Perrigo Company plc

Directors' Report and Consolidated Financial Statements

For the Year Ended June 27, 2015

Contents

DIRECTORS' REPORT

For the year ended June 27, 2015

Amounts are in millions of dollars unless otherwise indicated.

The directors present their report and audited consolidated financial statements of Perrigo Company plc (the "Company," "we," "our," "us," "and similar pronouns) for the year ended June 27, 2015. 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 279 of the Companies Act 2014, 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 279(1) of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014.

BASIS OF PREPARATION

The accompanying consolidated financial statements include the accounts of Perrigo Company plc and our majority owned subsidiaries or affiliated companies where we have the ability to control the entity through voting or similar rights.

PRINCIPAL ACTIVITIES

Perrigo Company plc was incorporated under the laws of Ireland on June 28, 2013. We became the successor registrant of Perrigo Company, a Michigan corporation, on December 18, 2013 in connection with the acquisition of Elan Corporation, plc ("Elan"), which is discussed further in Note 2. Unless the context requires otherwise, the terms "Perrigo", the "Company", "we," "our," "us," and similar pronouns used herein refer to Perrigo Company plc, its subsidiaries, and all predecessors of Perrigo Company plc and its subsidiaries. With the acquisition of Omega Pharma Invest N.V. ("Omega"), we are a leading global over-the-counter ("OTC") consumer goods and specialty pharmaceutical company, offering patients and customers high quality products at affordable prices. From our beginning in 1887 as a packager of home remedies, we have grown to become the world's largest manufacturer of OTC healthcare products and supplier of infant formulas for the store brand market. We are also a leading provider of generic extended topical prescription products, and we receive royalties from sales of the multiple sclerosis drug, Tysabri®. We provide “Quality Affordable Healthcare Products®” across a wide variety of product categories and geographies, primarily in North America, Europe and Australia, as well as in other markets, including Israel and China.

In conjunction with the Omega acquisition, we changed our reporting segments in the fourth quarter of fiscal year 2015 to better align with our new organizational structure. These organizational changes were made to optimize our structure to better serve our customers and to reflect the way in which our chief operating decision maker reviews our operating results. Following this change, our reporting segments are as follows:

- **Consumer Healthcare** (**"CHC"**), which includes our former Consumer Healthcare segment, former Nutritionals segment, and former Israel Pharmaceuticals and Diagnostics business, which was previously reported in our “Other” segment;
- **Branded Consumer Healthcare** (**"BCH"**), which consists of the newly acquired Omega business;
- **Prescription Pharmaceuticals** (**"Rx Pharmaceuticals"**), which continues to include the Rx Pharmaceuticals business; and
- **Specialty Sciences**, which is comprised primarily of assets focused on the treatment of multiple sclerosis (Tysabri®).

In addition, we have an Other reporting segment that consists of our former Active Pharmaceutical Ingredients ("API") segment, which does not meet the quantitative threshold required to be a separately reportable segment. All historical segment information has been reclassified to conform to this new reporting segment presentation. Financial information related to our business segments and geographic locations can be found in Note 20.

Omega Acquisition

On March 30, 2015, we acquired Omega for $3.0 billion in equity and cash and assumed debt of $1.4 billion, for a total of $4.4 billion. Prior to its acquisition, Omega was one of the largest OTC companies in Europe. The Omega acquisition expanded our OTC leadership position across Europe, accelerated our international expansion and geographic diversification through enhanced scale and a broadened footprint, and diversified our revenue and cash flow streams while strengthening our financial profile. Additional information on the Omega acquisition can be found in Note 2.

We have already begun utilizing the broader European platform established through the Omega acquisition, on August 28, 2015, we completed the acquisition of a portfolio of well-established OTC brands from GlaxoSmithKline Consumer Healthcare (“GSK”), on September 15, 2015, we completed the acquisition of Naturwohl Pharma, GmbH ("Naturwohl"), with its leading German dietary supplement brand, Yokebe. Additional information on the GSK and Naturwohl acquisitions can be found in Note 2.

Mylan N.V.'s Unsolicited Interest in the Company

The pharmaceutical industry has been intensely acquisitive over the past several years. Mylan N.V. ("Mylan") has made several unsolicited offers to purchase all of our outstanding ordinary shares as described in detail in the principal risks and uncertainties section.

PRINCIPAL RISKS AND UNCERTAINTIES

Risks Related to Operations

If we do not continue to rapidly develop, manufacture and market innovative products that meet customer demands, we may lose market share and our net sales may be negatively impacted.

Our continued growth is due in large part to our ability to rapidly develop, manufacture, and market products that meet customer requirements for performance, safety, and cost effectiveness. Continuous introductions of new products and product categories are critical to our business. If we do not continue to develop, manufacture, and market new products, we could lose market share, and our net sales may be negatively impaired.

- We maintain a diversified product line to function as a primary supplier for our customers. Capital investments are driven by growth, technological advancements, cost improvement and the need for manufacturing flexibility. Our estimates of future capital expenditures could vary materially due to the uncertainty of these factors. In addition, if we fail to stay current with the latest manufacturing, information and packaging technology, we may be unable to competitively support the launch of new product introductions.

- Our product margins may decline over time due to our products' aging life cycles, changes in consumer choice, or developments in new drug delivery technology; therefore, new product introductions are necessary to maintain our current financial condition. If we are unable to continue to create new products, we may lose market share and our net sales may be negatively impacted.

- We must prove that the ANDA drug products our CHC and Rx Pharmaceuticals segments produce are bioequivalent to their branded counterparts, which requires bioequivalency studies, and in the case of topical products, even more extensive clinical trials to demonstrate the efficacy. 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. Necessary regulatory approvals may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and market such products. This could negatively impact our net sales.

- Our ability to attract and retain scientists proficient in emerging delivery forms and/or contracting with a third party in order to generate new products of this type is critical to our long-term plans. If we fail to attract and retain this talent, our long term sales growth and profit could be adversely impacted.

- Even upon the successful development of a product, our customer's failure to launch a product successfully could adversely affect our operating results. In addition, the FDA or similar regulatory agency could impose higher standards and additional requirements, such as requiring more supporting data and clinical data than previously required, in order to gain regulatory clearance to launch new formulations into the market.

- We contract with clinical research organizationss ("CROs") to conduct various studies that are used to support our new product development program. During the third quarter of fiscal year 2013, certain of these CROs 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 impact these insolvency proceedings may have on their ability to deliver their study results to us or on our ability to rely on their research. To the extent these CROs cannot deliver their study results to us or we cannot rely, in whole or in part, on the research conducted by them, we may be required to delay the launch of new products, which could have a material adverse impact on our future operating results. The FDA may be limited in its ability to inspect CROs' study facilities or to gain access to source study documents, which may result in us having to repeat biostudies. If these scenarios occur, it could result in approval delays for new products, which could adversely impact our future net sales. These situations are unique, and we are unable to predict the FDA's position on the studies conducted by these now bankrupt CROs.

Our CHC and BCH segments are impacted by changes in consumer preferences. If we are unable to adapt to these changes, we may lose market share and our net sales may be negatively impacted.

While the market for store brand products has grown in recent years, there can be no assurance that the growth will continue. Additionally, consumer preferences related to health and nutritional concerns may change, which could negatively impact demand for our CHC and BCH products or cause us to incur additional costs to change our products or product packaging.

- The future growth and stability of U.S. store brand market share will be impacted, in part, by general economic conditions, which can influence consumers to switch to and from store brand products. Our CHC segment sales could be negatively affected if economic conditions improve and consumers return to purchasing higher-priced brand-name products. Conversely, while store brand products present an alternative to higher-priced branded products, if economic conditions deteriorate, our CHC segment sales could be negatively impacted if consumers forgo obtaining healthcare or reduce their healthcare spending.

- Our BCH segment's success is due in large part to the continued growth in demand for its lifestyle products, which include weight-loss products and various dietary supplements. If demand for these products decreases, our BCH segment's results of operations would be negatively impacted.

- Our CHC customers may request changes in packaging to meet consumer demands, which could cause us to incur inventory obsolescence charges and redesign costs, which would negatively impact the CHC segment's results of operations.

- Our infant formula product category within our CHC segment is subject to changing consumer preferences and health and nutrition-related concerns. Our business depends, 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. We could also 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 we do not participate in this program.

We face risks associated with the successful integration of our recently-acquired Omega business.

We closed on the Omega acquisition on March 30, 2015. In addition to the risks mentioned under "*We may not realize the benefits of business acquisitions and divestitures we enter into, which could have a material adverse effect on our operating results*", the Omega acquisition exposes us to a number of additional business, financial, and competitive risks, including:

- The Omega acquisition represents a major shift in our business, both geographically, as our business is now more heavily concentrated in European markets than before, and operationally, as the Omega business sells well-known branded products using a large sales force. These changes may present challenges and risks related to, among other things, our attempt to create synergies with Omega. There is no assurance that we will be able to successfully integrate Omega or otherwise realize the expected benefits of the Omega acquisition.

- Our success in the European markets in which Omega operates will depend on a number of factors, such as:

    - our ability to commercialize new products;
    - our ability to adapt to changes in economic and political conditions;
    - fluctuations in the value of foreign currencies and interest rates;
    - compliance with differing regulatory and legal requirements, including tax laws, trade laws, labor, safety, local content, consumer protection regulation and import or export licensing requirements; and
    - consistency and transparency of foreign tax systems, transfer pricing stability across jurisdictions, and our ability to reinvest earnings and cash as appropriate.

    Many of these factors are beyond our control, and any one of them could result in increased costs, decreased net sales and diversion of management's time and energy, any or all of which could materially impact our business, financial condition, and results of operations.

- While Omega has not historically been subject to U.S. laws and regulations, such as the Foreign Corrupt Practices Act of 1977 ("FCPA"), it has been subject to a wide range of European laws and regulations, including the U.K. Bribery Act of 2010. The comparable U.S. laws and regulations to which Omega is now subject may differ from those to which Omega was historically subject. Therefore, it is possible that certain Omega sales or other activities that were permitted while Omega was an independent company may no longer be permitted. While we are putting into place compliance processes and controls intended to ensure compliance with U.S. and global laws that now apply to Omega, if Omega's operations fail to comply with such laws and regulations, we could be subject to governmental investigations, legal or regulatory proceedings, substantial fines, and/or other legal or equitable penalties.

We have been the subject of unsolicited interest from Mylan, which has been, and may continue to be, a distraction to our management and could have a material adverse impact on our business and operations.

The pharmaceutical industry has been intensely acquisitive over the past several years. Mylan has made several unsolicited offers to purchase all of our outstanding ordinary shares as described in detail below. The uncertainty regarding Mylan's future actions or further pursuit of a revised proposal or offer may be disruptive to our business, which could have a negative effect on our operations, financial condition, or results of operations.

Since April 2015, Mylan has made several unsolicited offers to purchase all of our outstanding ordinary shares as described below:

- April 6, 2015 - Mylan sent a letter containing an unsolicited proposal to acquire all of our outstanding ordinary shares for $205.00 per share (the "Proposal"), which Mylan made public on April 8, 2015. Following a comprehensive review, our Board of Directors unanimously rejected the Proposal, concluding that it substantially undervalued us and our future growth prospects and was not in the best interests of our shareholders.

- Prior to making the Proposal, Mylan was the subject of market speculation related to a possible offer to purchase Mylan from Teva Pharmaceutical Industries Ltd. ("Teva"). On April 21, 2015, Teva announced an unsolicited proposal to acquire all of the outstanding shares of Mylan for $82.00 per share, with the consideration to be comprised of approximately 50% cash and 50% stock. On April 27, 2015, Mylan announced that its Board of Directors had rejected the proposal, following which Teva reiterated its commitment to its proposal.

- April 24, 2015 - Mylan provided a firm offer to acquire all of our outstanding ordinary shares for a combination of $60.00 per share in cash and 2.2 Mylan ordinary shares for each of our ordinary shares (the “Offer”). That same day, we announced our Board of Directors' rejection of the Offer, for the same reasons we rejected the Proposal.

- April 29, 2015 - Mylan announced a revised offer to acquire all of our outstanding ordinary shares for $75.00 per share in cash and 2.3 Mylan ordinary shares for each of our ordinary shares (the “Revised Offer”). That same day, we announced our Board of Directors' rejection of the Revised Offer. Since our rejection of the Revised Offer from Mylan, no further offers have been made. However, Mylan reiterated its proposal to acquire us on the terms of the Revised Offer in its proxy statement filed on July 28, 2015. Additionally, on July 27, 2015, Mylan announced that it would hold an extraordinary general meeting of its shareholders on August 28, 2015 in connection with its proposed acquisition of us.

- On July 27, 2015, Teva announced that it had withdrawn its proposal to acquire Mylan. Teva’s decision to terminate its proposal to acquire Mylan followed Teva’s announcement that it had entered into a definitive agreement with Allergan to acquire Allergan Generics.

- On August 13, 2015, Mylan announced that it formally lowered the acceptance condition for its offer to acquire Perrigo from not less than 80% of Perrigo ordinary shares to greater than 50% of Perrigo ordinary shares.

- On August 28, 2015, Mylan announced that its shareholders had voted in favor of authorizing the Perrigo transaction and the related Mylan share issuance at a Mylan extraordinary general meeting.

- On September 14, 2015, Mylan formally announced its offer for Perrigo.

Responding to the Proposal, Offer, and Revised Offer has been, and may continue to be, a distraction for certain of our management and employees, and has required, and may continue to require, us to incur additional expenses and costs. Since the announcement of the offer, we have incurred $13.4 million in related fees. Management and employee distraction related to Mylan's unsolicited interest also may adversely impact our ability to optimally conduct our business and pursue our strategic objectives. Further, we are deemed to be in an "offer period" for the purposes of the Irish Takeover Rules, which may restrict our ability to execute our strategy on a timely basis.

We operate in a highly regulated industry, and any inability to timely meet current or future regulatory requirements could have a material adverse effect on our business, financial position, and operating results.

We are subject to the regulations of a variety of U.S. and non-U.S. agencies related to the manufacturing, processing, formulation, packaging, labeling, testing, storing, distribution, advertising, and sale of our products. Government regulation in the markets in which we operate could impact our business, and our future results could be adversely affected by changes in such regulations or policies. Below are some of the ways in which government regulation could impact our business and/or financial results:

- We must obtain approval from the appropriate regulatory agencies in order to manufacture and sell our products in the regions in which we operate. Obtaining this approval can be time consuming and costly. There can be no assurance that, in the event we submit an application to the FDA or any other regulatory agency approval, we will obtain the approval to market a prescription or OTC product and/or that we will obtain it on a timely basis. If we are granted generic exclusivity, the exclusivity may be shared with other generic companies, including authorized generics; or it is possible that we may forfeit 180-day exclusivity if we do not obtain regulatory approval or begin marketing the product within the statutory requirements. Finally, if we are not the first to file our ANDA, the FDA may grant 180-day exclusivity to another company, thereby effectively delaying the launch of our product.

- If the FDA reclassifies certain ANDA or NDA drug products to the OTC monograph system and no longer requires the approval of an ANDA or NDA prior to marketing, there may be increased competition and lower profitability related to such products. While we would make appropriate adjustments to remain in compliance with any changes and updates to the OTC monograph system, we cannot predict whether new

legislation will be enacted, the effect of any such legislation on our business, or how it may impact the competitive landscape.

- Regulatory agencies regularly inspect our manufacturing facilities and the facilities of our third-party suppliers. The failure of one of our facilities, or a facility of one of our third-party suppliers, to comply with applicable laws and regulations may lead to a breach of representations made to our customers, or to regulatory or government action against us related to the products made in that facility. Such action could include: suspension of or delay in regulatory approvals, product seizure, injunction, recall, suspension of production or distribution of our products, loss of certain licenses or other governmental penalties, civil or criminal prosecution. Additionally, the agency could make its concerns public, thereby impacting our reputation.

- The FDA, and similar regulatory agencies, have the authority to require new clinical or bioequivalence studies, limit distribution, or order label changes. Under certain circumstances, the FDA also has the authority to revoke previously granted drug approvals if there are concerns over a product's safety or efficacy. The FDA also conducts non-prescription drug advisory committee meetings to evaluate the safety of introducing prescription products to the OTC market. The expansion of Rx-to-OTC switches is critical to our future growth. FDA reluctance to approve OTC switches in new product categories could impact that growth.

- The U.S. government Federal Drug Supply Chain Security Act ("DSCSA") requires development of an electronic pedigree to track and trace each prescription drug at the salable unit level through the distribution system, which will be effective incrementally over a 10-year period. The serialization of all Rx products distributed in the U.S. needs to be completed by November 27, 2017, with the requirement for tracking the products commencing on November 27, 2023. Requirements for the tracing of products through the pharmaceutical distribution supply chain go into effect on January 1, 2015, for manufacturers, wholesale distributors, and re-packagers, and on July 1, 2015 for dispensers. Compliance with DSCSA and future U.S. federal or state electronic pedigree requirements may increase our operational expenses and impose significant administrative burdens.

- Several bills have been introduced in U.S. Congress that could, if enacted, affect the manufacture and marketing of Rx and OTC drugs including labeling and packaging. For example, the FDA is proposing to change existing regulations to require generic drug application holders to revise their labeling so that it differs from the corresponding brand drug upon submission of a "changes being effected" ("CBE-0") supplement to the FDA. 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 our future operating results. Regulatory bodies outside of the U.S. could enact similar legislation. We cannot predict whether further label restrictions may be required, or whether additional regulations in the U.S. or other countries in which we operate, may be passed.

- Our infant formula products 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. Governments could enhance regulations on the industry aimed at ensuring 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 our operating costs related to infant formula products. Additionally, the FDA and other regulatory agencies are beginning to scrutinize claims on infant formula labels. Any labeling changes required for regulatory compliance could render our packaging inventories obsolete.

- 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, we are taking steps to comply with the provisions of the FR. Compliance with the FR could be costly. To the extent the FDA believes that we have not complied with the FR, we could experience potential supply chain disruptions and delays in commercialization of new infant formula products.

- We have expanded our pharmaceutical marketing to include direct interactions with healthcare professionals, which is known as “detailing.” This activity is subject to extensive regulation under a variety of U.S. laws and regulations, including anti-kickback, anti-bribery and false claims laws; the FFDCA with respect to claims and off-label promotions; and similar laws in non-U.S. jurisdictions. If our marketing activities are found to be improper, we could be subject to civil and governmental actions and penalties. These risks may increase as non-U.S. jurisdictions adopt new anti-bribery laws and regulations.

- We manufacture products that are safe and effective when used in accordance with label directions. Certain of our 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 adversely impact our sales of products containing these ingredients and the corresponding income.

- If we are unable to successfully obtain the necessary quota for controlled substances and List I chemicals, we risk having delayed product launches or failures to meet commercial supply obligations. If we are unable to comply with regulatory requirements for controlled substances and List I chemicals, the DEA, or similar regulatory agency, may take regulatory actions, resulting in temporary or permanent interruption of distribution of our products, withdrawal of our products from the market, or other penalties.

- Our prescription products that are marketed without approved applications must meet certain manufacturing and labeling standards established by the FDA. The FDA takes a risk-based approach to its enforcement and considers factors such as the introduction date of the product's active ingredients, lack of safety concerns, and how many years the product has been marketed. There can be no assurance that the FDA will continue this policy or not take a contrary position with respect to any individual product or group of products. If the FDA were to take a contrary position, we may be required to seek FDA approval for these products or withdraw the products from the market. Our annual sales for such unapproved products were approximately $46.5 million in fiscal year 2015.

- In addition, our operations extend to numerous countries outside the U.S. and are subject to the risks inherent in conducting business globally and under the laws, regulations, and customs of various jurisdictions. These risks include compliance with a variety of national and local laws of countries in which we do business, such as restrictions on the import and export of certain intermediates, drugs, and technologies. We must also comply with a variety of U.S. laws related to doing business outside of the U.S., including Office of Foreign Asset Controls, United Nations and EU sanctions; the Iran Threat Reduction and Syria Human Rights Act of 2012; and rules relating to the use of certain “conflict minerals” under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Further changes in laws, regulations, and practices affecting the pharmaceutical industry and the healthcare system, including imports, exports, manufacturing, quality, cost, pricing, reimbursement, approval, inspection, and delivery of healthcare may affect our business and operations.

Healthcare reform and related changes to reimbursement methods in and outside of the United States may have an adverse effect on our financial condition and results of operations.

Increasing healthcare expenditures have received considerable public attention in many of the countries in which we operate. In the U.S., government programs such as Medicare and Medicaid, as well as private insurers have been focused on cost containment. In the EU and some other markets outside the U.S., 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. Both private and governmental entities are seeking ways to reduce or contain healthcare costs.

Our Rx Pharmaceutical segment in particular could be adversely impacted by measures taken by governmental entities or private insurers to restrict patients' access to our products or increase pressure on drug pricing, including denial of price increases, prospective and retrospective price decreases, and increased mandatory discounts or rebates. These actions may drive us and our competitors to decrease prices or may reduce the ability of customers to pay for our products, which could negatively impact the Rx Pharmaceutical segment's results of operations.

If we fail to comply with the reporting and payment obligations under the Medicaid rebate program or other governmental purchasing and rebate programs, we could be subject to fines or penalties, which could have an adverse effect on our financial condition and results of operations.

We have a Medicaid rebate agreement in effect with the U.S. government. There are inherent risks associated with participating in the Medicaid drug rebate program including the following:

- We are required to report pricing data to CMS on a monthly basis. If we fail to submit required information, make misrepresentations, or knowingly submit false information to the government as to AMP, ASP, or BP, we may be liable for substantial civil monetary penalties or subject to other enforcement actions, such as under the False Claims Act, and CMS may terminate our Medicaid drug rebate agreement. In that event, U.S. federal payments may not be available under Medicaid or Medicare Part B for our covered outpatient drugs.

- Health reform legislation enacted in 2010 requires the use of AMP data to calculate FULs and amends the statutory definitions of AMP and "multiple source drug" in a manner that materially affects the calculation of FULs. CMS also has begun surveying and publishing retail community pharmacy acquisition cost and consumer price information to provide state Medicaid agencies with a basis for comparing their own reimbursement and pricing methodologies and rates. We do not know how the new methodologies for calculating AMP and FULs or the retail survey acquisition cost and consumer price information will affect our pharmacy customers or to what extent these customers will seek to pass on any decrease in Medicaid reimbursements to us. We also cannot predict how the sharing of FUL data and retail survey prices may impact competition in the marketplace.

- If we inadvertently overcharge the government in connection with our FSS contract or Section 703 Agreement, whether due to a misstated FCP or otherwise, we are required to refund the difference. Failure to make necessary disclosures and/or to identify contract overcharges can result in False Claims Act allegations or potential violations of other laws and regulations. Unexpected refunds to the government, and responses to a government investigation or enforcement action, are expensive and time-consuming, and could have a material adverse effect on our business, financial condition, results of operations, and growth prospects.

- Our reporting and payment obligations under the Medicaid rebate program and other governmental purchasing and rebate programs are complex and may involve subjective decisions. Our calculations and methodologies are subject to review by the governmental agencies, and it is possible that these reviews could result in challenges to our submissions. If we do not comply with those reporting and payment obligations, we could be subject to civil and/or criminal sanctions, including fines, penalties, and possible exclusion from U.S. federal healthcare programs (including Medicaid and Medicare).

- In June 2013, we received notices from the Office of the Attorney General for the State of Texas of civil investigative demands for two of our affiliates, Perrigo Pharmaceuticals Company and Paddock Laboratories, LLC ("Paddock"). The notices request information under the Texas Medicaid Fraud Prevention Act relating to the submission of prices to Texas Medicaid in claims for reimbursement for drugs. We have cooperated with requests for information and are in the process of evaluating this and other information. While we do not know the full extent of our potential liability at this time and intend to vigorously defend against any claims, we could be subject to material penalties and damages. See Note 18 for further information.

We face vigorous competition from other pharmaceutical companies that may threaten the commercial acceptance and pricing of our products.

We operate in a highly competitive environment. Our products compete against store brand, generic, and branded pharmaceutical companies. Competition is also impacted by changes in regulations and government pricing programs that may give competitors an advantage.

- As a manufacturer of generic versions of brand-name drugs through our CHC and Rx segments, we experience competition from brand-name drug companies that may try to prevent, discourage or delay the use of generic versions through various measures, including introduction of new branded products,

legislative initiatives, changing dosage forms or dosing regimens, regulatory processes, filing new patents or patent extensions, lawsuits, citizens' petitions, and negative publicity prior to introduction of a generic product. In addition, brand-name competitors may lower their prices to compete with generic products, increase advertising, or launch, either through an affiliate or licensing arrangements with another company, or an authorized generic at or near the time the first generic product is launched, depriving the generic product market of the exclusivity intended by the Hatch-Waxman Act.

- Our CHC and Rx Pharmaceuticals segments also experience competition from our generic competitors, some of whom are significantly larger than we are, may develop their products more rapidly or complete regulatory approval processes sooner, or may market their products earlier than we do. If we are not the first to file our ANDA, the FDA may grant 180-day exclusivity to another company, which would prevent us from selling the product during the exclusivity period. Even if we are the first to file, in certain circumstances, we may not be able to fully exploit our 180-day exclusivity period.

- Additionally, our CHC and Rx Pharmaceuticals segments may experience increased price competition as other generic companies produce the same product or introduce new drugs and/or drug delivery techniques that make our current products less desirable. A drug may be subject to competition from alternative therapies during the period of patent protection or regulatory exclusivity, and thereafter we may be subject to further competition from generic products or biosimilars.

- The pharmaceutical industry is consolidating. This creates larger competitors and places further pressure on prices, development activities, and customer retention. Our animal health category within the CHC segment also has seen a dramatic increase in direct to consumer advertising by several branded competitors, and our nutritionals category has experienced increased competition through alternative channels such as health food stores, direct mail, and direct sales.

- We develop and distribute branded products through our BCH segment. We experience competition from other brand-name drug companies, many of which are larger and have more resources to devote to advertising and marketing. These direct competitors may be able to adapt more quickly to changes in customer requirements. Our current and future competitors may develop products comparable or superior to those offered by us at more competitive prices. If we are unable to compete successfully, our business will be harmed through loss of customers or increased negative pricing pressure that would adversely affect our ability to generate revenue and adversely affect our operating results.

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

Affordable high-quality raw materials and packaging components are essential to all of our business units due to the nature of the products we manufacture. In addition, maintaining good supply relationships is essential to our ongoing operations.

- We maintain 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 our ability to ship the related product in a timely manner. The effect of unavailability or delivery delays would be more severe if associated with our 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 net sales. Additionally, FDA requirements for products approved through the ANDA or NDA process could substantially lengthen the approval of an alternate material source. As a result, the loss of a single-source supplier could have a material adverse effect on our results of operations.

- The rapid increase in cost of many raw materials from inflationary forces, such as increased energy costs, and our ability or inability to pass on these increases to our customers could have a negative material impact on our financial results.

- Our infant formula products require certain key raw ingredients that are derived from raw milk, such as skim milk powder, whey protein powder, and lactose. Our 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 we deem necessary. Raw milk production is influenced by factors beyond our control including seasonal and environmental factors, governmental agricultural and environmental policy, and global demand. We cannot guarantee that there will be sufficient supplies of these key ingredients necessary to produce infant formula.

- Our products, and the raw materials used to make those products, generally have limited shelf lives. Our inventory levels are based, in part, on expectations regarding future sales. We 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. Cargo thefts and/or diversions, and economically or maliciously motivated product tampering on store shelves may occur, causing unexpected shortages, which may have a material impact on our operations.

- We rely on third parties to source many of our raw materials, as well as to manufacture sterile, injectable products that we distribute. We maintain 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 and lost revenue, harm our reputation, and may give rise to product liability litigation.

A disruption at any of our main manufacturing facilities could materially and adversely affect our business, financial position, and results of operations.

Our manufacturing operations are concentrated in a few locations. A significant disruption at one or more of these facilities, whether it be due to fire, natural disaster, power loss, intentional acts of vandalism, war, terrorism, insufficient quality, or pandemic could materially and adversely affect our business.

In recent years, there has been increasing regulatory scrutiny of pharmaceutical manufacturers, resulting in product recalls, plant shutdowns and other required remedial actions. If any regulatory body were to require one or more of our significant manufacturing facilities to cease or limit production, our business could be adversely affected.

Any breach or disruption of our information systems could have a material adverse effect on our business.

Our systems, information, and operations, as well as our independent vendor relationships (where they support information technology and manufacturing infrastructure), are highly complex and vulnerable to disruption or damage from security breaches, hacking, data theft, denial of service attacks, human error, sabotage, industrial espionage, and computer viruses. Given our position in the pharmaceutical industry, we may be more likely to be a direct target, or an indirect casualty, of such events. While we continue to employ resources to monitor our systems and protect our infrastructure, these measures may prove insufficient depending upon the attack or threat posed. Risks include:

- Breaches or disruptions could impair our ability to develop, meet regulatory approval efforts for, produce, and/or ship products on a timely basis;

- Any system issue, whether as a result of an intentional breach or a natural disaster, could damage our reputation and cause us to lose customers, experience lower sales volume, and incur significant liabilities; and

- We could incur significant expense in addressing a disruption and in addressing related data security and privacy concerns.

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

Sales to our largest customer, Walmart, comprised approximately 15% of fiscal year 2015 net sales. While no other customer individually comprised more than 10% of total net sales, we do have other significant customers. If our 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 us.

Many of our customers, which include chain drug stores, wholesalers, distributors, hospital systems, and group purchasing organizations, continue to merge or consolidate. Such consolidation has provided and may continue to provide them with additional purchasing leverage, and consequently may increase the pricing pressures we face. The emergence of large buying groups representing independent retail pharmacies enable those groups to extract price discounts on our products. In addition, a number of our customers have instituted sourcing programs limiting the number of suppliers of generic pharmaceutical products carried by that customer. These developments have resulted in heightened pricing pressure on our products, as well as competition among generic drug producers for business from a smaller and more selective customer base.

Additionally, if we are unable to maintain adequately high levels of customer service over time, customers may choose to assess penalties, obtain alternate sources for products, and/or end their relationships with us.

Our Specialty Sciences segment generates revenue primarily from royalties on Tysabri®, and any negative developments related to Tysabri® could have a material adverse effect on our business.

We occasionally enter into arrangements that entitle us to potential royalties from third parties. Our most significant royalty is the Tysabri® royalty received quarterly from Biogen Idec, which generated $338.4 million of pretax income in fiscal year 2015. Our pretax income could be adversely affected if the royalty streams decline in future periods. Factors that may have an adverse effect on our Tysabri® royalty stream are as follows:

- Foreign currency movement, which could have a negative impact on Biogen Inc.'s Tysabri® sales, thereby reducing our royalties;
- Companies working to develop new therapies or alternative formulations of products for multiple sclerosis that, if successfully developed, would compete with and could gain greater acceptance than Tysabri® and damage our market share;
- Any negative developments relating to Tysabri®, such as safety, efficacy, or reimbursement issues, could reduce demand for Tysabri®; and
- Adverse regulatory or legislative developments could limit or prohibit the sale of Tysabri®, such as restrictions on the use of Tysabri® or safety-related label changes, including enhanced risk management programs, which may significantly reduce expected net sales and require significant expense and management time to address the associated legal and regulatory issues.

Additionally, Tysabri® 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 may increase with prior immunosuppressant use, longer treatment duration, or the presence of JC virus antibodies. Increased incidence of PML could limit sales growth, prompt regulatory review, require significant changes to the label, or result in market withdrawal. In addition, the result of ongoing or future clinical trials involving Tysabri® or other adverse events reported in association with the use of Tysabri® may have an adverse impact on prescribing behavior and reduce sales of Tysabri®.

We are 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 our results of operations.

We are dependent on the services of certain key employees, and our future success will depend in large part upon our ability to attract and retain highly skilled employees. In particular, key employees of acquired companies may perceive uncertainty about their future role until strategies regarding the combined business are fully executed, and the recent offers from Mylan may affect the recruitment and retention of our workforce. Key functions for us include executive managers, operational managers, R&D scientists, information technology specialists, financial and legal specialists, regulatory professionals, quality compliance specialists, and sales/ marketing personnel. If we are unable to attract or retain key qualified employees, our future operating results may be adversely impacted.

Unfavorable publicity or consumer perception of the safety, quality, and efficacy of our products could have a material adverse impact on our business.

We are dependent upon consumers' perception of the safety, quality, and efficacy of our products, and may be affected by changing consumer preferences. Negative consumer perception may arise from media reports, product liability claims, regulatory investigations, or recalls, regardless of whether they involve us or our products. The mere publication of information asserting defects in products or ingredients, or concerns about our products or the materials used in our products, could discourage consumers from buying our products, regardless of whether such information is scientifically supported.

- Our products involve risks such as product contamination, spoilage, mislabeling, and tampering that could require us to recall one or more of our products. Serious product quality concerns could also result in governmental actions against us that, among other things, could result in the suspension of production or distribution of our products, product seizures, loss of certain licenses, delays in the issuance of governmental approvals for new products, or other governmental penalties, all of which could be detrimental to our reputation and reduce demand for our products.

- We cannot guarantee that counterfeiting, imitation or other tampering with our products will not occur or that we will be able to detect and resolve it. Any counterfeiting or contamination of any products could negatively impact our sales, particularly if counterfeit or imitation products cause death or injury to consumers.

- Many of the brands we acquired from Omega have European recognition. This recognition is the result of the large investments Omega has made in its products over many years. The quality and safety of the products are critical to our business. If we are unable to effectively manage real or perceived issues, including concerns about safety, quality, efficacy, or similar matters, sentiments toward us and our products could be negatively impacted.

- Our BCH segment's financial success is dependent on the success of its brands, and the success of these brands can suffer if marketing plans or product initiatives do not have the desired impact on a brand’s image or its ability to attract consumers. In addition, given the association of individual products within the commercial network of our BCH segment, an issue with one of our products could negatively affect the reputation of other products, thereby potentially hurting our financial results.

- Powdered infant formula products are not sterile. All of our 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 healthcare professionals. In the event that certain of our infant formula products are found or alleged to have suffered contamination or deterioration, whether or not under our control, our reputation and our infant formula product category sales could be materially adversely affected.

- Scientific studies and media reports can have a negative impact on the demand for certain of our products, even when they do not directly involve us. For instance, there have been recent reports questioning the efficacy of regular consumption of certain vitamins and supplements. Additionally, the New York Attorney

General has asked several major retailers to halt sales of herbal supplements. Our VMS sales have been negatively impacted by the media attention.

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

The Company and our employees increasingly utilize social media as a means of internal and external communication.

- To the extent that we seek to use social media tools as a means to communicate about our products and/or business, there are uncertainties as to 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 our efforts to monitor evolving social media communication guidelines and comply with applicable rules, there is risk that our use of social media for such purposes may cause us to be found in violation of them. A violation of such guidelines may damage our reputation as well as cause potential lawsuits and adversely affect our operating activities.

- Our employees may knowingly or inadvertently make use of social media tools in ways that may not be aligned with our 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 our employees, clinical trial patients, customers, and others.

- Negative posts or comments about us, store brands or generic pharmaceuticals, or our products in social media could seriously damage our reputation and could adversely affect the price of our securities. In addition, negative posts or comments about our products could result in increased pharmacovigilance reporting requirements, which may give rise to liability if we fail to fully comply with such requirements.

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

Our 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. Some of these factors include the severity, length and timing of the cough/cold/flu and allergy season, and flea and tick season, the timing of new product approvals and introductions by us and our competitors, price competition, changes in the regulatory environment, changes in accounting pronouncements, the magnitude and timing of R&D investments, changes in the levels of inventories maintained by our customers, and the timing of retailer promotional programs.

We may not realize the benefits of business acquisitions and divestitures we enter into, which could have a material adverse effect on our operating results.

One of our growth strategies is inorganic growth through the acquisition of products and companies that we expect will benefit the Company. This strategy comes with a number of financial, managerial, and operational risks. We may not realize the benefits of an acquisition because of integration and other challenges, including, but not limited to the following:

- The difficulty involved with managing the expanded operations of a larger and more complex company;

- Uncertainties involved in assessing the value, strengths, and potential profitability of, and identifying the extent of all weaknesses, risks, and contingent and other liabilities of the respective parties;

- Unanticipated changes in the business, industry, market or general economic conditions different from the assumptions underlying our rationale for pursuing the transaction;

- Potential inability to achieve identified operating and financial synergies, or return on investment, from an acquisition in the amounts or on the timeframe anticipated;

- Substantial demands on our management, operational resources, technology, and financial and internal control systems, which could lead to dissatisfaction and potential loss of key customers, management or employees;

- Integration activities may detract attention from our day-to-day business, and there might be substantial costs associated with the transaction process or other material adverse effects as a result of these integration efforts; and

- We may undertake financing to complete an acquisition that impacts our liquidity, credit ratings and financial position, thereby making it more difficult, restrictive or expensive to raise future capital.

Actual results may differ from pro forma financial information of the combined companies due to changes in the fair value of assets acquired and liabilities assumed, changes in assumptions used to form estimates, differences in accounting policies between the companies, and completion of purchase accounting.

We have acquired significant assets that could become impaired or subject us to losses and may result in an adverse impact on our results of operations.

We have recorded significant intangible assets and goodwill on our balance sheet as a result of previous acquisitions, which could become impaired and lead to material charges in the future. We regularly review our intangible assets and goodwill for impairment. Goodwill and indefinite life intangible assets are subject to impairment review on an annual basis and whenever impairment indicators are present. We perform an impairment analysis on intangible assets subject to amortization when there is an indication that the carrying amount of any individual asset may not be recoverable. Any significant change in market conditions, estimates or judgments used to determine expected future cash flows that indicates a reduction in carrying value may give rise to impairment in the period that the change becomes known. Our annual goodwill impairment testing performed in the fourth fiscal year quarter resulted in a goodwill impairment charge of $6.8 million for fiscal year 2015. There were no intangible asset impairment charges recorded in fiscal year 2015. See Note 3 for further information.

Global Risks

Our business, financial condition, and results of operations are subject to risks arising from the international scope of our operations.

We manufacture, source raw materials, and sell our products in a number of countries. We are subject to risks associated with international manufacturing and sales, including:

- Unexpected changes in regulatory requirements;
- Problems related to markets with different cultural biases or political systems;
- Possible difficulties in enforcing agreements;
- Longer payment cycles and shipping lead-times;
- Difficulties obtaining export or import licenses or changes in import/export regulations; and
- Imposition of withholding or other taxes.

Additionally, we are subject to periodic reviews and audits by governmental authorities responsible for administering import/export regulations. To the extent that we are unable to successfully defend against an audit or review, we may be required to pay assessments, penalties and increased duties.

Certain of our facilities operate in a special purpose subzone established by the U.S. Department of Commerce Foreign Trade Zone Board, which allows us certain tax advantages on products and raw materials shipped through these facilities. If the Foreign Trade Zone Board were to revoke the subzone designation or limit its use by us, we could be subject to increased duties.

Although we believe that we conduct our business in compliance with applicable anti-corruption, anti-bribery and economic sanctions or other anti-corruption laws, if we are found to not be in compliance with such laws or other anti-corruption laws, we could be subject to governmental investigations, legal or regulatory proceedings, substantial fines, and/or other legal or equitable penalties. This risk increases in locations outside of the U.S., particularly in locations that have not previously had to comply with the FCPA, U.K. Bribery Act and similar laws.

Current and changing global economic conditions may adversely affect our business.

A number of non-U.S. jurisdictions in which we do business have been negatively impacted by slowing growth rates or recessionary conditions and market volatility.

- Several emerging market economies are particularly vulnerable to the impact of rising interest rates, inflationary pressures, weaker oil and other commodity prices, and large external deficits. While some of these jurisdictions are showing signs of stabilization or recovery, others, such as Russia and Greece, continue to experience increasing levels of stress and volatility. Risks in one country can limit our opportunities for portfolio growth and negatively affect our operations in another country or countries. As a result, any such unfavorable conditions or developments could have an adverse impact on our operations.

- While the challenging global economic environment has not had a material impact on our liquidity or capital resources, there can be no assurance that possible future changes in global financial markets and global economic conditions will not affect our liquidity or capital resources, impact our ability to obtain financing in the future, or decrease the value of our assets.

- Our customers could be adversely impacted if economic conditions worsen. Our CHC segment does not advertise its products like national brand companies and thus is largely dependent on retailer promotional activities to drive sales volume and increase market share. If our customers do not have the ability to invest in store brand promotional activities, our sales may suffer. Additionally, while we actively review the credit worthiness of our customers and suppliers, we cannot fully predict to what extent they may be negatively impacted by slowing economic growth.

The international scope of our business exposes us to risks associated with foreign exchange rates.

We report our financial results in U.S. dollars. However, a significant portion of our net sales, assets, indebtedness and other liabilities, and costs are denominated in foreign currencies. These currencies include among others the euro, Indian rupee, British pound, Canadian dollar, Israel shekel, Australian dollar, and Mexican peso. The addition of Omega, a euro-denominated business that will represent a significant portion of our future net sales and earnings and a substantial portion of our net assets, has significantly increased our exposure to changes in the euro/U.S. dollar exchange rate. In addition, approximately 25% of Omega's sales are in other foreign currencies, with the majority of the product costs for these markets denominated in euros. Our results of operations and, in some cases, cash flows, have in the past been and may in the future be adversely affected by movements in exchange rates. In addition, we may also be exposed to credit risks in some of those markets. We may implement currency hedges or take other actions intended to reduce our exposure to changes in foreign currency exchange rates. If we are not successful in mitigating the effects of changes in exchange rates on our business, any such changes could materially impact our results.

We operate in jurisdictions that could be affected by economic and political instability, which could have a material adverse effect on our business.

Our operations outside the U.S. could be affected by economic or political instability, embargoes, military hostilities, unstable governments and legal systems, and inter-governmental disputes. We have significant operations in Israel, which has experienced varying degrees of hostility in recent years. Doing business in Israel and certain other countries involves the following risks:

- Certain countries and international organizations have refused to do business with Israel or with Israeli companies. We are also precluded from marketing our products to certain countries due to U.S. and Israeli regulatory restrictions. International economic sanctions and boycotts of our products could negatively impact our sales and ability to export our products.

- Our facilities in Israel are within a conflict zone. If terrorist acts or military actions were to result in substantial damage to our facilities, our business activities would be disrupted since, with respect to most products, we would need to obtain prior FDA approval for a change in manufacturing site. In addition, our insurance may not adequately compensate us for losses that may occur, and any losses or damages incurred by us could have a material adverse effect on our business.

- Certain of our customers or suppliers may decline to travel to Israel, which would force us to make alternative arrangements where necessary. The United States Department of State has at times issued an advisory regarding travel to these countries. As a result of the State Department's advisories, the FDA has at various times curtailed or prohibited its inspectors from traveling to inspect facilities. If these inspectors are unable to inspect our facilities, the FDA could withhold approval for new products intended to be produced at those facilities.

Risks Related to Litigation and Insurance

We are or may become involved in lawsuits and may experience unfavorable outcomes of such proceedings.

We may 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 quality/recall issues, environmental remediation issues, and regulatory issues. Litigation is unpredictable and can be costly. No assurance can be made that litigation will not have a material adverse effect on our financial position or results of operations in the future. See Note 18 for more information.

- We may be subject to liability if our products violate applicable laws or regulations in the jurisdictions where our products are distributed. The successful assertion of product liability or other product-related claims against us could result in potentially significant monetary damages and incur substantial legal expenses. Even if a product liability or consumer fraud claim is unsuccessful, not merited, or not fully pursued, we may still incur substantial legal expenses defending against such a claim, and our reputation may suffer.

- We are a defendant in product liability lawsuits arising out of serious adverse events, including deaths, which occurred in patients taking Tysabri®. We expect additional product liability lawsuits related to Tysabri® usage to be filed. Tysabri®'s distributor, Biogen Idec, and Perrigo will each be responsible for 50% of losses and expenses arising out of any Tysabri® product liability claims. Along with Biogen Idec, we intend to vigorously defend these lawsuits, however, we cannot predict how these cases will be resolved. Adverse results in one or more of these cases could result in substantial monetary judgments.

- We may face environmental exposures including, for example, those relating to discharges from and materials handled as part of our operations, the remediation of soil and groundwater contaminated by hazardous substances or wastes, and the health and safety of our employees. While we do not have any material remediation liabilities currently outstanding, we 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 our currently or formerly owned property, or from a third-party disposal facility that we may have used, without regard to whether we knew of, or caused, the presence of the contaminants. The actual or alleged presence of these substances, or the failure to remediate them, could have adverse effects, including, for example, substantial investigative or remedial obligations and limitations on our 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 us.

- Our BCH segment regularly makes advertising claims regarding the effectiveness of its products, which we are responsible for defending. An unsuccessful defense of product-related claims could result in potentially significant monetary damages and substantial legal expenses. Even if a claim is unsuccessful, not merited, or not fully pursued, we may still incur substantial legal expenses defending against such a claim, and our reputation could suffer.

Third-party patents and other intellectual property rights may limit our ability to bring new products to market and may subject us to potential legal liability, causing us to incur significant costs.

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.

- As a manufacturer of generic pharmaceutical products, the ability of our CHC and Rx Pharmaceutical segments to bring new products to market is often limited by third-party patents or proprietary rights and regulatory exclusivity periods awarded on products. The cost and time for us to develop prescription and Rx-to-OTC switch products is significantly greater than the rest of the new products that we introduce. Any failure to bring new products to market in a timely manner without incurring legal liability could cause us to lose market share, and our operating results could suffer.

- We could have to defend against charges that we violated patents or proprietary rights of third parties. This could require us to incur substantial expense and could divert significant effort of our technical and management personnel. If we are found to have infringed on the rights of others, we could lose our right to develop or manufacture some products or could be required to pay monetary damages or royalties to license proprietary rights from third parties. Additionally, if we choose to settle a dispute through licensing or similar arrangements, the costs associated with these arrangements may be substantial and could include ongoing royalties that may not be on terms we believe to be acceptable. An adverse determination in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent us from manufacturing and selling a number of our products.

- At times, our CHC or Rx Pharmaceuticals segments may seek approval to market NDA or ANDA products before the expiration of patents for those products, based upon our belief that such patents are invalid, unenforceable or would not be infringed by our products. In these cases we may face significant patent litigation. Depending upon a complex analysis of a variety of legal and commercial factors, we 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, known 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 we make from selling the generic version of the product. By electing to proceed in this manner, we could face substantial damages if we receive an adverse final court decision. In the case where a patent holder is able to prove that our 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 we may be required to pay attorneys' fees.

The success of certain of our products depends on the effectiveness of measures we take to protect our intellectual property rights and patents.

If we fail to adequately protect our intellectual property, competitors may manufacture and market similar products.

- We have been issued patents covering certain of our products, and we have filed, and expect 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 us may not provide us with any significant competitive advantages for our products or may even be challenged, invalidated or circumvented by competitors. In addition, patent rights may not prevent our competitors from developing, using or commercializing non-infringing products that are similar or functionally equivalent to our products.

- We also rely on trade secrets, unpatented proprietary know-how, and continuing technological innovation that we seek to protect, in part by confidentiality agreements with licensees, suppliers, employees, and consultants. If these agreements are breached, we 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, we may not be able to maintain the value of such intellectual property rights.

Significant increases in the cost or decreases in the availability of the insurance we maintain could adversely impact our financial condition.

To protect the Company against various potential liabilities, we maintain a variety of insurance programs, including property, general and product, and directors' and officers' liability. We may reevaluate and change the types and levels of insurance coverage that we purchase. We are self-insured when insurance is not available or not available at reasonable premiums. Risks associated with insurance plans include:

- Insurance costs could increase significantly, or the availability of insurance may decrease, either of which could adversely impact our financial condition;

- Deductible or retention amounts could increase or our coverage could be reduced in the future and to the extent losses occur, there could be an adverse effect on our financial results depending on the nature of the loss and the level of insurance coverage we maintained;

- Product liability insurance may not be available to us at an economically reasonable cost (or at all for certain specific products) or our insurance may not adequately cover our liability in connection with product liability claims; (see Note 18 for further information related to legal proceedings); and

- As our business inherently exposes us to claims for injuries allegedly resulting from the use of our products, we may become subject to claims for which we are not adequately insured. Unanticipated payment of a large claim may have a material adverse effect on our business.

Tax Related Risks

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

Although we are incorporated in Ireland, the IRS may assert that we 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 we are an Irish incorporated entity, we 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 Perrigo Company plc 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 our stock by reason of holding shares in Perrigo Company (the "ownership test") as of the closing of the acquisition or (ii) we must have substantial business activities in Ireland after the Elan acquisition (taking into account the activities of our expanded affiliated group).

Upon our acquisition of Elan, Perrigo Company stockholders held 71% (by both vote and value) of our shares. As a result, we believe that under current law, we should be treated as a foreign corporation for U.S. federal tax purposes. However, we cannot assure that the IRS will agree with our position that the ownership test is satisfied. There is limited guidance regarding the section 7874 provisions, including the application of the ownership test.

Based on the limited guidance available, we currently expect that Section 7874 of the Code likely will limit our and our U.S. affiliates' ability to use their U.S. tax attributes such as net operating losses 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.

Changes to tax laws could have a material adverse effect on our results of operations and the ability to utilize cash in a tax efficient manner.

We believe that under current law, we should be treated as a foreign corporation for U.S. federal tax purposes. However, any of the following could adversely affect our status as a foreign corporation for U.S. federal tax purposes:

- Changes to the inversion rules in section 7874 of the Code, the IRS Treasury regulations promulgated thereunder, or other IRS guidance and

- Legislative proposals aimed at expanding the scope of U.S. corporate tax residence.

The Office of the Revenue Commissioners, U.S. Congress, the Organization for Economic Co-operation and Development, and other Government agencies in jurisdictions where we and our 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. This focus could lead to a change in tax laws in the U.S. and other countries in which we and our affiliates do business.

Any of these changes could have a prospective or retroactive application to us, our shareholders, and affiliates, and could adversely affect us by limiting our ability to utilize cash in a tax efficient manner.

Our effective tax rate may change in the future, which could adversely impact our future results from operations.

A number of factors may adversely impact our future effective tax rates, which may impact our future results from operations. These factors include, but are not limited to:

- Income tax rate changes by governments;
- The jurisdictions in which our profits are determined to be earned and taxed;
- Changes in the valuation of our deferred tax assets and liabilities;
- Adjustments to estimated taxes upon finalization of various tax returns;
- Adjustments to our 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 (such as 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
- Repatriation of non-U.S. earnings with respect to which we have not previously provided for U.S. taxes.

The resolution of uncertain tax positions could be unfavorable, which could have an adverse effect on our business.

Although we believe that our tax estimates are reasonable and that our tax filings are prepared 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 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 or interest assessments.

- The IRS audit of fiscal years 2009 and 2010 had previously concluded with the issuance of a statutory notice of deficiency on August 27, 2014. While we had previously agreed on certain adjustments and made associated payments of $8.0 million inclusive of interest in November 2014, the statutory notice of deficiency asserted various additional positions, including transfer pricing, relative to the same fiscal 2009 and 2010 audit. The statutory notice asserted an incremental tax obligation of approximately $68.9 million, inclusive of interest and penalties. We disagree with the IRS's positions asserted in the notice of deficiency. In January 2015, we paid this amount, a prerequisite to being able to contest the IRS's positions in U.S. Federal court, and in June 2015 we filed a request for a refund. In the event that the IRS denies our request for a refund, we intend to contest the IRS's asserted positions in U.S. Federal court. An unfavorable resolution of this matter could have a material impact on our consolidated financial statements in future periods.

- The IRS is auditing fiscal years 2011 and 2012, and the Israel Tax Authorities are auditing the same period. There are numerous other income tax jurisdictions for which tax returns are not yet settled, none of which are individually significant. At this time, we cannot predict the outcome of any audit or related litigation.

The government programs in Israel in which we participate and the tax benefits we receive require us to meet several conditions and may be terminated or reduced in the future, which would increase our costs and tax expenses.

We receive 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, our development projects must be approved by the

Chief Scientist on a case-by-case basis. If our development projects are not approved by the Chief Scientist, we will not receive grants to fund these projects, which would increase research and development costs. The receipt of such grants subjects us 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. We also receive 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, we must maintain our Privileged Enterprise status by meeting conditions, including making specified investments in fixed assets located in Israel and investing additional equity in itself and its Israeli subsidiaries and by meeting projections provided to the regulatory agencies. If we fail to meet these conditions in the future, the tax benefits would be canceled, and we 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, our results of operations will be adversely impacted.

In fiscal year 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. We have two entities that have previously elected the new tax legislation for years after fiscal 2011. Therefore, the above risk is only applicable to us for fiscal year 2011 as statutes remain open for this year.

Risks Related to Capital and Liquidity

Our indebtedness could adversely affect our ability to operate our business.

We anticipate that cash, cash equivalents, cash flows from operations, and borrowings available under our credit facilities will substantially fund working capital and capital expenditures. Our business requires continuous capital investments, and there can be no assurance that financial capital will always be available on favorable terms or at all. Additionally, our leverage and debt service obligations could adversely affect the business.

- Downgrades to our credit ratings may limit our access to capital and materially increase borrowing costs on current or future financing, including via trade payables with vendors. Customers' inclination to purchase goods from us may also be affected by the publicity associated with deterioration of our credit ratings.

- Our senior credit facilities, the agreements governing our senior notes, and agreements governing our other indebtedness contain a number of restrictions and covenants that limit our ability to make distributions or other payments to our investors and creditors unless certain financial tests or other criteria are satisfied.

- We also must comply with certain specified financial ratios and tests. These restrictions could affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities, such as acquisitions. If we do not comply with the covenants and restrictions contained in our senior credit facilities, agreements governing our senior notes, and agreements governing our other indebtedness, we 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 our senior credit facilities or agreements governing our 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 our indebtedness is accelerated, there can be no assurance that we would be able to repay or refinance our debt or obtain sufficient new financing.

- There are various maturity dates associated with our 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 our indebtedness. Further, there is no assurance that future refinancing or renegotiation of our senior credit facilities, senior notes or other debt facilities, or additional agreements will not have materially different or more stringent terms.

Any additional shares we may issue could dilute your ownership in us.

- Under Irish law, our authorized share capital can be increased by an ordinary resolution of our 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 or by an ordinary resolution of our shareholders.

- 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.

- Our 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 we cannot provide any assurance that these authorizations will always be approved, which could limit our ability to issue equity and thereby adversely affect the holders of our securities.

We are 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.

As an Irish company, we are governed by the Irish Companies Act 2014 (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.

- 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.

- 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.

- 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 exercise its right to refuse to recognize and enforce a foreign 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.

- 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.

We are subject to Irish takeover rules under which our Board of Directors is not permitted to take any action without Irish Takeover Panel approval that might frustrate an offer for our ordinary shares once we have received an approach that may lead to an offer, or have reason to believe an offer is imminent. Further, it could be more difficult for us to obtain shareholder approval for a merger or negotiated transaction than if we were a U.S. company because the shareholder approval requirements for certain types of transactions differ, and in some cases are greater, under Irish law.

We may be limited in our ability to pay dividends in the future.

A number of factors may limit our ability to pay dividends in the future, including:

- The availability of distributable reserves, as approved by our shareholders and the Irish High Court;
- Our ability to receive cash dividends and distributions from our subsidiaries;

- Compliance with applicable laws and covenants; and
- Our financial condition, results of operations, capital requirements, general business conditions, and other factors that the Board of Directors may deem relevant.

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 our state of affairs.

RESULTS OF OPERATIONS

In conjunction with the Omega acquisition, we changed our reporting segments in the fourth quarter of fiscal year 2015 to better align with our new organizational structure. These organizational changes were made to optimize our structure to better serve our customers and to reflect the way in which our chief operating decision maker reviews our operating results. Following this change, our reporting segments are as follows:

- **Consumer Healthcare** (**"CHC"**), which includes our former Consumer Healthcare segment, former Nutritionals segment, and former Israel Pharmaceuticals and Diagnostics business, which was previously reported in our “Other” segment;
- **Branded Consumer Healthcare** (**"BCH"**), which consists of the newly acquired Omega business;
- **Prescription Pharmaceuticals** (**"Rx Pharmaceuticals"**), which continues to include the Rx Pharmaceuticals business; and
- **Specialty Sciences**, which is comprised primarily of assets focused on the treatment of multiple sclerosis (Tysabri®).

In addition, we have an Other reporting segment that consists of our former Active Pharmaceutical Ingredients ("API") segment, which does not meet the quantitative threshold required to be a separately reportable segment. All historical segment information has been reclassified to conform to this new reporting segment presentation. Financial information related to our business segments and geographic locations can be found in Note 20.

CONSOLIDATED FINANCIAL RESULTS

($ in millions)	Fiscal Year Ended June 27, 2015	Fiscal Year Ended June 28, 2014	Percent Change
Net sales	$ 4,603.9	$ 4,060.8	13.4 %
Gross profit	$ 1,712.5	$ 1,447.7	18.3 %
Gross profit %	37.2%	35.7%	
Total operating expenses	$ 964.8	$ 880.7	9.5 %
Operating expenses %	21.0%	21.7%	
Operating income	$ 747.7	$ 567.0	31.9 %
Operating income %	16.2%	14.0%	
Interest and other, net	$ 499.7	$ 294.4	69.7 %
Income tax expense	$ 120.0	$ 67.3	78.3 %
Net income	$ 128.0	$ 205.3	(37.7)%

Highlights

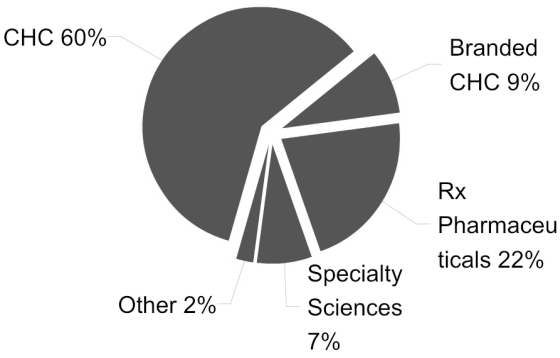
Fiscal Year 2015

- We realized record growth in the following areas:
  - Net sales of $4.6 billion primarily due to current year acquisitions and new products;
  - Gross profit percentage of 37.2%; and
  - Operating cash flows of $1.2 billion.

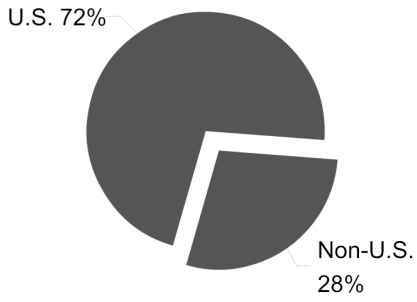
- We significantly expanded our geographic footprint and product portfolio through the acquisition of Omega, one of Europe's largest healthcare companies, which closed on March 30, 2015.
    - The Omega acquisition has provided us with a significantly larger product portfolio, increasing our SKU count to 26,600; broader global reach through access to 34 new countries; and enhanced scale. We are currently integrating Omega into our operations and plan to realize efficiencies as we bring some of their R&D and manufacturing in-house.
    - We have already begun utilizing the global platform established through the Omega acquisition, by completing our acquisition of a portfolio of well-established OTC brands in Europe from GSK on August 28, 2015, and completing the Naturwohl with its leading German dietary supplement brand, Yokebe acquisition on September 15, 2015. Additional information on the GSK and Naturwohl acquisitions can be found in Note 2.
    - Our future results will be impacted by a variety of factors related to the Omega acquisition, some of which may be material. These factors include increased net sales, operating expense, and operating cash flow. Selling expenses as a percent of sales are expected to be higher than for our legacy business given the increased advertising and sales force used to sell our BCH products. Additionally, we may incur expenses including, but not limited to, costs associated with the integration of Omega into our operations, amortization of acquired intangible assets, and restructuring charges. See the principal risks and uncertainties section for more detail.
- We expanded our product offerings through targeted acquisitions including:
    - The Lumara Health Inc. ("Lumara") product acquisition, which expanded our women's health offerings; and
    - The acquisition of Patheon Inc.'s Mexican operations, Gelcaps Exportadora de Mexico, S.A. de C.V., ("Gelcaps"), which provided us with gelcap manufacturing capabilities and expanded our presence in the Mexican OTC market.

Net Sales

Fiscal 2015 Net Sales by Segment



Fiscal 2015 Net Sales by Geography*



* Net sales by geography is derived from the location of the entity that sells to a third party. For geographic information for fiscal years 2014, refer to Note 20. Only includes Omega activity from March 30, 2015 to June 27, 2015.

During fiscal 2015, 60% of our consolidated net sales were attributable to CHC and 72% of consolidated net sales originated in the U.S. In the future, we expect BCH and sales outside of the U.S. to represent a larger portion of our consolidated net sales.

Interest Expense, Net

Interest expense was $147.1 million and $105.6 million for fiscal years 2015 and 2014, respectively. Interest income was $1.1 million and $2.1 million for fiscal years 2015 and 2014. We expect future interest expense to be comparable to our fiscal 2015 expense.

The $41.5 million increase in fiscal year 2015 compared to fiscal year 2014 was due primarily to the interest on the incremental increase in borrowings resulting from the issuance of $1.6 billion of debt in the second quarter of fiscal year 2015 to finance the Omega acquisition, as well as the debt we assumed from Omega in the fourth quarter of fiscal year 2015 and did not repay, which totaled $820.9 million at June 27, 2015.

Other Expense, Net

Other expense, net was $343.2 million and $25.1 million for fiscal years 2015 and 2014, respectively. The $318.1 million increase in fiscal year 2015 compared to fiscal year 2014 was due primarily to $324.8 million in aggregate losses we incurred hedging the euro-denominated purchase prices of Omega and GSK, as well as a $6.8 million goodwill impairment, offset partially by a gain of $12.5 million from the transfer of a rights agreement.

Loss on Extinguishment of Debt

We recorded a loss on extinguishment of debt totaling $10.5 million and $165.8 million in fiscal year 2015 and 2014, respectively. In fiscal year 2015, the loss consisted of mainly interest on the bridge agreement associated with financing the Omega acquisition. In fiscal year 2014, it consisted of make-whole payments, write-off of unamortized discounts, write-off of deferred financing fees, and interest on the bridge agreements associated with financing the Elan acquisition. See Note 2 and Note 7 for more information.

Strategy

Our strategy is to deliver Quality Affordable Healthcare Products® by leveraging our global infrastructure to expand our product offerings, thereby providing new innovative products and product line extensions to existing consumers and servicing new healthcare consumers through entry into adjacent or new markets. We accomplish this strategy by investing in and continually improving all aspects of our 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 Research and Development ("R&D") have played an important role in ensuring the consistency and quality of our five strategic pillars.

We have grown rapidly in recent years both through organic growth and targeted acquisitions. We continually reinvest in our R&D pipeline and work with partners as necessary to strive to be first-to-market with new products. Our organic growth has been driven by a series of successful new product launches in the CHC and Rx Pharmaceuticals segments. We expect to continue growing inorganically through expansion into adjacent products, product categories and channels, as well as through entry into new geographic markets. We evaluate potential acquisition targets based on whether they have the capacity to deliver a return on invested capital ("ROIC") in excess of 200 basis points over our weighted-average cost of capital ("WACC").

Competitive Advantage

Our consumer facing business model is unique in that it combines the required competencies of a fast-moving consumer goods company and a pharmaceutical manufacturing company, with the supply chain breadth necessary to support customers in the markets we serve. The durable business model competencies align with our five strategic pillars and provide us a competitive advantage in the marketplace. We maintain fully integrated quality in our operational systems across all products. Our ability to manage our supply chain complexity in dosage form, number of formulations, stock-keeping units ("SKU's"), acquisitions, integration, and global partners provides value to our customers. Product development and life cycle management are at the core of our operational investments. Globally we have 30 plants that are all in good regulatory compliance standing and have systems and structures in place to guide our continued success. Our leadership team is fully engaged in aligning all our metrics and objectives around sustainable compliance with industry associations and regulatory agencies.

Among other things, we believe the following give us a competitive advantage and provide value to our customers:

- Leadership in first-to-market product development and product life cycle management;
- Turn-key regulatory and promotional capabilities;
- Management of supply chain complexity and utilizing economies of scale; and
- Quality and cost effectiveness throughout the supply chain creating a sustainable, low-cost network.

Unsolicited Offer from Mylan N.V.

- Since April 2015, Mylan N.V. ("Mylan") has made several unsolicited offers to purchase all of our outstanding ordinary shares, as explained in detail in the principal risks and uncertainties section.

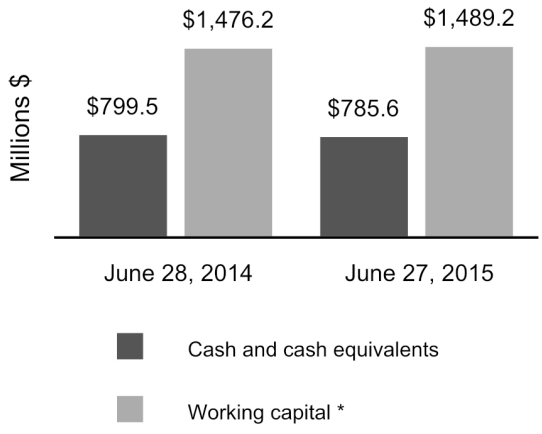
- While we have rejected Mylan's offers, Mylan continues to pursue a takeover. Mylan reiterated its proposal to acquire us in its proxy statement filed on July 28, 2015. Additionally, on July 27, 2015, Mylan announced that it will hold an extraordinary general meeting of its shareholders on August 28, 2015 in connection with its proposed acquisition of us. On September 14, 2015, Mylan formally launched its offer for Perrigo.

- Defending against Mylan's proposal and offers has required, and will continue to require, us to incur fees. Since the announcement of the offer we have incurred $13.4 million in related fees. See the principal risks and uncertainties section for more information on risks involved with Mylan.

CHANGES IN FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

We finance our operations with internally generated funds, supplemented by credit arrangements with third parties and capital markets financing. We routinely monitor 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 our current financial condition and credit relationships, management believes that our operations and borrowing resources are sufficient to provide for our current and foreseeable capital requirements. However, we continue to evaluate the impact of commercial and capital market conditions on liquidity and may determine that modifications to our capital structure are appropriate if market conditions deteriorate or if favorable capital market opportunities become available.

Cash and Cash Equivalents



* Working capital represents current assets less current liabilities.

Cash, cash equivalents, cash flows from operations and borrowings available under our credit facilities are expected to be sufficient to finance the known and/or foreseeable liquidity, capital expenditures, dividends, and, to the extent authorized, our share repurchases. Although our lenders have made commitments to make funds available to us in a timely fashion under our revolving credit agreements and overdraft facilities, 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 our existing credit facilities.

Capital Resources

Overdraft Facilities

We acquired overdraft facilities from Omega with outstanding balances totaling €51.4 million ($56.0 million) at March 30, 2015 and repaid prior to June 27, 2015. The repayments are shown on the Consolidated Statements of Cash Flows in Borrowings (repayments) of short-term debt, net.

Accounts Receivable Factoring

As a result of the Omega acquisition, we assumed multiple accounts receivable factoring arrangements with non-related third-party financial institutions (the "Factors") during fiscal year 2015. Pursuant to the terms of the arrangements, we sell to the Factors certain of our accounts receivable balances on a non-recourse basis for credit approved accounts. The total amount of accounts receivable factored and excluded from our accounts receivable

was $171.6 million at June 27, 2015, a $23.9 million increase since the acquisition date. See Note 1 for more information.

Accounts Receivable Securitization

We previously had a $200.0 million accounts receivable securitization program. This program expired June 12, 2015, and we chose not to renew it.

Revolving Credit Agreements

We have a Revolving Credit Agreement (the "2014 Revolver") that had a $600.0 million borrowing capacity until the closing of the Omega transaction in the fourth quarter of fiscal year 2015, at which time, in accordance with the agreement, it increased to $1.0 billion. The 2014 Revolver was issued as a replacement for our previous revolving credit facility entered into on September 6, 2013 (the "2013 Revolver"), which also had a $600.0 million borrowing capacity. There were no borrowings outstanding under the 2014 Revolver as of June 27, 2015 or our 2013 Revolver as of June 28, 2014.

We also assumed a €500.0 million ($544.5 million) revolving credit facility in connection with the Omega acquisition. We repaid the $539.1 million outstanding under the facility and terminated it on April 8, 2015. See Note 7 for more information on our revolving credit agreements and related transactions.

Long-Term Debt

Fiscal Year 2015

- On September 2, 2014, we offered to exchange what were previously private placement senior notes for public bonds registered with the Securities and Exchange Commission. Substantially all of the private placement senior notes have been exchanged.

- On December 2, 2014, Perrigo Finance plc, our 100% owned finance subsidiary ("Perrigo Finance") issued $500.0 million in aggregate principal amount of 3.50% senior notes due 2021, $700.0 million in aggregate principal amount of 3.90% senior notes due 2024, and $400.0 million in aggregate principal amount of 4.90% senior notes due 2044 (collectively, the "2014 Bonds").

- The 2014 Bonds are fully and unconditionally guaranteed on a senior unsecured basis by Perrigo Company plc, and no other subsidiary of Perrigo Company plc guarantees the 2014 Bonds. We may redeem the 2014 Bonds at any time under the terms of the applicable indenture, subject to the payment of a make-whole premium.

- On December 5, 2014, Perrigo Finance entered into a term loan agreement consisting of a €500.0 million ($614.3 million) tranche maturing December 5, 2019, and Perrigo Company plc entered into a $300.0 million term loan tranche maturing December 18, 2015 ("2014 Term Loan").

- On December 5, 2014, we repaid the remaining $895.0 million outstanding under our 2013 Term Loan described below, then terminated it.

- On June 24, 2015, we repaid the $300.0 million portion of the 2014 Term Loan.

- On March 30, 2015, we assumed $20.0 million in aggregate principal amount of 6.19% senior notes due 2016 (the "2016 Notes"), €135.0 million ($147.0 million) aggregate principal amount of 5.1045% senior notes due 2023, €300.0 million ($326.7 million) in aggregate principal amount of 5.125% retail bonds due 2017, €180.0 million ($196.0 million) in aggregate principal amount of 4.500% retail bonds due 2017, and €120.0 million ($130.7 million) in aggregate principal amount of 5.000% retail bonds due 2019 (collectively, the "Retail Bonds") in connection with the Omega acquisition.

- The fair value of the 2023 Notes and Retail Bonds exceeded par value by €93.6 million ($101.9 million) on the date of the acquisition. As a result, a fair value adjustment was recorded as part of the carrying value of

the underlying debt and will be amortized as a reduction of interest expense over the remaining terms of the respective debt instruments. The adjustment does not affect cash interest payments.

- On May 29, 2015, we repaid the $20.0 million in aggregate principal amount of the 2016 Notes.

We were in compliance with all covenants under our various debt agreements as of June 27, 2015. See Note 7 for more information on all of the above debt facilities and transactions.

Bridge Financing

In connection with the Omega acquisition, on November 6, 2014, we entered into a €1.75 billion ($2.2 billion) senior unsecured 364-day bridge loan facility (the "Bridge Loan Facility"). Upon issuance of our permanent debt financing described below, the Bridge Loan Facility was terminated on December 3, 2014. At no time did we draw upon the Bridge Loan Facility.

In connection with the Elan acquisition, on July 28, 2013, we 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") (together, the "Bridge Credit Agreements"). The commitments under the Debt Bridge and the Cash Bridge agreements were terminated on November 8, 2013 and December 24, 2013, respectively. At no time did we draw under the Bridge Credit Agreements.

Credit Ratings

Our credit ratings on June 27, 2015 were Baa3 (stable) and BBB (watch negative) by Moody's Investors Service and Standard and Poor's ("S&P") Rating Services, respectively. On April 9, 2015, after the announcement of Mylan’s unsolicited proposal to acquire all of our outstanding ordinary shares, S&P placed our BBB credit rating on CreditWatch with negative implications.

Credit rating agencies review their ratings periodically and, therefore, the credit rating assigned to us by each agency may be subject to revision at any time. Accordingly, we are not able to predict whether current credit ratings will remain as disclosed above. Factors that can affect our credit ratings include changes in operating performance, the economic environment, our financial position, and changes in business strategy. If changes in our credit ratings were to occur, they could impact, among other things, future borrowing costs, access to capital markets, and vendor financing terms.

FINANCIAL RISK MANAGEMENT

Foreign Exchange Risk

We are a global company with operations throughout North America, Europe, Australia, and Israel. We transact business in each location's local currency and in foreign currencies, thereby creating exposures to changes in exchange rates. Our largest exposure is the movement of the U.S. dollar relative to the euro, which has increased significantly since the Omega acquisition. In addition, our U.S. operations continue to expand their export business, primarily in Canada, China, and Europe, and are subject to fluctuations in the respective exchange rates relative to the U.S. dollar. A large portion of the sales of our Israeli operations is in foreign currencies, primarily U.S. dollars and euros, while these operations largely incur costs in their local currency. Further, a portion of Biogen Idec’s global sales of Tysabri® are denominated in local currencies creating exposures to changes in exchange rates relative to the U.S. dollar and thereby impacting the amount of U.S. dollar royalties we receive.

Due to different sales and cost structures, certain segments experience a negative impact and certain segments a positive impact as a result of changes in exchange rates. We estimate a ten percent devaluation of the U.S. dollar relative to the other foreign currencies in which we transact business would have increased operating income of our non-U.S. operating units by approximately $33.8 million for fiscal year 2015. This sensitivity analysis has inherent limitations. The analysis disregards the possibility that rates of multiple foreign currencies will not always move in the same direction relative to the value of the U.S. dollar over time and does not account for foreign exchange derivatives that we utilize to mitigate fluctuations in exchange rates.

In addition, we enter into certain purchase commitments for materials that, although denominated in U.S. dollars, are linked to foreign currency valuations. These commitments generally contain a range for which the price of materials may fluctuate over time given the value of a foreign currency.

The translation of the assets and liabilities of our non-U.S. dollar denominated operations is made using local currency exchange rates as of the end of the year. Translation adjustments are not included in determining net income but are disclosed in Other reserves within shareholders' equity on the Consolidated Balance Sheets until a sale or substantially complete liquidation of the net investment in the subsidiary takes place. In certain markets, we could recognize a significant gain or loss related to unrealized cumulative translation adjustments if we were to exit the market and liquidate our net investment. As of June 27, 2015, cumulative net currency translation adjustments increased shareholders' equity by $130.9 million.

Foreign currency transaction gains and losses arise from monetary assets and liabilities denominated in currencies other than an operating unit's functional currency. Our net transaction gains were $8.6 million for fiscal year 2015.

We monitor and strive to manage risk related to foreign currency exchange rates. Exposures that cannot be naturally offset within a local entity to an immaterial amount are often hedged with foreign exchange derivatives or netted with offsetting exposures at other entities. See Note 11 for further information regarding our derivative and hedging activities. We cannot predict future changes in foreign currency movements and fluctuations could materially impact earnings.

Interest Rate Risk

We are exposed to interest rate changes primarily as a result of interest income earned on our investment of cash on hand and interest expense on borrowings used to finance acquisitions and working capital requirements.

We have in the past and may in the future enter into certain derivative financial instruments related to the management of interest rate risk, when available on a cost-effective basis. See Note 11 for further information regarding our derivative and hedging activities. These instruments are managed on a consolidated basis to efficiently net exposures and thus take advantage of any natural offsets. We do not use derivative financial instruments for speculative purposes. Gains and losses on hedging transactions are offset by gains and losses on the underlying exposures being hedged. Because of our significant amount of fixed rate debt, we do not believe that a fluctuation in interest rates in the near future will have a material impact on our consolidated financial statements.

ACCOUNTING RECORDS

The directors are responsible for ensuring that we keep proper accounting records and appropriate accounting systems. On a periodic basis, regular reports, certifications and attestations on our 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 281 to 285 of the Companies Acts 2014. The accounting records of Perrigo Company plc are maintained at our 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 16, 2015, 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 our secretary in ordinary share capital of Perrigo Company plc at June 27, 2015 and June 28, 2014 are as follows:

	June 27, 2015			June 28, 2014		
	Ordinary shares	Stock options	Restricted share units	Ordinary shares[6]	Stock options	Restricted share units/ awards[6]
Directors						
Laurie Brlas	8,974	7,225	1,929	8,974	7,225	868
Gary M. Cohen	11,868	10,278	1,929	11,868	10,278	868
Jacqualyn Fouse	2,433	2,726	1,929	2,433	2,726	868
David T. Gibbons	13,175	5,001	1,929	13,175	5,001	868
Ran Gottfried	11,725	2,726	1,929	11,725	2,726	868
Ellen R. Hoffing	7,601	14,435	1,929	7,601	14,435	868
Michael J. Jandernoa[1]	431,191	24,093	1,929	431,191	24,093	868
Gary K. Kunkle, Jr.	24,204	24,093	1,929	24,204	24,093	868
Herman Morris, Jr.[2]	4,728	24,093	1,929	4,728	24,093	868
Donal O'Connor[3]	1,442	—	1,929	—	—	—
Joseph C. Papa	107,925	196,426	32,991	95,500	145,815	28,300
Ben-Zion Zilberfarb[4]	—	—	—	3,197	22,643	868
Secretary						
Todd W. Kingma[5]	11,364	41,907	5,953	8,892	39,024	5,427

(1) Shares owned consist of 868 shares owned directly by Mr. Jandernoa; 169,728 shares owned by the Michael J. Jandernoa Trust, of which Mr. Jandernoa is trustee; 93,441 shares owned by the Susan M. Jandernoa Trust, of which Mrs. Jandernoa is trustee; 59,788 shares owned by The Jandernoa 2018 Charitable Remainder Unitrust; and 107,366 shares owned by The Jandernoa 2028 Charitable Remainder Unitrust.

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

(3) Mr. O'Connor was elected to the Board effective November 4, 2014. Shares owned include 1,198 shares in an approved retirement fund. Mr. O'Connor's ordinary shares at the date of his appointment were 1,442 and have not changed since his election to the board.

(4) Mr. Zilberfarb served as a director through November 4, 2014.

(5) Shares owned include 2,000 shares in Todd Kingma's Charitable Remainder Uni-Trust.

(6) Ordinary shares include restricted share awards issued for non-employee directors.

POLITICAL DONATIONS

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

DIVIDENDS

Dividend payments were $64.8 million during fiscal 2015. On August 12, 2015, we declared a quarterly cash dividend of $0.125 per share to shareholders of record on August 29, 2015. The dividend totaling $18.3 million, was paid on September 15, 2015. 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 business, industry practice and any other factors deemed relevant.

SIGNIFICANT TRENDS AND DEVELOPMENTS

- In the fourth quarter of fiscal year 2015, we acquired Patheon's Mexican operations for $35.8 million. The acquisition added softgel manufacturing technology to our supply chain capabilities and broadened our presence, product portfolio, and customer network in Mexico.

- Given a branded competitor's manufacturing interruptions since the third quarter of 2010, we experienced increased demand for certain adult and pediatric analgesic products in previous fiscal years, which generally had a positive impact on the CHC segment's net sales. The branded competitor re-entered the market in fiscal year 2014 and continues to gain market position. We believe that this re-entry is largely complete. We cannot predict the extent of consumers' re-acceptance of the branded products, the extent of the branded competitor's marketing activities, or the ultimate market share this competitor will recapture.

- We filed a breach of contract litigation against a third party that we believe wrongfully enabled a competitor against us on a new product line in the animal health category. We also had a supply agreement with this third party that expired at the end of calendar year 2014 and has not been renewed. We will continue to monitor and assess these assets for potential impairment at least annually or sooner, should further impairment indicators arise. Refer to Note 3 for additional information.

- On September 15, 2015, we completed the acquisition of Naturwohl with its leading German dietary supplement brand, Yokebe. Our acquisition of the brand continues to build on the segment's leading OTC product portfolio and European commercial infrastructure. Additional information on the GSK and Naturwohl acquisitions can be found in Note 2.

- On August 28, 2015, we completed the acquisition of a portfolio of well-established OTC brands from GSK, in connection with GSK’s commitments to the European Commission and other regulators to divest these businesses in the context of the formation of a consumer health joint venture between GSK and Novartis International AG (“Novartis”). The acquisition of this portfolio builds upon the global platform we established through the Omega acquisition to help us expand our share in the European OTC market. These assets were purchased through an all-cash transaction valued at €200.0 million ($223.4 million).

- In the second quarter of fiscal year 2015, we acquired a portfolio of women's healthcare products from Lumara Health, Inc. for $83.0 million. The acquisition of this portfolio further expanded our women's healthcare product offerings.

- Biogen Inc. has stated publicly that it expects to release Phase III results of Tysabri® for secondary progressive multiple sclerosis within the next six months. We anticipate that if successful, this could positively impact our future royalties.

- We anticipate that R&D expenditures will increase above fiscal year 2015 levels in dollar terms but will remain relatively flat to slightly higher as a percentage of net sales for the foreseeable future as we continue to cultivate our presence in the Rx-to-OTC switch and generic pharmaceutical markets and develop our internal R&D 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 we have 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

In accordance with Section 383(2) of the Companies Act 2014, the auditor, Ernst & Young, Chartered Accountants, will continue in office.

On behalf of the Directors:

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

September 16, 2015

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 Part 6 of the Companies Act 2014, 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 99 to 114), 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 Act 2014.

The Directors are responsible for keeping accounting records 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 Act 2014. 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 September 16, 2015, 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 June 27, 2015 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 279 of Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014 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 391 of the Companies Act 2014. 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 Directors' Responsibilities Statement set out on page 35, the directors are responsible for the preparation of the financial statements giving a true and fair view and otherwise comply with the Companies Act 2014. 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 279 of Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014 or of any regulation made there under, of the state of the group's affairs as at June 27, 2015 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 June 27, 2015; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the parent company financial statements to be readily and properly audited.
- The parent company balance sheet is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of Sections 305 to 312 of the Companies Act 2014, 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

Chartered Accountants and Statutory Audit Firm

Dublin

September 16, 2015

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in millions, except per share amounts)

	Notes	June 27, 2015	June 28, 2014
Net sales	20	$ 4,603.9	$ 4,060.8
Cost of sales		2,891.4	2,613.1
Gross profit		1,712.5	1,447.7
Operating expenses			
Distribution		67.7	55.3
Research and development		187.8	152.5
Selling		319.0	208.6
Administration		385.2	411.3
Write-off of in-process research and development		—	6.0
Restructuring	18	5.1	47.0
Total operating expenses		964.8	880.7
Operating income		747.7	567.0
Interest, net		146.0	103.5
Other expense, net		343.2	25.1
Loss on extinguishment of debt	7	10.5	165.8
Income before income taxes		248.0	272.6
Income tax expense	16	120.0	67.3
Income from continuing operations		128.0	205.3
Net income		**$ 128.0**	**$ 205.3**
Earnings per share	12		
Basic		0.92	1.78
Diluted		0.92	1.77
Weighted-average shares outstanding	13		
Basic		139.3	115.1
Diluted		139.8	115.6
Dividends declared per share		$ 0.46	$ 0.39

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions)

	Notes	June 27, 2015	June 28, 2014
Net income		$ 128.0	$ 205.3
Other comprehensive income (loss):			
Foreign currency translation adjustments		(33.5)	83.8
Change in fair value of derivative financial instruments [1]		(0.2)	(11.6)
Change in fair value of investment securities [2]		(5.4)	2.4
Change in post-retirement and pension liability adjustments [3]		1.9	(12.0)
Other comprehensive income (loss)		(37.2)	62.6
Comprehensive income		**$ 90.8**	**$ 267.9**

[1] Includes tax effect of $5.7 million and $(1.2) million, for fiscal years 2015 and 2014, respectively.

[2] Includes tax effect of $2.7 million and $1.2 million, for fiscal years 2015 and 2014, respectively.

[3] Includes tax effect of $0.6 million and $0.0 million, for fiscal years 2015 and 2014, respectively.

CONSOLIDATED BALANCE SHEET
(in millions)

Assets	Notes	June 27, 2015	June 28, 2014
Fixed assets			
Goodwill and other indefinite-lived intangible assets	3	$ 7,235.0	$ 3,543.8
Other intangible assets, net	3	8,105.6	6,787.0
Fixed assets, net	4	932.4	779.9
Investment in associates	10	48.9	57.4
Pension assets	17	12.8	10.6
Financial assets		163.4	99.6
Current assets			
Inventories	6	838.9	631.6
Debtors	5	1,585.3	1,137.5
Investment securities	10	12.7	5.9
Cash at bank and in hand		785.6	799.5
Total assets		**$ 19,720.6**	**$ 13,852.8**
Liabilities			
Shareholders' equity			
Called up share capital			
Ordinary shares, €0.001 par value, 10 billion shares authorized	13	$ 0.2	0.2
Preferred shares, $0.0001 par value, 10 million shares authorized		—	—
Share premium		8,549.6	6,636.9
Profit and loss account		1,911.1	1,847.9
Other reserves	15	201.7	207.9
Total Perrigo shareholders' equity		10,662.6	8,692.9
Minority interest		0.2	0.8
Total shareholders' equity		10,662.8	8,693.7
Provision for liabilities			
Deferred income taxes	16	1,825.7	729.0
Other provisions	18	47.0	74.7
Creditors			
Debt	7	5,311.5	3,206.8
Creditors	8	1,873.6	1,148.6
Total for provisions and creditors		9,057.8	5,159.1
Total liabilities and shareholders' equity		**$ 19,720.6**	**13,852.8**

The Consolidated Financial Statements were approved by the Audit Committee of the Board of Directors and the Board of Directors on September 16, 2015, 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)

	Fiscal Year Ended	
	June 27, 2015	June 28, 2014
Cash Flows From (For) Operating Activities		
Net income	$ 128.0	$ 205.3
Adjustments to derive cash flows		
Depreciation and amortization	548.8	358.9
Loss on acquisition-related foreign currency derivatives	326.4	—
Share-based compensation	31.6	24.6
Loss on extinguishment of debt	10.5	165.8
Non-cash restructuring charges	5.1	47.0
Deferred income taxes	(16.4)	(53.8)
Other non-cash adjustments	17.0	10.5
Subtotal	1,051.0	758.3
Increase (decrease) in cash due to:		
Accounts receivable	(81.7)	(226.7)
Inventories	10.7	83.0
Accounts payable	140.6	(24.9)
Payroll and related taxes	(30.2)	(55.5)
Accrued customer programs	69.9	113.1
Accrued liabilities	37.3	23.0
Accrued income taxes	17.5	(10.7)
Other	(16.8)	33.9
Subtotal	147.3	(64.8)
Net cash from (for) operating activities	1,198.3	693.5
Cash Flows (For) From Investing Activities		
Acquisitions of businesses, net of cash acquired	(2,181.8)	(1,605.8)
Settlement of acquisition-related foreign currency derivatives	(329.9)	—
Proceeds from sales of securities	—	81.4
Additions to property and equipment	(137.0)	(171.6)
Other investing	1.8	(8.8)
Net cash for investing activities	(2,646.9)	(1,704.8)
Cash Flows (For) From Financing Activities		
Borrowings (repayments) of short term debt, net	(52.5)	(3.0)
Net proceeds from issuances of debt	2,504.3	3,293.6
Repayments of long-term debt	(1,823.5)	(2,035.0)
Premium on early debt retirement	—	(133.5)
Deferred financing fees	(28.1)	(48.8)
Issuance of ordinary shares	1,043.4	9.8
Equity issuance costs	(35.7)	—
Cash dividends	(64.8)	(46.1)
Other financing	(19.2)	(9.0)
Net cash from (for) financing activities	1,523.9	1,028.0
Effect of exchange rate changes on cash	(89.2)	2.9
Net increase (decrease) in cash and cash equivalents	(13.9)	19.6
Cash and cash equivalents, beginning of period	799.5	779.9
Cash and cash equivalents, end of period	$ 785.6	$ 799.5

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 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 minority 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
Net income	—	—	—	—	128.0	128.0
Other comprehensive income	—	—	—	(37.2)	—	(37.2)
Issuance of common stock under:						
Equity offering	6.8	—	1,035.0	—	—	1,035.0
Omega acquisition	5.4	—	904.9	—	—	904.9
Stock options	0.2	—	8.5	—	—	8.5
Restricted stock plan	0.2	—	—	—	—	—
Compensation for stock options	—	—	—	6.9	—	6.9
Compensation for restricted stock	—	—	—	24.7	—	24.7
Cash dividends, $0.46 per share	—	—	—	—	(64.8)	(64.8)
Tax effect from stock transactions	—	—	—	7.0	—	7.0
Shares withheld for payment of employee's withholding tax liability	(0.1)	—	—	(7.6)	—	(7.6)
Equity issuance costs	—	—	(35.7)	—	—	(35.7)
Balance at June 27, 2015	146.3	$ 0.2	$ 8,549.6	$ 201.7	$ 1,911.1	$ 10,662.6

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 was incorporated under the laws of Ireland on June 28, 2013. We became the successor registrant of Perrigo Company, a Michigan corporation, on December 18, 2013 in connection with the acquisition of Elan Corporation, plc ("Elan") which is discussed further in Note 2. Unless the context requires otherwise, the terms "Perrigo", the "Company", "we," "our," "us," and similar pronouns used herein refer to Perrigo Company plc, its subsidiaries, and all predecessors of Perrigo Company plc and its subsidiaries. With the acquisition of Omega Pharma Invest N.V. ("Omega"), we are an over-the-counter ("OTC") consumer goods and leading specialty pharmaceutical company, offering patients and customers high-quality products at affordable prices. From our beginning in 1887 as a packager of home remedies, we have grown to become the world's largest manufacturer of OTC healthcare products and supplier of infant formulas for the store brand market. We are also a leading provider of generic extended topical prescription products, and we receive royalties from sales of the multiple sclerosis drug Tysabri®. We provide “Quality Affordable Healthcare Products®” across a wide variety of product categories and geographies, primarily in North America, Europe and Australia, as well as in other markets, including Israel and China.

Our current fiscal year is a 52 or 53 week period, which ends the Saturday on or about June 30. Fiscal years 2015 and 2014 were comprised of 52 weeks and ended on June 27, 2015 and June 28, 2014, respectively.

In fiscal year 2015, we announced that our fiscal year-end will begin on January 1 and end on December 31 of each year, starting on January 1, 2016. Fiscal year 2015, which ended on June 27, 2015, will be followed by a transition period from June 28, 2015 to December 31, 2015. We plan to disclose the results of the transition period on a Form 10-KT transition report.

Subsequent to June 27, 2015, we will continue to close our books on the Saturday closest to end of the quarter, with the last quarter ending on December 31. This practice will only affect the quarterly reporting periods and not the annual reporting periods.

In conjunction with the Omega acquisition, we changed our reporting segments to better align with our new organizational structure. These organizational changes were made to optimize our structure to better serve our customers and to reflect the way in which our chief operating decision maker reviews our operating results and allocates resources. The changes in our reporting segments are as follows:

- **Consumer Healthcare** (**"CHC"**), which includes our former Consumer Healthcare segment, former Nutritionals segment, and our former Israel Pharmaceuticals and Diagnostics business, which was previously reported in our “Other” segment;
- **Branded Consumer Healthcare** (**"BCH"**), which consists of the newly acquired Omega business;
- **Prescription Pharmaceuticals** (**"Rx Pharmaceuticals"**), which continues to include the Rx Pharmaceuticals business;
- **Specialty Sciences**, which is comprised primarily of assets focused on the treatment of multiple sclerosis (Tysabri®).

In addition, we have an Other reporting segment that consists of our Active Pharmaceutical Ingredients ("API") business, which does not meet the quantitative threshold required to be a separately reportable segment. All historical segment information has been reclassified to conform to this new reporting segment presentation.

Our consolidated financial statements have been prepared in accordance with Section 279 of the Companies Act 2014, 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 279(1) of the Companies Act 2014 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 Act 2014 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.

Our functional currency is United States Dollars (USD). We translate our 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 13, 2015 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 are no material differences to be reconciled between the two financial statements.

c. Revenues

We generally record 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.

We maintain 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 BCH 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 $434.9 million at June 27, 2015 and $318.0 million at June 28, 2014.

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, we determine whether the individual elements represent separate units of accounting. If the separate elements represent separate units of accounting, we recognize 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. We estimate 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 we perform 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® represented 96% of our fiscal year 2015 royalty revenue.

Shipping and handling costs billed to customers are included in net sales. Conversely, shipping and handling expenses we incur are included in cost of sales.

d. Cash and Cash Equivalents

Cash and cash equivalents 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 and cash equivalents approximates its fair value.

e. Investments

Available for Sale Investments

We determine 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 we determine that a loss in the value of an investment is other than temporary, the investment is written down to its estimated fair value. Any such losses are recorded in Other expense, net. See Note 10 for more information on our available for sale investments.

Cost Method Investments

Non-marketable equity securities are carried at cost, less any write down for impairments, and are adjusted for impairment based on methodologies, an assessment of the impact of general private equity market conditions, and discounted projected future cash flows. Non-marketable equity securities are recorded in Other non-current assets on the Consolidated Balance Sheets. See Note 10 for more information on our cost method investments.

Equity Method Investments

The equity method of accounting is used for unconsolidated entities over which we have significant influence; generally this represents ownership interests of at least 20% and not more than 50%. Under the equity method of accounting, we record the investments at carrying value and adjust for a proportionate share of the profits and losses of these entities each period. We evaluate our equity method investments for recoverability. If we determine that a loss in the value of an investment is other than temporary, the investment is written down to its estimated fair value. Any such losses are recorded in Other expense, 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 Other non-current assets on the Consolidated Balance Sheets. See Note 10 for more information on our equity method investments.

f. Derivative Instruments

We record 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 Sheets. Additionally, changes in a derivative's fair value, which are measured at the end of each period, is 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.

We are exposed to credit loss in the event of nonperformance by the counterparties on derivative contracts. It is our policy to manage our 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, our maximum exposure to loss is the asset balance of the instrument. The maximum term of the forward currency exchange contracts at June 27, 2015 and June 28, 2014 was 15 months.

g. Accounts Receivable and Factoring

We maintain an allowance for doubtful accounts that reduces our 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.

As a result of the Omega acquisition, we assumed multiple accounts receivable factoring arrangements with non-related third-party financial institutions (the "Factors"). Pursuant to the terms of the arrangements, we sell to the Factors certain of our accounts receivable balances on a non-recourse basis for credit approved accounts. An administrative fee ranging from 0.14% to 0.15% per diem is charged on the gross amount of accounts receivables assigned to the Factors, plus interest is calculated at the applicable EUR LIBOR rate plus 70 basis points. The total amount factored and excluded from accounts receivable on our Consolidated Balance Sheets was $171.6 million at June 27, 2015, a $23.9 million increase since we acquired Omega.

h. Inventories

Inventories 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.

We maintain 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. See Note 6 for additional information on our inventory.

i. Fixed Assets

Property, plant and equipment, net are recorded at cost and are depreciated using the straight-line method. Useful lives for financial reporting range from 2 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, we do 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, we consider goodwill an indefinite-lived intangible asset that is not amortized over an arbitrary period. Rather, we account 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. We are 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 amounts paid for an acquisition in excess of the fair value of net assets received. Goodwill is tested for impairment annually in our fourth quarter, or more frequently if changes in circumstances or the occurrence of events suggest impairment exists. The test for impairment requires us 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.

We have intangible assets that we have acquired through various business acquisitions and that include trademarks, trade names and brands, in-process research and development ("IPR&D"), developed product technology/formulation and product rights, distribution and license agreements, customer relationships and distribution networks, 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. We typically use this method 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. We typically use this method 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, trade names and brands. 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, trade names and brands are tested for impairment annually during our 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 our future cash flows. We also review 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 our 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 our indebtedness.

l. Share-Based Awards

We measure and record 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 the grant date based on historical experience and adjusted in subsequent periods for any differences in actual forfeitures from those estimates.

We estimate 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 our 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 our stock price on the day the awards are granted. See Note 14 for further information on our 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.

We have not made a provision 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.

We record 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. We include interest and penalties attributable to uncertain tax positions and income taxes as a component of our income tax provision.

n. Legal Contingencies

We are involved in product liability, patent, commercial, regulatory and other legal proceedings that arise in the normal course of business. We record 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. We have established reserves for certain of our legal matters, as described in Note 18. We also separately record 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. We 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.

We actively collaborate with other pharmaceutical companies to develop, manufacture and market certain products or groups of products. We may choose to enter into these types of agreements to, among other things, leverage our or others' scientific research and development expertise or utilize our extensive marketing and distribution resources. Our 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 we acquire certain products for which there is already an Abbreviated New Drug Application ("ANDA") or New Drug Application ("NDA") approval directly related to the product, and there is net realizable value based on projected sales for these products, we capitalize the amount paid as an intangible asset. If we acquire product rights that are in the development phase and as to which we have no assurance that the third-party will successfully complete its development milestones, we expense the amount paid. See Note 19 for more information on our current collaboration agreements.

p. Advertising Costs

We expense advertising costs as incurred. Advertising costs were $55.7 million and $41.4 million in fiscal years 2015 and 2014, respectively. Advertising costs relate primarily to print advertising, direct mail, on-line advertising and social media communications primarily in our CHC and BCH segments.

q. Earnings per Share ("EPS")

Basic EPS is calculated using the weighted-average number of ordinary shares 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 Omega acquisition in fiscal year 2015, we assumed the liabilities under a number of defined benefit plans for employees based primarily in the Netherlands, Germany, France and Norway. Omega companies operate various pension plans across each country. As part of the Elan acquisition in fiscal year 2014, we assumed responsibility for the funding of two Irish defined benefit plans, which subsequently have been combined. Actuarial valuations were completed as of June 27, 2015.

Two significant assumptions, the discount rate and the expected rate of return on plan assets, are important elements of expense and liability measurement. We evaluate these assumptions annually. Other assumptions involve employee demographic factors, such as retirement patterns, mortality, turnover, and the rate of compensation increase.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated periodically by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

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. We recognize the funded status of benefit plans on the Consolidated Balance Sheets. In addition, we recognize 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. See Note 17 for further information on our defined benefit plans.

2. ACQUISITIONS

All of the below acquisitions, with the exception of the Vedants equity 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. The effects of all of the 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.

Naturwohl Pharma GmbH

On September 15, 2015, we completed our acquisition of Naturwohl with its leading German dietary supplement brand, Yokebe. Our acquisition of the brand continues to build on our BCH segment's leading OTC product portfolio and European commercial infrastructure. These assets were purchased through an all-cash transaction valued at €130.0 million ($145.2 million).

GlaxoSmithKline Consumer Healthcare

On August 28, 2015, we completed the acquisition of a portfolio of well-established OTC brands from GSK, in connection with GSK's commitments to the European Commission and other regulators to divest these businesses in the context of the formation of a consumer health joint venture between GSK and Novartis. The acquisition of this portfolio builds upon the global platform we established through the Omega acquisition to help us expand our share in the European OTC market. These assets were purchased through an all-cash transaction valued at €200.0 million ($223.4 million).

Enaltus, LLC

On August 31, 2015, we announced that we entered into a definite agreement to acquire ScarAway® for $27.0 million, a leading U.S. OTC scar management brand from Enaltus, LLC. The ScarAway® portfolio is comprised of five stock-keeping units ("SKUs") in the consumer retail channel, each addressing a unique consumer scar need. We are viewing this as an important strategic acquisition in that it will serve as our entry into the branded OTC business in the U.S.

Fiscal Year 2015 Acquisitions

Gelcaps Exportadora de Mexico, S.A. de C.V.

On May 12, 2015, we acquired 100% of Gelcaps Exportadora de Mexico, S.A. de C.V. ("Gelcaps"), the Mexican operations of Durham, North Carolina-based Patheon Inc. for $35.8 million in cash. The acquisition adds softgel manufacturing technology to our supply chain capabilities and broadens our presence, product portfolio and customer network in Mexico. Operating results attributable to Gelcaps are included in the CHC segment. The intangible assets acquired included a trademark with a 25 year useful life and customer relationships with a 20 year useful life. We utilized the relief from royalty method for valuing the trademark and the multi-period excess earnings method for valuing the customer relationships.

Based on valuation estimates utilizing the comparative sales method, a step-up in the value of inventory of $0.6 million was recorded in the opening balance sheet, which will be charged to cost of goods sold by the end of next quarter. In addition, property, plant and equipment were written up by $0.9 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. The goodwill recorded is not deductible for tax purposes.

Omega Pharma Invest N.V.

On March 30, 2015, we completed our acquisition of Omega, a limited liability company incorporated under the laws of Belgium. Omega was a leading European OTC company, and we expect it to provide us several key benefits, including advancing our growth strategy outside the U.S. by providing access across a larger global platform with critical mass in key European countries, establishing commercial infrastructure in the high-barrier to entry European OTC marketplace, strengthening our product portfolio while enhancing scale and distribution, enhancing our financial profile, and expanding our international management capabilities.

We purchased 95.77% of the issued and outstanding share capital of Omega (685,348,257 shares) from Alychlo N.V. (“Alychlo”) and Holdco I BE N.V. (“Holdco” and, together with Alychlo, the “Sellers”), limited liability companies incorporated under the laws of Belgium under the terms of the Share Purchase Agreement dated November 6, 2014 (the "Share Purchase Agreement"). Omega holds the remaining 30,243,983 shares as treasury shares.

The acquisition was a cash and stock transaction made up of the following consideration (in millions except per share data):

Perrigo ordinary shares issued		5.4
Perrigo share price at transaction close on March 30, 2015	$	167.64
Total value of Perrigo ordinary shares issued	$	904.9
Cash consideration		2,078.3
Total consideration	$	2,983.2

The cash consideration shown in the above table was financed by a combination of debt and equity. We issued $1.6 billion of debt as described in Note 7, and issued 6.8 million ordinary shares, which raised $999.3 million net of issuance costs.

The Sellers have agreed to indemnify us for certain potential future losses. The Sellers’ indemnification and other obligations to us under the Share Purchase Agreement are secured up to €248.0 million ($277.0 million). Under the terms of the Share Purchase Agreement, Alychlo and its affiliates are subject to a three-year non-compete in Europe, and the Sellers are subject to a two-year non-solicit, in each case subject to certain exceptions. The Share Purchase Agreement contains other customary representations, warranties, and covenants of the parties thereto.

The operating results attributable to Omega are included in the BCH segment. We incurred costs in connection with the Omega acquisition related to general transaction costs (legal, banking and other professional fees), financing fees, and debt extinguishment. The amounts recorded were not allocated to a reporting segment. The table below details the acquisition costs, as well as losses on hedging activities associated with the acquisition purchase price, and where they were recorded (in millions):

	Fiscal Year	
Line item	**2015**	
Administration	$	29.7
Interest expense, net		23.7
Other expense, net		324.0
Loss on extinguishment of debt		9.6
Total acquisition-related costs	$	387.0

See Note 11 for further details on losses on Omega-related hedging activities shown above in Other expense, net, and Note 7 for details on the loss on extinguishment of debt.

We acquired the following intangible assets: indefinite-lived trademarks and brands; definite-lived trademarks and trade names with useful lives ranging from 8 to 20 years; customer relationships and distribution networks with useful lives ranging from 7 to 21 years; and developed product technology with useful lives ranging from 4 to 13 years. We also recorded goodwill, which is not deductible for tax purposes and represents the value we assigned to the expected synergies described above. We utilized the multi-period excess earnings method for the indefinite-lived trademarks and brands, the definite-lived brands, and customer relationships and distribution networks. We utilized the relief from royalty method for the developed product technology and definite-lived trade names.

Based on valuation estimates utilizing the comparative sales method, a step-up in the value of inventory of $15.1 million was recorded in the opening balance sheet and was charged to cost of goods sold during the fourth quarter of fiscal year 2015. In addition, property, plant and equipment were written up $41.5 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. Additionally, the fair value of the debt assumed on the date of acquisition exceeded par value by $101.9 million, which was recorded as part of the carrying value of the underlying debt and will be amortized as a reduction of interest expense over the remaining terms of the respective debt instruments. For more information on the debt we assumed from Omega and our subsequent payments on the debt, see Note 7.

Lumara Health, Inc.

On October 31, 2014, we acquired a portfolio of women's healthcare products from Lumara Health, Inc., ("Lumara") a privately-held, Chesterfield, Missouri-based specialty pharmaceutical company, for cash consideration of $83.0 million. The acquisition of this portfolio further expanded our women's healthcare product offerings. Operating results attributable to the acquired Lumara products are included in the Rx Pharmaceuticals segment. The intangible assets acquired consisted of three product formulations with useful lives ranging from 8 to 12 years. The assets were valued utilizing the multi-period excess earnings method.

Purchase Price Allocation of Fiscal Year 2015 Acquisitions

The measurement period related to the Lumara acquisition is now closed. As a result, the Lumara opening balance sheet is final. The Omega and Gelcaps opening balance sheets are still preliminary and are based on valuation information, estimates and assumptions available at June 27, 2015. As we finalize the fair value estimates of assets acquired and liabilities assumed, additional purchase price adjustments may be recorded during the measurement period. Tax accounts as well as certain tangible and intangible assets have not yet been finalized. 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 our results of operations. As we continue to arrange and obtain the information to finalize our purchase accounting assessment. We expect that there will be changes in the valuation of assets acquired and liabilities assumed, that may have a material impact on our results of operations and financial position.

The below table indicates the purchase price allocation for our fiscal year 2015 acquisitions (in millions):

	Omega *	All Other [1]*
Total purchase consideration	$ 2,983.2	$ 118.8
Assets acquired:		
Cash and cash equivalents	$ 14.7	$ 4.6
Accounts receivable	264.7	11.4
Inventories	214.4	8.7
Current net deferred tax assets	6.4	0.6
Prepaid expenses and other current assets	39.2	2.7
Property and equipment	121.2	6.1
Goodwill	1,513.1	4.8
Intangible assets:		
Trademarks, trade names and brands	2,427.2	4.4
Customer relationships and distribution networks	1,342.7	6.6
Formulations	—	82.0
Developed product technology	32.7	—
Other intangible assets	3,802.6	93.0
Other non-current assets	2.4	0.4
Total assets	5,978.7	132.3
Liabilities assumed:		
Accounts payable	243.1	4.6
Short-term debt	24.6	—
Accrued liabilities	44.5	5.5
Payroll and related taxes	51.3	—
Accrued customer programs	39.8	—
Long-term debt	1,471.0	—
Non-current net deferred income tax liabilities	1,038.7	3.3
Other non-current liabilities	82.5	0.1
Total liabilities	2,995.5	13.5
Net assets acquired	$ 2,983.2	$ 118.8

[1] Includes opening balance sheets for the Gelcaps acquisition and Lumara product acquisition.

* Omega and Gelcaps opening balance sheets are preliminary.

Fiscal Year 2014 Acquisitions

Aspen Global Inc.

On February 28, 2014, we 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 broadened our product offering in Australia and New Zealand and furthered our strategy to expand the CHC portfolio internationally. Operating results attributable to the acquired Aspen products are included in the CHC 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, we 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 expanded our 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, we acquired Elan, which led to our new corporate structure headquartered in Dublin, Ireland. We have utilized this new structure to continue to grow in our core markets and further expand outside of the U.S. The acquisition also provided us with our Tysabri® royalty stream, enhancing our operating cash flows and diversifying our revenues, and recurring annual operational synergies, related cost reductions, and tax savings. Certain of these synergies resulted from the elimination of redundant public company costs while optimizing back-office support. The jurisdictional mix of income and the new corporate structure are expected to provide tax benefits to the worldwide structure.

The acquisition was 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, we paid cash consideration of $16.1 million to the Elan stock option and share award holders for the unvested portion of their awards. This amount was charged to earnings during fiscal year 2014.

At the completion of the transaction, the holder of each Elan ordinary share and each Elan American Depositary Share received $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.

The operating results for Elan are included in the Specialty Sciences segment. During fiscal year 2014, we incurred and expensed acquisition-related costs, which were not allocated to a reporting segment. The costs 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 millions):

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

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

Tysabri®: We are 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, we are 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 was assigned a value of $5.8 billion and a useful life of 20 years.

Prialt®: We are 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 asset was assigned a value of $11.0 million and a useful life of 10 years.

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

Segment	**Goodwill**
CHC	$ 1,287.4
Rx Pharmaceuticals	845.1
Specialty Sciences	200.6
Total	$ 2,333.1

Purchase Price Allocation of Fiscal Year 2014 Acquisitions

The purchase price allocations for all fiscal year 2014 acquisitions are now final. We finalized the purchase price allocation for Elan during fiscal year 2015. Since June 28, 2014, revisions included a $13.0 million decrease in net tax-related liabilities, resulting in a corresponding decrease in goodwill.

The below table indicates the purchase price allocation for our fiscal year 2014 acquisitions (in millions):

	Elan	All Other [1]
Purchase price paid	$ 9,451.9	$ 71.0
Contingent consideration	—	0.8
Total purchase consideration	$ 9,451.9	$ 71.8
Assets acquired:		
Cash and cash equivalents	$ 1,807.3	$ —
Investment securities	100.0	—
Accounts receivable	44.2	—
Inventories	—	3.0
Prepaid expenses and other current assets	27.1	—
Property and equipment	9.2	—
Goodwill	2,333.1	4.6
Intangible assets:		
Trademarks, trade names and brands	—	34.8
Customer relationships	—	9.8
Non-competition agreements	—	1.8
Distribution and license agreements	5,811.0	17.8
Other intangible assets, net	5,811.0	64.2
Other non-current assets	93.4	—
Total assets	10,225.3	71.8
Liabilities assumed:		
Accounts payable	2.0	—
Accrued liabilities	120.8	—
Deferred tax liabilities	631.8	—
Other non-current liabilities	18.8	—
Total liabilities	773.4	—
Net assets acquired	$ 9,451.9	$ 71.8

[1] Includes opening balance sheet of the Aspen and Fera (Methazolomide) product acquisitions.

Vedants Drug & Fine Chemicals Private Limited

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

Actual and Pro Forma Impact of Fiscal Year 2015 and 2014 Acquisitions

Our Consolidated Financial Statements include operating results from the Omega, Gelcaps, and Elan acquisitions, and the Lumara, Aspen, and Fera (Methazolomide) product acquisitions, from the date of each acquisition through June 27, 2015. Net sales and operating income attributable to the Omega, Gelcaps, and Lumara acquisitions included in our fiscal year 2015 financial statements totaled $418.2 million and $18.9 million, respectively. Net sales and operating loss attributable to the Elan, Aspen, and Fera (Methazolomide) acquisitions included in our fiscal 2014 financial statements totaled $168.5 million and $53.9 million, respectively.

The following unaudited pro forma information gives effect to the Omega, Gelcaps, and Elan acquisitions, and Lumara, Aspen, and Fera (Methazolomide) product acquisitions, as if the acquisitions had occurred on June 30, 2013 and had been included in our Results of Operations for fiscal years 2015 and 2014 (in millions):

(Unaudited)	Fiscal 2015	Fiscal 2014
Net sales	$ 5,671.3	$ 5,816.3
Net income	$ 122.5	$ 212.8

The historical consolidated financial information of Perrigo, Omega, Gelcaps, and Elan, and the acquired Lumara, Aspen, and Fera 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 June 30, 2013 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 and tangible assets, along with the reclassification of acquisition-related costs from the period ended June 27, 2015 to the period ended June 28, 2014. 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.

The decline in the Euro relative to the U.S. dollar negatively impacted fiscal year 2015 pro forma net sales attributed to Omega. If the Euro to U.S. dollar exchange rate had remained constant from fiscal year 2014 to fiscal year 2015, pro forma net sales attributed to Omega would have increased in fiscal year 2015 by an estimated $189.3 million.

3. GOODWILL AND INTANGIBLES

Goodwill

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

	CHC	BCH	Rx Pharma-ceuticals	Specialty Sciences	Other	Total
Balance at June 29, 2013	$ 611.6	$ —	$ 385.4	$ —	$ 92.2	$ 1,089.2
Business acquisitions	1,297.2	—	851.0	201.8	—	2,350.0
Currency translation adjustment	7.6	—	21.9	—	5.4	34.9
Balance at June 28, 2014	1,916.4	—	1,258.3	201.8	97.6	3,474.1
Business acquisitions	4.8	1,513.1	—	—	—	1,517.9
Impairments	(6.8)	—	—	—	—	(6.8)
Currency translation adjustment	(9.7)	38.8	(20.0)	—	(9.4)	(0.3)
Purchase accounting adjustments	(7.2)	—	(4.7)	(1.1)	—	(13.0)
Balance at June 27, 2015	$ 1,897.5	$ 1,551.9	$ 1,233.6	$ 200.7	$ 88.2	$ 4,971.9

The increase in goodwill in fiscal year 2015 was due primarily to the Omega acquisition. Additionally we recorded $4.8 million of goodwill in the CHC segment due to the Gelcaps acquisition. The increase in goodwill in fiscal year 2014 was due primarily to the acquisition of Elan, which contributed $2.3 billion of goodwill. We allocated $2.1 billion of goodwill to the reporting units that are expected to benefit from the synergies related to the Elan transaction. See Note 2 for additional information. We also recorded $4.6 million of goodwill to the CHC segment due to the acquisition of the Aspen product portfolio.

Step one of our fiscal year 2015 annual goodwill impairment testing indicated that our CHC Mexico reporting unit's goodwill fair value was below its net book value as of March 28, 2015. As a result, we initiated the second step of the goodwill impairment test to measure the amount of impairment. Refer to Note 1 for our impairment process. We concluded that the goodwill was fully impaired and recorded an impairment of $6.8 million in our CHC segment during the quarter ended June 27, 2015 in Other expense, net. No other segments were affected by this impairment charge. No impairment charge was recorded as a result of the annual goodwill impairment testing during fiscal year 2014.

During the third quarter we identified indicators of potential impairment of our Animal Health reporting unit's intangible assets, which include goodwill, indefinite-lived intangible assets, and definite-lived intangible assets. We performed impairment testing for all of our Animal Health intangible assets as of March 29, 2015, and none were determined to be impaired. Additionally, goodwill and indefinite-lived intangible assets were tested again in conjunction with our annual fourth quarter testing and resulted in no impairment. We will continue to monitor and assess our Animal Health intangible assets for potential impairment should further impairment indicators arise and test at least annually as applicable.

Intangible Assets

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

	June 27, 2015		June 28, 2014	
	Gross	Accumulated Amortization	Gross	Accumulated Amortization
Amortizable intangibles:				
Distribution and license agreements	$ 6,029.9	$ 502.3	$ 6,027.3	$ 192.1
Developed product technology/formulation and product rights	1,025.3	383.1	931.7	302.5
Customer relationships and distribution networks	1,749.9	146.2	372.0	97.5
Trademarks, trade names and brands	340.8	11.5	47.8	5.6
Non-compete agreements	14.7	11.9	15.3	9.4
Total amortizable intangibles	$ 9,160.6	$ 1,055.0	$ 7,394.1	$ 607.1
Non-amortizable intangibles:				
Trademarks, trade names and brands	$ 2,257.3	$ —	$ 59.5	$ —
In-process research and development	5.8	—	10.2	—
Total non-amortizable intangibles	2,263.1	—	69.7	—
Total other intangible assets	$ 11,423.7	$ 1,055.0	$ 7,463.8	$ 607.1

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

The increase in gross amortizable intangible assets during fiscal year 2015 was due primarily to the Omega acquisition, as discussed in Note 2. No material impairment charges were recorded as a result of the annual intangible asset impairment testing during fiscal years 2015, 2014 or 2013. We did record an impairment charge on certain IPR&D assets during fiscal years 2014 and 2013 due to changes in the projected development and regulatory timelines for various projects. These impairments totaled $6.0 million and $9.0 million for fiscal years 2014 and 2013, respectively.

During fiscal year 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 intangible asset and is being amortized on a proportionate basis consistent with the economic benefits derived therefrom over an estimated useful life of 12 years.

The weighted-average useful life for our amortizable intangible assets by asset class at June 27, 2015 was as follows:

Amortizable Intangible Asset Category	Weighted-Average Useful Life (Years)
Distribution and license agreements	20
Developed product technology/formulation and product rights	12
Customer relationships and distribution networks	20
Trademarks, trade names and brands	19
Non-compete agreements	2

We recorded amortization expense of $464.5 million and $281.0 million during fiscal years 2015 and 2014, respectively. The increase in amortization expense in fiscal year 2015 was due primarily to the incremental amortization expense incurred on the amortizable intangible assets acquired from Elan as well the inclusion of one quarter of amortization expense related to the intangible assets acquired from Omega.

Estimated future amortization expense includes the additional amortization related to recently acquired intangible assets subject to amortization. Our estimated future amortization expense is as follows (in millions):

Time Period	Amount
< 1 year	$ 589.1
1-2 years	582.7
2-3 years	569.3
3-4 years	551.8
4-5 years	521.6
> 5 years	5,291.1

4. FIXED ASSETS

We held the following fixed assets at June 27, 2015 and June 28, 2014 (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
Additions	$ 10.4	$ 88.3	$ 76.6	$ 175.3
Acquisitions	4.0	28.9	53.8	86.7
Disposals, gross asset	(0.2)	(7.4)	(10.5)	(18.1)
Disposals, accumulated depreciation	—	4.0	6.8	10.8
Transfers, net asset	—	1.0	(0.8)	0.2
Depreciation expense	(0.5)	(16.6)	(64.1)	(81.2)
Currency translation	(1.5)	(1.7)	(17.4)	(20.6)
Impairments	—	(0.7)	—	(0.7)
June 27, 2015				
Cost	$ 48.7	$ 546.4	$ 1,075.5	$ 1,670.6
Accumulated depreciation	(8.1)	(212.7)	(517.5)	(738.3)
Net book value	$ 40.6	$ 333.7	$ 558.0	$ 932.3

There are no capital commitments for the purchase of property, plant and equipment authorised by the directors at June 27, 2015 (June 28, 2014: Nil).

5. DEBTORS

Debtors	June 27, 2015	June 28, 2014
Amounts falling due within one year		
Accounts receivable net	$ 1,282.1	$ 935.1
Deferred income taxes	122.3	62.8
Value added tax refund receivable	23.5	10.0
Refundable income tax	27.0	54.1
Prepaid expenses and other debtors	90.8	51.9
	1,545.7	1,113.9
Amounts falling due after one year		
Deferred income taxes	39.6	23.6
	39.6	23.6
Total debtors	$ 1,585.3	$ 1,137.5

6. INVENTORY

Major components of inventory at June 27, 2015, and June 28, 2014, were as follows (in millions):

	June 27, 2015	June 28, 2014
Finished goods	$ 468.9	$ 307.0
Work in process	158.2	146.7
Raw materials	211.8	177.9
Total inventories	$ 838.9	$ 631.6

7. INDEBTEDNESS

Debt

Total borrowings outstanding at June 27, 2015 and June 28, 2014 are summarized as follows (in millions):

				June 27, 2015	June 28, 2014
Short term debt				$ 6.4	$ 2.1
Term loans					
	2013 Term loan due December 18, 2015			—	300.0
	2013 Term loan due December 18, 2018			—	630.0
*	2014 Term loan due December 5, 2019			530.5	—
	Total term loans			530.5	930.0
Public bonds					
	Coupon	**Due**			
	1.300%	November 8, 2016	(2)	500.0	500.0
*	4.500%	May 23, 2017	(3)	201.0	—
*	5.125%	December 12, 2017	(3)	335.0	—
	2.300%	November 8, 2018	(2)	600.0	600.0
*	5.000%	May 23, 2019	(3)	134.1	—
	3.500%	December 15, 2021	(1)	500.0	—
*	5.105%	July 19, 2023	(3)	150.8	—
	4.000%	November 15, 2023	(2)	800.0	800.0
	3.900%	December 15, 2024	(1)	700.0	—
	5.300%	November 15, 2043	(2)	400.0	400.0
	4.900%	December 15, 2044	(1)	400.0	—
	Total public bonds			4,720.9	2,300.0
Other financing				6.6	8.1
Unamortized premium (discount), net				87.5	(6.0)
Deferred financing fees				(40.5)	(27.4)
Total borrowings outstanding				5,311.4	3,206.8
	Less short-term debt and current portion of long-term debt			(64.6)	(143.7)
Total long-term debt less current portion				$ 5,246.8	$ 3,063.1

(1) Public bonds issued on December 2, 2014, discussed below collectively as the "2014 Bonds."

(2) Private placement unsecured senior notes with registration rights as of June 28, 2014 and public bonds as of October 1, 2014, discussed below collectively as the "2013 Bonds."

(3) Debt assumed from Omega.

* Debt denominated in euros subject to fluctuations in the euro to U.S. dollar exchange rate.

We were in compliance with all covenants under our various debt agreements as of June 27, 2015 and June 28, 2014.

Omega Financing

Bridge Agreement

In connection with the Omega acquisition, on November 6, 2014, we entered into a €1.75 billion ($2.2 billion) senior unsecured 364-day bridge loan facility (the "Bridge Loan Facility"). Upon issuance of our permanent debt financing described below, the Bridge Loan Facility was terminated on December 3, 2014. At no time did we draw upon the Bridge Loan Facility.

Debt Issuance

On December 2, 2014, Perrigo Finance plc, our 100% owned finance subsidiary ("Perrigo Finance"), issued $500.0 million in aggregate principal amount of 3.50% senior notes due 2021 (the "2021 Notes"), $700.0 million in aggregate principal amount of 3.90% senior notes due 2024 (the "2024 Notes"), and $400.0 million in aggregate principal amount of 4.90% senior notes due 2044 (the "2044 Notes" and, together with the 2021 Notes and the 2024 Notes, the "2014 Bonds"). Interest on the 2014 Bonds is payable semiannually in arrears in June and December of each year, beginning in June 2015. The 2014 Bonds are governed by a base indenture and a first supplemental indenture (collectively the "2014 Indenture"). The 2014 Bonds are fully and unconditionally guaranteed on a senior unsecured basis by Perrigo Company plc, and no other subsidiary of Perrigo Company plc guarantees the 2014 Bonds. There are no restrictions under the 2014 Bonds on our ability to obtain funds from our subsidiaries. Perrigo Finance received net proceeds of approximately $1.6 billion from issuance of the 2014 Bonds after fees and market discount. Perrigo Finance may redeem the 2014 Bonds in whole or in part at any time for cash at the make-whole redemption prices described in the 2014 Indenture.

On December 5, 2014, Perrigo Finance entered into a term loan agreement consisting of a €500.0 million ($614.3 million) tranche, with the ability to draw an additional €300.0 million ($368.6 million) tranche, maturing December 5, 2019, and a $600.0 million revolving credit agreement which stepped up to $1.0 billion upon the closing of the Omega acquisition (the "2014 Revolver") (together, the "2014 Credit Agreements"), and Perrigo Company plc ("Perrigo Company") entered into a $300.0 million term loan tranche maturing December 18, 2015. There were no borrowings outstanding under the 2014 Revolver as of June 27, 2015.

Debt Extinguishment

On December 5, 2014, we repaid the remaining $895.0 million outstanding under our 2013 Term Loan, then terminated both the 2013 Term Loan and 2013 Revolver described below in "Elan Financing." On June 25, 2015, we repaid the $300.0 million 2014 Term Loan. We recorded a $10.5 million loss on extinguishment of debt during fiscal year 2015, which consisted of the Bridge Loan Facility interest expense and deferred financing fees related to the 2013 Term Loan, 2013 Revolver and 2014 Term Loan.

Assumed Debt and Repayment

In connection with the Omega acquisition, we assumed $20.0 million in aggregate principal amount of 6.19% senior notes due 2016 ("2016 Notes"), €135.0 million ($147.0 million) in aggregate principal amount of 5.1045% senior notes due 2023 ("2023 Notes"), €300.0 million ($326.7 million) in aggregate principal amount of 5.125% retail bonds due 2017, €180.0 million ($196.0 million) in aggregate principal amount of 4.500% retail bonds due 2017, €120.0 million ($130.7 million) in aggregate principal amount of 5.000% retail bonds due 2019 (collectively, the "Retail Bonds"), a revolving credit facility with €500.0 million ($544.5 million) outstanding, and certain overdraft facilities totaling €51.4 million ($56.0 million). The fair value of the 2023 Notes and Retail Bonds exceeded par value by €93.6 million ($101.9 million) on the date of the acquisition. As a result, a fair value adjustment was recorded as part of the carrying value of the underlying debt and will be amortized as a reduction of interest expense over the remaining terms of the respective debt instruments. The adjustment does not affect cash interest payments.

On April 8, 2015, we repaid the €500.0 million ($539.1 million) outstanding under the assumed Omega's revolving credit facility and terminated the facility. On May 29, 2015, we repaid the $20.0 million 2016 Notes.

Elan Financing

Bridge Agreement

In connection with the Elan acquisition, on July 28, 2013, we 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") (together, the "Bridge Credit Agreements"). The commitments under the Debt Bridge and the Cash Bridge agreements were terminated on November 8, 2013 and December 24, 2013, respectively. At no time did we draw under the Bridge Credit Agreements.

Debt Issuance

On September 6, 2013, Perrigo Company entered into a $1.0 billion term loan agreement (the "2013 Term Loan") and a $600.0 million revolving credit agreement (the "2013 Revolver") (together, the "2013 Credit Agreements"). The 2013 Term Loan consisted 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. Amounts outstanding under the 2013 Credit Agreements bore interest at our option (a) at the alternative base rate or (b) the eurodollar rate plus, in either case, applicable margins as set forth in the 2013 Credit Agreements. Our obligations under the 2013 Credit Agreements were guaranteed by Perrigo Company plc, certain U.S. subsidiaries of Perrigo Company plc, Elan, and certain Irish subsidiaries of Elan until November 21, 2014, at which time the terms of the 2013 Credit Agreements were amended to remove all guarantors.

On November 8, 2013, Perrigo 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 "2013 Bonds") in a private placement with registration rights. Interest on the 2013 Bonds is payable semiannually in arrears in May and November of each year, beginning in May 2014. The 2013 Bonds are governed by a base indenture and a first supplemental indenture (collectively, the "2013 Indenture"). The 2013 Bonds are the Company's unsecured and unsubordinated obligations, ranking equally in right of payment to all of Perrigo Company existing and future unsecured and unsubordinated indebtedness. Perrigo Company received net proceeds of $2.3 billion from issuance of the 2013 Bonds after fees and market discount. The 2013 Bonds are not entitled to mandatory redemption or sinking fund payments. We may redeem the 2013 Bonds in whole or in part at any time for cash at the make-whole redemption prices described in the 2013 Indenture. The 2013 Bonds were guaranteed on an unsubordinated, unsecured basis by the same entities that guaranteed the 2013 Credit Agreement until November 21, 2014, at which time the 2013 Indenture was amended to remove all guarantors.

On September 2, 2014, we offered to exchange our private placement senior notes with public bonds (the "Exchange Offer"). The Exchange Offer expired on October 1, 2014, at which time substantially all of the private placement notes had been exchanged for bonds registered with the Securities and Exchange Commission. As a result of the changes in the guarantor structure noted above, we are no longer required to present guarantor financial statements.

Debt Extinguishment

On December 18, 2013, we repaid the remaining principal balance with accrued interest and fees of $360.0 million outstanding under our credit agreement dated as of October 26, 2011, then terminated the agreement.

On November 20, 2013, we priced a tender offer and consent solicitation with regard to our 2.95% Notes, which were issued pursuant to the indenture dated as of May 16, 2013. The total tender consideration was $578.3 million. On December 26, 2013, 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. Upon completion of the redemption, the indenture was terminated.

On December 23, 2013, we completed the prepayment of all obligations under our Private Placement 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 our option together with applicable make-whole premiums and accrued interest, which totaled $1.1 billion. Upon completion of the prepayment, the Note Agreement was terminated.

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

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

Future Maturities

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

Payment Due	Amount
< 1 year	$ 65.0
1-2 years	758.5
2-3 years	399.1
3-4 years	811.3
4-5 years	279.5
> 5 years	2,950.8

Accounts Receivable Securitization

We previously had a $200.0 million accounts receivable securitization program. This program expired June 12, 2015, and we chose not to renew it. There were no borrowings outstanding under the securitization program at June 28, 2014.

8. CREDITORS

Creditors	June 27, 2015	June 28, 2014
Amounts falling due within one year [(1)]		
Accounts payable	$ 747.5	$ 364.3
Accrued payroll	113.6	102.2
Accrued payroll taxes	20.3	10.1
Accrued income taxes	52.6	17.4
Accrued customer programs	368.1	256.5
Accrued value added tax	10.6	2.4
Deferred income	4.3	3.5
Accrued liabilities	184.5	98.8
	1,501.5	855.2
Amounts falling due after one year		
Accrued income taxes	270.7	205.3
Other long term liabilities	101.4	88.1
	372.1	293.4
Total creditors	$ 1,873.6	$ 1,148.6

(1) No securities have been given by us in respect of any items disclosed above. All of the above amounts are interest free and due within one year.

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 our financial instruments carried at fair value by the above pricing categories as of June 27, 2015 and June 28, 2014 (in millions):

	June 27, 2015			
	Level 1	Level 2	Level 3	Total
Assets:				
Investment securities	$ 12.7	$ —	$ —	$ 12.7
Foreign currency forward contracts	—	12.4	—	12.4
Funds associated with Israeli post-employment benefits	—	17.3	—	17.3
Total assets	$ 12.7	$ 29.7	$ —	$ 42.4
Liabilities:				
Foreign currency forward contracts	—	4.6	—	4.6
Total liabilities	$ —	$ 4.6	$ —	$ 4.6

	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 assets	$ 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 liabilities	$ —	$ 9.1	$ 17.4	$ 26.5

The table below presents a reconciliation for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for fiscal years 2015 and 2014 (in millions).

	Fiscal Year	
	2015	2014
Contingent Consideration		
Beginning balance:	$ 17.4	$ 22.2
Net realized losses	0.9	1.1
Purchases or additions	—	0.8
Settlements	(18.3)	(6.7)
Ending balance:	$ —	$ 17.4

Net realized gains (losses) in the table above were recorded in Administrative expense. There were no transfers between Level 1, 2, and 3 during the years ended June 27, 2015 and June 28, 2014. Our 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 our investment securities. See Note 11 for a discussion of derivatives.

Israeli post-employment benefits represent amounts we have deposited in funds managed by financial institutions designated by management to cover post-employment benefits for its Israeli employees as 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 represented milestone payment obligations obtained through product acquisitions and was valued using estimates based on probability-weighted outcomes, sensitivity analysis, and discount rates reflective of the risk involved. The estimates were updated quarterly and the liabilities were 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.

As of June 27, 2015, our fixed rate long-term debt consisted of public bonds and retail bonds that were assumed with the Omega acquisition. The public bonds had a carrying value and fair value of $3.9 billion based on quoted market prices (Level 1). The retail bonds had a carrying value of $820.9 million and a fair value of $902.4 million based on interest rates offered for borrowings of a similar nature and remaining maturities (Level 2). As of June 28, 2014, our fixed rate long-term debt consisted of private placement senior notes with registration rights with a carrying value of $2.3 billion and a fair value of $2.4 billion. The fair value at June 28, 2014 was determined by discounting the future cash flows of the financial instruments to their present value, using interest rates offered for borrowings of a similar nature and remaining maturities (Level 2).

The carrying amounts of our other financial instruments, consisting of cash and cash equivalents, accounts receivable, accounts payable, short-term debt and variable rate long-term debt, approximate their fair value.

10. INVESTMENTS

Available for Sale Securities

Our available for sale securities totaled $12.7 million at June 27, 2015 and were reported in Investment securities. At June 28, 2014, available for sale securities totaled $20.7 million, of which $5.9 million was reported in Investment securities and $14.8 million was reported in Other non-current assets.

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

	Fiscal Year	
	2015	2014
Net unrealized investment gains (losses):		
Equity securities, at cost less impairments	$ 17.1	$ 17.1
Gross unrealized gains	5.7	3.8
Gross unrealized losses	(10.1)	(0.2)
Estimated fair value of equity securities	$ 12.7	$ 20.7

During fiscal year 2014, we sold one of our investment securities and recorded a loss of $9.9 million. The loss was reclassified out of Other Reserves and into earnings.

The factors affecting the assessment of impairments include both general financial market conditions and factors specific to a particular company. The equity securities in a gross unrealized loss position at June 27, 2015 were in that position for less than 12 months. We have evaluated the near-term prospects of the equity securities in relation to the severity and duration of the unrealized impairments, and based on that evaluation, we have the ability and intent to hold the investments until a recovery of fair value.

Cost Method Investments

Our cost method investments totaled $6.8 million and $9.0 million at June 27, 2015 and June 28, 2014, respectively, and were included in Other non-current assets.

Equity Method Investments

Our equity method investments totaled $48.9 million and $57.4 million at June 27, 2015 and June 28, 2014, respectively, and are included in Other non-current assets. We recorded net losses of $9.9 million and $8.7 million during fiscal years 2015 and 2014, respectively, for our proportionate share of the equity method investment earnings or losses. In addition, during fiscal year 2014 we sold one of our equity method investments and recorded a loss of $2.8 million. All of the losses noted above were recorded in Other expense, net.

11. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

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

Interest rate risk management - We are exposed to the impact of interest rate changes through our cash investments and borrowings. We utilize a variety of strategies to manage the impact of changes in interest rates including using a mix of debt maturities along with both fixed-rate and variable-rate debt. In addition, we may enter into treasury-lock agreements and interest rate swap agreements on certain investing and borrowing transactions to manage our exposure to interest rate changes and our overall cost of borrowing.

Foreign currency exchange risk management - We conduct business in several major currencies other than the U.S. dollar and are subject to risks associated with changing foreign exchange rates. Our objective is to reduce cash flow volatility associated with foreign exchange rate changes on a consolidated basis to allow management to focus its attention on business operations. Accordingly, we enter 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 sales 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 offset largely by gains and losses on the original underlying asset or liability. We do not use derivative financial instruments for speculative purposes.

All of our designated derivatives were classified as cash flow hedges as of June 27, 2015 and June 28, 2014. Designated derivatives meet hedge accounting criteria, which means the fair value of the hedge is recorded

in shareholders' equity as a component of OCI, net of tax. The deferred gains and losses are recognized in income in the period in which the hedged item affects earnings. Any ineffective portion of the change in fair value of the derivative is immediately recognized in earnings, recorded in Other expense, net. All of our designated derivatives are assessed for hedge effectiveness quarterly.

We also have economic non-designated derivatives that do not meet hedge accounting criteria. These derivative instruments are adjusted to current market value at the end of each period through earnings. Gains or losses on these instruments are offset substantially by the remeasurement adjustment on the hedged item.

Interest Rate Swaps and Treasury Locks

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. All of our interest rate swaps qualify for hedge accounting treatment.

We had a $300.0 million term loan with floating interest rates priced off the LIBOR yield curve, which was repaid during fiscal year 2015, as described in Note 7. As a result of the term loan repayment on June 24, 2015, the forward interest rate swap agreements with a notional amount totaling $240.0 million that were in place to hedge the change in the LIBOR rate were terminated as well. We recorded a loss of $3.6 million in Other expense, net for the amount remaining in Other Reserves when the hedge was terminated.

In connection with the Omega acquisition, we assumed a $20.0 million private placement note. We also assumed an interest rate swap agreement with a notional amount totaling $20.0 million that was in place to hedge the cross currency exchange differences between the U.S. dollar and the euro on the above-mentioned debt. On May 29, 2015, we repaid the loan and the interest rate swap. Because the interest rate swap was recorded at fair market value on the date of termination, no gain or loss was recorded. For more information on the acquired debt and termination, see Note 7.

Also in connection with the Omega acquisition, we assumed €500.0 million ($544.5 million) of debt under Omega's revolving credit facility, as well as an interest rate swap agreement with a notional amount totaling €135.0 million ($147.0 million) that was in place to hedge the change in the floating rate on that credit facility. On April 8, 2015, we repaid the loan and terminated the interest rate swap. Because the interest rate swap was recorded at fair market value on the date of termination, no gain or loss was recorded. For more information on the acquired debt and termination, see Note 7.

During the second quarter of fiscal year 2015, we entered into forward interest rate swaps and treasury locks (together "Rate Locks") to hedge against changes in the interest rates between the date the Rate Locks were entered into and the date of the issuance of our 2014 Bonds, discussed in Note 7. These Rate Locks were designated as cash flow hedges of expected future debt issuances with a notional amount totaling $750.0 million. The Rate Locks were settled upon the issuance of an aggregate $1.6 billion principal amount of our 2014 Bonds on December 2, 2014 for a cumulative after-tax loss of $5.8 million in OCI after recording $1.1 million of ineffectiveness to Other Expense, net.

During the first quarter of fiscal year 2014, we entered into forward interest rate swap agreements to hedge against changes in the benchmark interest rate between the date the swap agreements were entered into and the date of the issuance of our 2013 Bonds, discussed in Note 7. These swaps were designated as cash flow hedges of expected future debt issuances with a notional amount totaling $725.0 million. The interest rate swaps were settled upon the issuance of an aggregate $2.3 billion principal amount of our 2013 Bonds on December 18, 2013 for a cumulative after-tax loss of $12.8 million in OCI after recording $0.5 million of ineffectiveness to Other Expense, net.

In addition, due to the retirement of the underlying private placement senior notes (described in Note 7 as "the Private Placement Notes") on December 23, 2013, we wrote off the amounts remaining in Other Reserves associated with the cash flow hedges related to the Private Placement Notes, resulting in an after-tax loss of $2.6 million recorded to Other expense, net.

Foreign Currency Derivatives

We enter into foreign currency forward contracts, both designated and non-designated, in order to manage the impact of foreign exchange fluctuations on expected future purchases and related payables denominated in a foreign currency, as well as to hedge the impact of foreign exchange fluctuations 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. The total notional amount for these contracts was $452.3 million and $228.5 million as of June 27, 2015 and June 28, 2014, respectively.

In June 2015, in order to economically hedge the foreign currency exposure associated with the planned payment of the euro-denominated purchase price of the GSK product acquisition discussed in Note 2, we entered into a non-designated option contract to protect against a strengthening of the euro relative to the U.S. dollar. We recorded losses of $1.9 million for the change in fair value of the option contract during fiscal year 2015 in Other expense, net. Because these derivatives were economically hedging a future acquisition, the cash outflow associated with their settlement is shown as an investing activity on the Consolidated Statements of Cash Flows.

In November 2014, in order to economically hedge the foreign currency exposure associated with the planned payment of the euro-denominated purchase price of Omega, we entered into non-designated option contracts with a total notional amount of €2.0 billion. The option contracts settled in December 2014, resulting in a loss of $26.4 million. The option contracts were replaced with non-designated forward contracts that matured during the third quarter of fiscal year 2015. We recorded losses of $298.1 million during fiscal year 2015 related to the settlement of the forward contracts. Both losses were recorded primarily in Other expense, net. The losses on the derivatives due to changes in the euro to U.S. dollar exchange rates were economically offset at closing in the final settlement of the euro-denominated Omega purchase price. Because these derivatives were economically hedging a future acquisition, the cash outflow associated with their settlement is shown as an investing activity on the Consolidated Statements of Cash Flows.

Fair Value Hedges

During the first quarter of fiscal year 2014, we 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 our Private Placement Notes from fluctuations in interest rates. These swaps were designated and qualified as fair value hedges of our 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, net. The hedge was terminated in the second quarter of fiscal year 2014 due to the retirement of the underlying notes.

Effects of Derivatives on the Financial Statements

The below tables indicate the effects of all of our derivative instruments on our consolidated financial statements at June 27, 2015 and June 28, 2014. All amounts exclude income tax effects and are presented in millions.

The balance sheet location and gross fair value of our outstanding derivative instruments were as follows:

		Asset Derivatives	
		Fair Value	
	Balance Sheet Location	June 27, 2015	June 28, 2014
Designated derivatives:			
Foreign currency forward contracts	Other current assets	$ 3.3	$ 2.8
Total designated derivatives		$ 3.3	$ 2.8
Non-designated derivatives:			
Foreign currency forward contracts	Other current assets	$ 9.1	$ 0.3
Total non-designated derivatives		$ 9.1	$ 0.3

		Liability Derivatives	
		Fair Value	
	Balance Sheet Location	June 27, 2015	June 28, 2014
Designated derivatives:			
Foreign currency forward contracts	Accrued liabilities	$ 2.0	$ 0.7
Interest rate swap agreements	Other non-current liabilities	—	8.3
Total designated derivatives		$ 2.0	$ 9.0
Non-designated derivatives:			
Foreign currency forward contracts	Accrued liabilities	$ 2.6	$ 0.1
Total non-designated derivatives		$ 2.6	$ 0.1

The gains (losses) recognized in OCI for the effective portion of our designated cash flow hedges were as follows:

	Amount of Gain/(Loss) Recorded in OCI (Effective Portion)	
Designated Cash Flow Hedges	June 27, 2015	June 28, 2014
Treasury locks	$ (2.7)	$ —
Interest rate swap agreements	(10.1)	7.2
Foreign currency forward contracts	(7.7)	15.1
	$ (20.5)	$ 22.3

The gains (losses) reclassified from Other Reserves into earnings for the effective portion of our designated cash flow hedges were as follows:

		Amount of Gain/(Loss) Reclassified from Other Reserves to Income (Effective Portion)	
Designated Cash Flow Hedges	**Income Statement Location**	**June 27, 2015**	**June 28, 2014**
Treasury locks	Interest expense, net	$ (0.1)	$ 0.2
Interest rate swap agreements	Interest expense, net	(16.4)	3.9
Foreign currency forward contracts	Net sales	2.0	(2.5)
	Cost of sales	(4.2)	(6.3)
	Interest expense, net	—	(0.2)
	Other expense, net	(4.5)	(2.2)
		$ (23.2)	$ (7.1)

We expect to reclassify a $1.2 million loss out of Other Reserves into earnings during the next 12 months.

The gains (losses) recognized against earnings for the ineffective portion of our designated cash flow hedges were as follows:

		Amount of Gain/(Loss) Recognized in Income (Ineffective Portion)	
Designated Cash Flow Hedges	**Income Statement Location**	**June 27, 2015**	**June 28, 2014**
Treasury locks	Other expense, net	$ (0.4)	$ 2.3
Interest rate swap agreements	Other expense, net	(0.7)	(5.4)
Foreign currency forward contracts	Net sales	(0.1)	(0.1)
	Cost of sales	0.2	0.3
Total		$ (1.0)	$ (2.9)

The effects of our fair value hedges on the Consolidated Statements of Operations were as follows:

		Amount of Gain/(Loss) Recognized in Income	
Designated Fair Value Hedges	**Income Statement Location**	**June 27, 2015**	**June 28, 2014**
Interest rate swap agreements	Other expense, net	$ —	$ 0.9
Fixed-rate debt	Other expense, net	—	(4.1)
Net hedge		$ —	$ (3.2)

The effects of our non-designated derivatives on the Consolidated Statements of Operations were as follows:

		Amount of Gain/(Loss) Recognized in Income	
Non-Designated Derivatives	**Income Statement Location**	**June 27, 2015**	**June 28, 2014**
Foreign currency forward contracts	Other expense, net	$ (295.4)	$ (0.1)
	Interest expense, net	(3.4)	—
Foreign exchange option contracts	Other expense, net	(26.4)	—
Total		$ (325.2)	$ (0.1)

12. EARNINGS PER SHARE

Earnings per Share

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

	Fiscal Year	
	2015	2014
Numerator:		
Net income	$ 128.0	$ 205.3
Denominator:		
Weighted average shares outstanding for basic EPS	139.3	115.1
Dilutive effect of share-based awards	0.5	0.5
Weighted average shares outstanding for diluted EPS	139.8	115.6
Anti-dilutive share-based awards excluded from computation of diluted EPS	0.1	0.1

13. SHAREHOLDERS' EQUITY

Shareholder's Equity

On and prior to December 18, 2013, our common stock consisted of common stock of Perrigo Company, a Michigan Corporation, and since December 19, 2013, our common stock has consisted of ordinary shares of Perrigo Company plc, incorporated under the laws of Ireland.

Prior to June 6, 2013, our common stock traded on the NASDAQ Global Select Market ("NASDAQ") under the symbol PRGO. Since June 6, 2013, our ordinary shares have traded on the New York Stock Exchange ("NYSE") under the symbol PRGO. In association with the acquisition of Agis Industries (1983) Ltd., our ordinary shares have been trading on the Tel Aviv Stock Exchange ("TASE") since March 16, 2005.

In January 2003, the Board of Directors adopted a policy of paying quarterly dividends. We paid dividends of $64.8 million and $46.1 million, or $0.46 and $0.39, per share, during fiscal years 2015 and 2014, 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 our earnings, financial condition, capital and surplus requirements and other factors the Board of Directors may consider relevant.

14. *SHARE-BASED COMPENSATION PLANS*

All share-based compensation for employees and directors is granted under the 2013 Long-Term Incentive Plan (the "Plan"), as amended. The Plan has been approved by our shareholders and provides for the granting of awards to our employees and directors. As of June 27, 2015, there were 5.1 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 $31.6 million for fiscal year 2015 and $24.6 million for fiscal year 2014. As of June 27, 2015, unrecognized share-based compensation expense was $35.3 million, and the weighted-average period over which the expense is expected to be recognized was approximately 1.7 years. Proceeds from

the exercise of stock options and excess income tax benefits attributable to stock options exercised are credited to ordinary shares.

Stock Options

A summary of activity related to stock options is presented below (options in thousands):

	Fiscal Year Ended June 27, 2015			
	Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Term in Years	Aggregate Intrinsic Value
Beginning options outstanding	850	$ 77.26		
Granted	181	$ 147.75		
Exercised	(170)	$ 49.26		
Forfeited or expired	(4)	$ 128.76		
Ending options outstanding	857	$ 97.49	6.6	$ 79.8
Options exercisable	515	$ 74.16	5.4	$ 59.9
Options expected to vest	334	$ 132.47	8.4	$ 19.4

The aggregate intrinsic value for options exercised during the year was $20.7 million for fiscal year 2015, and $17.8 million for fiscal year 2014. The weighted-average fair value per share at the grant date for options granted during the year was $39.96 for fiscal year 2015, and $38.28 for fiscal year 2014. The fair values were estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Fiscal Year	
	2015	2014
Dividend yield	0.3%	0.3%
Volatility, as a percent	27.1%	32.7%
Risk-free interest rate	1.7%	1.8%
Expected life in years	5.3	5.3

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 behavior of employees.

Non-Vested Restricted Shares

A summary of activity related to nonvested restricted shares is presented below (shares in thousands):

	Fiscal Year Ended June 27, 2015			
	Number of 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	—	$ —		
Vested	(9)	$ 100.84		
Forfeited	—	$ —		
Ending non-vested restricted shares outstanding	—	$ —	0.0	$ —

There were no shares granted in fiscal year 2015. The weighted-average fair value per share at the date of grant for restricted shares granted during the year was $145.19 for fiscal year 2014 and $100.84 for fiscal year

2013. The total fair value of restricted shares that vested during the year was $0.9 million for fiscal year 2015 and $2.3 million for fiscal year 2014.

Non-vested Service-Based Restricted Share Units

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

	Fiscal Year Ended June 27, 2015			
	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	247	$ 112.89		
Granted	135	$ 153.99		
Vested	(91)	$ 99.54		
Forfeited	(8)	$ 126.13		
Ending non-vested service-based share units outstanding	283	$ 136.48	1.2	$ 53.9

The weighted average fair value per share at the date of grant for service-based restricted share units granted during the year was $153.99 for fiscal year 2015 and $133.08 for fiscal year 2014. The total fair value of service-based restricted share units that vested during the year was $9.1 million for fiscal year 2015 and $6.8 million for fiscal year 2014.

Non-Vested Performance-Based Restricted Share Units

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

	Fiscal Year Ended June 27, 2015			
	Number of 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	182	$ 109.63		
Granted	106	$ 150.14		
Vested	(56)	$ 91.14		
Forfeited	(3)	$ 126.96		
Ending non-vested performance-based share units outstanding	229	$ 129.77	1.38	$ 43.6

The weighted-average fair value per share at the date of grant for performance-based restricted share units granted during the year was $150.14 for fiscal year 2015 and $119.85 for fiscal year 2014. 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 $5.1 million for fiscal year 2015 and $4.6 million for fiscal year 2014.

15. OTHER RESERVES

Changes in our Other Reserves balances, net of tax, for fiscal years 2015 and 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 adjustments, net of tax	Other	Total Other Reserves
Balance at June 29, 2013	**$ (4.5)**	**$ 80.6**	**$ —**	**$ 0.9**	**$ 35.5**	**$ 112.5**
OCI before reclassifications	(18.2)	83.8	(4.3)	(12.0)		49.3
Amounts reclassified from OCI	6.6	—	6.7	—	—	13.3
Other comprehensive income (loss)	(11.6)	83.8	2.4	(12.0)	—	62.6
Other equity-based compensation	—	—	—	—	32.8	32.8
Balance at June 28, 2014	**(16.1)**	**164.4**	**2.4**	**(11.1)**	**68.3**	**207.9**
OCI before reclassifications	(15.1)	(33.5)	(5.4)	1.9	—	(52.1)
Amounts reclassified from OCI	14.9	—	—	—	—	14.9
Other comprehensive income (loss)	(0.2)	(33.5)	(5.4)	1.9	—	(37.2)
Other equity-based compensation	$ —	$ —	$ —	$ —	$ 38.6	$ 38.6
Shares withheld for payment of taxes	$ —	$ —	$ —	$ —	$ (7.6)	$ (7.6)
Balance at June 27, 2015	**$ (16.3)**	**$ 130.9**	**$ (3.0)**	**$ (9.2)**	**$ 99.3**	**$ 201.7**

16. INCOME TAXES

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

	Fiscal Year	
	2015	2014
Pre-tax income (loss):		
Ireland	(821.2)	(369.3)
Other	1,069.2	641.9
Total	248.0	272.6
Provision for income taxes:		
Current:		
Ireland	(2.0)	2.2
United States - Federal	77.0	44.0
United States - State	6.9	9.3
Other Foreign	54.1	49.1
Subtotal	136.0	104.6
Deferred (credit):		
Ireland	7.5	(24.2)
United States - Federal	(17.5)	7.8
United States - State	(0.8)	(5.8)
Other Foreign	(5.2)	(15.1)
Subtotal	(16.0)	(37.3)
Total	120.0	67.3

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

	Fiscal Year	
	2015	2014
Provision at statutory rate	12.5%	12.5%
Ireland tax on non-trading differences	(10.3)	2.8
Expenses not deductible for tax purposes/ deductions not expensed for book, net	15.5	12.1
U.S. Operations:		
State income taxes, net of federal benefit	(1.0)	(0.2)
Foreign tax credit	—	0.2
Research and development credit	(0.8)	(0.5)
Other	5.6	(0.8)
Other foreign differences (earnings taxed at other than applicable statutory rate)	(16.6)	(16.0)
Worldwide operations:		
Valuation allowance changes	25.0	2.9
Audit impacts	—	—
Change in unrecognized taxes	18.5	15.0
Rate change impacts	—	(3.3)
Effective income tax rate	48.4%	24.7%

We have provided a provision for income taxes through opening balance sheet accounting on a portion of pre-acquisition earnings of the Omega group of companies. No further provision has been made for income taxes on remaining undistributed earnings of foreign subsidiaries, of approximately $3.4 billion at June 27, 2015, since it is our intention to indefinitely reinvest undistributed earnings of our 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, we believe 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 carryforwards for tax purposes. The components of our net deferred income tax asset (liability) was as follows:

	Fiscal Year	
	2015	2014
Deferred income tax asset (liability):		
Depreciation and amortization	$ (1,889.0)	$ (982.6)
Inventory basis differences	30.2	43.9
Accrued liabilities	67.2	84.3
Allowance for doubtful accounts	0.9	0.9
Research and development	62.8	3.7
Loss carryforwards	502.4	300.4
Share-based compensation	14.3	14.3
Foreign tax credit	10.6	10.6
Federal benefit of unrecognized tax positions	26.3	20.7
Other, net	29.7	59.6
Subtotal	(1,144.6)	(444.2)
Valuation allowance for loss and credit carryforwards	(519.2)	(198.4)
Net deferred income tax asset (liability):	$ (1,663.8)	$ (642.6)

The above amounts are classified on the Consolidated Balance Sheets as follows (in millions):

	June 27, 2015	June 28, 2014
Assets	$ 161.9	$ 86.4
Liabilities	(1,825.7)	(729.0)
Net deferred income tax (liability) asset	$ (1,663.8)	$ (642.6)

At June 27, 2015, we had gross carryforwards as follows: worldwide federal net operating losses, excluding U.S. states, of $2.9 billion, U.S. state net operating losses of $459.0 million, worldwide federal capital losses of $29.4 million, U.S. state credits of $1.5 billion and U.S. federal credits of $269.1 million. At June 27, 2015, gross valuation allowances had been provided for worldwide federal net operating loss carryforwards, excluding U.S. states, in the amount of $2.4 billion, $416.0 million for U.S. state net operating loss carryforwards, $29.4 million for worldwide federal capital loss carryforwards, $1.5 billion for U.S. state credit carryforwards and $198.2 million for U.S. federal credit carryforward as utilization of such carryforwards within the applicable statutory periods is uncertain. The U.S. federal net operating loss carryforwards expire through 2035, U.S. capital loss carryforward expires through 2017 and U.S. federal credit carryforwards of $37.2 million and $167.8 million expire through 2025 and through 2027, respectively, with the remaining U.S. credits having no expiration. U.S. state net operating loss carryforwards expire through 2035, and U.S. state credit carryforwards expire through 2030. Of the non-U.S. net operating loss carryforwards, $4.4 million, $32.0 million, $0.1 million, $1.2 million and $4.5 million expire through 2017, 2020, 2022, 2023, and 2025, respectively, while the remaining amounts of non U.S. net operating loss carryforwards and non-U.S. capital loss carryforwards have no expiration. The valuation allowances for these net operating loss carryforwards are adjusted annually, as necessary. After application of the valuation allowances described above, we anticipate no limitations will apply with respect to the realization of our 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 27, 2015 and June 28, 2014 (in millions):

	Unrecognized Tax Benefits
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
Additions:	
Positions related to the current year	38.9
Positions related to prior years	122.7
Reductions:	
Positions related to the current year	—
Positions related to prior years	—
Settlements with taxing authorities	(1.4)
Lapse of statutes of limitation	(1.7)
Balance at June 27, 2015	$ 318.6

We recognize 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 $65.7 million and $45.3 million as of June 27, 2015 and June 28, 2014, respectively.

The total liability for uncertain tax positions was $384.3 million and $205.4 million as of June 27, 2015 and June 28, 2014, respectively, after considering the federal tax benefit of certain state and local items, of which $217.6 million and $170.2 million, respectively, would impact the effective tax rate in future periods, if recognized. This increase is due primarily to acquisitions and the current year impact related to prior year positions.

We file income tax returns in numerous jurisdictions and are therefore subject to audits by tax authorities. Our primary income tax jurisdictions are Ireland, the U.S., Israel, Belgium, France, and the United Kingdom.

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 IRS audit of fiscal years 2009 and 2010 had previously concluded with the issuance of a statutory notice of deficiency on August 27, 2014. While we had previously agreed on certain adjustments and made associated payments of $8.0 million, inclusive of interest in November 2014, the statutory notice of deficiency asserted various additional positions, including transfer pricing, relative to the same fiscal 2009 and 2010 audit. The statutory notice asserted an incremental tax obligation of approximately $68.9 million, inclusive of interest and penalties. We disagree with the IRS's positions asserted in the notice of deficiency. In January 2015, we paid this amount, a prerequisite to being able to contest the IRS's positions in U.S. Federal court, and in June 2015, we filed a request for a refund. In the event that the IRS denies our request for a refund, we intend to contest the IRS's asserted positions in U.S. Federal court. The payment was recorded in the third fiscal quarter as a deferred charge on the balance sheet given our anticipated action to recover this amount. An unfavorable resolution of this matter could have a material impact on our consolidated financial statements in future periods. There are numerous other income tax jurisdictions for which tax returns are not yet settled, none of which are individually significant. At this time, we 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 27, 2015. 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 year 2011, certain of our 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. We do 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 year 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. We have 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 us as of June 30, 2013.

In addition to the above benefits, we periodically apply for grants from the Office of the Chief Scientist in Israel's Ministry of Industry and Trade to assist us with development projects. The receipt of these grants subjects us 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

Defined Contribution Plans

We have a qualified profit-sharing and investment plan under Section 401(k) of the IRS, which covers substantially all U.S. employees. Our 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, we match a portion of employees' contributions. Our contributions to the plan were $24.6 million and $25.6 million in fiscal years 2015 and 2014.

We also have a defined contribution plan that covers Ireland employees. We contribute up to 18% of each participating employee’s annual eligible salary on a monthly basis. In connection with matching contributions under the Irish defined contribution plan, we recorded $0.7 million and $0.5 million of expense in fiscal year 2015 and from December 18, 2013 to June 28, 2014, respectively.

For the defined contribution plans associated with the Omega acquisition, we pay contributions to pension insurance plans. From March 30, 2015 to June 27, 2015, we recorded $0.6 million in connection with matching contributions to the defined contribution plans.

Pension and Postretirement Healthcare Benefit Plans

We assumed the liability of two defined benefit plans (staff and executive plan) for employees based in Ireland with the Elan acquisition in 2013. 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, Elan 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 defined contribution plan on February 1, 2013.

As of March 11, 2015, both plans (staff and executive plan) were merged and all plan assets and liabilities were transferred from the executive scheme to the staff scheme as a result of a plan combination. The value of plan assets and liabilities transferred were derived by reference to market conditions and assumptions as at March 11, 2015.

In general, upon retirement, eligible Ireland employees in the staff plan are entitled to a pension calculated at $1/60^{th}$ ($1/52^{nd}$ 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 27, 2015 consisted of units held in independently administered funds.

In connection with the Omega acquisition, we also assumed the liability of a number of defined benefit plans as well as a postretirement healthcare plan. The defined benefit plans cover employees based primarily in the Netherlands, Germany, France, and Norway. Omega companies operate various pension plans across each country.

Finally, we provide 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 our contribution for benefits are limited to increases in the Consumer Price Index. Additional healthcare cost increases are paid through participant contributions. We accrue 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 change in the projected benefit obligation and plan assets at June 27, 2015 and June 28, 2014 consisted of the following (in millions):

	Pension Benefits		Other Benefits	
	Fiscal Year			
	2015 *	2014 **	2015 *	2014
Projected benefit obligation at beginning of period	$ 89.0	$ —	$ 4.6	$ 3.9
Acquisitions	70.4	84.4	1.0	—
Service costs	0.9	—	0.3	0.5
Interest cost	2.4	1.4	0.2	0.3
Actuarial loss	(6.8)	12.1	—	—
Benefits paid	(0.9)	(0.2)	(0.1)	(0.1)
Settlements	—	(8.0)	—	—
Foreign currency translation	(14.7)	(0.7)	—	—
Benefit obligation at end of period	$ 140.3	$ 89.0	$ 6.0	$ 4.6
Fair value of plan assets at beginning of period	99.6	—	—	—
Acquisitions	49.9	107.3	—	—
Actual return on plan assets	(1.0)	5.4	—	—
Benefits paid	(0.1)	(0.2)	—	—
Settlements	—	(12.1)	—	—
Employer contributions	2.4	—	—	—
Foreign currency translation	(17.5)	(0.8)	—	—
Fair value of plan assets at end of period	$ 133.3	$ 99.6	$ —	$ —
Funded (unfunded) status recognized in other assets	$ (7.0)	$ 10.6	$ (6.0)	$ (4.6)

* Includes Omega activity from March 30, 2015 to June 27, 2015.
** Includes Elan activity from December 18, 2013 to June 28, 2014.

Total defined benefit pension asset of $12.8 million is recorded in Other Assets and total defined benefit pension liability of $19.8 million is recorded in Other long term liabilities. The total accumulated benefit obligation for the defined benefit pension plans was $136.6 million and $89.0 million at June 27, 2015 and June 28, 2014, respectively. As of June 27, 2015 and June 28, 2014, the unamortized net actuarial loss in AOCI for defined benefit pension was $9.2 million and $11.9 million, respectively. The estimated amount to be recognized from AOCI into net periodic cost during the next twelve months is $0.8 million.

Total other benefits liability of $6.0 million is recorded in Other long term liabilities. The unfunded accumulated projected benefit obligation related to other benefits was $6.0 million and $4.6 million at June 27, 2015 and June 28, 2014, respectively. As of June 27, 2015 and June 28, 2014, an unrecognized actuarial gain of $0.1 million was included in OCI, net of tax.

At June 27, 2015, the total estimated future benefit payments to be paid by the plans for the next five years was approximately $6.5 million for pension benefits and $1.0 million for other benefits as follows (in millions):

Payment Due	Pension Benefits	Other Benefits
< 1 year	$ 0.8	$ 0.1
1 - 2 years	1.1	0.2
3 - 4 years	1.2	0.2
4 - 5 years	1.5	0.2
5 - 6 years	1.9	0.3
> 6 years	13.4	1.8

The expected benefits to be paid are based on the same assumptions used to measure our benefit obligation at June 27, 2015, including the expected future employee service. We expect to contribute $2.0 million to the defined benefit plans within the next year.

Net periodic pension cost for fiscal years 2015 and 2014 consisted of the following (in millions):

	Pension Benefits		Other Benefits	
	Fiscal Year			
	2015 *	2014 **	2015 *	2014
Service cost	$ 0.9	$ —	$ 0.3	$ 0.5
Interest cost	2.4	1.4	0.2	0.3
Expected return on plan assets	(2.7)	(1.9)	—	0.6
Net actuarial loss	1.0	0.7	0.1	
Net periodic pension cost	$ 1.6	$ 0.2	$ 0.6	$ 1.4

* Includes Omega activity from March 30, 2015 to June 27, 2015.
** Includes Elan activity from December 18, 2013 to June 28, 2014.

The weighted-average assumptions used to determine net periodic pension cost and benefit obligation as of June 27, 2015 and June 28, 2014 were:

	Pension Benefits		Other Benefits	
	Fiscal Year			
	2015 *	2014 **	2015 *	2014
Discount rate	2.11%	2.90%	4.25%	4.25%
Inflation	1.93%	2.00%		
Expected return on assets	2.85%	2.92%		

* Includes Omega activity from March 30, 2015 to June 27, 2015.
** Includes Elan activity from December 18, 2013 to June 28, 2014.

The discount rate is based on market yields at the valuation date and chosen with reference to the yields available on high-quality corporate bonds, having regard to the duration of the plan's liabilities.

As of June 27, 2015, the expected weighted-average long-term rate of return on assets of 2.85% was calculated based on the assumptions of the following returns for each asset class:

Equities	5.8%
Bonds	1.2%
Absolute return fund	3.5%
Insurance contracts	2.3%
Property	4.8%

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.

As of June 27, 2015, the current long-term asset allocation ranges of the trusts are as follows:

Equities	10% - 20%
Bonds	30% - 40%
Absolute return	20% - 30%
Insurance contracts	20% - 30%
Property	0% - 10%
Other	0% - 10%

The purpose of the pension funds 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 27, 2015 (in millions):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Equities	$ 16.7	$ —	$ —	$ 16.7
Bonds	49.7	—	—	49.7
Absolute return fund	34.8	—	—	34.8
Insurance contracts	—	—	31.5	31.5
Property	—	—	0.4	0.4
Other	0.2	—	—	0.2
Total	$ 101.4	$ —	$ 31.9	$ 133.3

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
Other	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 fiscal years 2015 and 2014 (in millions):

	Fiscal Year	
	2015 *	2014 **
Level 3 assets held at beginning of year	$ 0.8	$ —
Acquisitions	31.5	0.7
Unrealized gains	(0.4)	0.1
Level 3 assets held at end of year	$ 31.9	$ 0.8

* Includes Omega activity from March 30, 2015 to June 27, 2015.
** Includes Elan activity from December 18, 2013 to June 28, 2014.

All properties in the fund are valued by independent valuation experts by forecasting the returns of the market at regular intervals. The inputs to the forecasts include gross national product growth, interest rates and inflation.

The fair value of the insurance contracts is an estimate of the amount that would be received in an orderly sale to a market participant at the measurement date. The amount the plan would receive from the contract holder if the contracts were terminated is the primary input and is unobservable. The insurance contracts are therefore classified as Level 3 investments.

Deferred Compensation Plans

We have 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, we own insurance policies that had a cash surrender value of $32.7 million and $28.0 million at June 27, 2015 and June 28, 2014, respectively, 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 $32.3 million and $28.1 million at June 27, 2015 and June 28, 2014, respectively, was recorded in Other non-current liabilities.

Israeli Post Employment Benefits

Israeli labor laws and agreements require us 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. Our Israeli subsidiaries also provide retirement bonuses to certain managerial employees. We make regular deposits to retirement funds and purchase insurance policies to partially fund these liabilities. The deposited funds may be withdrawn only upon the fulfillment of requirements pursuant to Israeli labor laws. The liability related to these post employment benefits, which is recorded in Other non-current liabilities, was $21.3 million and $24.0 million at June 27, 2015 and June 28, 2014, respectively. We funded $17.3 million and $19.3 million of this amount, which is recorded in Other non-current assets, as of June 27, 2015 and June 28, 2014, respectively. Our contributions to the above plans were $1.0 million and $0.4 million for fiscal years 2015 and 2014, respectively.

18. OTHER PROVISIONS AND COMMITMENTS AND CONTINGENCIES

Changes in Other provisions are illustrated below (in millions):

	Legal liabilities	Contingent consideration	Restructuring	Total
Balance at June 29, 2013	$—	$22.2	$2.9	$25.1
Provisions, net	21.6	1.9	47.0	70.5
Utilization	(3.1)	(6.7)	(28.7)	(38.5)
Acquisitions and Other	22.4	—	(4.8)	17.6
Balance at June 28, 2014	40.9	17.4	16.4	74.7
Provisions, net	9.0	—	5.1	14.1
Utilization	(12.5)	(18.3)	(18.5)	(49.3)
Acquisitions and Other	8.0	0.9	(1.4)	7.5
Balance at June 27, 2015	$45.4	$—	$1.6	$47.0

We lease 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 us to pay various related expenses. Future non-cancelable minimum operating lease commitments are as follows (in millions):

Due	Amount
< 1 year	$ 45.6
1-2 years	37.7
2-3 years	32.3
3-4 years	21.2
5-6 years	15.4
> 6 years	20.3

Rent expense under all leases was $39.2 million and $34.5 million for fiscal years 2015 and 2014, respectively.

At June 27, 2015 we had non-cancelable purchase obligations totaling $429.9 million consisting of contractual commitments to purchase materials and services to support operations. The obligations are expected to be paid within one year.

In addition to the discussions below, we have pending certain other legal actions and claims incurred in the normal course of business. We record 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 27, 2015, we have determined that the liabilities associated with certain litigation matters are probable and can be reasonably estimated. We have 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, we consider the litigation matters to be immaterial individually and in the aggregate.

Texas Medicaid

In June 2013, we received notices from the Office of the Attorney General for the State of Texas, of civil investigative demands to two of our 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. We have cooperated with requests for information and are in the process of evaluating this and other information. While we do not know the full extent of our potential liability at this time and intend to vigorously defend against any claims, we could be subject to material penalties and damages. We established a contingency loss accrual of $15.0 million to cover potential settlement or other outcomes. Due to changes in circumstances, during the third quarter of fiscal year 2015, we accrued an additional $9.0 million. In addition, we recorded a receivable of $7.0 million representing the amount we expect to collect from the previous

owners of Paddock Laboratories, LLC. We cannot predict whether we will obtain a settlement on terms we deem acceptable, or whether a settlement or potential liability for these claims will 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 healthcare providers who provide healthcare services as part of the compulsory healthcare system in Israel.

One of the applications was dismissed and the remaining eight applications were consolidated into one application. The applications arose from the 2011 launch of a reformulated version of Eltroxin in Israel. The consolidated application generally alleges 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.

Several hearings on whether or not to certify the consolidated application took place in December 2013 and January 2014. On May 17, 2015, the District Court certified the motion against Perrigo Israel Agencies Ltd. and dismissed it against the remaining respondents, including Perrigo Israel Pharmaceuticals Ltd.

On June 16, 2015, Perrigo submitted a motion for permission to appeal the decision to certify to the Israeli Supreme Court together with a motion to stay the proceedings of the class action until the motion for permission to appeal is adjudicated. The decision whether to allow Perrigo to file an appeal has been transferred to a panel of three justices. Other than requiring Perrigo to file its statement of defense to the underlying proceedings, the underlying proceedings have been stayed pending a decision on the motion to appeal.

At this stage, we cannot reasonably predict 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 ours, 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 ours. 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 alleged 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 our favor. On September 29, 2014, the Supreme Court of Israel affirmed the ruling of the District Court in our favor and as a result, the matter is now closed.

Tysabri® Product Liability Lawsuits

Perrigo Company plc 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®. Perrigo Company plc 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 us.

19. COLLABORATION AGREEMENTS

We actively collaborate with other pharmaceutical companies to develop, manufacture and market certain products or groups of products. These types of agreements are common in the pharmaceutical industry. We may choose to enter into these types of agreements to, among other things, leverage our or others' scientific research and development expertise or utilize our extensive marketing and distribution resources. Terms of the various collaboration agreements may require us to make or receive milestone payments upon the achievement of certain product research and development objectives and pay or receive royalties on the future sale, if any, of commercial products resulting from the collaboration. Milestone and up-front payments made are generally recorded in research and development expense if the payments relate to drug candidates that have not yet received regulatory approval. Milestone 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. We enter into a number of collaboration agreements in the ordinary course of business. Although we do not consider these arrangements to be material, the following is a brief description of notable agreements entered into during fiscal years 2015 and 2014.

Fiscal Year 2015

In May 2015, we entered into a development agreement wherein we transferred the ownership rights to two pharmaceutical products to a clinical stage development company to fund and conduct development activities for the products. We do not expect to incur any expense related to the development of either product. If the products are approved by the FDA, we will execute a buy-back agreement to purchase each product for a multiple of the development costs incurred. Based on the initial development budget for each product, the estimated purchase price for both products is approximately $78.0 million. If development costs exceed the initial budgeted amounts, the purchase price will increase but will not exceed approximately $105.0 million. If the products are approved by the FDA and we purchase the products, we estimate the acquisitions will occur in 2019 and 2020.

In May 2015, we entered into an agreement with a clinical stage biotechnology company for the development of two specialty pharmaceutical products. We paid $18.0 million for an option to acquire the two products after the completion of Phase 3 clinical trials for one of the products. The $18.0 million fee is reported in research and development expense. If we exercise the purchase option to acquire both products, we would expect to make contingent payments if we obtain regulatory approval and achieve certain sales milestones. The contingent milestone payments could total $30.0 million in aggregate. If we do not exercise the purchase option for the first product, we may elect to acquire only the second product and would be subject to potential milestone payments up to $17.5 million. We will also be obligated to make certain royalty payments over periods ranging from seven to ten years from the launch of each product.

In December 2014, we entered into a collaboration agreement with a clinical stage biotechnology company, pursuant to which the parties will collaborate in the ongoing development of a topical OTC drug product. We will provide assistance including non-clinical, clinical, and manufacturing activities in support of an NDA submission to the FDA. As part of the agreement, we paid $10.0 million for an exclusive option to purchase and license certain assets as specified in separate asset purchase and license agreements. The $10.0 million fee is reported in Research and development expense. If the product is successful in Phase 3 clinical trials, we are required to make an additional option payment of $5.0 million. If we exercise our purchase option, we will be required to pay a purchase price of $10.0 million as well as certain contingent milestone payments, which could total $50.0 million in aggregate.

Fiscal Year 2014

As a result of the Elan acquisition, we acquired a collaborative arrangement with Transition related to the joint development and commercialization of ELND005 (Scyllo-inositol). During the third quarter of fiscal year 2014, we announced that we had entered into an agreement with Transition to progress the clinical development of ELND005 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 Perrigo Company plc, which had previously been responsible for carrying out all development activities associated with ELND005. Upon closing on February 28, 2014, Transition is solely responsible for all ongoing development activities and costs associated with ELND005. We are eligible to receive milestone payments ranging from $10.0 million to $15.0 million should ELND005 achieve approval of the ANDA as well as specific worldwide net sales hurdles. If a product were to be commercialized, we would be entitled to receive a royalty of 6.5% of net sales for the life of the product.

20. SEGMENT AND GEOGRAPHIC INFORMATION

As discussed in Note 1, in conjunction with the Omega acquisition, we changed our reporting segments to better align with our new organizational structure. This structure is consistent with the way our chief operating decision maker makes operating decisions, allocates resources and manages the growth and profitability of the business. Operating segments with similar economic characteristics, including long-term profitability, nature of the products sold and production processes, distribution methods, and classes of customers, are aggregated as reportable segments.

We generated third-party net sales in the following geographic locations[(1)] during each of the fiscal years presented (in millions):

	June 27, 2015	June 28, 2014
Ireland	$ 344.0	$ 146.7
U.S.	3,303.6	3,291.6
Europe	613.6	217.2
All other countries [(2)]	342.7	405.3
	$ 4,603.9	$ 4,060.8

(1) We attribute net sales to countries based on sales location.
(2) Includes sales generated primarily in Israel, Mexico, Australia, and Canada.

The net book value of property and equipment at June 27, 2015 and June 28, 2014 was as follows (in millions):

	June 27, 2015	June 28, 2014
Ireland	$ 1.4	$ 2.0
U.S.	558.6	530.7
Europe	153.8	31.7
Israel	119.8	119.6
All other countries	98.8	95.9
	$ 932.4	$ 779.9

Sales to Walmart accounted for 15% of consolidated net sales in fiscal year 2015 and 19% in both fiscal year 2014 and fiscal year 2013. Sales to Walmart are reported primarily in our CHC segment.

Below is a summary of our results by reporting segment for fiscal years 2015 and 2014. Prior periods have been restated to conform to our new reporting segments (in millions).

	CHC	BCH [1]	Rx Pharmaceut -icals	Specialty Sciences [2]	Other	Unallocated expenses	Total [3]
Fiscal Year 2015							
Net sales	$ 2,750.0	$ 401.1	$ 1,001.1	$ 344.0	$ 107.7	$ —	$ 4,603.9
Operating income (loss)	$ 405.6	$ 26.6	$ 373.9	$ 36.3	$ 26.8	$ (121.5)	$ 747.7
Operating income %	14.7%	6.6%	37.3%	10.6 %	24.9%	—%	16.2%
Total assets	$ 4,381.6	$ 6,441.1	$ 2,667.9	$ 5,979.0	$ 251.0	$ —	$ 19,720.6
Capital expenditures	$ 80.5	$ 3.6	$ 42.9	$ 0.5	$ 6.4	$ 3.1	$ 137.0
Property and equip, net	$ 600.0	$ 122.5	$ 124.1	$ —	$ 85.8	$ —	$ 932.4
Depreciation/amortization	$ 123.2	$ 38.3	$ 85.1	$ 291.6	$ 10.6	$ —	$ 548.8
Fiscal Year 2014							
Net sales	$ 2,849.4	$ —	$ 927.1	$ 146.7	$ 137.6	$ —	$ 4,060.8
Operating income (loss)	$ 413.1	$ —	$ 349.8	$ (68.6)	$ 46.1	$ (173.4)	$ 567.0
Operating income (loss) %	14.5%	—%	37.7%	(46.7)%	33.5%	—%	14.0%
Total assets	$ 4,931.0	$ —	$ 2,537.2	$ 6,096.6	$ 288.0	$ —	$ 13,852.8
Capital expenditures	$ 128.3	$ —	$ 32.9	$ —	$ 10.4	$ —	$ 171.6
Property and equip, net	$ 577.3	$ —	$ 104.8	$ 2.1	$ 95.7	$ —	$ 779.9
Depreciation/amortization	$ 106.6	$ —	$ 86.5	154.4	$ 11.4	$ —	$ 358.9

(1) BCH only includes activity from March 30, 2015 to June 27, 2015.
(2) Specialty Sciences only includes activity from December 18, 2013 to June 28, 2014 for fiscal year 2014.
(3) Amounts may not cross-foot due to rounding.

The following is a summary of our net sales by category by fiscal year (in millions):

	2015	2014
CHC		
Cough/Cold/Allergy/Sinus [1]	$ 486.2	$ 510.1
Analgesics [1]	441.7	504.0
Gastrointestinal [1]	395.3	400.1
Infant nutritionals	383.9	374.8
Smoking cessation	299.4	236.8
Vitamins, minerals and dietary supplements	185.6	176.9
Animal health	156.9	178.0
Other CHC [1], [2]	335.9	468.7
Total CHC	2,684.9	2,849.4
BCH branded OTC products	401.2	—
Generic prescription drugs	1,066.1	927.1
Tysabri® royalties	344.0	146.7
Active pharmaceutical ingredients	107.7	137.6
Total net sales	$ 4,603.9	$ 4,060.8

[1] Includes sales from our OTC contract manufacturing business.
[2] Consists primarily of feminine hygiene, diabetes care, dermatological care, diagnostic products, and other miscellaneous or otherwise uncategorized product lines and markets none of which is greater than 10% of the CHC segment.

21. EMPLOYEES

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

Country	June 27, 2015	June 28, 2014
U.S.	6,361	6,450
Israel	1,250	1,300
Mexico	1,265	1,150
Europe	1,538	775
Rest of the world	469	385
Total	10,883	10,060

	June 27, 2015	June 28, 2014
Salaries and wages	$ 602.0	$ 567.2
Social security costs	53.1	42.7
Pension and other postretirement benefits	35.3	34.1
Other benefits	101.2	100.3
Total employee costs	$ 791.6	$ 744.3

22. DIRECTORS' REMUNERATION

Directors' remuneration 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 our Chairman of the Board of Directors. 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 27, 2015	June 28, 2014
Managerial services	$ 10.7	$ 18.9
Director services	4.4	7.6
	$ 15.1	$ 26.5

23. AUDITOR'S REMUNERATION

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

	June 27, 2015	June 28, 2014
Audit fees	$ 7.0	$ 5.6
Other Assurance Services	0.5	0.7
Tax fees		
Tax compliance services	0.8	0.3
Tax consulting and advisory services	0.5	3.2
Total	$ 8.8	$ 9.8

The fees paid to Ernst & Young Ireland in respect of the audit of the group accounts were $0.4 million and $0.5 million for the years ended June 27, 2015 and June 28, 2014, respectively. In addition, Ernst & Young Ireland received $0.2 million and $1.0 million for other assurance services for the years ended June 27, 2015 and June 28, 2014, respectively. Ernst & Young Ireland received fees of $0.1 million and $0.7 million for tax compliance and advisory services for the years ended June 27, 2015 and June 28, 2014, respectively. Ernst & Young Ireland received fees of $0.1 million and $0.3 million for other non-audit services for the years ended June 27, 2015 and June 28, 2014, respectively.

24. SUBSIDIARIES AND AFFILIATED UNDERTAKINGS

The principal subsidiaries of us or our affiliated companies where we have an ownership of 20% or more are listed below:

Consolidated subsidiaries and equity accounted affiliate	Nature of Business	Registered Address	Percent ownership
Abtei Omega Pharma GmbH	General Corporate Administration	Abtei 1, 37696 Marienmunster, Germany	100%
Acacia Biopharma Limited	General Corporate Administration	Wrafton, Braunton, Devon, EX33 2DL	100%
Aco Hud Nordic AB	Operations	PO Box 622, 194 26 Upplands Vasby, Sweden	100%
Aco Hud Norge AS	Operations	Pb. 95, Okern, 0509 Oslo, Norway	100%
Aco Pharma Oy	Operations	Gardsbrinken 1 A, 02240 Esbo, Finland	100%

AdriaMedic SA	General Corporate Administration	19, Zare Ouest, 4384 Ehlerange, Luxembourg	100%
Adriatic BST Trgovina in Storitve D.o.o.	Operations	Verovskova ulica 55, 1000 Ljublijana, Slovenia	100%
Adriatic Distribution Beograd D.o.o.	Operations	Ljubostinjska 2/C 5, 11000 Belgrade, Serbia	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%
Auragen Pty Ltd	Inactive	Units 48-51 - Level 2, 7 Narabang Way, Belrose NSW 2085, Australia	100%
Aurios Pty Ltd	Inactive	Units 48-51 - Level 2, 7 Narabang Way, Belrose NSW 2085, Australia	100%
Aurora Pharmaceuticals Pty Ltd	Operations	Units 48-51 - Level 2, 7 Narabang Way, Belrose NSW 2085, Australia	100%
Belgian Cycling Company NV	Inactive	Venecoweg 26, 9810 Nazareth, Belgium	100%
Bional Nederland B.V.	Inactive	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Biover NV	Operations	Venecoweg 26, 9810 Nazareth, Belgium	100%
Bioxydiet France SAS	Operations	Avenue de Lossburg 470, ZI Nord, 69480 Anse, France	100%
Bittner Pharma LLC	Operations	Suschevskly val 18, Business Center "Novosuschevskiy", 127018 Moscow, Russia	100%
Chefaro Ireland Ltd.	Operations	The Crescent Building, 1st Floor, Block A, Nothwood Office Park, Dublin 9, Ireland	100%
Chefaro Pharma Italia SrL	Operations	Viale Castello della, Magliana 18, 00148 Rome, Italy	100%
Chemagis B.V.	General Corporate Administration	Burgemeester de Manlaan 2, 4837 BN Breda, the Netherlands	100%
Cinetic Laboratories Argentina SA	Operations	Av. Triunverato 2734, City of Buenos Aires, Argentina	100%
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%
Cosmediet - Biotechnie SAS	Operations	Avenue de Lossburg 470, ZI Nord, 69480 Anse, France	100%
Crimagua Limited	Inactive	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Damianus B.V.	Inactive	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Dermagis International Ltd.	Inactive	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Despharma Kft.	General Corporate Administration	Madarasz u. 47-49, 1138 Budapest, Hungary	100%
Elan Corporation Ltd.	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Elan Europa Finance Sarl	General Corporate Administration	412F route d'Esch, L-2086, Luxembourg	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	H.P. House, 21 Laffan Street, Hamilton HM 09 Bermuda	100%
Elan International Services Limited	General Corporate Administration	H.P. House, 21 Laffan Street, Hamilton HM 09 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%
Etixx NV	Operations	Venecoweg 26, 9810 Nazareth, Belgium	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%
Gelcaps Exportadora de Mexico, S.A. de C.V.	Operations	CTO Centro Civico 27 Ciudad Satelite ENT Puericultores Y FCO T De La Chica Naucalpan Mexico C.P. 53100	100%
Habsont	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Herbs Trading GmbH	Operations	Ossiacher Strasse 7, 9560 Feldkirchen, Austria	100%
Hud SA	General Corporate Administration	19, Zare Ouest, 4384 Ehlerange, Luxembourg	100%
Insect Repellents B.V.	Operations	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Interdelta S.A.	Operations	Route Andre Piller 21, 1762 Givisiez, Switzerland	82%
Jaico R.D.P. NV	Operations	Nijverheidslaan 1545, 3660 Opglabbeek, Belgium	100%
JLR Pharma S.A.	General Corporate Administration	Route Andre Piller 21, 1762 Givisiez, Switzerland	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%
Laboratoires de la Mer SAS	Operations	ZAC de la Madeleine, Avenue du General Patton, CS 61848,35400 Saint-Malo, France	100%
Laboratoires Omega Pharms France SAS	Operations	20, rue Andre Gide BP80, 92320 Chatillon Cedex, France	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%
Medgenix Benelux NV	Operations	Vliegveild 21, 8560 Wevelgem, Belgium	100%
Meridian Animal Health, LLC	Operations	2215-B Renaissance Dr., Las Vegas, Nevada 89119	100%
Monksland Holdings B.V.	General Corporate Administration	Prins Bernhardplein 200, 1097 JB Amsterdam	100%
Neca Properties (1996) Ltd.	Inactive	Lehi 29 Street, Bnei-Brak 51200 Israel	100%
Neuralab Limited	Inactive	H.P. House 21 Laffan Street, hamilton HM 09 Bermuda	100%
Newbridge Pharmaceuticals Ltd.	Equity method investment	PO Box 146 Road Town, Tortola, British Virgin Islands	48%
Oce Bio BVBA	Operations	Nijverheidstaat 96, 2160 Wommelgem, Belgium	100%
Oce-Bio Nederland B.V	Operations	De Gagelrijzen 146, 4711 PS Sint-willebrord, The Netherlands	100%
Omega Aco AS	Operations	Slotsmarken 18, 2980 Horsholm, Denmark	100%
Omega Alpharm Cyprus Ltd.	Operations	Agiou Mamandos 52, Office 103, 2330 Lakatamia, Cyprus	100%
Omega Pharma (NZ) Ltd.	Inactive	183 Grenada Street, Arataki, Tauranga 3116 New Zealand	100%
Omega Pharma AS	Operations	Drazni 253/7, 627 00 Brno, Czech Republic	100%
Omega Pharma Australia Pty Ltd	General Corporate Administration	Units 48-51 - Level 2, 7 Narabang Way, Belrose NSW 2085, Australia	100%
Omega Pharma Austria Healthcare GmbH	Operations	Rennweg 17, 1030 Wien, Austria	100%
Omega pharma Baltics SIA	Operations	K. Ulmana gatve 110, Marupes pag., 2167 Rigas raj., Latvia	100%
Omega Pharma Belgium NV	Operations	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma Capital NV	Financing	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma Deutschland GmbH	Operations	Benzstrasse 25, 71083 Herrenberg, Germany	100%
Omega Pharma Espana SA	Operations	Parque de Officinas San Cugat, Plaza Javier Cugat 2 - Edificio D, Planta Primera, 08174 San Cugat del Valles, Spain	100%
Omega Pharma GmbH	General Corporate Administration	Reisnerstrasse 55-57, 1030 Vienna, Austria	100%
Omega Pharma Hellas SA Health and Beauty Products	Operations	19 km of Athens-Lamia Nat. Road, 14671 - Nea Erythraia, ASTIR building 1st Floor, Greece	100%
Omega Pharma Holding (Nederland) B.V.	General Corporate Administration	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Omega Pharma Hungary Kft.	Operations	Madarasz u. 47-49, 1138 Budapest, Hungary	100%
Omega Pharma Innovation & Development NV	General Corporate Administration	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma International NV	General Corporate Administration	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma Invest NV	General Corporate Administration	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma Ireland Ltd. Sarl	General Corporate Administration	70 Sir John Rogerson's Quay, Dublin 2, Ireland	100%

Omega Pharma Kisisel Bakim ve Saglik Urunleri Dagitim Ticaret Limited Sirketi	Operations	Merdivenkoy Mah. Bora Sok. No:1 A, Ofis Blok Kat:5 Goztepe, Kadikoy/Istanbul, Turkey	100%
Omega Pharma Ltd.	Operations	First Floor, 32 Vauxhall Bridge Road, SW1V2SA London, United Kingdom	100%
Omega Pharma Luxembourg SarL	General Corporate Administration	19, Zare Ouest, 4384 Ehlerange, Luxembourg	100%
Omega Pharma Manufacturing GmbH & Co. KG	Operations	Benzstrasse 25, 71083 Herrenberg, Germany	100%
Omega Pharma Manufacturing Verwaltungs GmbH	Inactive	Benzstrasse 25, 71083 Herrenberg, Germany	100%
Omega Pharma Nederland B.V.	Operations	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Omega Pharma Nordic AB	Operations	PO Box 7009, 164 07 Kista, Sweden	100%
Omega Pharma NV	General Corporate Administration	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma Poland Sp.z.o.o.	Operations	BTD Office Center, 4th Floor, Al. Niepodleglosci 18, 02-653 Warszawa, Poland	100%
Omega Pharma Portuguesa LDA	Operations	Ave. Tomas Ribeiro 43, Edificio Neopark - Bloco 1 - 3o C, 2795-574 Carnaxide, Portugal	100%
Omega Pharma s.r.o.	Operations	Tomasikova 30, Bratislava 821 01, Slovakia	100%
Omega Pharma SAS	General Corporate Administration	20, rue Andre Gide BP80, 92320 Chatillon Cedex, France	100%
Omega Pharma Singapore Pte Ltd	inactive	26 Eng Hoon Street, Singapore 169776	100%
Omega Pharma Teknika Ltd.	General Corporate Administration	The Crescent Building, 1st Floor, Block A, Nothwood Office Park, Dublin 9, Ireland	100%
Omega Pharma Trading NV	Operations	Venecoweg 26, 9810 Nazareth, Belgium	100%
Omega Pharma Ukraine LLC	Operations	9, Boryspilska St, 02099 Kiev, Ukraine	100%
OmegaLabs (Pty) Ltd	Operations	Block B. Wedgewook Office Park, 3 Muswell Road, Bryanston, Gauteng, South Africa	51%
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%
Paracelsia Pharma GmbH	Operations	Lighthoue, Derendorfer Allee 6, 40476 Dusseldort, Germany	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	Minter Ellison, 'Governor Macquarie Tower', Level 40, 1 Farrer Place, Sydney NSW 2000 Australia	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 Finance plc	Financing	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	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%
Perrigo International, Inc.	General Corporate Administration	601 Abbot Road, East Lansing, Michigan 48823	100%
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 5 Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Ireland 6 Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Ireland 7 Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Ireland 8 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 B.V.	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%
Pharmasales Pty Ltd	Inactive	Units 48-51 - Level 2, 7 Narabang Way, Belrose NSW 2085, Australia	100%
Promedent SA	Operations	19, Zare Ouest, 4384 Ehlerange, Luxembourg	100%
Proteostasis Therapeutics, Inc.	Equity Method Investment	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	22%
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%
Richard Bittner AG	Operations	Ossiacher Strasse 7, 9560 Feldkirchen, Austria	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%
Rubicon Healthcare holdings Pty Ltd	Inactive	Units 48-51 - Level 2, 7 Narabang Way, Belrose NSW 2085, Australia	100%
Samenwerkende Apothekers Nederland B.V.	Inactive	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
SC Hipocrate 2000 SRL	Operations	6A Prahova Street, 1st District, 012423 Bucharest, Romania	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%
The Learning Pharmacy Ltd.	Operations	First Floor, 32 Vauxhall Bridge Road, SW1V2SA London, United Kingdom	100%

Velcera, Inc.	Operations	2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808	100%
Verelibron SrL	General Corporate Administration	Viale Castello della, Magliana 18, 00148 Rome, Italy	100%
Vianatura NV	Operations	Venecowag 26, 9810 Nazareth, Belgium	100%
Wartner Europe B.V.	General Corporate Administration	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Wrafton Laboratories Limited	Operations	Wrafton, Braunton, Devon, EX33 2DL	100%
Ymea B.V.	General Corporate Administration	Kralingseweg 201, 3062 CE Rotterdam, The Netherlands	100%
Zibo Xinhua - Perrigo Pharmaceutical Company Ltd.	Operations	Chemical Area, Zibo Hi-tech Industrial Development Zone, Shandong, China	50%

COMPANY BALANCE SHEET
As at June 27, 2015

(in thousands of U.S. dollars)	Note	June 27, 2015 USD	June 28, 2014 USD
Financial Fixed Assets	**3**		
Investment in Habsont		7,878,022	7,877,966
Investment in Elan Corporation		9,488,657	9,488,657
Investment in Clepe Ltd.		27,686	27,656
Investment in Perrigo Ireland Management Limited		149	89
Investment in Perrigo Ireland Holding Company B.V.		35	5
Investment in Elan Finance Europa S.a.r.l.		2,754	2,754
Investment in Perrigo Ireland 1 Limited		1,383,264	—
Investment in Perrigo Ireland 7 Limited		35,847	—
		18,816,414	17,397,127
Current Assets			
Cash at bank and in hand		148,985	323,346
Prepaid insurance and other assets		3,568	1,063
Debtors (amounts falling due within one year)	**4**	7,410,078	7,308,533
		7,562,631	7,632,942
Creditors (amounts falling due within one year)	**5**	(2,833,056)	(2,081,537)
Net Current Assets		4,729,575	5,551,405
Creditors (amounts falling due greater than one year)			
Senior notes and term loans	**6**	(2,277,289)	(3,060,370)
Net Assets		21,268,700	19,888,162
Capital and Reserves			
Called up share capital	**7**	199	184
Share premium	**8**	5,404,216	14,491,638
Other reserves	**8**	64,449	40,330
Profit and loss account	**8**	15,799,836	5,356,010
Shareholders' funds		21,268,700	19,888,162

The Consolidated Financial Statements were approved by the Audit Committee of the Board of Directors and the Board of Directors on September 16, 2015, 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. SUMMARY OF SIGNIFICANT 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 Act 2014 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 use). 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 304 of the Companies Act 2014, the Company is availing of the exemption from presenting the individual profit and loss account. The Company's loss for the year June 27, 2015 was USD 491,360 thousand (2014: USD 115,848 thousand).

f. Cash Flow Statement

The Company is availing of the exemption afforded by Financial Reporting Standard ("FRS") No. 1 *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 unfavorable 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, canceled 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 and foreign currency risk. The Company recognises gains and losses arising from derivative instruments upon maturity.

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 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 ("Elan"). As of June 27, 2015, 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 December 18, 2013, which is wholly owned by Habsont.

On December 18, 2013, the Company acquired Elan. Elan, headquartered in Dublin, Ireland, provides the Company with assets focused on the treatment of Multiple Sclerosis (Tysabri®). At the close of the transaction on December 18, 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")	Elan Corporation ("Elan")	Clepe Ltd. ("Clepe")	Perrigo Ireland Mgmt. Limited ("PIM")	Perrigo Ireland Hold Co. B.V. ("PIH")	Elan Finance Europa S.a.r.l. ("EFES")	Perrigo Ireland 1 Limited ("PI1")	Perrigo Ireland 7 Limited ("PI7")
	USD	USD	USD	USD	USD	USD	USD	USD
At June 28, 2013 - at cost	—	—	—	—	—	—	—	—
Receipt of the beneficial interest in 1 ordinary share of Habsont on July 9, 2013	—	—	—	—	—	—	—	—
Purchase of 2,000 ordinary shares of Habsont on July 26, 2013. On October 21, 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 October 22, 2013	—	—	1	—	—	—	—	—
Record 1 preference share of Clepe on October 22, 2013	—	—	—	—	—	—	—	—
Contributions of PCplc shares to Habsont on October 22, 2013	3,018,750	—	—	—	—	—	—	—
Purchase of 100 shares of PIH	—	—	—	—	—	—	—	—
Purchase of 16,500 shares of EFES on December 16, 2013	—	—	—	—	—	17	—	—
Purchase of 1 share of PIM on December 16, 2013	—	—	—	14	—	—	—	—
Investment in Elan at cost on December 18, 2013	—	9,488,657	—	—	—	—	—	—
Receipt of 31,930,644 preference shares of Habsont in exchange for assignment of notes receivable on December 18, 2013	4,859,205	—	—	—	—	—	—	—
Conversion of Habsont preference shares to ordinary shares	—	—	—	—	—	—	—	—
Clepe preference shares exchanged for Clepe shares	—	—	—	—	—	—	—	—
Capital contributions on December 23, 2013 to EFES	—	—	—	—	—	2,737	—	—
Capital contributions on February 19, 2014 and April 17, 2014 to Clepe	—	—	27,655	—	—	—	—	—
Capital contributions on February 24, 2014 and February 27, 2014 to Habsont	11	—	—	—	—	—	—	—
Capital contributions on April 17, 2014, June 6, 2014 and June 13, 2014 to PIM	—	—	—	75	—	—	—	—
Capital contributions on May 14, 2014 to PIH	—	—	—	—	5	—	—	—
At June 28, 2014 - at cost	**7,877,966**	**9,488,657**	**27,656**	**89**	**5**	**2,754**	**—**	**—**

Capital contributions on February 11, 2015 and September 23, 2014 to Habsont	56	—	—	—	—	—	—	—
Capital contributions on September 23, 2014, February 11, 2015, and June 27, 2015 to PIM	—	—	—	60	—	—	—	—
Capital contributions on January 12, 2015 and March 9, 2015 to Clepe	—	—	30	—	—	—	—	—
Capital contribution on February 11, 2015	—	—	—	—	30	—	—	—
Capital contribution on March 30, 2015 to PI1	—	—	—	—	—	—	1,383,264	—
Capital contributions to PI7	—	—	—	—	—	—	—	35,847
At June 27, 2015 - at cost	**7,878,022**	**9,488,657**	**27,686**	**149**	**35**	**2,754**	**1,383,264**	**35,847**

In the opinion of the Directors, the total value of financial fixed assets held on June 27, 2015 and June 28, 2014 of USD 18,816,414 thousand and USD 17,397,127 thousand, respectively 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 July 9, 2013 and subsequently re-registered as a private unlimited company on November 22, 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 October 21, 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 EUR 0.001 and then converted into 100,000 preference shares.

On October 22, 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 December 17, 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 December 18, 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 EUR 0.001 par value per share of Habsont.

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

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

On September 23, 2014 and February 11, 2015 the Company made capital contributions of USD 26 thousand and USD 30 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 equaled the fair value on December 18, 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 December 18, 2013		515,711,937
Exchange ratio percentage		0.07636
Total Perrigo Company plc ordinary shares issued		39,379,763
Weighted average Perrigo Company share price on December 18, 2013	USD	155.34
Total value of Perrigo Company plc ordinary shares issued	USD	6117236
Total cash consideration paid at USD 6.25 per Elan share	USD	3223199
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 October 22, 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 December 18, 2013, the Company exchanged its nine Clepe preference share for nine Clepe ordinary shares.

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

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

On January 12, 2015 and March 9, 2015 the Company made capital contributions of USD 15 thousand and USD 15 thousand, respectively to Clepe.

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

Tudor Trust Nominees Limited ("TTNL") was incorporated in Ireland on July 29, 2013. TTNL was acquired by the Company on December 10, 2013. TTNL changed its name to Perrigo Ireland Management Limited ("PIM") on December 13, 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 April 17, 2014, the Company made a capital contribution of USD 25 thousand to PIM. On June 6, 2014, the Company made a capital contribution of USD 25 thousand to PIM. On June 13, 2014, the Company made a capital contribution of USD 25 thousand to PIM.

On September 23, 2014, February 11, 2015 and June 27, 2015 the Company made capital contributions of USD 30 thousand, USD 20 thousand and USD 10 thousand, respectively to Perrigo Ireland Management Limited.

Perrigo Ireland Holding Company B.V.

On November 19, 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 May 14, 2014 the Company made a capital contribution of EUR 5 thousand (USD 6.75 thousand) to PIH.

On February 11, 2015 the Company made a capital contribution of USD 30 thousand to Perrigo Ireland Holding Company B.V.

Elan Finance Europa S.a.r.l.

On December 16, 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 December 23, 2013, the Company made a capital contribution of EUR 2 million (USD 2.737 million) to EFES.

Perrigo Ireland 1 Limited

The Company purchased 95.77% of the issued and outstanding share capital of Omega (685,348,257 shares) from Alychlo N.V. (“Alychlo”) and Holdco I BE N.V. (“Holdco” and, together with Alychlo, the “Sellers”), limited liability companies incorporated under the laws of Belgium under the terms of the Share Purchase Agreement dated November 2014 (the "Share Purchase Agreement"). Omega holds the remaining 30,243,983 shares as treasury shares.

On March 30, 2015, the Company acquired 50% of Alychlo’s shares in Omega in exchange for issuing to Alychlo 5,397,711 ordinary shares of Perrigo Company plc. The Company made a capital contribution of those shares valued at USD 904,872 thousand to Perrigo Ireland 1 Limited on that date. In addition, the Company made an unconditional and non refundable cash capital contribution of USD 478,392 thousand to Perrigo Ireland 1 Limited on March 30, 2015.

Perrigo Ireland 7 Limited

In the fourth quarter of fiscal year 2015, the Company made a capital contribution of USD 35,847 thousand in cash to Perrigo Ireland 7 Limited to fund the purchase price to acquire Gelcaps Exportadora de Mexico, S.A. de C.V. ("Gelcaps"), the Mexican operations of Durham, North Carolina-based Patheon Inc. which strengthened our supply chain and added softgel manufacturing technology capabilities to our business. The acquisition has broadened our presence, product portfolio, and customer network and has solidified our store brand leadership position in Mexico.

4. DEBTORS (amounts falling due within one year)

(in thousands of U.S. dollars)

	Balance receivable by Perrigo Company Plc	
	2015	**2014**
	USD	**USD**
Amounts due from subsidiary undertakings	51,471	8,533
Note receivable due from Perrigo Ireland Management Limited	7,258,000	7,300,000
Note receivable due from Omega Pharma Capital N.V.	100,607	—
Debtors	**7,410,078**	**7,308,533**

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

The Interest free note receivable of USD 7,258 million (2014: 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 of USD Libor PLUS 375 basis points, and the facility matures on December 17, 2018. There are no drawdowns on the Master Demand Note at the balance sheet date.

The note receivable of USD 100,607 thousand due from Omega Pharma Capital N.V. is payable upon demand. The rate of interest on the loan note is equal to Euribor plus a credit spread of 130 basis points per annum.

5. CREDITORS (amounts falling due within one year)

(in thousands of U.S. dollars)

	2015 USD	2014 USD
Trade payables[1]	7,654	1,065
Accruals[1]	24,379	1,281
Amounts due to subsidiary undertakings[1]	1,339	21
Non-interest bearing note payable to Elan Pharma International Limited	1,633,000	1,698,000
Non-interest bearing note payable to Elan Science Eight Limited	758,236	151,096
Non-interest bearing note payable to Elan International Services	399,400	80,000
Accrued interest	9,048	10,074
Current portion of Term loans	—	140,000
Total Creditors (amounts falling due within one year)	**2,833,056**	**2,081,537**

(1) No securities have been given by the Company in respect of any items disclosed. The amounts are interest free and due within one year.

On March 3, 2014, the Company amended and restated the loan agreement originally dated December 20, 2013. The amendment provides the Company with a loan facility up to USD 2,000.0 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 June 27, 2015 was USD 1,633.0 million (2014: USD 1,698.0 million).

On February 14, 2014, the Company entered into a USD 2,000.000 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 June 27, 2015 was USD 399.4 million (2014: USD 80.0 million).

On March 3, 2014, the Company entered into a USD 2,000.000 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 June 27, 2015 was USD 758.2 million (2014: USD 151.1 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
At June 28, 2014	**3,200,370**	**10,074**
Due within one year (see note 5)	140,000	10,074
Due greater than one year	3,060,370	—
At June 28, 2014	**3,200,370**	**10,074**
Senior Notes	2,277,289	9,048
At June 27, 2015	**2,277,289**	**9,048**
Due within one year	—	9,048
Due greater than one year	2,277,289	—
At June 27, 2015	**2,277,289**	**9,048**

Senior Notes

On November 8, 2013, Perrigo 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 "2013 Bonds") in a private placement with registration rights. Interest on the 2013 Bonds is payable semiannually in arrears in May and November of each year, beginning in May 2014. The 2013 Bonds are governed by a base indenture and a first supplemental indenture (collectively, the "2013 Indenture"). The 2013 Bonds are the Company's unsecured and unsubordinated obligations, ranking equally in right of payment to all of Perrigo Company existing and future unsecured and unsubordinated indebtedness. Perrigo Company received net proceeds of $2.3 billion from issuance of the 2013 Bonds after fees and market discount. The 2013 Bonds are not entitled to mandatory redemption or sinking fund payments. We may redeem the 2013 Bonds in whole or in part at any time for cash at the make-whole redemption prices described in the 2013 Indenture. The 2013 Bonds were guaranteed on an unsubordinated, unsecured basis by the same entities that guaranteed the 2013 Credit Agreement until November 21, 2014, at which time the 2013 Indenture was amended to remove all guarantors.

On September 2, 2014, the Company offered to exchange its private placement senior notes with public bonds (the "Exchange Offer"). The Exchange Offer expired on October 1, 2014, at which time substantially all of the private placement notes had been exchanged for bonds registered with the Securities and Exchange Commission.

The terms of the notes are as follows (in thousands of U.S. dollars):

Tranche	Maturity	Issue price	Coupon
2016 Notes	November 8, 2016	99.897%	1.3%
2018 Notes	November 8, 2018	99.859%	2.3%
2023 Notes	November 23, 2023	99.583%	4%
2043 Notes	November 15, 2043	99.582%	5.3%

Date	Nominal value	Discount	Issuing fees and other capitalised expenses	Total
At November 8, 2013	2,300,000	(6,369)	(18,814)	2,274,817
Principal repaid during period	—	—	—	—
Amortised during period	—	399	1,615	2,014
At June 28, 2014	**2,300,000**	**(5,970)**	**(17,199)**	**2,276,831**
Principal repaid during period	—	—	—	—
Debt extinguishment	—	—	(2,565)	(2,565)
Amortised during period	—	640	2,383	3,023
At June 27, 2015	**2,300,000**	**(5,330)**	**(17,381)**	**2,277,289**

Bridge Agreement

In connection with the Omega acquisition, on November 6, 2014, the Company entered into a €1.75 billion ($2.2 billion) senior unsecured 364-day bridge loan facility (the "Bridge Loan Facility"). Upon issuance of permanent debt financing, the Bridge Loan Facility was terminated on December 3, 2014. At no time did the Company draw upon the Bridge Loan Facility.

Term Loan

On September 6, 2013, the Company entered into a $1.0 billion term loan agreement (the "2013 Term Loan") and a $600.0 million revolving credit agreement (the "2013 Revolver") (together, the "2013 Credit Agreements"). The 2013 Term Loan consisted 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. Amounts outstanding under the 2013 Credit Agreements bore interest at our option (a) at the alternative base rate or (b) the eurodollar rate plus, in either case, applicable margins as set forth in the 2013 Credit Agreements. The Company's obligations under the 2013 Credit Agreements were guaranteed by Perrigo Company plc, certain U.S. subsidiaries of Perrigo Company plc, Elan, and certain Irish subsidiaries of Elan until November 21, 2014, at which time the terms of the 2013 Credit Agreements were amended to remove all guarantors.

The Company entered into a $300.0 million term loan tranche maturing December 18, 2015 ("2014 Term Loan"). On June 24, 2015, we repaid the $300.0 million portion of the 2014 Term Loan.

Debt Extinguishment

On December 5, 2014, the Company repaid the remaining $895.0 million outstanding under our 2013 Term Loan, then terminated both the 2013 Term Loan and 2013 Revolver. The Company recorded a $12.0 million loss on extinguishment of debt during fiscal year 2015, which consisted of the Bridge Loan Facility interest expense and deferred financing fees related to the 2013 Term Loan, 2013 Revolver, and 2014 Term Loan.

As at June 27, 2015, the following amounts were outstanding under the Term Loan Credit Agreement:

Date	Principal repayable	Capitalised financing fees	Total
At December 18, 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
At June 28 2014	**930,000**	**(6,461)**	**923,539**
Repayments and write-offs during period	(930,000)	5,112	(924,888)
Amortised during period	—	1,349	1,349
At June 27, 2015	**—**	**—**	**—**

7. SHARE CAPITAL

(in thousands of U.S. dollars)

Authorised share capital	As at June 27, 2015	As at June 28, 2014
	USD	USD
10,000,000,000 ordinary shares of par value EUR 0.001	13,500	13,500
10,000,000 preferred shares of par value USD 0.0001	1	1
	13,501	**13,501**
Allotted, called-up and fully paid share capital		
	USD	**USD**
146,277,119 and 133,804,274 ordinary shares of par value EUR 0.001 for 2015 and 2014, respectively	**199**	**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 canceled as authorised share capital on December 18, 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 June 28, 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 September 28, 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 October 21, 2013	—	—	—	—	10,000,000
1,800,000,000 unissued ordinary shares were cancelled on October 21, 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 October 21, 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 October 21, 2013	(10,000,000)	—	10,000,000,000	—	—
Repurchased and cancelled 40,000 deferred ordinary shares of EUR 1.00 each on December 18, 2013	—	—	—	(40,000)	—
At June 28, 2014	**—**	**—**	**10,000,000,000**	**—**	**10,000,000**

There were 10,000,000,000 of ordinary shares with par value of EUR 0.001 each authorised at June 27, 2015 and June 28, 2014. There were 10,000,000 of Preferred shares with a par value of USD 0.0001 each authorised at June 27, 2015 and June 28, 2014.

Issued share capital (in thousands of U.S. dollars)	Ordinary shares with par value of EUR of 0.05 each	Ordinary shares with par value of EUR 0.001 each	Deferred ordinary shares with par value of EUR 1.00 each	Issued share capital
	No. of shares	No. of shares	No. of shares	USD
2,000 ordinary shares transferred to Tudor Trust Limited and affiliates on July 26, 2013	2,000	—	—	—
2,000 issued ordinary shares consolidated to 100 ordinary shares on October 21, 2013	(1,900)	—	—	—
100 issued ordinary shares subdivided into 100,000 ordinary shares of EUR 0.001 each on October 21, 2013	(100)	100,000	—	—
Repurchased and cancelled 99,993 of authorised and issued ordinary shares of EUR 0.001 each for nil consideration on October 21, 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 October 22, 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 October 22, 2013	—	23,000,000	—	32
Issued 40,000 deferred ordinary shares of EUR1.00 each to Tudor Trust Limited on October 22, 2013	—	—	40,000	54
Repurchased 8 ordinary shares of EUR 0.001 issued to Clepe for nil consideration on December 18, 2013	—	(8)	—	—
Repurchased and cancelled 40,000 deferred ordinary shares of EUR1.00 each from Tudor Trust Limited on December 18, 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 December 18, 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 December 18, 2013	—	71,357,638	—	98
Issued shares under stock compensation plans	—	66,866	—	—
At June 28, 2014	**—**	**133,804,274**	**—**	**184**
Issued 6,809,210 ordinary shares of EUR 0.001 as part of equity offering on November 26, 2014	—	6,809,210	—	9
Issued 5,397,711 ordinary shares of EUR 0.001 to Perrigo Ireland 1 Limited on March 30, 2015	—	5,397,711	—	6
Issued shares under stock compensation plans	—	265,924	—	—
At June 27, 2015	**—**	**146,277,119**	**—**	**199**

8. CAPITAL AND RESERVES

(in thousands of U.S. dollars)

	Share capital	Share premium	Other reserves	Profit and loss account
	USD	USD	USD	USD
2,000 ordinary shares transferred to Tudor Trust Limited and affiliates on July 26, 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 October 22, 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 October 22, 2013	32	3,018,718	—	—
Issued 40,000 deferred ordinary shares of EUR 1.00 each to Tudor Trust Limited on October 22, 2013	54	—	—	—
Capital contribution from Clepe Ltd. on November 18, 2013*	—	—	27,500	—
Repurchased 8 ordinary shares of EUR 0.001 issued to Clepe for nil consideration on December 18, 2013	—	(1)	—	—
Repurchased and cancelled 40,000 deferred ordinary shares of EUR1.00 each from Tudor Trust Limited on December 18, 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 December 18, 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 December 18, 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 June 28, 2014	**184**	**14,491,638**	**40,330**	**5,356,010**
Issued 6,809,210 ordinary shares of EUR 0.001 as part of equity offering in November 2014	9	1,034,991	—	—
Issued 5,397,711 ordinary shares of EUR 0.001 to Perrigo Ireland 1 Limited on March 30, 2015	6	904,866	—	—
Costs for issuance of ordinary shares	—	(35,704)	—	—
Profit and loss for the period	—	—	—	(491,360)
Dividends	—	—	—	(64,814)
Share based payment (see note 9)	—	—	31,756	—
Issue of shares under share based payment plans	—	8,425	—	—
Share withheld for payment of employee's withholding tax liability	—	—	(7,637)	—
Transfer to profit and loss account	—	(11,000,000)	—	11,000,000
At June 27, 2015	**199**	**5,404,216**	**64,449**	**15,799,836**

*A capital contribution was received during fiscal 2014 from Clepe Ltd. of USD 27,500,000 which is non-refundable and unconditional.

**On cancellation of the deferred ordinary shares in fiscal 2014, a capital redemption reserve of USD 53,764 was created.

On January 12, 2015, the Irish High Court approved the creation of USD 11,000 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 January 30, 2015.

On January 14, 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 January 20, 2014.

9. SHARE BASED PAYMENTS

Share based payment expense of USD 31,756 thousand and USD 12,776 thousand has been included in due from subsidiaries for the periods ended June 27, 2015 and June 28, 2014, respectively. 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 1,227 thousand and USD 669 thousand of Directors' fees for the periods ended June 27, 2015 and June 28, 2014, respectively.

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 and USD 64 thousand in the years ended June 27, 2015 and June 28, 2014, respectively. In addition, Ernst & Young Ireland received fees for other assurance services of USD 148 thousand and USD 380 thousand in the years ended June 27, 2015 and June 28, 2014, respectively. Ernst & Young Ireland did not receive any fees for non-audit services or tax compliance and advisory services in years ended June 27, 2015 or June 28, 2014. 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 September 16, 2015.