Perrigo Company plc

Directors' Report and Consolidated Financial Statements

For the Six Months Ended December 31, 2015

Contents

DIRECTORS' REPORT

For the six months ended December 31, 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 six months ended December 31, 2015. The consolidated financial statements can be found from pages 43 to 48.

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. While the financial statements of the Group are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), the directors have elected to prepare the Parent company financial statements in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014.

BASIS OF PRESENTATION

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 voting or similar rights.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

Perrigo Company plc was incorporated under the laws of Ireland on June 28, 2013. We became the successor registrant to Perrigo Company, a Michigan corporation, on December 18, 2013 in connection with the acquisition of Elan Corporation, plc ("Elan"). 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.

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.

We utilize shared services and Research and Development ("R&D") centers of excellence in order to help ensure consistency in our processes around the world, and to maintain focus on our five strategic pillars.

We have grown rapidly in recent years through a combination of 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 and will continue to be driven by successful new product launches in the CHC, BCH, and Rx 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

We believe our consumer facing business model is best-in-class 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 fully integrate quality in our operational systems across all products. Our ability to manage our supply chain complexity across multiple dosage forms, formulations, and stock-keeping units, as well as acquisitions, integration, and hundreds of 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;
- Quality and cost effectiveness throughout the supply chain creating a sustainable, low-cost network; and
- Expansive pan-European commercial infrastructure, brand-building capabilities, and diverse product portfolio.

Who we are

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.

New products

We consider a product to be new if it was reformulated or a product line extension due to changes in strength, flavor, color, etc.; a change in product status from "prescription only" ("Rx") to OTC; a new generic or branded launch; a new dosage form; or sold to a new geographic area with different regulatory authorities within 12 months prior to the end of the period for which net sales are being measured. New product sales totaled $231.1 million for the six months ended December 31, 2015 and $273.8 million for the fiscal year ended June 27, 2015.

Transition period

Our fiscal year previously consisted of a 52- or 53-week year ending on or around June 30 of each year with each quarter ending on the Saturday closest to each calendar quarter end. Beginning on January 1, 2016, we are changing our fiscal year to begin on January 1 and end on December 31 of each year. This report discloses the results of our operations for the transition period from June 28, 2015 to December 31, 2015, which is referred to in this report as the six months ended December 31, 2015. The comparative prior year period is June 29, 2014 through December 27, 2014, and is referred to within this report as the six months ended December 27, 2014. Going forward, we will continue to cut off our quarterly accounting periods on the Saturday closest to the end of the calendar quarter, with the fourth quarter ending on December 31 of each year.

Our segments

Our reporting segments are as follows:

- **Consumer Healthcare** (**"CHC"**) is focused primarily on the global sale of OTC store brand products including cough, cold, allergy and sinus, analgesic, gastrointestinal, smoking cessation, infant formula and food, Vitamins, Minerals and Supplements ("VMS"), animal health, and diagnostic products.

- **Branded Consumer Healthcare** (**"BCH"**) develops, manufactures, markets, and distributes many well-known European OTC brands in the natural health and VMS, cough, cold and allergy, smoking cessation, personal care and derma-therapeutics, lifestyle, and anti-parasite categories.

- **Prescription Pharmaceuticals** (**"Rx"**) develops, manufactures, and markets a portfolio of generic and specialty pharmaceutical prescription drugs primarily for the U.S. and United Kingdom ("U.K.") markets.

- **Specialty Sciences** is comprised primarily of royalties received from assets focused on the management of multiple sclerosis (Tysabri®).

We also have an "Other" segment comprised of our active pharmaceutical ingredients ("API") business, which develops, manufactures, and markets API used worldwide by both generic and branded pharmaceutical companies. Financial information related to our business segments and geographic locations can be found in Note 22.

Major developments in our business

Rejection of Mylan Unsolicited Tender Offer

In April 2015, Mylan N.V. ("Mylan") made a series of proposals to acquire a controlling interest in our outstanding ordinary shares (the “Proposals”). Our Board of Directors unanimously rejected each of the Proposals, concluding that they substantially undervalued the Company and our future growth prospects and were not in the best interests of our shareholders. On September 14, 2015, Mylan commenced an unsolicited tender offer to purchase our outstanding ordinary shares (the "Tender Offer"). The Tender Offer period concluded on November 13, 2015, with Mylan failing to receive greater than 50% of the outstanding Perrigo ordinary shares, and the Tender Offer was terminated. During the six months ended December 31, 2015, the total cost to effectively defend against Mylan was $86.9 million, which was recorded in Administration expense.

Organizational Improvements

On October 22, 2015, we announced our intention to undertake certain initiatives designed to increase operational efficiency and improve our return on invested capital by globalizing our supply chain through global shared service arrangements, streamlining our organizational structure, and disposing of certain assets.

Omega Acquisition

On March 30, 2015, we acquired Omega Pharma Invest N.V. ("Omega"), for $3.0 billion in equity and cash and assumed debt of $1.4 billion, for a total purchase price 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 into continental Europe, accelerated our international expansion and geographic diversification through enhanced scale and a broader footprint, and diversified our revenue and cash flow streams.

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

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 quality, safety, efficacy, 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 impacted.

- 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, changes in competition for our existing products, or the introduction of next generation innovative products; 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 or experience pricing pressure, and our net sales may be negatively impacted.

- We must prove that the ANDA regulated drug products in our CHC and Rx segments are bioequivalent to their branded counterparts, which requires bioequivalence studies, and in the case of topical products, even more extensive clinical endpoint trials to demonstrate the efficacy. The development and commercialization process, particularly with respect to innovative products, is both time consuming and costly, and subject to 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, or delays in manufacturing, 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, which could negatively impact our future net sales.

- We contract with clinical research organizations ("CROs") to conduct various studies that are used to support our new product development program. During the third quarter of our fiscal year ended June 29, 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 pace of this 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 dependent on 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 in turn would negatively impact our 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 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 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 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 for a marketing authorization to any global regulatory agency, we will obtain the approval to market a prescription or OTC product and/or that we will obtain it on a timely basis. Laws unique to the U.S. regulatory framework encourage generic competition by providing eligibility for first generic marketing exclusivity if certain conditions are met. 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.

- Global 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. If the compliance violations are severe, agencies of the government may initiate product seizure, injunction, recall, suspension of production or distribution of our products, loss of certain licenses or other governmental penalties, or civil or criminal prosecution, thereby impacting the reputation of all of our products.

- In the U.S., the 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 beginning on January 1, 2015, for manufacturers, wholesale distributors, and re-packagers, and on July 1, 2015 for dispensers. Similarly, the European Commission passed legislation requiring new product packaging 'safety features' to prevent falsification of medicinal products primarily within the prescription medicines sector. The act was adopted in October 2015 but has yet to be officially published. Marketing Authorization holders will have 3 years from the publication date to implement the necessary changes or risk forfeiting their product licenses. Compliance with the new U.S. and EU electronic pedigree requirements may increase our operational expenses and impose significant administrative burdens.

- Global regulatory agencies highly scrutinize any product application submitted to switch a product from physician prescribed Rx to unsupervised OTC use by the general public.The expansion of Rx-to-OTC switches is critical to our future growth. Reluctance of regulatory agencies to approve Rx-to-OTC switches in new product categories could impact that growth.

- 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 permit generic drug application holders to revise their labeling without prior FDA review to add new safety information that may differ from the corresponding brand drug. The FDA announced that the Final Rule is targeted for publication by June 2016. 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 a material 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.

- The regulatory agencies in the markets we serve may change the requirements for comparison or claim statements for our OTC products. Any labeling changes required for regulatory compliance could render our packaging inventories obsolete and could negatively impact future sales of the product.

- 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.

- 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.

- 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.

- The Mexican Ministry of Health passed new laws requiring all marketing authorization holders to submit updated chemistry, manufacturing and controls information, and in some cases new mandatory bioequivalence studies, in the next license renewal. Failure to submit the required data would result in the cancellation of the product license and loss of product marketing rights. Similar actions could be taken by other global regulatory agencies, which, if we failed to comply, could lead to commercial disruptions or possibly loss of marketing rights.

- The Israeli Ministry of Health has issued the first draft of a new Statement of Position ("SOP") that requires a Risk Management Plan ("RMP") to be submitted in all new product marketing authorizations. The SOP is based on European legislation and submission of the EU-approved RMP is preferred. Compliance with the new requirement will become effective beginning May 1, 2016. We are currently evaluating the new requirement and cannot predict how it will impact our future product launches and results of operations.

- Changes to the Medical Device Directive are anticipated in 2016, based on a proposal for new European Medical Device Regulation, which has been under discussion since 2012. These changes are expected to include increased supervision by the Notified Bodies by Competent Authorities and revisions to documentation requirements. We will monitor the regulation's progress and cannot currently predict how it will impact the future production and sale of products classified as medical devices.

- 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 segment in particular could be materially 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 materially negatively impact the Rx 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 and VA master agreement in effect with the U.S. government. There are inherent risks associated with participating in the Medicaid drug rebate program, and VA FSS program, including the following:

- We are required to report pricing data to CMS, including AMP, on a monthly and quarterly basis and BP and ASP on a quarterly basis. We also are required to report quarterly and annual Non-FAMPs to the VA. 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.

- The Health Reform Law 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 surveys and publishes retail community pharmacy acquisition cost information to provide state Medicaid agencies with a basis for comparing their own reimbursement and pricing methodologies and rates. On February 1, 2016, CMS issued a final regulation to implement the changes to the Medicaid Drug Rebate program under the Health Reform Law. This regulation becomes effective on April 1, 2016. We are currently evaluating the impact of this regulation on our business and operations. Based on our initial evaluation we do not believe that the changes will have a material impact on our business. We do not know how the methodologies for calculating AMP and FULs or the retail survey acquisition cost 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.

- Statutory or regulatory changes or CMS binding guidance could affect the calculation of AMP, BP, or ASP for our products. Such changes could result in increases in our Medicaid rebate liability or reductions in the Medicare payment rate, and could negatively impact our results of operations.

- 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 would be 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).

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, 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 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.

- Our CHC and Rx segments may experience increased price competition as other generic companies produce the same product, sometimes for dramatically lower margins in order to gain market share. Other generic companies may 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 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 primarily 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 because 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, global regulatory requirements for obtaining product approvals 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.

- Changes in regulation could impact the supply of API and certain other raw materials used in our products. For example, the EU recently promulgated new standards requiring all API imported into the EU be certified as complying with GMP established by the EU. The regulations placed the certification requirement on the regulatory bodies of the exporting countries, which led to an API supply shortage in Europe as certain governments were not willing or able to comply with the regulation in a timely fashion, or at all. A shortage in API or other raw ingredients could cause us to have to cease manufacture of certain products, or to incur costs and delays to qualify other suppliers to substitute for those API manufacturers are unable to export. This could have a material adverse effect on our business, results of operations, financial condition, and cash flow.

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.

Additionally, regulatory authorities routinely inspect all of our manufacturing facilities for cGMP compliance. While our manufacturing sites are cGMP compliant, if a regulatory authority were to identify serious adverse findings not corrected upon follow up inspections, we may be required to issue product recalls, shutdown manufacturing facilities, and take other remedial actions. If any manufacturing facility were forced 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. Such events may be difficult to detect; and, once detected, their impact may be difficult to assess. 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. These risks include:

- Breaches or disruptions could impair our ability to develop, meet regulatory approval efforts for, produce, and/or ship products, take and fulfill orders, and/or collect and make payments 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' businesses.

Sales to our largest customer, Walmart, comprised approximately 13% of our total net sales for the six months ended December 31, 2015. 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 of 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, customers 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, which generated $167.3 million of pretax income during the six months ended December 31, 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 include:

- Foreign currency movement, which could have a negative impact on Biogen'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, or 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 on 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 certain 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. 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 reputation and 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 and the performance of the segment may be negatively impacted if spending on such plans and initiatives does not generate the returns we anticipate. 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, regardless of whether they directly involve us. For instance, there have been recent reports and investigations questioning the efficacy of regular consumption of certain vitamins and supplements and challenging the dietary supplement industry. 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, 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 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 time frame 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. In addition, we may enter into new product or geographical markets which are unknown to us and which may be difficult to properly manage.

On March 30, 2015, we completed the acquisition of Omega, which now comprises our BCH segment. Subsequent to acquiring Omega, we acquired several products (GSK products and Yokebe®), which were added to the BCH segment. The BCH segment operates in 36 countries and accordingly may experience changes in performance based on specific strategies, market dynamics, product marketing plans, or other factors related to each respective market. Further, each country has processes in place to manage advertising and promotion, inventory fulfillment, and commercial agreements with customers in those markets relating to pricing, product returns, credit terms, and other commercial requirements. Accordingly, performance in each respective market is subject to these agreements and practices.

The net sales and operating income of our BCH segment were lower than our expectations during the three months ended December 31, 2015. Excluding the impact of acquisitions, net sales were lower than Omega's prior year primarily in three main markets: Belgium, Spain, and Germany. Belgium includes the segment's generic distributions business, which experienced lower sales during the six months ended December 31, 2015. Excluding the impact of recently completed acquisitions, net sales in Spain and Germany were considerably below Omega's prior year net sales and our expectations during the three months ended December 31, 2015 due to lower sales of lifestyle and VMS products. Further, the BCH segment's operating income was lower than our expectations due primarily to the change in sales in these markets, issues with sales and inventory forecasting and management procedures, costs associated with excess inventory, product returns, and advertising and promotion initiatives incurred during the three months ended December 31, 2015. We are in the process of implementing sales forecasting, inventory planning and control procedures, and financial planning and analysis systems in the segment consistent with Perrigo practices.

There can be no assurance that we will not continue to experience challenges related to the BCH segment and these challenges could have a material impact on our business, cash flows, and results of operations.

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.

For the six months ended December 31, 2015, we recorded an impairment of certain indefinite-lived intangible assets based on management’s expectations of the prospects for future revenues, profits, and cash flows associated with these assets. The indefinite-lived intangible assets were purchased in conjunction with the Omega acquisition and are included in the BCH segment. The assessment utilized the excess earnings method to determine fair value and resulted in an impairment charge of $185.1 million. This impairment represented the difference between the carrying amount of the intangible assets and their estimated fair value. See Note 3 for further information.

No goodwill impairment charges were recorded for the six months ended December 31, 2015, however our testing indicated that our Specialty Sciences reporting unit's fair value exceeded its carrying value by less than 10%. Management evaluated the primary source of cash flow in this segment, the Tysabri® royalty stream, based on a combination of factors including independent external research, information provided from our royalty partner, and internal estimates. Based on this information, management's expectations for future cash flow from this royalty stream have been reduced primarily due to anticipated new competitors entering the market and unfavorable changes in the U.S. dollar relative to other currencies. Actual performance different from the assumptions utilized in our quantitative analysis may further reduce the fair value of the reporting unit, which may result in the fair value no longer exceeding the carrying value, which would require us to record an impairment charge.

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.

There can be no assurance that our strategic initiatives will achieve their intended effects.

We are in the process of implementing certain initiatives designed to increase operational efficiency and improve our return on invested capital by globalizing our supply chain through global shared service arrangements, streamlining our organizational structure, and disposing of certain assets. We believe these initiatives will enhance our revenue, operating margins, and earnings; however, there can be no assurance that these initiatives will produce the anticipated benefits. Any delay or failure to achieve the anticipated benefits could have a material adverse effect on our projected results.

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. The percentage of our business outside the U.S. has been increasing. 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 sub-zone 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 sub-zone designation or limit our use, 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 Ukraine, 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, Israeli shekel, Australian dollar, and Mexican peso. The addition of Omega, a euro-denominated business, that represents a significant portion of our 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 regions including Mexico and Eastern Europe involves the following risks:

- Certain countries and international organizations have refused to do business with companies with Israeli operations. 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 regulatory agency 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.

- The U.S. Department of State and other governments have at times issued advisories regarding travel to certain countries in which we do business. As a result, regulatory agencies have at various times curtailed or prohibited their inspectors from traveling to inspect facilities. If these inspectors are unable to inspect our facilities, the regulatory agencies could withhold approval for new products intended to be produced at those facilities.

- Our international operations may be subject to interruption due to travel restrictions, war, terrorist acts, and other armed conflicts. For example, Belgium and Eastern Europe may be exposed to further acts of terrorism, which could give rise to travel and increased security restrictions. Also, further threats of armed hostilities in Mexico could limit or disrupt markets and our operations, including disruptions resulting from the cancellation of contracts or the loss of assets. These events could have a material adverse effect on our international business operations.

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 20 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 we could 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, and Perrigo will each be responsible for 50% of losses and expenses arising out of any Tysabri® product liability claims. Along with Biogen, 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 not covered by insurance.

- 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 segments to bring new products to market is often limited by third-party patents or proprietary rights and regulatory exclusivity periods awarded on products. Launching new products prior to resolution of intellectual property issues may result in us incurring legal liability if the related litigation is later resolved against us. 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 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. 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 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 20 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 Elan 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.

For example, the Department of the Treasury and the IRS provided notice in September 2014 and November 2015 that the agencies intend to issue regulations to reduce the tax benefits of or preclude entirely certain inversion transactions. In the November 2015 notice, the Secretary of the Treasury communicated the intention to explore potential guidance on earnings stripping and take further action in the coming months.

The Office of the Revenue Commissioners, U.S. Congress, the Organization for Economic Co-operation and Development ("OECD"), 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" ("BEPS"), where taxpayers arbitrage between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates or structure their transfer pricing arrangements to minimize tax. The OECD published fifteen action item reports and recommendations last fall, and the EU has made current proposals to enact the recommendations. Although U.S. tax officials generally state that BEPS will not require changes in U.S. law, it could affect U.S. tax regulations, and the regulations of 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 our fiscal years ended June 27, 2009 and June 26, 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 audit of fiscal years ended June 27, 2009 and June 26, 2010. 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. The IRS denied our request for a refund. In the next several months we are likely to file a complaint in federal district court claiming a refund for these amounts. An unfavorable resolution of this matter could have a material impact on our consolidated financial statements in future periods.
- The IRS is auditing our fiscal years ended June 25, 2011 and June 30, 2012, and may make adjustments consistent with their claims for the fiscal years ended June 27, 2009 and June 26, 2010. Subsequent to December 31, 2015, the Belgium Tax Authority notified us that all Belgium locations will be audited for the years ending December 31, 2013 and December 31, 2014.

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.

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. At December 31, 2015, our total indebtedness outstanding was $6.0 billion.

- 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.

We cannot guarantee that we will buy back our ordinary shares pursuant to our recently announced share repurchase plan or that our share repurchase plan will enhance long-term shareholder value.

On October 22, 2015, our Board of Directors authorized a $2.0 billion share repurchase plan. During the three months ended December 31, 2015, we repurchased shares through the plan totaling $500.0 million. The remaining $1.5 billion in repurchases may extend through the year ended December 31, 2018. Though we anticipate that we will complete the purchase of the remaining $1.5 billion in shares in accordance with the announced timeline, the specific timing and amount of buybacks, if any, will depend upon several factors, including market and business conditions, the trading price of our ordinary shares, and, with respect to the expected repurchases in 2016 and beyond, the nature of other investment opportunities. Buybacks of our ordinary shares pursuant to our share repurchase plan could affect the market price of our ordinary shares or increase their volatility. Additionally, our share repurchase plan could diminish our cash reserves, which may impact our ability to finance future growth and to pursue possible future strategic opportunities and acquisitions. Although our share repurchase plan is intended to enhance long-term shareholder value, there is no assurance that it will do so, and short-term share price fluctuations could reduce the plan's effectiveness.

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

- 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; 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 it violated Irish public policy, if it 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 debt covenants; and

- Our financial condition, results of operations, capital requirements, general business conditions, and other factors that our Board of Directors may deem relevant.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS

The results for the six months ended are provided in the Consolidated Profit and Loss Account. Included below is a summary of the results for the six months ended and our state of affairs.

RESULTS OF OPERATIONS

Our reporting segments are as follows:

- **Consumer Healthcare** (**"CHC"**) is focused primarily on the global sale of OTC store brand products including cough, cold, allergy, and sinus, analgesic, gastrointestinal, smoking cessation, infant formula and food, Vitamins, Minerals and Supplements ("VMS"), animal health, and diagnostic products.

- **Branded Consumer Healthcare** (**"BCH"**) develops, manufactures, markets and distributes many well-known European OTC brands in the natural health and VMS, cough, cold and allergy, smoking cessation, personal care and derma-therapeutics, lifestyle, and anti-parasite categories.

- **Prescription Pharmaceuticals** (**"Rx"**) develops, manufactures and markets a portfolio of generic and specialty pharmaceutical prescription drugs primarily for the U.S. and United Kingdom ("U.K.") markets.

- **Specialty Sciences** is comprised primarily of royalties received from assets focused on the management of multiple sclerosis (Tysabri®).

We also have an "Other" segment comprised of our active pharmaceutical ingredient ("API") business, which develops, manufactures, and markets API used worldwide by both generic and branded pharmaceutical companies.

CONSOLIDATED FINANCIAL RESULTS

	Fiscal Year Ended	Six Months Ended		
($ in millions)	June 27, 2015	December 27, 2014	December 31, 2015	% Change Six Months Ended
Net sales	$ 4,603.9	$ 2,023.1	$ 2,769.5	37 %
Gross profit	$ 1,712.5	$ 705.5	$ 1,108.1	57 %
Gross profit %	37.2%	34.9%	40.0%	
Operating expenses	$ 964.8	$ 384.0	$ 1,013.6	164 %
Operating expenses %	21.0%	19.0%	36.6%	
Operating income	$ 747.7	$ 321.5	$ 94.5	(71)%
Operating income %	16.2%	15.9%	3.4%	
Interest and other, net	$ 499.7	$ 128.2	$ 117.7	(8)%
Income taxes	$ 120.0	$ 26.8	$ (28.8)	(208)%
Net income	$ 128.0	$ 166.5	$ 5.6	(97)%

Highlights

Six Months Ended December 31, 2015

- On November 13, 2015, our shareholders overwhelmingly rejected an unsolicited tender offer from Mylan N.V. ("Mylan"). During the six months ended December 31, 2015, the total cost to effectively defend against Mylan was $86.9 million, which was recorded in Administration expense.

- We expanded our product offerings through targeted acquisitions including:

    - The announced acquisition of a portfolio of generic dosage forms and strengths of Retin-A® (tretinoin), a topical prescription acne treatment, from Matawan Pharmaceuticals, LLC, which closed in January 2016 and will expand our Rx portfolio.

    - The acquisition of Crohn's disease treatment Entocort® (budesonide) capsules and its authorized generic (for sale within the U.S.), from AstraZeneca plc, which expanded our Rx portfolio.

- The acquisition of Naturwohl Pharma GmbH ("Naturwohl"), a nutritional business known for its leading German dietary supplement brand, Yokebe®, and the acquisition of a portfolio of well-established OTC brands, such as Niquitin® and Coldrex®, from GlaxoSmithKline Consumer Healthcare (“GSK”). Both of these acquisitions built upon the global platform we established through the Omega Pharma Invest N.V. ("Omega") acquisition, leveraging our European market share and expanding our product offerings.

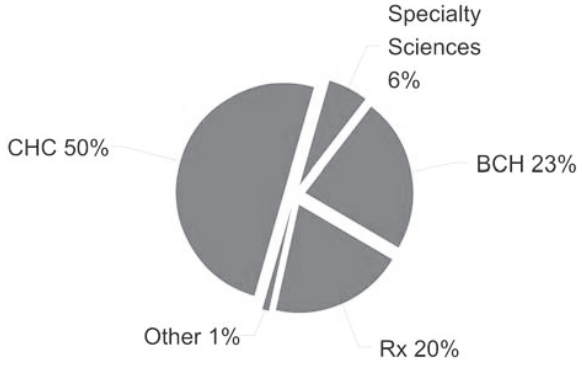
- The ScarAway® brand portfolio acquisition, which served as our entry into the branded OTC business in the U.S.

- We launched a number of new products across our segments with sales totaling $231.1 million for the six months ended December 31, 2015.

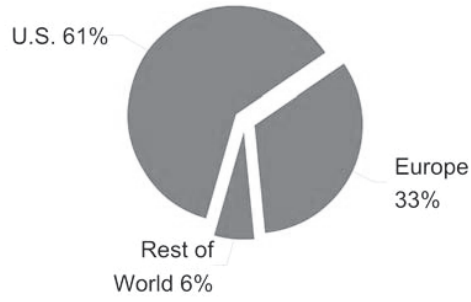
- We repurchased $500.0 million shares as part of our authorized share repurchase plan.

- We executed initiatives designed to increase operational efficiency and improve our return on invested capital by globalizing our supply chain through global shared service arrangements, streamlining our organizational structure, and disposing of certain assets. During the six months ended December 31, 2015, restructuring charges totaled $26.9 million.

Net Sales by Segment for the Six Months Ended December 31, 2015



Net Sales by Geography for the Six Months Ended December 31, 2015*



* Net sales by geography is derived from the location of the entity that sells to a third party. For geographic information for the fiscal year ended June 27, 2015, refer to Note 22.

Unallocated Expenses

Unallocated expenses are comprised of certain corporate services not allocated to our reporting segments and are recorded above Operating income on the Consolidated Profit and Loss Account. Unallocated expenses were $151.0 million and $49.6 million for the six months ended December 31, 2015 and December 27, 2014, respectively.

The $101.4 million increase for the six months ended December 31, 2015 compared to the six months ended December 27, 2014 was due primarily to $86.9 million in fees incurred in our defense against Mylan's unsolicited tender offer and $7.5 million in corporate restructuring charges.

Interest and Other (Consolidated)

($ in millions)	Fiscal Year Ended June 27, 2015	Six Months Ended December 27, 2014	Six Months Ended December 31, 2015
Interest expense, net	$ 146.0	$ 56.7	$ 89.9
Other expense, net	$ 343.2	$ 61.9	$ 26.9
Loss on extinguishment of debt	$ 10.5	$ 9.6	$ 0.9

Interest Expense, Net

The $33.2 million increase for the six months ended December 31, 2015 compared to the six months ended December 27, 2014 was due primarily to the incremental increase in borrowings resulting from the acquisition of Omega, including the issuance of $1.6 billion of senior notes in November 2014 and assumed Omega debt, of which $798.3 million was outstanding at December 31, 2015, as well as amounts drawn under our revolving credit facilities, including $380.0 million and $300.0 million outstanding under the 2015 Revolver and 2014 Revolver, respectively, at December 31, 2015. See Note 9 for more information on the above-mentioned debt.

Other Expense, Net

Other expense, net totaled $26.9 million for the six months ended December 31, 2015 and was comprised primarily of a $10.7 million other-than-temporary impairment of a marketable equity security, losses on equity method investments totaling $7.1 million, and a $4.8 million loss on a foreign currency derivative we entered to hedge against the change in the euro for the euro-denominated purchase price of the GSK acquisition. Other expense, net totaled $61.9 million during the six months ended December 27, 2014 due primarily to our derivative activity to economically hedge fluctuations in the euro-denominated purchase price of the Omega acquisition, which resulted in a loss of $64.7 million, offset partially by a gain of $12.5 million from the transfer of a rights agreement.

See Note 13 for more information on the derivatives and Note 12 for information on the investments.

Loss on Extinguishment of Debt

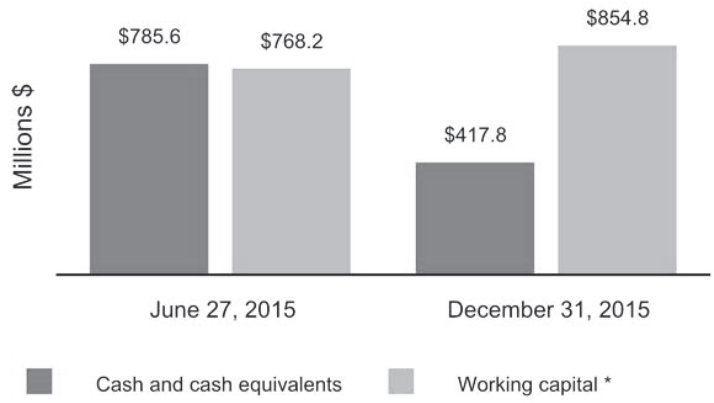
During the six months ended December 31, 2015 we recorded a $0.9 million loss on extinguishment of debt, which consisted of deferred financing fees we wrote off related to the undrawn tranche of the 2014 Credit Agreements (as defined below) that we allowed to expire during the period. The losses during the six months ended December 27, 2014 ($9.6 million) and during the fiscal year ended June 27, 2015 ($10.5 million) consisted mainly of interest on the bridge agreement associated with financing the Omega acquisition.

See Note 2 for information on the Omega acquisition, and Note 9 for information on the extinguishment of debt.

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 market financing. We routinely monitor current and expected operational requirements and financial market conditions to evaluate 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



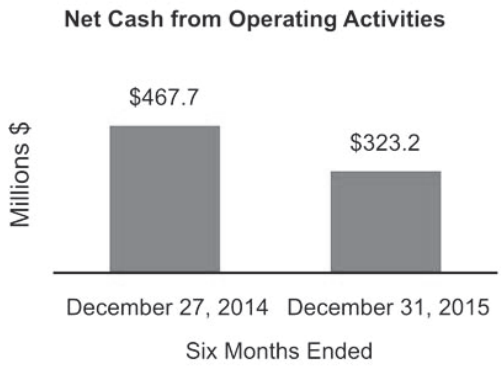
* Working capital represents current assets less current liabilities, excluding cash and cash equivalents, and current indebtedness, for all years presented.

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 and capital expenditures. 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.

Cash Flows

Operating

Six Month Comparison

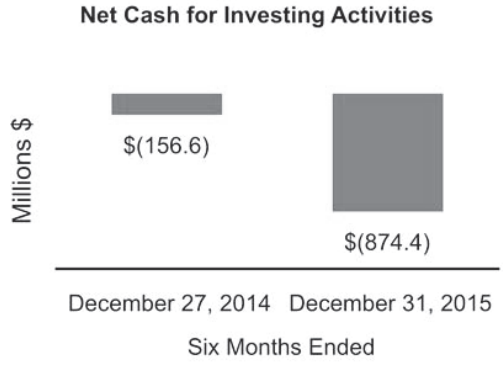


We generated $323.2 million from operating activities during the six months ended December 31, 2015, a $144.5 million decrease over the comparable prior year period. The primary driver of the decrease was increased payments on accounts payable, which used $199.5 million of cash compared to $46.8 million in the prior year period, due primarily to the addition of our BCH segment following our acquisition of Omega. Generally, our BCH segment has seasonally stronger sales in the second and fourth quarters of the calendar year. Accordingly, accounts payable terms with suppliers have historically been structured to benefit cash flow in these quarters which require investments in inventory and accounts receivable. Given the working capital structure of the segment, BCH experiences strong cash inflow in the second and fourth calendar quarters and cash outflow in the first and third calendar quarters. In order to establish a more sustainable cash flow pattern during the year, we are systematically changing these payment structures during 2016, which we expect to unfavorably impact cash flow in the first quarter and for the year by €80.0 million (approximately $87.0 million). Operating cash flow was also impacted by the use of $70.0 million to increase inventory compared to $17.7 million in the prior year period, which was due primarily to the addition of Omega, and $57.7 million used to pay for legal and consulting fees related to our defense against Mylan.

These decreases were offset partially by increased collections on accounts receivable of $86.1 million during the six months ended December 31, 2015, compared to a decrease in collections of accounts receivable of $4.5 million for the prior year period due to timing of receipt of payments. The decreases were also offset partially by the addition of our BCH segment and an increase in accrued liabilities of $75.6 million during the six months ended December 31, 2015, compared to $52.0 million in the prior year period due primarily to amounts not yet paid related to our defense against Mylan.

Investing

Six Month Comparison

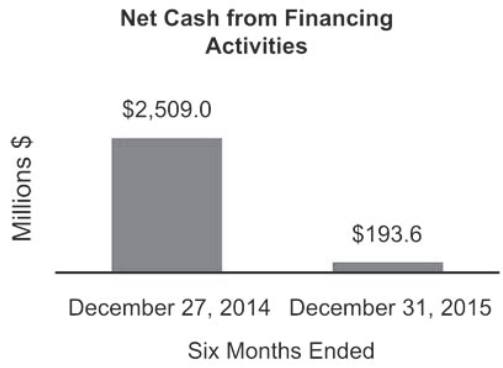


Cash used for investing activities totaled $874.4 million for the six months ended December 31, 2015, an increase of $717.8 million over the comparable prior period. The increase in cash used was due primarily to the acquisitions we completed in the current year (primarily Entocort®, GSK and Naturwohl), which used $791.6 million in cash. During the six months ended December 27, 2014, we used $83.0 million in cash to complete the Lumara acquisition.

Capital expenditures for the six months ended December 31, 2015 totaled $77.8 million, compared to $48.0 million in the comparable prior year period. Capital expenditures for the next twelve months are anticipated to be between $135.0 million to $165.0 million related primarily to manufacturing productivity capacity and quality/ regulatory projects. We expect to fund these estimated capital expenditures with funds from operating cash flows.

Financing

Six Month Comparison



Cash generated from financing activities totaled $193.6 million for the six months ended December 31, 2015, compared to $2.5 billion for the comparable prior year period. The net cash inflow during the six months ended December 31, 2015 was due to net borrowings under our revolving credit facilities of $680.0 million and net borrowings under our overdraft facilities of $82.9 million, offset partially by $500.0 million used to repurchase shares under our share repurchase plan, $36.3 million in dividend payments, and $28.3 million in scheduled principal payments on our euro-denominated term loan. The cash generated during the six months ended December 27, 2014 was due to financing activities to fund the Omega acquisition. Financing included a public bond offering and a refinancing of our term loans, which together raised $2.5 billion net of discounts and fees, and a public equity offering, which raised $999.3 million net of issuance costs. We also used $895.0 million of proceeds to repay our previous term loans.

Share Repurchases

In October 2015, the Board of Directors approved a share repurchase plan of up to $2.0 billion. During the six months ended December 31, 2015 we repurchased 3.3 million ordinary shares at an average repurchase price of $151.59 per share, for a total of $500.0 million.

Dividends

In January 2003, the Board of Directors adopted a policy of paying quarterly dividends. We paid dividends of $36.3 million ($0.25 per share) and $29.0 million ($0.21 per share) during the six months ended December 31, 2015 and December 27, 2014, respectively, and $64.8 million during the fiscal year ended June 27, 2015.

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 earnings, financial condition, capital and surplus requirements and other factors the Board of Directors may consider relevant.

Dividends paid were as follows:

Declaration Date	Record Date	Payable	Dividend Declared
Six Months Ended December 31, 2015			
November 4, 2015	November 27, 2015	December 15, 2015	$ 0.125
August 12, 2015	August 28, 2015	September 15, 2015	$ 0.125
Fiscal Year Ended June 27, 2015			
April 28, 2015	May 29, 2015	June 16, 2015	$ 0.125
January 27, 2015	February 27, 2015	March 17, 2015	$ 0.125
November 3, 2014	November 28, 2014	December 16, 2014	$ 0.105
August 13, 2014	August 29, 2014	September 16, 2014	$ 0.105

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 them prior to June 27, 2015. The repayments are shown on the Consolidated Statements of Cash Flows in Borrowings (repayments) of short-term debt, net. Our BCH segment uses overdraft facilities in its day-to-day operations. The balance outstanding under the facilities was $82.9 million at December 31, 2015 and is included in Current indebtedness.

Accounts Receivable Factoring

We assumed multiple accounts receivable factoring arrangements with non-related third-party financial institutions with the Omega acquisition. See Note 4 for more information.

Revolving Credit Agreements

On December 9, 2015, Perrigo Finance Unlimited Company, formerly Perrigo Finance plc ("Perrigo Finance"), entered into a $750.0 million revolving credit agreement (the "2015 Revolver"). There was $380.0 million outstanding under the 2015 Revolver as of December 31, 2015.

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 entered into a $300.0 million term loan tranche maturing December 18, 2015. We allowed the undrawn €300.0 million term loan tranche to expire.

There was $300.0 million outstanding under the 2014 Revolver as of December 31, 2015. There were no borrowings outstanding under the 2014 Revolver as of June 27, 2015.

On January 22, 2016, we paid $415.0 million in cash to acquire a portfolio of generic dosage forms and strengths of Retin-A® (tretinoin), which was funded primarily by borrowings under our 2014 Revolver and 2015 Revolver.

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 this facility and terminated it on April 8, 2015. See Note 9 for more information on our revolving credit agreements and related transactions.

Term Loans and Notes

Six Months Ended December 31, 2015

- During the six months ended December 31, 2015, we made $28.3 million in scheduled principal payments on our euro-denominated term loan.

FINANCIAL RISK MANAGEMENT

Foreign Exchange Risk

We are a global company with operations throughout North America, Europe, Australia, Mexico, 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 due to 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'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 the translation effect of 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 $18.6 million for the six months ended December 31, 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 Sheet 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 December 31, 2015, cumulative net currency translation adjustments decreased shareholders' equity by $4.4 million.

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 13 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 13 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.

See page 24 for discussion of capital and liquidity risk.

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 March 11, 2016, 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 25 to the Consolidated Financial Statements. The interest of the directors and our secretary in ordinary share capital of Perrigo Company plc are as follows:

	December 31, 2015			June 27, 2015		
	Ordinary shares	Stock options	Restricted share units	Ordinary shares	Stock options	Restricted share units
Directors						
Laurie Brlas	9,977	7,225	924	8,974	7,225	1,929
Gary M. Cohen	12,871	10,278	924	11,868	10,278	1,929
Marc Coucke[1)(6)(8)]	5,397,711	—	—	—	—	—
Jacqualyn Fouse	3,436	2,726	924	2,433	2,726	1,929
David T. Gibbons[2)]	—	5,001	—	13,175	5,001	1,929
Ran Gottfried[2)]	—	—	—	11,725	2,726	1,929
Ellen R. Hoffing	8,604	14,435	924	7,601	14,435	1,929
Michael J. Jandernoa[3)]	433,120	24,093	924	431,191	24,093	1,929
Gary K. Kunkle, Jr.	25,207	24,093	924	24,204	24,093	1,929
Herman Morris, Jr.[4)]	4,981	24,093	924	4,728	24,093	1,929
Donal O'Connor[5)]	2,367	—	924	1,442	—	1,929
Joseph C. Papa	118,515	186,243	57,905	107,925	196,426	32,991
Shlomo Yanai[6)]	—	—	924	—	—	—
Secretary						
Todd W. Kingma[7)]	12,320	34,758	10,102	11,364	41,907	5,953

1) Shares owned are held indirectly by Alychlo NV, a Belgium-based limited liability company in which Marc Coucke and his spouse are the principal shareholders. Pursuant to the terms of a lock-up agreement dated March 30, 2015 entered into in connection with the Omega acquisition, without the issuer's prior written consent, the transfer or other disposition of the 5,397,711 Perrigo Ordinary Shares acquired by Alychlo are restricted 50% until March 30, 2017 and the remaining 50% until March 30, 2018, subject to certain permitted exceptions. Of the 5,397,711 shares, 1,081,742 shares are being held in escrow until June 30, 2016.

2) Messrs. Gibbons and Gottfried retired from the Board effective November 4, 2015.

3) Shares owned consist of 2,797 shares owned directly by Mr. Jandernoa; 178,690 shares owned by the Michael J. Jandernoa Trust, of which Mr. Jandernoa is trustee; 102,403 shares owned by the Susan M. Jandernoa Trust, of which Mrs. Jandernoa is trustee; 54,354 shares owned by The Jandernoa 2018 Charitable Remainder Uni-Trust; and 94,876 shares owned by The Jandernoa 2028 Charitable Remainder Uni-Trust.

(4) Shares owned include 850 shares owned as custodian for Mr. Morris' dependents.

(5) Mr. O'Connor was elected to the Board effective November 4, 2014. Shares owned include 1,198 shares in an approved retirement fund.

(6) Messrs. Yanai and Coucke were elected to the Board effective November 4, 2015. Mr Yanai did not hold any interests at the date of appointment. Mr. Coucke held 5.4 million shares at the date of appointment. See 1 above.

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

(8) Employed by Mylecke Management, Art & Invest N.V.

POLITICAL DONATIONS

No political contributions that require disclosure under Irish law were made during the six months ended December 31, 2015.

DIVIDENDS

Dividend payments were $36.3 million during the six months ended December 31, 2015 and $64.8 million for the fiscal year ended June 27, 2015. On February 16, 2016, we declared a quarterly cash dividend of $0.145 per share to shareholders of record on February 26, 2016. 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.

RESEARCH AND DEVELOPMENT

The Company is involved in research and development activities and we incurred $88.2 million of research and development costs that were expensed during the six month period ended December 31, 2015.

SIGNIFICANT TRENDS AND DEVELOPMENTS

- We are pursuing the sale of our VMS business and expect the sale to take place during the first half of 2016. As of December 31, 2015, we reclassified VMS net assets to "held for sale" as discussed in Note 8. The below table indicates the sales attributable to the VMS business:

	Fiscal Year Ended	Six Months Ended	
($ in millions)	June 27, 2015	December 27, 2014	December 31, 2015
Net sales	$ 157.9	$ 80.8	$ 85.2

- On August 28, 2015, we acquired ScarAway®, a leading U.S. OTC scar management brand portfolio comprised of five products, from Enaltus, LLC for $26.7 million in cash. This acquisition served as our entry into the branded OTC business in the U.S. We plan to continue to pursue branded opportunities for products for which there is not a store brand market.

- On September 15, 2015, we completed our acquisition of Naturwohl, a Munich, Germany-based nutritional business known for its leading German dietary supplement brand, Yokebe®.

- On August 28, 2015, we completed the acquisition of a portfolio of well-established OTC brands from GSK, including Niquitin® and Coldrex®.

- Both of these acquisitions build upon the global platform we established through the Omega acquisition, leveraging our European market share and expanding our product offerings.

- The BCH segment was impacted during the six months ended December 31, 2015 by market dynamics in certain geographic sales channels including Belgium, Germany, and Spain. Net sales were unfavorable in Belgium primarily due to the generic pharmaceuticals product line, while Spain and Germany were unfavorable primarily in the branded lifestyle and VMS product categories. We expect to announce restructuring plans in the first half of 2016 to right size our business in these and other regions due to the impact of market dynamics impacting sales volumes.

- On December 17, 2015, we announced that we would be acquiring a portfolio of generic dosage forms and strengths of Retin-A® (tretinoin), a topical prescription acne treatment, from Matawan Pharmaceuticals, LLC, for $415.0 million in cash. The acquisition, which was completed on January 22, 2016, will expand our Rx extended topicals portfolio.

- On December 15, 2015, we completed our acquisition of Entocort® (budesonide) capsules, as well as the authorized generic capsules currently marketed by Par Pharmaceuticals, for sale within the U.S., from AstraZeneca plc for $380.2 million cash. Entocort® is a gastroenterology medicine for patients with mild to moderate Crohn's disease, and the acquisition complemented our Rx portfolio.

- In October 2015, Biogen Inc. announced that Tysabri® had failed to meet Phase 3 trial endpoints for use in secondary progressive multiple sclerosis in clinical trials. If the trials had been successful, the additional indication for Tysabri® could have positively impacted our future royalties. The long-term projected sales for Tysabri® remain positive and stable.

- We are pursuing the sale of our API business based in India and expect the sale to take place during 2016. During the six months ended December 31, 2015, we recorded an impairment of $29.0 million related to the expected sale of the business. As of December 31, 2015, we reclassified India's net assets to "held for sale" as discussed in Note 8.

SUBSIDIARY COMPANIES AND BRANCHES

Information regarding subsidiary undertakings, including information regarding branches, is provided in Note 28.

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.

AUDIT COMMITTEE

Pursuant to the Company's Articles of Association the Board had established in December 2013 an Audit Committee that in all material respects meets the requirements of Section 167 of the Companies Act 2014 (the "Audit Committee"). Pursuant to the Articles of Association on the Company's Corporate Governance Guidelines the Audit Committee was fully constituted and active during the current and prior financial periods under review in these Financial Statements.

COMPLIANCE STATEMENT

The Directors acknowledge that they are responsible for securing compliance by the Company with its Relevant Obligations as defined in the Companies Act, 2014 (hereinafter called the Relevant Obligations).

The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations.

The Directors further confirm the Company has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations and that they have reviewed the effectiveness of these arrangements or structures during the financial period to which this Report relates.

RELEVANT AUDIT INFORMATION

The directors hereby individually and collectively acknowledge, that so far as each director is aware, there is no Relevant Audit Information of which the Company's statutory auditors are unaware; and that he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any Relevant Audit Information and to establish that the Company's statutory auditors are aware of that information.

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

March 11, 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

Company law in the Republic of Ireland requires the Directors to prepare financial statements for each financial period 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 U.S. generally accepted accounting principles to the extent that the use of U.S. 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 109 to 123), in respect of which the applicable accounting standards are those which are generally accepted in the Republic of Ireland.

While the financial statements of the Group are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), the Directors have elected to prepare the Parent Company's financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (Generally Accepted Accounting Practice in Ireland).

Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position, of the group and parent company as at the end of the financial period, and the profit or loss for the group for the financial period, and otherwise company with Companies Act 2014.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy the assets, liabilities, financial position and profit and loss of the Parent Company and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable U.S. generally accepted accounting principles and comply with the provisions of the Companies Acts 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 March 11, 2016, 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 period ended December 31, 2015 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Shareholders' Equity, the Consolidated Statement of Cash Flows, the Parent Company Balance Sheet, the Parent Company Statement of Changes in Equity, the related notes 1 to 28 in respect of the group financial statements and the related notes 1 to 13 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of 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 Statement of Directors' Responsibilities set out on page 40, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB'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, of the assets, liabilities and financial position of the Group as at December 31, 2015 and of the profit for the period then ended;
- the parent company balance sheet gives a true and fair view of the assets, liabilities and financial position of the parent company as at December 31, 2015 and has been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERRIGO COMPANY PLC (CONTINUED)

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

March 11, 2016

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

	Note	Six Months Ended December 31, 2015	Fiscal Year Ended June 27, 2015
Net sales	22	$ 2,769.5	$ 4,603.9
Cost of sales		1,661.4	2,891.4
Gross profit		1,108.1	1,712.5
Operating expenses			
Distribution		47.9	67.7
Research and development		88.2	187.8
Selling		325.9	319.0
Administration		309.1	385.2
Impairment charges		215.6	—
Restructuring	20	26.9	5.1
Total operating expenses		1,013.6	964.8
Operating income		94.5	747.7
Interest expense, net		89.9	146.0
Other expense, net		26.9	343.2
Loss on extinguishment of debt	9	0.9	10.5
Income (loss) before income taxes		(23.2)	248.0
Income tax expense (benefit)	18	(28.8)	120.0
Net income		$ 5.6	$ 128.0
Earnings per share			
Basic		$ 0.04	$ 0.92
Diluted		$ 0.04	$ 0.92
Weighted-average shares outstanding	14		
Basic		145.6	139.3
Diluted		146.1	139.8
Dividends declared per share		$ 0.25	$ 0.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions)

	Note	Six Months Ended December 31, 2015	Fiscal Year Ended June 27, 2015
Net income		$ 5.6	$ 128.0
Other comprehensive income (loss):			
Foreign currency translation adjustments		(135.3)	(33.5)
Change in fair value of derivative financial instruments[1]	13	2.1	(0.2)
Change in fair value of investment securities[2]	12	9.3	(5.4)
Change in post-retirement and pension liability[3]	19	6.0	1.9
Other comprehensive income (loss), net of tax		(117.9)	(37.2)
Comprehensive income (loss)		$ (112.3)	$ 90.8

(1) Includes tax effect of $0.4 million for the six months ended December 31, 2015, and $5.7 million, for the fiscal year ended June 27, 2015.

(2) Includes tax effect of $3.6 million for the six months ended December 31, 2015, and $2.7 million, for the fiscal year ended June 27, 2015.

(3) Includes tax effect of $2.9 million for the six months ended December 31, 2015, and $0.6 million, for the fiscal year ended June 27, 2015.

CONSOLIDATED BALANCE SHEET
(in millions)

Assets	Note	December 31, 2015	June 27, 2015
Fixed assets			
Goodwill and other indefinite-lived intangible assets	3	$ 7,281.2	$ 7,235.0
Other intangible assets, net	3	8,190.5	8,105.6
Property, plant and equipment, net	5	886.2	932.4
Investment in associates	12	45.5	48.9
Pension assets	19	16.5	12.8
Financial assets		175.0	163.4
Current assets			
Inventories	7	844.4	838.9
Debtors	6	1,521.9	1,585.3
Investment securities	12	14.9	12.7
Cash at bank and in hand		417.8	785.6
Total assets		$ 19,393.9	$ 19,720.6
Liabilities			
Shareholders' equity			
Called up share capital			
Ordinary shares, €0.001 par value, 10 billion shares authorized		$ 0.2	$ 0.2
Preferred shares, $0.0001 par value, 10 million shares authorized		—	—
Share premium		8,554.5	8,549.6
Profit and loss account		1,380.4	1,911.1
Other reserves	17	101.6	201.7
Total Perrigo shareholders' equity		10,036.7	10,662.6
Minority interest		(0.6)	0.2
Total shareholders' equity		10,036.1	10,662.8
Provision for liabilities			
Deferred income taxes	18	1,563.7	1,825.7
Other provisions	20	59.1	47.0
Creditors			
Debt	9	5,989.9	5,311.5
Creditors	10	1,745.1	1,873.6
Total for provisions and creditors		9,357.8	9,057.8
Total liabilities and shareholders' equity		$ 19,393.9	$ 19,720.6

The Consolidated Financial Statements were approved by the Audit Committee of the Board of Directors and the Board of Directors on March 11, 2016, and signed on its behalf by;

Joseph C. Papa

Chairman of the Board of Directors

Laurie Brlas

Director, Audit Committee Chair

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

	Called up share capital		Share Premium	Other Reserves	Profit and Loss Account	Total
	Shares	Amount				
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 (loss)	—	—	—	(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
Net income	—	—	—	—	5.6	5.6
Other comprehensive income (loss)	—	—	—	(117.9)	—	(117.9)
Issuance of common stock under:						
Stock options	0.1	—	4.9	—	—	4.9
Restricted stock plan	0.1	—	—	—	—	—
Compensation for stock options	—	—	—	2.5	—	2.5
Compensation for restricted stock	—	—	—	22.3	—	22.3
Cash dividends, $0.25 per share	—	—	—	—	(36.3)	(36.3)
Tax effect from stock transactions	—	—	—	3.3	—	3.3
Shares withheld for payment of employee's withholding tax liability	(0.1)	—	—	(10.3)	—	(10.3)
Share repurchases [1]	(3.3)	—	—	—	(500.0)	(500.0)
Balance at December 31, 2015	143.1	$ 0.2	$ 8,554.5	$ 101.6	$ 1,380.4	$ 10,036.7

[1] A capital redemption reserve fund has been created in respect of the nominal value of shares repurchased.

CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

	Six Months Ended December 31, 2015	Fiscal Year Ended June 27, 2015
Cash Flows From (For) Operating Activities		
Net income	$ 5.6	$ 128.0
Adjustments to derive cash flows		
Depreciation and amortization	328.0	548.8
Loss on acquisition-related foreign currency derivatives	—	326.4
Share-based compensation	24.8	31.6
Impairment charges	215.6	—
Loss on extinguishment of debt	0.9	10.5
Non-cash restructuring charges	26.9	5.1
Deferred income taxes	(141.8)	(16.4)
Other non-cash adjustments	17.5	17.0
Subtotal	477.5	1,051.0
Increase (decrease) in cash due to:		
Accounts receivable	86.1	(81.7)
Inventories	(70.0)	10.7
Accounts payable	(199.5)	140.6
Payroll and related taxes	(38.2)	(30.2)
Accrued customer programs	27.0	69.9
Accrued liabilities	75.6	37.3
Accrued income taxes	(30.5)	17.5
Other	(4.8)	(16.8)
Subtotal	(154.3)	147.3
Net cash from (for) operating activities	323.2	1,198.3
Cash Flows From (For) Investing Activities		
Acquisitions of businesses, net of cash acquired	(791.6)	(2,181.8)
Settlement of acquisition-related foreign currency derivatives	—	(329.9)
Additions to property, plant, and equipment, net	(77.8)	(137.0)
Other investing	(5.0)	1.8
Net cash from (for) investing activities	(874.4)	(2,646.9)
Cash Flows From (For) Financing Activities		
Borrowings (repayments) of revolving credit agreements and other financing, net	762.0	(52.5)
Issuances of long-term debt	—	2,504.3
Payments on long-term debt	(28.3)	(1,823.5)
Deferred financing fees	(0.3)	(28.1)
Issuance of ordinary shares	4.9	1,043.4
Equity issuance costs	—	(35.7)
Repurchase of ordinary shares	(500.0)	—
Cash dividends	(36.3)	(64.8)
Other financing	(8.4)	(19.2)
Net cash from (for) financing activities	193.6	1,523.9
Effect of exchange rate changes on cash	(10.2)	(89.2)
Net increase (decrease) in cash and cash equivalents	(367.8)	(13.9)
Cash and cash equivalents, beginning of period	785.6	799.5
Cash and cash equivalents, end of period	$ 417.8	$ 785.6

	Six Months Ended December 31, 2015	Fiscal Year Ended June 27, 2015
Supplemental Disclosures of Cash Flow Information		
Cash paid/received during the year for:		
Interest paid	$ 84.2	$ 143.2
Interest received	$ 0.7	$ 1.1
Income taxes paid	$ 87.8	$ 131.0
Income taxes refunded	$ 1.7	$ 9.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Amounts are in USD millions unless otherwise indicated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General Information

The Company

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"). 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. 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.

Basis of Presentation

Our fiscal year previously consisted of a 52- or 53-week year ending on or around June 30 of each year with each quarter ending on the Saturday closest to each calendar quarter end. Beginning on January 1, 2016, we are changing our fiscal year to begin on January 1 and end on December 31 of each year. This report discloses the results of our operations for the transition period from June 28, 2015 to December 31, 2015, which is referred to in this document as the six months ended December 31, 2015. Going forward, we will continue to cut off our quarterly accounting periods on the Saturday closest to the end of the calendar quarter, with the fourth quarter ending on December 31 of each year.

The results of our operations for the transition period from June 28, 2015 to December 31, 2015 (the six months ended December 31, 2015) is not entirely comparable to the comparative amounts presented in the financial statements for the full fiscal year ended June 27, 2015.

Segment Reporting

Our reportable segments are as follows:

- **Consumer Healthcare** (**"CHC"**) is focused primarily on the global sale of OTC store brand products including cough, cold, allergy, and sinus, analgesic, gastrointestinal, smoking cessation, infant formula and food, Vitamins, Minerals and Supplements ("VMS"), animal health, and diagnostic products.

- **Branded Consumer Healthcare** (**"BCH"**) develops, manufactures, markets and distributes many well-known European OTC brands in the natural health and VMS, cough, cold and allergy, smoking cessation, personal care and derma-therapeutics, lifestyle, and anti-parasite categories.

- **Prescription Pharmaceuticals** (**"Rx"**) develops, manufactures and markets a portfolio of generic and specialty pharmaceutical prescription drugs primarily for the U.S. and United Kingdom ("U.K.") markets.

- **Specialty Sciences** is comprised primarily of royalties received from assets focused on the management of multiple sclerosis (Tysabri®).

We also 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. Financial

information related to our business segments and geographic locations can be found in Note 22. Our segments reflect the way in which our chief operating decision maker reviews our operating results and allocates resources.

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 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 February 25, 2016 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 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 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 $465.6 million and $434.9 million, at December 31, 2015 and June 27, 2015, respectively.

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 93% of our royalty revenue for the six months ended December 31, 2015.

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. Accounts Receivable

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.

f. *Inventories*

Inventories are stated at the lower of cost or market. Cost is determined using the first-in first-out 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 7 for additional information on our inventory.

g. 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 12 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. See Note 12 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. See Note 12 for more information on our equity method investments.

h. Derivative Instruments

We record derivative instruments on the balance sheet on a gross basis as either an asset or liability measured at fair value. See Note 13 for a table indicating where each component is recorded on the Consolidated Balance Sheet. Additionally, changes in a derivative's fair value, which are measured at the end of each period, are recognized in earnings unless specific hedge accounting criteria are met. If hedge accounting criteria are met for cash flow hedges, the changes in a derivative’s fair value are recorded in shareholders’ equity as a component of other comprehensive income ("OCI"), net of tax. These deferred gains and losses are recognized in income in the period in which the hedged item and hedging instrument affect earnings. Any ineffective portion of the change in fair value is immediately recognized in earnings.

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 December 31, 2015 and June 27, 2015 was 15 months.

i. Property, Plant and Equipment, net

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. Depreciation expense includes amortization of assets recorded under capital leases and totaled $53.8 million for the six months ended December 31, 2015 and $84.3 million for the fiscal year ended June 27, 2015.

We held the following property, plant and equipment, net (in millions):

	December 31, 2015	June 27, 2015
Land	$ 47.5	$ 48.7
Buildings	508.2	528.3
Machinery and equipment	1,103.3	1,094.0
Gross property and equipment	1,659.0	1,671.0
Less accumulated depreciation	(772.8)	(738.6)
Property and equipment, net	$ 886.2	$ 932.4

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 U.S. 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. We test goodwill for impairment annually, or more frequently if changes in circumstances or the occurrence of events suggest an impairment exists.

Effective in the transition period ended December 31, 2015, we voluntarily changed our accounting policy to conduct our annual goodwill and indefinite-lived intangible asset impairment test on the first day of the fourth fiscal quarter of the calendar year ended December 31, in order to align the testing date with our new fiscal year. For the transition period of June 28, 2015 through December 31, 2015, we tested both our goodwill and indefinite-lived assets (discussed further below) for impairment as of September 27, 2015, the first day of the second quarter of the transition period. Our annual impairment test was performed as of March 29, 2015 during our fiscal year ended June 27, 2015.

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 one of the following valuation methods:

- *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.

- *Lost income method*: This method estimates the fair value of an asset by comparing the value of the business, inclusive of the asset, to the hypothetical value of the same business excluding the asset.

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.

We test indefinite-lived trademarks, trade names, and brands for impairment annually, 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, trade names, and brands. 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. Assets Held for Sale

We classify assets as "held for sale" when management approves and commits to a formal plan of sale with the expectation the sale will be completed within one year. The net assets of the business held for sale are then recorded at the lower of their current carrying value and the fair market value, less costs to sell. See Note 8 for further information on our assets held for sale.

l. Deferred Financing Fees

We record deferred financing fees as a reduction of long-term debt.

m. 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 16 for further information on our share-based awards.

n. Income Taxes

Due to a change in accounting guidance described further below, we changed our accounting policy as of December 31, 2015 to record deferred income tax assets and liabilities on the balance sheet as noncurrent based upon the difference between the financial reporting and the tax reporting basis of assets and liabilities using the enacted tax rates. The policy change is applied prospectively, thus historical financial statements have not been reclassified to reflect the reclassification of deferred tax assets and liabilities from current to noncurrent. 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.

o. 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 20. We also separately record any insurance recoveries that are probable of occurring.

p. Research and Development

All R&D 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 R&D work that has been completed. These payments may be expensed at the time of payment depending on the nature of the payment made. R&D spending was $88.2 million for the six months ended December 31, 2015 and $187.8 million for the fiscal year ended June 27, 2015.

The six months ended December 31, 2015 included incremental R&D expense due to the Omega acquisition. The fiscal year ended June 27, 2015 included incremental R&D expenses related to the collaboration agreement entered into as a result of our acquisition of Omega Pharma Invest N.V. ("Omega").

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 21 for more information on our current collaboration agreements.

q. Advertising Costs

We expense advertising costs as incurred. Advertising costs were $77.5 million for the six months ended December 31, 2015 and $55.7 million for the fiscal year ended June 27, 2015. Advertising costs relate primarily to print advertising, direct mail, on-line advertising and social media communications, and are incurred primarily by our CHC and BCH segments. For the six months ended December 31, 2015, 88% of advertising expenses were attributable to our BCH segment.

r. 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.

s. Defined Benefit Plans

As part of the Omega acquisition during the fiscal year ended June 27, 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, we assumed responsibility for the funding of two Irish defined benefit plans, which were subsequently combined.

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 Sheet. 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 19 for further information on our defined benefit plans.

2. ACQUISITIONS

All of the below acquisitions have been accounted for under the acquisition method of accounting based on our analysis of the acquired inputs and processes, and the related assets acquired and liabilities assumed were recorded at fair value as of the acquisition date.

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. For those acquisitions for which the purchase price allocation is preliminary, we will continue to refine the allocation during the measurement period. As we obtain the information to finalize our purchase accounting assessments, it is reasonably possible 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 effects of all of the acquisitions described below were included in the Consolidated Financial Statements prospectively from the date of each acquisition. Unless otherwise indicated, acquisition costs incurred were immaterial and were recorded in Administration expense.

Acquisitions Completed During the Six Months Ended December 31, 2015

Entocort®

On December 15, 2015, we completed our acquisition of Entocort® (budesonide) capsules, as well as the authorized generic capsules, for sale within the U.S., from AstraZeneca plc for $380.2 million cash. Entocort® is a gastroenterology medicine for patients with mild to moderate Crohn's disease and the acquisition complemented our Rx portfolio. Operating results attributable to the acquisition are included within our Rx segment. The intangible assets included the branded and authorized generic products classified as developed product technology with useful lives of seven and 15 years, respectively. The intangible assets were valued with the multi-period excess earnings method.

Naturwohl Pharma GmbH

On September 15, 2015, we completed our acquisition of 100% of Naturwohl Pharma GmbH ("Naturwohl"), a Munich, Germany-based nutritional business known for its leading German dietary supplement brand, Yokebe®. The acquisition built on our BCH segment's leading OTC product portfolio and European commercial infrastructure. The assets were purchased through an all-cash transaction valued at €133.5 million ($150.4 million). Operating results attributable to Naturwohl are included in the BCH segment. The intangible assets acquired included a trademark with a 20-year useful life, customer relationships with a 15-year useful life, non-compete agreements with a three-year useful life, and a licensing agreement with a three-year useful life. We utilized the relief from royalty method for valuing the trademark, the multi-period excess earnings method for valuing the customer relationships, and the lost income method for valuing the non-compete agreements and the licensing agreement. The goodwill acquired is not deductible for tax purposes.

ScarAway®

On August 28, 2015, we acquired ScarAway®, a leading U.S. OTC scar management brand portfolio comprised of five products, from Enaltus, LLC, for $26.7 million in cash. This acquisition served as our entry into the niche branded OTC business in the U.S. Operating results attributable to ScarAway® are included in the CHC segment. The intangible assets acquired included a trademark with a 25-year useful life, non-compete agreements with a four-year useful life, developed product technology with an eight-year useful life, and customer relationships with a 15-year useful life. We utilized the relief from royalty method for valuing the trademark and developed product technology, the multi-period excess earnings method for valuing the customer relationships, and the lost income method for valuing the non-compete agreements. The goodwill acquired is deductible for tax purposes.

GlaxoSmithKline Consumer Healthcare

On August 28, 2015, we completed the acquisition of a portfolio of well-established OTC brands from GlaxoSmithKline Consumer Healthcare (“GSK”). This acquisition further leveraged our European market share and expands our product offerings. The assets were purchased through an all-cash transaction valued at €200.0 million ($223.6 million). Operating results attributable to GSK are included primarily in the BCH segment. The intangible assets acquired included trademarks with 20-year useful lives and customer relationships with a 15-year useful life. We utilized the relief from royalty method for valuing the trademarks and the multi-period excess earnings method for valuing the customer relationships. The goodwill acquired is deductible for tax purposes and recorded primarily in the BCH segment.

Purchase Price Allocation of Current Period Acquisitions

The Entocort® and GSK opening balance sheets are preliminary and are based on valuation information, estimates, and assumptions available at December 31, 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. Intangible assets have not yet been finalized for either the Entocort® or GSK acquisitions as we are still evaluating the valuation assumptions. All other acquisitions completed during the six months ended December 31, 2015 are final.

The below table indicates the purchase price allocation for acquisitions completed during the six months ended December 31, 2015 (in millions):

	Entocort®*	Naturwohl	ScarAway®	GSK*	All Other[1]
Purchase price paid	$ 380.2	$ 150.4	$ 26.7	$ 223.6	$ 15.3
Contingent consideration	—	—	—	—	13.9
Total purchase consideration	$ 380.2	$ 150.4	$ 26.7	$ 223.6	$ 29.2
Assets acquired:					
Cash and cash equivalents	$ —	$ 4.6	$ —	$ —	$ —
Accounts receivable	—	3.3	—	—	—
Inventories	0.2	1.5	1.0	—	—
Goodwill	—	61.0	3.5	32.6	—
Definite-lived intangibles:					
Distribution and license agreements, supply agreements	—	21.4	—	—	—
Developed product technology, formulations, and product rights	380.0	—	0.5	—	—
Customer relationships and distribution networks	—	25.9	9.8	61.5	—
Trademarks, trade names, and brands	—	64.2	11.4	129.5	—
Non-compete agreements	—	0.3	0.5	—	—
Indefinite-lived intangibles:					
In-process research and development	—	—	—	—	29.2
Total intangible assets	380.0	111.8	22.2	191.0	29.2
Total assets	380.2	182.2	26.7	223.6	29.2
Liabilities assumed:					
Accounts payable	—	2.8	—	—	—
Accrued liabilities	—	1.6	—	—	—
Net deferred income tax liabilities	—	27.4	—	—	—
Total liabilities	—	31.8	—	—	—
Net assets acquired	$ 380.2	$ 150.4	$ 26.7	$ 223.6	$ 29.2

* Opening balance sheet is preliminary.
(1) Consists of eight product acquisitions in our CHC, BCH and Rx segments.

Acquisitions Completed During the Fiscal Year Ended June 27, 2015

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 $37.9 million in cash. The purchase price was adjusted during the six months ended December 31, 2015 to account for working capital adjustments with the seller. The acquisition added softgel manufacturing technology to our supply chain capabilities and broadened 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 was charged to cost of goods sold during the six months ended December 31, 2015. 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 is providing 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., 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):

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 9, 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):

Line item	Fiscal Year Ended June 27, 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 13 for further details on losses on Omega-related hedging activities shown above in Other expense, net, and Note 9 for details on the loss on extinguishment of debt.

We acquired the following intangible assets: indefinite-lived brands, a definite-lived trade name with an eight-year useful life, definite-lived brands with a 22-year useful life, a distribution network with a 21-year useful life, and developed product technology with useful lives ranging from four 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, and was recorded in our BCH segment. We utilized the multi-period excess earnings method for the indefinite-lived brands, the definite-lived brands, and distribution network. We utilized the relief from royalty method for the developed product technology and definite-lived trade name.

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 the fiscal year ended June 27, 2015. In addition, property, plant and equipment, net 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 9.

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 segment. The intangible assets acquired consisted of three product formulations with useful lives ranging from eight to 12 years. The assets were valued utilizing the multi-period excess earnings method.

Purchase Price Allocation of Acquisitions Completed During the Fiscal Year Ended June 27, 2015

The Gelcaps, Omega, and Lumara opening balance sheets are final. Measurement period adjustments to the Gelcaps opening balance sheet were not material and the Lumara opening balance sheet was finalized prior to June 27, 2015. Since the initial valuation, revisions to the Omega allocation were as follows:

	June 27, 2015	Measurement Period Adjustments	December 31, 2015
Accounts receivable	$ 264.7	$ (4.6)	$ 260.1
Inventories	$ 214.4	$ (11.9)	$ 202.5
Property and equipment	$ 121.2	$ 9.6	$ 130.8
Goodwill	$ 1,513.1	$ 387.3	$ 1,900.4
Intangible assets:			
Developed product technology, formulations, and product rights	$ 32.7	$ (5.5)	$ 27.2
Customer relationships and distribution networks	1,342.7	(286.4)	1,056.3
Definite-lived trademarks, trade names, and brands	282.0	5.5	287.5
Indefinite-lived trademarks, trade names, and brands	2,145.2	(141.4)	2,003.8
Total intangible assets	$ 3,802.6	$ (427.8)	$ 3,374.8
Accrued liabilities	$ 44.5	$ (0.6)	$ 43.9
Net deferred income tax liabilities	$ 1,032.3	$ (17.8)	$ 1,014.5
Other non-current liabilities	$ 82.5	$ (29.0)	$ 53.5

The changes in the Omega purchase accounting were due primarily to refinements in the underlying valuation assumptions for the intangible assets, including updates to the allocations of projected cash flows to the intangible assets and the related jurisdictional tax rates that were used in those projections, the accounting of intangible assets as definite-lived versus indefinite-lived assets, and finalization of the related deferred taxes. Valuation adjustments made during the measurement period resulted in a $10.2 million reduction of amortization expense (recorded primarily in Selling expense) for the six months ended December 31, 2015 that related to the fiscal year ended June 27, 2015.

The below table indicates the purchase price allocation for acquisitions completed during the fiscal year ended June 27, 2015 (in millions):

	Gelcaps	Omega	Lumara
Total purchase consideration	$ 37.9	$ 2,983.2	$ 83.0
Assets acquired:			
Cash and cash equivalents	$ 4.6	$ 14.7	$ —
Accounts receivable	7.3	260.1	2.9
Inventories	7.2	202.5	1.5
Prepaid expenses and other current assets	2.1	39.2	0.4
Property and equipment	6.0	130.8	0.1
Goodwill	6.0	1,900.4	—
Definite-lived intangibles:			
Developed product technology, formulations, and product rights	—	27.2	82.0
Customer relationships and distribution networks	6.6	1,056.3	—
Trademarks, trade names, and brands	—	287.5	—
Indefinite-lived intangibles:			
Trademarks, trade names, and brands	4.4	2,003.8	—
Total intangible assets	11.0	3,374.8	82.0
Other non-current assets	0.4	2.4	—
Total assets	44.6	5,924.9	86.9
Liabilities assumed:			
Accounts payable	3.3	243.1	—
Short-term debt	—	24.6	—
Accrued liabilities	1.6	43.9	3.9
Payroll and related taxes	—	51.3	—
Accrued customer programs	—	39.8	—
Long-term debt	—	1,471.0	—
Net deferred income tax liabilities	1.4	1,014.5	—
Other non-current liabilities	0.4	53.5	—
Total liabilities	6.7	2,941.7	3.9
Net assets acquired	$ 37.9	$ 2,983.2	$ 83.0

Actual and Unaudited Pro Forma Impact of Acquisitions

Our Consolidated Financial Statements include operating results from the Entocort®, Naturwohl, GSK, ScarAway®, Omega, Gelcaps, Lumara, Aspen, Fera (Methazolomide), and Elan acquisitions, from the date of each acquisition through December 31, 2015. Net sales and operating income attributable to the Entocort®, Naturwohl, ScarAway®, and GSK acquisitions included in our financial statements for the six months ended December 31, 2015 totaled $51.0 million and $20.6 million, respectively. Net sales and operating income attributable to the Omega, Gelcaps, and Lumara acquisitions included in our financial statements for the fiscal year ended June 27, 2015 totaled $418.2 million and $18.9 million, respectively.

The following unaudited pro forma information gives effect to the Entocort®, Naturwohl, GSK, ScarAway®, Omega, Gelcaps, Lumara, Aspen, Fera (Methazolomide), and Elan acquisitions, as if the acquisitions had occurred on June 30, 2013 and had been included in our Results of Operations for all periods presented thereafter (in millions):

	Six Months Ended	Fiscal Year Ended
(Unaudited)	December 31, 2015	June 27, 2015
Net sales	$ 2,852.4	$ 5,971.9
Net income	$ 38.3	$ 214.8

The historical consolidated financial information of Perrigo, and the Entocort®, Naturwohl, GSK, ScarAway®, Omega, Gelcaps, Lumara, Aspen, Fera (Methazolomide), and Elan acquisitions, 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 values of each acquisition's identifiable intangible and tangible assets, along with the reclassification of acquisition-related costs from the period ended December 31, 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 pro forma net sales attributed to Omega for the fiscal year ended June 27, 2015.

3. GOODWILL AND INTANGIBLES

Goodwill

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

	CHC	BCH	Rx	Specialty Sciences	Other	Total
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
Business acquisitions	9.7	87.4	—	—	—	97.1
Transfers to assets held for sale	(13.0)	—	—	—	(14.5)	(27.5)
Currency translation adjustment	(5.1)	(46.1)	(11.4)	—	(2.2)	(64.8)
Purchase accounting adjustments	0.9	387.3	—	—	—	388.2
Balance at December 31, 2015	$ 1,890.0	$ 1,980.5	$ 1,222.2	$ 200.7	$ 71.5	$ 5,364.9

The increase in goodwill in the six months ended December 31, 2015 in the BCH segment was due primarily to purchase accounting adjustments to the Omega acquisition described in Note 2, as well as the Naturwohl and GSK acquisitions. The increase in goodwill in the fiscal year ended June 27, 2015 was due primarily to the Omega acquisition, which was recorded in the BCH segment. See Note 2 for additional information.

No impairment charges were recorded as a result of the goodwill impairment testing during the six months ended December 31, 2015, however our Specialty Sciences reporting unit's fair value exceeded the carrying value by less than 10%. Management evaluated the primary source of cash flow in this segment, the Tysabri® royalty stream, based on a combination of factors including independent external research, information provided from our royalty partner, and internal estimates. Based on this information, management’s assessment of future cash flow from this royalty stream have been reduced primarily due to anticipated new competitors entering the market and unfavorable currency exchange effects. Future performance different from the assumptions utilized in our

quantitative analysis may further reduce the fair value of the reporting unit, which may result in the fair value no longer exceeding the carrying value.

Step one of our annual goodwill impairment testing in the fiscal year ended June 27, 2015 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 three months ended June 27, 2015 in Other expense, net. No other segments were affected by this impairment charge.

Intangible Assets

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

	Distribution and license arrangements	Developed product technology	Customer relationships	Definite-lived trade names and trademarks	Non-compete agreements	Indefinite-lived trade names and trademarks	IPR&D	Total
Cost	$ 6,027.3	$ 931.7	$ 372.0	$ 47.8	$ 15.3	$ 59.5	$ 10.2	$ 7,463.8
Accumulated Amortization	(192.1)	(302.5)	(97.5)	(5.6)	(9.4)	—	—	(607.1)
Net book value	$ 5,835.2	$ 629.2	$ 274.5	$ 42.2	$ 5.9	$ 59.5	$ 10.2	$ 6,856.7
Amortization expense	$ (313.2)	$ (91.4)	$ (49.8)	$ (7.3)	$ (2.8)	$ —	$ —	$ (464.5)
Acquisitions	9.5	114.7	1,349.3	286.4	—	2,145.2	—	3,905.1
Impairments	—	—	—	—	—	(0.4)	—	(0.4)
Transfers	—	3.6	—	—	—	—	(3.6)	—
Currency translation	(3.9)	(13.9)	29.7	8.0	(0.3)	53.0	(0.8)	71.8
June 27, 2015								
Cost	$ 6,029.9	$ 1,025.3	$ 1,749.9	$ 340.8	$ 14.7	$ 2,257.3	$ 5.8	$11,423.7
Accumulated Amortization	(502.3)	(383.1)	(146.2)	(11.5)	(11.9)	—	—	(1,055.0)
Net book value	$ 5,527.6	$ 642.2	$ 1,603.7	$ 329.3	$ 2.8	$ 2,257.3	$ 5.8	$10,368.7
Amortization expense	$ (160.9)	$ (48.5)	$ (49.7)	$ (13.5)	$ (1.2)	$ —	$ —	$ (273.8)
Acquisitions	21.4	380.5	97.2	205.1	0.8	—	29.2	734.2
Measurement period adjustments	—	(5.5)	(286.4)	5.5	—	(141.4)	4.0	(423.8)
Impairments	—	—	—	—	—	(186.6)	—	(186.6)
Transfers	(9.5)	—	—	—	—	—	9.5	—
Currency translation	7.6	(11.2)	(37.1)	(9.8)	0.1	(61.2)	(0.3)	(111.9)
December 31, 2015								
Cost	$ 6,053.4	$ 1,383.5	$ 1,520.7	$ 539.4	$ 15.2	$ 1,868.1	$ 48.2	$11,428.5
Accumulated Amortization	(667.2)	(426.0)	(193.0)	(22.8)	(12.7)	—	—	(1,321.7)
Net book value	$ 5,386.2	$ 957.5	$ 1,327.7	$ 516.6	$ 2.5	$ 1,868.1	$ 48.2	$10,106.8

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 the six months ended December 31, 2015 was due to the Entocort®, GSK, Naturwohl, and ScarAway® acquisitions, offset partially by purchase price adjustments to

the Omega intangible assets discussed in Note 2. The increase during the fiscal year ended June 27, 2015 was due primarily to the Omega acquisition.

During our impairment testing for the six months ended December 31, 2015, we identified an impairment of certain indefinite-lived intangible assets based on management's expectations of the prospects for future revenues, profits, and cash flows associated with these assets. The indefinite-lived intangible assets were purchased in conjunction with the Omega acquisition and are included in the BCH segment. The assessment utilized the excess earnings method to determine fair value and resulted in an impairment charge of $185.1 million, which represents the difference between the carrying amount of the intangible assets and their estimated fair value. The amount was recorded in Impairment charges on the Consolidated Profit and Loss Account within the BCH segment. The primary assumptions supporting the fair value of these assets and cash flow projections assume modest revenue growth based on product line extensions, product life cycle strategies, and geographical expansion within the markets in which the BCH segment currently distributes products, and gross margins and advertising and promotion investments largely consistent with historical trends. Actual performance different from the assumptions utilized in our quantitative analysis may result in additional changes in fair value of these assets.

No material impairment charges were recorded as a result of the annual intangible asset impairment testing during the fiscal year ended June 27, 2015.

The remaining weighted-average useful life for our amortizable intangible assets by asset class at December 31, 2015 was as follows:

Amortizable Intangible Asset Category	Remaining Weighted-Average Useful Life (Years)
Distribution and license agreements, supply agreements	19
Developed product technology, formulations, and product rights	10
Customer relationships and distribution networks	17
Trademarks, trade names, and brands	21
Non-compete agreements	2

We recorded amortization expense of $274.1 million during the six months ended December 31, 2015, and $464.5 million during the fiscal year ended June 27, 2015. The increase in amortization expense in the six months ended December 31, 2015 was due primarily to definite-lived assets acquired from Omega. The increase in amortization expense in the fiscal year ended June 27, 2015 was due primarily to the incremental amortization expense incurred on the definite-lived 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):

Year	Amount
2016	$ 603.1
2017	595.6
2018	582.6
2019	558.3
2020	522.5
Thereafter	5,328.4

4. ACCOUNTS RECEIVABLE FACTORING

We assumed multiple accounts receivable factoring arrangements with non-related third-party financial institutions (the "Factors") in connection with the Omega acquisition. 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 invoice 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 was $106.7 million and $171.6 million at December 31, 2015 and June 27, 2015, respectively.

5. PROPERTY, PLANT, AND EQUIPMENT

We held the following property, plant, and equipment at December 31, 2015 and June 27, 2015 (in millions):

	Land	Buildings	Machinery and equipment	Total
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
Additions	0.6	16.5	49.5	66.6
Acquisitions	1.4	(0.6)	9.4	10.2
Assets held for sale, net	(2.2)	(36.6)	(17.4)	(56.2)
Disposals, gross asset	—	(0.4)	(4.9)	(5.3)
Disposals, accumulated depreciation	—	0.1	3.4	3.5
Depreciation expense	(0.3)	(10.9)	(29.1)	(40.3)
Currency translation	(1.0)	(7.4)	(16.2)	(24.6)
December 31, 2015				
Cost	47.5	508.2	1,103.3	1,659.0
Accumulated depreciation	(8.4)	(213.8)	(550.6)	(772.8)
Net book value	$ 39.1	$ 294.4	$ 552.7	$ 886.2

There was no capital commitments for the purchase of property, plant and equipment authorised by the directors at December 31, 2015 (June 27, 2015: Nil).

6. DEBTORS

Debtors consisted of the following (in millions):

Debtors	December 31, 2015	June 27, 2015
Amounts falling due within one year		
Accounts receivable net	$ 1,193.1	$ 1,282.1
Deferred income taxes	—	122.3
Held for sale assets	121.5	—
Value added tax refund receivable	35.9	23.5
Refundable income tax	43.4	27.0
Prepaid expenses and other debtors	73.4	90.8
	1,467.3	1,545.7
Amounts falling due after one year		
Deferred income taxes	54.6	39.6
	54.6	39.6
Total debtors	$ 1,521.9	$ 1,585.3

7. INVENTORY

Major components of inventory were as follows (in millions):

	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015
Finished goods	$ 483.4	$ 468.9
Work in process	151.4	158.2
Raw materials	209.6	211.8
Total inventories	$ 844.4	$ 838.9

8. ASSETS HELD FOR SALE

During the six months ended December 31, 2015, management committed to a plan to sell our VMS and India API businesses. When a group of assets is classified as held for sale, the book value is evaluated and adjusted to the lower of its carrying amount or fair value less cost to sell. We determined that the fair value less cost to sell the VMS business exceeded its carrying value. We determined that the carrying value of the India API business exceeded the fair value less cost to sell, resulting in an impairment charge of $29.0 million within our Other segment, which is shown in Impairment charges on the Consolidated Profit and Loss Account.

Assets and liabilities associated with the VMS and India API held for sale businesses were reclassified as held for sale at December 31, 2015. The assets held for sale were reported within debtors: amounts falling due within one year and liabilities held for sale were reported in Creditors: amounts falling due within one year. The amounts consisted of the following at December 31, 2015 (in millions):

	December 31, 2015	
	CHC	Other
Assets held for sale		
Current assets	$ 55.1	$ 13.6
Goodwill	13.0	14.5
Property, plant and equipment	18.8	37.4
Other assets	—	3.2
Less: impairments	—	(29.0)
Total assets held for sale	$ 86.9	$ 39.7
Liabilities held for sale		
Current liabilities	$ 30.5	$ 0.5
Other liabilities	—	1.7
Total liabilities held for sale	$ 30.5	$ 2.2

9. INDEBTEDNESS

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

				December 31, 2015	June 27, 2015
Revolving credit agreements					
2015 Revolver				$ 380.0	$ —
2014 Revolver				300.0	—
Total revolving credit agreements				680.0	—
Term loans					
* 2014 Term loan due December 5, 2019				488.8	530.5
Total term loans				488.8	530.5
Notes and bonds					
Coupon	**Due**				
1.300%	November 8, 2016	(2)		500.0	500.0
* 4.500%	May 23, 2017	(3)		195.5	201.0
* 5.125%	December 12, 2017	(3)		325.8	335.0
2.300%	November 8, 2018	(2)		600.0	600.0
* 5.000%	May 23, 2019	(3)		130.3	134.1
3.500%	December 15, 2021	(1)		500.0	500.0
* 5.105%	July 19, 2023	(3)		146.7	150.8
4.000%	November 15, 2023	(2)		800.0	800.0
3.900%	December 15, 2024	(1)		700.0	700.0
5.300%	November 15, 2043	(2)		400.0	400.0
4.900%	December 15, 2044	(1)		400.0	400.0
Total notes and bonds				4,698.3	4,720.9
Other financing				86.0	13.0
Unamortized premium (discount), net				73.4	87.5
Deferred financing fees				(36.6)	(40.5)
Total borrowings outstanding				5,989.9	5,311.4
Current indebtedness				(1,018.3)	(64.6)
Total long-term debt less current portion				$ 4,971.6	$ 5,246.8

(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 December 31, 2015, and June 27, 2015.

Total interest on our existing debt incurred during the six months ended December 31, 2015 and fiscal year ended June 27, 2015 totaled $90.6 million and $147.1 million, respectively.

On December 9, 2015, Perrigo Finance Unlimited Company, formerly Perrigo Finance plc ("Perrigo Finance"), entered into a $750.0 million revolving credit agreement (the "2015 Revolver"). There were $380.0 million of borrowings outstanding under the 2015 Revolver as of December 31, 2015.

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, our 100% owned finance subsidiary, 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 and no other subsidiary of Perrigo 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 increased to $1.0 billion upon the closing of the Omega acquisition (the "2014 Revolver") (together, the "2014 Credit Agreements"), and Perrigo Company entered into a $300.0 million term loan tranche maturing December 18, 2015. We allowed the undrawn €300.0 million term loan tranche to expire. There was $300.0 million of borrowings outstanding under the 2014 Revolver as of December 31, 2015. There were no borrowings outstanding under the 2014 Revolver as of June 27, 2015.

During the six months ended December 31, 2015, we made $28.3 million in scheduled principal payments on our euro-denominated term loan.

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 the fiscal year ended June 27, 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 (the "6.19% 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 of the outstanding 6.19% 2016 Notes in full. On March 30, 2015 we repaid the €51.4 million ($56.0 million) outstanding under certain overdraft facilities.

Our BCH segment regularly utilizes overdraft facilities to meet its short-term liquidity needs and its balances fluctuate on a day-to-day basis. While the assumed overdraft facilities balance noted above was repaid as of June 27, 2015, additional borrowings were made as of December 31, 2015 and make up the majority of the "Other financing" section in the table above. The balance outstanding under the facilities was $82.9 million at December 31, 2015.

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 "1.30% 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 1.30% 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 for 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.

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
2016	$ 1,019.7
2017	576.6
2018	667.9
2019	742.6
2020	—
Thereafter	2,946.5

10. CREDITORS

Creditors consisted of the following (in millions):

Creditors	December 31, 2015	June 27, 2015
Amounts falling due within one year [1]		
Accounts payable	$ 554.9	$ 747.5
Accrued payroll	112.1	113.6
Accrued payroll taxes	13.1	20.3
Accrued income taxes	85.2	52.6
Accrued customer programs	398.0	368.1
Accrued value added tax	9.7	10.6
Deferred income	2.9	4.3
Accrued liabilities	236.7	184.5
	1,412.6	1,501.5
Amounts falling due after one year [1]		
Accrued income taxes	245.9	270.7
Other long term liabilities	86.6	101.4
	332.5	372.1
Total creditors	$ 1,745.1	$ 1,873.6

(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.

11. 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 (in millions):

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis:				
Assets:				
Investment securities	$ 14.9	$ —	$ —	$ 14.9
Foreign currency forward contracts	—	4.8	—	4.8
Funds associated with Israeli post-employment benefits	—	17.2	—	17.2
Total assets	$ 14.9	$ 22.0	$ —	$ 36.9
Liabilities:				
Contingent consideration	$ —	$ —	$ 17.9	$ 17.9
Interest rate swap agreements	—	0.3	—	0.3
Foreign currency forward contracts	—	3.9	—	3.9
Total liabilities	$ —	$ 4.2	$ 17.9	$ 22.1
Measured at fair value on a non-recurring basis:				
Assets:				
Indefinite-lived intangible assets	$ —	$ —	$ 1,813.8	$ 1,813.8
Assets held for sale, net	—	—	37.5	37.5
Total assets	$ —	$ —	$ 1,851.3	$ 1,851.3

	June 27, 2015			
	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis:				
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

The table below presents a reconciliation for liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (in millions):

	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015
Contingent Consideration		
Beginning balance:	$ —	$ 17.4
Net realized losses	—	0.9
Purchases or additions	17.9	—
Settlements	—	(18.3)
Ending balance:	$ 17.9	$ —

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 six months ended December 31, 2015 or the fiscal year ended June 27, 2015. Our policy regarding the recording of transfers between levels is to record any such transfers at the end of the reporting period. See Note 12 for information on our investment securities. See Note 13 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 represents milestone payment obligations obtained through product acquisitions which are valued using estimates based on probability-weighted outcomes, sensitivity analysis, and discount rates reflective of the risk involved. The estimates are updated quarterly and the liabilities are adjusted to fair value depending on a number of assumptions, including the competitive landscape and regulatory approvals that may impact the future sales of a product.

As of December 31, 2015 and June 27, 2015, our fixed rate long-term debt consisted of public bonds, a private placement note, and retail bonds that were assumed with the Omega acquisition. As of December 31, 2015, the public bonds and private placement note had a carrying value of $3.9 billion and fair value of $3.8 billion, based on quoted market prices (Level 1). At June 27, 2015, the public bonds and private placement note had a carrying value and fair value of $3.9 billion, based on quoted market prices (Level 1). As of December 31, 2015 our retail bonds had a carrying value of $798.3 million (excluding a premium of $82.5 million) and a fair value of $859.8 million. As of June 27, 2015, our retail bonds had a carrying value of $820.9 million (excluding a premium of $97.1 million) and a fair value of $902.4 million. The fair value for both periods was based on interest rates offered for borrowings of a similar nature and remaining maturities (Level 2).

Certain assets are required to be recorded at fair value on a non-recurring basis even when events and circumstances indicate that the carrying value may not be recoverable. The non-recurring fair values included in the table above represent only those assets whose carrying values were adjusted to fair value as of the respective balance sheet dates. See Note 3 for a more detailed discussion of the impaired indefinite-lived intangible assets and the valuation methods used. See Note 8 for information on our assets and liabilities held for sale.

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.

12. INVESTMENTS

Available for Sale Securities

Our available for sale listed public securities totaled $14.9 million and $12.7 million at December 31, 2015 and June 27, 2015, respectively, and were reported in Prepaid expenses and other current assets.

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

	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015
Net unrealized investment gains (losses):		
Equity securities, at cost less impairments	$ 6.4	$ 17.1
Gross unrealized gains	9.3	5.7
Gross unrealized losses	(0.8)	(10.1)
Estimated fair value of equity securities	$ 14.9	$ 12.7

The factors affecting the assessment of impairments include both general financial market conditions and factors specific to a particular company. We recorded an impairment charge of $10.7 million related to an other-than-temporary impairment of one of our marketable equity securities during the six months ended December 31, 2015. The equity securities in a gross unrealized loss position at December 31, 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 $6.9 million and $6.8 million at December 31, 2015 and June 27, 2015 respectively, and were included in Other non-current assets.

Equity Method Investments

Our equity method investments totaled $45.5 million and $48.9 million at December 31, 2015 and June 27, 2015, respectively. We recorded net losses of $7.1 million and $9.9 million during the six months ended December 31, 2015 and the fiscal year ended June 27, 2015 for our proportionate share of the equity method investment earnings or losses.

13. 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 December 31, 2015 and June 27, 2015. 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.

During the six months ended December 31, 2015, we entered into a forward interest rate swap to hedge against changes in the benchmark interest rate between the date the interest rate swap was entered into and the date of expected future debt issuance. The interest rate swap was designated as a cash flow hedge and had a notional amount totaling $200.0 million.

We had a $300.0 million term loan with floating interest rates priced off the LIBOR yield curve, which was repaid during the fiscal year ended June 27, 2015, as described in Note 9. As a result of the term loan repayment on June 24, 2015, the forward interest rate swap agreements with notional amounts 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, during the fiscal year ended June 27, 2015 for the amount remaining in Other reserves when the hedges were 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. We also 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 of €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 both interest rate swaps mentioned above were 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 9.

During the three months ended December 27, 2014, 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 9. 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 fiscal year ended June 27, 2015.

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 $755.5 million and $452.3 million as of December 31, 2015 and June 27, 2015, respectively.

In June 2015, in order to economically hedge the foreign currency exposure associated with the planned payment of the euro-denominated GSK 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 the fiscal year ended June 27, 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. The GSK acquisition closed on August 28, 2015 and therefore, the non-designated option contract was terminated.

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 three months ended March 28, 2015. We recorded losses of $298.1 million during the fiscal year ended June 27, 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.

Effects of Derivatives on the Financial Statements

The below tables indicate the effects of all of our derivative instruments on our consolidated financial statements. All amounts are shown gross of 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	December 31, 2015	June 27, 2015
Designated derivatives:			
Foreign currency forward contracts	Other current assets	$ 3.8	$ 3.3
Total designated derivatives		$ 3.8	$ 3.3
Non-designated derivatives:			
Foreign currency forward contracts	Other current assets	$ 1.0	$ 9.1
Total non-designated derivatives		$ 1.0	$ 9.1

	Liability Derivatives		
		Fair Value	
	Balance Sheet Location	December 31, 2015	June 27, 2015
Designated derivatives:			
Foreign currency forward contracts	Accrued liabilities	$ 2.0	$ 2.0
Interest rate swap agreements	Other non-current liabilities	0.3	—
Total designated derivatives		$ 2.3	$ 2.0
Non-designated derivatives:			
Foreign currency forward contracts	Accrued liabilities	$ 1.9	$ 2.6
Total non-designated derivatives		$ 1.9	$ 2.6

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)	
	Six Months Ended	Fiscal Year Ended
Designated Cash Flow Hedges	December 31, 2015	June 27, 2015
Treasury locks	$ —	$ (2.7)
Interest rate swap agreements	(0.3)	(10.1)
Foreign currency forward contracts	1.7	(7.7)
	$ 1.4	$ (20.5)

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)	
		Six Months Ended	Fiscal Year Ended
Designated Cash Flow Hedges	Income Statement Location	December 31, 2015	June 27, 2015
Treasury locks	Interest expense, net	$ —	$ (0.1)
Interest rate swap agreements	Interest expense, net	(0.8)	(16.4)
Foreign currency forward contracts	Net sales	(0.8)	2.0
	Cost of sales	0.8	(4.2)
	Interest expense, net	(0.4)	—
	Other expense, net	0.1	(4.5)
		$ (1.1)	$ (23.2)

The net of tax amount expected to be reclassified out of Other reserves into earnings during the next 12 months is a $0.4 million gain.

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)	
		Six Months Ended	Fiscal Year Ended
Designated Cash Flow Hedges	Income Statement Location	December 31, 2015	June 27, 2015
Treasury locks	Other expense, net	$ —	$ (0.4)
Interest rate swap agreements	Other expense, net	—	(0.7)
Foreign currency forward contracts	Net sales	(0.1)	(0.1)
	Cost of sales	0.2	0.2
Total		$ 0.1	$ (1.0)

The effects of our fair value hedges on the Consolidated Profit and Loss Account were as follows:

		Amount of Gain/(Loss) Recognized in Income	
		Six Months Ended	Fiscal Year Ended
Designated Fair Value Hedges	Income Statement Location	December 31, 2015	June 27, 2015
Interest rate swap agreements	Other expense, net	$ —	$ —
Fixed-rate debt	Other expense, net	—	—
Net hedge		$ —	$ —

The effects of our non-designated derivatives on the Consolidated Profit and Loss Account were as follows:

		Amount of Gain/(Loss) Recognized in Income	
		Six Months Ended	Fiscal Year Ended
Non-Designated Derivatives	Income Statement Location	December 31, 2015	June 27, 2015
Foreign currency forward contracts	Other expense, net	$ (8.0)	$ (295.4)
	Interest expense, net	(0.7)	(3.4)
Foreign exchange option contracts	Other expense, net	—	(26.4)
Total		$ (8.7)	$ (325.2)

14. 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):

	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015
Numerator:		
Net income	$ 5.6	$ 128.0
Denominator:		
Weighted average shares outstanding for basic EPS	145.6	139.3
Dilutive effect of share-based awards	0.5	0.5
Weighted average shares outstanding for diluted EPS	146.1	139.8
Anti-dilutive share-based awards excluded from computation of diluted EPS	0.1	0.1

15. SHAREHOLDERS' EQUITY

Shareholder's Equity

Our ordinary shares trade on the New York Stock Exchange 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 since March 16, 2005.

Dividends

In January 2003, the Board of Directors adopted a policy of paying quarterly dividends. We paid dividends as follows:

	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015
Dividends paid (in millions)	$ 36.3	$ 64.8
Dividends paid per share	$ 0.25	$ 0.46

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.

Share Repurchases

In October 2015, the Board of Directors approved a share repurchase plan of up to $2.0 billion. During the six months ended December 31, 2015, we repurchased 3.3 million ordinary shares at an average repurchase price of $151.59 per share, for a total of $500.0 million.

16. 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 December 31, 2015, there were 5.0 million shares available to be granted. The purpose of the Plan is to attract and retain individuals of exceptional talent and encourage these individuals to acquire a vested interest in the Company's success and prosperity. The awards that are granted under this program include non-qualified stock options, restricted shares, and restricted share units. Restricted shares are generally service-based, requiring a certain length of service before vesting occurs, while restricted share units can be either service-based or performance-based. Performance-based restricted share units require a certain length of service until vesting; however, they contain an additional performance feature, which can vary the amount of shares ultimately paid out based on certain performance criteria specified in the Plan. Awards granted under the Plan vest and may be exercised and/or sold from one to ten years after the date of grant based on a vesting schedule.

Share-based compensation expense was $24.8 million for the six months ended December 31, 2015 and $31.6 million for the fiscal year ended June 27, 2015. As of December 31, 2015, unrecognized share-based compensation expense was $52.1 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):

	Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Term in Years	Aggregate Intrinsic Value
Options outstanding at June 28, 2014	850	$ 77.26		
Granted	181	$ 147.75		
Exercised	(170)	$ 49.26		
Forfeited or expired	(4)	$ 128.76		
Options outstanding at June 27, 2015	857	$ 97.49	6.6	$ 79.8
Granted	—	$ —		
Exercised	(72)	$ 69.62		
Forfeited or expired	(2)	$ 131.91		
Options outstanding at December 31, 2015	783	$ 99.93	6.3	$ 35.6
Options exercisable	614	$ 89.08	5.7	$ 34.3
Options expected to vest	165	$ 139.21	8.3	$ 1.3

The aggregate intrinsic value for options exercised during the year was $6.7 million for the six months ended December 31, 2015, and $20.7 million for the fiscal year ended June 27, 2015. There were no options granted during the six months ended December 31, 2015. The weighted-average fair value per share at the grant date for options granted during the year was $39.96 for the fiscal year ended June 27, 2015. The fair values were estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Fiscal Year Ended June 27, 2015
Dividend yield	0.3%
Volatility, as a percent	27.1%
Risk-free interest rate	1.7%
Expected life in years	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 non-vested restricted shares is presented below (shares in thousands):

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Term in Years	Aggregate Intrinsic Value
Non-vested restricted shares outstanding at June 28, 2014	9	$ 100.84		
Granted	—	$ —		
Vested	(9)	$ 100.84		
Forfeited	—	$ —		
Non-vested restricted shares outstanding at June 27, 2015	—	$ —	0.0	$ —

There were no restricted shares granted, vested or outstanding for the six months ended December 31, 2015. There were no shares granted during the fiscal year ended June 27, 2015.The total fair value of restricted shares that vested was $0.9 million for the fiscal year ended June 27, 2015.

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):

	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
Non-vested service-based share units outstanding at June 28, 2014	247	$ 112.89		
Granted	135	$ 153.99		
Vested	(91)	$ 99.54		
Forfeited	(8)	$ 126.13		
Non-vested service-based share units outstanding at June 27, 2015	283	$ 136.48	1.2	$ 53.9
Granted	199	$ 165.64		
Vested	(94)	$ 125.03		
Forfeited	(6)	$ 164.56		
Non-vested service-based share units outstanding at December 31, 2015	382	$ 154.07	2.2	$ 55.3

The weighted-average fair value per share at the date of grant for service-based restricted share units granted was $165.64 for the six months ended December 31, 2015, and $153.99 for the fiscal year ended June 27,

2015. The total fair value of service-based restricted share units that vested during the period was $11.7 million for the six months ended December 31, 2015, and $9.1 million for the fiscal year ended June 27, 2015.

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):

	Number of Performance-Based Share Units	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Term in Years	Aggregate Intrinsic Value
Non-vested performance-based share units outstanding at June 28, 2014	182	$ 109.63		
Granted	106	$ 150.14		
Vested	(56)	$ 91.14		
Forfeited	(3)	$ 126.96		
Non-vested performance-based share units outstanding at June 27, 2015	229	$ 129.77	1.38	$ 43.6
Granted	55	$ 184.49		
Vested	(58)	$ 109.20		
Forfeited	(3)	$ 144.73		
Non-vested performance-based share units outstanding at December 31, 2015	223	$ 146.31	1.49	$ 32.3

The weighted-average fair value per share at the date of grant for performance-based restricted share units granted during the period was $184.49 for the six months ended December 31, 2015 and $150.14 for the fiscal year ended June 27, 2015. 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 period was $6.4 million for the six months ended December 31, 2015, and $5.1 million for the fiscal year ended June 27, 2015.

17. OTHER RESERVES

Changes in our Other Reserves balances, net of tax 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 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
OCI before reclassifications	1.1	(135.3)	(1.4)	7.4	—	(128.2)
Amounts reclassified from OCI	1.0	—	10.7	(1.4)	—	10.3
Other comprehensive income (loss)	2.1	(135.3)	9.3	6.0	—	(117.9)
Other equity-based compensation	—	—	—	—	28.1	28.1
Shares withheld for payment of taxes	—	—	—	—	(10.3)	(10.3)
Balance at December 31, 2015	$ (14.2)	$ (4.4)	$ 6.3	$ (3.2)	$ 117.1	$ 101.6

18. INCOME TAXES

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

	Six Months Ended	Fiscal Year End
	December 31, 2015	June 27, 2015
Pre-tax income (loss):		
Ireland	$ (346.9)	$ (821.2)
Other	323.7	1,069.2
Total pre-tax income (loss)	(23.2)	248.0
Provision for income taxes:		
Current:		
Ireland	1.4	(2.0)
United States - federal	59.2	77.0
United States - state	3.2	6.9
Other foreign	40.4	54.1
Subtotal	104.2	136.0
Deferred (credit):		
Ireland	(27.7)	7.5
United States - federal	(32.5)	(17.5)
United States - state	(3.3)	(0.8)
Other foreign	(69.5)	(5.2)
Subtotal	(133.0)	(16.0)
Total provision for income taxes	$ (28.8)	$ 120.0

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

	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015
Provision at statutory rate	12.5%	12.5%
Ireland tax on non-trading differences	80.8	(10.3)
Expenses not deductible for tax purposes/ deductions not expensed for book, net	(151.7)	15.5
U.S. Operations:		
State income taxes, net of federal benefit	(15.3)	(1.0)
Foreign tax credit	—	—
Research and development credit	5.1	(0.8)
Other	(43.3)	5.6
Other foreign differences (earnings taxed at other than applicable statutory rate)	394.8	(16.6)
Worldwide operations:		
Valuation allowance changes	(148.6)	25.0
Audit impacts	—	—
Change in unrecognized taxes	(10.1)	18.5
Rate change impacts	—	—
Effective income tax rate	124.2%	48.4%

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 $3.7 billion at December 31, 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) were as follows (in millions):

	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015
Deferred income tax asset (liability):		
Depreciation and amortization	$ (1,808.5)	$ (1,889.0)
Inventory basis differences	21.0	30.2
Accrued liabilities	58.1	67.2
Allowance for doubtful accounts	1.3	0.9
Research and development	63.7	62.8
Loss carryforwards	243.6	242.7
Share-based compensation	20.6	14.3
Foreign tax credit	10.6	10.6
Federal benefit of unrecognized tax positions	22.8	26.3
Interest carryforwards	334.6	259.7
Other, net	14.7	29.7
Subtotal	(1,017.5)	(1,144.6)
Valuation allowance for loss and credit carryforwards	(491.6)	(519.2)
Net deferred income tax asset (liability):	$ (1,509.1)	$ (1,663.8)

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

	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015
Assets	$ 54.6	$ 161.9
Liabilities	(1,563.7)	(1,825.7)
Net deferred income tax (liability) asset	$ (1,509.1)	$ (1,663.8)

At December 31, 2015, we had gross carryforwards as follows: worldwide federal net operating losses, excluding U.S. states, of $823.7 million, U.S. state net operating losses of $422.5 million, worldwide federal capital losses of $19.3 million, U.S. state credits of $1.5 billion, and U.S. federal credits of $269.1 million. At December 31, 2015, gross valuation allowances had been provided for worldwide federal net operating loss carryforwards, excluding U.S. states, in the amount of $603.6 million, $388.4 million for U.S. state net operating loss carryforwards, $19.3 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 2034, U.S. capital loss carryforward expires through 2016 and U.S. federal credit carryforwards of $30.2 million, $167.8 million and $37.2 million expire through 2022, 2025 and 2027, respectively, with the remaining U.S. credits having no expiration. U.S. state net operating loss carryforwards expire through 2034, and U.S. state credit carryforwards expire through 2029. Of the non-U.S. net operating loss carryforwards, $10.2 million, $2.1 million, $22.0 million, $2.6 million, $0.1 million and $3.4 million expire through 2017, 2018, 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 (in millions):

	Unrecognized Tax Benefits
Balance at June 28, 2014	160.1
Additions:	
Positions related to the current year	38.9
Positions related to prior years	122.7
Reductions:	
Settlements with taxing authorities	(1.4)
Lapse of statutes of limitation	(1.7)
Balance at June 27, 2015	318.6
Additions:	
Positions related to the current year	17.9
Reductions:	
Positions related to prior years	(38.8)
Settlements with taxing authorities	(15.3)
Balance at December 31, 2015	$ 282.4

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 $52.1 million and $65.7 million, as of December 31, 2015 and June 27, 2015, respectively.

The total liability for uncertain tax positions was $334.7 million and $384.3 million as of December 31, 2015, and June 27, 2015, respectively, before considering the federal tax benefit of certain state and local items, of which $206.1 million and $217.6 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 audit of fiscal years ended June 27, 2009 and June 26, 2010. 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. The IRS denied our request for a refund. In the next several months we are likely to file a complaint in federal district court claiming a refund for these amounts. The payment was recorded in the third quarter of fiscal year 2015 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.

The IRS is auditing our fiscal years ended June 25, 2011 and June 30, 2012, and may make adjustments consistent with their claims for the 2009-10 audit period. Subsequent to December 31, 2015 the Belgium Tax Authority notified us that all Belgium locations will be audited for the years ending December 31, 2013 and December 31, 2014.

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 December 31, 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 $3.0 million.

Tax Rate Changes

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. For all other entities that do not qualify for this reduced rate, the tax rate was increased from 25% to 26.5%. However, additional legislation was passed in January 2016, effective immediately, reducing the tax rate from 26.5% back to 25%.

In July 2013, the United Kingdom passed legislation reducing the statutory rate to 21% and 20% effective April 1, 2014 and April 1, 2015, respectively. These rates are applicable to Perrigo as of June 30, 2013 and favorably impacted the effective tax rate in the amount of $4.7 million for our fiscal year ended June 28, 2014. Additionally, in November 2015, the United Kingdom passed legislation further reducing the statutory rate to 19% and 18% beginning April 1, 2017 and April 1, 2020, respectively. These rates are applicable to Perrigo as of December 31, 2015 and favorably impacted the effective tax rate in the amount of $1.4 million for the six months ended December 31, 2015.

In December 2013, Mexico enacted legislation to rescind the scheduled rate reductions and maintain the 30% corporate tax rate for 2014 and future years. This rate was applicable to Perrigo as of June 30, 2013.

19. 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 $15.8 million for the six months ended December 31, 2015, and $24.6 million for the fiscal year ended June 27, 2015.

We also have a defined contribution plan that covers our 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 expense of $0.2 million during the six months ended December 31, 2015, and $0.7 million during the fiscal year ended June 27, 2015.

We assumed a number of defined contribution plans associated with the Omega acquisition and we pay contributions to the pension insurance plans. We recorded expense of $2.9 million for the six months ended December 31, 2015 and $0.6 million for the three months ended June 27, 2015, in connection with matching contributions to the defined contribution plans.

Pension and Post-Retirement 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 of 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 December 31, 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 post-retirement 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.

Our defined benefit pension plans are managed externally and the related pension costs and liabilities are assessed at least annually in accordance with the advice of a qualified professional actuary. We use a December 31, 2015 (previously June 27, 2015) measurement date and all plan assets and liabilities are reported as of that date.

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 consisted of the following (in millions):

	Pension Benefits		Other Benefits	
	Six Months Ended	Fiscal Year Ended	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015 *	December 31, 2015	June 27, 2015 *
Projected benefit obligation at beginning of period	$ 140.3	$ 89.0	$ 6.0	$ 4.6
Acquisitions	5.6	70.4	—	1.0
Service costs	2.2	0.9	0.3	0.3
Interest cost	1.7	2.4	0.1	0.2
Actuarial (gain) loss	(10.1)	(6.8)	0.5	—
Benefits paid	(0.6)	(0.9)	(0.1)	(0.1)
Settlements	—	—	—	—
Foreign currency translation	(4.1)	(14.7)	0.1	—
Projected benefit obligation at end of period	$ 135.0	$ 140.3	$ 7.0	$ 6.0
Fair value of plan assets at beginning of period	133.3	99.6	—	—
Acquisitions	3.2	49.9	—	—
Actual return on plan assets	(0.6)	(1.0)	—	—
Benefits paid	(0.6)	(0.1)	—	—
Settlements	—	—	—	—
Employer contributions	3.3	2.4	—	—
Foreign currency translation	(3.7)	(17.5)	—	—
Fair value of plan assets at end of period	$ 134.9	$ 133.3	$ —	$ —
Funded (unfunded) status	$ (0.1)	$ (7.0)	$ (7.0)	$ (6.0)
Presented as:				
Other non-current assets	$ 16.5	$ 12.8	$ —	$ —
Other non-current liabilities	$ (16.6)	$ (19.8)	$ (7.0)	$ (6.0)

* Includes Omega activity from March 30, 2015 to June 27, 2015.

The total accumulated benefit obligation for the defined benefit pension plans was $109.4 million, and $136.6 million at December 31, 2015 and June 27, 2015, respectively.

An unrecognized actuarial loss of $0.4 million and gain of $0.1 million for the other benefits liability for the six months ended December 31, 2015 and fiscal year ended June 27, 2015, was included in OCI, net of tax.

As of December 31, 2015 and June 27, 2015 the unamortized net actuarial loss in Other reserves for defined benefit pension and other benefits was $3.2 million and $9.2 million, respectively. The total estimated amount to be recognized from Other reserves into net periodic cost during the next twelve months is $0.7 million.

At December 31, 2015, the total estimated future benefit payments to be paid by the plans for the next five years is approximately $6.9 million for pension benefits and $0.9 million for other benefits as follows (in millions):

Payment Due	Pension Benefits	Other Benefits
2016	$ 1.0	$ 0.1
2017	1.0	0.2
2018	1.2	0.2
2019	1.7	0.2
2020	2.0	0.2
Thereafter	12.5	2.0

The expected benefits to be paid are based on the same assumptions used to measure our benefit obligation at December 31, 2015, including the expected future employee service. We expect to contribute $4.5 million to the defined benefit plans within the next year.

Net periodic pension cost consisted of the following (in millions):

	Pension Benefits		Other Benefits	
	Six Months Ended	Fiscal Year Ended	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015 *	December 31, 2015	June 27, 2015 *
Service cost	$ 2.2	$ 0.9	$ 0.3	$ 0.3
Interest cost	1.7	2.4	0.1	0.2
Expected return on plan assets	(1.8)	(2.7)	—	—
Net actuarial loss	0.4	1.0	—	0.1
Net periodic pension cost	$ 2.5	$ 1.6	$ 0.4	$ 0.6

* Includes Omega activity from March 30, 2015 to June 27, 2015.

The weighted-average assumptions used to determine net periodic pension cost and benefit obligation were:

	Pension Benefits		Other Benefits	
	Six Months Ended	Fiscal Year Ended	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015 *	December 31, 2015	June 27, 2015 *
Discount rate	2.22%	2.11%	4.25%	4.25%
Inflation	2.25%	1.93%		
Expected return on assets	2.93%	2.85%		

* Includes Omega activity from March 30, 2015 to June 27, 2015.

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 December 31, 2015, the expected weighted-average long-term rate of return on assets of 2.9% was calculated based on the assumptions of the following returns for each asset class:

Equities	6.0%
Bonds	0.9%
Absolute return fund	3.5%
Insurance contracts	2.9%
Property	5.0%

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

As of December 31, 2015, the current long-term asset allocation ranges of the trusts are as follows:

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

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 December 31, 2015 (in millions):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Equities	$ 15.9	$ —	$ —	$ 15.9
Bonds	39.6	—	—	39.6
Property	—	—	0.8	0.8
Insurance contracts	—	—	44.9	44.9
Absolute return fund	33.7	—	—	33.7
Total	$ 89.2	$ —	$ 45.7	$ 134.9

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
Property	—	—	0.4	0.4
Insurance contracts	—	—	31.5	31.5
Absolute return fund	34.8	—	—	34.8
Other	0.2	—	—	0.2
Total	$ 101.4	$ —	$ 31.9	$ 133.3

For a discussion of the fair value levels and the valuation methodologies used to measure equities, bonds, and the absolute return fund, see Note 11.

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 (in millions):

	Six Months Ended December 31, 2015	Fiscal Year Ended June 27, 2015 *
Level 3 assets held at beginning of year	$ 31.9	$ 0.8
Acquisitions	13.1	31.5
Unrealized gains	0.7	(0.4)
Level 3 assets held at end of year	$ 45.7	$ 31.9

* Includes Omega activity from March 30, 2015 to June 27, 2015.

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 $34.6 million and $32.7 million at December 31, 2015 and June 27, 2015 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 $34.5 million and $32.3 million at December 31, 2015 and June 27, 2015, 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 $21.8 million and $21.3 million, at December 31, 2015 and June 27, 2015, respectively. We funded $17.2 million and $17.3 million of this amount, which is recorded in Other non-current assets, as of December 31, 2015 and June 27, 2015, respectively. Our contributions to the above plans were $0.6 million for the six months ended December 31, 2015 and $1.0 million for the fiscal year ended June 27, 2015.

20. OTHER PROVISIONS AND COMMITMENTS AND CONTINGENCIES

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

	Legal liabilities	Contingent consideration	Restructuring	Total
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
Provisions, net	0.5	—	26.9	27.4
Utilization	(25.4)	—	(6.4)	(31.8)
Acquisitions and Other	—	17.9	(1.4)	16.5
Balance at December 31, 2015	$ 20.5	$ 17.9	$ 20.7	$ 59.1

Operating lease commitments

We lease certain assets, principally warehouse facilities and computer equipment, under agreements that expire at various dates through the year ended December 31, 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
2016	$ 45.8
2017	34.1
2018	31.7
2019	20.2
2020	16.1
Thereafter	21.7

Rent expense under all leases was $26.2 million for the six months ended December 31, 2015, and $39.2 million for the fiscal year ended June 27, 2015.

At December 31, 2015 we had non-cancellable purchase obligations totaling $403.7 million consisting of contractual commitments to purchase materials and services to support operations. The obligations are expected to be paid within one year.

Legal liabilities

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 December 31, 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 do not expect the outcome of the litigation matters to which we may be subject to, individually or in the aggregate, have a material adverse effect on our financial condition, results of operations, or cash flows.

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 subsidiaries, Perrigo Pharmaceuticals Company and Paddock Laboratories, LLC ("Paddock"), 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 accrued $24.0 million prior to settlement. In addition, we recorded a receivable of $7.0 million representing the amount we expected to collect from the previous owners of Paddock. During the six months ended December 31, 2015, we settled the case for $15.0 million and the previous owners of Paddock settled their case with the State of Texas. We therefore removed the accrual and the receivable, which resulted in $2.0 million of income recorded in Other expense, net, during the six months ended December 31, 2015.

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 our subsidiary, Perrigo Israel Agencies Ltd. The respondents included our subsidiaries, 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. Perrigo has filed its statement of defense to the underlying proceedings and 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.

Tysabri® Product Liability Lawsuits

Perrigo and collaborator Biogen are co-defendants in product liability lawsuits arising out of the occurrence of Progressive Multifocal Leukoencephalopathy, a serious brain infection, and serious adverse events, including deaths, which occurred in patients taking Tysabri®. Perrigo and Biogen 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.

Contingent consideration

Please refer to Note 11 for discussion on contingent consideration.

Restructuring

Restructuring activity includes severance, lease exit costs, and asset impairments. The charges incurred during the six months ended December 31, 2015 were primarily associated with actions we took to streamline our organization as announced on October 22, 2015 and did not materially impact any one reportable segment. There were no other material restructuring programs in any of the periods presented. All charges are recorded in Restructuring expense. All of the remaining liability for employee severance benefits will be paid within the next year, while cash expenditures related to the remaining liability for lease exit costs will be incurred over the remaining terms of the applicable leases. Asset impairments are non-cash charges recorded when the carrying amount of a discontinued fixed asset exceeds its fair value.

21. 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 the fiscal year ended June 27, 2015. We did not enter into any collaborative arrangements during the six months ended December 31, 2015.

Fiscal Year Ended June 27, 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.

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

22. SEGMENT AND GEOGRAPHIC INFORMATION

As discussed in Note 1, we have the following reportable segments: Consumer Healthcare, Branded Consumer Healthcare, Prescription Pharmaceuticals, Specialty Sciences, and Other. The accounting policies of each segment are the same as those described in Note 1. The majority of corporate expenses, which generally represent shared services, are charged to operating segments as part of a corporate allocation. Unallocated expenses relate to certain corporate services that are not allocated to the segments.

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

	Six Months Ended	Fiscal Year Ended
	December 31, 2015	June 27, 2015
Ireland	$ 177.8	$ 344.0
U.S.	1,695.1	3,303.6
Europe	720.1	613.6
All other countries[(2)]	176.5	342.7
	$ 2,769.5	$ 4,603.9

(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 by location was as follows (in millions):

	December 31, 2015	June 27, 2015
Ireland	$ 1.3	$ 1.4
U.S.	555.0	558.6
Europe	157.2	153.8
Israel	115.7	119.8
All other countries	57.0	98.8
	$ 886.2	$ 932.4

Sales to Walmart accounted for 13% of consolidated net sales for the six months ended December 31, 2015 and 15%, for the fiscal year ended June 27, 2015. Sales to Walmart are reported primarily in our CHC segment.

Below is a summary of our results by reporting segment (in millions):

	CHC	BCH [1]	Rx	Specialty Sciences	Other	Unallocated	Total[2]
Six Months Ended December 31, 2015							
Net sales	$ 1,384.7	$ 627.9	$ 543.4	$ 168.4	$ 45.1	$ —	$ 2,769.5
Operating income (loss) [3]	$ 209.2	$ (155.3)	$ 195.3	$ 15.8	$ (19.5)	$ (151.0)	$ 94.5
Operating income (loss) %	15.1%	(24.7)%	35.9%	9.4 %	(43.3)%	—%	3.4%
Total assets	$ 4,007.8	$ 6,324.0	$ 3,015.5	$ 5,833.5	$ 213.1	$ —	$ 19,393.9
Capital expenditures	$ 45.2	$ 18.4	$ 12.8	$ —	$ 1.4	$ —	$ 77.8
Property and equip, net	$ 586.5	$ 123.4	$ 129.0	$ —	$ 47.3	$ —	$ 886.2
Depreciation/amortization	$ 66.8	$ 66.5	$ 43.8	$ 145.6	$ 5.3	$ —	$ 328.0
Fiscal Year Ended June 27, 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 (loss) %	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

(1) BCH includes activity subsequent to March 30, 2015.
(2) Amounts may not cross-foot due to rounding.
(3) The BCH segment operating loss included a $185.1 million impairment charge on indefinite-lived intangible assets purchased in conjunction with the Omega acquisition (See Note 3 for more information). The Other operating loss included a $29.0 million impairment charge related to our India API held for sale assets (See Note 8 for more information).

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

	Six Months Ended December 31, 2015	Fiscal Year Ended June 27, 2015
CHC		
Cough/Cold/Allergy/Sinus[1]	$ 259.2	$ 486.2
Analgesics[1]	200.3	441.7
Gastrointestinal[1]	204.2	395.3
Infant nutritionals	200.2	383.9
Smoking cessation	159.7	299.4
Vitamins, minerals and dietary supplements[1]	110.6	185.6
Animal health	62.3	156.9
Other CHC[1],[2]	188.2	401.0
Total CHC	1,384.7	2,750.0
BCH branded OTC products	627.9	401.1
Generic prescription drugs	543.4	1,001.1
Tysabri® royalties	168.4	344.0
Active pharmaceutical ingredients	45.1	107.7
Total net sales	$ 2,769.5	$ 4,603.9

(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.

23. TRANSITION PERIOD COMPARATIVE DATA

The following table presents certain financial information (in millions, except per share amounts):

	Six Months Ended	
	December 31, 2015	December 27, 2014
		(Unaudited)
Net sales	$ 2,769.5	$ 2,023.1
Cost of sales	1,661.4	1,317.6
Gross profit	1,108.1	705.5
Operating expenses		
Distribution	47.9	29.2
Research and development	88.2	89.8
Selling	325.9	95.3
Administration	309.1	165.5
Impairment charges	215.6	—
Restructuring	26.9	4.2
Total operating expenses	1,013.6	384.0
Operating income	94.5	321.5
Interest expense, net	89.9	56.7
Other expense, net	26.9	61.9
Loss on extinguishment of debt	0.9	9.6
Income (loss) before income taxes	(23.2)	193.3
Income tax expense (benefit)	(28.8)	26.8
Net income	$ 5.6	$ 166.5
Earnings per share		
Basic	$ 0.04	$ 1.23
Diluted	$ 0.04	$ 1.23
Weighted-average shares outstanding		
Basic	145.6	135.1
Diluted	146.1	135.6
Dividends declared per share	$ 0.25	$ 0.21

24. EMPLOYEES

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

Country	December 31, 2015	June 27, 2015
U.S.	6,266	6,361
Israel	1,424	1,250
Mexico	1,431	1,265
Europe	3,469	1,538
Rest of the world	652	469
Total	13,242	10,883

The main components of employee costs were as follows (in millions):

	December 31, 2015	June 27, 2015
Salaries and wages	$ 375.3	$ 602.0
Social security costs	38.9	53.1
Pension and other postretirement benefits	19.5	35.3
Other benefits	83.9	101.2
Total employee costs	$ 517.6	$ 791.6

There was $4.1 million of employee expenses capitalized during the six months ended December 31, 2015 and $1.1 million capitalized during the year ended June 27, 2015.

25. DIRECTORS' REMUNERATION

Directors' remuneration is set forth in the table below (in millions):

	December 31, 2015	June 27, 2015
Aggregate emoluments in respect of qualifying services	$ 2.9	$ 4.3
Aggregate amounts of the money or value of other assets under long term incentive plans	11.2	10.8
	$ 14.1	$ 15.1

In addition, the aggregate amount of the gains by directors on the exercise of options during the six months ended December 31, 2015 was $0.9 (June 27, 2015: Nil).

26. AUDITOR'S REMUNERATION

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

	December 31, 2015	June 27, 2015
Audit fees	$ 9.8	$ 7.0
Other assurance services	1.3	0.5
Tax fees		
Tax compliance services	0.5	0.8
Tax consulting and advisory services	1.0	0.5
Total	$ 12.6	$ 8.8

The fees paid to Ernst & Young Ireland in respect of the audit of the group accounts were $0.4 million and $0.4 million for the six months ended December 31, 2015 and the fiscal year ended June 27, 2015 . In addition, Ernst & Young Ireland received $0.4 million and $0.2 million for other assurance services for the six months ended December 31, 2015 and the fiscal year ended June 27, 2015. Ernst & Young Ireland received fees of $0.1 million and $0.1 million for tax compliance and advisory services for the 6 months ended December 31, 2015 and the fiscal year ended June 27, 2015 . Ernst & Young Ireland received fees of Nil and $0.1 million for other non-audit services for the six months ended December 31, 2015 and the fiscal year ended June 27, 2015.

27. SUBSEQUENT EVENTS

Matawan Pharmaceuticals, LLC portfolio

On January 22, 2016, we acquired a portfolio of generic dosage forms and strengths of Retin-A® (tretinoin), which is a topical prescription acne treatment, from Matawan Pharmaceuticals, LLC, for $415.0 million in cash, which was funded primarily by borrowings under our 2014 Revolver and 2015 Revolver. We were the authorized generic distributor of these products from 2005 to 2013. The acquisition complements our Rx portfolio, furthering our "extended topicals" strategy. A preliminary valuation and purchase price allocation will be completed for the acquisition during the first quarter of 2016. We expect the majority of the purchase price to be allocated to the acquired definite-lived intangible assets.

Debt

On March 10, 2016, the Company announced the closing of the registered public offering by Perrigo Finance Unlimited Company of $1.2 billion senior notes of the Issuer consisting of $500.0 million aggregate principal amount of its 3.500% Senior Notes due 2021 (the “2021 Notes”) and $700.0 million aggregate principal amount of its 4.375% Senior Notes due 2026 (the “2026 Notes” and, together with the 2021 Notes, the “Notes”). The Notes will be fully and unconditionally guaranteed on a senior unsecured basis by Perrigo.

28. 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%
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	In Liquidation	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 Europa Finance S.a.r.l.	General Corporate Administration	412F route d'Esch, L-2086, Luxembourg	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	In Liquidation	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	In Liquidation	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	In Liquidation	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%

Elan Science Five Limited	In Liquidation	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	In Liquidation	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%
Naturwohl Pharma GmbH	Operations	Am Haag 14, 82166 Graefelfing, Germany	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 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	In Liquidation	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 Holdings, 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 Corporation Ltd.	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Finance Unlimited Company	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 Do Brasil Sevicos E Participacoes LTDA	Operations	Av. Nove de Julho, 3.452, conj. 83, São Paulo, SP, Brazil, CEP 01406-000	100%
Perrigo Florida, Inc.	Operations	1201 Hays Street, Tallahassee, Florida 32301	100%
Perrigo Holdings Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo International Finance Limited	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	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 9 Unlimited Company	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
Perrigo Ireland 10 Unlimited Company	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 Science Eight Unlimited Company	General Corporate Administration	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	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%
PMI Branded Pharmaceuticals, Inc.	Operations	515 Eastern Avenue, Allegan, MI 49010	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	In Liquidation	Treasury Building, Lower Grand Canal St., Dublin 2, Ireland	100%
The Institute of Biopharmaceutics Limited	In Liquidation	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 December 31, 2015

(in thousands of U.S. dollars)	Note	December 31, 2015 USD	June 27, 2015 USD
Financial Fixed Assets	3		
Investment in Habsont		7,878,022	7,878,022
Investment in Elan Corporation		9,488,657	9,488,657
Investment in Clepe Ltd.		27,686	27,686
Investment in Perrigo Ireland Management Limited		179	149
Investment in Perrigo Ireland Holding Company B.V.		85	35
Investment in Elan Finance Europa S.a.r.l.		2,754	2,754
Investment in Perrigo Ireland 1 Limited		1,678,463	1,383,264
Investment in Perrigo Ireland 7 Limited		36,982	35,847
Investment in Perrigo Ireland 3 Limited		880	—
Investment in Perrigo Ireland 8 Limited		5	—
		19,113,713	18,816,414
Current Assets			
Cash at bank and in hand		70,892	148,985
Prepaid insurance and other assets		3,150	3,568
Debtors (amounts falling due within one year)	4	7,256,009	7,410,078
		7,330,051	7,562,631
Creditors (amounts falling due within one year)	5	(4,073,738)	(2,833,056)
Net Current Assets		3,256,313	4,729,575
Creditors (amounts falling due greater than one year)			
Senior notes and term loans	6	(1,780,764)	(2,277,289)
Net Assets		20,589,262	21,268,700
Capital and Reserves			
Called up share capital	7	196	199
Share premium	8	5,409,070	5,404,216
Other reserves	8	78,869	64,449
Profit and loss account	8	15,101,127	15,799,836
Shareholders' funds		20,589,262	21,268,700

The Company Financial Statements were approved by the Audit Committee of the Board of Directors and the Board of Directors on March 11, 2016, and signed on its behalf by;

Joseph C. Papa
Chairman of the Board of Directors

Laurie Brlas
Director, Audit Committee Chair

COMPANY STATEMENT OF SHAREHOLDERS' EQUITY

(in thousands of U.S dollars, except per share amounts)

	Called up share capital		Share Premium	Other Reserves	Profit and Loss Account	Total
	Shares	Amount				
At June 28, 2014	133,804,274	184	14,491,638	40,330	5,356,010	19,888,162
Issued 6,809,210 ordinary shares of EUR 0.001 as part of equity offering on November 26, 2014	6,809,210	9	1,034,991	—	—	1,035,000
Issued 5,397,711 ordinary shares of EUR 0.001 to Perrigo Ireland 1 Limited on March 30, 2015	5,397,711	6	904,866	—	—	904,872
Issued shares under stock compensation plans	265,924	—	8,425	—	—	8,425
Costs for issuance of ordinary shares	—	—	(35,704)	—	—	(35,704)
Profit and loss for the period	—	—	—	—	(491,360)	(491,360)
Dividends	—	—	—	—	(64,814)	(64,814)
Share based payment (see note 9)	—	—	—	31,756	—	31,756
Share withheld for payment of employee's withholding tax liability	—	—	—	(7,637)	—	(7,637)
Transfer to profit and loss account	—	—	(11,000,000)	—	11,000,000	—
At June 27, 2015	146,277,119	199	5,404,216	64,449	15,799,836	21,268,700
Issued shares under stock compensation plans	165,344	—	4,854	—	—	4,854
Repurchase of ordinary shares[(1)]	(3,298,475)	(3)	—		(499,996)	(499,999)
Share based payment (see note 9)	—	—	—	24,864	—	24,864
Shares withheld for payment of employee's withholding tax liabilities	—	—	—	(10,444)	—	(10,444)
Transfer to profit and loss account	—	—	—	—	(162,454)	(162,454)
Dividends	—	—	—	—	(36,259)	(36,259)
At December 31, 2015	143,143,988	196	5,409,070	78,869	15,101,127	20,589,262

[(1)] A capital redemption reserve fund has been created in respect of the nominal value of shares repurchased.

NOTES TO THE COMPANY BALANCE SHEET

Amounts are in thousands of USD unless otherwise indicated.

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. These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective for financial years commencing January 1, 2015, have also been applied. The Company transitioned from previously extant Generally Accepted Accounting Practice in the Republic of Ireland ("Irish GAAP") to FRS 102 as on June 29, 2014. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in Note 12.

Under FRS 102, a "qualifying entity" may take advantage of certain disclosure exemptions. A qualifying entity is a member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation. The Company falls to be classified as a qualifying entity under this guidance and has taken advantage of the following disclosure exemptions:

- The requirements of Section 7, Statement of Cash Flows, and Section 3, Financial Statement Presentation, paragraph 3.17(d).

- The requirements of Section 11 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available) with regards to financial instruments, as disclosures equivalent to those required by FRS 102 are included in the consolidated financial statements of the group.

- The requirements of Section 26, Share-based Payment, paragraphs 26.18(b), 26.19 to 26.21 and 26.23, as the Company is the ultimate parent, and the share-based payment arrangement concerns its own equity instruments and its separate financial statements are presented alongside the consolidated financial statements of the group, and equivalent disclosures required by FRS 102 are included in the consolidated financial statements of the group.

- The requirement of Section 33, Related Party Disclosures, paragraph 33.7 regarding key management personnel compensation, except for directors' remuneration which is disclosed in Note 25 to the consolidated financial statements.

b. Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgment has the most significant effect on amounts recognized in the financial statements.

Impairment of investments in group undertakings

Where there are indicators of impairment of investment's in group undertakings, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from

the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

c. 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.

d. 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 FRS102, 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.

e. 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.

f. 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 six months ended December 31, 2015 was USD 162,454 thousand (June 27, 2015: USD 491,360 thousand).

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") renamed Perrigo Corporation Limited in the current period. As of December 31, 2015, it owns 100% of the outstanding ordinary shares in Perrigo Corporation, Habsont, Clepe Ltd., Perrigo Ireland Management Limited, Elan Europa Finance S.a.r.l., Perrigo Ireland Holding Company B.V., Perrigo Ireland 1 Limited, Perrigo Ireland 3 Limited, Perrigo Ireland 7 Limited, and Perrigo Ireland 8 Limited (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.

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")	Perrigo Ireland 3 Limited ("PI3")	Perrigo Ireland 8 Limited ("PI8")
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
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**	**—**	**—**
Capital contributions on October 31, 2015 to PIM	—	—	—	30	—	—	—	—	—	—
Capital contribution on November 28, 2015 to PI4	—	—	—	—	50	—	—	—	—	—
Capital contributions on October 24, 2015, December 5, 2015, and December 12 to PI1	—	—	—	—	—	—	295,199	—	—	—
Capital contributions on August 8, 2015, September 19, 2015, and December 26, 2015 to PI7	—	—	—	—	—	—	—	1,135	—	—
Capital contributions on August 8, 2015, October 3, 2015, and November 7, 2015 to PI3	—	—	—	—	—	—	—	—	880	—
Capital contributions on September 26, 2015 to PI7	—	—	—	—	—	—	—	—	—	5
At December 31, 2015 - at cost	**7,878,022**	**9,488,657**	**27,686**	**179**	**85**	**2,754**	**1,678,463**	**36,982**	**880**	**5**

In the opinion of the Directors, the total value of financial fixed assets held on December 31, 2015 and June 27, 2015 of USD 19,113,713 thousand and USD 18,816,414 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.

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 Limited

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.

Clepe Limited

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 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.

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.

On October 31, 2015 the Company made a capital contribution of USD 30 thousand 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 February 11, 2015, the Company made a capital contribution of USD 30 thousand to Perrigo Ireland Holding Company B.V.

On November 28, 2015, the Company made a capital contribution of USD 50 thousand to Perrigo Ireland Holding Company B.V.

On November 28, 2015, the Company made a capital contribution of USD 50 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.

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.

On October 24, 2015, December 5, 2015, and December 12, 2015, the Company made capital contributions of USD 26,900 thousand, USD 52,100 thousand, and USD 216,199 thousand to Perrigo Ireland 1 Limited, respectively.

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 broadened our presence, product portfolio, and customer network and has solidified our store brand leadership position in Mexico.

On August 8, 2015, September 19, 2015, and December 26, 2015, the Company made capital contributions of USD 5 thousand, USD 60 thousand, and USD 1,070 thousand to Perrigo Company Ireland 7 Limited, respectively.

Perrigo Ireland 3 Limited

On August 8, 2015, October 3, 2015 and November 7, 2015 the Company made a capital contribution of USD 5 thousand, USD 250 thousand and USD 625 thousand respectively to Perrigo Ireland 3 Limited.

Perrigo Ireland 8 Limited

On September 26, 2015 the Company made a capital contribution of USD 5 thousand to Perrigo Ireland 8 Limited.

4. DEBTORS (amounts falling due within one year)

(in thousands of U.S. dollars)

	Balance receivable by Perrigo Company Plc	
	December 31, 2015	June 27, 2015
	USD	USD
Amounts due from subsidiary undertakings	40,009	51,471
Note receivable due from Perrigo Ireland Management Limited	7,216,000	7,258,000
Note receivable due from Omega Pharma Capital N.V.	—	100,607
Debtors	**7,256,009**	**7,410,078**

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 7,216 million (June 27, 2015: USD 7,258 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 Company 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 Company has entered into a loan agreement with Omega Pharma Capital N.V. Under the terms of the loan agreement, the Company has committed to providing a loan facility to Omega Pharma Capital N.V up

to a maximum amount of USD 300 million and is repayable on demand. Any drawdowns are subject to interest at a rate of 1 month Euribor plus 130 basis points and the facility matures on March 30, 2020. There are no drawdowns on the loan facility at the balance sheet date.

5. CREDITORS (amounts falling due within one year)

(in thousands of U.S. dollars)

	December 31, 2015	June 27, 2015
	USD	USD
Trade payables[1]	7,598	7,654
Accruals[1]	42,504	24,379
Amounts due to subsidiary undertakings[1]	1,532	1,339
Non-interest bearing note payable to Elan Pharma International Limited	1,434,000	1,633,000
Non-interest bearing note payable to Elan International Services	403,500	399,400
Non-interest bearing note payable to Perrigo Science Eight Limited	1,025,236	758,236
Interest bearing note payable to Perrigo Finance Unlimited Company	650,825	—
Accrued interest	9,629	9,048
Current portion of senior notes	498,914	—
Total Creditors (amounts falling due within one year)	**4,073,738**	**2,833,056**

(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 December 31, 2015 was USD 1,434.0 million (June 27, 2015: USD 1,633.0 million).

On February 14, 2014, the Company entered into a USD 2,000.00 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 December 31, 2015 was USD 403.5 million (June 27, 2015: USD 399.4 million).

On March 3, 2014, the Company entered into a USD 2,000 million loan agreement with Elan Science Eight Limited. The loan does not incur interest, and is repayable on demand. The loan may not be transferred, assigned, or converted into other types of securities, and is subordinate to all other third party debts of the Company. The loan amount outstanding as of December 31, 2015 was USD 1,025.2 million (June 27, 2015: USD 758.2 million).

On 11 November 2015, the Company entered into a USD 1,000 million loan agreement for a period of five years with Perrigo Finance Unlimited Company. The loan incurs interest on a monthly basis at a rate equal to 1 month USD Libor plus a margin of 130 basis points (1.3%) 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 December 31, 2015 was USD 650.8 million.

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

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	2,277,289	9,048
At June 27, 2015	**2,277,289**	**9,048**
Due within one year (see note 5)	—	9,048
Due greater than one year	2,277,289	—
At June 27, 2015	**2,277,289**	**9,048**
Senior Notes	1,782,747	9,629
Deferred financing fees - Revolver	(1,983)	—
At December 31, 2015	**1,780,764**	**9,629**
Due within one year	—	9,629
Due greater than one year	1,780,764	—
At December 31, 2015	**1,780,764**	**9,629**

Senior Notes

On November 8, 2013, Perrigo Company issued $500.0 million aggregate principal amount of its 1.30% senior notes due 2016 (the "1.30% 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 1.30% 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.

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 June 28, 2014	2,300,000	(5,970)	(17,199)	2,276,831
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**
Reclassified to short-term	(500,000)	151	935	(498,914)
Amortised during period	—	327	2,062	2,389
At December 31, 2015	**1,800,000**	**(4,852)**	**(14,384)**	**1,780,764**

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 of December 31, 2015, the following amounts were outstanding under the Term Loan Credit Agreement:

Date	Principal repayable	Capitalised financing fees	Total
At June 28, 2014	930,000	(6,461)	923,539
Repayments and write-offs during periods	(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 December 31, 2015	As at June 27, 2015
	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
143,143,988 and 146,277,119 ordinary shares of par value EUR 0.001 for December 31, 2015 and June 27, 2015, respectively	**196**	**199**

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 Shares

There were 10,000,000,000 of ordinary shares with par value of EUR 0.001 each authorised at December 31, 2015 and June 27, 2015. There were 10,000,000 of Preferred shares with a par value of USD 0.0001 each authorised at December 31, 2015 and June 27, 2015.

Share Repurchases

In October 2015, the Board of Directors approved a share repurchase plan of up to $2.0 billion. During the six months ended December 31, 2015, we repurchased 3.3 million ordinary shares at an average repurchase price of $151.59 per share, for a total of $500.0 million.

8. CAPITAL AND RESERVES

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.

9. SHARE BASED PAYMENTS

Share based payment expense of USD 24,864 thousand and USD 31,756 thousand has been included in due from subsidiaries for the periods ended December 31, 2015 and June 27, 2015, respectively. See note 16 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 1,131 thousand and USD 1,227 thousand of Directors' fees for the periods ended December 31, 2015 and June 27, 2015, respectively.

The Company has not disclosed any other related party transactions as it has availed of the exemption available under FRS 102, 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

Fees paid to Ernst & Young Ireland with respect to the audit of the Company individual accounts were as follows (in thousands):

	December 31, 2015	June 27, 2015
Audit fees	$ 57	$ 64
Other assurance services	137	148
Total	$ 194	$ 212

Note 26 to the Consolidated Financial Statements provides additional information regarding auditor remuneration.

12. EXPLANATION OF TRANSITION TO FRS 102 FROM IRISH GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102. The accounting policies set out in note 1 have been applied in preparing the financial statements for the 6 month period ended December 31, 2015 and the comparative information presented in these financial statements for the year ended June 27, 2015. In preparing its FRS 102 balance sheet, the Company has not adjusted amounts reported previously in financial statements prepared in accordance with Irish GAAP as no material adjustments were noted upon transition. The Company has elected to treat the carrying amount of investments in subsidiaries under previous Irish GAAP at the date of the transition as deemed cost on transition to FRS 102.

13. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue on March 11, 2016.