



## Endo completes acquisition of DAVA Pharmaceuticals

August 6, 2014

DUBLIN, Aug. 6, 2014 /PRNewswire/ --

- **Adds high-margin marketed generics portfolio, robust near-term ANDA pipeline to Endo's existing generics portfolio**
- **Ability to leverage Endo's proven commercial expertise to maximize profitable growth**
- **Company raises expected 2014 revenues to a range from \$2.78 billion to \$2.86 billion, an increase versus prior range of \$2.72 billion to \$2.80 billion.**
- **Company raises expected 2014 adjusted diluted EPS to a range from \$4.00 to \$4.20, an increase versus prior range of \$3.80 to \$4.00.**
- **Company expects 2014 reported diluted (GAAP) loss per share to be in the range from \$1.56 to \$1.36.**

Endo International plc (NASDAQ: ENDP) (TSX: ENL) today announced that it has completed the acquisition of DAVA Pharmaceuticals, Inc., a privately-held company specializing in generic pharmaceuticals, with a portfolio of marketed, pre-launch and pipeline products, for \$575 million in cash, with additional cash consideration of up to \$25 million contingent on the achievement of certain sales milestones. The DAVA portfolio is well-positioned for continued strong financial performance with its existing commercial products and attractive near-term pipeline, and is a natural fit with Endo's U.S. generics business.

"We are encouraged by the earlier than expected close of the DAVA acquisition and are excited by the addition of the business to our generics portfolio," said Rajiv De Silva, president and chief executive officer of Endo. "The closing of DAVA further strengthens Endo's generics platform and enhances our earnings growth and cash flow in 2014 and beyond."

### 2014 Financial Guidance

Endo's estimates are based on projected results for the twelve months ended Dec. 31, 2014 and management's current belief about prescription and procedure trends, pricing levels, inventory levels and the anticipated timing of future product launches and events. The company's guidance for reported (GAAP) earnings per share does not include any estimates for potential new corporate development transactions. For the full twelve months ended Dec. 31, 2014, at current exchange rates, Endo estimates:

- Total revenue to be between \$2.78 billion and \$2.86 billion
- Reported (GAAP) diluted loss per share to be between \$1.56 and \$1.36
- Adjusted diluted earnings per share to be between \$4.00 and \$4.20
- Adjusted diluted earnings per share assume full year adjusted diluted shares outstanding of 157 million

The company's 2014 guidance is based on certain assumptions including:

- Adjusted gross margin of between 63 percent and 65 percent
- Year-over-year mid-to-high single-digit percentage decrease of Adjusted Operating Expenses
- Adjusted interest expense of approximately \$220 million
- Adjusted effective tax rate of between 23 percent and 24 percent

Non-GAAP Adjusted net income and its components and Non-GAAP Adjusted diluted EPS are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components and diluted EPS. Despite the importance of these measures to management in goal setting and performance measurement, we stress that these are Non-GAAP financial measures that have no standardized meaning prescribed by U.S. GAAP and, therefore, have limits in their usefulness to investors. Because of the non-standardized definitions, Non-GAAP Adjusted net income and its components (unlike U.S. GAAP net income and its components) may not be comparable to the calculation of similar measures of other companies. These Non-GAAP financial measures are presented solely to permit investors to more fully understand how management assesses performance. See Endo's Current Report on Form 8-K filed today with the Securities and Exchange Commission for an explanation of Endo's reasons for using non-GAAP measures.

### Reconciliation of Projected GAAP Diluted Earnings per Share to Adjusted Diluted Earnings Per Share Guidance for 2014

Year Ending

	<b>December 31,</b>	
	<b>2014</b>	
<b>Projected GAAP diluted income per common share</b>	<b>\$ (1.56) To \$ (1.36)</b>	
Upfront and milestone-related payments to partners	0.17	0.17
Amortization of commercial intangible assets and fair value inventory step-up	1.70	1.70
Acquisition related, integration and restructuring charges	1.15	1.15
Basic to Diluted weighted average share count effect	0.08	0.08
Charges for litigation and other legal matters	4.53	4.53
Interest expense adjustment for non-cash interest related to our 1.75% Convertible Senior Subordinated Notes and other treasury related items	0.09	0.09
Tax effect of pre-tax adjustments at the applicable tax rates and certain other expected cash tax savings as a result of acquisitions	(2.16)	(2.16)
<b>Diluted adjusted income per common share guidance</b>	<b>\$ 4.00 To \$ 4.20</b>	

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

- Certain of the above amounts are based on estimates and there can be no assurance that Endo will achieve these results.
- Includes all completed business development transactions as of August 6, 2014.

#### **About Endo:**

Endo International plc is a global specialty healthcare company focused on improving patients' lives while creating shareholder value. Endo develops, manufactures, markets, and distributes quality branded pharmaceutical, generic and device products through its operating companies. Endo has global headquarters in Dublin, Ireland, and U.S. headquarters in Malvern, PA. Learn more at [www.endo.com](http://www.endo.com).

#### **Cautionary Note Regarding Forward-Looking Statements**

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

SOURCE Endo International plc

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