28, 2014	June 29, 2013
Ireland	$ 2.0	$ —
U.S.	530.7	468.4
Israel	119.6	98.0
All other countries	127.6	115.0
	$ 779.9	$ 681.4

One customer in the Consumer Healthcare and Nutritionals segments accounted for 19% of net sales in both fiscal 2014 and 2013.

The following is a summary of the key performance metrics per business segment.

($ in millions)	Consumer Healthcare	Nutritionals	Rx Pharma-ceuticals	API	Specialty Sciences	Other	Unallocated expenses	Total
Fiscal 2014								
Net sales	$ 2,219.0	$ 551.7	$ 927.1	$ 137.6	$ 146.7	$ 78.7	$ —	$ 4,060.8
Operating income	$ 368.6	$ 40.5	$ 349.8	$ 46.1	$ (68.6)	$ 4.0	$ (173.4)	$ 567.0
Operating income %	16.6 %	7.3 %	37.7 %	33.5 %	(46.7)%	5.2 %	— %	14.0 %
Total assets	$ 3,774.5	$ 1,077.2	$ 2,537.2	$ 288.0	$ 6,096.6	$ 106.7	$ —	$ 13,880.2
Capital expenditures	$ 115.9	$ 7.3	$ 32.9	$ 10.4	$ —	$ 5.1	$ —	$ 171.6
Fixed assets, net	$ 475.7	$ 88.6	$ 104.8	$ 95.7	$ 2.1	$ 13.0	$ —	$ 779.9
Depreciation & amortization	$ 63.8	$ 38.5	$ 86.5	$ 11.4	$ 154.4	$ 4.3	$ —	$ 358.9
Fiscal 2013								
Net sales	$ 2,089.0	$ 508.4	$ 709.5	$ 159.3	—	$ 73.6	$ —	$ 3,539.8
Operating income	$ 363.2	$ 35.2	$ 263.2	$ 48.9	—	$ 3.4	$ (34.7)	$ 679.1
Operating income %	17.4 %	6.9 %	37.1 %	30.7 %	— %	4.6 %	— %	19.2 %
Total assets	$ 2,409.0	$ 949.7	$ 1,604.9	$ 284.5	—	$ 102.7	$ —	$ 5,350.8
Capital expenditures	$ 85.5	$ 7.8	$ 17.7	$ 17.3	—	$ 3.8	$ —	$ 132.2
Fixed assets, net	$ 404.1	$ 92.8	$ 80.8	$ 92.7	—	$ 11.1	$ —	$ 681.4
Depreciation & amortization	$ 53.8	$ 38.3	$ 54.9	$ 9.1	—	$ 4.0	$ —	$ 160.2

The following is a summary of the Company's net sales by major product category (in millions):

	Fiscal 2014	Fiscal 2013
Consumer Healthcare (CHC)		
Cough/Cold [1]	$ 510.1	$ 500.6
Analgesics [1]	504.0	536.0
Gastrointestinal [1]	400.1	388.8
Smoking Cessation	236.8	193.2
Animal Health	178.0	123.2
Other CHC [1,2]	390.0	347.3
Total CHC	2,219.0	2,089.0
Nutritionals		
Infant nutritionals	374.8	350.1
Vitamins, minerals and dietary supplements	176.9	158.3
Total Nutritionals	551.7	508.4
Generic prescription drugs	927.1	709.5
Active pharmaceutical ingredients	137.6	159.3
Specialty sciences - Tysabri®	146.7	—
Pharmaceutical and medical diagnostic products	78.7	73.6
Total Net Sales	$ 4,060.8	$ 3,539.8

[1] Includes sales from the Company's contract manufacturing business.

[2] Consists primarily of feminine hygiene, diabetes care, dermatological care and other miscellaneous or otherwise uncategorized product lines and markets.

21. EMPLOYEES

The average number of persons employed by the Company were located as follows:

Country	2014	2013
U.S.	6,450	6,075
Israel	1,300	1,250
Mexico	1,150	1,075
U.K.	775	650
Rest of the world	385	300
Total	10,060	9,350

	June 28, 2014	June 29, 2013
Salaries and wages	$ 567.2	$ 537.0
Pension and other postretirement benefits	34.1	31.7
Other benefits	143.0	113.7
Total employee costs	$ 744.3	$ 682.4

22. DIRECTORS' REMUNERATION

Directors' renumeration is set forth in the table below (in millions). Mr. Papa, the Chairman of the Board of Directors is also the President and Chief Executive Officer of Perrigo. Mr. Papa is not compensated for his services as the Chairman of the Board of Directors of the Company. Accordingly, the amounts below include compensation for Mr. Papa's service as President and Chief Executive Officer of Perrigo ("managerial services") as well as compensation for all non-employee directors in their capacity as such ("director services").

	June 28, 2014	June 29, 2013
Managerial services	$ 18.9	$ 6.1
Director services	7.6	2.4
	$ 26.5	$ 8.5

23. AUDITOR'S REMUNERATION

Fees paid to Ernst & Young for services provided follow (in millions):

	June 28, 2014	June 29, 2013
Audit fees	$ 5.6	$ 3.1
Other Assurance Services	0.7	—
Tax fees		
Tax compliance services	0.3	0.5
Tax consulting and advisory services	3.2	1.0
Total	$ 9.8	$ 4.6

The fees paid to Ernst & Young Ireland in respect of the audit of the group accounts were $0.5 million and $0.0 million for the years ended June 28, 2014 and June 29, 2013, respectively. In addition, Ernst & Young Ireland received $1.0 and $0.0 million for other assurance services for the years ended June 28, 2014 and June 29, 2013, respectively. Ernst & Young Ireland received fees of $0.7 million and $0.0 million for tax compliance and advisory services for the years ended June 28, 2014 and June 29, 2013, respectively. Ernst & Young Ireland received fees of $0.3 million and $0.0 million for other non-audit services for the years ended June 28, 2014 and June 29, 2013, respectively.

24. SUBSIDIARIES AND AFFILIATED UNDERTAKINGS

The principal subsidiaries of Perrigo Company plc or affiliated companies where Perrigo has an ownership of 20% or more are listed below:

Consolidated subsidiaries and equity accounted affiliate	Nature of Business	Registered Address	Percent ownership
Acacia Biopharma Limited	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
American Business Sergeant's Pet Care Products Trade (Shanghai) Co., Ltd.	Operations	Suite 2071, Building 1, No. 79, Ao Na Road, Waigaoqiao Free Trade Zone, Shanghai	100%
Arginet Investments and Property (2003) Ltd.	Inactive	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Athena Neurosciences, LLC	General Corporate Administration	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Chemagis B.V.	General Corporate Administration	Burgemeester de Manlaan 2, 4837 BN Breda, the Netherlands	100%
Chemagis India Private Ltd	Operations	106-108, 1st floor, Shivam Chamber, S.V.Road, Goregaon (west), Mumbai 400 062, India	51%
Clepe Ltd.	General Corporate Administration	Landmark Square, West Bay Road, PO Box 775, Grand Cayman KY1-9006, Cayman Islands	100%
Cobrek Pharmaceuticals, Inc.	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Crimagua Limited	Inactive	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Dermagis International Ltd.	Inactive	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Elan Corporation Ltd.	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan Europa Finance S.a.r.l.	General Corporate Administration	412F route d'Esch, L-2086, Luxembourg	100%
Elan Finance plc	Inactive	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan Holdings Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan International Finance Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan International Insurance Limited	General Corporate Administration	Juniper Hous, 30 Oleander Hill, Smiths, FL-08 Bermuda	100%
Elan International Services Limited	General Corporate Administration	Juniper Hous, 30 Oleander Hill, Smiths, FL-08 Bermuda	100%
Elan Management Limited	Inactive	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan Pharma International Limited	Operations	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan Pharmaceuticals GmbH	Inactive	Dammstrasse 19, 6301, Zug, Switzerland	100%
Elan Pharmaceuticals, LLC	General Corporate Administration	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Elan Regulatory Holdings Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%

Elan Science Eight Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan Science Five Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan Science One Limited	Operations	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan Science Seven Limited	Inactive	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan Science Three Limited	Inactive	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
FidoPharm, Inc.	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
FidoPharmBrands, LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Galpharm Healthcare Ltd.	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Galpharm International Ltd.	Operations	Wrafton, Braunton, Devon, EX33 2DL	100%
Habsont	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Keavy Finance Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Kiteacre Ltd.	Inactive	Wrafton, Braunton, Devon, EX33 2DL	100%
L. Perrigo Company	Operations	601 Abbot Road, East Lansing, Michigan 48823	100%
Laboratorios DIBA S.A.	Operations	Calle Escorza No. 728, Col. Moderna, Guadalajara, Jalisco, México, C.P. 44190	100%
Loradochem, Inc.	Inactive	1560 Broadway, Suite 2090, Denver, Colorado 80202	100%
Meridian Animal Health, LLC	Operations	2215-B Renaissance Dr., Las Vegas, Nevada 89119	100%
Monksland Holdings B.V.	General Corporate Administration	Claude Debussylaan 24, 1082 MD Amsterdam	100%
Neca Properties (1996) Ltd.	Inactive	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Neuralab Limited	Inactive	Juniper Hous, 30 Oleander Hill, Smiths, FL-08 Bermuda	100%
Newbridge Pharmaceuticals Ltd.	Equity method investment	PO Box 500618, Business Central Tower A, Floor 18, Dubai Internet City, Dubai, UAE	48.30%
Orchardbrook Limited	Inactive	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Orion Laboratories (NZ) Ltd.	Operations	Level 20, 88 Shortland Street, Auckland 1010, New Zealand	100%
Orion Laboratories PTY Limited	Operations	25 Delawney Street, Balcatta, WA 6021	100%
P2C, Inc.	Operations	601 Abbot Road, East Lansing, Michigan 48823	100%
Paddock Laboratories LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
PBM (Guangzhou) Nutritionals Co., Ltd.	Inactive	Suite 601, Kangsheng Mansion, 282 Dongjiang Avenue, Guangzhou Free Trade Zone, China	100%
PBM Canada Holdings, LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
PBM China Holdings, LLC	General Corporate Administration	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%

PBM Foods, LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
PBM Holding, LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
PBM International Holdings, LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
PBM Mexico Holdings, LLC	General Corporate Administration	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
PBM Nutritionals, LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
PBM Products Mexico S de R.L. de C.V.	Inactive	Av. Homero No.205, piso9-901 y 902. Chapultepec Morales. Delegación Miguel Hidalgo. México, D.F. c.p.11570	100%
PBM Products, LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Perrigo API India Private Limited	Operations	Plot No. N 39/ N39-1, Additional MIDC, Anand Nagar, Ambernath (E), Pin-421 506, District Thane, Maharashtra, India	100%
Perrigo API LTD	Operations	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Perrigo API USA, Inc.	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Perrigo Asia Holding Company Ltd.	General Corporate Administration	33, Edith Cavell Street, Port-Louis, Maruitius	100%
Perrigo Australian Holding Company II PTY Limited	General Corporate Administration	Aurora Place, Level 19, 88 Phillip Street, Sydney, NSW, 2000	100%
Perrigo China Business Trust	Operations	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo China Business Trustee, LLC	General Corporate Administration	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Perrigo Company	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Company Charitable Foundation	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Company of South Carolina, Inc.	Operations	601 Abbot Road, East Lansing, Michigan 48823	100%
Perrigo Company of Tennessee	Operations	2908 Poston Avenue, Nashville, Tennessee 37203	100%
Perrigo de Mexico S.A. de C.V.	Operations	Av. Industria Automotriz No. 3089, Parque Industrial, Ramos Arizpe, Coahuila, México C.P. 25900	100%
Perrigo Denmark K/S	Operations	Amerika Plads 37, 2100 Copenhagen, Denmark	100%
Perrigo Diabetes Care LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Perrigo Do Brasil LTDA	Inactive	515 Eastern Avenue, Allegan, Michigan 49010	100%
Perrigo Florida, Inc.	Operations	1201 Hays Street, Tallahassee, Florida 32301	100%
Perrigo International Holdings II, Inc.	General Corporate Administration	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Perrigo International Holdings, LLC	General Corporate Administration	601 Abbot Road, East Lansing, Michigan 48823	100%
			100%

Perrigo International, Inc.	General Corporate Administration	601 Abbot Road, East Lansing, Michigan 48823	
Perrigo Ireland 1 Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Ireland 2 Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Ireland 3 Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Ireland 4 Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Ireland Holding Company BV	General Corporate Administration	Prins Bernhardplein 200, 1097 JB Amsterdam	100%
Perrigo Ireland Management Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Israel Agencies Ltd	Operations	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Perrigo Israel Enterprises & Investments Ltd.	Operations	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Perrigo Israel Holdings II B.V.	General Corporate Administration	Prins Bernhardplein 200, 1097 JB Amsterdam	100%
Perrigo Israel Holdings Ltd	General Corporate Administration	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Perrigo Israel Opportunities II Ltd.	General Corporate Administration	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Perrigo Israel Pharmaceuticals Ltd.	Operations	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Perrigo Israel Trading Limited Partnership	General Corporate Administration	Raul Wallenberg 24, Tel Aviv 69719 Israel	100%
Perrigo Laboratories India Private Limited	Operations	Plot No. N 39/ N39-1, Additional MIDC, Anand Nagar, Ambernath (E), Pin-421 506, District Thane, Maharashtra, India	100%
Perrigo LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Perrigo Management Company	General Corporate Administration	601 Abbot Road, East Lansing, Michigan 48823	100%
Perrigo Mexico Holding S.A. de C.V.	General Corporate Administration	Autopista Saltillo-Monterrey, km. 11.5. Col. Capellanía. C.P. 25900 Ramos Arizpe, Coahuila, México	100%
Perrigo Mexico Investment Holdings LLC	General Corporate Administration	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Perrigo Netherlands BV	General Corporate Administration	Prins Bernhardplein 200, 1097 JB Amsterdam	100%
Perrigo Netherlands Finco 1 Cooperatief U.A.	General Corporate Administration	Prins Bernhardplein 200, 1097 JB Amsterdam	100%
Perrigo Netherlands Finco 2 BV	General Corporate Administration	Prins Bernhardplein 200, 1097 JB Amsterdam	100%
Perrigo Netherlands International Partnership C.V.	General Corporate Administration	515 Eastern Avenue, Allegan, Michigan 49010	100%

Perrigo New York, Inc.	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Perrigo Pharma Limited	Inactive	Wrafton, Braunton, Devon, EX33 2DL	100%
Perrigo Pharmaceuticals Company	Operations	601 Abbot Road, East Lansing, Michigan 48823	100%
Perrigo Receivables LLC	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Perrigo Research & Development Company	Operations	601 Abbot Road, East Lansing, Michigan 48823	100%
Perrigo Sales Corporation	Operations	601 Abbot Road, East Lansing, Michigan 48823	100%
Perrigo Sourcing Solutions, Inc.	Inactive	601 Abbot Road, East Lansing, Michigan 48823	100%
Perrigo Trading (Shanghai) Co., Ltd.	Operations	Room 403, No. 4 Building, No. 56 Meisheng Road, Waigaoqiao Free Trade Zone, Shanghai, China	100%
Perrigo UK Acquisition Limited	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Perrigo UK FINCO Limited Partnership	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Perrigo Ventures Limited Partnership	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Pet Logic, LLC	Inactive	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Pharma Clal (1983) Ltd.	Inactive	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Proteostasis Therapeutics, Inc.	Equity Method Investment	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	20.55%
Quimica Y Farmacia S.A. de C.V.	Operations	Autopista Saltillo-Monterrey, km. 11.5. Col. Capellanía. C.P. 25900 Ramos Arizpe, Coahuila, México	100%
Rosemont Group Limited	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Rosemont Holdings Limited	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Rosemont Pensions Limited	Inactive	Wrafton, Braunton, Devon, EX33 2DL	100%
Rosemont Pharmaceuticals Limited	Operations	Wrafton, Braunton, Devon, EX33 2DL	100%
Rosemont Trustee Company Limited	Inactive	Wrafton, Braunton, Devon, EX33 2DL	100%
SASR Neunundvierzigste Beteiligungsverwaltung GmbH	Inactive	Tuchlauben 17, 1010 Vienna Austria	100%
Sergeant's Pet Care Products Mexico, S, DE R.L.DE C.V.	Inactive	Bosque de Duraznos 69, Bosques de las Lomas, Miguel Hidalgo, C.P. 11700, D.F., México	100%
Sergeant's Pet Care Products, Inc.	Operations	601 Abbot Road, East Lansing, Michigan 48823	100%
Servicios PBM S. de R.L. de C.V.	Inactive	Mariano Escobedo No.510 Penthouse, Anzures. Delegación Miguel Hidalgo. México, D.F., C.P.11590	100%
SPC Trademarks, LLC	Inactive	211 E. 7th Street, Suite 620, Austin, Texas 78701	100%
Speranza Biopharma Limited	Inactive	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%

The Institute of Biopharmaceutics Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Velcera, Inc.	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Wrafton Laboratories Limited	Operations	Wrafton, Braunton, Devon, EX33 2DL	100%
Zibo Xinhua - Perrigo Pharmaceutical Company Ltd.	Operations	Chemical Area, Zibo Hi-tech Industrial Development Zone, Shandong, China	49.90%

COMPANY BALANCE SHEET

As at 28 June 2014

(in thousands of U.S. dollars)	Note	As at 28 June 2014 USD
Financial Fixed Assets	**3**	
Investment in Habsont		7,877,966
Investment in Elan Corporation		9,488,657
Investment in Clepe Ltd.		27,656
Investment in Perrigo Ireland Management Limited		89
Investment in Perrigo Ireland Holding Company B.V.		5
Investment in Elan Finance Europa S.a.r.l.		2,754
		17,397,127
Current Assets		
Cash at bank and in hand		323,346
Prepaid insurance and other assets		1,063
Debtors (amounts falling due within one year)	**4**	7,308,533
		7,632,942
Creditors (amounts falling due within one year)	**5**	(2,081,537)
Net Current Assets		5,551,405
Creditors (amounts falling due greater than one year)		
Senior notes and term loans	**6**	(3,060,370)
Net Assets		19,888,162
Capital and Reserves		
Called up share capital	**7**	184
Share premium	**8**	14,491,638
Other reserves	**8**	40,330
Profit and loss account	**8**	5,356,010
Shareholders' funds		19,888,162

The accompanying Notes to the Company's financial statement are an integral part of the Company Balance Sheet.

The Balance Sheet was approved by the Audit Committee of the Board of Directors and the Board of Directors on 29 September 2014, and signed on its behalf by:

Joseph C. Papa
Chairman of the Board of Directors

Laurie Brlas
Director, Audit Committee Chair

NOTES TO THE COMPANY BALANCE SHEET

1. ACCOUNTING POLICIES

a. Basis of preparation

The financial statements of Perrigo Company plc ("PCplc" or the "Company") (formerly Perrigo Company Limited) have been prepared on the going concern basis under the historical cost convention in accordance with the Companies Acts, 1963 to 2013 and Generally Accepted Accounting Practice in the Republic of Ireland (Irish GAAP). Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in the Republic of Ireland. The accompanying Balance Sheet of the Company is presented on a stand-alone basis, including related party transactions.

b. Functional currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in the United States dollars ("USD"), which is the Company's functional and presentation currency.

Transactions during the period denominated in foreign currencies have been translated at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated to United States dollars at the rate of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account.

c. Investment in group companies

Financial fixed assets are stated at cost less provisions for permanent diminution in value.

The carrying value of financial fixed assets is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Under Irish GAAP, impairment is assessed by comparing the carrying value of an asset with its recoverable amount (being the higher of net realisable value and value in used). Net realisable value is defined as the amount at which an asset could be disposed of net of any direct selling costs. Value in use is defined as the present value of the future cash flows obtainable through continuing use of an asset including those anticipated to be realised on its eventual disposal.

d. Contingencies

The Company has guaranteed certain liabilities and credit arrangements of the group. The company reviews the status of these guarantees at each reporting date and considers whether it is required to make a provision for payment on those guarantees based on the probability of the commitment being called.

e. Profit and loss account

In accordance with Section 148(8) of the Companies Act, 1963 and Section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting the individual profit and loss account. The Company's loss for the period from 28 June 2013 (date of incorporation) to 28 June 2014 was USD 115,848 thousand.

f. Cash Flow Statement

The Company is availing of the exemption afforded by FRS I Cash Flow Statements, not to provide a statement of cash flows.

g. Cash at bank and in hand

Cash consists primarily of demand deposits and other short-term investments with maturities of three months or less at the date of purchase. The carrying amount of cash approximates its fair value.

h. Financial assets and liabilities

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligation upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that included no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Finance payments associated with financial liabilities are dealt with as part of finance expenses.

Recognition of financial assets and liabilities

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instruments.

De-recognition of financial assets and liabilities

A financial asset or liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Principal due under the notes and term loans

The principal due under the notes and term loans is initially recognised at fair value net of transaction costs directly attributable to the issue of the notes.

Amortised cost

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount.

Effective interest rate method

The effective interest rate method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability.

i. Financial derivatives

The Company utilises derivative financial instruments to manage exposure to certain risks related to the Company's ongoing operations. The primary risk managed through the use of derivative instruments is interest rate risk. The Company recognises gains and losses arising from derivative instruments upon maturity.

The Company does not have any derivative instruments at the balance sheet date.

j. Taxation

Deferred taxation is accounted for in respect of all timing differences at tax rates enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be recovered.

k. Share based payments

The Company and its subsidiaries operate various share based payment plans. The Company issues Ordinary shares related to these employee equity share programs at various subsidiaries.

The share based payment expense associated with the share plans is recognised as an expense by the entity which receives services in exchange for the share based compensation. In these Company only accounts, the expense related to the options vested are recorded in other reserves and charged to the appropriate entity that receives services.

2. HISTORY AND DESCRIPTION OF THE COMPANY

Perrigo Company plc (f/k/a Perrigo Company Limited, f/k/a Blisfont Limited) ("PCplc" or "the Company"), was incorporated under the laws of Ireland on 28 June 2013, and became the successor registrant of Perrigo Company on 18 December 2013 in connection with the consummation of the acquisition of Elan Corporation ("Elan"). As at 28 June 2014, it owns 100% of the outstanding ordinary shares in Elan Corporation, Habsont, Clepe Ltd., Perrigo Ireland Management Limited, Elan Europa Finance S.a.r.l., and Perrigo Ireland Holding Company B.V. (see note 3). Leopard Company ("Leopard") merged with Perrigo Company on 18 December 2013, which is wholly owned by Habsont.

On 18 December 2013, the Company acquired Elan. Elan, headquartered in Dublin, Ireland, provides the Company with assets focused on the treatment of Multiple Sclerosis (Tysabri®) and Alzheimer's. At the close of the transaction on 18 December 2013, Perrigo and Elan became wholly-owned, indirect and direct subsidiaries of the Company respectively. Under the terms of the Transaction Agreement, (i) at the effective time of the Scheme (the "Effective Time"), Elan shareholders were entitled to receive USD 6.25 in cash and 0.07636 of a newly issued PCplc ordinary share in exchange for each Elan ordinary share held by such shareholders and (ii) at the effective time of the Merger, each share of Perrigo's common stock were converted into the right to receive one PCplc ordinary share and USD 0.01 in cash. As a result of the Transaction, former Elan shareholders hold approximately 29% of the PCplc shares and former Perrigo shareholders hold approximately 71% of the PCplc shares.

3. FINANCIAL FIXED ASSETS

(in thousands of U.S. dollars)	Habsont ("Habsont") USD	Elan Corporation ("Elan") USD	Clepe Ltd. ("Clepe") USD	Perrigo Ireland Mgmt. Limited ("PIM") USD	Perrigo Ireland Hold Co. B.V. ("PIH") USD	Elan Finance Europa S.a.r.l. ("EFES") USD
- At 28 June 2013 - at cost	-	-	-	-	-	-
- Receipt of the beneficial interest in 1 ordinary share of Habsont on 9 July 2013	-	-	-	-	-	-
- Purchase of 2,000 ordinary shares of Habsont on 26 July 2013. On 21 October 2013, the 2000 ordinary shares were converted to 100 ordinary shares, then subdivided into 100,000 ordinary shares, then converted into 100,000 preference shares.	-	-	-	-	-	-
- Receipt of 8 preference shares of Clepe on 22 October 2013	-	-	1	-	-	-
- Record 1 preference share of Clepe on 22 October 2013	-	-	-	-	-	-
- Contribution of PCplc shares to Habsont on 22 October 2013	3,018,750	-	-	-	-	-
- Purchase of 100 shares of PIH	-	-	-	-	-	-
- Purchase of 16,500 shares of EFES on 16 December 2013	-	-	-	-	-	17
- Purchase of 1 share of PIM on 16 December 2013	-	-	-	14	-	-
- Investment in Elan at cost on 18 December 2013	-	9,488,657	-	-	-	-
- Receipt of 31,930,644 preference shares of Habsont in exchange for assignment of notes receivable on 18 December 2013	4,859,205	-	-	-	-	-
- Conversion of Habsont preference shares to ordinary shares	-	-	-	-	-	-
- Clepe preference shares exchanged for Clepe shares	-	-	-	-	-	-
- Capital contribution on 23 December 2013 to EFES	-	-	-	-	-	2,737
- Capital contribution on 19 February 2014 and 17 April 2014 to Clepe	-	-	27,655	-	-	-
-Capital contributions on 24 February 2014 and 27 February 2014 to Habsont	11	-	-	-	-	-
-Capital contributions on 17 April 2014, 6 June 2014 and 13 June 2014 to PIM	-	-	-	75	-	-
-Capital contribution on 14 May 2014 to PIH	-	-	-	-	5	-
At 28 June 2014 - at cost	**7,877,966**	**9,488,657**	**27,656**	**89**	**5**	**2,754**

In the opinion of the Directors, the total value of financial fixed assets held on 28 June 2014 of USD 17,397,127 thousand is at least equal to the carrying value on the balance sheet.

Habsont

The principal activity of Habsont is that of an investment holding company. Habsont was incorporated as a private limited company on 9 July 2013 and subsequently re-registered as a private unlimited company on 22 November 2013. Habsont's registered address is the Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland.

The Company's initial investment of 2,000 ordinary shares in Habsont was recorded at a cost of USD 128, which is equal to the par value of EUR 0.05 per share. On 21 October 2013, the ordinary shares of EUR 0.05 were converted into 100 ordinary shares of EUR 1.00 each. On the same day, the 100 ordinary shares of EUR 1.00 each were subdivided into 100,000 ordinary shares of EUR0.001 and then converted into 100,000 preference shares.

On 22 October 2013, the Company allotted 23,000,000 ordinary shares of the Company, with a nominal value of EUR 23,000 (USD 31,703) to Habsont in exchange for 23,000,000 preference shares in Habsont as a non-cash consideration. On this date, the 23,000,000 preference shares in Habsont had a deemed market value of USD 3,018.750 million. As the holder of the preference shares of Habsont, the Company had the right to vote on specified matters as set forth in the Memorandum and Articles of Association of Habsont.

On 17 December 2013, a written resolution of the members of Habsont was passed which provided that with effect from the day after the merger of Leopard Company and Perrigo Company, all preference shares of Habsont were to be converted into ordinary shares with a par value of EUR 0.001 per share.

On 18 December 2013, the Company assigned two promissory notes of USD 4,858.205 million and USD 1 million in exchange for 31,930,644 preference shares of EUR0.001 par value per share of Habsont.

On 19 December 2013 all preference shares were converted into ordinary shares with a par value of EUR 0.001 per share.

On 24 February 2014 and 27 February 2014 the Company made capital contributions of USD 5 thousand and USD 6 thousand, respectively, to Habsont.

Elan Corporation

Elan is incorporated in Ireland with a registered address at the Treasury Building, Lower Grand Canal Street, Dublin 2 Ireland.

The Company's initial investment in its wholly-owned subsidiary Elan Corporation was recorded at a cost of USD 9,488.657 million, which equalled the fair value on 18 December 2013, the date the Company acquired Elan. A summary of the purchase price of Elan follows:

(all USD amounts in thousands of U.S. Dollars)		
Elan shares outstanding as of 18 December 2013		515,711,937
Exchange ratio percentage		.07636
Total Perrigo Company plc ordinary shares issued		39,379,763
Weighted average Perrigo Company share price on 18 December 2013	USD	155.34
Total value of Perrigo Company plc ordinary shares issued	USD	6,117,236
Total cash consideration paid at USD 6.25 per Elan share	USD	3,223,199
Total fair value of purchase consideration transferred	USD	9,340,435
Additional investment costs including share option cancellations	USD	148,222
Total initial investment in Elan	**USD**	**9,488,657**

Clepe Ltd.

The principal activity of Clepe Ltd. ("Clepe") is that of an investment holding company. Clepe's registered address is Landmark Square, West Bay Road, PO Box 775, Grand Cayman, KY1-900. On 22 October 2013, the Company acquired 1 preference share of EUR 0.001 par value per share of Clepe Ltd. ("Clepe"), a company registered in the Cayman Islands. On the same day, the Company also issued 8 ordinary shares of EUR 0.001 par value per share to Clepe Ltd. for an equivalent number of preference shares in Clepe

Ltd. The market value of the preference shares issued by Clepe on the issue date was USD 1,050. On 18 December 2013, the Company exchanged its nine Clepe preference share for nine Clepe ordinary shares.

On 18 December 2013 the Company accepted a 1A ordinary share of Clepe and then subsequently surrendered said ordinary share for nil consideration.

On 19 February 2014, the Company made a capital contribution of USD 27.64 million to Clepe. On 17 April 2014, the Company made a capital contribution of USD 15 thousand to Clepe.

Perrigo Ireland Management Limited (f/k/a Tudor Trust Nominees Limited)

Tudor Trust Nominees Limited ("TTNL") was incorporated in Ireland on 29 July 2013. TTNL was acquired by the Company on 10 December 2013. TTNL changed its name to Perrigo Ireland Management Limited ("PIM") on 13 December 2013. PIM has a registered address at the Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland. The issued share capital of PIM is one ordinary share with a par value of EUR 1 per share.

On 17 April 2014, the Company made a capital contribution of USD 25 thousand to PIM. On 6 June 2014, the Company made a capital contribution of USD 25 thousand to PIM. On 13 June 2014, the Company made a capital contribution of USD 25 thousand to PIM.

Perrigo Ireland Holding Company B.V.

On 19 November 2013, the Company incorporated a new wholly owned subsidiary in the Netherlands, Perrigo Ireland Holding Company B.V. ("PIH"), with a registered address at Prins Bernhardplein 200, 1097JB Amsterdam, Netherlands. The issued share capital of PIH is EUR 100 (USD 137) (100 ordinary shares of EUR 1 per share).

On 14 May 2014 the Company made a capital contribution of EUR 5 thousand (USD 6.75 thousand) to PIH.

Elan Finance Europa S.a.r.l.

On 16 December 2013, the Company acquired 100% of the issued share capital of Elan Finance Europa S.a.r.l. ("EFES") from Elan Corporation for cash consideration of USD 16,500. The registered address of EFES is 65 Boulevard Grande-Duchesse Charlotte, L-1331, Luxembourg.

On 23 December 2013, the Company made a capital contribution of EUR 2 million (USD 2.737 million) to EFES.

4. DEBTORS (amounts falling due within one year)

(in thousands of U.S. dollars)	**Balance receivable by Perrigo Company Plc USD**
Amounts due from subsidiary undertakings	8,533
Non-interest bearing note receivable due from Perrigo Ireland Management	7,300,000
Debtors	7,308,533

Amounts due from subsidiary undertakings consist of stock compensation net of management fees charged for services provided. Amounts are payable upon demand.

The Interest free note receivable of USD 7,300 million due from Perrigo Ireland Management Limited is payable upon demand.

In addition, the Company has entered into a Master Demand Note agreement with Perrigo Company. Under the terms of the Master Demand Note, the Company has committed to providing a loan facility to Perrigo up to a maximum amount of USD 200 million. Any drawdowns on the note are subject to interest at a rate

3.99%, and the facility matures on 17 December 2018. There are no drawdowns on the Master Demand Note at the balance sheet date.

5. CREDITORS (amounts falling due within one year)

(in thousands of U.S. dollars)

	USD
Trade payables	1,065
Accruals	1,281
Amounts due to subsidiary undertakings	21
Non-interest bearing note payable to Elan Pharma International Limited	1,698,000
Non-interest bearing note payable to Elan Science Eight Limited	151,096
Non-interest bearing note payable to Elan International Services	80,000
Accrued interest	10,074
Current portion of Term loans	140,000
Total Creditors (amounts falling due within one year)	**2,081,537**

On 3 March 2014, the Company amended and restated the loan agreement originally dated 20 December 2013. The amendment provides the Company with a loan facility up to USD 2,000 million from Elan Pharma International Limited. The loan does not incur interest, and is repayable on demand. The loan may not be transferred, assigned, or converted into other types of securities, and is subordinate to all other third party debts of the Company. The loan amount outstanding as of 28 June 2014 was USD1,698 million.

On 14 February 2014, the Company entered into a 2,000 million loan agreement with Elan International Services Ltd. The loan does not incur interest, and is repayable on demand. The loan may not be transferred, assigned, or converted into other types of securities, and is subordinate to all other third party debts of the Company. The loan amount outstanding as of 28 June 2014 was USD80 million.

On 3 March 2014, the Company entered into a 2,000 million loan agreement with Elan Science Eight Limited. The loan does not incur interest, and is repayable on demand. The loan may not be transferred, assigned, or converted into other types of securities, and is subordinate to all other third party debts of the Company. The loan amount outstanding as of 28 June 2014 was USD151.096 million.

Please see note 6 for further discussion of accrued interest and the current portion of Term loans.

6. SENIOR NOTES AND TERM LOANS

(in thousands of U.S. dollars)	Balance (net of discount and financing fees) USD	Interest payable USD
Senior Notes	2,276,831	9,250
Permanent Term Loans	923,539	824
Balance at 28 June 2014	**3,200,370**	**10,074**
Due within one year	140,000	10,074
Due greater than one year	3,060,370	-
Balance at 28 June 2014	**3,200,370**	**10,074**

Senior Notes

On November 8, 2013, the Company issued $500.0 million aggregate principal amount of its 1.30% Senior Notes due 2016 (the "2016 Notes"), $600.0 million aggregate principal amount of its 2.30% Senior Notes due 2018 (the "2018 Notes"), $800.0 million aggregate principal amount of its 4.00% Senior Notes due 2023 (the "2023 Notes") and $400.0 million aggregate principal amount of its 5.30% Senior Notes due 2043 (the "2043 Notes" and, together with the 2016 Notes, the 2018 Notes and the 2023 Notes, the "Bonds") in a private placement with registration rights. Interest on the Bonds is payable semi-annually in arrears in May and November of each year, beginning in May 2014. The Bonds are governed by a Base Indenture and a First Supplemental Indenture between the Company and Wells Fargo Bank N.A., as trustee (collectively the "2013 Indenture"). The Bonds are the Company's unsecured and unsubordinated obligations, ranking equally in right of payment to all of the Company's existing and future unsecured and unsubordinated indebtedness and are guaranteed on an unsubordinated, unsecured basis by the Company's subsidiaries that guarantee the Permanent Credit Agreements. The Company received net proceeds of $2.3 billion from issuance of the Bonds

after deduction of issuance costs of $14.6 million and a market discount of $6.3 million. The Bonds are not entitled to mandatory redemption or sinking fund payments. The Company may redeem the Bonds in whole or in part at any time and from time to time for cash at the redemption prices described in the 2013 Indenture. Pursuant to the original terms of the agreement, The Company registered the bonds on September 2, 2014. The noteholders are allowed to exchange the Notes until September 30, 2014 at 5 pm, New York City time. The Exchange Notes to be issued in the Exchange Offer will be substantially identical to the Outstanding Notes, except that the Exchange Notes have been registered under the federal securities laws, are not subject to transfer restrictions, are not entitled to registration rights and will not provide for the payment of additional interest under circumstances relating to the timing of the Exchange Offer.

The terms of the notes are as follows;

(in thousands of U.S. dollars)

Tranche	Maturity	Issue price	Coupon
2016 Notes	8 Nov 2016	99.897%	1.30%
2018 Notes	8 Nov 2018	99.859%	2.30%
2023 Notes	15 Nov 2023	99.583%	4.00%
2043 Notes	15 Nov 2043	99.582%	5.30%

Date	Nominal value	Discount	Issuing fees and other capitalised expenses	Total
At 8 November 2013	2,300,000	(6,369)	(18,814)	2,274,817
Principal repaid during period	-	-	-	-
Amortised during period	-	399	1,615	2,014
Balance at 28 June 2014	**2,300,000**	**(5,970)**	**(17,199)**	**2,276,831**

Permanent Term Loan

On 6 September 2013 the Company entered into a USD 1.0 billion Term Loan Agreement (the "Term Loan") and a USD 600 million Revolving Credit Agreement (the "Revolver") with HSBC Bank USA, N.A. as Syndication Agent, Barclays Bank PLC as Administration Agent, Bank of America, N.A., JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A. as Documentation Agents and certain other participant banks (together, the "Permanent Credit Agreements"). The Term Loan consists of a USD 300 million tranche maturing December 18, 2015 and a USD 700 million tranche maturing 18 December 2018. 5% of the USD 700 million USD tranche is repayable quarterly. Both tranches were drawn in full on 18 December 2013. No drawings were outstanding under the Revolver as of 28 December 2013. Obligations of the Company under the Permanent Credit Facilities are guaranteed by Perrigo Company, certain U.S. subsidiaries of Perrigo Company, and by 18 February 2014, Elan and certain subsidiaries of Elan. Amounts outstanding under each of the Permanent Credit Agreements will bear interest at the Company's option (a) at the alternative base rate or (b) the eurodollar rate plus, in either case, applicable margins as set forth in the Permanent Credit Agreements.

As at 28 June 2014, the following amounts were outstanding under the Term Loan Credit Agreement:

Date	Principal repayable	Capitalised financing fees	Total
At 18 December 2013 (acquisition closing date)	1,000,000	(7,744)	992,256
Principal repaid during period	(70,000)	-	(70,000)
Amortised during period	-	1,283	1,283
Balance at 28 June 2014	**930,000**	**(6,461)**	**923,539**

7. SHARE CAPITAL

(in thousands of U.S. dollars)

Authorised share capital at 28 June 2014	As at 28 June 2014 USD
10,000,000,000 ordinary shares of par value EUR 0.001	13,500
10,000,000 preferred shares of par value USD 0.0001	1
	13,501

Allotted, called-up and fully paid share capital at 28 June 2014

	USD
133,804,274 ordinary shares of par value EUR 0.001	184

EUR shares are converted at the equivalent USD rate on date of issuance.

Ordinary shares

The holders of the ordinary shares shall be entitled to receive notice, attend and vote at general meetings of the Company. Without prejudice to any special rights previously conferred on the holders of the deferred ordinary shares and preferred ordinary shares, holders of the ordinary shares shall be entitled to participate in the profits or assets of the Company by way of payment of any dividends on a winding up or otherwise.

Deferred ordinary shares

The deferred ordinary shares were cancelled as authorized share capital on 18 December 2013. The holders of the deferred ordinary shares were not entitled to receive any dividend or distribution and were not entitled to receive notice of, nor to attend, speak or vote at any general meeting of the Company. On a return of assets, whether on liquidation or otherwise, the deferred ordinary shares entitled the holder thereof only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the ordinary shares plus the payment of EUR 5 million on each of the ordinary shares and the holders of the deferred ordinary shares were not entitled to any further participation in the assets or profits of the Company.

Preferred shares

The holders of the preferred shares shall be entitled to receive cash dividends when and as they are declared by the Board of Directors at such rate per share per annum, cumulatively if so provided, and with preferences as fixed by the Directors. The holders of the preferred shares shall be entitled to be paid dividends before paid or set apart for ordinary shareholders or any other junior ranking share class. None of the preference shareholders are entitled to vote at any general meeting of the Company. On a return of assets, whether on liquidation or otherwise, the preferred shares shall entitle the holder thereof only to receive payment of the amount per share fixed in the resolution adopted by the Board of Directors providing for the issuance of the shares plus an amount equal to all dividends accrued thereon to the date of final distribution to such holders.

Authorised share capital

	Ordinary shares with par value of EUR 1.00 each	Ordinary shares with par value EUR of 0.05 each	Ordinary shares with par value EUR of EUR 0.001 each	Deferred ordinary shares with par value of EUR 1.00 each	Preferred shares with a par value of USD 0.0001 each
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
- Incorporated on 28 June 2013 with share capital of 1,000,000 shares of EUR 1.00 each	1,000,000	-	-		-
- The share capital was divided into 2,000,000,000 ordinary shares of EUR 0.05 each and also 40,000 deferred ordinary shares issued of EUR 1.00 each on 28 September 2013	(1,000,000)	2,000,000,000	-	40,000	-
- The share capital was increased by the creation of 10,000,000 preferred shares of USD 0.0001 each on 21 October 2013	-	-	-	-	10,000,000
- 1,800,000,000 unissued ordinary shares were cancelled on 21 October 2013	-	(1,800,000,000)	-	-	-
- 200,000,000 issued and unissued ordinary shares consolidated to 10,000,000 shares of EUR 1.00 each on 21 October 2013	10,000,000	(200,000,000)	-	-	-
- 10,000,000 issued and unissued ordinary shares subdivided into 10,000,000,000 ordinary shares of EUR 0.001 each on 21 October 2013	(10,000,000)	-	10,000,000,000	-	-
- Repurchased and cancelled 40,000 deferred ordinary shares of EUR 1.00 each on 18 December 2013	-	-	-	(40,000)	-
Authorised share capital at 28 June 2014	**-**	**-**	**10,000,000,000**	**-**	**10,000,000**

Issued share capital (in thousands of U.S. dollars)	**Ordinary shares with par value of EUR of 0.05 each No. of shares**	**Ordinary shares with par value of EUR 0.001 each No. of shares**	**Deferred ordinary shares with par value of EUR 1.00 each No. of shares**	**Issued share capital USD**
- 2,000 ordinary shares transferred to Tudor Trust Limited and affiliates on 26 July 2013	2,000	-	-	-
- 2,000 issued ordinary shares consolidated to 100 ordinary shares on 21 October 2013	(1,900)	-	-	-
- 100 issued ordinary shares subdivided into 100,000 ordinary shares of EUR 0.001 each on 21 October 2013	(100)	100,000	-	-
- Repurchased and cancelled 99,993 of authorized and issued ordinary shares of EUR 0.001 each for nil consideration on 21 October 2013	-	(99,993)	-	-
- Issued 8 ordinary shares of EUR 0.001 to Clepe for 8 preference shares of Clepe with a market value of USD 1,050 on 22 October 2013	-	8	-	-
- Issued 23,000,000 ordinary shares of EUR 0.001 to Habsont for an equivalent number of preference shares of Habsont with a market value of USD 3,018,750,000 on 22 October 2013	-	23,000,000	-	32
- Issued 40,000 deferred ordinary shares of EUR1.00 each to Tudor Trust Limited on 22 October 2013	-	-	40,000	54
- Repurchased 8 ordinary shares of EUR 0.001 issued to Clepe for nil consideration on 18 December 2013	-	(8)	-	-
- Repurchased and cancelled 40,000 deferred ordinary shares of EUR1.00 each from Tudor Trust Limited on 18 December 2013	-	-	(40,000)	(54)
- Issued 39,379,763 ordinary shares of EUR0.001 each in exchange for 515,711,937 ordinary shares of Elan held by Elan shareholders in the acquisition of Elan on 18 December 2013	-	39,379,763	-	54
- Issued 71,357,638 ordinary shares of EUR0.001 each to Leopard Company (merged with Perrigo Company) in exchange for notes with a market value of USD 10,858,205,351 on 18 December 2013	-	71,357,638	-	98
-Issued shares under stock compensation plans	-	66,866	-	-
Issued share capital at 28 June 2014	**-**	**133,804,274**	**-**	**184**

8. CAPITAL AND RESERVES

(in thousands of U.S. dollars)

	Share capital USD	Share premium USD	Other reserves USD	Profit and loss account USD
- 2,000 ordinary shares transferred to Tudor Trust Limited and affiliates on 26 July 2013	-	-	-	-
- Issued 8 ordinary shares of EUR 0.001 to Clepe for 8 preference shares of Clepe with a market value of USD 1,050 on 22 October 2013	-	1	-	-
- Issued 23,000,000 ordinary shares of EUR 0.001 to Habsont for an equivalent number of preference shares of Habsont with a market value of USD 3,018,750,000 on 22 October 2013	32	3,018,718	-	-
- Issued 40,000 deferred ordinary shares of EUR 1.00 each to Tudor Trust Limited on 22 October 2013	54	-	-	-
- Capital contribution from Clepe Ltd. on 18 November 2013*	-	-	27,500	-
- Repurchased 8 ordinary shares of EUR 0.001 issued to Clepe for nil consideration on 18 December 2013	-	(1)	-	-
- Repurchased and cancelled 40,000 deferred ordinary shares of EUR1.00 each from Tudor Trust Limited on 18 December 2013**	(54)		54	
- Issued 39,379,763 ordinary shares of EUR0.001 each in exchange for 515,711,937 ordinary shares of Elan held by Elan shareholders in the acquisition of Elan on 18 December 2013	54	6,117,182	-	-
- Issued 71,357,638 ordinary shares of EUR 0.001 each to Leopard Company (merged with Perrigo Company) in exchange for notes with a market value of USD 10,858,205,351 on 18 December 2013	98	10,858,107	-	-
- Costs for issuance of ordinary shares	-	(5,395)	-	-
- Profit and loss for the period	-	-	-	(115,848)
- Dividends	-	-	-	(28,142)
- Share based payment (see note 9)	-	-	12,776	-
- Issue of shares under share based payment plans	-	3,026	-	-
- Transfer to profit and loss account	-	(5,500,000)	-	5,500,000
At 28 June 2014	**184**	**14,491,638**	**40,330**	**5,356,010**

*A capital contribution was received during the period from Clepe Ltd. of USD 27,500,000 which is non-refundable and unconditional.

**On cancellation of the deferred ordinary shares, a capital redemption reserve of USD 53,764 was created.

On 14 January 2014, the Irish High Court approved the creation of USD 5,500 million of distributable reserves of the Company through the reduction of the Share Premium account, so as to facilitate the ongoing payment of dividends to the shareholders of the Company and to permit the repurchase of shares. The court order authorising the creation of distributable reserves was filed with the Registrar of Companies in Ireland and became effective on 20 January 2014.

9. SHARE BASED PAYMENTS

Share based payment expense of USD 12.776 million has been included in due from subsidiaries. See note 14 to the Consolidated Financial Statements for full details on share based payment arrangements. The expense related to the options vested are initially recorded in other reserves and Investment in Subsidiaries as no portion has been incurred by the Company. These expenses are then recharged to the appropriate entity that receives the related services thereby increasing the amount due from subsidiaries and reducing the Investment in Subsidiaries.

10. RELATED PARTY TRANSACTIONS

The Profit and Loss account includes USD 669 thousand of Directors' fees for the period ended 28 June 2014.

The Company has not disclosed any other related party transactions as it has availed of the exemption available under FRS 8 "Related Party Transactions 3(c), which exempts disclosures of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

11. AUDITOR'S REMUNERATION

The fees paid to Ernst & Young Ireland with respect to the audit of the Company individual accounts were USD 64 thousand in the year ended 28 June 2014 (2013: USD Nil). In addition, Ernst & Young Ireland received fees for other assurance services of USD 380 thousand in the year ended 28 June 2014 (2013: USD Nil). Ernst & Young Ireland did not receive any fees for non-audit services or tax compliance and advisory services in 2014 (2013: USD Nil). Note 23 to the Consolidated Financial Statements provides additional information regarding auditor remuneration.

12. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue on 29 September 2014.