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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2014

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
FOR THE TRANSITION PERIOD FROM TO

Commission file number: 001-36326

ENDO INTERNATIONAL PLC
(Exact Name of Registrant as Specified in Its Charter)

Ireland	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
Minerva House, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland	**Not Applicable**
(Address of Principal Executive Offices)	(Zip Code)

011-353-1-268-2000
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Ordinary shares, nominal value $0.0001 per share	**The NASDAQ Global Market, The Toronto Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check whether the registrant: (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o (Do not check if a smaller reporting company)	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES o NO x

Indicate the number of shares outstanding of each of the issuer's classes of ordinary shares, as of the latest practical date.

Ordinary shares, $0.0001 par value	Number of ordinary shares outstanding as of	November 3, 2014 : 153,713,243

ENDO INTERNATIONAL PLC

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FORWARD-LOOKING STATEMENTS

Statements contained or incorporated by reference in this document contain information that includes or is based on "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements, including estimates of future revenues, future expenses, future net income and future net income per share, contained in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is included in this document, are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed results of operations. We have tried, whenever possible, to identify such statements by words such as "believes," "expects," "anticipates," "intends," "estimates," "plan," "projected," "forecast," "will," "may" or similar expressions. We have based these forward-looking statements on our current expectations and projections about the growth of our business, our financial performance and the development of our industry. Because these statements reflect our current views concerning future events, these forward-looking statements involve risks and uncertainties. Investors should note that many factors, as more fully described under the caption "Risk Factors" in Item 1A. of this document and in Part I, Item 1A. under the caption "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2013, supplement, and as otherwise enumerated herein, could affect our future financial results and could cause our actual results to differ materially from those expressed in forward-looking statements contained or incorporated by reference in this document.

We do not undertake any obligation to update our forward-looking statements after the date of this document for any reason, even if new information becomes available or other events occur in the future, except as may be required under applicable securities law. You are advised to consult any further disclosures we make on related subjects in our reports filed with the Securities and Exchange Commission (SEC) and with securities regulators in Canada on the System for Electronic Document Analysis and Retrieval (SEDAR). Also note that, in Item 1A. of this document and in Part I, Item 1A. under the caption "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2013, we provide a cautionary discussion of the risks, uncertainties and possibly inaccurate assumptions relevant to our business. These are factors that, individually or in the aggregate, we think could cause our actual results to differ materially from expected and historical results. We note these factors for investors as permitted by Section 27A of the Securities Act and Section 21E of the Exchange Act. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider this to be a complete discussion of all potential risks or uncertainties.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ENDO INTERNATIONAL PLC
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands, except share and per share data)

	September 30, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 708,529	$ 526,597
Restricted cash and cash equivalents	215,157	770,000
Marketable securities	5,336	—
Accounts receivable	1,039,835	725,827
Inventories, net	503,611	374,439
Prepaid expenses and other current assets	36,938	39,402
Income taxes receivable	51,594	—
Deferred income taxes	420,503	257,985
Assets held for sale (NOTE 3)	—	160,257
Total current assets	$ 2,981,503	$ 2,854,507
MARKETABLE SECURITIES	2,584	2,979
PROPERTY, PLANT AND EQUIPMENT, NET	413,886	372,077
GOODWILL	3,804,959	1,372,832
OTHER INTANGIBLES, NET	3,133,963	1,872,926
DEFERRED INCOME TAXES	752	—
OTHER ASSETS	251,902	96,535
TOTAL ASSETS	$ 10,589,549	$ 6,571,856
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 273,909	$ 263,241
Accrued expenses	1,836,594	983,842
Current portion of long-term debt	153,229	414,929
Income taxes payable	—	3,089
Deferred income taxes	1,024	—
Liabilities related to assets held for sale (NOTE 3)	—	31,571
Total current liabilities	$ 2,264,756	$ 1,696,672
DEFERRED INCOME TAXES	488,682	310,764
LONG-TERM DEBT, LESS CURRENT PORTION, NET	4,219,309	3,323,844
OTHER LIABILITIES	1,086,610	655,360
COMMITMENTS AND CONTINGENCIES (NOTE 12)		
SHAREHOLDERS' EQUITY:		
Euro deferred shares, $0.01 par value; 4,000,000 shares authorized; 4,000,000 issued	51	—
Ordinary shares, $0.0001 and $0.01 par value; 1,000,000,000 and 350,000,000 shares authorized; 153,669,377 and 144,413,074 shares issued; 153,669,377 and 115,354,393 shares outstanding at September 30, 2014 and December 31, 2013, respectively	15	1,444
Additional paid-in capital	3,076,343	1,166,375
(Accumulated deficit) retained earnings	(541,602)	126,234
Accumulated other comprehensive loss	(44,086)	(4,915)
Treasury stock, zero and 29,058,681 shares at September 30, 2014 and December 31, 2013, respectively	—	(763,120)
Total Endo International plc shareholders' equity	$ 2,490,721	$ 526,018
Noncontrolling interests	39,471	59,198
Total shareholders' equity	$ 2,530,192	$ 585,216
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 10,589,549	$ 6,571,856

See Notes to Condensed Consolidated Financial Statements.

ENDO INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
REVENUES:				
Net pharmaceutical product sales	$ 652,026	$ 519,843	$ 1,660,878	$ 1,639,890
Devices revenues	109,822	111,244	359,425	359,867
Other revenues	2,090	30,232	56,928	32,204
TOTAL REVENUES	$ 763,938	$ 661,319	$ 2,077,231	$ 2,031,961
COSTS AND EXPENSES:				
Cost of revenues	379,199	257,836	976,899	785,630
Selling, general and administrative	205,260	191,362	603,573	662,896
Research and development	30,918	36,687	113,772	108,849
Litigation-related and other contingencies, net	473,338	30,895	1,135,443	159,098
Asset impairment charges	—	807	—	4,756
Acquisition-related and integration items	6,932	1,493	71,819	3,876
OPERATING (LOSS) INCOME FROM CONTINUING OPERATIONS	$ (331,709)	$ 142,239	$ (824,275)	$ 306,856
INTEREST EXPENSE, NET	61,949	43,081	167,528	129,691
LOSS ON EXTINGUISHMENT OF DEBT	2,027	—	31,712	11,312
OTHER INCOME, NET	(4,871)	(14,672)	(17,731)	(49,641)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	$ (390,814)	$ 113,830	$ (1,005,784)	$ 215,494
INCOME TAX	(138,765)	44,655	(338,592)	82,917
(LOSS) INCOME FROM CONTINUING OPERATIONS	(252,049)	69,175	(667,192)	132,577
DISCONTINUED OPERATIONS, NET OF TAX (NOTE 3)	—	(14,560)	2,251	(3,248)
CONSOLIDATED NET (LOSS) INCOME	$ (252,049)	$ 54,615	$ (664,941)	$ 129,329
Less: Net income attributable to noncontrolling interests	35	14,392	2,895	38,758
NET (LOSS) INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	$ (252,084)	$ 40,223	$ (667,836)	$ 90,571
NET (LOSS) INCOME PER SHARE ATTRIBUTABLE TO ENDO INTERNATIONAL PLC ORDINARY SHAREHOLDERS—BASIC:				
Continuing operations	$ (1.64)	$ 0.61	$ (4.61)	$ 1.18
Discontinued operations	$ —	$ (0.26)	$ (0.01)	$ (0.38)
Basic	$ (1.64)	$ 0.35	$ (4.62)	$ 0.80
NET (LOSS) INCOME PER SHARE ATTRIBUTABLE TO ENDO INTERNATIONAL PLC ORDINARY SHAREHOLDERS—DILUTED:				
Continuing operations	$ (1.64)	$ 0.58	$ (4.61)	$ 1.13
Discontinued operations	$ —	$ (0.25)	$ (0.01)	$ (0.36)
Diluted	$ (1.64)	$ 0.33	$ (4.62)	$ 0.77
WEIGHTED AVERAGE SHARES:				
Basic	153,309	114,327	144,604	112,691
Diluted	153,309	120,261	144,604	116,890

See Notes to Condensed Consolidated Financial Statements.

ENDO INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (UNAUDITED)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
CONSOLIDATED NET (LOSS) INCOME	$ (252,049)	$ 54,615	$ (664,941)	$ 129,329
OTHER COMPREHENSIVE (LOSS) INCOME, NET OF TAX:				
Net unrealized (loss) gain on securities:				
Unrealized (losses) gains arising during the period	$ (2,136)	$ 261	$ (442)	$ 431
Less: reclassification adjustments for losses realized in net (loss) income	14	—	14	—
Net unrealized (loss) gain on securities	(2,122)	261	(428)	431
Foreign currency translation (loss) gain	(87,850)	2,996	(38,380)	27
Fair value adjustment on derivatives designated as cash flow hedges:				
Fair value adjustment on derivatives designated as cash flow hedges arising during the period	—	(234)	—	299
Less: reclassification adjustments for cash flow hedges settled and included in net (loss) income	—	(89)	—	106
Fair value adjustment on derivatives designated as cash flow hedges	—	(323)	—	405
OTHER COMPREHENSIVE (LOSS) INCOME	$ (89,972)	$ 2,934	$ (38,808)	$ 863
CONSOLIDATED COMPREHENSIVE (LOSS) INCOME	$ (342,021)	$ 57,549	$ (703,749)	$ 130,192
Less: Net income attributable to noncontrolling interests	35	14,392	2,895	38,758
Less: Other comprehensive income attributable to noncontrolling interests	2,305	—	363	—
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	$ (344,361)	$ 43,157	$ (707,007)	$ 91,434

See Notes to Condensed Consolidated Financial Statements.

ENDO INTERNATIONAL PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Nine Months Ended September 30,	
	2014	**2013**
OPERATING ACTIVITIES:		
Consolidated net (loss) income	$ (664,941)	$ 129,329
Adjustments to reconcile consolidated net (loss) income to Net cash provided by operating activities:		
Depreciation and amortization	233,012	196,422
Share-based compensation	23,150	31,258
Amortization of debt issuance costs and premium / discount	23,670	27,336
Provision for bad debts	1,713	2,208
Deferred income taxes	(343,815)	8,191
Net loss on disposal of property, plant and equipment	1,091	2,272
Loss on extinguishment of debt	31,712	11,312
Asset impairment charges	—	46,994
Gain on sale of business and other assets	(2,868)	(2,665)
Changes in assets and liabilities which (used) provided cash:		
Accounts receivable	(143,857)	9,749
Inventories	84,156	(59,690)
Prepaid and other assets	29,656	(1,939)
Accounts payable	(132,052)	(140,763)
Accrued expenses	770,653	(173,890)
Other liabilities	397,227	174,116
Income taxes payable/receivable	(76,303)	12,232
Net cash provided by operating activities	$ 232,204	$ 272,472
INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(57,300)	(54,349)
Proceeds from sale of property, plant and equipment	174	1,553
Acquisitions, net of cash acquired	(1,052,599)	(3,645)
Proceeds from sale of marketable securities	85,105	—
Proceeds from notes receivable, net	24,216	—
Patent acquisition costs and license fees	(5,000)	(10,000)
Proceeds from sale of business, net	54,521	(700)
Proceeds from / (payments to) settlement escrow	11,518	(54,500)
Increase in restricted cash and cash equivalents	(215,267)	—
Decrease in restricted cash and cash equivalents	770,000	—
Other investing activities	5,789	(5,348)
Net cash used in investing activities	$ (378,843)	$ (126,989)

	Nine Months Ended September 30,	
	2014	2013
FINANCING ACTIVITIES:		
Proceeds from issuance of 2023 Notes	750,000	—
Proceeds from issuance of term loans	1,525,000	—
Principal payments on term loans	(1,418,769)	(134,688)
Principal payments on other indebtedness, net	(2,407)	(1,906)
Repurchase of convertible senior subordinated notes due 2015	(587,803)	—
Payments to settle common stock warrants	(284,454)	—
Proceeds from the settlement of the hedge on convertible senior subordinated notes due 2015	356,265	—
Deferred financing fees	(59,899)	(8,129)
Payment for contingent consideration	—	(5,000)
Tax benefits of share awards	30,126	8,415
Payments of tax withholding for restricted shares	(23,920)	(8,284)
Exercise of options	36,124	83,743
Payments related to the issuance of ordinary shares	(4,800)	—
Issuance of ordinary shares related to the employee stock purchase plan	3,468	4,117
Cash distributions to noncontrolling interests	(6,144)	(36,709)
Cash buy-out of noncontrolling interests, net of cash contributions	(82)	(2,032)
Net cash provided by (used in) financing activities	$ 312,705	$ (100,473)
Effect of foreign exchange rate	(1,547)	1,159
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 164,519	$ 46,169
LESS: NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS OF DISCONTINUED OPERATIONS	(17,413)	530
NET INCREASE IN CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS	$ 181,932	$ 45,639
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	526,597	529,689
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 708,529	$ 575,328
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Purchases of property, plant and equipment financed by capital leases	$ 578	$ 461
Accrual for purchases of property, plant and equipment	$ 5,985	$ 3,946
Acquisition financed by ordinary shares	$ 2,844,279	$ —
Repurchase of convertible senior subordinated notes due 2015 financed by ordinary shares	$ 55,229	$ —

See Notes to Condensed Consolidated Financial Statements.

ENDO INTERNATIONAL PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited Condensed Consolidated Financial Statements of Endo International plc, which we refer to herein as the "Company", "Endo", "we", "our" or "us", have been prepared in accordance with United States (U.S.) generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the accompanying Condensed Consolidated Financial Statements of Endo and its subsidiaries, which are unaudited, include all normal and recurring adjustments considered necessary to present fairly the Company's financial position as of September 30, 2014 and the results of our operations and our cash flows for the periods presented. Operating results for the three and nine months ended September 30, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. The year-end Condensed Consolidated Balance Sheet data as of December 31, 2013 was derived from the audited financial statements.

In prior periods, our consolidated financial statements present the accounts of Endo Health Solutions Inc. and all of its subsidiaries (EHSI). Endo International plc was incorporated in Ireland on October 31, 2013 as a private limited company and re-registered effective February 18, 2014 as a public limited company. It was established for the purpose of facilitating the business combination between EHSI and Paladin Labs Inc. (Paladin). On February 28, 2014, we became the successor registrant of EHSI and Paladin in connection with the consummation of certain transactions further described elsewhere in our Condensed Consolidated Financial Statements. In addition, on February 28, 2014, the shares of Endo International plc began trading on the NASDAQ under the symbol "ENDP," the same symbol under which EHSI's shares previously traded, and on the Toronto Stock Exchange under the symbol "ENL". References throughout to "ordinary shares" refer to EHSI's common shares, 350,000,000 authorized, par value $0.01 per share, prior to the consummation of the transactions and to Endo International plc's ordinary shares, 1,000,000,000 authorized, par value $0.0001 per share, subsequent to the consummation of the transactions. In addition, on February 11, 2014 the Company issued 4,000,000 euro deferred shares of $0.01 each at par.

References throughout to "we," "our," "us," the "Company" or "Endo" refer to financial information and transactions of Endo Health Solutions Inc. prior to February 28, 2014 and Endo International plc thereafter.

The information included in this Quarterly Report on Form 10-Q should be read in conjunction with our Consolidated Financial Statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2013.

NOTE 2. RECENT ACCOUNTING PRONOUNCEMENTS

In April 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-08, *"Reporting Discontinued Operations and Disclosures of Disposals of an Entity"* (ASU 2014-08). ASU 2014-08 changes the requirements for reporting discontinued operations by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity's operations and financial results. The disclosure requirements for discontinued operations under ASU 2014-08 will be expanded in order to provide users of financial statements with more information about the assets, liabilities, revenues and expenses of discontinued operations. ASU 2014-08 is effective on a prospective basis for (1) all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years, and (2) all businesses that are classified as held for sale on acquisition that occur within annual periods beginning on or after December 15, 2014 and interim periods within those years. The Company is currently evaluating the impact of this standard on the Company's consolidated results of operations and financial position.

In May 2014, the FASB issued ASU No. 2014-09, *"Revenue from Contracts with Customers"* (ASU 2014-09). ASU 2014-09 represents a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to receive in exchange for those goods or services. This ASU sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed. This ASU is effective for annual reporting periods beginning after December 15, 2016 and interim reporting periods within that reporting period. Early adoption is not permitted. Accordingly, the Company will adopt this ASU on January 1, 2017. Companies may use either a full retrospective or a modified retrospective approach to adopt this ASU. The Company is currently evaluating the impact of ASU 2014-09 on the Company's consolidated results of operations and financial position.

In August 2014, the FASB issued ASU No. 2014-15, *"Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern"* (ASU 2014-15). This ASU states that in connection with preparing financial statements for each annual and interim reporting period, an entity's management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued. This ASU is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company plans to adopt ASU 2014-15 in conjunction with the December 31, 2016 financial statements and will comply with the disclosure requirements of the standard in the Form 10-K for the period ended December 31, 2016.

NOTE 3. DISCONTINUED OPERATIONS

On December 28, 2013, the Board approved a plan to sell the HealthTronics business and the Company entered into a definitive agreement to sell the business on January 9, 2014 to Altaris Capital Partners LLC for an upfront cash payment of $85.0 million, subject to cash and other working capital adjustments. In addition, EHSI received rights to additional cash payments of up to $45.0 million based on the future operating performance of HealthTronics, of which no value has been recognized in the accompanying Condensed Consolidated financial statements, for total potential consideration of up to $130.0 million. Additional cash payments, if any, will be recorded when earned. The sale was completed on February 3, 2014.

As previously disclosed, prior to the sale, at September 30, 2013, the Company had determined that a sale of the HealthTronics business was more-likely-than-not to occur over the next twelve months. Accordingly, the Company initiated an interim goodwill impairment analysis of the HealthTronics reporting units' goodwill balances as of September 30, 2013. The fair value of the Urology Services and HITS reporting units were estimated using a number of factors including the fair value implied by the then ongoing sales process and previously prepared discounted cash flow analyses. As a result of this analysis, the Company determined that the net book value of both our Urology Services reporting unit and our HITS reporting unit exceeded their estimated fair value. The Company prepared a preliminary analysis to estimate the amount of an impairment charge as of September 30, 2013, and determined that an impairment was probable and reasonably estimable. The preliminary fair value assessments were performed by the Company taking into consideration a number of factors including the preliminary results of a hypothetical purchase price allocation. As a result of the preliminary analysis, the Company recorded a combined estimated goodwill impairment charge of $38.0 million in the Condensed Consolidated Statements of Operations during the three months ended September 30, 2013, representing the difference between the estimated implied fair value of the HealthTronics reporting units' goodwill and their respective net book values. The Company finalized the impairment analysis in the fourth quarter of 2013 when it recorded charges of $118.9 million to write down the book value of the reporting units' assets to fair value less costs to sell. Subsequently, during the nine months ended September 30, 2014, the Company has recorded a net loss of approximately $1.1 million, representing the carrying amount of the assets sold less the amount of the net proceeds received.

Until it was sold on February 3, 2014, the assets of this business segment, previously known as the HealthTronics segment, and related liabilities were classified as held for sale in the Condensed Consolidated Balance Sheet. Depreciation and amortization expense were not recorded on assets held for sale. The operating results of this business segment are reported as Discontinued operations, net of tax in the Condensed Consolidated Statements of Operations for all periods presented. Financial results are only related to disposed of or to-be-disposed of businesses.

The following table provides the operating results of Discontinued operations, net of tax for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue	$ —	$ 53,635	$ 14,442	$ 158,021
Income (loss) from discontinued operations before income taxes	$ —	$ (22,412)	$ 1,721	$ (13,386)
Income taxes	—	(7,852)	(530)	(10,138)
Discontinued operations, net of tax	$ —	$ (14,560)	$ 2,251	$ (3,248)

The following table provides the components of Assets held for sale and Liabilities related to assets held for sale as of December 31, 2013 (in thousands):

	December 31, 2013
Current assets	$ 69,131
Property, plant and equipment	23,461
Goodwill and other intangibles, net	58,761
Other assets	8,904
Assets held for sale	$ 160,257
Current liabilities	$ 27,656
Long term debt, less current portion, net	3,354
Other liabilities	561
Liabilities related to assets held for sale	$ 31,571

The table above does not include noncontrolling interests related to HealthTronics of $59.2 million as of December 31, 2013.

NOTE 4. RESTRUCTURING

June 2013 Restructuring Initiative

On June 4, 2013, the Board approved certain strategic, operational and organizational steps for EHSI to take to refocus its operations and enhance shareholder value. These actions were the result of a comprehensive assessment of the Company's strengths and challenges, its cost structure and execution capabilities, and its most promising opportunities to drive future cash flow and earnings growth. The cost reduction initiatives included a reduction in headcount of approximately 15% worldwide, streamlining of general and administrative expenses, optimizing commercial spend and refocusing research and development efforts.

Under the June 2013 restructuring initiative, the Company did not incur material expenses during the three and nine months ended September 30, 2014. During the three and nine months ended September 30, 2013, the Company incurred approximately $9.9 million and $56.8 million, respectively, of restructuring expenses. During the three months ended September 30, 2013, these restructuring expenses consisted of approximately $2.2 million of employee severance and other benefit-related costs and $7.8 million of contract termination fees. During the nine months ended September 30, 2013, these restructuring expenses consisted of approximately $41.5 million of employee severance and other benefit-related costs, $2.8 million of asset impairment charges and $12.5 million of other restructuring costs, including contract termination fees, respectively. The Company does not anticipate there will be additional material pre-tax restructuring expenses related to this initiative. The majority of these restructuring costs are included in Selling, general and administrative expense in the Condensed Consolidated Statements of Operations.

The liability related to the June 2013 restructuring initiative totaled $1.6 million and $12.3 million at September 30, 2014 and December 31, 2013, respectively. This liability is included in Accrued expenses in the Condensed Consolidated Balance Sheets. The change in the liability relates primarily to cash payments made during 2014.

Other Restructuring Initiatives

During 2014 and 2013, EHSI and certain of its subsidiaries undertook certain other restructuring initiatives that were individually not material to the Company's Condensed Consolidated Financial Statements for any of the periods presented. On an aggregate basis, the Company recorded charges related to these initiatives totaling $2.4 million and $12.4 million during the three and nine months ended September 30, 2014, respectively, which primarily consisted of employee severance and other benefit-related costs. The Company recorded charges related to these initiatives totaling $3.5 million and $9.0 million during the three and nine months ended September 30, 2013, respectively, which primarily related to employee severance and other benefit-related costs, accelerated depreciation and asset impairment charges. Additionally, the Company recognized lease-exit costs of $7.8 million during the first quarter of 2013 upon the cease use dates of our Chadds Ford, Pennsylvania and Westbury, New York properties. The majority of these costs are included in Selling, general and administrative expense in the Condensed Consolidated Statements of Operations.

The liability related to these initiatives totaled $12.2 million and $16.1 million at September 30, 2014 and December 31, 2013, respectively. This liability is included in Accrued expenses in the Condensed Consolidated Balance Sheets. The change in the liability relates primarily to cash payments made during 2014, partially offset by the recognition of the expenses mentioned in the preceding paragraph.

NOTE 5. ACQUISITIONS

For each of the acquisitions described below, the estimated fair values of the net assets acquired below are provisional as of September 30, 2014 and are based on information that is currently available to the Company. Additional information is being gathered to finalize these provisional measurements. Accordingly, the measurement of the assets acquired and liabilities assumed may change upon finalization of the Company's valuations and completion of the purchase price allocations, all of which are expected to occur no later than one year from the respective acquisition dates.

Paladin Labs Inc. Acquisition

On November 5, 2013, EHSI announced that it had reached a definitive agreement to acquire Paladin in a stock and cash transaction and, on February 28, 2014 (the Paladin Acquisition Date), the transaction closed and each of EHSI and Paladin was acquired by Endo International plc, a newly-formed Irish holding company.

Under the terms of the transaction, former Paladin shareholders received 1.6331 shares of Endo International stock, or approximately 35.5 million shares, and C$1.16 in cash, for total consideration of $2.9 billion as of February 28, 2014. On the Paladin Acquisition Date, each then current EHSI shareholder received one ordinary share of Endo International plc for each share of EHSI common stock owned upon closing. Immediately following the closing of the transaction, former EHSI shareholders owned approximately 79% of Endo International plc, and former Paladin shareholders owned approximately 21%.

The acquisition consideration was as follows (in thousands of U.S. dollars, except for per share amounts):

Number of Paladin shares paid through the delivery of Endo International common stock	20,765	
Exchange ratio	1.6331	
Number of shares of Endo International common stock—as exchanged*	33,912	
Endo common stock price on February 28, 2014	$ 80.00	
Fair value of common shares of Endo International issued to Paladin Shareholders*		$ 2,712,956
Number of Paladin shares paid in cash	20,765	
Per share cash consideration for Paladin shares (1)	$ 1.09	
Cash distribution to Paladin shareholders*		22,647
Fair value of the vested portion of Paladin stock options outstanding—1.3 million at February 28, 2014 (2)		131,323
Total acquisition consideration		$ 2,866,926

* Amounts do not recalculate due to rounding.

(1) Represents the cash consideration per the arrangement agreement of C$1.16 per Paladin share translated into U.S. dollars utilizing an exchange rate of $0.9402.

(2) Represents the fair value of vested Paladin stock option awards attributed to pre-combination services that were outstanding on the Paladin Acquisition Date.

Paladin is a specialty pharmaceutical company headquartered in Montreal, Canada, focused on acquiring or in-licensing innovative pharmaceutical products for the Canadian and world markets. Paladin's key products serve growing drug markets including attention deficit hyperactivity disorder (ADHD), pain, urology and allergy. In addition to its Canadian operations, Paladin owns a controlling interest in Laboratorios Paladin de Mexico S.A. in Mexico and in publicly traded Litha Healthcare Group Limited (Litha) in South Africa.

Paladin's stable and growing cash flows and strong Canadian franchise complement Endo's existing portfolio and further diversify Endo's pharmaceutical product mix and geographic reach. The Company believes the transaction will generate operational and tax synergies and will create a financial platform to facilitate organic growth with broader options for future strategic activity.

While the Paladin acquisition was primarily equity based, Endo also made changes to its existing debt structure to complete the transaction. See Note 11. Debt.

The operating results of Paladin from and including February 28, 2014 are included in the accompanying Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2014. The Condensed Consolidated Balance Sheets as of September 30, 2014 reflect the acquisition of Paladin, effective February 28, 2014.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed at the Paladin Acquisition Date (in thousands):

	February 28, 2014 (As initially reported)	Measurement period adjustments	February 28, 2014 (As adjusted)
Cash and cash equivalents	$ 113,571	$ —	$ 113,571
Marketable securities	89,420	—	89,420
Accounts receivable	93,832	3,262	97,094
Inventories	62,095	1,198	63,293
Prepaid expenses and other current assets	32,605	—	32,605
Deferred income tax assets, current	11,719	547	12,266
Property, plant and equipment	7,299	—	7,299
Intangible assets	676,000	(25,752)	650,248
Other assets	56,289	1,270	57,559
Total identifiable assets	$ 1,142,830	$ (19,475)	$ 1,123,355
Accounts payable and accrued expenses	$ 124,321	$ 3,936	$ 128,257
Income taxes payable	22,524	934	23,458
Deferred income taxes	160,620	(29,739)	130,881
Debt	23,826	—	23,826
Other liabilities	9,578	137	9,715
Total liabilities assumed	$ 340,869	$ (24,732)	$ 316,137
Net identifiable assets acquired	$ 801,961	$ 5,257	$ 807,218
Noncontrolling interests	$ (69,600)	$ 29,000	$ (40,600)
Goodwill	2,134,565	(34,257)	2,100,308
Net assets acquired	$ 2,866,926	$ —	$ 2,866,926

During the third quarter of 2014, the Company divested its Canadian rights to Oralair, an intangible asset acquired during the Paladin acquisition, for total proceeds of approximately $4.2 million. Refer to Note 9. Goodwill and Other Intangibles for the impact of the sale on the gross intangible assets of the Company.

The estimated fair value of the Paladin assets acquired and liabilities assumed are provisional as of September 30, 2014 and are based on information that is currently available to the Company. Additional information is being gathered to finalize these provisional measurements, particularly with respect to certain acquired equity and cost method investments, property, plant and equipment, intangible assets, contingent assets and liabilities, deferred income taxes and noncontrolling interests. Accordingly, the measurement of the Paladin assets acquired and liabilities assumed may change significantly upon finalization of the Company's valuations and completion of the purchase price allocation, both of which are expected to occur no later than one year from the acquisition date.

The Company expects multiple reporting units to benefit, directly or indirectly, from the synergies arising from the Paladin acquisition and related transactions. As a result, as of September 30, 2014, the Company has provisionally assigned the goodwill arising from the Paladin acquisition to multiple reporting units across each of its reportable segments. This assignment was based on the relative incremental benefit expected to be realized by each impacted reporting unit. The Company is continuing to assess the amount of goodwill assigned to each reporting unit and the underlying allocation methodology used to assign this goodwill. Refer to Note 9. Goodwill and Other Intangibles for the preliminary allocation of Paladin-related goodwill by reportable segment.

The valuation of the intangible assets acquired and related amortization periods are as follows:

	Valuation (in millions)	Amortization Period (in years)
Developed Technology:		
Canada Base Prescription	$ 345.0	12
Canada OTC	40.0	11
Canada Other	69.2	11
Litha	60.0	12
Latin America	5.0	15
Licenses not renewed	4.5	3
Total	$ 523.7	
In Process Research & Development (IPR&D):		
Serelaxin	$ 115.0	n/a
Other	11.5	n/a
Total	$ 126.5	n/a
Total other intangible assets	$ 650.2	n/a

The preliminary fair values of the developed technology and IPR&D assets were estimated using a discounted present value income approach. Under this method, an intangible asset's fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life. To calculate fair value, the Company used cash flows discounted at rates ranging from 9.5% to 15.0%, which were considered appropriate given the inherent risks associated with each type of asset. The Company believes that the level and timing of cash flows appropriately reflect market participant assumptions. This analysis is preliminary and is subject to further adjustment as additional information becomes available.

The goodwill recognized is attributable primarily to strategic and synergistic opportunities related to existing pharmaceutical businesses, expected corporate synergies, the assembled workforce of Paladin and other factors. The goodwill is not deductible for income tax purposes.

Deferred tax assets and liabilities are related primarily to the difference between the book basis and tax basis of identifiable intangible assets.

The Company recognized acquisition-related transaction costs associated with the Paladin acquisition during the three months ended March 31, 2014 totaling $33.4 million. These costs, which related primarily to bank fees, legal and accounting services, and fees for other professional services, are included in Acquisition-related and integration items in the accompanying Condensed Consolidated Statements of Operations. The Company did not recognize acquisition-related transaction costs associated with the Paladin acquisition during the three months ended June 30, 2014 and September 30, 2014, respectively.

The amounts of Paladin Revenue and Net income attributable to Endo International plc included in the Company's Condensed Consolidated Statements of Operations from and including February 28, 2014 to September 30, 2014 are as follows (in thousands, except per share data):

Revenue	$	165,852
Net income attributable to Endo International plc	$	15,201
Basic net income per share	$	0.11
Diluted net income per share	$	0.11

The following supplemental unaudited pro forma information presents the financial results as if the acquisition of Paladin had occurred on January 1, 2013 for the nine months ended September 30, 2014 and for the three and nine months ended September 30, 2013. The pro forma effect of the acquisition of Paladin for the three months ended September 30, 2014 was immaterial. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what would have occurred had the acquisition been made on January 1, 2013, nor are they indicative of any future results.

	Nine Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2013
Unaudited pro forma consolidated results (in thousands, except per share data):			
Revenue	$ 2,120,231	$ 783,249	$ 2,390,957
Net (loss) income attributable to Endo International plc	$ (678,399)	$ 46,687	$ 95,082
Basic net (loss) income per share	$ (4.69)	$ 0.41	$ 0.84
Diluted net (loss) income per share	$ (4.69)	$ 0.39	$ 0.81

These amounts have been calculated after applying the Company's accounting policies and adjusting the results of Paladin to reflect factually supportable adjustments that give effect to events that are directly attributable to the Paladin Acquisition assuming the Paladin acquisition had occurred January 1, 2013. These adjustments mainly include adjustments to interest expense and additional intangible amortization. The adjustments to interest expense, net of tax, related to borrowings to finance the acquisition which increased the expense by $2.1 million and $5.7 million, respectively, for three and nine months ended September 30, 2013, and decreased the expense by $1.0 million for both the three and nine months ended September 30, 2014. In addition, the adjustments include additional intangible amortization, net of tax, that would have been charged assuming the Company's estimated fair value of the intangible assets, which increased the expense by $4.5 million and $14.2 million, respectively for the three and nine months ended September 30, 2013. There was no adjustment to the amortization expense for the three months ended September 30, 2014, however an adjustment for the nine months ended September 30, 2014 increased the expense by $3.6 million.

The Company has determined that U.S. shareholders of Endo will generally recognize gain (but not loss) on the Endo shareholders' exchange of EHSI common stock for Endo plc ordinary shares in the merger (Endo Share Exchange). This determination is based on various factors described in the registration statement, including the upward movement of the Endo stock price following signing of the arrangement agreement and the aggregate estimated tax basis of the Endo shareholders in the Endo common stock at the time of the Endo Share Exchange. Due to these factors the conditions necessary to prevent the application of Section 367(a) to the merger were not satisfied, and, as a result, the Endo Share Exchange will be a taxable transaction for U.S. federal income tax purposes effective February 28, 2014 whereby U.S. shareholders of Endo will generally recognize gain (but not loss) on the Endo Share Exchange. With respect to each U.S. shareholder, such gain will generally equal the excess of the fair market value of the Endo plc ordinary shares received over such holder's adjusted tax basis in the shares of Endo common stock exchanged therefor. The Company has accrued approximately $54.3 million of expense related to the reimbursement of director's and certain employees' excise tax liabilities pursuant to Section 4985 of the Internal Revenue Code.

Boca Pharmacal LLC Acquisition

On August 28, 2013, the Company announced that it had entered into a definitive agreement to acquire Boca Pharmacal LLC (Boca), a specialty generics company that focuses on niche areas, commercializing and developing products in categories that include controlled substances, semisolids and solutions. On February 3, 2014, the Company announced that it had completed the acquisition of Boca for approximately $232.7 million in cash.

The preliminary fair values of the net identifiable assets acquired totaled approximately $221.8 million, resulting in goodwill of approximately $10.8 million, which was assigned to our U.S. Generic Pharmaceuticals segment. The amount of net identifiable assets acquired in connection with the Boca acquisition includes approximately $165.9 million of identifiable intangible assets, including $105.2 million of developed technology to be amortized over an average life of approximately 14 years and $60.7 million of IPR&D.

The operating results of Boca from and including February 3, 2014 are included in the accompanying Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2014. The Condensed Consolidated Balance Sheets as of September 30, 2014 reflect the acquisition of Boca, effective February 3, 2014.

Pro forma results of operations have not been presented because the effect of the Boca acquisition was not material.

Sumavel® DosePro®

On April 24, 2014, the Company announced that it had acquired worldwide rights to Sumavel® DosePro® (Sumavel) for subcutaneous use, a needle-free delivery system for sumatriptan, from Zogenix, Inc. The Company closed the acquisition of Sumavel on May 19, 2014 and is accounting for this transaction as a business combination in accordance with the relevant accounting literature.

The Company acquired the product for consideration of $93.4 million, consisting of an upfront payment of $89.7 million and contingent cash consideration with an acquisition-date fair value of $3.7 million. Refer to Note 7. Fair Value Measurements for further discussion of this contingent consideration. In addition, the Company provided Zogenix, Inc. with a $7.0 million non-interest bearing loan due 2023 for working capital needs and it assumed an existing third-party royalty obligation on net sales. Sumavel® is a prescription medicine given with a needle-free delivery system to treat adults who have been diagnosed with acute migraine or cluster headaches.

The preliminary fair values of the net identifiable assets acquired totaled approximately $90.4 million, resulting in goodwill of approximately $3.0 million, which was assigned to our U.S. Branded Pharmaceuticals segment. The amount of net identifiable assets acquired in connection with the Sumavel® acquisition includes approximately $84.4 million of identifiable developed technology intangible assets to be amortized over an average life of approximately 13 years.

The operating results of Sumavel® from and including May 19, 2014 are included in the accompanying Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2014. The Condensed Consolidated Balance Sheets as of September 30, 2014 reflect the acquisition of Sumavel, effective May 19, 2014.

Pro forma results of operations have not been presented because the effect of the Sumavel® acquisition was not material.

Grupo Farmacéutico Somar Acquisition

On April 29, 2014, the Company, together with its Endo Netherlands B.V. subsidiary (Endo Dutch B.V.), entered into an agreement (the Somar Agreement) to purchase the entirety of the representative shares of the capital stock of Grupo Farmacéutico Somar, Sociedad Anónima Promotora de Inversión de Capital Variable (Somar), a leading privately-owned specialty pharmaceuticals company based in Mexico City, for $270.1 million in cash consideration, subject to a customary post-closing net working capital adjustment. On July 24, 2014, the Company completed the Somar acquisition. Somar generated revenues of approximately $100.0 million in 2013.

The preliminary fair values of the net identifiable assets acquired totaled approximately $160.6 million, resulting in goodwill of approximately $109.5 million, which was assigned to our International Pharmaceuticals segment. The amount of net identifiable assets acquired in connection with the Somar acquisition includes approximately $128.0 million of identifiable intangible assets, including $114.7 million to be amortized over an average life of approximately 14 years and $13.3 million of IPR&D.

The operating results of Somar from and including July 24, 2014 are included in the accompanying Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2014. The Condensed Consolidated Balance Sheets as of September 30, 2014 reflect the acquisition of Somar, effective July 24, 2014.

Pro forma results of operations have not been presented because the effect of the Somar acquisition was not material.

DAVA Pharmaceuticals, Inc. Acquisition

On June 24, 2014, the Company's Generics International (US), Inc. subsidiary entered into a definitive agreement to acquire DAVA Pharmaceuticals, Inc. (DAVA), a privately-held company specializing in marketed, pre-launch and pipeline generic pharmaceuticals based in Fort Lee, New Jersey, for consideration of $595.0 million, consisting of cash consideration of $590.2 million, subject to a customary post-closing net working capital adjustment, and contingent cash consideration with an acquisition-date fair value of $4.8 million. Refer to Note 7. Fair Value Measurements for further discussion of this contingent consideration. DAVA’s strategically-focused generics portfolio includes thirteen on-market products in a variety of therapeutic categories. On August 6, 2014, the Company completed the DAVA acquisition (the DAVA Acquisition date).

The operating results of DAVA from and including August 6, 2014 are included in the accompanying Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2014. The Condensed Consolidated Balance Sheets as of September 30, 2014 reflect the acquisition of DAVA, effective August 6, 2014.

Pro forma results of operations have not been presented because the effect of the DAVA acquisition was not material.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed at the DAVA Acquisition Date (in thousands):

	August 6, 2014 (As initially reported)
Cash and cash equivalents	$ 533
Accounts receivable	15,842
Inventories	120,626
Prepaid expenses and other current assets	2,672
Property, plant and equipment	2,659
Intangible assets	439,623
Other assets	21,029
Total identifiable assets	$ 602,984
Accounts payable and accrued expenses	$ 17,585
Deferred income taxes	195,915
Other liabilities	21,139
Total liabilities assumed	$ 234,639
Net identifiable assets acquired	$ 368,345
Goodwill	226,683
Net assets acquired	$ 595,028

The preliminary fair values of the net identifiable assets acquired totaled approximately $368.3 million, resulting in goodwill of approximately $226.7 million, which was assigned to our U.S. Generic Pharmaceuticals segment. The amount of net identifiable assets acquired in connection with the DAVA acquisition includes approximately $439.6 million of identifiable intangible assets, including $360.7 million of developed technology to be amortized over an average life of approximately 14 years and $78.9 million of IPR&D.

NOTE 6. SEGMENT RESULTS

Concurrent with the February 28, 2014 acquisition of Paladin, the Company changed the names of its reportable segments. This change to our segments had no impact on the Company's unaudited Condensed Consolidated Financial Statements for all periods presented. In addition, the International Pharmaceuticals segment was added, which is comprised of the operations of the acquired Paladin and Somar businesses.

The four reportable business segments in which the Company now operates are: (1) U.S. Branded Pharmaceuticals (f/k/a Endo Pharmaceuticals), (2) U.S. Generic Pharmaceuticals (f/k/a Qualitest), (3) Devices (f/k/a AMS) and (4) International Pharmaceuticals. These segments reflect the level at which executive management regularly reviews financial information to assess performance and to make decisions about resources to be allocated. Each segment derives revenue from the sales or licensing of its respective products and is discussed in more detail below.

We evaluate segment performance based on each segment's adjusted income (loss) from continuing operations before income tax, which we define as (loss) income from continuing operations before income tax before certain upfront and milestone payments to partners, acquisition-related and integration items, cost reduction and integration-related initiatives, asset impairment charges, amortization of intangible assets related to marketed products and customer relationships, inventory step-up recorded as part of our acquisitions, non-cash interest expense, litigation-related and other contingent matters and certain other items that the Company believes do not reflect its core operating performance.

Certain of the corporate general and administrative expenses incurred by the Company are not attributable to any specific segment. Accordingly, these costs are not allocated to any of the Company's segments and are included in the results below as "Corporate unallocated". The Company's consolidated adjusted income from continuing operations before income tax is equal to the combined results of each of its segment less these unallocated corporate costs.

U.S. Branded Pharmaceuticals

Our U.S. Branded Pharmaceuticals segment includes a variety of branded prescription products related to treating and managing pain as well as our urology, endocrinology and oncology products. The marketed products that are included in this segment include

Lidoderm®, Opana® ER, Voltaren® Gel, Percocet®, Frova®, Fortesta® Gel, Supprelin® LA, Vantas®, Valstar®, Sumavel® DosePro® and Aveed®.

U.S. Generic Pharmaceuticals

Our U.S. Generic Pharmaceuticals segment has historically focused on selective generics related to pain that have one or more barriers to market entry, such as complex formulation, regulatory or legal challenges or difficulty in raw material sourcing. The product offerings of this segment include products in the pain management, urology, CNS disorders, immunosuppression, oncology, women's health and hypertension markets, among others. Additionally, in May 2014, we launched an authorized generic lidocaine patch 5% (referred to as "Lidoderm® authorized generic").

Devices

Our Devices segment focuses on providing technology solutions to physicians treating men's and women's pelvic health conditions and operates in the following business lines: men's health, women's health, and benign prostatic hyperplasia (BPH or prostate health) therapy. AMS distributes devices through its direct sales force and independent sales representatives in the U.S., Canada, Australia and Western Europe. Additionally, we distribute devices through foreign independent distributors, primarily in Europe, Asia, and South America, who then sell the products to medical institutions. None of our customers or distributors accounted for 10% or more of our total revenues during the three and nine months ended September 30, 2014 and 2013. Foreign subsidiary sales are predominantly to customers in Canada, Australia and Western Europe.

International Pharmaceuticals

Our International Pharmaceuticals segment includes a variety of specialty pharmaceutical products for the Canadian, Mexican, South African and world markets, which we acquired from Paladin and Somar. Paladin's key products serve growing drug markets including ADHD, pain, urology and allergy. Somar develops, manufactures, and markets high-quality generic, branded generic and over-the-counter products across key market segments including dermatology and anti-infectives.

The following represents selected information for the Company's reportable segments for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net revenues to external customers:				
U.S. Branded Pharmaceuticals	$ 240,931	$ 366,136	$ 723,643	$ 1,139,372
U.S. Generic Pharmaceuticals	319,399	183,939	803,467	532,722
Devices (1)	109,822	111,244	359,425	359,867
International Pharmaceuticals (2)	93,786	—	190,696	—
Total net revenues to external customers	$ 763,938	$ 661,319	$ 2,077,231	$ 2,031,961
Adjusted income (loss) from continuing operations before income tax:				
U.S. Branded Pharmaceuticals	$ 130,613	$ 224,747	$ 395,446	$ 635,168
U.S. Generic Pharmaceuticals	139,497	48,630	318,528	141,720
Devices	32,136	29,156	109,575	96,847
International Pharmaceuticals	27,234	—	59,131	—

(1) The following table displays our Devices segment revenue by geography for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Devices:				
United States	$ 73,429	$ 75,484	$ 230,530	$ 233,091
International	36,393	35,760	128,895	126,776
Total Devices revenues	$ 109,822	$ 111,244	$ 359,425	$ 359,867

(2) Revenues generated by our International Pharmaceuticals segment are primarily attributable to Canada, Mexico and South Africa.

The table below provides reconciliations of our segment adjusted income from continuing operations before income tax to our consolidated (loss) income from continuing operations before income tax, which is determined in accordance with U.S. GAAP, for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Total segment adjusted income from continuing operations before income tax:	$ 329,480	$ 302,533	$ 882,680	$ 873,735
Corporate unallocated costs	(97,326)	(81,975)	(246,763)	(238,641)
Upfront and milestone payments to partners	(13,448)	(3,092)	(34,953)	(11,064)
Asset impairment charges	—	(807)	—	(4,756)
Acquisition-related and integration items (1)	(6,932)	(1,493)	(71,819)	(3,876)
Separation benefits and other cost reduction initiatives (2)	(8,230)	(20,673)	(19,970)	(85,929)
Excise tax (3)	1,000	—	(54,300)	—
Amortization of intangible assets	(70,806)	(44,987)	(194,273)	(143,326)
Inventory step-up	(17,364)	—	(40,089)	—
Non-cash interest expense related to the 1.75% Convertible Senior Subordinated Notes	(1,992)	(5,704)	(11,307)	(16,816)
Loss on extinguishment of debt	(2,027)	—	(31,712)	(11,312)
Watson litigation settlement income, net	—	14,628	—	50,400
Certain litigation-related charges, net (4)	(483,926)	(44,600)	(1,157,885)	(193,969)
Charge related to the non-recoverability of certain non-trade receivables	—	—	(10,000)	—
Net gain on sale of certain early-stage drug discovery and development assets	150	—	4,000	—
Foreign currency impact related to the remeasurement of intercompany debt instruments	5,740	—	5,740	—
Charge for an additional year of the branded prescription drug fee in accordance with IRS regulations issued in the third quarter of 2014	(24,972)	—	(24,972)	—
Other, net	(161)	—	(161)	1,048
Total consolidated (loss) income from continuing operations before income tax	$ (390,814)	$ 113,830	$ (1,005,784)	$ 215,494

(1) Acquisition-related and integration-items include costs directly associated with the closing of certain acquisitions, changes in the fair value of contingent consideration and the costs of integration activities related to both current and prior period acquisitions.

(2) Separation benefits and other cost reduction initiatives include employee separation costs of $1.5 million and $10.5 million during the three and nine months ended September 30, 2014, respectively, compared to $5.6 million and $46.8 million for the three and nine months ended September 30, 2013, respectively. Additionally, amounts during the three and nine months ended September 30, 2014 include costs associated with the sale of our HealthTronics business and changes in estimates related to certain cost reduction initiative accruals. Additionally, the amount of separation benefits and other cost reduction initiatives during the three and nine months ended September 30, 2013 includes an expense recorded upon the cease use date of our Chadds Ford, Pennsylvania and Westbury, New York properties in the first quarter of 2013, representing the liability for our remaining obligations under the respective lease agreements of $7.2 million. These expenses were primarily recorded as Selling, general and administrative and Research and development expense in our Condensed Consolidated Statements of Operations. Refer to Note 4. Restructuring for discussion of our material restructuring initiatives.

(3) This amount represents charges related to the expense for the reimbursement of director's and certain employee's excise tax liabilities pursuant to Section 4985 of the Internal Revenue Code.

(4) These amounts include charges for Litigation-related and other contingencies, net, consisting primarily of mesh-related product liability charges, as well as mesh litigation-related defense costs for the three and nine months ended September 30, 2014 and 2013.

The following represents additional selected financial information for our reportable segments for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Depreciation expense:				
U.S. Branded Pharmaceuticals	$ 4,319	$ 4,059	$ 12,730	$ 14,774
U.S. Generic Pharmaceuticals	4,514	3,402	12,392	9,841
Devices	1,776	2,221	6,304	7,876
International Pharmaceuticals	718	—	1,209	—
Corporate unallocated	2,091	2,180	6,104	6,374
Total depreciation expense	$ 13,418	$ 11,862	$ 38,739	$ 38,865

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Amortization expense:				
U.S. Branded Pharmaceuticals	$ 18,590	$ 18,743	$ 57,052	$ 64,870
U.S. Generic Pharmaceuticals	24,818	10,881	63,588	32,643
Devices	15,438	15,512	46,475	46,263
International Pharmaceuticals	11,960	—	27,158	—
Total amortization expense	$ 70,806	$ 45,136	$ 194,273	$ 143,776

Interest income and expense are considered corporate items and included in Corporate unallocated. Asset information is not accounted for at the segment level and consequently is not reviewed or included within our internal management reporting. Therefore, the Company has not disclosed asset information for each reportable segment.

NOTE 7. FAIR VALUE MEASUREMENTS

Financial Instruments

The financial instruments recorded in our Condensed Consolidated Balance Sheets include cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, marketable securities, equity and cost method investments, accounts payable and accrued expenses, acquisition-related contingent consideration and debt obligations. Included in cash and cash equivalents and restricted cash and cash equivalents are money market funds representing a type of mutual fund required by law to invest in low-risk securities (for example, U.S. government bonds, U.S. Treasury Bills and commercial paper). Money market funds are structured to maintain the fund's net asset value at $1.00 per unit, which assists in providing adequate liquidity upon demand by the holder. Money market funds pay dividends that generally reflect short-term interest rates. Thus, only the dividend yield fluctuates. Due to their short-term maturity, the carrying amounts of non-restricted and restricted cash and cash equivalents (including money market funds), accounts receivable, accounts payable and accrued expenses approximate their fair values.

Fair value guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Marketable Securities

Included in marketable securities are investments in guaranteed investment certificates (GICs) with original maturities of three months or more. GICs are interest-bearing Canadian deposit securities with defined maturities and are redeemable on demand. Our investments in GICs with original maturities of three months or more mature prior to September 30, 2015 and are held with highly rated financial institutions. These items are included within marketable securities in our Condensed Consolidated Balance Sheets. Our investments in GICs with original maturities of three months or more are carried at fair value, and are considered to be valued using Level 2 inputs within the fair value hierarchy.

Equity securities consist of investments in the stock of publicly traded companies, the values of which are based on quoted market prices and thus represent Level 1 measurements within the fair value hierarchy, as defined above. These securities are not held to support current operations and are therefore classified as non-current assets. Equity securities are included in marketable securities in the Condensed Consolidated Balance Sheets at September 30, 2014 and December 31, 2013.

At the time of purchase, we classify our marketable securities as either available-for-sale securities or trading securities, depending on our intent at that time. Available-for-sale and trading securities are carried at fair value with unrealized holding gains and losses recorded within other comprehensive income or net income, respectively. The Company reviews unrealized losses associated with available-for-sale securities to determine the classification as a "temporary" or "other-than-temporary" impairment. A temporary impairment results in an unrealized loss being recorded in other comprehensive income. An impairment that is viewed as other-than-temporary is recognized in net income. The Company considers various factors in determining the classification, including the length of time and extent to which the fair value has been less than the Company's cost basis, the financial condition and near-term prospects of the issuer or investee, and the Company's ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value.

Loans Receivable

Our loans receivable at September 30, 2014 relate primarily to loans totaling $15.5 million to our joint venture owned through our Litha subsidiary. The joint venture investment is further described below. The majority of this amount is secured by certain of the assets of our joint venture. The fair values of these loans were based on anticipated cash flows, which approximate the carrying amount, and were classified in Level 2 measurements in the fair value hierarchy. These loans are included in Other assets in our Condensed Consolidated Balance Sheet at September 30, 2014.

Equity and Cost Method Investments

We have various investments which we account for using the equity or cost method of accounting, including a $22.7 million joint venture investment in the Biologicals and Vaccines Institute of Southern Africa (Pty) Limited, owned through our Litha subsidiary, which is accounted for as an equity method investment. The fair value of the equity method and cost method investments is not readily available nor have we estimated the fair value of these investments and disclosure is not required. The Company is not aware of any identified events or changes in circumstances that would have a significant adverse effect on the carrying value of any of our equity or cost method investments included in Other assets in our Condensed Consolidated Balance Sheets at September 30, 2014 and December 31, 2013.

Acquisition-related Contingent Consideration

Acquisition-related contingent consideration is measured at fair value on a recurring basis using unobservable inputs, hence these instruments represent Level 3 measurements within the fair value hierarchy. See Recurring Fair Value Measurements below for additional information on the fair value methodology used for the acquisition-related contingent consideration.

Voltaren® Gel Royalties due to Novartis

The initial fair value of the Minimum Voltaren® Gel royalties due to Novartis were determined using an income approach (present value technique) taking into consideration the level and timing of expected cash flows and an assumed discount rate. These assumptions are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy. The liability is currently being accreted up to the expected minimum payments, less payments made to date. We believe the carrying amount of this minimum royalty guarantee at September 30, 2014 and December 31, 2013 represents a reasonable approximation of the price that would be paid to transfer the liability in an orderly transaction between market participants at the measurement date. Accordingly, the carrying value approximates fair value as of September 30, 2014 and December 31, 2013.

Recurring Fair Value Measurements

The Company's financial assets and liabilities measured at fair value on a recurring basis at September 30, 2014 and December 31, 2013 were as follows (in thousands):

	Fair Value Measurements at Reporting Date using:			
September 30, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Guaranteed investment certificates—original maturities of three months or more	—	2,727	—	2,727
Equity securities	3,403	—	—	3,403
Total	$ 3,403	$ 2,727	$ —	$ 6,130
Liabilities:				
Acquisition-related contingent consideration—short-term	$ —	$ —	$ 3,908	$ 3,908
Acquisition-related contingent consideration—long-term	—	—	9,409	9,409
Total	$ —	$ —	$ 13,317	$ 13,317

	Fair Value Measurements at Reporting Date using:			
December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Money market funds	$ 843,390	$ —	$ —	$ 843,390
Equity securities	2,979	—	—	2,979
Total	$ 846,369	$ —	$ —	$ 846,369
Liabilities:				
Acquisition-related contingent consideration—short-term	$ —	$ —	$ 3,878	$ 3,878
Acquisition-related contingent consideration—long-term	—	—	869	869
Total	$ —	$ —	$ 4,747	$ 4,747

Acquisition-Related Contingent Consideration

The fair value of the Teva Contingent Consideration assumed in connection with the November 30, 2010 acquisition of Generics International (US Parent), Inc. (doing business as Qualitest Pharmaceuticals) by our Endo Pharmaceuticals Inc. (EPI) subsidiary was estimated based on a probability-weighted discounted cash flow model (income approach). For further discussion, refer to our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014.

During the second quarter of 2014, in connection with our acquisition of Sumavel®, we entered into an agreement to make contingent cash consideration payments to the former owner of Sumavel® of between zero and $20.0 million, based on certain factors relating primarily to the financial performance of Sumavel®. At the acquisition date, we estimated the fair value of this obligation to be $3.7 million based on a probability-weighted discounted cash flow model (income approach).

In connection with our acquisition of DAVA, we agreed to make cash consideration payments of up to $25.0 million contingent on the achievement of certain sales-based milestones. At the DAVA acquisition date, we estimated the fair value of this obligation to be $4.8 million based on a probability-weighted discounted cash flow model (income approach).

Fair Value Measurements Using Significant Unobservable Inputs

The following table presents changes to the Company's liability for acquisition-related contingent consideration, which is measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Beginning of period	$ 8,503	$ 4,024	$ 4,747	$ 8,924
Amounts acquired	4,800	—	8,500	—
Amounts settled	—	—	—	(5,000)
Transfers (in) and/or out of Level 3	—	—	—	—
Changes in fair value recorded in earnings	14	63	70	163
End of period	$ 13,317	$ 4,087	$ 13,317	$ 4,087

The following is a summary of available-for-sale securities held by the Company at September 30, 2014 and December 31, 2013 (in thousands):

	Available-for-sale			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
September 30, 2014				
Guaranteed investment certificates—original maturities of three months or more	$ 2,727	$ —	$ —	$ 2,727
Equity securities	819	—	—	819
Total other short-term available-for-sale securities	$ 3,546	$ —	$ —	$ 3,546
Equity securities	$ 1,766	$ 818	$ —	$ 2,584
Long-term available-for-sale securities	$ 1,766	$ 818	$ —	$ 2,584

	Available-for-sale			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
December 31, 2013				
Money market funds	$ 843,390	$ —	$ —	$ 843,390
Total included in cash and cash equivalents	$ 73,390	$ —	$ —	$ 73,390
Total included in restricted cash and cash equivalents	$ 770,000	$ —	$ —	$ 770,000
Equity securities	$ 1,766	$ 1,213	$ —	$ 2,979
Long-term available-for-sale securities	$ 1,766	$ 1,213	$ —	$ 2,979

At September 30, 2014 and December 31, 2013, we did not have any available-for-sale securities in an unrealized loss position.

NOTE 8. INVENTORIES

Inventories consist of the following at September 30, 2014 and December 31, 2013 (in thousands):

	September 30, 2014	December 31, 2013
Raw materials	$ 120,726	$ 105,904
Work-in-process	50,939	47,126
Finished goods	367,555	247,813
	539,220	400,843
Inventory reserves	(35,609)	(26,404)
Total	$ 503,611	$ 374,439

Inventory that is in excess of the amount expected to be sold within one year is not included in the table above and is classified as long-term inventory and is recorded in Other assets within our Condensed Consolidated Balance Sheets. At September 30, 2014, approximately $35.8 million of long-term inventory was included in the Condensed Consolidated Balance Sheets.

NOTE 9. GOODWILL AND OTHER INTANGIBLES

Goodwill

Changes in the carrying amount of our goodwill for the nine months ended September 30, 2014 were as follows:

	Carrying Amount				
	U.S. Branded Pharmaceuticals	U.S. Generic Pharmaceuticals	Devices	International Pharmaceuticals	Total Consolidated
Balance as of December 31, 2013:					
Goodwill	$ 290,793	$ 275,201	$ 1,795,366	$ —	$ 2,361,360
Accumulated impairment losses	—	—	(988,528)	—	(988,528)
	$ 290,793	$ 275,201	$ 806,838	$ —	$ 1,372,832
Goodwill acquired during the period	816,376	690,119	27,156	916,704	2,450,355
Effect of currency translation	—	—	(2,923)	(15,305)	(18,228)
Balance as of September 30, 2014:					
Goodwill	1,107,169	965,320	1,819,599	901,399	4,793,487
Accumulated impairment losses	—	—	(988,528)	—	(988,528)
	$ 1,107,169	$ 965,320	$ 831,071	$ 901,399	$ 3,804,959

During the third quarter of 2014, we received expressions of interest from third parties related to our AMS business. As a result, the Company initiated an interim goodwill impairment analysis of the AMS reporting unit. The fair value of the AMS reporting unit was estimated using a number of factors including the use of a discounted cash flow model and the expressions of interest received from third parties during the third quarter of 2014. The Company determined that no impairment existed as of September 30, 2014 as the estimated fair value of the AMS reporting unit exceeded its net book value.

Other Intangible Assets

The following is a summary of other intangibles held by the Company at September 30, 2014 and December 31, 2013 (in thousands):

	September 30, 2014			December 31, 2013		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived intangibles:						
In-process research and development	$ 315,817	$ —	$ 315,817	$ 73,400	$ —	$ 73,400
Total indefinite-lived intangibles	$ 315,817	$ —	$ 315,817	$ 73,400	$ —	$ 73,400
Definite-lived intangibles:						
Licenses (weighted average life of 9 years)	$ 626,867	$ (408,159)	$ 218,708	$ 587,127	$ (357,439)	$ 229,688
Customer relationships (weighted average life of 16 years)	156,754	(32,806)	123,948	158,258	(25,574)	132,684
Tradenames (weighted average life of 24 years)	77,000	(12,654)	64,346	77,000	(9,934)	67,066
Developed technology (weighted average life of 15 years)	2,889,628	(478,484)	2,411,144	1,720,428	(350,340)	1,370,088
Total definite-lived intangibles (weighted average life of 14 years)	$ 3,750,249	$ (932,103)	$ 2,818,146	$ 2,542,813	$ (743,287)	$ 1,799,526
Total other intangibles	$ 4,066,066	$ (932,103)	$ 3,133,963	$ 2,616,213	$ (743,287)	$ 1,872,926

Changes in the gross carrying amount of our other intangibles for the nine months ended September 30, 2014 were as follows (in thousands):

	Gross Carrying Amount
December 31, 2013	$ 2,616,213
Aveed® approval milestone	5,000
Paladin acquisition	650,248
Boca acquisition	165,900
Sumavel acquisition	84,400
Somar acquisition	128,000
DAVA acquisition	439,623
Intangible assets sold	(4,248)
Effect of currency translation	(19,070)
September 30, 2014	$ 4,066,066

The December 31, 2013 amounts above related to both the gross amount and related accumulated amortization for license intangible assets within the Other Intangible Assets summary and the total other intangible gross amount within the Gross Carrying Amount roll-forward have been revised from amounts previously disclosed within our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014. The purpose of this revision was to remove approximately $47.1 million from both the gross amount and corresponding accumulated amortization for intangible assets that were fully amortized as of December 31, 2013. These adjustments had no impact on the reported net other intangible assets and the revision did not impact the Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations, Condensed Consolidated Statements of Comprehensive (Loss) Income or Condensed Consolidated Statements of Cash Flows as of and for the year ended December 31, 2013.

NOTE 10. LICENSE AND COLLABORATION AGREEMENTS

Our subsidiaries have entered into certain license, collaboration and discovery agreements with third parties for the development of pain management and other products. These agreements require our subsidiaries to share in the development costs of such products and grant marketing rights to our subsidiaries for such products.

Our subsidiaries have also licensed from universities, corporations and other similar institutions, rights to certain technologies or intellectual property, generally in the field of pain management. They are generally required to make upfront payments as well as other payments upon successful completion of regulatory or sales milestones. In addition, these agreements generally require our subsidiaries to pay royalties on sales of the products arising from these agreements. These agreements generally permit our subsidiaries to terminate the agreement with no significant continuing obligation.

For additional disclosure of our subsidiaries' material license and collaboration agreements at December 31, 2013, refer to our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014.

Commercial Products

Novartis AG and Novartis Consumer Health, Inc.

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013, our subsidiary Endo Pharmaceuticals Inc. (EPI) is party to a License and Supply Agreement (the Voltaren® Gel Agreement) with and among Novartis AG and Novartis Consumer Health, Inc. (Novartis) to obtain the exclusive U.S. marketing rights for the prescription medicine Voltaren® Gel (Voltaren® Gel or the Licensed Product). Voltaren® Gel royalties incurred during the nine months ended September 30, 2014 and 2013 were $22.5 million and $22.5 million, respectively, representing minimum royalties pursuant to the Voltaren® Gel Agreement.

Also as previously disclosed, EPI is required to incur a minimum amount of annual advertising and promotional expenses (A&P Expenditures) on the commercialization of the Licensed Product, which may be reduced under certain circumstances including Novartis's failure to supply the Licensed Product. During the period beginning on July 1, 2013 and extending through June 30, 2014, EPI agreed to spend approximately $5.9 million on A&P Expenditures. During the period beginning on July 1, 2014 and extending through June 30, 2015, EPI agreed to spend approximately $8.4 million on A&P Expenditures. In subsequent Agreement Years, the minimum A&P Expenditures set forth in the Voltaren® Gel Agreement are determined based on a percentage of net sales of Voltaren® Gel, which may be reduced under certain circumstances, including Novartis's failure to supply Voltaren® Gel. Amounts incurred for such A&P Expenditures were $5.3 million and $6.5 million for the nine months ended September 30, 2014 and 2013, respectively.

BayerSchering

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013, our Endo Pharmaceuticals Solutions Inc. subsidiary licensed exclusive U.S. rights from Schering AG, Germany, now BayerSchering Pharma AG (BayerSchering) to market Aveed® (the BayerSchering Agreement). On March 6, 2014, we announced that the FDA approved Aveed® for the treatment of hypogonadism in adult men, which is associated with a deficiency or absence of the male hormone testosterone. Aveed® became available in early March. Upon approval, EPSI made a milestone payment of $5.0 million to BayerSchering. The approval milestone was recorded as an intangible asset and is being amortized into Cost of revenues on a straight-line basis over its estimated useful life. In the future, EPSI could be obligated to pay milestones of up to approximately $17.5 million based on continued market exclusivity of Aveed® or upon certain future sales milestones.

Products in Development

BioDelivery Sciences International, Inc.

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013, in January 2012, EPI signed a worldwide license and development agreement (the BioDelivery Agreement) with BioDelivery Sciences International, Inc. (BioDelivery) for the exclusive rights to develop and commercialize BEMA® buprenorphine. During each of the first and second quarters of 2014, $10.0 million of milestones were incurred related to the achievement of certain clinical milestones and were recorded as Research and development expense. If BEMA® buprenorphine is approved, EPI will be obligated to pay additional regulatory milestones of $60.0 million. In addition, EPI will pay royalties based on net sales of BEMA® buprenorphine and could be obligated to pay additional commercial milestones of up to approximately $55.0 million.

NOTE 11. DEBT

The following table presents the carrying amounts and estimated fair values of the Company's total indebtedness at September 30, 2014 and December 31, 2013 (in thousands):

	September 30, 2014		December 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.75% Convertible Senior Subordinated Notes due 2015	$ 98,818		$ 379,500	
Unamortized discount on 1.75% Convertible Senior Subordinated Notes due 2015	(2,684)		(34,079)	
1.75% Convertible Senior Subordinated Notes due 2015, net	$ 96,134	$ 97,802	$ 345,421	$ 372,481
7.00% Senior Notes due 2019	499,875	522,369	500,000	536,563
7.00% Senior Notes due 2020	$ 400,000		$ 400,000	
Unamortized initial purchaser's discount	(2,339)		(2,800)	
7.00% Senior Notes due 2020, net	$ 397,661	419,500	$ 397,200	430,500
7.25% Senior Notes due 2022	400,000	421,750	400,000	431,750
5.75% Senior Notes due 2022	700,000	692,563	700,000	703,500
5.375% Senior Notes due 2023	750,000	717,188	—	—
3.25% AMS Convertible Notes due 2036	22	22	22	22
4.00% AMS Convertible Notes due 2041	99	99	111	111
Term Loan A Facility Due 2019	1,079,375	1,078,269	—	—
Term Loan B Facility Due 2021	422,875	419,555	—	—
Term Loan A Facility Due 2018	—	—	1,335,469	1,335,345
Term Loan B Facility Due 2018	—	—	60,550	60,686
Paladin debt	26,497	26,545	—	—
Total long-term debt, net	$ 4,372,538	$ 4,395,662	$ 3,738,773	$ 3,870,958
Less current portion, net	153,229	150,298	414,929	441,989
Total long-term debt, less current portion, net	$ 4,219,309	$ 4,245,364	$ 3,323,844	$ 3,428,969

The fair value of our 1.75% Convertible Senior Subordinated Notes (Convertible Notes) is based on an income approach, which incorporates certain inputs and assumptions, including scheduled coupon and principal payments, the conversion feature inherent in the Convertible Notes, the put feature inherent in the Convertible Notes, and share price volatility assumptions based on historic volatility of the Company's ordinary shares and other factors. These fair value measurements are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy.

The fair values of the various term loan facilities and senior notes were based on market quotes and transactions proximate to the valuation date. Based on this valuation methodology, we determined these debt instruments represent Level 2 measurements within the fair value hierarchy.

Credit Facility

Upon closing of the Paladin acquisition on February 28, 2014, the Company entered into a credit facility with Deutsche Bank AG New York Branch and Royal Bank of Canada and certain other lenders, which replaced Endo's prior credit facility. The prior credit facility was terminated and canceled, with the outstanding indebtedness of $1.4 billion repaid and all liens terminated and released. The initial borrowings under the credit facility consisted of a five-year senior secured Term Loan A facility of $1.1 billion, a seven-year senior secured Term Loan B facility of $425.0 million, and a five-year revolving credit facility with an initial borrowing capacity of up to $750.0 million, substantially all of which is available. The credit facility contains an uncommitted expansion provision which permits up to $1.0 billion (or an unlimited amount if the secured leverage ratio, as defined in the credit facility, is less than or equal to 2.75x) of additional revolving or term loan commitments from one or more of the lenders under the credit facility or other lenders.

Under the credit facility, $50.0 million is available for letters of credit and up to $50.0 million is available for swing line loans on same-day notice, both of which may be increased to up to $75.0 million, subject to consents as described in the credit facility. The borrowers' obligations under the credit facility are guaranteed by all of Endo's direct and indirect wholly-owned material restricted subsidiaries and secured by substantially all of the borrowers' assets and those of the guarantors.

The credit facility contains affirmative and negative covenants that the Company believes to be usual and customary for a senior secured credit agreement. The negative covenants include, among other things, limitations on capital expenditures, asset sales, mergers and acquisitions, indebtedness, liens, dividends, investments and transactions with the Company's affiliates. As of September 30, 2014, we are in compliance with all covenants in our credit facility.

As set forth in the new credit agreement, borrowings incur interest at an amount equal to a rate calculated based on the type of borrowing and the Company's leverage ratio, as defined in the new credit agreement. For the Term Loan A facility and revolving credit facility, the Company could elect to pay interest based on an adjusted London Inter-Bank Offer Rate (LIBOR) plus between 1.50% and 2.25% or an Alternate Base Rate (as defined in the new credit agreement) plus between 0.50% and 1.25%. For the Term Loan B Facility, the Company could elect to pay interest based on an adjusted LIBOR (with a floor of 0.75%) plus 2.50% or an Alternate Base Rate plus 1.50%. The Company will pay a commitment fee of between 30 to 50 basis points, payable quarterly, on the average daily unused amount of the revolving credit facility.

In connection with our entering into the credit agreement, we incurred new debt issuance costs of approximately $27.7 million, $26.7 million of which was deferred and is being amortized over the term of the credit facility. The remaining debt issuance costs of $1.0 million and previously deferred debt issuance costs of $8.6 million associated with the prior credit facility were charged to expense. These expenses were included in the Condensed Consolidated Statements of Operations as a Loss on extinguishment of debt.

In addition, in connection with the Paladin transaction, the Company assumed approximately $23.8 million of previously existing debt entered into by Paladin's subsidiary, Litha.

On December 2, 2013, following the completion of consent solicitations, Endo, certain guarantors party thereto and Wells Fargo Bank, National Association, as trustee, entered into supplemental indentures to the 2019, 2020 and 2022 Notes Indentures, providing, among other things, that the Paladin transaction will not constitute a change of control under the Indentures.

5.375% Senior Notes Due 2023

On June 30, 2014, we issued, through a private placement, $750.0 million in aggregate principal amount of 5.375% Senior Notes due 2023 (the 2023 Notes) at an issue price of par. Because the notes were not initially registered, the notes were offered only in transactions that were exempt from registration under the Securities Act or the securities laws of any other jurisdiction. Accordingly, we offered the 2023 Notes in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. The 2023 Notes are senior unsecured obligations of the Company and are guaranteed on a senior unsecured basis by certain of the Company's domestic subsidiaries. Interest on the 2023 Notes is payable semiannually in arrears on January 15 and July 15 of each year, beginning on January 15, 2015. The 2023 Notes will mature on January 15, 2023, subject to earlier repurchase or redemption in accordance with the terms of the Indenture incorporated by reference herein. We received proceeds of $750.0 million from the issuance. Costs associated with this offering, including costs related to investment bankers, of $12.6 million were deferred and are included in Other assets on our Condensed Consolidated Balance Sheets. Endo issued the 2023 Notes for general corporate purposes, which included acquisitions, including the acquisition of DAVA.

1.75% Convertible Senior Subordinated Notes Due 2015

At September 30, 2014, our indebtedness included 1.75% Convertible Senior Subordinated Notes due April 15, 2015 (the Convertible Notes). In May 2014, we repurchased approximately $240.7 million aggregate principal amount of the Convertible Notes for approximately $548.2 million, including accrued interest. In addition, in July 2014 we repurchased approximately $40.0 million aggregate principal amount of the Convertible Notes for approximately $95.2 million, which included the issuance of 798,367 ordinary shares valued at approximately $55.2 million. The combined repurchases during 2014 reduced the outstanding principal amount of the Convertible Notes to approximately $98.8 million. In connection with the May 2014 and July 2014 repurchases, we charged $14.8 million and $2.0 million, respectively, to expense, representing the differences between the fair value of the repurchased debt components and their carrying amount, as well as third-party costs related to the transactions. The expenses were included in the Condensed Consolidated Statements of Operations as a Loss on extinguishment of debt. Additionally, we recorded a combined decrease to Additional paid-in capital in the amount of $365.0 million, representing the fair value of the equity component of the repurchased Convertible Notes.

The Convertible Notes became convertible at the option of holders beginning October 1, 2013. The conversion right was triggered on September 17, 2013, when the closing sale price of the Company's stock on the NASDAQ Stock Exchange exceeded $37.96 (130% of the conversion price of $29.20) for the 20th trading day in the 30 consecutive trading days ending on September 30, 2013 and the remaining balance of the Convertible Notes remains convertible at September 30, 2014. We are permitted to deliver cash, ordinary shares or a combination of cash and shares, at our election, to satisfy any future conversions of the Convertible Notes. It is our current intention to settle the remaining principal amount of any conversion consideration in cash. Holders of the remaining Convertible Notes may also surrender their notes for conversion after October 15, 2014 at any time prior to the close of business on the second business day immediately preceding the stated maturity date. Accordingly, the Company will treat the

remaining Convertible Notes as short-term in nature hereafter. In the event that a holder exercises the right to convert his Convertible Notes, the Company will write-off a ratable portion of the associated debt issuance costs.

Concurrently with the issuance of the Convertible Notes, we entered into a privately negotiated convertible note hedge transaction with affiliates of the initial purchasers. Pursuant to the hedge transaction we purchased approximately 13.0 million ordinary share call options intended to reduce the potential dilution to our ordinary shares upon conversion of the Convertible Notes by effectively increasing the initial conversion price of the Convertible Notes to $40.00 per share, representing a 61.1% conversion premium over the closing price of our ordinary shares on April 9, 2008 of $24.85 per share. Also, as part of the note hedge transaction, we sold warrants to affiliates of certain of the initial purchasers whereby they had the option to purchase up to approximately 13.0 million of our ordinary shares at an initial strike price of $40.00 per share.

In connection with the May 2014 and July 2014 Convertible Notes repurchase activity, we entered into agreements with the note hedge counterparty to settle a portion of the call options and warrants. In connection with these agreements, as part of the May 2014 and July 2014 repurchases, we settled call options representing the right to purchase approximately 8.2 million and 1.4 million ordinary shares, respectively, for total cash consideration paid by the counterparty of $302.1 million and $54.2 million, respectively, which were recorded as increases to Additional paid-in capital. The remaining call options, which allow us to purchase up to approximately an additional 3.4 million of our ordinary shares at a strike price of $29.20 per share, expire on April 15, 2015 and must be net-share settled. In connection with these agreements, as part of the May 2014 and July 2014 repurchases, we also settled approximately 8.2 million and 1.4 million, respectively, of warrants for cash consideration paid by EHSI of $242.2 million and $42.3 million, respectively, which were recorded as reductions to Additional paid-in capital. Subsequent to these transactions, the holders of the remaining warrants have the option to purchase up to approximately 3.4 million of our ordinary shares at strike price of $40.00 per share. The remaining warrants expire on various dates from July 14, 2015 through October 6, 2015 and must be net-share settled. The remaining warrants have a dilutive effect on our net income per share to the extent that the price of our ordinary shares exceeds the strike price of the warrants at exercise.

As discussed in Note 18. Net (Loss) Income Per Share, in periods in which our ordinary shares price exceeds the conversion price of the Convertible Notes or the strike price of the warrants, we include the effects of the additional shares that may be issued in our diluted net (loss) income per share calculation using the treasury stock method.

Offer to Exchange

On May 6, 2014, the Company announced the settlement of EHSI's private placement offers to exchange any and all of the outstanding unsecured 7.00% Senior Notes due 2019 (the 2019 Existing EHSI Notes), 7.00% Senior Notes due 2020 (the 2020 Existing EHSI Notes) and 7.25% Senior Notes due 2022 (the 2022 Existing EHSI Notes and, together with the 2019 Existing EHSI Notes and 2020 Existing EHSI Notes, the Existing EHSI Notes) issued by EHSI, for new unsecured 7.00% Senior Notes due 2019 (the 2019 New Endo Finance Notes), 7.00% Senior Notes due 2020 (the 2020 New Endo Finance Notes) and 7.25% Senior Notes due 2022 (the 2022 New Endo Finance Notes and, together with the 2019 New Endo Finance Notes and 2020 New Endo Finance Notes, the New Endo Finance Notes), respectively, issued by Endo Finance LLC and Endo Finco Inc. and guaranteed by Endo Limited and certain of its direct and indirect subsidiaries, and the related solicitations of consents to amend the Existing EHSI Notes and the indentures governing the Existing EHSI Notes. Consents were solicited in respect of the indentures governing each series of the Existing EHSI Notes to approve proposed amendments that, among other things, (i) deleted in their entirety substantially all the restrictive covenants in each indenture, (ii) modified the covenants regarding mergers and consolidations, and (iii) eliminated certain events of default.

EHSI accepted all $482.0 million in aggregate principal amount of the 2019 Existing EHSI Notes, $393.0 million in aggregate principal amount of the 2020 Existing EHSI Notes and $396.3 million in aggregate principal amount of the 2022 Existing EHSI Notes validly tendered for exchange and not validly withdrawn in the exchange offers. The final settlement took place on May 6, 2014, and a total of $481.9 million of 2019 New Endo Finance Notes was issued in exchange for such tendered 2019 Existing EHSI Notes, $393.0 million of 2020 New Endo Finance Notes was issued in exchange for such tendered 2020 Existing EHSI Notes and $396.3 million of 2022 New Endo Finance Notes was issued in exchange for such tendered 2022 Existing EHSI Notes. A total of $18.0 million aggregate principal amount of 2019 Existing EHSI Notes, $7.0 million aggregate principal amount of 2020 Existing EHSI Notes and $3.7 million aggregate principal amount of 2022 Existing EHSI Notes remained outstanding after settlement of the exchange offers.

The exchange offers were made only to eligible holders, and the New Endo Finance Notes were offered in reliance on exemptions from registration under the Securities Act. In connection with the issuance of the New Endo Finance Notes, Endo Finance LLC, Endo Finco Inc. and the guarantors of the New Endo Finance Notes entered into registration rights agreements with respect to each series of New Endo Finance Notes. Under the registration rights agreements, Endo Finance LLC, Endo Finco Inc. and the guarantors of the New Endo Finance Notes will be required to use their commercially reasonable efforts to (i) file with the SEC by March 31, 2015 an exchange offer registration statement pursuant to which they will offer, in exchange for each series of the New Endo Finance Notes, new notes having terms substantially identical in all material respects to those of the New Endo Finance Notes (except the new notes will not contain terms with respect to transfer restrictions) (the A/B Exchange Offers), (ii) complete the A/B Exchange Offers by July 31, 2015 and, under specified circumstances, (iii) file a shelf registration statement with the SEC covering

resales of the New Endo Finance Notes. Endo Finance LLC and Endo Finco Inc. may be required to pay additional interest on the New Endo Finance Notes if they fail to comply with the registration and exchange requirements set forth in the registration rights agreements.

On April 17, 2014, EHSI entered into a supplemental indenture with respect to each series of the Existing EHSI Notes to effect the proposed amendments. Such proposed amendments became operative on May 6, 2014, upon settlement of the exchange offers and consent solicitations. The aggregate consent payment paid in connection with the consent solicitations was approximately $11.7 million, which was recorded as debt issuance costs. In connection with these transactions, we also charged $5.3 million to expense related to fees paid to third parties related to the exchange offer. This amount was included in the Condensed Consolidated Statements of Operations as a Loss on extinguishment of debt.

Other than as described above, there have been no material changes to our other indebtedness from what was disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Manufacturing, Supply and Other Service Agreements

Our subsidiaries contract with various third party manufacturers, suppliers and service providers to provide raw materials used in our subsidiaries' products and semi-finished and finished goods, as well as certain packaging and labeling services. The most significant of these agreements are with Novartis Consumer Health, Inc. and Novartis AG (collectively, Novartis), Teikoku Seiyaku Co., Ltd., Noramco, Inc., Grünenthal GmbH, Sharp Corporation, and UPS Supply Chain Solutions, Inc. If, for any reason, our subsidiaries are unable to obtain sufficient quantities of any of the finished goods or raw materials or components required for their products or services needed to conduct their business, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition to the manufacturing and supply agreements described above, our subsidiaries have agreements with various companies for clinical development services. Although we have no reason to believe that the parties to these agreements will not meet their obligations, failure by any of these third parties to honor their contractual obligations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

For additional discussion of our material manufacturing, supply and other service agreements at December 31, 2013, refer to our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014.

Teikoku Seiyaku Co., Ltd.

Pursuant to the terms of EPI's agreement (the Teikoku Agreement) with Teikoku Seiyaku Co. Ltd. (Teikoku), which has previously been disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013, during the nine months ended September 30, 2014 and 2013, we recorded $13.5 million and $33.5 million of royalties to Teikoku, respectively. These amounts were included in our Condensed Consolidated Statements of Operations as Cost of revenues. At September 30, 2014, $13.5 million is recorded as a royalty payable and included in Accounts payable in the accompanying Condensed Consolidated Balance Sheets.

The Teikoku Agreement, as amended, will expire on December 31, 2021, unless terminated in accordance with its terms. Either party may terminate the Teikoku Agreement, upon 30 days' written notice, in the event that EPI fails to purchase an annual minimum quantity for each calendar year through 2021. In addition, Teikoku has the right to terminate its exclusivity obligations upon the occurrence of certain concurrent events, including EPI failing to purchase an annual minimum quantity for any calendar year and the launch of a second non-Teikoku generic equivalent to Lidoderm®, excluding Endo's authorized generic of Lidoderm® .

Grünenthal GMBH (Grünenthal)

Pursuant to the terms of EPI's December 2007 License, Development and Supply Agreement with Grünenthal (the Grünenthal Agreement), which has previously been disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013, EPI's payments to Grünenthal during the nine months ended September 30, 2014 and 2013 totaled $24.6 million and $28.4 million, respectively. These payments are recorded in Cost of revenues in our Condensed Consolidated Financial Statements.

Legal Proceedings

We and certain of our subsidiaries are involved in various claims, legal proceedings and governmental investigations that arise from time to time in the ordinary course of our business, including relating to product liability, intellectual property, regulatory compliance and commercial matters. While we cannot predict the outcome of these ongoing legal proceedings and we and our subsidiaries intend to defend vigorously our and their position, an adverse outcome in any of these proceedings could have a material adverse effect on our current and future financial position, results of operations and cash flows.

As of September 30, 2014, the Company's reserve for loss contingencies totaled approximately $1.65 billion, of which $1.63 billion relates to the Company's product liability accrual for all known pending and estimated future claims related to vaginal mesh cases. The increase in our reserve reflects management's ongoing assessment of our entire product liability portfolio, including the vaginal mesh cases. On September 30, 2014 the Company announced that it had reached master settlement agreements with several of the remaining leading plaintiffs' law firms to resolve claims relating to vaginal mesh products sold by the Company's AMS subsidiary. The agreements were entered into solely by way of compromise and settlement and are not in any way an admission of liability or fault. Although the Company believes there is a reasonable possibility that a loss in excess of the amount recognized exists, we are unable to estimate the possible loss or range of loss in excess of the amount recognized at this time.

Product Liability

We and certain of our subsidiaries have been named as defendants in numerous lawsuits in various federal and state courts, as well as in Canada and other countries outside the United States, alleging personal injury resulting from the use of certain of our products and the products of our subsidiaries. These matters are described in more detail below.

The Company believes that certain settlements and judgments, as well as legal defense costs, relating to product liability matters are or may be covered in whole or in part under its product liability insurance policies with a limited number of insurance carriers. In certain circumstances, insurance carriers reserve their rights with respect to coverage, or contest or deny coverage. The Company and its subsidiaries intend to contest vigorously all such disputes with respect to their insurance coverage and to enforce their rights under the terms of these insurance policies, and accordingly, the Company will record receivables with respect to amounts due under these policies, only when the resolution of any dispute has been reached and realization of the potential claim for recovery is considered probable. Amounts recovered under the Company's product liability insurance policies will be less than the stated coverage limits and may not be adequate to cover damages and/or costs relating to claims. In addition, there is no guarantee that insurers will pay claims or that coverage will otherwise be available.

Vaginal Mesh Cases. On October 20, 2008, the FDA issued a Public Health Notification regarding potential complications associated with transvaginal placement of surgical mesh to treat pelvic organ prolapse (POP) and stress urinary incontinence (SUI). The notification provides recommendations and encourages physicians to seek specialized training in mesh procedures, to advise their patients about the risks associated with these procedures and to be diligent in diagnosing and reporting complications.

In July 2011, the FDA issued an update to the October 2008 Public Health Notification regarding mesh to further advise the public and the medical community of the potential complications associated with transvaginal placement of surgical mesh to treat POP and SUI. In this July 2011 update, the FDA maintained that adverse events are not rare, as previously reported, and questioned the relative effectiveness of transvaginal mesh as a treatment for POP as compared to non-mesh surgical repair. The July 2011 notification continued to encourage physicians to seek specialized training in mesh procedures, to consider and to advise their patients about the risks associated with these procedures and to be diligent in diagnosing and reporting complications. The FDA also convened an advisory panel which met on September 8-9, 2011 to further address the safety and effectiveness of transvaginal surgical mesh used to treat POP and SUI. At the conclusion of the meetings, the advisory panel recommended reclassifying transvaginal mesh products used to treat POP to Class III devices (premarket approval) and recommended that manufacturers of these products be required to conduct additional post-market surveillance studies. The advisory panel recommended that transvaginal surgical mesh products used to treat SUI remain as Class II devices. Regarding retropubic and transobturator (TOT) slings, the advisory panel recommended that no additional post-market surveillance studies are necessary. Regarding mini-slings, the advisory panel recommended premarket studies for new devices and additional post-market surveillance studies.

On January 3, 2012, the FDA ordered manufacturers of transvaginal surgical mesh used for POP and of single incision mini-slings for urinary incontinence, such as our subsidiary AMS, to conduct post-market safety studies and to monitor adverse event rates relating to the use of these products. AMS received a total of nineteen class-wide post-market study orders regarding its pelvic floor repair and mini-sling products; however, the FDA agreed to place sixteen of these study orders on hold for a variety of reasons. Three of these post-market study orders remain active and AMS is continuing the process of complying with these orders. In these orders, the FDA also noted that it is still considering the recommendation of the September 9, 2011 advisory committee that urogynecological surgical mesh for transvaginal repair of POP be reclassified from Class II to Class III.

On April 29, 2014, the FDA issued a statement proposing to reclassify surgical mesh for transvaginal pelvic organ prolapse repair from Class II to Class III. Further, the FDA proposed to reclassify urogynecologic surgical mesh instrumentation from Class I to Class II, and to establish special controls for surgical instrumentation for use with urogynecologic surgical mesh. The FDA stated that it was proposing these changes based on the tentative determination that general controls by themselves are insufficient to provide reasonable assurance of the safety and effectiveness of these devices. Although this proposal was subject to a 90 day comment period, to date the FDA has not taken further action regarding these proposals.

Since 2008, AMS, and more recently, in certain cases the Company or certain of its subsidiaries, have been named as defendants in multiple lawsuits in various federal and state courts, as well as in Canada, Scotland, the UK and the Netherlands alleging personal injury resulting from the use of transvaginal surgical mesh products designed to treat POP and SUI. Plaintiffs in these suits allege

various personal injuries including chronic pain, incontinence and inability to control bowel function and permanent deformities. On February 7, 2012, a multidistrict litigation (MDL) was formed, and cases pending in federal courts are now consolidated in the Southern District of West Virginia as part of MDL No. 2325. Similar cases in various state courts around the country are also currently pending. As of November 3, 2014, approximately 25,000 filed mesh cases are currently pending against AMS and/or the Company or certain of its subsidiaries, some of which may have been filed on behalf of multiple plaintiffs, and a minority of which seek class action certification. In addition, other cases have been served upon AMS pursuant to a tolling agreement order issued in the MDL in May 2013. Any complaint properly served on AMS from the effective date of that order on May 15, 2013 through October 1, 2013, and ultimately filed with the court by February 14, 2014 is deemed filed as of the service date. Some of these cases served pursuant to the tolling agreement have been timely filed with the court. Litigation similar to that described above may also be brought by other plaintiffs in various jurisdictions. The majority of the currently pending cases are in the MDL. The Company cannot predict the ultimate number of cases to be filed against it with certainty.

As of September 30, 2014, AMS and certain plaintiffs' counsel representing mesh-related product liability claimants have entered into various Master Settlement Agreements (MSAs) regarding settling up to approximately 41,700 filed and unfiled mesh claims handled or controlled by the participating counsel. These MSAs, which were executed at various times from June 14, 2013 through September 30, 2014, were entered into solely by way of compromise and settlement and are not in any way an admission of liability or fault by the Company or AMS.

The following table presents the changes in the vaginal mesh Qualified Settlement Funds accounts and product liability balance during the nine months ended September 30, 2014 (in thousands):

	Qualified Settlement Funds	Product Liability
Balance as of December 31, 2013	$ 11,518	$ 520,000
Additional charges	—	1,128,358
Cash distributions to Qualified Settlement Funds	149,630	—
Cash distributions to plaintiffs' counsel	—	(7,098)
Cash distributions to plaintiffs' counsel from escrow	(11,518)	(11,518)
Balance as of September 30, 2014	$ 149,630	$ 1,629,742

Approximately $728.2 million of the total liability amount shown above is expected to be paid by September 30, 2015 and is classified as Accrued expenses in the September 30, 2014 Condensed Consolidating Balance Sheet, with the remainder to be paid over time and classified as Other liabilities in the September 30, 2014 Condensed Consolidating Balance Sheet. AMS expects to fund the payments under all settlement agreements by December 31, 2017. As the funds are disbursed out of the Qualified Settlement Funds accounts from time to time, the product liability accrual will be reduced accordingly with a corresponding reduction to restricted cash and cash equivalents. Amounts included in the Qualified Settlement Funds are included in Restricted cash and cash equivalents in the Condensed Consolidated Balance Sheets.

All MSAs discussed above are subject to a process that includes guidelines and procedures for administering the settlements and the release of funds and have participation thresholds requiring participation by the vast majority of claims represented by each law firm. If certain participation thresholds are not met, then AMS will have the right to terminate the settlement with that law firm. In addition, one agreement gives AMS a unilateral right of approval regarding which claims may be eligible to participate under that settlement. To the extent fewer claims than are authorized under an agreement participate, the total settlement payment under that agreement will be reduced by an agreed-upon amount for each such non-participating claim. Distribution of funds to any individual claimant is conditioned upon a full release and a dismissal of the entire action or claim as to all AMS parties and affiliates. Prior to receiving funds, an individual claimant shall represent and warrant that liens, assignment rights, or other claims that are identified in the claims administration process have been or will be satisfied by the individual claimant. The amount of settlement awards to participating claimants, the claims evaluation process and procedures used in conjunction with award distributions, and the negotiations leading to the settlement shall be kept confidential by all parties and their counsel.

AMS and the Company intend to contest vigorously all currently remaining pending cases and any future cases that may be brought, if any, and to continue to explore other options as appropriate in the best interests of the Company and AMS. However, it is not possible at this time to determine with certainty the ultimate outcome of these matters or the effect of potential future claims. We will continue to monitor each related legal claim and adjust the accrual for new information and further developments. It is possible that the outcomes of such cases could result in additional losses that could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, we have been contacted regarding a civil investigation that has been initiated by a number of state attorneys general into mesh products, including transvaginal surgical mesh products designed to treat POP and SUI. In November 2013, we received a

subpoena relating to this investigation from the state of California, and have subsequently received additional subpoenas from other states. We are cooperating fully with this investigation. At this time, we cannot predict or determine the outcome of this investigation or reasonably estimate the amount or range of amounts of fines or penalties, if any, that might result from a settlement or an adverse outcome from this investigation.

MCP Cases. Qualitest Pharmaceuticals, and in certain cases the Company or certain of its subsidiaries, along with several other pharmaceutical manufacturers, have been named as defendants in numerous lawsuits in various federal and state courts alleging personal injury resulting from the use of the prescription medicine metoclopramide. Plaintiffs in these suits allege various personal injuries including tardive dyskinesia, other movement disorders and death. Qualitest Pharmaceuticals and the Company intend to contest all of these cases vigorously and to explore other options as appropriate in the best interests of the Company and Qualitest Pharmaceuticals.

Litigation similar to that described above may also be brought by other plaintiffs in various jurisdictions. However, we cannot predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against the Company or its subsidiaries. As of November 3, 2014, approximately 600 MCP cases, some of which may have been filed on behalf of multiple plaintiffs, are currently pending against Qualitest Pharmaceuticals and/or the Company.

The Company and its subsidiaries have reached an agreement with certain plaintiffs' counsel in an effort to reach resolution of substantially all of the pending MCP cases. The agreement was entered into solely by way of compromise and settlement and is not in any way an admission of liability or fault by the Company or any of its subsidiaries. An essential element of these settlements will be participation by the vast majority of plaintiffs involved in pending litigation. If certain participation thresholds are not met, the Company will have the right to terminate the agreements.

Distribution of funds to any individual plaintiff will be conditioned upon, among other things a full release and a dismissal with prejudice of the entire action or claim as to the Company and/or each of its subsidiaries. Prior to receiving an award, an individual claimant shall represent and warrant that liens, assignment rights, or other claims that are identified in the claims administration process have been or will be satisfied by the individual claimant. The amount of settlement awards to participating plaintiffs, claimants, the claims evaluation process and procedures used in conjunction with award distributions, and the negotiations leading to the settlement shall be kept confidential by all parties and their counsel. The cost of this settlement has been incorporated into the increase in our product liability reserve.

Propoxyphene Cases. Qualitest Pharmaceuticals and, in certain cases, the Company or certain of its subsidiaries, along with several other pharmaceutical manufacturers, have been named as defendants in numerous lawsuits originally filed in various federal and state courts alleging personal injury resulting from the use of prescription pain medicines containing propoxyphene. Plaintiffs in these suits allege various personal injuries including cardiac impairment, damage and death. In August 2011, a multidistrict litigation (MDL) was formed, and certain transferable cases pending in federal court were coordinated in the Eastern District of Kentucky as part of MDL No. 2226. On March 5, 2012 and June 22, 2012, pursuant to a standing show cause order, the MDL Judge dismissed with prejudice certain claims against generic manufacturers, including Qualitest Pharmaceuticals and the Company. Certain plaintiffs appealed those decisions to the U.S. Court of Appeals for the Sixth Circuit. On June 27, 2014, the Sixth Circuit affirmed the dismissal of the cases that had been pending as part of a consolidated appeal. In November 2012, additional cases were filed in various California state courts, and removed to corresponding federal courts. Many of these cases have already been remanded, although appeals are being pursued. A coordinated proceeding was formed in Los Angeles. Qualitest Pharmaceuticals and the Company intend to contest all of these cases vigorously and to explore other options as appropriate in the best interests of the Company and Qualitest Pharmaceuticals. Litigation similar to that described above may also be brought by other plaintiffs in various jurisdictions. However, we cannot predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against the Company or its subsidiaries. As of November 3, 2014, approximately 40 propoxyphene cases, some of which may have been filed on behalf of multiple plaintiffs, are currently pending against Qualitest Pharmaceuticals and/or the Company. The Company and its subsidiaries are unable to predict the outcome of this matter or the ultimate legal and financial liability, if any, and at this time cannot reasonably estimate the possible loss or range of loss, if any, for this matter.

Testosterone Cases. EPI, and in certain cases the Company or certain of its subsidiaries, along with other pharmaceutical manufacturers, has been named as defendants in lawsuits alleging personal injury resulting from the use of prescription medications containing testosterone, including Fortesta® Gel. Plaintiffs in these suits allege various personal injuries including pulmonary embolism, stroke, and other vascular and/or cardiac injuries. In June 2014, an MDL was formed to include claims involving all testosterone replacement therapies filed against EPI and other manufacturers of such products, and certain transferable cases pending in federal court were coordinated in the Northern District of Illinois as part of MDL No.2545. In addition to the federal cases filed against EPI that have been transferred to the Northern District of Illinois as tag-along actions to MDL No. 2545, litigation has also been filed against EPI in the Court of Common Pleas Philadelphia County. Litigation similar to that described above may also be brought by other plaintiffs in various jurisdictions, and cases brought in federal court will be transferred to the Northern District of Illinois as tag-along actions to MDL 2545. However, we cannot predict the timing or outcome of any such litigation, or whether any such additional litigation will be brought against the Company or EPI, but EPI intends to contest the litigation vigorously and to

explore all options as appropriate in the best interests of EPI and the Company. As of November 3, 2014, approximately 14 cases are currently pending against EPI, including a class action complaint filed in Canada.

In addition, on November 5, 2014, an civil class action complaint was filed in the Northern District of Illinois against EPI and various other manufacturers of testosterone products on behalf of a proposed class of health insurance companies and other third party payors that had paid for certain testosterone products, alleging that the marketing efforts of EPI and other defendant manufacturers with respect to certain testosterone products constituted racketeering activity in violation of 18 U.S.C. §1962(c), and other civil RICO claims. Further, the complaint alleges that EPI and other defendant manufacturers violated various state consumer protection laws through their marketing of certain testosterone products. The Company and its subsidiaries are unable to predict the outcome of this matter or the ultimate legal and financial liability, if any, and at this time cannot reasonably estimate the possible loss or range of loss for this matter, if any.

Department of Health and Human Services Subpoena and Related Matters

As previously reported, in January 2007 and April 2011, the Company received subpoenas issued by the Office of the Inspector General of the Department of Health and Human Services (HHS-OIG) and the United States Department of Justice (DOJ), respectively. The subpoenas requested documents relating to Lidoderm® (lidocaine patch 5%), focused primarily on the sale, marketing and promotion of Lidoderm®. As previously reported, the Company resolved potential claims of the federal government and numerous states related to potential claims regarding the sale, marketing and promotion of Lidoderm®.

In September 2013, the State of Louisiana filed a Petition for Civil Penalties and Damages against the Company and its subsidiary, EPI in the Nineteenth Judicial District for the Parish of East Baton Rouge alleging that EPI and the Company engaged in unlawful marketing of Lidoderm® in the State of Louisiana. See *State of Louisiana v. Endo Pharmaceuticals, Inc. et al.*, C624672 (19th Jud. Dist. La.). The State seeks civil fines, civil monetary penalties, damages, injunctive relief, attorneys' fees and costs under various causes of action. Without admitting liability or wrongdoing, in February 2014, EPI and the State of Louisiana reached an agreement to resolve this case for a total of $1.4 million plus attorney's fees. The case was dismissed on July 1, 2014.

As previously reported, EPI is in the process of responding to a Civil Investigative Demand issued by the State of Texas relating to Lidoderm® (lidocaine patch 5%), focused primarily on the sale, marketing and promotion of Lidoderm® in Texas. EPI and the Company are cooperating with the State's investigation. The Company and its subsidiaries are unable to predict the outcome of this matter or the ultimate legal and financial liability and at this time cannot reasonably estimate the possible loss or range of loss for this matter but will explore all options as appropriate in the best interests of EPI and the Company.

Litigation similar to that described above may also be brought by other plaintiffs in various jurisdictions. However, we cannot predict the timing or outcome of any such litigation, or whether any such litigation will be brought against the Company or its subsidiaries.

Qualitest Pharmaceuticals Civil Investigative Demands

In April 2013, the Company's subsidiaries, EPI and Qualitest, received Civil Investigative Demands (CIDs) from the U.S. Attorney's Office for the Southern District of New York. The CIDs request documents and information regarding the manufacture and sale of chewable fluoride tablets and other products sold by Qualitest. EPI and Qualitest are cooperating with the government's investigation. The Company and its subsidiaries are unable to predict the outcome of this matter or the ultimate legal and financial liability, if any, and at this time cannot reasonably estimate the possible loss or range of loss for this matter, if any, but will explore all options as appropriate in the best interests of EPI and the Company.

Unapproved Drug Litigation

In September 2013, the State of Louisiana filed a Petition for Damages against EPI, Qualitest and Boca and over 50 other pharmaceutical companies alleging the defendants or their subsidiaries marketed products that were not approved by the FDA. See *State of Louisiana v. Abbott Laboratories, Inc., et al*., C624522 (19th Jud. Dist. La.). The State of Louisiana seeks damages, fines, penalties, attorneys' fees and costs under various causes of action.

EPI, Qualitest and Boca intend to contest the above case vigorously and to explore other options as appropriate in the best interests of the Company, EPI, Qualitest and Boca. Litigation similar to that described above may also be brought by other plaintiffs in various jurisdictions. However, we cannot predict the timing or outcome of any such litigation, or whether any such litigation will be brought against the Company or its subsidiaries. The Company and its subsidiaries are unable to predict the outcome of this matter or the ultimate legal and financial liability, if any, and at this time cannot reasonably estimate the possible loss or range of loss for this matter, if any.

Opioid-Related Litigations, Subpoenas and Document Requests

In March 2013, the Company received an Investigative Subpoena from the Corporation Counsel for the City of Chicago seeking documents and information regarding the sales and marketing of opioids, including Opana®. Following discussion with the Company,

in May 2013, the Corporation Counsel for the city of Chicago served the Company with a revised Investigative Subpoena seeking the same documents and information. In June 2014, Corporation Counsel for the City of Chicago filed suit in Illinois state court against multiple defendants, including the Company, for alleged violations of city ordinances and other laws relating to defendants' alleged opioid sales and marketing practices. On June 12, 2014, the case was removed to the United States District Court for the Northern District of Illinois. Plaintiffs initially moved to remand the case to state court but, on July 8, 2014, withdrew their motion to remand. Plaintiff seeks declaratory relief, restitution, civil penalties (including treble damages), an injunction, and attorneys' fees and costs.

In May 2014, a lawsuit was filed in California Superior Court (Orange County) in the name of the People of the State of California, acting by and through County Counsel for Santa Clara County and the Orange County District Attorney, against multiple defendants, including the Company. The complaint was amended on June 9, 2014, to include allegations against EPI, among other changes. The amended complaint asserts violations of California's statutory Unfair Competition and False Advertising laws, as well as asserting a claim for public nuisance, based on alleged misrepresentations in connection with sales and marketing of opioids, including Opana®. On July 14, 2014, the case was removed to the United States District Court for the Central District of California. Plaintiff seeks declaratory relief, restitution, civil penalties (including treble damages), abatement, an injunction, and attorneys' fees and costs.

In September 2013, the Company received a subpoena from the State of New York Office of Attorney General seeking documents and information regarding the sales and marketing of Opana®. In January 2014, the Company received a set of informal document requests from the Office of the United States Attorney for the Eastern District of Pennsylvania seeking documents and information regarding the sales and marketing of Opana® ER. In September of 2014, the Company received a Request for Information from the State of Tennessee Office of the Attorney General and Reporter seeking documents and information regarding the sales and marketing of opioids, including Opana® ER.

The Company is cooperating with the State of New York Office of Attorney General and the Office of the United States Attorney for the Eastern District of Pennsylvania and the State of Tennessee Office of the Attorney General and Reporter in their respective investigations. With respect to both the litigations brought on behalf of the City of Chicago and the People of the State of California, the Company intends to contest those matters vigorously and to explore all options as appropriate in the best interests of the Company. The Company and its subsidiaries are unable to predict the outcome of these matters or the ultimate legal and financial liability, if any, and at this time cannot reasonably estimate the possible loss or range of loss, if any, for these matters but will explore all options as appropriate in the best interests of EPI and the Company.

Antitrust Litigation and Investigations

Multiple direct and indirect purchasers of Lidoderm® have filed a number of cases against EPI and co-defendants Teikoku Seiyaku Col, LTD, Teikoku Pharma USA, Inc. (collectively Teikoku) and Actavis plc., f/k/a as Watson Pharmaceuticals, Inc., and a number of its subsidiaries (collectively Actavis). The complaints in these cases generally allege that Endo, Teikoku and Actavis entered into an anticompetitive conspiracy to restrain trade through the settlement of patent infringement litigation concerning U.S. Patent No. 5,827,529 (the '529 patent). Some of the complaints also allege that Teikoku wrongfully listed the '529 patent in the Orange Book as related to Lidoderm®, that Endo and Teikoku commenced sham patent litigation against Actavis and that Endo abused the FDA citizen petition process by filing a citizen petition and amendments solely to interfere with generic companies' efforts to obtain FDA approval of their versions of Lidoderm®. The cases allege violations of Sections 1 and 2 of the Sherman Act (15 U.S.C. §§ 1, 2) and various state antitrust and consumer protection statutes. These cases generally seek damages, treble damages, disgorgement of profits, restitution, injunctive relief and attorneys' fees.

The United States Judicial Panel on Multidistrict Litigation, pursuant to 28 U.S.C. § 1407, issued an order on April 3, 2014, transferring these cases as *In Re Lidoderm Antitrust Litigation*, MDL No. 2521, to the U.S. District Court for the Northern District of California for coordinated or consolidated pretrial proceedings before Judge William H. Orrick.

Litigation similar to that described above may also be brought by other plaintiffs in various jurisdictions, and cases brought in federal court will be transferred to the Northern District of California as tag-along actions to *In Re Lidoderm Antitrust Litigation*.

On June 13, 2014, pursuant to a case management order entered by Judge Orrick, the direct and indirect purchasers each filed consolidated amended class complaints. In addition, one indirect purchaser filed a separate complaint. Defendants recently filed motions to dismiss each of the operative complaints. These motions were heard on November 5, 2014, but a decision has not yet been reached. However, we cannot predict the timing or outcome of any of this litigation, or whether any additional litigation will be brought against the Company or EPI.

Multiple direct and indirect purchasers of Opana® ER have filed cases against EHSI, EPI, Penwest Pharmaceuticals Co., and Impax Laboratories Inc. in multiple federal courts. These cases generally allege that the agreement reached by EPI and Impax to settle patent infringement litigation concerning multiple patents pertaining to Opana® ER and EPI's introduction of the re-formulation of Opana® ER violated antitrust laws. The complaints allege violations of Sections 1 and 2 of the Sherman Act (15 U.S.C. §§ 1, 2), various state antitrust and consumer protection statutes, as well as state common law. These cases generally seek damages, treble damages, disgorgement of profits, restitution, injunctive relief and attorneys' fees, and some allege that they will seek to represent classes of direct and indirect

purchasers of Opana® ER. Litigation similar to that described above may also be brought by other plaintiffs in various jurisdictions. However, we cannot predict the timing or outcome of any such litigation, or whether any such litigation will be brought against the Company or EPI.

The Company and its subsidiaries are unable to predict the outcome of these matters or the ultimate legal and financial liability, if any, and at this time cannot reasonably estimate the possible loss or range of loss for these matters, if any, but will explore all options as appropriate in the best interests of EPI and the Company.

On February 25, 2014, the Company's subsidiary, EPI received a Civil Investigative Demand (the February 25 CID) from the United States Federal Trade Commission (the FTC). The FTC issued a second Civil Investigative Demand to EPI on March 25, 2014 (the March 25 CID). The February 25 CID requests documents and information concerning EPI's Settlement Agreements with Actavis and Impax settling the Opana® ER patent litigation, EPI's Development and Co-Promotion Agreement with Impax, and its Settlement Agreement with Actavis settling the Lidoderm® patent litigation, as well as information concerning the marketing and sales of Opana® ER and Lidoderm®. The March 25 CID requests documents and information concerning EPI's acquisition of U.S. Patent No. 7,852,482 (the '482 patent), as well as additional information concerning certain litigation relating to, and the marketing and sales of Opana® ER. The FTC has also issued subpoenas for investigational hearings (similar to depositions) to Company employees and former Company employees. EPI intends to fully cooperate with the FTC's investigation.

On November 3, 2014, EPI received a Civil Investigative Demand from the State of Florida Office of the Attorney General issued pursuant to the Florida Antitrust Act of 1980, Section 542.28 and seeking documents and other information concerning EPI's Settlement Agreement with Actavis settling the Lidoderm® patent litigation, as well as information concerning the marketing and sales of Lidoderm®.

The Company and its subsidiaries are unable to predict the outcome of these investigations or the ultimate legal and financial liability, if any, and at this time cannot reasonably estimate the possible loss or range of loss for these investigations, if any, but will explore all options as appropriate in the best interests of EPI and the Company.

Paragraph IV Certifications on Lidoderm®

As previously reported, the Company's subsidiary, EPI and the holders of the Lidoderm® New Drug Application and relevant patents, Teikoku Seiyaku Co., Ltd., and Teikoku Pharma USA, Inc. (collectively, Teikoku) received a Paragraph IV Certification Notice under 21 U.S.C. 355(j) (a Paragraph IV Notice) from Watson Laboratories, Inc. (now doing business as Actavis, Inc. and referred to herein as Watson or Actavis) advising of its filing of an ANDA for a generic version of Lidoderm® (lidocaine topical patch 5%), which resulted in litigation under the Hatch-Waxman Act.

On May 28, 2012, EPI entered into a Settlement and License Agreement (the Watson Settlement Agreement) among EPI and Teikoku, on the one hand, and Watson, on the other hand. The Watson Settlement Agreement settled all ongoing patent litigation among the parties relating to Watson's generic version of Lidoderm®. Under the terms of the Watson Settlement Agreement, the parties dismissed their respective claims and counterclaims without prejudice. As part of the settlement, Watson agreed not to challenge the validity or enforceability of EPI's and Teikoku's patents relating to Lidoderm® with respect to Watson's generic version of Lidoderm®. Watson received FDA approval of its generic version of Lidoderm® in August 2012 and began selling its generic version of Lidoderm® on September 16, 2013 (the Start Date) pursuant to a license granted by EPI and Teikoku under the Watson Settlement Agreement. The license to Watson was exclusive as to EPI's launch of an authorized generic version of Lidoderm® until May 1, 2014. EPI received an at market royalty equal to 25% of the gross profit generated on Watson's sales of its generic version of Lidoderm® during its period of exclusivity. During the three months ended September 30, 2014 no Watson royalty income was recorded, however, during the nine months ended September 30, 2014, we recorded Watson royalty income of $51.3 million, and during the three and nine months ended September 30, 2013 we recorded Watson royalty income of $28.6 million, which is included in Other revenues in our Condensed Consolidated Statements of Operations.

As of September 30, 2014, there is no remaining liability associated with our Patent litigation settlement and, during the nine months ended September 30, 2014, there was no related activity recorded in our Condensed Consolidated Statements of Operations. During the three and nine months ended September 30, 2013, the net impact of the Watson Settlement Agreement recorded in Other income, net consisted of the amounts shown below (in thousands):

	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2013
Litigation settlement liability relieved during the quarter	$ 24,135	$ 85,123
Cost of product shipped to Watson's wholesaler affiliate	(2,674)	(11,093)
Estimated gross-to-net liabilities on product shipped to Watson's wholesaler affiliate	(8,156)	(29,162)
Rebate on product shipped to Watson's wholesaler affiliate	1,323	5,532
Net gain included in Other income, net	$ 14,628	$ 50,400

As previously reported, in January 2011, EPI and Teikoku received a Paragraph IV Notice from Mylan Technologies Inc. (Mylan) advising of its filing of an ANDA for a generic version of Lidoderm®. The Paragraph IV Notice refers to U.S. Patent Nos. 5,827,529 and 5,741,510, which cover the formulation of Lidoderm® under the Hatch-Waxman Act. The patent expired on March 30, 2014. This suit is no longer pending. On October 4, 2013, the Company dismissed the suit against Mylan.

On May 16, 2012, EPI and Teikoku received a Paragraph IV Notice from Noven Pharmaceuticals, Inc. (Noven) advising of its filing of an ANDA for a generic version of Lidoderm®, which resulting in litigation under the Hatch-Waxman Act. On April 15, 2014, EPI entered into a Settlement and License Agreement (the Noven Settlement Agreement) among EPI and Teikoku, on the one hand, and Noven, on the other hand. The Noven Settlement Agreement settled all ongoing patent litigation among the parties relating to Noven's generic version of Lidoderm®. Under the terms of the Noven Settlement Agreement, the parties dismissed their respective claims and counterclaims without prejudice. As part of the settlement, Noven agreed not to challenge the validity or enforceability of EPI's and Teikoku's patents relating to Lidoderm® with respect to Noven's generic version of Lidoderm®. Under the terms of the Noven Settlement Agreement, should Noven receive FDA approval, Noven may begin selling its generic version of Lidoderm® on March 1, 2015, or earlier under certain circumstances pursuant to a license granted by EPI and Teikoku under the Noven Settlement Agreement.

On May 24, 2012, EPI and Teikoku received a Paragraph IV Notice from TWi Pharmaceuticals, Inc. (TWi) advising of its filing of an ANDA for a generic version of Lidoderm®, which resulted in litigation under the Hatch-Waxman Act. On April 18, 2014, EPI entered into a Settlement and License Agreement (the TWi Settlement Agreement) among EPI and Teikoku, on the one hand, and TWi, on the other hand. The TWi Settlement Agreement settled all ongoing patent litigation among the parties relating to TWi's generic version of Lidoderm®. Under the terms of the TWi Settlement Agreement, the parties dismissed their respective claims and counterclaims without prejudice. As part of the settlement, TWi agreed not to challenge the validity or enforceability of EPI's and Teikoku's patents relating to Lidoderm® with respect to TWi's generic version of Lidoderm®. Under the terms of the TWi Settlement Agreement, should TWi receive FDA approval, TWi may begin selling its generic version of Lidoderm® on March 1, 2015, or earlier under certain circumstances pursuant to a license granted by EPI and Teikoku under the TWi Settlement Agreement.

In addition to the above litigation, it is possible that another generic manufacturer may also seek to launch a generic version of Lidoderm® and challenge the applicable patents.

Paragraph IV Certifications on Opana® ER

As previously reported, starting in December 2007 through December 2011, EPI received Paragraph IV Notices from various generic drug manufacturers, including Impax Laboratories, Inc. (Impax), Actavis South Atlantic LLC (Actavis), Sandoz, Inc. (Sandoz), Barr Laboratories, Inc. (Teva), Watson Laboratories, Inc. (Watson), Roxane Laboratories, Inc. (Roxane) and most recently, Ranbaxy Inc. (Ranbaxy) advising of the filing by each such company of an ANDA for a generic version of the non-crush-resistant formulation of Opana® ER (oxymorphone hydrochloride extended-release tablets CII). To date, EPI settled all of the Paragraph IV litigation relating to the non-crush-resistant formulation of Opana® ER other than those cases discussed in the next paragraph. Under the terms of the settlements, each generic manufacturer agreed not to challenge the validity or enforceability of patents relating to the non-crush-resistant formulation of Opana® ER. As a result, Actavis launched its generic version of non-crush-resistant Opana® ER 7.5 and 15 mg tablets on July 15, 2011, and Impax launched its generic version of non-crush-resistant Opana® ER 5, 7.5, 10, 15, 20, 30 and 40 mg tablets on January 2, 2013. Pursuant to the terms of the respective settlement agreements, Sandoz, Teva, Watson, Roxane and Actavis were granted licenses to patents listed in the Orange Book at the time each generic filed its ANDA.

In late 2012, two patents (US Patent Nos. 8,309,122 and 8,329,216) were issued to EPI covering Opana® ER. On December 11, 2012, EPI filed a Complaint against Actavis in U.S. District Court for the Southern District of New York for patent infringement based on its ANDA for a non-crush-resistant generic version of Opana® ER. Between May 22 and June 21, 2013, EPI filed similar suits in the U.S. District Court for the Southern District of New York against the following applicants for non-crush-resistant Opana® ER: Par

Pharmaceuticals, Teva Pharmaceuticals, Mallinckrodt LLC, Sandoz Inc., Roxane Laboratories, and Ranbaxy. Those suits allege infringement of US Patent Nos. 7,851,482, 8,309,122, and 8,329,216. In July 2013, Actavis and Roxane were granted FDA approval to market all strengths of their respective non-crush-resistant formulations of Opana® ER. In June 2014, Mallinckrodt LLC was granted FDA approval to market all strengths of their respective non-crush-resistant formulations of Opana® ER. On August 1, 2013, EPI dismissed its suit against Teva Pharmaceuticals based on its demonstration to EPI that it does not, at this time, intend to pursue an ANDA for non-crush-resistant Opana® ER. On October 18, 2013, EPI dismissed its suit against Sandoz Pharmaceuticals based on its demonstration to EPI that it does not, at this time, intend to pursue an ANDA for non-crush-resistant Opana® ER. On December 18, 2013, EPI dismissed its suit against Mallinckrodt LLC based on a settlement allowing Mallinckrodt LLC to launch its non-crush-resistant formulation of Opana ER in October 2017, under certain circumstances. On August 6, 2013, EPI filed motions for preliminary injunctions against Actavis and Roxane requesting the court enjoin Actavis and Roxane from launching additional Opana® ER generics pending the outcome of the patent case. On September 12, 2013, the court denied the Company's motions for preliminary injunction. On that day, Actavis launched its generic version of non-crush-resistant Opana® ER 5, 10, 20, 30 and 40 mg tablets. EPI has appealed the denial of a preliminary injunction. A hearing on the appeal was heard January 9, 2014. On March 31, 2014, the Court of Appeals for the Federal Circuit vacated and remanded the district court ruling. The case will return to the district court for further proceedings.

EPI intends to defend vigorously its intellectual property rights and to pursue all available legal and regulatory avenues in defense of the non-crush-resistant formulation Opana® ER, including enforcement of the product’s intellectual property rights and approved labeling. However, there can be no assurance that EPI will be successful. If EPI is unsuccessful, competitors that already have obtained, or are able to obtain, FDA approval of their products may be able to launch their generic versions of non-crush-resistant Opana® ER prior to the applicable patents’ expirations. Additionally, we cannot predict or determine the timing or outcome of related litigation but will explore all options as appropriate in the best interests of the Company and EPI. In addition to the above litigation, it is possible that another generic manufacturer may also seek to launch a generic version of non-crush-resistant Opana® ER and challenge the applicable patents.

From September 21, 2012 through October 30, 2013, EPI and its partner Grünenthal received Paragraph IV Notices from each of Teva Pharmaceuticals USA, Inc. (Teva), Amneal Pharmaceuticals, LLC (Amneal), Sandoz Inc. (Sandoz), ThoRx Laboratories, Inc. (ThoRx), Par Pharmaceuticals (Par), Actavis South Atlantic LLC (Actavis), Impax Pharmaceuticals (Impax) and Ranbaxy Laboratories Limited (Ranbaxy), advising of the filing by each such company of an ANDA for a generic version of the formulation of Opana® ER designed to be crush-resistant. These Paragraph IV Notices refer to U.S. Patent Nos. 8,075,872, 8,114,383, 8,192,722, 7,851,482, 8,309,060, 8,309,122 and 8,329,216, which variously cover the formulation of Opana® ER, a highly pure version of the active pharmaceutical ingredient and the release profile of Opana® ER. EPI filed lawsuits against each of these filers in the U.S. District Court for the Southern District of New York. Each lawsuit was filed within the 45-day deadline to invoke a 30-month stay of FDA approval pursuant to the Hatch-Waxman legislative scheme. EPI intends, and has been advised by Grünenthal that it too intends, to defend vigorously the intellectual property rights covering the formulation of Opana® ER designed to be crush-resistant and to pursue all available legal and regulatory avenues in defense of crush-resistant Opana® ER, including enforcement of the product's intellectual property rights and approved labeling. A trial in this case has been set for March 23, 2015. However, there can be no assurance that EPI and Grünenthal will be successful. If we are unsuccessful and Teva, Amneal, Sandoz, ThoRx, Par, Actavis or Impax is able to obtain FDA approval of its product, generic versions of crush-resistant Opana® ER may be launched prior to the applicable patents' expirations in 2023 through 2029. Additionally, we cannot predict or determine the timing or outcome of this defense but will explore all options as appropriate in the best interests of the Company and EPI. In addition to the above litigation, it is possible that another generic manufacturer may also seek to launch a generic version of crush-resistant Opana® ER and challenge the applicable patents.

On August 19, 2014 and October 20, 2014, The United States Patent Office issued US Patent Nos. 8,808,737 and 8,871,779 respectively, which cover a method of using Opana ER and a highly pure version of the active pharmaceutical ingredient of Opana® ER. On Friday, November 7, 2014, EPI filed lawsuits against Teva, ThoRx, Par, Actavis, Impax, Ranbaxy, Roxane, Amneal, and Sandoz in the U.S. District Court for the District of Delaware. These new patents expire in 2027 and 2029, respectively.

Paragraph IV Certification on Fortesta® Gel

On January 18, 2013, EPI and its licensor Strakan Limited received a notice from Watson advising of the filing by Watson of an ANDA for a generic version of Fortesta® (testosterone) Gel. On February 28, 2013, EPI filed a lawsuit against Watson in the U.S. District Court for the Eastern District of Texas, Marshall division. Because the suit was filed within the 45-day period under the Hatch-Waxman Act for filing a patent infringement action, we believe that it triggered an automatic 30-month stay of approval under the Act. Trial has been set for February 26, 2015.

EPI intends, and has been advised by Strakan Limited that it too intends, to defend vigorously Fortesta® Gel and to pursue all available legal and regulatory avenues in defense of Fortesta® Gel, including enforcement of the product's intellectual property rights and approved labeling. However, there can be no assurance that EPI and Strakan will be successful. If EPI and Strakan are unsuccessful and Watson is able to obtain FDA approval of its product, Watson may be able to launch its generic version of Fortesta® Gel prior to the applicable patents' expirations in 2018. Additionally, we cannot predict or determine the timing or outcome of this

litigation but will explore all options as appropriate in the best interests of the Company. In addition to the above litigation, it is possible that another generic manufacturer may also seek to launch a generic version of Fortesta® Gel and challenge the applicable patents.

Paragraph IV Certification on Frova®

As previously reported, in July 2011, EPI and its licensor, Vernalis Development Limited received a notice from Mylan Technologies Inc. (Mylan) advising of the filing by Mylan of an ANDA for a generic version of Frova® (frovatriptan succinate) 2.5 mg tablets. Mylan's notice included a Paragraph IV Notice with respect to U.S. Patent Nos. 5,464,864, 5,561,603, 5,637,611, 5,827,871 and 5,962,501, which cover Frova®. These patents are listed in the FDA's Orange Book and either have expired or will expire by 2015. As a result of this Paragraph IV Notice, on August 16, 2011, EPI filed a lawsuit against Mylan in the U.S. District Court for the District of Delaware alleging infringement of U.S. Patent Nos. 5,464,864, 5,637,611 and 5,827,871. Because the suit was filed within the 45-day period under the Hatch-Waxman Act for filing a patent infringement action, we believe that it triggered an automatic 30-month stay of approval under the Act. On September 22, 2011, Mylan filed an Answer and Counterclaims, claiming the asserted patents are invalid or not infringed. A trial in this case was held starting November 12, 2013. On January 28, 2014, the U.S. District Court for the District of Delaware issued a decision upholding the validity and infringement by Mylan of U.S. Patent No. 5,464,864. After the District court decision, Mylan moved to enforce a purported settlement entered into by the parties. A hearing was held in the U.S. District Court for the District of Delaware on March 18, 2014. As a result of that hearing, the court vacated the earlier decision, and held that Mylan and EPI settled the Frova litigation. The terms of that settlement allow Mylan to sell Mylan's generic frovatriptan succinate 2.5 mg tablets not earlier than four weeks prior to the expiration of U.S. Patent 5,464,864. The Company has appealed this decision.

EPI intends to continue to defend vigorously its intellectual property rights and to pursue all available legal and regulatory avenues in defense of Frova®, including enforcement of the product's intellectual property rights and approved labeling. However, there can be no assurance that EPI will be successful. If EPI is unsuccessful and Mylan is able to obtain FDA approval of its product, Mylan may be able to launch its generic version of Frova® prior to the applicable patents' expiration in 2015. Additionally, we cannot predict or determine the timing or outcome of this litigation but will explore all options as appropriate in the best interests of the Company and EPI. In addition to the above litigation, it is possible that another generic manufacturer may also seek to launch a generic version of Frova® and challenge the applicable patents.

Other Legal Proceedings

In addition to the above proceedings, proceedings similar to those described above may also be brought in the future. Additionally, we and our subsidiaries are involved in, or have been involved in, arbitrations or various other legal proceedings that arise from the normal course of our business. We cannot predict the timing or outcome of these claims and other proceedings. Currently, neither we nor our subsidiaries are involved in any other legal proceedings that we expect to have a material effect on our business, financial condition, results of operations and cash flows.

NOTE 13. OTHER COMPREHENSIVE (LOSS) INCOME

The following table presents the tax effects allocated to each component of Other comprehensive (loss) income for the three months ended September 30, 2014 and 2013, (in thousands):

	Three Months Ended September 30,					
	2014			2013		
	Before-Tax Amount	Tax Benefit (Expense)	Net-of-Tax Amount	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Net unrealized (loss) gain on securities:						
Unrealized (losses) gains arising during the period	$ (2,384)	$ 248	$ (2,136)	$ 415	$ (154)	$ 261
Less: reclassification adjustments for losses realized in net (loss) income	14	—	14	—	—	—
Net unrealized (losses) gains	(2,370)	248	(2,122)	415	(154)	261
Foreign currency translation (loss) gain	(87,869)	19	(87,850)	2,990	6	2,996
Fair value adjustment on derivatives designated as cash flow hedges:						
Fair value adjustment on derivatives designated as cash flow hedges arising during the period	—	—	—	(364)	130	(234)
Less: reclassification adjustments for cash flow hedges settled and included in net (loss) income	—	—	—	(138)	49	(89)
Net unrealized fair value adjustment on derivatives designated as cash flow hedges	—	—	—	(502)	179	(323)
Other comprehensive (loss) income	$ (90,239)	$ 267	$ (89,972)	$ 2,903	$ 31	$ 2,934

The following table presents the tax effects allocated to each component of Other comprehensive (loss) income for the nine months ended September 30, 2014 and 2013, (in thousands):

	Nine Months Ended September 30,					
	2014			2013		
	Before-Tax Amount	Tax Benefit (Expense)	Net-of-Tax Amount	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Net unrealized (loss) gain on securities:						
Unrealized (losses) gains arising during the period	$ (589)	$ 147	$ (442)	$ 687	$ (256)	$ 431
Less: reclassification adjustments for losses realized in net (loss) income	14	—	14	—	—	—
Net unrealized (losses) gains	(575)	147	(428)	687	(256)	431
Foreign currency translation (loss) gain	(38,385)	5	(38,380)	5	22	27
Fair value adjustment on derivatives designated as cash flow hedges:						
Fair value adjustment on derivatives designated as cash flow hedges arising during the period	—	—	—	468	(169)	299
Less: reclassification adjustments for cash flow hedges settled and included in net (loss) income	—	—	—	166	(60)	106
Net unrealized fair value adjustment on derivatives designated as cash flow hedges	—	—	—	634	(229)	405
Other comprehensive (loss) income	$ (38,960)	$ 152	$ (38,808)	$ 1,326	$ (463)	$ 863

Reclassifications adjustments out of Other comprehensive (loss) income are reflected in our Condensed Consolidated Statements of Operations as Other income, net.

The following is a summary of the accumulated balances related to each component of Other comprehensive (loss) income, net of taxes, at September 30, 2014 and December 31, 2013 (in thousands):

	September 30, 2014	December 31, 2013
Net unrealized gains	$ 170	$ 598
Foreign currency translation loss	(44,256)	(5,193)
Fair value adjustment on derivatives designated as cash flow hedges	—	(320)
Accumulated other comprehensive loss	$ (44,086)	$ (4,915)

NOTE 14. SHAREHOLDERS' EQUITY

Changes in Shareholders' Equity

The following table displays a reconciliation of our beginning and ending balances in shareholders' equity for the nine months ended September 30, 2014 (in thousands):

	Attributable to:		
	Endo International plc	Noncontrolling interests	Total Shareholders' Equity
Shareholders' equity at January 1, 2014	$ 526,018	$ 59,198	$ 585,216
Net (loss) income	(667,836)	2,895	(664,941)
Other comprehensive (loss) income	(39,171)	363	(38,808)
Compensation related to share-based awards	23,150	—	23,150
Tax withholding for restricted shares	(23,920)	—	(23,920)
Exercise of options	36,124	—	36,124
Distributions to noncontrolling interests	—	(6,144)	(6,144)
Buy-out of noncontrolling interests, net of contributions	—	(82)	(82)
Addition of Paladin noncontrolling interests due to acquisition	—	40,600	40,600
Removal of HealthTronics, Inc. noncontrolling interests due to disposition	—	(57,359)	(57,359)
Ordinary shares issued in connection with the Paladin acquisition	2,844,279	—	2,844,279
Repurchase of convertible senior subordinated notes due 2015	(309,829)	—	(309,829)
Settlement of common stock warrants	(284,454)	—	(284,454)
Settlement of the hedge on convertible senior subordinated notes due 2015	356,265	—	356,265
Other	30,095	—	30,095
Shareholders' equity at September 30, 2014	$ 2,490,721	$ 39,471	$ 2,530,192

As part of the reorganization upon consummation of the Paladin acquisition, EHSI Common stock and Treasury stock in the amounts of $1.5 million and $763.1 million, respectively, were retired and reclassified into Additional paid-in capital.

The following table displays a reconciliation of our beginning and ending balances in shareholders' equity for the nine months ended September 30, 2013 (in thousands):

	Attributable to:		
	Endo International plc	Noncontrolling interests	Total Shareholders' Equity
Shareholders' equity at January 1, 2013	$ 1,072,856	$ 60,350	$ 1,133,206
Net income	90,571	38,758	129,329
Other comprehensive income	863	—	863
Compensation related to share-based awards	31,258	—	31,258
Tax withholding for restricted shares	(8,284)	—	(8,284)
Exercise of options	83,743	—	83,743
Ordinary shares issued from treasury, net of ordinary shares purchased	4,117	—	4,117
Distributions to noncontrolling interests	—	(36,709)	(36,709)
Buy-out of noncontrolling interests, net of contributions	—	(1,913)	(1,913)
Other	1,754	—	1,754
Shareholders' equity at September 30, 2013	$ 1,276,878	$ 60,486	$ 1,337,364

Share-Based Compensation

The Company recognized share-based compensation expense of $8.8 million and $23.2 million during the three and nine months ended September 30, 2014, respectively, compared to $8.5 million and $31.3 million during the three and nine months ended September 30, 2013, respectively. As of September 30, 2014, the total remaining unrecognized compensation cost related to all non-vested share-based compensation awards and options amounted to $59.4 million. As of September 30, 2014, the weighted average remaining requisite service period was 2.0 years for non-vested stock options, 0.5 years for non-vested restricted stock awards and 2.1 years for non-vested restricted stock units.

NOTE 15. COST OF REVENUES

The components of Cost of revenues for the three and nine months ended September 30, 2014 and 2013 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Cost of net pharmaceutical product sales	$ 341,193	$ 221,823	$ 857,288	$ 673,643
Cost of device revenues	38,006	36,013	119,611	111,987
Total cost of revenues	$ 379,199	$ 257,836	$ 976,899	$ 785,630

NOTE 16. OTHER INCOME, NET

The components of Other income, net for the three and nine months ended September 30, 2014 and 2013 are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Watson litigation settlement income, net	$ —	$ (14,628)	$ —	$ (50,400)
Net gain on sale of certain early-stage drug discovery and development assets	(150)	—	(4,000)	—
Foreign currency (gains) losses, net	(5,434)	(43)	(1,021)	1,001
Other expense (income), net	713	(1)	(12,710)	(242)
Other income, net	$ (4,871)	$ (14,672)	$ (17,731)	$ (49,641)

See Note 12. Commitments and Contingencies for a discussion of the Watson litigation settlement income, net.

NOTE 17. INCOME TAXES

During the three months ended September 30, 2014, we recognized an income tax benefit of $138.8 million on $390.8 million of loss from continuing operations before income tax, compared to $44.7 million of tax expense on $113.8 million of income from continuing operations before income tax during the comparable 2013 period. The effective income tax rate was 35.5% in benefit on the current period loss from continuing operations before income tax during the three months ended September 30, 2014, compared to an effective income tax rate of 39.2% in expense on income from continuing operations before income tax during the comparable 2013 period. The tax benefit for the current period is primarily related to loss from continuing operations before income tax and tax benefits resulting from our Paladin acquisition, which are partially offset by limitations on the amount of loss that can be recognized on a year-to-date basis as prescribed by applicable guidance. Tax expense for the comparable 2013 period is primarily related to income from continuing operations before income tax for the period.

During the nine months ended September 30, 2014, we recognized an income tax benefit of $338.6 million on $1,005.8 million of loss from continuing operations before income tax, compared to $82.9 million of tax expense on $215.5 million of income from continuing operations before income tax during the comparable 2013 period. The effective income tax rate was 33.7% in benefit on the current period loss from continuing operations before income tax during the nine months ended September 30, 2014, compared to an effective income tax rate of 38.5% in expense on income from continuing operations before income tax during the comparable 2013 period. The tax benefit for the current period is primarily related to a loss from continuing operations before income tax and tax benefits resulting from our Paladin acquisition, which are partially offset by limitations on the amount of loss that can be recognized on a year-to-date basis as prescribed by applicable guidance. Income from continuing operations before income tax was the primary generator of tax expense in the comparable prior period.

NOTE 18. NET (LOSS) INCOME PER SHARE

The following is a reconciliation of the numerator and denominator of basic and diluted net (loss) income per share for the three and nine months ended September 30, 2014 and 2013 (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Numerator:				
(Loss) income from continuing operations	$ (252,049)	$ 69,175	$ (667,192)	$ 132,577
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	35	—	(639)	—
(Loss) income from continuing operations attributable to Endo International plc ordinary shareholders	(252,084)	69,175	(666,553)	132,577
Income (loss) from discontinued operations attributable to Endo International plc ordinary shareholders, net of tax	—	(28,952)	(1,283)	(42,006)
Net (loss) income attributable to Endo International plc ordinary shareholders	$ (252,084)	$ 40,223	$ (667,836)	$ 90,571
Denominator:				
For basic per share data—weighted average shares	153,309	114,327	144,604	112,691
Dilutive effect of ordinary share equivalents	—	2,301	—	2,168
Dilutive effect of 1.75% Convertible Senior Subordinated Notes and warrants	—	3,633	—	2,031
For diluted per share data—weighted average shares	153,309	120,261	144,604	116,890

Basic net (loss) income per share data is computed based on the weighted average number of ordinary shares outstanding during the period. Diluted (loss) income per share data is computed based on the weighted average number of ordinary shares outstanding and, if there is net income from continuing operations attributable to Endo International plc ordinary shareholders during the period, the dilutive impact of ordinary share equivalents outstanding during the period. Ordinary share equivalents are measured under the treasury stock method.

All stock options and stock awards were excluded from the diluted share calculation for the three months ended September 30, 2014 because their effect would have been anti-dilutive, as the Company was in a loss position. However, if the Company was not in a loss position, stock options and stock awards of 0.8 million would have been anti-dilutive, and thus excluded from the diluted share calculation for the three months ended September 30, 2014. Stock options and stock awards of 0.6 million were excluded from the diluted share calculation for the three months ended September 30, 2013 because their effect would have been anti-dilutive. All stock options and stock awards were excluded from the diluted share calculation for the nine months ended September 30, 2014 because

their effect would have been anti-dilutive, as the Company was in a loss position. However, if the Company was not in a loss position, stock options and stock awards of 0.8 million would have been excluded from the diluted share calculation for the nine months ended September 30, 2014 because their effect would have been anti-dilutive. Stock options and stock awards of 3.3 million were excluded from the diluted share calculation for the nine months ended September 30, 2013 because their effect would have been anti-dilutive.

The 1.75% Convertible Senior Subordinated Notes due April 15, 2015 are only included in the dilutive net (loss) income per share calculations using the treasury stock method during periods in which the average market price of our ordinary shares was above the applicable conversion price of the Convertible Notes, or $29.20 per share and the impact would not be anti-dilutive. In these periods, under the treasury stock method, we calculated the number of shares issuable under the terms of these notes based on the average market price of the shares during the period, and included that number in the total diluted shares outstanding for the period.

We have entered into convertible note hedge and warrant agreements that, in combination, have the economic effect of reducing the dilutive impact of the Convertible Notes. However, we separately analyze the impact of the convertible note hedge and the warrant agreements on diluted weighted average shares outstanding. As a result, the purchases of the convertible note hedges are excluded because their impact would be anti-dilutive. The treasury stock method is applied when the warrants are in-the-money with the proceeds from the exercise of the warrant used to repurchase shares based on the average stock price in the calculation of diluted weighted average shares. Until the warrants are in-the-money, they have no impact to the diluted weighted average share calculation. The total number of shares that could potentially be included if the warrants were exercised is approximately 3.4 million at September 30, 2014.

The maximum incremental potential dilution of shares that could have occurred if our Convertible Notes and warrants were converted to ordinary shares was 6.8 million shares and 24.0 million shares for the nine months ended September 30, 2014 and 2013, respectively. These amounts were excluded from the diluted net (loss) income per share calculations for those respective periods.

NOTE 19. SUBSEQUENT EVENTS

Plan to Acquire Auxilium Pharmaceuticals, Inc.

On October 9, 2014, the Company announced that it had entered into a definitive agreement (the Merger Agreement) under which Endo will acquire all of the outstanding shares of common stock of Auxilium Pharmaceuticals, Inc. for a per share consideration of $33.25 in a cash and stock transaction valued at approximately $2.9 billion. The per share consideration represents a premium of 55% to Auxilium's closing price on September 16, 2014, the day Endo made public its proposal for Auxilium. Subject to aggregate cash and equity consideration limits, Auxilium stockholders may elect one of three options with respect to transaction consideration: 100% equity which equates to 0.488 Endo shares per Auxilium share, 100% cash which equates to $33.25 per Auxilium share or a standard election of an equal mix of $16.625 in cash and 0.244 Endo shares per Auxilium share. The total cash consideration will not exceed 50% of the total equity value and the equity consideration will not exceed 75% of the total equity value. The transaction is expected to close in the first half of 2015 and is subject to the approval of Auxilium's stockholders, regulatory approval in the U.S., and other customary closing conditions.

In connection with Merger Agreement, Endo advanced to QLT, Inc. (QLT) the amount required to fund the payment of a termination fee of $28.4 million (QLT Termination Fee Loan) to terminate its agreement with Auxilium. QLT terminated its agreement with Auxilium effective October 8, 2014. The QLT Termination Fee Loan is to be repaid, together with interest thereon, within 12 months of the day after signing the Merger Agreement (October 10th, 2015), or sooner under certain circumstances.

The Merger Agreement contains certain termination rights for both the Endo and Auxilium, including in the event that the transaction is not consummated by April 10, 2015, subject to extension by the parties to July 8, 2015 in the event that regulatory approvals have not been received. The Merger Agreement further provides that, upon termination of the Merger Agreement under specified circumstances, Auxilium may be required to pay Endo a termination fee of $70.0 million and reimburse Endo for the $28.4 million QLT Termination Fee Loan. Endo is required to pay Auxilium a termination fee of $150.0 million if Endo terminates the Merger Agreement due to a change in U.S. federal tax law (whether or not such change in law is yet effective) after the date of the Merger Agreement that, as a result of consummating the transactions contemplated by the Merger Agreement once effective, would have a material adverse effect on Endo or Auxilium terminates the agreement because Endo fails to confirm within a specified period that Endo has no right to terminate the Merger Agreement following a change in tax law.

Plan to Acquire Remaining Shares of Litha

On October 16, 2014, Paladin announced that it made an offer to acquire the remaining issued ordinary share capital of Litha not already owned by Paladin for consideration of $0.25 per share in a cash transaction valued at $40.9 million. Paladin currently owns approximately 70% of Litha's issued ordinary share capital. The transaction is expected to close during the first half of 2015 and is subject to the approval of Litha's stockholders, regulatory approval in the U.S. and Canada, and other customary closing conditions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations describes the principal factors affecting the results of operations, liquidity and capital resources and critical accounting estimates at Endo International plc (the "Company", "Endo", "we", "our" or" us"). This discussion should be read in conjunction with the accompanying quarterly unaudited Condensed Consolidated Financial Statements and our Annual Report on Form 10-K, for the year ended December 31, 2013 (Annual Report). Our Annual Report includes additional information about our significant accounting policies, practices and the transactions that underlie our financial results, as well as a detailed discussion of the most significant risks and uncertainties associated with our financial and operating results. Except for the historical information contained in this Report, including the following discussion, this Report contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" beginning on page i of this Report.

In prior periods, our consolidated financial statements present the accounts of Endo Health Solutions Inc. and all of its subsidiaries (EHSI). Endo International plc was incorporated in Ireland on October 31, 2013 as a private limited company and re-registered effective February 18, 2014 as a public limited company. It was established for the purpose of facilitating the business combination between EHSI and Paladin Labs Inc. (Paladin). On February 28, 2014, we became the successor registrant of EHSI and Paladin Labs Inc. in connection with the consummation of certain transactions further described elsewhere in our Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q. In addition, on February 28, 2014, the shares of Endo International plc began trading on the NASDAQ under the symbol "ENDP," the same symbol under which EHSI's shares previously traded, as well as on the Toronto Stock Exchange under the symbol "ENL". References throughout to "ordinary shares" refer to EHSI's common shares, 350,000,000 authorized, par value $0.01 per share, prior to the consummation of the transactions and to Endo International plc's ordinary shares, 1,000,000,000 authorized, par value $0.0001 per share, subsequent to the consummation of the transactions. In addition, on February 11, 2014 the Company issued 4,000,000 euro deferred shares of $0.01 each at par.

Until it was sold on February 3, 2014, the assets of our HealthTronics business segment, previously known as the HealthTronics segment, and related liabilities were classified as held for sale in the Condensed Consolidated Balance Sheet. The HealthTronics business segment's operating results are reported as Discontinued operations, net of tax in the Condensed Consolidated Statements of Operations for all periods presented.

EXECUTIVE SUMMARY

The following key events and transactions occurred during the nine months ended September 30, 2014 as discussed in further detail in the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q. For a complete list of Company events see the Investors section of the Company website at www.endo.com.

- On February 3, 2014, EHSI completed the acquisition of Boca for approximately $232.7 million in cash. Boca Pharmacal LLC (Boca), a specialty generics company that focuses on niche areas, commercializing and developing products in categories that include controlled substances, semisolids and solutions.
- On February 3, 2014, EHSI closed the sale of its HealthTronics business.
- The Paladin acquisition closed on February 28, 2014 for total consideration of $2.9 billion.
- On February 28, 2014, pursuant to the arrangement agreement among EHSI, Endo International Limited, Endo Limited (formerly known as Sportwell II Limited), Endo U.S. Inc. (formerly known as ULU Acquisition Corp.), RDS Merger Sub, LLC (Merger Sub), 8312214 Canada Inc. and Paladin Labs Inc. (Paladin) (a) Endo International Limited indirectly acquired all of the outstanding common shares of Paladin pursuant to a plan of arrangement under Canadian law (the Arrangement); and (b) Merger Sub merged with and into Endo, with Endo as the surviving corporation in the merger (together with the arrangement agreement, the Transactions). Following consummation of the Transactions, each of EHSI and Paladin became indirect wholly owned subsidiaries of Endo International Limited, which subsequently became registered as a public limited company (plc).
- On February 28, 2014, upon the closing of the Paladin acquisition, the Company entered into a new credit facility with Deutsche Bank AG New York Branch and Royal Bank of Canada and certain other lenders, which replaced the Company's existing credit facility. The credit facility consists of a five-year senior secured Term Loan A facility of $1.1 billion, a seven-year senior secured Term Loan B facility of $425.0 million, and a five-year revolving credit facility with an initial borrowing capacity of up to $750.0 million.
- On March 6, 2014, the Company announced that the FDA had approved Aveed®, an injection for the treatment of hypogonadism (commonly known as Low-T) in adult men, which is associated with a deficiency or absence of the male hormone testosterone. It became available in early March. Aveed® is approved with a Risk Evaluation and Mitigation System (REMS) requiring prescriber education and certification as well as restricted product distribution.

- On March 7, 2014, the Company announced that it had appointed Susan Hall, Ph.D. to the position of Executive Vice President, Chief Scientific Officer and Global Head of Research & Development and Quality, effective March 10, 2014. Dr. Hall is based in Dublin, Ireland at Endo's new global corporate headquarters. Dr. Hall replaced Dr. Ivan P. Gergel, who resigned from his position as Executive Vice President, Research & Development and Chief Scientific Officer of the Company.
- On April 14, 2014, our AMS subsidiary received a Warning Letter from the FDA, dated April 10, 2014. The Warning Letter relates to the same matters as identified in the previously reported Form 483 Notice. The letter states that the corrective actions which AMS reviewed with the FDA on March 20, 2014 appear to be adequate, but it goes on to state that many of the actions have not yet been completed and will need to be validated in a follow-up inspection. AMS responded to the Warning Letter on April 25, 2014 and is continuing to implement its corrective action plan as agreed with the FDA. AMS is committed and expects to continue to make significant progress during the remainder of 2014, with completion of the proposed corrective actions expected to occur by the end of 2015.
- On May 19, 2014, the Company acquired worldwide rights to Sumavel® DosePro® (sumatriptan injection) for subcutaneous use, a needle-free delivery system for sumatriptan, from Zogenix, Inc. The Company acquired the product for an upfront payment of $89.7 million, with additional cash payments to be made by the Company based on the achievement of certain commercial milestones. In addition, the Company assumed an existing third-party royalty obligation on net sales. Sumavel® DosePro® is a prescription medicine given with a needle-free delivery system to treat adults who have been diagnosed with acute migraine or cluster headaches.
- During the second quarter of 2014, AMS and certain plaintiffs' counsel representing mesh-related product liability claimants entered into various agreements in principle regarding settling up to approximately 21,700 mesh claims handled or controlled by the participating counsel. During the third quarter of 2014, AMS entered into additional MSAs with plaintiffs' counsel to settle up to approximately 20,000 additional filed and unfiled mesh claims handled or controlled by the participating counsel, including the vast majority of claims covered by settlement negotiation tolling agreements.
- In May 2014, the Company completed the repurchase of approximately $240.7 million aggregate principal amount of its Convertible Notes and a proportionate amount of the associated warrants and call options, for cash consideration of approximately $488.4 million, including accrued interest. In July 2014, the Company completed the repurchase of approximately $40.0 million aggregate principal amount of its Convertible Notes and a proportionate amount of the associated warrants and call options, for total consideration of approximately $83.3 million. After giving effect to these transactions, the remaining outstanding principal amount of these notes was approximately $98.8 million.
- On June 2, 2014, the Company completed the sale of its branded pharmaceutical drug discovery platform to Asana BioSciences, LLC, an independent member of the Amneal Alliance of Companies. The deal includes an upfront payment as well as milestones on the achievement of certain development objectives. The sale includes multiple early-stage drug discovery and development candidates in a variety of therapeutic areas, including oncology, pain and inflammation, among others.
- During the second quarter of 2014, the Company entered into an indenture, dated as of June 30, 2014, between the Company and Wells Fargo Bank, National Association, as trustee, pursuant to which the Company issued $750.0 million in aggregate principal amount of 5.375% Senior Notes due 2023 (the 2023 Notes). Endo issued the 2023 Notes for general corporate purposes, which included acquisitions, including the acquisition of DAVA.
- During the second quarter of 2014, the Company has determined that U.S. shareholders of Endo will generally recognize gain (but not loss) on the Endo shareholders' exchange of EHSI common stock for Endo plc ordinary shares in the merger (Endo Share Exchange). This determination is based on various factors described in the registration statement, including the upward movement of the Endo stock price following signing of the arrangement agreement and the aggregate estimated tax basis of the Endo shareholders in the Endo common stock at the time of the Endo Share Exchange. Due to these factors the conditions necessary to prevent the application of Section 367(a) to the Merger were not satisfied, and, as a result, the Endo Share Exchange will be a taxable transaction for U.S. federal income tax purposes effective February 28, 2014 whereby U.S. shareholders of Endo will generally recognize gain (but not loss) on the Endo Share Exchange. With respect to each U.S. shareholder, such gain will generally equal the excess of the fair market value of the Endo plc ordinary shares received over such holder's adjusted tax basis in the shares of Endo common stock exchanged therefor. The Company has accrued approximately $54.3 million of expense related to the reimbursement of director's and certain employees' excise tax liabilities pursuant to Section 4985 of the Internal Revenue Code.
- On July 7, 2014, the Company and BioDelivery Sciences International, Inc. (BioDelivery) announced positive top-line results from its pivotal Phase III efficacy study of BEMA® buprenorphine in opioid-experienced patients. These results triggered a $10.0 million milestone payment from the Company to BioDelivery per its licensing agreement, which was included in Research and development expense in the second quarter.

- On July 24, 2014, the Company, together with its Endo Netherlands B.V. subsidiary, completed the purchase of the entirety of the representative shares of the capital stock of Grupo Farmacéutico Somar, Sociedad Anónima Promotora de Inversión de Capital Variable (Somar), a leading privately-owned specialty pharmaceuticals company based in Mexico City, for $268.8 million in cash consideration, subject to a customary post-closing net working capital adjustment. Somar generated revenues of approximately $100.0 million in 2013.
- On July 29, 2014, the Registrant appointed Shane M. Cooke as a director of its Board of Directors, effective immediately. Mr. Cooke will be a member of the Registrant's Audit Committee and Transactions Committee.
- Following an FDA inspection of the liquids manufacturing facility in Huntsville, Alabama, that took place from July 28, 2014 through August 1, 2014, our subsidiary, Qualitest Pharmaceuticals, received a Form 483 Notice of Inspectional Observations dated August 1, 2014, listing observations of the inspector focused on water system design and thoroughness of investigations. Qualitest responded to the Form 483 Notice of Inspectional Observations on August 15, 2014 and is continuing to implement its corrective action plan as agreed with the FDA.
- On August 6, 2014, the Company's Generics International (US), Inc. subsidiary completed the acquisition of DAVA Pharmaceuticals, Inc. (DAVA), a privately-held company specializing in marketed, pre-launch and pipeline generic pharmaceuticals based in Fort Lee, New Jersey, for $590.2 million in cash consideration, with additional cash consideration of up to $25.0 million contingent on the achievement of certain sales milestones. DAVA's strategically-focused generics portfolio includes thirteen on-market products in a variety of therapeutic categories.
- On September 17, 2014, the Company appointed Orla Dunlea to the new position of International Legal Counsel & Company Secretary. Ms. Dunlea will serve as Company Secretary of the Endo International plc Board of Directors as well as of all of the Irish companies within the Endo corporate structure.
- On October 9, 2014, the Company announced that it had entered into a definitive agreement under which Endo will acquire all of the outstanding shares of common stock of Auxilium Pharmaceuticals, Inc. for a per share consideration of $33.25 in a cash and stock transaction valued at approximately $2.9 billion. The transaction is expected to close in the first half of 2015 and is subject to the approval of Auxilium's stockholders, regulatory approval in the U.S., and other customary closing conditions.
- On October 16, 2014, Paladin announced that it made an offer to acquire the remaining issued ordinary share capital of Litha not already owned by Paladin for consideration of $0.25 per share in a cash transaction valued at $40.9 million. Paladin currently owns approximately 70% of Litha's issued ordinary share capital. The transaction is expected to close during the first half of 2015 and is subject to the approval of Litha's stockholders, regulatory approval in the U.S. and Canada, and other customary closing conditions.
- On October 17, 2014, Endo Health Solutions was issued an untitled letter related to the January and February 2014 FDA inspection of the Qualitest Pharmaceutical Tablet Manufacturing facility located in Charlotte, North Carolina. The untitled letter was issued following the FDA's review of the company's responses to the inspection observations. Actions are underway to address the FDA's remaining concerns and we will continue to work closely with the agency to bring the Charlotte inspection to a satisfactory closure.

RESULTS OF OPERATIONS

Our quarterly results have fluctuated in the past, and may continue to fluctuate. These fluctuations are primarily due to (1) the timing of mergers, acquisitions and other business development activity, (2) the timing of new product launches, (3) purchasing patterns of our customers, (4) market acceptance of our products, (5) the impact of competitive products and products we recently acquired, (6) pricing of our products and (7) litigation-related charges. These fluctuations are also attributable to charges incurred for compensation related to share-based compensation, amortization of intangible assets, asset impairment charges and certain upfront, milestone and other payments made or accrued pursuant to acquisition or licensing agreements.

Consolidated Results Review

Revenues. Revenues for the three and nine months ended September 30, 2014 increased 16% to $763.9 million and 2% to $2.08 billion, respectively, from the comparable 2013 periods. During the three and nine months ended September 30, 2014, the revenue increases were primarily attributable to growth in our U.S. Generic Pharmaceuticals segment and revenues related to our February 2014 acquisition of Paladin and July 2014 acquisition of Somar. The increases were partially offset by decreased revenues from our U.S. Branded Pharmaceuticals segment, driven mainly by decreased Lidoderm® revenues related to generic competition. A discussion of revenues by reportable segment is included below under the caption "Business Segment Results Review."

The following table displays our revenues by category and as a percentage of total revenues for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014		2013		2014		2013	
	$	%	$	%	$	%	$	%
Net pharmaceutical product sales	$ 652,026	85	$ 519,843	79	$ 1,660,878	80	$ 1,639,890	81
Devices revenues	109,822	14	111,244	17	359,425	17	359,867	18
Other revenues	2,090	—	30,232	5	56,928	3	32,204	2
Total consolidated net revenues*	$ 763,938	100	$ 661,319	100	$ 2,077,231	100	$ 2,031,961	100

* Percentages may not add due to rounding.

Gross margin, costs and expenses. The following table sets forth costs and expenses for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014		2013		2014		2013	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Cost of revenues	$ 379,199	50	$ 257,836	39	$ 976,899	47	$ 785,630	39
Selling, general and administrative	205,260	27	191,362	29	603,573	29	662,896	33
Research and development	30,918	4	36,687	6	113,772	5	108,849	5
Litigation-related and other contingencies, net	473,338	62	30,895	5	1,135,443	55	159,098	8
Asset impairment charges	—	—	807	—	—	—	4,756	—
Acquisition-related and integration items	6,932	1	1,493	—	71,819	3	3,876	—
Total costs and expenses*	$ 1,095,647	143	$ 519,080	78	$ 2,901,506	140	$ 1,725,105	85

* Percentages may not add due to rounding.

Cost of revenues and gross margin. Cost of revenues for the three and nine months ended September 30, 2014 increased 47% to $379.2 million and 24% to $976.9 million, respectively, from the comparable 2013 periods. These increases were primarily attributable to increased intangible amortization, inventory step-up amortization and other costs as a result of the acquisitions of Paladin, Boca, Sumavel, Somar and DAVA and increased variable costs as a result of growth in generic pharmaceutical product sales. These increases were partially offset by a decrease in costs related to a decline in branded pharmaceutical product sales. Gross margins for the three months ended September 30, 2014 decreased to 50% from 61% in the comparable 2013 period. Gross margins for the nine months ended September 30, 2014 decreased to 53% from 61% in the comparable 2013 period. These decreases were primarily attributable to growth in lower margin generic pharmaceutical product sales, increased intangible amortization and inventory step-up amortization as a result of recent acquisitions and a decline in higher margin branded pharmaceutical product sales due to generic competition on certain products.

Selling, general and administrative expenses. Selling, general and administrative expenses for the three months ended September 30, 2014 increased 7% to $205.3 million from the comparable 2013 period, while Selling, general and administrative expenses for the nine months ended September 30, 2014 decreased 9% to $603.6 million from the comparable 2013 period. During the three months ended September 30, 2014, the increase was primarily attributable to the acquisitions of Paladin, Boca, Sumavel, Somar and DAVA as well as $25.0 million of charges for an additional year of the branded prescription drug fee in accordance with IRS regulations issued in the third quarter of 2014. These increases were partially offset by cost savings resulting from ongoing cost reduction initiatives. During the nine months ended September 30, 2014, the decrease was primarily attributable to cost savings resulting from ongoing cost reduction initiatives and a decrease in severance expense related to the June 2013 restructuring initiative, partially offset by $54.3 million in expense for the reimbursement of director's and certain employee's excise tax liabilities pursuant to Section 4985 of the Internal Revenue Code, which were approved by the Company's shareholders on February 26, 2014. These liabilities resulted from the shareholder gain from the merger between Endo and Paladin. In addition, Selling, general and administrative expenses increased as a result of the acquisitions of Paladin, Boca, Sumavel, Somar and DAVA.

Research and development expenses. Research and development (R&D) expenses for the three months ended September 30, 2014 decreased 16% to $30.9 million from the comparable 2013 period, while R&D expenses for the nine months ended September 30, 2014 increased 5% to $113.8 million from the comparable 2013 periods. The decrease during the three months ended September 30, 2014 was primarily attributable to decreases in branded pharmaceutical product expenses as we focused our efforts on a

limited number of key products in development. The increase during the nine months ended September 30, 2014 was primarily driven by $10.0 million of milestone charges incurred during each of the first and second quarters of 2014 related to the achievement of certain BEMA® buprenorphine clinical milestones and an increase in expenses related to generic pharmaceutical products, partially offset by decreases to branded pharmaceutical product expenses as we focused our efforts on a limited number of key products in development.

Litigation-related and other contingencies, net. Charges for Litigation-related and other contingencies, net for the three and nine months ended September 30, 2014 totaled $473.3 million and $1,135.4 million, respectively, compared to $30.9 million and $159.1 million, respectively, in the comparable 2013 period. These amounts mainly relate to charges associated with certain of the legal proceedings and other contingent matters that are described in more detail in Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

Asset impairment charges. There were no Asset impairment charges for the three and nine months ended September 30, 2014 compared to $0.8 million and $4.8 million, respectively, in the comparable 2013 periods.

Acquisition-related and integration items. Acquisition-related and integration items for the three and nine months ended September 30, 2014 totaled $6.9 million in expense and $71.8 million in expense, respectively, compared to $1.5 million in expense and $3.9 million in expense, respectively, in the comparable 2013 periods. These increases were primarily due to costs associated with our acquisitions of Paladin and Boca, which closed during the first quarter of 2014, as well as Sumavel, which closed during the second quarter of 2014, and Somar and DAVA, which closed during the third quarter of 2014.

Interest expense, net. The components of Interest expense, net for the three and nine months ended September 30, 2014 and 2013 are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Interest expense	$ 62,435	$ 43,184	$ 170,096	$ 130,427
Interest income	(486)	(103)	(2,568)	(736)
Interest expense, net	$ 61,949	$ 43,081	$ 167,528	$ 129,691

Interest expense for the three and nine months ended September 30, 2014 totaled $62.4 million and $170.1 million, respectively, compared to $43.2 million and $130.4 million, respectively, in the comparable 2013 periods. These increases were primarily due to increases in our average total indebtedness to $4.4 billion during the three months ended September 30, 2014 from $3.1 billion in the comparable 2013 period and to $4.1 billion during the nine months ended September 30, 2014 from $3.1 billion in the comparable 2013 period.

Loss on extinguishment of debt. Loss on extinguishment of debt totaled $2.0 million and $31.7 million during the three and nine months ended September 30, 2014, respectively, compared to zero and $11.3 million, respectively, in the comparable 2013 periods. The increase during the three months ended September 30, 2014 was primarily due to costs of $2.0 million incurred when the Company repurchased approximately $40.0 million aggregate principal amount of its Convertible Notes and settled a proportionate amount of the associated warrants and call options. These costs represented the difference between the fair value of the repurchased debt component and its carrying amount. The increase during the nine months ended September 30, 2014 was primarily due to costs of $16.8 million incurred as part of the Convertible Notes settlements and due to debt issuance costs of $9.6 million being charged to expense when we entered into a new credit facility in the first quarter of 2014. Refer to Note 11. Debt for further discussion of the Convertible Notes settlements.

Other income, net. Other income, net totaled $4.9 million of income and $17.7 million of income during the three and nine months ended September 30, 2014, respectively, compared to $14.7 million of income and $49.6 million of income, respectively, in the comparable 2013 periods. Approximately $14.6 million and $50.4 million of income was recognized and included in Other income, net during the three and nine months ended September 30, 2013, respectively, related to the Watson Settlement Agreement, which did not reoccur in 2014. For a complete description of the accounting for the Watson Settlement Agreement and for additional information with respect to the components of Other income, net, refer to Note 12. Commitments and Contingencies and Note 16. Other Income, Net, respectively, of the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

Income tax. During the three months ended September 30, 2014, we recognized an income tax benefit of $138.8 million on $390.8 million of loss from continuing operations before income tax, compared to $44.7 million of tax expense on $113.8 million of income from continuing operations before income tax during the comparable 2013 period. The effective income tax rate was 35.5% in benefit on the current period loss from continuing operations before income tax during the three months ended September 30, 2014, compared to an effective income tax rate of 39.2% in expense on income from continuing operations before income tax during the comparable 2013 period. The tax benefit for the current period is primarily related to loss from continuing operations before income

tax and tax benefits resulting from our Paladin acquisition, which are partially offset by limitations on the amount of loss that can be recognized on a year-to-date basis as prescribed by applicable guidance. Tax expense for the comparable 2013 period is primarily related to income from continuing operations before income tax for the period.

During the nine months ended September 30, 2014, we recognized an income tax benefit of $338.6 million on $1,005.8 million of loss from continuing operations before income tax, compared to $82.9 million of tax expense on $215.5 million of income from continuing operations before income tax during the comparable 2013 period. The effective income tax rate was 33.7% in benefit on the current period loss from continuing operations before income tax during the nine months ended September 30, 2014, compared to an effective income tax rate of 38.5% in expense on income from continuing operations before income tax during the comparable 2013 period. The tax benefit for the current period is primarily related to a loss from continuing operations before income tax and tax benefits resulting from our Paladin acquisition, which are partially offset by limitations on the amount of loss that can be recognized on a year-to-date basis as prescribed by applicable guidance. Income from continuing operations before income tax was the primary generator of tax expense in the comparable prior period.

Discontinued operations, net of tax. As a result of the Company's decision to sell its HealthTronics business, the operating results of this business are reported as Discontinued operations, net of tax in the Condensed Consolidated Statements of Operations for all periods presented. The results of our discontinued operations totaled zero and $2.3 million of income, net of tax, for the three and nine months ended September 30, 2014 compared to $14.6 million of loss and $3.2 million of loss, net of tax, during the comparable 2013 period.

The decrease in Discontinued operations, net of tax was mainly related to a partial period of HealthTronics results during the nine months ended September 30, 2014, with no ongoing business operations during the three months ended September 30, 2014, as the HealthTronics business was sold on February 3, 2014. This compared to a full period in each of the comparable 2013 periods.

Net income attributable to noncontrolling interests. The Company, through Paladin and its subsidiaries, owns majority controlling interests in certain entities. Additionally, prior to the sale of our HealthTronics business in February 2014, HealthTronics, Inc. owned interests in various partnerships and limited liability corporations where HealthTronics, Inc., as the general partner or managing member, exercised effective control. In accordance with the accounting consolidation principles, we consolidate various entities which neither we nor our subsidiaries own 100%. Net income attributable to noncontrolling interests relates to the portion of the net income of these entities not attributable, directly or indirectly, to our ownership interests. Net income attributable to noncontrolling interests totaled $0.0 million of income and $2.9 million of income during the three and nine months ended September 30, 2014, respectively, compared to $14.4 million of income and $38.8 million of income, respectively, in the comparable 2013 periods. These fluctuations from 2013 related primarily to a partial period of HealthTronics results during the nine months ended September 30, 2014, with no ongoing business operations during the three months ended September 30, 2014, as the HealthTronics business was sold on February 3, 2014. This compared to a full period in each of the comparable 2013 periods.

Business Segment Results Review

The Company has four reportable segments: (1) U.S. Branded Pharmaceuticals (f/k/a Endo Pharmaceuticals), (2) U.S. Generic Pharmaceuticals (f/k/a Qualitest), (3) Devices (f/k/a AMS) and (4) International Pharmaceuticals. These segments reflect the level at which executive management regularly reviews financial information to assess performance and to make decisions about resources to be allocated. Each segment derives revenue from the sales or licensing of its respective products and is discussed in more detail below.

Concurrent with the February 28, 2014 acquisition of Paladin, the Company changed the names of its reportable segments. This change to our segments had no impact on the Company’s unaudited Condensed Consolidated Financial Statements for all periods presented. In addition, the International Pharmaceuticals segment was added, which is comprised of the operations of the acquired Paladin and Somar businesses.

We evaluate segment performance based on each segment’s adjusted income (loss) from continuing operations before income tax, a financial measure not determined in accordance with U.S. GAAP, which we define as (loss) income from continuing operations before income tax before certain upfront and milestone payments to partners, acquisition-related and integration items, cost reduction and integration-related initiatives, asset impairment charges, amortization of intangible assets related to marketed products and customer relationships, inventory step-up recorded as part of our acquisitions, non-cash interest expense, litigation-related and other contingent matters and certain other items that the Company believes do not reflect its core operating performance.

Certain of the corporate general and administrative expenses incurred by the Company are not attributable to any specific segment. Accordingly, these costs are not allocated to any of the Company's segments and are included in the results below as "Corporate unallocated". The Company's consolidated adjusted income from continuing operations before income tax is equal to the combined results of each of its segment less these unallocated corporate costs.

We refer to adjusted income (loss) from continuing operations before income tax in making operating decisions because we believe it provides meaningful supplemental information regarding the Company’s operational performance. For instance, we believe

that this measure facilitates its internal comparisons to its historical operating results and comparisons to competitors' results. The Company believes this measure is useful to investors in allowing for greater transparency related to supplemental information used by us in our financial and operational decision-making. In addition, we have historically reported similar financial measures to our investors and believe that the inclusion of comparative numbers provides consistency in our financial reporting at this time. Further, we believe that adjusted income (loss) from continuing operations before income tax may be useful to investors as we are aware that certain of our significant shareholders utilize adjusted income (loss) from continuing operations before income tax to evaluate our financial performance. Finally, adjusted income (loss) from continuing operations before income tax is utilized in the calculation of adjusted diluted income per share, which is used by the Compensation Committee of the Company's Board of Directors in assessing the performance and compensation of substantially all of our employees, including our executive officers.

There are limitations to using financial measures such as adjusted income (loss) from continuing operations before income tax. Other companies in our industry may define adjusted income (loss) from continuing operations before income tax differently than we do. As a result, it may be difficult to use adjusted income (loss) from continuing operations before income tax or similarly named adjusted financial measures that other companies may use to compare the performance of those companies to our performance. Because of these limitations, adjusted income (loss) from continuing operations before income tax should not be considered as a measure of the income generated by our business or discretionary cash available to us to invest in the growth of our business. The Company compensates for these limitations by providing reconciliations of our segment adjusted income from continuing operations before income tax to our consolidated (loss) income from continuing operations before income tax, which is determined in accordance with U.S. GAAP and included in our Condensed Consolidated Statements of Operations.

For a description of each of our reportable segments, refer to Note 6. Segment Results in Part I, Item 1. of this Quarterly Report on Form 10-Q.

Revenues. The following table displays our revenue by reportable segment for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net revenues to external customers:				
U.S. Branded Pharmaceuticals	$ 240,931	$ 366,136	$ 723,643	$ 1,139,372
U.S. Generic Pharmaceuticals	319,399	183,939	803,467	532,722
Devices (1)	109,822	111,244	359,425	359,867
International Pharmaceuticals (2)	93,786	—	190,696	—
Total net revenues to external customers	$ 763,938	$ 661,319	$ 2,077,231	$ 2,031,961

(1) The following table displays our Devices segment revenue by geography (in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Devices:				
United States	$ 73,429	$ 75,484	$ 230,530	$ 233,091
International	36,393	35,760	128,895	126,776
Total Devices revenues	$ 109,822	$ 111,244	$ 359,425	$ 359,867

(2) Revenues generated by our International Pharmaceuticals segment are primarily attributable to Canada, Mexico and South Africa.

U.S. Branded Pharmaceuticals. The following table displays the significant components of our U.S. Branded Pharmaceuticals revenues to external customers for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Lidoderm®	$ 41,602	$ 149,946	$ 117,684	$ 566,626
Opana® ER	49,800	59,936	150,862	174,214
Voltaren® Gel	46,302	45,044	129,658	123,937
Percocet®	30,709	26,250	91,232	78,818
Other brands	72,518	84,960	234,207	195,777
Total U.S. Branded Pharmaceuticals*	$ 240,931	$ 366,136	$ 723,643	$ 1,139,372

* Percentages may not add due to rounding.

Lidoderm®

Net sales of Lidoderm® for the three and nine months ended September 30, 2014 decreased 72% to $41.6 million and 79% to $117.7 million, respectively, from the comparable 2013 periods. Net sales were negatively impacted by the September 16, 2013 launch of Actavis's lidocaine patch 5%, a generic version of Lidoderm®. In May 2014, the Company's U.S. Generic Pharmaceuticals segment launched its authorized generic of Lidoderm®.

Opana® ER

Net Sales of Opana® ER for the three and nine months ended September 30, 2014 decreased 17% to $49.8 million and 13% to $150.9 million, respectively, from the comparable 2013 periods. Net sales were negatively impacted as Impax and Actavis launched generic versions of the non-crush-resistant formulation Opana® ER on January 2, 2013 and September 12, 2013.

The Company continues to assert the Opana® patents. If these lawsuits are unsuccessful and we are unable to defend our non-crush-resistant formulation of Opana® ER from one or more additional generic competitors, our revenues could decline further to the extent additional manufacturers obtain FDA approval for, and are able to launch, their respective formulations of non-crush-resistant Opana® ER.

Voltaren® Gel

Net Sales of Voltaren® Gel for the three and nine months ended September 30, 2014 increased 3% to $46.3 million and 5% to $129.7 million, respectively, from the comparable 2013 periods. These increases were primarily attributable to increased volumes resulting from an increased sales and marketing emphasis on the product. Subject to FDA approval, we believe one or more competing products could potentially enter the market as early as the fourth quarter of 2014, negatively impacting future sales of Voltaren® Gel.

Percocet®

Net sales of Percocet® for the three and nine months ended September 30, 2014 increased 17% to $30.7 million and 16% to $91.2 million, respectively, from the comparable 2013 periods. These increases were primarily attributable to price increases, partially offset by reduced volumes.

Other brands

Net sales of other branded products for the three months ended September 30, 2014 decreased 15% to $72.5 million from the comparable 2013 period, while net sales of other branded products for the nine months ended September 30, 2014 increased 20% to $234.2 million from the comparable 2013 periods. The decrease for the three months ended September 30, 2014 was primarily attributable to the decrease in royalty income from Actavis, under the terms of the Watson Settlement Agreement, based on Actavis's gross profit generated on sales of its generic version of Lidoderm®, which commenced on September 16, 2013 and ceased in May 2014, upon Endo's launch of its Lidoderm® authorized generic. This was partially offset by revenues from certain other products including Sumavel®, which we acquired the rights to in May 2014. The increase for the nine months ended September 30, 2014 was primarily attributable to royalty income from Actavis and sales of Sumavel®.

U.S. Generic Pharmaceuticals. Net sales of our generic products for the three and nine months ended September 30, 2014 increased 74% to $319.4 million and 51% to $803.5 million, respectively, from the comparable 2013 periods. These increases were primarily attributable to the acquisitions of Boca, which we acquired in February 2014, and DAVA, which we acquired in August 2014, and the May 2014 launch of our authorized generic of Lidoderm®. Also contributing to these increases was an increase in demand for generic pain products.

Devices. Revenues from our Devices segment for the three and nine months ended September 30, 2014 were consistent with the comparable 2013 periods. Revenue declines in AMS's women's health products during both the three and nine months ended September 30, 2014 were generally offset with the combined results of AMS's men's health and BPH product lines. The declines in AMS's women's health products relate primarily to a reduction in mesh procedural volumes, particularly as to pelvic organ prolapse (POP) repair procedures. This reduction in mesh procedural volumes is likely in response to a July 2011 update to the October 2008 Public Health Notification issued by the FDA to further advise the public and medical community regarding potential complications associated with transvaginal placement of surgical mesh to treat POP and stress urinary incontinence (SUI), as well as to the attorney advertising associated with transvaginal mesh litigation.

International Pharmaceuticals. Revenues from our International Pharmaceuticals segment for the three and nine months ended September 30, 2014 relate to the revenues of Paladin, which we acquired in February 2014, and Somar, which we acquired in July 2014.

Adjusted income (loss) from continuing operations before income tax. The following table displays our adjusted income (loss) from continuing operations before income tax by reportable segment for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Adjusted income (loss) from continuing operations before income tax:				
U.S. Branded Pharmaceuticals	$ 130,613	$ 224,747	$ 395,446	$ 635,168
U.S. Generic Pharmaceuticals	139,497	48,630	318,528	141,720
Devices	32,136	29,156	109,575	96,847
International Pharmaceuticals	27,234	—	59,131	—
Corporate unallocated	(97,326)	(81,975)	(246,763)	(238,641)

U.S. Branded Pharmaceuticals. Adjusted income from continuing operations before income tax for the three and nine months ended September 30, 2014 decreased 42% to $130.6 million and 38% to $395.4 million, respectively, from the comparable 2013 periods. These decreases were primarily attributable to decreased revenues, partially offset by cost reductions realized in connection with the June 2013 restructuring initiative and other cost reduction initiatives.

U.S. Generic Pharmaceuticals. Adjusted income from continuing operations before income tax for the three and nine months ended September 30, 2014 increased 187% to $139.5 million and 125% to $318.5 million, respectively, from the comparable 2013 periods. During the three and nine months ended September 30, 2014, revenues and gross margins increased primarily due to the Boca and DAVA acquisitions, the May 2014 launch of our authorized generic of Lidoderm® and certain pricing increases.

Devices. Adjusted income from continuing operations before income tax for the three and nine months ended September 30, 2014 increased 10% to $32.1 million and 13% to $109.6 million, respectively, from the comparable 2013 periods. These increases were primarily attributable to cost reductions realized in connection with the June 2013 restructuring initiative and other cost reduction initiatives.

International Pharmaceuticals. Adjusted income from continuing operations before income tax from our International Pharmaceuticals segment for the three and nine months ended September 30, 2014 related primarily to the results Paladin, which we acquired in February 2014, and Somar, which we acquired in July 2014.

Corporate unallocated. Corporate unallocated adjusted loss from continuing operations before income tax for the three and nine months ended September 30, 2014 increased 19% to $97.3 million and 3% to $246.8 million, respectively, from the comparable 2013 periods. These increases in the loss were primarily attributable to the previously discussed increases in interest expense, partially offset by decreased operating expenses, primarily resulting from the June 2013 restructuring initiative and other cost reduction initiatives.

Reconciliation to GAAP. The table below provides reconciliations of our segment adjusted income from continuing operations before income tax to our consolidated (loss) income from continuing operations before income tax, which is determined in accordance with U.S. GAAP, for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Total segment adjusted income from continuing operations before income tax:	$ 329,480	$ 302,533	$ 882,680	$ 873,735
Corporate unallocated costs	(97,326)	(81,975)	(246,763)	(238,641)
Upfront and milestone payments to partners	(13,448)	(3,092)	(34,953)	(11,064)
Asset impairment charges	—	(807)	—	(4,756)
Acquisition-related and integration items (1)	(6,932)	(1,493)	(71,819)	(3,876)
Separation benefits and other cost reduction initiatives (2)	(8,230)	(20,673)	(19,970)	(85,929)
Excise tax (3)	1,000	—	(54,300)	—
Amortization of intangible assets	(70,806)	(44,987)	(194,273)	(143,326)
Inventory step-up	(17,364)	—	(40,089)	—
Non-cash interest expense related to the 1.75% Convertible Senior Subordinated Notes	(1,992)	(5,704)	(11,307)	(16,816)
Loss on extinguishment of debt	(2,027)	—	(31,712)	(11,312)
Watson litigation settlement income, net	—	14,628	—	50,400
Certain litigation-related charges, net (4)	(483,926)	(44,600)	(1,157,885)	(193,969)
Charge related to the non-recoverability of certain non-trade receivables	—	—	(10,000)	—
Net gain on sale of certain early-stage drug discovery and development assets	150	—	4,000	—
Foreign currency impact related to the remeasurement of intercompany debt instruments	5,740	—	5,740	—
Charge for an additional year of the branded prescription drug fee in accordance with IRS regulations issued in the third quarter of 2014	(24,972)	—	(24,972)	—
Other, net	(161)	—	(161)	1,048
Total consolidated (loss) income from continuing operations before income tax	$ (390,814)	$ 113,830	$ (1,005,784)	$ 215,494

(1) Acquisition-related and integration-items include costs directly associated with the closing of certain acquisitions, changes in the fair value of contingent consideration and the costs of integration activities related to both current and prior period acquisitions.

(2) Separation benefits and other cost reduction initiatives include employee separation costs of $1.5 million and $10.5 million during the three and nine months ended September 30, 2014, respectively, compared to $5.6 million and $46.8 million for the three and nine months ended September 30, 2013, respectively. Additionally, amounts during the three and nine months ended September 30, 2014 include costs associated with the sale of our HealthTronics business and changes in estimates related to certain cost reduction initiative accruals. Additionally, the amount of separation benefits and other cost reduction initiatives during the three and nine months ended September 30, 2013 includes an expense recorded upon the cease use date of our Chadds Ford, Pennsylvania and Westbury, New York properties in the first quarter of 2013, representing the liability for our remaining obligations under the respective lease agreements of $7.2 million. These expenses were primarily recorded as Selling, general and administrative and Research and development expense in our Condensed Consolidated Statements of Operations. Refer to Note 4. Restructuring for discussion of our material restructuring initiatives.

(3) This amount represents charges related to the expense for the reimbursement of director's and certain employee's excise tax liabilities pursuant to Section 4985 of the Internal Revenue Code.

(4) These amounts include charges for Litigation-related and other contingencies, net, consisting primarily of mesh-related product liability charges, as well as mesh litigation-related defense costs for the three and nine months ended September 30, 2014 and 2013.

2014 Outlook.

We estimate that our 2014 total revenues will be between $2.80 billion and $2.88 billion. This estimate is based on our expectation of growth for company revenues from our core products and acquisitions. The revenue outlook includes our recent

acquisitions of Boca, Paladin, Sumavel, DAVA and Somar. Gross profit as a percentage of total revenues is expected to decrease when compared to 2013 primarily as a result of the simultaneous growth in lower margin generic pharmaceutical product sales and decline in higher margin branded pharmaceutical sales in 2014. The continued implementation of a lean operating model is expected to lead to a year-over-year decrease in operating expenses. The Company announced a series of cost reduction initiatives in June 2013 as part of the implementation of the new operating model that included a reduction of worldwide headcount, streamlining of general and administrative expenses, optimization of commercial spend and refocusing research and development efforts onto lower-risk projects and higher-return investments. The Company also intends to seek growth both internally and through acquisitions. There can be no assurance that the Company will achieve these results.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity is cash generated from operations. Our principal liquidity requirements are for working capital for operations, licenses, milestone payments, capital expenditures and debt service payments. The Company continues to maintain a sufficient level of working capital, which was approximately $716.7 million at September 30, 2014 compared to $1.2 billion at December 31, 2013. Working capital at September 30, 2014 includes $149.6 million of restricted cash and cash equivalents which is held in Qualified Settlement Funds for mesh product liability settlement agreements and $60.1 million of restricted cash and cash equivalents which is held to provide certain covered individuals with a payment with respect to the excise tax on the Paladin transaction (as further described in our Annual Report on Form 10-K for the year ended December 31, 2013). In addition, we have historically had broad access to financial markets that provide liquidity. Cash and cash equivalents, which primarily consisted of bank deposits, time deposits and money market accounts, totaled approximately $708.5 million at September 30, 2014 compared to $526.6 million at December 31, 2013.

In 2014, we expect that sales of our subsidiaries' current portfolios of products will allow us to continue to generate positive cash flow from operations. We expect cash generated from operations together with our cash, cash equivalents and unused revolving credit facility to be sufficient to cover cash needs for working capital and general corporate purposes, certain contingent liabilities, payment of contractual obligations, principal and interest payments on our indebtedness, capital expenditures, ordinary share repurchases and any regulatory and/or sales milestones that may become due.

We depend on patents or other forms of intellectual property protection for most of our branded pharmaceutical revenues, cash flows and earnings. In recent years, various generic manufacturers have filed ANDAs seeking FDA approval for generic versions of certain of EPI's key pharmaceutical products, including but not limited to Lidoderm® and both the original and crush-resistant formulations of Opana® ER. In connection with such filings, these manufacturers have challenged the validity and/or enforceability of one or more of the underlying patents protecting our products. To the extent these manufacturers have been or will be successful in these patent challenges and in obtaining FDA approval of these generic products, the impact of generic competition has caused and may cause a further decline in future revenue from the affected products. Such revenue declines could have a material adverse effect on our future liquidity and financial position. However, the extent to which our revenues will be affected in future periods is subject to a number of uncertainties. Our goal is to mitigate the effect of these competitive activities by leveraging growth across the remainder of our portfolio and by acquiring and in-licensing additional products, product rights or technologies. Additionally, in 2013 the Company outlined and implemented strategic, operational and organizational steps to reduce annual operating expenses, execute strategic alternatives for our branded pharmaceutical discovery platform, enhance organic growth drivers across business lines through more effective execution, pursue accretive acquisitions within a disciplined capital allocation framework and attract, retain and develop talent across the organization within the context of a lean operating model.

Beyond 2014, we expect cash generated from operations together with our cash, cash equivalents and unused revolving credit facility to continue to be sufficient to cover cash needs for working capital and general corporate purposes, including certain contingent liabilities, payment of contractual obligations, principal and interest payments on our indebtedness, capital expenditures, our currently approved ordinary share repurchase plan and any regulatory and/or sales milestones that may become due. At this time, we cannot accurately predict the effect of certain developments on the rate of sales growth, such as the degree of market acceptance, patent protection and exclusivity of our products, the impact of competition, the effectiveness of our sales and marketing efforts and the outcome of our current efforts to develop, receive approval for and successfully launch our near-term product candidates. Additionally, we may not be successful in implementing, or may face unexpected changes or expenses in connection with our announced strategic, operational and organizational changes, including the potential for opportunistic corporate development transactions. Any of the above could adversely affect our future cash flows. We may need to obtain additional funding for future transactions, to repay our outstanding indebtedness, or for our future operational needs, and we cannot be certain that funding will be available on terms acceptable to us, or at all. Any issuances of equity securities or convertible securities could have a dilutive effect on the ownership interest of our current shareholders and may adversely impact net income per share in future periods. An acquisition may be accretive or dilutive and, by its nature, involves numerous risks and uncertainties. As a result of our acquisition efforts we are likely to experience significant charges to earnings for merger and related expenses (whether or not our efforts are successful) that may include transaction costs, closure costs or costs of restructuring activities.

On October 9, 2014, the Company announced that it had entered into a definitive agreement (the Merger Agreement) under which Endo will acquire all of the outstanding shares of common stock of Auxilium Pharmaceuticals, Inc. for a per share consideration of $33.25 in a cash and stock transaction valued at approximately $2.9 billion. The per share consideration represents a premium of 55% to Auxilium's closing price on September 16, 2014, the day Endo made public its proposal for Auxilium. Subject to aggregate cash and equity consideration limits, Auxilium stockholders may elect one of three options with respect to transaction consideration: 100% equity which equates to 0.488 Endo shares per Auxilium share, 100% cash which equates to $33.25 per Auxilium share or a standard election of an equal mix of $16.625 in cash and 0.244 Endo shares per Auxilium share. The total cash consideration will not exceed 50% of the total equity value and the equity consideration will not exceed 75% of the total equity value. The transaction is expected to close in the first half of 2015 and is subject to the approval of Auxilium's stockholders, regulatory approval in the U.S., and other customary closing conditions. Citigroup Global Markets, Inc. has committed to provide debt financing for the transaction, consisting of a $1.5 billion incremental Term Loan B Credit Facility, on the terms and subject to the conditions set forth in a commitment letter dated as of October 8, 2014. The Company may choose to utilize a combination of debt financing arrangements to fund the transaction.

In connection with Merger Agreement, Endo advanced to QLT, Inc. (QLT) the amount required to fund the payment of a termination fee of $28.4 million (QLT Termination Fee Loan) to terminate its agreement with Auxilium. QLT terminated its agreement with Auxilium effective October 8, 2014. The QLT Termination Fee Loan is to be repaid, together with interest thereon, within 12 months of the day after signing the Merger Agreement (October 10th, 2015), or sooner under certain circumstances.

The Merger Agreement contains certain termination rights for both the Endo and Auxilium, including in the event that the transaction is not consummated by April 10, 2015, subject to extension by the parties to July 8, 2015 in the event that regulatory approvals have not been received. The Merger Agreement further provides that, upon termination of the Merger Agreement under specified circumstances, Auxilium may be required to pay Endo a termination fee of $70.0 million and reimburse Endo for the $28.4 million QLT Termination Fee Loan. Endo is required to pay Auxilium a termination fee of $150.0 million if Endo terminates the Merger Agreement due to a change in U.S. federal tax law (whether or not such change in law is yet effective) after the date of the Merger Agreement that, as a result of consummating the transactions contemplated by the Merger Agreement once effective, would have a material adverse effect on Endo or Auxilium terminates the agreement because Endo fails to confirm within a specified period that Endo has no right to terminate the Merger Agreement following a change in tax law.

Borrowings. Upon closing of the Paladin acquisition on February 28, 2014, the Company entered into a new credit facility with Deutsche Bank AG New York Branch and Royal Bank of Canada and certain other lenders, which replaced Endo’s prior credit facility. The prior credit facility was terminated and canceled, with the outstanding indebtedness of $1.4 billion repaid and all liens terminated and released. The credit facility consists of a five-year senior secured Term Loan A facility of $1.1 billion, a seven-year senior secured Term Loan B facility of $425.0 million, and a five-year revolving credit facility with an initial borrowing capacity of up to $750.0 million, substantially all of which is available. The credit facility contains an uncommitted expansion provision which permits up to $1.0 billion (or an unlimited amount if the secured leverage ratio, as defined in the credit facility, is less than or equal to 2.75x) of additional revolving or term loan commitments from one or more of the lenders under the credit facility or other lenders.

For further discussion relating to the Company's credit facility, refer to Note 11. Debt in the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

In addition, in connection with the Paladin transaction, the Company assumed approximately $23.8 million of previously existing debt entered into by Paladin's subsidiary, Litha.

On June 30, 2014, we issued, through a private placement, $750.0 million in aggregate principal amount of 5.375% Senior Notes due 2023 (the 2023 Notes) at an issue price of par. Because the notes were not initially registered, the notes were offered only in transactions that were exempt from registration under the Securities Act or the securities laws of any other jurisdiction. Accordingly, we offered the 2023 Notes in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. The 2023 Notes are senior unsecured obligations of the Company and are guaranteed on a senior unsecured basis by certain of the Company’s domestic subsidiaries. Interest on the 2023 Notes is payable semiannually in arrears on January 15 and July 15 of each year, beginning on January 15, 2015. The 2023 Notes will mature on January 15, 2023, subject to earlier repurchase or redemption in accordance with the terms of the Indenture incorporated by reference herein. Endo issued the 2023 Notes for general corporate purposes, which included acquisitions, including the acquisition of DAVA.

At September 30, 2014, the Company's senior note indebtedness includes senior notes with aggregate principal amounts totaling $2.7 billion, including the New 2022 Notes and the 2023 Notes. These notes mature between 2019 and 2023, subject to earlier repurchase or redemption in accordance with the terms of the respective indentures. Interest rates on these notes range from 5.375% to 7.25%. These notes are senior unsecured obligations of the Company and are guaranteed on a senior unsecured basis by certain of the Company's domestic subsidiaries.

At September 30, 2014, our indebtedness included 1.75% Convertible Senior Subordinated Notes due April 15, 2015. In May 2014, we repurchased approximately $240.7 million aggregate principal amount of the Convertible Notes for approximately $548.2 million, including accrued interest. In addition, in July 2014 we repurchased approximately $40.0 million aggregate principal amount of the Convertible Notes for approximately $95.2 million, which included the issuance of 798,367 ordinary shares valued at approximately $55.2 million. The combined repurchases during 2014 reduced the outstanding principal amount of the Convertible Notes to approximately $98.8 million. In connection with the May 2014 and July 2014 repurchases, we charged $14.8 million and $2.0 million, respectively, to expense, representing the differences between the fair value of the repurchased debt components and their carrying amount, as well as third-party costs related to the transactions. The expenses were included in the Condensed Consolidated Statements of Operations as a Loss on extinguishment of debt. Additionally, we recorded a combined decrease to Additional paid-in capital in the amount of $365.0 million, representing the fair value of the equity component of the repurchased Convertible Notes.

In connection with the May 2014 and July 2014 Convertible Notes repurchase activity, we entered into agreements with the note hedge counterparty to settle a portion of the call options and warrants. In connection with these agreements, as part of the May 2014 and July 2014 repurchases, we settled call options representing the right to purchase approximately 8.2 million and 1.4 million ordinary shares, respectively, for total cash consideration paid by the counterparty of $302.1 million and $54.2 million, respectively, which were recorded as increases to Additional paid-in capital. The remaining call options, which allow us to purchase up to approximately an additional 3.4 million of our ordinary shares at a strike price of $29.20 per share, expire on April 15, 2015 and must be net-share settled. In connection with these agreements, as part of the May 2014 and July 2014 repurchases, we also settled approximately 8.2 million and 1.4 million, respectively, of warrants for cash consideration paid by EHSI of $242.2 million and $42.3 million, respectively, which were recorded as reductions to Additional paid-in capital. Subsequent to these transactions, the holders of the remaining warrants have the option to purchase up to approximately 3.4 million of our ordinary shares at strike price of $40.00 per share. The remaining warrants expire on various dates from July 14, 2015 through October 6, 2015 and must be net-share settled. The remaining warrants have a dilutive effect on our net income per share to the extent that the price of our ordinary shares exceeds the strike price of the warrants at exercise. We continue to evaluate our options with respect to the remaining outstanding Convertible Notes and may elect to repurchase additional Convertible Notes in the future together with a proportionate amount of the associated instruments.

For further discussion relating to the Company's Convertible Notes, refer to Note 11. Debt in the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

For discussion on the dilutive impact of the Company's Convertible Notes on the net (loss) income per share, refer to Note 18. Net (Loss) Income Per Share in the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

The following table provides the range of shares that would be included in the dilutive net (loss) income per share calculations for the convertible notes and warrants based on share price sensitivity (in thousands except per share data):

	Three Months Ended March 31, 2014 (1)				Three Months Ended June 30, 2014			
	-5%	Actual	+5%	+10%	-5%	Actual	+5%	+10%
Average market price of Endo ordinary shares:	$ 67.32	$ 70.86	$ 74.40	$ 77.95	$ 63.52	$ 66.86	$ 70.20	$ 73.55
Impact on dilutive shares:								
Convertible notes	7,359	7,641	7,896	8,128	4,905	5,122	5,318	5,497
Warrants	5,276	5,662	6,011	6,329	3,300	3,597	3,866	4,110
	12,635	13,303 (2)	13,907	14,457	8,205	8,719 (3)	9,184	9,607

	Three Months Ended September 30, 2014 (1)			
	-5%	Actual	+5%	+10%
Average market price of Endo ordinary shares:	$ 62.58	$ 65.87	$ 69.16	$ 72.46
Impact on dilutive shares:				
Convertible notes	2,001	2,088	2,018	2,084
Warrants	1,356	1,476	1,473	1,565
	3,357	3,564 (2)	3,491	3,649

(1) Because the Company reported a Net loss from continuing operations attributable to Endo International plc during the three months ended March 31, 2014 and September 30, 2014, the Convertible Notes and Warrants had no dilutive impact during these periods and would not have had a dilutive impact given any of the assumed share prices above. Therefore, these amounts are included for informational purposes only and are not indicative of actual results or results that would have occurred given the assumed share prices above.

(2) Represents, for the three months ended March 31, 2014 and September 30, 2014, the amount that would have been included in total diluted shares outstanding of 145.4 million and 159.0 million, respectively, had the Company reported Net income from continuing operations attributable to Endo International plc as opposed to a Net loss from continuing operations attributable to Endo International plc.

(3) Represents the amount included in total diluted shares outstanding of 163.4 million for the three month period ended June 30, 2014.

Working capital. The components of our working capital and our liquidity at September 30, 2014 and December 31, 2013 are below (dollars in thousands):

	September 30, 2014	December 31, 2013
Total current assets	$ 2,981,503	$ 2,854,507
Less: total current liabilities	(2,264,756)	(1,696,672)
Working capital	$ 716,747	$ 1,157,835
Current ratio	1.3:1	1.7:1
Days sales outstanding	48	45

Working capital decreased by $441.1 million from December 31, 2013 to September 30, 2014. This decrease related primarily to payment of the non-current portion of prior term loans, cash used for the acquisitions of Paladin, Boca, Sumavel, Somar and DAVA, an increase in the accrual related to mesh product liability, cash used for deferred financing costs, cash used to settle a portion of the warrants and call options associated with our convertible notes and cash used for the purchases of property, plant and equipment. These decreases were partially offset by proceeds from the term loans and senior notes, cash from the sale of HealthTronics and cash from the exercise of options.

The following table summarizes our Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and 2013 (in thousands):

	Nine Months Ended September 30,	
	2014	2013
Net cash flow provided by (used in):		
Operating activities	$ 232,204	$ 272,472
Investing activities	(378,843)	(126,989)
Financing activities	312,705	(100,473)
Effect of foreign exchange rate	(1,547)	1,159
Net increase in cash and cash equivalents	$ 164,519	$ 46,169

Net cash provided by operating activities. Net cash provided by operating activities was $232.2 million for the nine months ended September 30, 2014 compared to $272.5 million provided by operating activities in the comparable 2013 period.

Net cash provided by operating activities represents the cash receipts and cash disbursements from all of our activities other than investing activities and financing activities. Changes in cash from operating activities reflect, among other things, the timing of cash collections from customers, payments to suppliers, managed care organizations, government agencies, collaborative partners and employees, as well as tax payments in the ordinary course of business.

The $40.3 million decrease in Net cash provided by operating activities for the nine months ended September 30, 2014 compared to the comparable 2013 period was primarily the result of the timing of cash collections and cash payments, including payments to settle certain litigation matters of approximately $199.0 million, which included the Department of Justice settlement related to the sale, marketing and promotion of Lidoderm® and an annual royalty payment to Teikoku of approximately $35.0 million, and a decrease in sales due to generic competition on certain branded pharmaceutical products. These decreases were partially offset by an increase in cash due to improved operating performance and cash provided from acquisitions.

Net cash used in investing activities. Net cash used in investing activities was $378.8 million for the nine months ended September 30, 2014 compared to $127.0 million used in investing activities in the comparable 2013 period. This $251.9 million increase in cash used in investing activities relates primarily to an increase in cash used for acquisitions related to the acquisitions of Paladin, Boca, Sumavel, Somar and DAVA of $1,049.0 million and an increase in restricted cash and cash equivalents of $215.3 million, partially offset by a decrease in restricted cash and cash equivalents of $770.0 million, proceeds from the sale of marketable securities of $85.1 million, a $66.0 million net change in proceeds from or payments to settlement escrow and an increase to proceeds from sale of business of $55.2 million, primarily related to the sale of the HealthTronics business.

Net cash provided by (used in) financing activities. Net cash provided by financing activities was $312.7 million for the nine months ended September 30, 2014 compared to $100.5 million used in financing activities in the comparable 2013 period. Items contributing to this $413.2 million fluctuation in cash provided by financing activities include proceeds from the issuance of term loans and senior notes of $1.5 billion and $750.0 million, respectively, partially offset by an increase in principal payments on term loan indebtedness totaling $1.3 billion, net cash payments of $516.5 million used to repurchase a portion of our Convertible Notes and a proportionate amount of the associated warrants and call options and an increase in cash paid for deferred financing fees of $51.8 million.

Research and development. Over the past few years, we have incurred significant expenditures related to conducting clinical studies to develop new products and exploring the value of our existing products in treating disorders beyond those currently approved in their respective labels.

As previously disclosed, we have recently undertaken initiatives to optimize commercial spend and refocus our research and development efforts. On June 2, 2014, we completed the sale of our branded pharmaceutical drug discovery platform to Asana BioSciences, LLC, an independent member of the Amneal Alliance of Companies. The sale included multiple early-stage drug discovery and development candidates in a variety of therapeutic areas, including oncology, pain and inflammation, among others. As a result, we expect our research and development costs to decrease in future periods. However, we expect to continue to incur moderate levels of research and development expenditures as we focus on the development and advancement of our product pipeline. There can be no assurance that results of any ongoing or future preclinical or clinical trials related to these projects will be successful, that additional trials will not be required, that any drug or product under development will receive FDA approval in a timely manner or at all, or that such drug or product could be successfully manufactured in accordance with U.S. current good manufacturing practices, or successfully marketed in a timely manner, or at all, or that we will have sufficient funds to develop or commercialize any of our products.

Manufacturing, supply and other service agreements. Our subsidiaries contract with various third party manufacturers, suppliers and service providers to provide raw materials used in our subsidiaries' products and semi-finished and finished goods, as well as certain packaging and labeling services. The most significant of these agreements are with Novartis Consumer Health, Inc. and Novartis AG (collectively, Novartis), Teikoku Seiyaku Co., Ltd., Noramco, Inc., Grünenthal GmbH, Sharp Corporation, and UPS Supply Chain Solutions, Inc. If, for any reason, our subsidiaries are unable to obtain sufficient quantities of any of the finished goods or raw materials or components required for their products needed to conduct their business, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. For additional discussion of commitments under manufacturing, supply and other service agreements, see our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014, and Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

License and collaboration agreements. Our subsidiaries have agreed to certain contingent payments in certain license, collaboration and other agreements. Payments under these agreements generally become due and payable only upon the achievement of certain developmental, regulatory, commercial and/or other milestones. Due to the fact that it is uncertain if and when these milestones will be achieved, such contingencies have not been recorded in our Condensed Consolidated Balance Sheets. In addition, under certain arrangements, we or our subsidiaries may have to make royalty payments based on a percentage of future sales of the products in the event regulatory approval for marketing is obtained. From a business perspective, we view these payments favorably as they signify that the products are moving successfully through the development phase toward commercialization. For additional discussion of our contingent payments involving our license and collaboration agreements, see our Annual Report on Form 10-K for the year ended December 31, 2013, and Note 10. License and Collaboration Agreements and Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

Legal proceedings. We are subject to various patent, product liability, government investigations and other legal proceedings in the ordinary course of business. Accruals are recorded when we determine that a loss related to a litigation matter is both probable and reasonably estimable. Due to the fact that legal proceedings and other contingencies are inherently unpredictable, our assessments involve significant judgments regarding future events.

As of September 30, 2014, the Company's product liability accrual for vaginal mesh cases totaled $1.63 billion for all known pending and estimated future claims related to vaginal mesh cases. Approximately $728.2 million of the total liability amount shown above is expected to be paid by September 30, 2015 with the remainder to be paid over time. AMS expects to fund the payments under all settlements in 2014, 2015, 2016 and 2017.

For additional discussion of legal proceedings, see our Annual Report on Form 10-K for the year ended December 31, 2013, and Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

Fluctuations. Our quarterly results have fluctuated in the past and may continue to fluctuate. These fluctuations may be due to the timing of new product launches, purchasing patterns of our customers, market acceptance of our products, the impact of competitive products and pricing, asset impairment charges, restructuring costs, including separation benefits, business combination transaction costs, upfront, milestone and certain other payments made or accrued pursuant to licensing agreements and changes in the fair value of financial instruments and contingent assets and liabilities recorded as part of a business combination. Further, a substantial portion of our total revenues are through three wholesale drug distributors who in turn supply our products to pharmacies, hospitals and physicians. Accordingly, we are potentially subject to a concentration of credit risk with respect to our trade receivables.

Growth Opportunities. We continue to evaluate growth opportunities including strategic investments, licensing arrangements, acquisitions of businesses, product rights or technologies, and strategic alliances and promotional arrangements which could require significant capital resources. We intend to continue to focus our business development activities on further diversifying our revenue base through product licensing and company acquisitions, as well as other opportunities to enhance shareholder value. Through execution of our business strategy we intend to focus on developing new products both internally and with contract and collaborative partners; expanding the Company’s subsidiaries' product lines by acquiring new products and technologies in existing therapeutic and complementary areas, including international opportunities; increasing revenues and earnings through sales and marketing programs for our subsidiaries' innovative product offerings and effectively using the Company’s and its subsidiaries' resources; and providing additional resources to support our generics business.

Non-U.S. operations. Fluctuations in foreign currency rates resulted in net gains of $5.4 million and $1.0 million, respectively, during the three and nine months ended September 30, 2014. This compares to a net gain of less than $0.1 million during the three months ended September 30, 2013 and a net loss of $1.0 million during nine months ended September 30, 2013.

Contractual Obligations. As of September 30, 2014, other than the debt-related transactions described above and in Note 11. Debt of the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q and the mesh-related product liability settlement agreements described in Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q, there were no material changes

in our contractual obligations from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014.

Inflation. We do not believe that inflation had a material adverse effect on our financial statements for the periods presented.

Off-balance sheet arrangements. We have no off-balance sheet arrangements as defined in Item 303(a)(4) of Regulation S-K.

CRITICAL ACCOUNTING ESTIMATES

Our critical accounting estimates have not changed materially since December 31, 2013. For additional discussion of the Company's critical accounting estimates, see "Critical Accounting Estimates" in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014.

RECENT ACCOUNTING PRONOUNCEMENTS

For discussion of recent accounting pronouncements, refer to Note 2. Recent Accounting Pronouncements in the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Exchange Risk

We operate and transact business in various foreign countries and are therefore subject to risks associated with foreign currency exchange rate fluctuations. The Company manages this foreign currency risk, in part, through operational means including managing foreign currency revenues in relation to same currency costs as well as managing foreign currency assets in relation to same currency liabilities. The Company is also exposed to the potential earnings effects from intercompany foreign currency assets and liabilities that arise from normal trade receivables and payables and other intercompany loans. Additionally, certain of the Company's subsidiaries maintain their books of record in currencies other than their respective functional currencies. These subsidiaries' financial statements are remeasured into their respective functional currencies using current or historical exchange rates. Such remeasurement adjustments could have an adverse effect on the Company's results of operations. Fluctuations in foreign currency rates resulted in net gains of $5.4 million and $1.0 million, respectively, during the three and nine months ended September 30, 2014. This compares to a net gain of less than $0.1 million during the three months ended September 30, 2013 and a net loss of $1.0 million during nine months ended September 30, 2013.

For additional quantitative and qualitative disclosures about market risk, see Item 7A. "Quantitative and Qualitative Disclosures about Market Risk." of our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014. Our exposures to market risk have not changed materially since December 31, 2013.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Principal Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of September 30, 2014. Based on that evaluation, the Company's Chief Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of September 30, 2014.

Changes in Internal Control over Financial Reporting

The Company acquired certain entities during the nine months ended September 30, 2014. As permitted by the Securities and Exchange Commission, management has elected to exclude these entities from its assessment of the effectiveness of its internal controls over financial reporting as of September 30, 2014. The Company began to integrate these acquired companies into its internal control over financial reporting structure subsequent to their respective acquisition dates and expects to complete this integration in early 2015. As such, there have been changes during the nine months ended September 30, 2014 associated with the establishment and continued integration of internal control over financial reporting with respect to these acquired companies.

Additionally, in 2013, we began the implementation of a new Enterprise Resource Planning (ERP) system. This implementation was planned in phases to correspond with the needs of the Company. Due to this implementation, internal controls have changed in various functional areas within the company. Management has taken steps so that the appropriate controls are designed and implemented as each functional area of the system is enacted. This implementation is anticipated to continue through the end of 2014.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The disclosures under Note 12. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q are incorporated into this Part II, Item 1. by reference.

Item 1A. Risk Factors

Risk factors disclosed in Item 1A. "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission on March 3, 2014 and in the Current Report on 8-K filed with the Securities and Exchange Commission on June 25, 2014, are incorporated into this document by reference. There have been no material changes to the risk factors disclosed therein, except for the addition of the following:

Failure to consummate the transaction with Auxilium Pharmaceuticals, Inc. could negatively impact our share price and our future business and financial results.

If the Auxilium Pharmaceuticals transaction is not consummated, our ongoing businesses may be adversely affected and, without realizing any of the benefits of having consummated the transaction, we will be subject to a number of risks, including the following:

- we will be required to pay costs and expenses relating to the proposed transaction, despite it not closing;
- if the Merger Agreement is terminated under specified circumstances, we may be required to pay to Auxilium a termination fee equal to $150.0 million, subject to reduction in certain circumstances; and
- matters relating to the transaction (including integration planning) may require substantial commitments of time and resources by our management, which could otherwise have been devoted to other opportunities that may have been beneficial to us.

If the merger is not consummated, these risks may materialize and may adversely affect our business, financial results and share price.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

In July 2014, we issued an aggregate of 798,367 ordinary shares (valued at approximately $55.2 million) and paid approximately $40.0 million in cash in exchange for approximately $40.0 million aggregate principal amount of the Convertible Notes, thereby reducing the outstanding principal amount of the Convertible Notes to approximately $98.8 million. The issuance of these ordinary shares was effected without registration in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended, for securities exchanged by the issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange.

Purchase of Equity Securities

The following table sets forth information with respect to purchases made by or on behalf of the Company of ordinary shares of the Company during the indicated periods:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan (1)
July 1, 2014 to July 30, 2014	—	—	—	$ 250,000,024
August 1, 2014 to August 31, 2014	—	—	—	$ 250,000,024
September 1, 2014 to September 30, 2014	—	—	—	$ 250,000,024
Total	—	—	—	

(1) In August 2012, our Board of Directors approved a share repurchase program (the 2012 Share Repurchase Program). The 2012 Share Repurchase Program authorizes the Company to repurchase in the aggregate of up to $450.0 million of shares of its outstanding ordinary shares and is set to expire on March 31, 2015. The amounts above reflect shares remaining under the 2012 Share Repurchase Plan at September 30, 2014. All shares are to be purchased in the open market or in privately negotiated transactions, as in the opinion of management, market conditions warrant.

(2) Average price paid per share is calculated on a settlement basis and excludes commission.

In connection with the July 2014 Convertible Notes repurchase activity, we also entered into agreements with the note hedge counterparty to settle a portion of the call options and warrants. Pursuant to these agreements, we settled call options representing the right to purchase approximately 1.4 million ordinary shares for total cash consideration paid to us by the counterparty of $54.2 million. The remaining call options, which cover approximately 3.4 million of our ordinary shares and have a strike price of $29.20 per share, expire on April 15, 2015 and, upon exercise, will be settled through the delivery by the counterparty of shares

and/or cash based on the amount by which the volume-weighted average price of our ordinary shares during an averaging period exceeds the strike price of the call options. Also pursuant to these agreements, we also settled approximately 1.4 million of warrants for cash consideration paid by us of $42.3 million. Subsequent to these transactions, the holders of the remaining warrants have the option to purchase up to approximately 3.4 million of our ordinary shares at strike price of $40.00 per share.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The information called for by this item is incorporated by reference to the Exhibit Index of this Report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENDO INTERNATIONAL PLC

(Registrant)

/s/ RAJIV DE SILVA

Name: **Rajiv De Silva**
Title: **President and Chief Executive Officer**
(Principal Executive Officer)

/s/ SUKETU P. UPADHYAY

Name: **Suketu P. Upadhyay**
Title: **Executive Vice President and Chief Financial Officer**
(Principal Financial Officer)

Date: November 10, 2014

Exhibit Index

Exhibit No.	Title
2.1	Agreement and Plan of Merger by and among Auxilium Pharmaceuticals, Inc., Endo International plc, Endo U.S. Inc. and Avalon Merger Sub Inc., dated as of October 8, 2014 (incorporated by reference to Exhibit 2.1 of Endo International plc's Current Report on Form 8-K, filed with the Commission on October 9, 2014).
3.1	Certificate of Incorporation on re-registration as a public limited company of Endo International plc (incorporated by reference to Exhibit 3.1 of Endo International plc's Current Report on Form 8-K12B, filed with the Commission on February 28, 2014).
3.2	Memorandum and Articles of Association of Endo International plc (incorporated by reference to Exhibit 3.2 of Endo International plc's Current Report on Form 8-K12B, filed with the Commission on February 28, 2014).
10.196	Supplemental Indenture, dated August 11, 2014, among DAVA Pharmaceuticals, Inc., a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland, the Issuers, the other Guarantors, and Wells Fargo Bank, National Association, as trustee, relating to the 7.00% Senior Notes due 2019.
10.197	Counterpart to Registration Rights Agreement, dated August 11, 2014, with respect to the Registration Rights Agreement, dated May 6, 2014 by and among Endo Finance LLC, a Delaware limited liability company, and Endo Finco Inc., a Delaware corporation, the Guarantors party thereto, RBC Capital Markets, LLC and Deutsche Bank Securities Inc., relating to the 7.00% Senior Notes due 2019.
10.198	Supplemental Indenture, dated August 11, 2014, among DAVA Pharmaceuticals, Inc., a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland, the Issuers, the other Guarantors, and Wells Fargo Bank, National Association, as trustee, relating to the 7.00% Senior Notes due 2020.
10.199	Counterpart to Registration Rights Agreement, dated August 11, 2014, with respect to the Registration Rights Agreement, dated May 6, 2014 by and among Endo Finance LLC, a Delaware limited liability company, and Endo Finco Inc., a Delaware corporation, the Guarantors party thereto, RBC Capital Markets, LLC and Deutsche Bank Securities Inc., relating to the 7.00% Senior Notes due 2020.
10.200	Supplemental Indenture, dated August 11, 2014, among DAVA Pharmaceuticals, Inc., a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland, the Issuers, the other Guarantors, and Wells Fargo Bank, National Association, as trustee, relating to the 7.25% Senior Notes due 2022.
10.201	Counterpart to Registration Rights Agreement, dated August 11, 2014, with respect to the Registration Rights Agreement, dated May 6, 2014 by and among Endo Finance LLC, a Delaware limited liability company, and Endo Finco Inc., a Delaware corporation, the Guarantors party thereto, RBC Capital Markets, LLC and Deutsche Bank Securities Inc., relating to the 7.25% Senior Notes due 2022.
10.202	Supplemental Indenture, dated August 11, 2014, among DAVA Pharmaceuticals, Inc., a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland, the Issuer, the Co-Obligor, the other Guarantors, and Wells Fargo Bank, National Association, as trustee, relating to the 5.75% Senior Notes due 2022.
10.203	Supplemental Indenture, dated August 11, 2014, among DAVA Pharmaceuticals, Inc., a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland, the Issuers, the other Guarantors, and Wells Fargo Bank, National Association, as trustee, relating to the 5.375% Senior Notes due 2023.
10.204	Counterpart to Registration Rights Agreement, dated August 11, 2014, with respect to the Registration Rights Agreement, dated June 30, 2014 by and among Endo Finance LLC, a Delaware limited liability company, and Endo Finco Inc., a Delaware corporation, the Guarantors party thereto, Citigroup Global Markets Inc. and RBC Capital Markets, LLC, relating to the 5.375% Senior Notes due 2023.
10.205	Amended and Restated Commitment Letter, dated as of October 30, 2014, among Endo Limited, Citigroup Global Markets Inc., Citibank, N.A., Citicorp USA, Inc., Citicorp North America, Inc., Royal Bank of Canada, Goldman Sachs Bank USA, Barclays Bank PLC, Sumitomo Mitsui Banking Corporation, Fifth Third Bank, Credit Suisse Securities (USA) LLC, Credit Suisse AG, TD Securities (USA) LLC, Toronto Dominion (Texas) LLC, Wells Fargo Securities, LLC and Wells Fargo Bank, National Association.
16.1	Letter Regarding Change in Certifying Accountant, dated June 13, 2014 (incorporated by reference to Exhibit 16.1 of Endo International plc's Current Report on Form 8-K, filed with the commission on June 13, 2014).
21	Subsidiaries of the Registrant.
31.1	Certification of the President and Chief Executive Officer of Endo pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer of Endo pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit No.	Title
32.1	Certification of the President and Chief Executive Officer of Endo pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer of Endo pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from Endo International plc's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive (Loss) Income, (iv) Condensed Consolidated Statements of Cash Flows, and (v) the Notes to the Condensed Consolidated Financial Statements.

Exhibit 10.196

EXECUTION VERSION

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of August 11, 2014, among DAVA Pharmaceuticals, Inc. (the "*Guaranteeing Subsidiary*"), a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland (the "*Company*"), the Issuers, the other Guarantors (both, as defined in the Indenture referred to below) and Wells Fargo Bank, National Association, as trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, Endo Finance LLC, a Delaware limited liability company, and Endo Finco Inc., a Delaware corporation, have heretofore executed and delivered to the Trustee an indenture, dated as of May 6, 2014, as supplemented by a supplemental indenture, dated as of May 28, 2014, and a supplemental indenture, dated as of July 10, 2014, in each case, among the Issuers, the Guarantors party thereto and the Trustee (as so supplemented, the "*Indenture*"), providing for the issuance of 7.00% Senior Notes due 2019 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*");

WHEREAS, this Supplemental Indenture has not resulted in a material modification of the Notes for Foreign Account Tax Compliance Act purposes; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.

4. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Issuers or any Guarantor, as such, will have any liability for any obligations of the Issuers or the Guarantors under the Notes, the Indenture, this Supplemental Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

5. NEW YORK LAW TO GOVERN; WAIVER OF JURY TRIAL. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF THE ISSUERS AND THE GUARANTORS CONSENTS AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE OR U.S. FEDERAL COURT LOCATED IN THE BOROUGH OF MANHATTAN, CITY OF NEW YORK, COUNTY OF NEW YORK, STATE OF NEW YORK IN RELATION TO ANY LEGAL ACTION OR PROCEEDING (I) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS INDENTURE, AS SUPPLEMENTED, THE NOTES, THE GUARANTEES AND ANY RELATED DOCUMENTS AND/OR (II) ARISING UNDER ANY U.S. FEDERAL OR U.S. STATE SECURITIES LAWS IN RESPECT OF THE NOTES, THE GUARANTEES AND ANY SECURITIES ISSUED PURSUANT TO THE TERMS OF THE INDENTURE, AS SUPPLEMENTED. EACH OF THE ISSUERS AND THE GUARANTORS WAIVES ANY OBJECTION TO PROCEEDINGS IN ANY SUCH COURTS, WHETHER ON THE GROUND OF VENUE OR ON THE GROUND THAT THE PROCEEDINGS HAVE BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE ISSUERS AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, SHALL APPOINT CT CORPORATION SYSTEM, 111 EIGHTH AVENUE, 13TH FLOOR, NEW YORK, NY 10011, AS ITS AGENT FOR SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING AND AGREES THAT SERVICE OF PROCESS UPON SAID AUTHORIZED AGENT SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON IT IN ANY SUCH SUIT, ACTION OR PROCEEDING. EACH OF THE ISSUERS AND THE GUARANTORS AGREES TO DELIVER, UPON THE EXECUTION AND DELIVERY OF THIS SUPPLEMENTAL INDENTURE, A WRITTEN ACCEPTANCE BY SUCH AGENT OF ITS APPOINTMENT AS SUCH AGENT. EACH OF THE ISSUERS AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, FURTHER AGREES TO TAKE ANY AND ALL ACTION, INCLUDING THE FILING OF ANY AND ALL SUCH DOCUMENTS AND INSTRUMENTS, AS MAY BE REASONABLY NECESSARY TO CONTINUE SUCH DESIGNATION AND APPOINTMENT OF CT CORPORATION SYSTEM IN FULL FORCE AND EFFECT FOR SO LONG AS THE INDENTURE, AS SUPPLEMENTED, REMAINS IN FORCE. EACH OF THE ISSUERS, THE TRUSTEE AND THE GUARANTORS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy (which may be provided via facsimile or other electronic transmission) shall be an original, but all of them together represent the same agreement.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Issuers.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

DAVA PHARMACEUTICALS, INC., as
Guaranteeing Subsidiary

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.00% Senior Notes due 2019 Supplemental Indenture]

ENDO FINANCE LLC
as an Issuer
by ENDO LUXEMBOURG FINANCECOMPANY I
S.À R.L., its sole member

By: /s/ Andrew O'Shea
Name: Andrew O'Shea
Title: B Manager

[Signature Page to 7.00% Senior Notes due 2019 Supplemental Indenture]

ENDO FINCO INC.
as an Issuer

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 7.00% Senior Notes due 2019 Supplemental Indenture]

ENDO LLC
ENDO U.S. INC.
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 7.00% Senior Notes due 2019 Supplemental Indenture]

ENDO HEALTH SOLUTIONS INC.
ENDO PHARMACEUTICALS INC.
ENDO PHARMACEUTICALS SOLUTIONS INC.
ENDO PHARMACEUTICALS VALERA INC
GENERICS INTERNATIONAL (US PARENT), INC.
GENERICS INTERNATIONAL (US MIDCO), INC.
GENERICS INTERNATIONAL (US HOLDCO), INC.
GENERICS INTERNATIONAL (US), INC.
AMERICAN MEDICAL SYSTEMS HOLDINGS, INC.
AMERICAN MEDICAL SYSTEMS, INC.
AMS RESEARCH CORPORATION
AMS SALES CORPORATION
LASERSCOPE
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

GENERICS BIDCO I, LLC
VINTAGE PHARMACEUTICALS, LLC
GENERICS BIDCO II, LLC
MOORES MILL PROPERTIES LLC
WOOD PARK PROPERTIES LLC
QUARTZ SPECIALTY PHARMACEUTICALS, LLC
each, as a Guarantor
by GENERICS INTERNATIONAL (US), INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

LEDGEMONT ROYALTY SUB LLC
as a Guarantor
by ENDO PHARMACEUTICALS SOLUTIONS INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.00% Senior Notes due 2019 Supplemental Indenture]

ENDO LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO VENTURES LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO MANAGEMENT LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO FINANCE LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO LUXEMBOURG HOLDING COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

PALADIN LABS CANADIAN HOLDING INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

PALADIN LABS INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

[Signature Page to 7.00% Senior Notes due 2019 Supplemental Indenture]

ENDO VENTURES BERMUDA LIMITED, as a Guarantor

By: /s/ Robert Rush

Name: Robert Rush

Title: Director

[Signature Page to 7.00% Senior Notes due 2019 Supplemental Indenture]

ENDO NETHERLANDS B.V., as a Guarantor

By: /s/ Blaine T. Davis
Name: Blaine T. Davis
Title: Managing Director A

By: /s/ Gert Jan Rietberg
Name: Gert Jan Rietberg
Title: Managing Director B

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Martin Reed

Name: Martin Reed
Title: Vice President

[Signature Page to 7.00% Senior Notes due 2019 Supplemental Indenture]

Exhibit 10.197

EXECUTION VERSION

Counterpart to Registration Rights Agreement

August 11, 2014

The undersigned hereby absolutely, unconditionally and irrevocably agrees as a Guarantor, as defined in the Registration Rights Agreement, dated May 6, 2014 by and among Endo Finance LLC, a Delaware limited liability company and Endo Finco Inc., a Delaware corporation, the Guarantors party thereto, RBC Capital Markets, LLC and Deutsche Bank Securities Inc., relating to the 7.00% Senior Notes due 2019, to be bound by the terms and provisions of such Registration Rights Agreement.

IN WITNESS WHEREOF, the undersigned has executed this counterpart as of the date first written above.

DAVA PHARMACEUTICALS, INC.

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature to Registration Rights Agreement Counterpart - 7.00% Senior Notes due 2019]

Exhibit 10.198

EXECUTION VERSION

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of August 11, 2014, among DAVA Pharmaceuticals, Inc. (the "*Guaranteeing Subsidiary*"), a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland (the "*Company*"), the Issuers, the other Guarantors (both, as defined in the Indenture referred to below) and Wells Fargo Bank, National Association, as trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, Endo Finance LLC, a Delaware limited liability company, and Endo Finco Inc., a Delaware corporation, have heretofore executed and delivered to the Trustee an indenture, dated as of May 6, 2014, as supplemented by a supplemental indenture, dated as of May 28, 2014, and a supplemental indenture, dated as of July 10, 2014, in each case, among the Issuers, the Guarantors party thereto and the Trustee (as so supplemented, the "*Indenture*"), providing for the issuance of 7.00% Senior Notes due 2020 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*");

WHEREAS, this Supplemental Indenture has not resulted in a material modification of the Notes for Foreign Account Tax Compliance Act purposes; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.

4. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Issuers or any Guarantor, as such, will have any liability for any obligations of the Issuers or the Guarantors under the Notes, the Indenture, this Supplemental Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

5. NEW YORK LAW TO GOVERN; WAIVER OF JURY TRIAL. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF THE ISSUERS AND THE GUARANTORS CONSENTS AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE OR U.S. FEDERAL COURT LOCATED IN THE BOROUGH OF MANHATTAN, CITY OF NEW YORK, COUNTY OF NEW YORK, STATE OF NEW YORK IN RELATION TO ANY LEGAL ACTION OR PROCEEDING (I) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS INDENTURE, AS SUPPLEMENTED, THE NOTES, THE GUARANTEES AND ANY RELATED DOCUMENTS AND/OR (II) ARISING UNDER ANY U.S. FEDERAL OR U.S. STATE SECURITIES LAWS IN RESPECT OF THE NOTES, THE GUARANTEES AND ANY SECURITIES ISSUED PURSUANT TO THE TERMS OF THE INDENTURE, AS SUPPLEMENTED. EACH OF THE ISSUERS AND THE GUARANTORS WAIVES ANY OBJECTION TO PROCEEDINGS IN ANY SUCH COURTS, WHETHER ON THE GROUND OF VENUE OR ON THE GROUND THAT THE PROCEEDINGS HAVE BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE ISSUERS AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, SHALL APPOINT CT CORPORATION SYSTEM, 111 EIGHTH AVENUE, 13TH FLOOR, NEW YORK, NY 10011, AS ITS AGENT FOR SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING AND AGREES THAT SERVICE OF PROCESS UPON SAID AUTHORIZED AGENT SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON IT IN ANY SUCH SUIT, ACTION OR PROCEEDING. EACH OF THE ISSUERS AND THE GUARANTORS AGREES TO DELIVER, UPON THE EXECUTION AND DELIVERY OF THIS SUPPLEMENTAL INDENTURE, A WRITTEN ACCEPTANCE BY SUCH AGENT OF ITS APPOINTMENT AS SUCH AGENT. EACH OF THE ISSUERS AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, FURTHER AGREES TO TAKE ANY AND ALL ACTION, INCLUDING THE FILING OF ANY AND ALL SUCH DOCUMENTS AND INSTRUMENTS, AS MAY BE REASONABLY NECESSARY TO CONTINUE SUCH DESIGNATION AND APPOINTMENT OF CT CORPORATION SYSTEM IN FULL FORCE AND EFFECT FOR SO LONG AS THE INDENTURE, AS SUPPLEMENTED, REMAINS IN FORCE. EACH OF THE ISSUERS, THE TRUSTEE AND THE GUARANTORS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy (which may be provided via facsimile or other electronic transmission) shall be an original, but all of them together represent the same agreement.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Issuers.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

DAVA PHARMACEUTICALS, INC., as
Guaranteeing Subsidiary

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

ENDO FINANCE LLC
as an Issuer
by ENDO LUXEMBOURG FINANCECOMPANY I
S.À R.L., its sole member

By: /s/ Andrew O'Shea
Name: Andrew O'Shea
Title: B Manager

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

ENDO FINCO INC.
as an Issuer

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

ENDO LLC
ENDO U.S. INC.
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

ENDO HEALTH SOLUTIONS INC.
ENDO PHARMACEUTICALS INC.
ENDO PHARMACEUTICALS SOLUTIONS INC.
ENDO PHARMACEUTICALS VALERA INC
GENERICS INTERNATIONAL (US PARENT), INC.
GENERICS INTERNATIONAL (US MIDCO), INC.
GENERICS INTERNATIONAL (US HOLDCO), INC.
GENERICS INTERNATIONAL (US), INC.
AMERICAN MEDICAL SYSTEMS HOLDINGS, INC.
AMERICAN MEDICAL SYSTEMS, INC.
AMS RESEARCH CORPORATION
AMS SALES CORPORATION
LASERSCOPE
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

GENERICS BIDCO I, LLC
VINTAGE PHARMACEUTICALS, LLC
GENERICS BIDCO II, LLC
MOORES MILL PROPERTIES LLC
WOOD PARK PROPERTIES LLC
QUARTZ SPECIALTY PHARMACEUTICALS, LLC
each, as a Guarantor
by GENERICS INTERNATIONAL (US), INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

LEDGEMONT ROYALTY SUB LLC
as a Guarantor
by ENDO PHARMACEUTICALS SOLUTIONS INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

ENDO LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO VENTURES LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO MANAGEMENT LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO FINANCE LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO LUXEMBOURG HOLDING COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

PALADIN LABS CANADIAN HOLDING INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

PALADIN LABS INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

ENDO VENTURES BERMUDA LIMITED, as a Guarantor

By: /s/ Robert Rush

Name: Robert Rush
Title: Director

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

ENDO NETHERLANDS B.V., as a Guarantor

By: /s/ Blaine T. Davis
Name: Blaine T. Davis
Title: Managing Director A

By: /s/ Gert Jan Rietberg
Name: Gert Jan Rietberg
Title: Managing Director B

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Martin Reed
Name: Martin Reed
Title: Vice President

[Signature Page to 7.00% Senior Notes due 2020 Supplemental Indenture]

Exhibit 10.199

EXECUTION VERSION

Counterpart to Registration Rights Agreement

August 11, 2014

The undersigned hereby absolutely, unconditionally and irrevocably agrees as a Guarantor, as defined in the Registration Rights Agreement, dated May 6, 2014 by and among Endo Finance LLC, a Delaware limited liability company and Endo Finco Inc., a Delaware corporation, the Guarantors party thereto, RBC Capital Markets, LLC and Deutsche Bank Securities Inc., relating to the 7.00% Senior Notes due 2020, to be bound by the terms and provisions of such Registration Rights Agreement.

IN WITNESS WHEREOF, the undersigned has executed this counterpart as of the date first written above.

DAVA PHARMACEUTICALS, INC.

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature to Registration Rights Agreement Counterpart - 7.00% Senior Notes due 2020]

Exhibit 10.200

EXECUTION VERSION

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of August 11, 2014, among DAVA Pharmaceuticals, Inc. (the "*Guaranteeing Subsidiary*"), a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland (the "*Company*"), the Issuers, the other Guarantors (both, as defined in the Indenture referred to below) and Wells Fargo Bank, National Association, as trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, Endo Finance LLC, a Delaware limited liability company, and Endo Finco Inc., a Delaware corporation, have heretofore executed and delivered to the Trustee an indenture, dated as of May 6, 2014, as supplemented by a supplemental indenture, dated as of May 28, 2014, and a supplemental indenture, dated as of July 10, 2014, in each case, among the Issuers, the Guarantors party thereto and the Trustee (as so supplemented, the "*Indenture*"), providing for the issuance of 7.25% Senior Notes due 2022 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*");

WHEREAS, this Supplemental Indenture has not resulted in a material modification of the Notes for Foreign Account Tax Compliance Act purposes; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.

4. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Issuers or any Guarantor, as such, will have any liability for any obligations of the Issuers or the Guarantors under the Notes, the Indenture, this Supplemental Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

5. NEW YORK LAW TO GOVERN; WAIVER OF JURY TRIAL. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF THE ISSUERS AND THE GUARANTORS CONSENTS AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE OR U.S. FEDERAL COURT LOCATED IN THE BOROUGH OF MANHATTAN, CITY OF NEW YORK, COUNTY OF NEW YORK, STATE OF NEW YORK IN RELATION TO ANY LEGAL ACTION OR PROCEEDING (I) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS INDENTURE, AS SUPPLEMENTED, THE NOTES, THE GUARANTEES AND ANY RELATED DOCUMENTS AND/OR (II) ARISING UNDER ANY U.S. FEDERAL OR U.S. STATE SECURITIES LAWS IN RESPECT OF THE NOTES, THE GUARANTEES AND ANY SECURITIES ISSUED PURSUANT TO THE TERMS OF THE INDENTURE, AS SUPPLEMENTED. EACH OF THE ISSUERS AND THE GUARANTORS WAIVES ANY OBJECTION TO PROCEEDINGS IN ANY SUCH COURTS, WHETHER ON THE GROUND OF VENUE OR ON THE GROUND THAT THE PROCEEDINGS HAVE BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE ISSUERS AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, SHALL APPOINT CT CORPORATION SYSTEM, 111 EIGHTH AVENUE, 13TH FLOOR, NEW YORK, NY 10011, AS ITS AGENT FOR SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING AND AGREES THAT SERVICE OF PROCESS UPON SAID AUTHORIZED AGENT SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON IT IN ANY SUCH SUIT, ACTION OR PROCEEDING. EACH OF THE ISSUERS AND THE GUARANTORS AGREES TO DELIVER, UPON THE EXECUTION AND DELIVERY OF THIS SUPPLEMENTAL INDENTURE, A WRITTEN ACCEPTANCE BY SUCH AGENT OF ITS APPOINTMENT AS SUCH AGENT. EACH OF THE ISSUERS AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, FURTHER AGREES TO TAKE ANY AND ALL ACTION, INCLUDING THE FILING OF ANY AND ALL SUCH DOCUMENTS AND INSTRUMENTS, AS MAY BE REASONABLY NECESSARY TO CONTINUE SUCH DESIGNATION AND APPOINTMENT OF CT CORPORATION SYSTEM IN FULL FORCE AND EFFECT FOR SO LONG AS THE INDENTURE, AS SUPPLEMENTED, REMAINS IN FORCE. EACH OF THE ISSUERS, THE TRUSTEE AND THE GUARANTORS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy (which may be provided via facsimile or other electronic transmission) shall be an original, but all of them together represent the same agreement.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Issuers.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

DAVA PHARMACEUTICALS, INC., as
Guaranteeing Subsidiary

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

ENDO FINANCE LLC
as an Issuer
by ENDO LUXEMBOURG FINANCECOMPANY I
S.À R.L., its sole member

By: /s/ Andrew O'Shea
Name: Andrew O'Shea
Title: B Manager

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

ENDO FINCO INC.
as an Issuer

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

ENDO LLC
ENDO U.S. INC.
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

ENDO HEALTH SOLUTIONS INC.
ENDO PHARMACEUTICALS INC.
ENDO PHARMACEUTICALS SOLUTIONS INC.
ENDO PHARMACEUTICALS VALERA INC
GENERICS INTERNATIONAL (US PARENT), INC.
GENERICS INTERNATIONAL (US MIDCO), INC.
GENERICS INTERNATIONAL (US HOLDCO), INC.
GENERICS INTERNATIONAL (US), INC.
AMERICAN MEDICAL SYSTEMS HOLDINGS, INC.
AMERICAN MEDICAL SYSTEMS, INC.
AMS RESEARCH CORPORATION
AMS SALES CORPORATION
LASERSCOPE
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

GENERICS BIDCO I, LLC
VINTAGE PHARMACEUTICALS, LLC
GENERICS BIDCO II, LLC
MOORES MILL PROPERTIES LLC
WOOD PARK PROPERTIES LLC
QUARTZ SPECIALTY PHARMACEUTICALS, LLC
each, as a Guarantor
by GENERICS INTERNATIONAL (US), INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

LEDGEMONT ROYALTY SUB LLC
as a Guarantor
by ENDO PHARMACEUTICALS SOLUTIONS INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

ENDO LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO VENTURES LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO MANAGEMENT LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO FINANCE LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO LUXEMBOURG HOLDING COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

PALADIN LABS CANADIAN HOLDING INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

PALADIN LABS INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

ENDO VENTURES BERMUDA LIMITED, as a Guarantor

By: /s/ Robert Rush
Name: Robert Rush
Title: Director

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

ENDO NETHERLANDS B.V., as a Guarantor

By: /s/ Blaine T. Davis
Name: Blaine T. Davis
Title: Managing Director A

By: /s/ Gert Jan Rietberg
Name: Gert Jan Rietberg
Title: Managing Director B

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Martin Reed
Name: Martin Reed
Title: Vice President

[Signature Page to 7.25% Senior Notes due 2022 Supplemental Indenture]

Exhibit 10.201

EXECUTION VERSION

Counterpart to Registration Rights Agreement

August 11, 2014

The undersigned hereby absolutely, unconditionally and irrevocably agrees as a Guarantor, as defined in the Registration Rights Agreement, dated May 6, 2014 by and among Endo Finance LLC, a Delaware limited liability company and Endo Finco Inc., a Delaware corporation, the Guarantors party thereto, RBC Capital Markets, LLC and Deutsche Bank Securities Inc., relating to the 7.25% Senior Notes due 2022, to be bound by the terms and provisions of such Registration Rights Agreement.

IN WITNESS WHEREOF, the undersigned has executed this counterpart as of the date first written above.

DAVA PHARMACEUTICALS, INC.

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature to Registration Rights Agreement Counterpart - 7.25% Senior Notes due 2022]

Exhibit 10.202

EXECUTION VERSION

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of August 11, 2014, among DAVA Pharmaceuticals, Inc. (the "*Guaranteeing Subsidiary*"), a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland (the "*Company*"), the Issuer, the Co-Obligor, the other Guarantors (each, as defined in the Indenture referred to below) and Wells Fargo Bank, National Association, as trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, Endo Finance Co., a Delaware corporation, has heretofore executed and delivered to the Trustee an indenture, dated as of December 19, 2013, as supplemented, amended and restated by a supplemental indenture, dated as of February 28, 2014, and as further supplemented by a supplemental indenture, dated as of May 28, 2014, and a supplemental indenture, dated as of July 10, 2014, in each case, among Endo Finance LLC, a Delaware limited liability company and successor to Endo Finance Co., Endo Finco Inc., a Delaware corporation, the Guarantors party thereto and the Trustee (as so supplemented, amended and restated, the "*Indenture*"), providing for the issuance of 5.75% Senior Notes due 2022 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuer's and the Co-Obligor's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*");

WHEREAS, this Supplemental Indenture has not resulted in a material modification of the Notes for Foreign Account Tax Compliance Act purposes; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.

4. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Issuer, the Co-Obligor or any Guarantor, as such, will have any liability for any obligations of the Issuer, Co-Obligor or the Guarantors under the Notes, the Indenture, this Supplemental Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and

releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

5. NEW YORK LAW TO GOVERN; WAIVER OF JURY TRIAL. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF THE ISSUER, THE CO-OBLIGOR AND THE GUARANTORS CONSENTS AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE OR U.S. FEDERAL COURT LOCATED IN THE BOROUGH OF MANHATTAN, CITY OF NEW YORK, COUNTY OF NEW YORK, STATE OF NEW YORK IN RELATION TO ANY LEGAL ACTION OR PROCEEDING (I) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS INDENTURE, AS SUPPLEMENTED, THE NOTES, THE GUARANTEES AND ANY RELATED DOCUMENTS AND/OR (II) ARISING UNDER ANY U.S. FEDERAL OR U.S. STATE SECURITIES LAWS IN RESPECT OF THE NOTES, THE GUARANTEES AND ANY SECURITIES ISSUED PURSUANT TO THE TERMS OF THE INDENTURE, AS SUPPLEMENTED. EACH OF THE ISSUER, THE CO-OBLIGOR AND THE GUARANTORS WAIVES ANY OBJECTION TO PROCEEDINGS IN ANY SUCH COURTS, WHETHER ON THE GROUND OF VENUE OR ON THE GROUND THAT THE PROCEEDINGS HAVE BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE ISSUER, THE CO-OBLIGOR AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, SHALL APPOINT CT CORPORATION SYSTEM, 111 EIGHTH AVENUE, 13TH FLOOR, NEW YORK, NY 10011, AS ITS AGENT FOR SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING AND AGREES THAT SERVICE OF PROCESS UPON SAID AUTHORIZED AGENT SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON IT IN ANY SUCH SUIT, ACTION OR PROCEEDING. EACH OF THE ISSUER, THE CO-OBLIGOR AND THE GUARANTORS AGREES TO DELIVER, UPON THE EXECUTION AND DELIVERY OF THIS SUPPLEMENTAL INDENTURE, A WRITTEN ACCEPTANCE BY SUCH AGENT OF ITS APPOINTMENT AS SUCH AGENT. EACH OF THE ISSUER, THE CO-OBLIGOR AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, FURTHER AGREES TO TAKE ANY AND ALL ACTION, INCLUDING THE FILING OF ANY AND ALL SUCH DOCUMENTS AND INSTRUMENTS, AS MAY BE REASONABLY NECESSARY TO CONTINUE SUCH DESIGNATION AND APPOINTMENT OF CT CORPORATION SYSTEM IN FULL FORCE AND EFFECT FOR SO LONG AS THE INDENTURE, AS SUPPLEMENTED, REMAINS IN FORCE. THE ISSUER, THE CO-OBLIGOR, THE TRUSTEE AND EACH OF THE GUARANTORS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy (which may be provided via facsimile or other electronic transmission) shall be an original, but all of them together represent the same agreement.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Issuer.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

DAVA PHARMACEUTICALS, INC., as
Guaranteeing Subsidiary

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

ENDO FINANCE LLC
as an Issuer
by ENDO LUXEMBOURG FINANCECOMPANY I
S.À R.L., its sole member

By: /s/ Andrew O'Shea
Name: Andrew O'Shea
Title: B Manager

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

ENDO FINCO INC.
as an Issuer

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

ENDO LLC
ENDO U.S. INC.
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

ENDO HEALTH SOLUTIONS INC.
ENDO PHARMACEUTICALS INC.
ENDO PHARMACEUTICALS SOLUTIONS INC.
ENDO PHARMACEUTICALS VALERA INC
GENERICS INTERNATIONAL (US PARENT), INC.
GENERICS INTERNATIONAL (US MIDCO), INC.
GENERICS INTERNATIONAL (US HOLDCO), INC.
GENERICS INTERNATIONAL (US), INC.
AMERICAN MEDICAL SYSTEMS HOLDINGS, INC.
AMERICAN MEDICAL SYSTEMS, INC.
AMS RESEARCH CORPORATION
AMS SALES CORPORATION
LASERSCOPE
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

GENERICS BIDCO I, LLC
VINTAGE PHARMACEUTICALS, LLC
GENERICS BIDCO II, LLC
MOORES MILL PROPERTIES LLC
WOOD PARK PROPERTIES LLC
QUARTZ SPECIALTY PHARMACEUTICALS, LLC
each, as a Guarantor
by GENERICS INTERNATIONAL (US), INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

LEDGEMONT ROYALTY SUB LLC
as a Guarantor
by ENDO PHARMACEUTICALS SOLUTIONS INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

ENDO LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO VENTURES LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO MANAGEMENT LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO FINANCE LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO LUXEMBOURG HOLDING COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

PALADIN LABS CANADIAN HOLDING INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

PALADIN LABS INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

ENDO VENTURES BERMUDA LIMITED, as a Guarantor

By: /s/ Robert Rush

Name: Robert Rush

Title: Director

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

ENDO NETHERLANDS B.V., as a Guarantor

By: /s/ Blaine T. Davis
Name: Blaine T. Davis
Title: Managing Director A

By: /s/ Gert Jan Rietberg
Name: Gert Jan Rietberg
Title: Managing Director B

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Martin Reed

Name: Martin Reed
Title: Vice President

[Signature Page to 5.75% Senior Notes due 2022 Supplemental Indenture]

Exhibit 10.203

EXECUTION VERSION

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of August 11, 2014, among DAVA Pharmaceuticals, Inc. (the "*Guaranteeing Subsidiary*"), a Delaware corporation and subsidiary of Endo Limited, a private limited company incorporated under the laws of Ireland (the "*Company*"), the Issuers, the other Guarantors (both, as defined in the Indenture referred to below) and Wells Fargo Bank, National Association, as trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, Endo Finance LLC, a Delaware limited liability company, and Endo Finco Inc., a Delaware corporation, have heretofore executed and delivered to the Trustee an indenture, dated as of June 30, 2014, as supplemented by a supplemental indenture, dated as of July 10, 2014, among the Issuers, the Guarantors party thereto and the Trustee (the "*Indenture*"), providing for the issuance of 5.375% Senior Notes due 2023 (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Note Guarantee*");

WHEREAS, this Supplemental Indenture has not resulted in a material modification of the Notes for Foreign Account Tax Compliance Act purposes; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.

4. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Issuers or any Guarantor, as such, will have any liability for any obligations of the Issuers or the Guarantors under the Notes, the Indenture, this Supplemental Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

5. NEW YORK LAW TO GOVERN; WAIVER OF JURY TRIAL. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF THE ISSUERS AND THE GUARANTORS CONSENTS AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY NEW YORK STATE OR U.S. FEDERAL COURT LOCATED IN THE BOROUGH OF MANHATTAN, CITY OF NEW YORK, COUNTY OF NEW YORK, STATE OF NEW YORK IN RELATION TO ANY LEGAL ACTION OR PROCEEDING (I) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS INDENTURE, AS SUPPLEMENTED, THE NOTES, THE GUARANTEES AND ANY RELATED DOCUMENTS AND/OR (II) ARISING UNDER ANY U.S. FEDERAL OR U.S. STATE SECURITIES LAWS IN RESPECT OF THE NOTES, THE GUARANTEES AND ANY SECURITIES ISSUED PURSUANT TO THE TERMS OF THE INDENTURE, AS SUPPLEMENTED. EACH OF THE ISSUERS AND THE GUARANTORS WAIVES ANY OBJECTION TO PROCEEDINGS IN ANY SUCH COURTS, WHETHER ON THE GROUND OF VENUE OR ON THE GROUND THAT THE PROCEEDINGS HAVE BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH OF THE ISSUERS AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, SHALL APPOINT CT CORPORATION SYSTEM, 111 EIGHTH AVENUE, 13TH FLOOR, NEW YORK, NY 10011, AS ITS AGENT FOR SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING AND AGREES THAT SERVICE OF PROCESS UPON SAID AUTHORIZED AGENT SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON IT IN ANY SUCH SUIT, ACTION OR PROCEEDING. EACH OF THE ISSUERS AND THE GUARANTORS AGREES TO DELIVER, UPON THE EXECUTION AND DELIVERY OF THIS SUPPLEMENTAL INDENTURE, A WRITTEN ACCEPTANCE BY SUCH AGENT OF ITS APPOINTMENT AS SUCH AGENT. EACH OF THE ISSUERS AND THE GUARANTORS, TO THE EXTENT ORGANIZED OUTSIDE OF THE UNITED STATES, FURTHER AGREES TO TAKE ANY AND ALL ACTION, INCLUDING THE FILING OF ANY AND ALL SUCH DOCUMENTS AND INSTRUMENTS, AS MAY BE REASONABLY NECESSARY TO CONTINUE SUCH DESIGNATION AND APPOINTMENT OF CT CORPORATION SYSTEM IN FULL FORCE AND EFFECT FOR SO LONG AS THE INDENTURE, AS SUPPLEMENTED, REMAINS IN FORCE. EACH OF THE ISSUERS, THE TRUSTEE AND THE GUARANTORS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy (which may be provided via facsimile or other electronic transmission) shall be an original, but all of them together represent the same agreement.

7. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

8. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Issuers.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

DAVA PHARMACEUTICALS, INC., as
Guaranteeing Subsidiary

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

ENDO FINANCE LLC
as an Issuer
by ENDO LUXEMBOURG FINANCECOMPANY I
S.À R.L., its sole member

By: /s/ Andrew O'Shea
Name: Andrew O'Shea
Title: B Manager

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

ENDO FINCO INC.
as an Issuer

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

ENDO LLC
ENDO U.S. INC.
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Secretary

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

ENDO HEALTH SOLUTIONS INC.
ENDO PHARMACEUTICALS INC.
ENDO PHARMACEUTICALS SOLUTIONS INC.
ENDO PHARMACEUTICALS VALERA INC
GENERICS INTERNATIONAL (US PARENT), INC.
GENERICS INTERNATIONAL (US MIDCO), INC.
GENERICS INTERNATIONAL (US HOLDCO), INC.
GENERICS INTERNATIONAL (US), INC.
AMERICAN MEDICAL SYSTEMS HOLDINGS, INC.
AMERICAN MEDICAL SYSTEMS, INC.
AMS RESEARCH CORPORATION
AMS SALES CORPORATION
LASERSCOPE
each, as a Guarantor

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

GENERICS BIDCO I, LLC
VINTAGE PHARMACEUTICALS, LLC
GENERICS BIDCO II, LLC
MOORES MILL PROPERTIES LLC
WOOD PARK PROPERTIES LLC
QUARTZ SPECIALTY PHARMACEUTICALS, LLC
each, as a Guarantor
by GENERICS INTERNATIONAL (US), INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

LEDGEMONT ROYALTY SUB LLC
as a Guarantor
by ENDO PHARMACEUTICALS SOLUTIONS INC.,
its manager

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

ENDO LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO VENTURES LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO MANAGEMENT LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO FINANCE LIMITED
as a Guarantor

By: /s/ Jack Boyle
Name: Jack Boyle
Title: Attorney

ENDO LUXEMBOURG HOLDING COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

ENDO LUXEMBOURG FINANCE COMPANY S.À R.L.
as a Guarantor

By: /s/ Andrew O' Shea
Name: Andrew O' Shea
Title: B Manager

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

PALADIN LABS CANADIAN HOLDING INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

PALADIN LABS INC.
as a Guarantor

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: President

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

ENDO VENTURES BERMUDA LIMITED, as a Guarantor

By: /s/ Robert Rush
Name: Robert Rush
Title: Director

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

ENDO NETHERLANDS B.V., as a Guarantor

By: /s/ Blaine T. Davis
Name: Blaine T. Davis
Title: Managing Director A

By: /s/ Gert Jan Rietberg
Name: Gert Jan Rietberg
Title: Managing Director B

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Martin Reed
Name: Martin Reed
Title: Vice President

[Signature Page to 5.375% Senior Notes due 2023 Supplemental Indenture]

Exhibit 10.204

EXECUTION VERSION

Counterpart to Registration Rights Agreement

August 11, 2014

The undersigned hereby absolutely, unconditionally and irrevocably agrees as a Guarantor, as defined in the Registration Rights Agreement, dated June 30, 2014 by and among Endo Finance LLC, a Delaware limited liability company and Endo Finco Inc., a Delaware corporation, the Guarantors party thereto, Citigroup Global Markets Inc. and RBC Capital Markets, relating to the 5.375% Senior Notes due 2023, to be bound by the terms and provisions of such Registration Rights Agreement.

IN WITNESS WHEREOF, the undersigned has executed this counterpart as of the date first written above.

DAVA PHARMACEUTICALS, INC.

By: /s/ Deanna Voss
Name: Deanna Voss
Title: Assistant Secretary

[Signature to Registration Rights Agreement Counterpart - 5.375% Senior Notes due 2023]

CITIGROUP GLOBAL MARKETS INC.
390 GREENWICH STREET
NEW YORK, NEW YORK 10013

ROYAL BANK OF CANADA
200 VESEY STREET
NEW YORK, NEW YORK 10281

GOLDMAN SACHS BANK USA
200 WEST ST.
NEW YORK, NY 10282

BARCLAYS
745 SEVENTH AVENUE
NEW YORK, NEW YORK 10019

SUMITOMO MITSUI BANKING CORPORATION
277 PARK AVENUE
NEW YORK, NY 10172

FIFTH THIRD BANK
38 FOUNTAIN SQUARE PLAZA
CINCINNATI, OH 45263

CREDIT SUISSE SECURITIES (USA) LLC
ELEVEN MADISON AVENUE
NEW YORK, NY 10010

CREDIT SUISSE AG
ELEVEN MADISON AVENUE
NEW YORK, NY 10010

TD SECURITIES (USA) LLC
31 WEST 52ND STREET
NEW YORK, NY 10019

TORONTO DOMINION (TEXAS) LLC
31 WEST 52ND STREET
NEW YORK, NY 10019

WELLS FARGO SECURITIES, LLC
550 S. TRYON STREET
CHARLOTTE, NC 28202

WELLS FARGO BANK, NATIONAL ASSOCIATION
550 S. TRYON STREET
CHARLOTTE, NC 28202

October 30, 2014

Endo Limited
33 Fitzwilliam Square
Dublin 2 Ireland
Attention: Suketu P. Upadhyay,
Executive Vice President and
Chief Financial Officer

Project Avalon
Amended and Restated Commitment Letter

Ladies and Gentlemen:

This Amended and Restated Commitment Letter (this Amended and Restated Commitment Letter, together with Exhibits A, B and C attached hereto, this "Commitment Letter") amends, restates and supersedes that certain Commitment Letter, dated as of October 8, 2014 (the "Original Commitment Letter"), between Endo Limited, a private limited company incorporated under the laws of Ireland and a wholly-owned direct subsidiary of the Parent (as defined in Exhibit B attached hereto) (the "Company" or "you") and Citi (as defined below). You have advised Citi, Royal Bank of Canada ("RBC"), Goldman Sachs Bank USA ("GS"), Barclays Bank PLC ("Barclays"), Sumitomo Mitsui Banking Corporation ("SMBC"), Fifth Third Bank ("Fifth Third"), Credit Suisse Securities (USA) LLC ("CS Securities") and Credit Suisse AG (acting through such of its branches or affiliates as it deems appropriate, "CS", and, together with CS Securities and their respective affiliates, "Credit Suisse"), TD Securities (USA) LLC and Toronto Dominion (Texas)

LLC (together, "TD") and Wells Fargo Securities, LLC ("WFS") and Wells Fargo Bank, National Association ("WFB", and, together with WFS, "Wells") (Citi, RBC, GS, Barclays, SMBC, Fifth Third, CS, TD and WFB, each an "Initial Lender" and, collectively, the "Initial Lenders", and the Initial Lenders together with the Lead Arrangers (as defined below) and the Co-Managers (as defined below), each an "Agent" and, collectively, the "Agents", "we", or "us") that you intend to consummate the Transaction (such term and each other capitalized term used but not defined herein having the meaning assigned to such term in the Transaction Description attached hereto as Exhibit A or in the Term Sheet referred to below).

For purposes of this Commitment Letter, "Citi" shall mean Citigroup Global Markets Inc., Citibank, N.A., Citicorp USA, Inc., Citicorp North America, Inc. and/or any of their affiliates as Citi shall determine to be appropriate to provide the services contemplated herein.

1. Commitments.

In connection with the foregoing, each of the Initial Lenders is pleased to advise you of its commitment to provide and hereby commits to provide the relevant percentage of the principal amount of the Incremental Term Loan B Credit Facility (as defined in Exhibit A hereto) set forth next to its name in the table below (collectively, the "Commitments") on a several, and not joint basis:

Initial Lender	**Commitment Percentage**
Citi	22.5%
RBC	22.5%
GS	10.0%
Barclays	7.5%
SMBC	7.5%
Fifth Third	7.5%
CS	7.5%
TD	7.5%
WFB	7.5%
Total	100%

in each case, upon the terms set forth in this letter and in the Summary of Principal Terms attached hereto as Exhibit B (the "Term Sheet"), and subject only to the conditions set forth in Section 5 of this letter and in the Conditions Precedent attached hereto as Exhibit C.

2. Titles and Roles.

You hereby appoint (i) Citi to act, and Citi hereby agrees to act, as syndication agent and (ii) each of Citi, RBC and GS (each, in such capacity, a "Lead Arranger" and, together, the "Lead Arrangers") to act, and each of the Lead Arrangers hereby agrees to act, as a joint lead arranger and joint book-running manager for the Incremental Term Loan B Credit Facility, and (iii) each of Barclays, SMBC, Fifth Third, CS Securities, TD and WFS (each, in such capacity, a "Co-Manager"

and, together, the "Co-Managers") to act, and the Co-Managers agree to act, as Co-Managers for the Incremental Term Loan B Credit Facility, in each case, on an exclusive basis in connection with the proposed arrangement and subsequent syndication (as applicable) of the Incremental Term Loan B Credit Facility. Citi, the Lead Arrangers and the Co-Managers will perform the duties and exercise the authority customarily performed and exercised by it in the foregoing roles.

You agree that no other agents, co-agents or arrangers will be appointed, no other titles will be awarded and no compensation (other than that expressly contemplated by this Commitment Letter and the Fee Letter referred to below or established as of the date hereof under or with respect to the Existing Credit Agreement (as defined in Exhibit B)) will be paid in connection with obtaining the Incremental Term Loan B Credit Facility unless you and we shall so agree.

The parties hereto agree that (i) Citi will have "left lead" placement in any and all marketing materials or other documentation used in connection with the Incremental Term Loan B Credit Facility (and equivalent ranking for league table purposes), (ii) Citi shall hold the leading roles and responsibilities conventionally associated with such "left" placement with respect to the Incremental Term Loan B Credit Facility and (iii) each Lead Arranger shall be entitled to receive league table credit for its role as "lead arranger" and "book-running manager" for the Incremental Term Loan B Credit Facility.

3. Syndication.

We reserve the right, prior to and/or after the execution of definitive documentation for the Incremental Term Loan B Credit Facility (the "Credit Documentation"), in consultation with you, subject to the terms of Section 10 hereof, to syndicate all or a portion of our commitments with respect to the Incremental Term Loan B Credit Facility to a group of banks, financial institutions and other lenders (together with the Initial Lenders, the "Lenders") identified by us in consultation with you pursuant to a syndication to be managed by the Lead Arrangers in consultation with you; provided that, notwithstanding the Lead Arrangers' right to syndicate the Incremental Term Loan B Credit Facility and receive commitments with respect thereto, the final determination of the Lenders, any roles awarded and allocations will be subject to your consent. Notwithstanding the foregoing, the Agents will not syndicate or otherwise assign any portion of a commitment hereunder or under the Incremental Term Loan B Credit Facility, or participate any portion of a commitment hereunder in respect of the Incremental Term Loan B Credit Facility, to those persons that are (i) competitors of you or your subsidiaries or the Acquired Business or its subsidiaries, identified in writing by you to the Lead Arrangers from time to time (it being understood that notwithstanding anything herein to the contrary, in no event shall a supplement apply retroactively to disqualify any parties that have previously acquired an assignment or participation interest hereunder or under the Incremental Term Loan B Credit Facility that is otherwise permitted hereunder, but upon the effectiveness of such designation, any such party may not acquire any additional commitments, loans or participations), (ii) such other persons identified in writing by you to the Lead Arrangers on or prior to October 8, 2014, or (iii) affiliates (other than, with respect to clause (i) only, any affiliate of a competitor that is a bona fide debt fund or other investment vehicle that is engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course) of any persons identified pursuant to clauses (i) or (ii) clearly identifiable by name (collectively, (i) through (iii), the "Disqualified Institutions"). All

aspects of the primary syndication of the Incremental Term Loan B Credit Facility, including, without limitation, timing, potential syndicate members to be approached, titles, allocations and division of fees, shall be determined by (and coordinated exclusively through) the Lead Arrangers (in each case in consultation with you).

We intend to commence our syndication efforts with respect to the Incremental Term Loan B Credit Facility promptly upon your execution and delivery to us of this Commitment Letter, and, until the earlier to occur of (i) a Successful Syndication (as defined in the Fee Letter) and (ii) 60 days after the Closing Date (such period, the "Syndication Period"), you agree to use your commercially reasonable efforts to assist the Lead Arrangers in completing a syndication that is reasonably satisfactory to the Lead Arrangers. Such assistance shall include, during the Syndication Period, (i) your using commercially reasonable efforts to ensure that the Lead Arrangers' syndication and marketing efforts benefit materially from your existing lending and investment banking relationships, (ii) direct contact between appropriate members of your senior management, representatives and advisors (and your using commercially reasonable efforts to cause direct contact between appropriate members of the Target's senior management, representatives and advisors), on the one hand, and the proposed Lenders and rating agencies identified by the Lead Arrangers, on the other hand, at times and places reasonably requested by the Lead Arrangers, (iii) assistance by you (and your using commercially reasonable efforts to cause the assistance by the Target) in the preparation of a Confidential Information Memorandum for the Incremental Term Loan B Credit Facility and other customary marketing materials to be used in connection with the syndication by providing information and other customary materials reasonably requested by the Lead Arrangers in connection therewith for delivery to potential syndicate members and participants, including, without limitation, a financial model regarding the future performance of the Parent, the Company, the Target and your and its respective subsidiaries, which shall be Private Lender Information (as defined below), (iv) the hosting, with the Lead Arrangers, of one or more meetings or conference calls with prospective Lenders at reasonable times and locations to be mutually agreed and (v) your using commercially reasonable efforts to obtain, prior to the launch of the syndication of the Incremental Term Loan B Credit Facility, public ratings (but no specific ratings) for the Incremental Term Loan B Credit Facility from each of Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's") and a public corporate credit rating (but no specific rating) of the Lux Borrower from S&P and a public corporate family rating (but no specific rating) of the Lux Borrower from Moody's. Prior to the earlier of (x) 60 days after the Closing Date and (y) the later of (i) the Successful Syndication of the Incremental Term Loan B Credit Facility and (ii) the Closing Date, you agree that there will not be any announcement, issuance, offering, placement or arrangement of any competing debt securities or commercial bank or other credit facilities (including refinancings and renewals of debt but excluding the Incremental Term Loan B Credit Facility, any Senior Notes (as defined in Exhibit A) issued in lieu of a portion of the Incremental Term Loan B Credit Facility on a dollar-for-dollar basis, any receivables financings, any acquisition-related indebtedness (including indebtedness related to the acquisition of products or product lines or the licensing of products) in an aggregate amount not to exceed $500 million, any indebtedness related to liability associated with mesh products, any ordinary course letter of credit facilities, local facilities, capital leases, financial leases, hedging and cash management and purchase money and equipment financings, any amendment, extension, replacement, refinancing or renewal of, or increase in commitments under, the Existing Credit Agreement or the Company's existing senior

notes and any debt incurred in the ordinary course of business to the extent permitted by the Acquisition Agreement or the Credit Documentation) by or on behalf of the Company or any of its subsidiaries or affiliates, in each case that could reasonably be expected to materially and adversely affect the syndication of the Incremental Term Loan B Credit Facility without the prior written consent of the Lead Arrangers (not to be unreasonably withheld, conditioned or delayed). For the avoidance of doubt, you will not be required to provide any information to the extent that the provision thereof would waive any attorney-client privilege or violate any law, rule or regulation, or any obligation of confidentiality binding you, the Company or any of your or its respective affiliates; provided that you shall use commercially reasonable efforts to obtain the relevant consents under such obligations of confidentiality to allow for the provision of such information to the extent reasonably requested by the Lead Arrangers. Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee Letter and without limiting your obligations to assist with syndication efforts as set forth herein, (i) none of the foregoing shall constitute a condition to the commitments hereunder or the funding of the Incremental Term Loan B Credit Facility on the Closing Date and (ii) neither the commencement nor the completion of the syndication of the Incremental Term Loan B Credit Facility shall constitute a condition to the commitments hereunder or the funding of the Incremental Term Loan B Credit Facility on the Closing Date.

You hereby acknowledge that, subject to the confidentiality obligations contained herein, (i) the Agents will make available Information (as defined below) and estimates, forecasts, projections and other forward-looking financial information regarding the future performance of the Parent, the Company, the Target and your and its respective subsidiaries (collectively, the "Projections"), and the documentation relating to the Incremental Term Loan B Credit Facility referred to in the paragraph below, to the proposed syndicate of Lenders by transmitting such Information, Projections and documentation through Intralinks, SyndTrak Online, the internet, email or similar electronic transmission systems on a confidential basis in accordance with the Lead Arrangers' standard syndication practices and (ii) certain of the Lenders may be "public side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Parent, the Company, the Target and their respective subsidiaries or securities). You agree, at the request of the Lead Arrangers and subject to the requirements of applicable law, to assist in the preparation of a version of the Confidential Information Memorandum and other marketing materials and presentations to be used in connection with the syndication of the Incremental Term Loan B Credit Facility, consisting exclusively of information and documentation that is either (a) publicly available or (b) not material with respect to the Parent, the Company, the Target or their respective subsidiaries or any of their respective securities for purposes of foreign, United States Federal and state securities laws (all such information and documentation being "Public Lender Information" and with any information and documentation that is not Public Lender Information being referred to herein as "Private Lender Information").

It is understood that in connection with your assistance described above, customary authorization letters will be included in any such Confidential Information Memorandum that authorize the distribution thereof to prospective Lenders, represent that the additional version of the Confidential Information Memorandum does not include any material non-public information and exculpate us with respect to any liability related to the use of the contents of such Confidential Information Memorandum or any related offering and marketing materials by the recipients thereof

and exculpate you and the Acquired Business with respect to any liability related to the misuse of the contents of such Confidential Information Memorandum or any related offering and marketing materials by the recipients thereof. You agree that such Confidential Information Memorandum or related offering and marketing materials to be disseminated by the Lead Arrangers to any prospective Lender in connection with the Incremental Term Loan B Credit Facility will be identified by you as either (A) containing Private Lender Information or (B) containing solely Public Lender Information. You agree that, after you have been given a reasonable opportunity to review such documents, the following documents will contain solely Public Lender Information (unless you notify us that any such document contains Private Lender Information): (x) drafts and final versions of the Credit Documentation; (y) administrative materials prepared by the Lead Arrangers for prospective Lenders (such as a lender meeting invitation, allocation, if any, and funding and closing memoranda), in each case to the extent approved by you prior to distribution; and (z) notification of changes in the terms of the Incremental Term Loan B Credit Facility.

4. Information.

You represent, warrant and covenant (with respect to Information relating to the Acquired Business, to the best of your knowledge) that (a) no written information which has been or is hereafter furnished to the Agents and the Lenders by you or on your behalf in connection with the transactions contemplated hereby (other than the Projections, estimates, other forward-looking information and information of a general economic or general industry nature) (such information being referred to herein collectively as the "Information") contained (or, in the case of Information furnished after the date hereof, will contain when furnished), as of the time it was (or hereafter is) furnished, any untrue statement of a material fact or omitted (or will omit) as of such time to state any material fact necessary to make the statements therein, in light of the circumstances under which they were (or hereafter are) made, not misleading (when taken as a whole and after giving effect to all supplements and updates thereto) and (b) the Projections, estimates and other forward-looking information that have been or will be made available to the Agents and the Lenders by you or any of your representatives have been or will be prepared in good faith based upon assumptions that you believe to be reasonable at the time made and at the time such Projections, estimates and other forward-looking information are made available to the Agents, it being recognized by the Agents that such Projections are not to be viewed as facts and that actual results during the period or periods covered by any such Projections may differ significantly from the projected results, and that no assurance can be given that the projected results will be realized. You agree that if at any time prior to the earlier of (x) 60 days after the Closing Date and (y) the later of (i) the Successful Syndication of the Incremental Term Loan B Credit Facility and (ii) the Closing Date, you become aware that any of the representations and warranties in the preceding sentence would be incorrect (to the best of your knowledge as to Information relating to the Acquired Business) in any material respect if the Information and Projections were being furnished, and such representations and warranties were being made, at such time, then you will promptly advise the Agents and supplement (or use commercially reasonable efforts to supplement, in the case of Information relating to the Acquired Business) the Information and the Projections so that such representations and warranties will be (to the best of your knowledge as to Information relating to the Acquired Business) correct in all material respects under those circumstances (provided that no update of the Projections will be required

under this paragraph after the Closing Date). The accuracy of the foregoing representations and warranties, in and of itself, shall not be a condition to our obligations hereunder or the funding of the Incremental Term Loan B Credit Facility on the Closing Date. You understand that, in arranging and syndicating the Incremental Term Loan B Credit Facility, we will be entitled to use and rely on the Information and the Projections without responsibility for independent verification thereof and do not assume responsibility for the accuracy or completeness of the Information or the Projections.

5. Conditions Precedent.

Each Initial Lender's commitment hereunder, and the agreement of each Agent to perform the services described herein, are subject solely to (a)(i) except as disclosed in the applicable section or subsection of the Auxilium Disclosure Letter (as defined in the Acquisition Agreement) (it being agreed that disclosure of any item in any section or subsection of the Auxilium Disclosure Letter shall be deemed disclosure with respect to any other section or subsection of the Auxilium Disclosure Letter only to the extent the relevance of such item to such other section or subsection is reasonably apparent on its face) or the Auxilium Public Disclosure Record (as defined in the Acquisition Agreement) (other than any disclosure contained under the captions "Risk Factors" or "Forward Looking Statements" or similar captions and any other disclosure contained therein that is predictive, cautionary or forward-looking in nature), no Target Material Adverse Effect (as defined below) having occurred between January 1, 2014 and October 8, 2014 and (ii) no Target Material Adverse Effect having occurred since October 8, 2014 and (b) the conditions set forth in Exhibit C attached hereto (clauses (a) and (b), collectively, the "Funding Conditions"); it being understood that there are no conditions (implied or otherwise) to the commitments hereunder (including compliance with the terms of the Commitment Letter, the Fee Letter and the Credit Documentation) other than the Funding Conditions (and upon satisfaction or waiver of the Funding Conditions, the initial funding under the Incremental Term Loan B Credit Facility shall occur).

For purposes hereof, "Target Material Adverse Effect" means (with capitalized terms used in this definition and not otherwise defined in this Commitment Letter having the meanings assigned thereto in the Acquisition Agreement), in connection with Auxilium, any result, fact, change, effect, event, circumstance, occurrence or development that, individually or in the aggregate with all other adverse results, facts, changes, effects, events, circumstances, occurrences or developments, has or would reasonably be expected to have, a material and adverse effect on (i) the business, operations, results of operations or condition (financial or otherwise) of Auxilium and its Subsidiaries, taken as a whole or (ii) the ability of Auxilium or its Subsidiaries to perform its covenants or obligations under the Acquisition Agreement or to consummate the transactions contemplated by the Acquisition Agreement; provided, however, that, subject to the immediately succeeding proviso, any result, fact, change, effect, event, circumstance, occurrence or development shall not be deemed to constitute, and shall not be taken into account in determining whether there has been, a Target Material Adverse Effect to the extent that such result, fact, change, effect, event, circumstance, occurrence or development arises out of or results from:

(a) changes, developments or conditions in or relating to general international, political, economic or financial or capital market conditions or political, economic or financial or

capital market conditions in any jurisdiction in which Auxilium or any of its Subsidiaries operates or carries on business;

(b) changes, developments or conditions resulting from any act of sabotage or terrorism or any outbreak of hostilities or declared or undeclared war, or any escalation or worsening of such acts of sabotage, terrorism, hostilities or war;

(c) any natural disaster;

(d) changes or developments in or relating to currency exchange or interest rates;

(e) changes or developments affecting the pharmaceutical industry in general;

(f) any adoption, implementation, promulgation, repeal, modification, reinterpretation, proposal or other change after the date of the Acquisition Agreement in applicable United States or foreign, federal, state or local Law (other than Orders against Auxilium or a Subsidiary thereof) or U.S. GAAP or interpretations thereof, including (x) the rules, regulations and administrative policies of the FDA or interpretations thereof and (y) any health reform statutes, rules or regulations or interpretations thereof;

(g) except for purposes of Sections 3.1(c), 3.1(d), 3.2(c) and 3.2(d) of the Acquisition Agreement, changes resulting from compliance with the terms and conditions of the Acquisition Agreement or from the announcement or pendency of the transactions contemplated by the Acquisition Agreement;

(h) any actions taken (or omitted to be taken) by Auxilium upon the express written request of any Endo Party that is reasonably acceptable to Citi;

(i) (A) any changes in the share price or trading volume of Auxilium Shares or the credit rating or in any analyst's recommendation with respect to Auxilium or (B) any failure of Auxilium to meet projections, guidance, milestones, forecasts or published financial or operating predictions or measures (it being agreed that the facts and circumstances giving rise to any of the foregoing events or failures, unless expressly excluded by another clause of this definition, may constitute and/or may be taken into account in determining whether a Material Adverse Effect has occurred or is reasonably likely to occur);

(j) any litigation arising from or relating to the Merger or the other transactions contemplated by the Acquisition Agreement; or

(k) to the extent described on Section 1.1(b) of the Auxilium Disclosure Letter;

provided, however, that the effect of the changes or developments described in clauses (a) through (f) above shall not be excluded to the extent that any of the changes or developments referred to therein disproportionately adversely affect Auxilium and its Subsidiaries, taken as a whole, in comparison to other Persons who operate in the same industry as Auxilium and its Subsidiaries.

Notwithstanding anything set forth in this Commitment Letter, the Term Sheet, the Fee Letter (as defined below) or the Credit Documentation, or any other letter agreement or other undertaking concerning the financing of the Acquisition to the contrary, (i) the only representations and warranties the accuracy of which shall be a condition to availability of the Incremental Term Loan B Credit Facility on the Closing Date shall be (x) such of the representations and warranties made by the Acquired Business in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that you have (or your applicable affiliate has) the right (determined without regard to any notice requirement) to terminate your (or your affiliate's) obligations (or to refuse to consummate the Acquisition) under the Acquisition Agreement as a result of a breach of such representations (the "Acquisition Agreement Representations") and (y) the Specified Representations (as defined below) and (ii) the terms of the Credit Documentation (as defined in Exhibit B) shall be in a form such that they do not impair the availability of the Incremental Term Loan B Credit Facility on the Closing Date if the Funding Conditions are satisfied (it being understood that (I) to the extent a security interest in any Collateral that is being acquired as part of the Acquisition (including the creation or perfection of any security interest that is being acquired as part of the Acquisition) referred to in the Term Sheet may not be perfected by (A) the filing of a UCC or Personal Property Security Act (or equivalent statute in the applicable Canadian provinces) financing statement, or (B) taking delivery and possession of a stock certificate of each Borrower and each direct and indirect holding company thereof (other than the Parent and the Company), as well as each material direct or indirect wholly-owned domestic or Canadian restricted subsidiary of the Lux Borrower (provided that such certificates of the Target and its material wholly-owned domestic restricted subsidiaries will be required to be delivered on the Closing Date only to the extent received from Target after your use of commercially reasonable efforts to do so) or (C) the filing of a short-form security agreement with the United States Patent and Trademark Office or the United States Copyright Office, if the perfection of the Administrative Agent's security interest in such Collateral may not be accomplished prior to the Closing Date after your use of commercially reasonable efforts to do so and without undue burden and expense, then the perfection of the security interest in such Collateral shall not constitute a condition precedent to the availability of the Incremental Term Loan B Credit Facility on the Closing Date but, instead, may be accomplished within 60 days thereafter (or such longer period after the Closing Date reasonably acceptable to Citi) and (II) nothing in preceding clause (ii) shall be construed to limit the applicability of the individual Funding Conditions expressly set forth herein). For purposes hereof, "Specified Representations" means the representations and warranties of the Borrowers set forth in the Term Sheet relating to legal existence, corporate power and authority of the Borrowers relating to the entering into and performance of the Credit Documentation, the due authorization, execution and delivery by the Borrowers and validity and enforceability of the Credit Documentation against the Borrowers, no conflicts with or violations of organizational documents of the Borrowers, the Existing Credit Agreement or the indentures governing the Company's existing senior notes, use of proceeds in compliance with margin regulations, the Investment Company Act of 1940, as amended, solvency of the Borrowers, the Company, the Target and their respective subsidiaries on a consolidated basis as of the Closing Date (after giving pro forma effect to the Transaction), PATRIOT Act, use of proceeds in compliance with FCPA laws and OFAC/anti-terrorism laws (to the extent applicable) and, subject to subclause (I) of the last parenthetical appearing in the preceding sentence (and subject to permitted liens), the creation, validity, perfection and priority of the security

interests granted in the proposed Collateral. The provisions of this paragraph are referred to as the "Funds Certain Provisions".

6. Fees.

As consideration for each Initial Lender's commitment hereunder, and the agreement of each Agent to perform the services described herein, you agree to pay (or cause to be paid) to each Agent the fees to which such Agent is entitled set forth in this Commitment Letter and in the fee letter dated the date hereof and delivered herewith with respect to the Incremental Term Loan B Credit Facility or any agency fee letters related to the Incremental Term Loan B Credit Facility (collectively, the "Fee Letter").

7. Expenses; Indemnification.

To induce the Agents to issue this Commitment Letter and to proceed with the Credit Documentation, you hereby agree that all reasonable and documented out-of-pocket fees and expenses (including, without limitation, in connection with the Incremental Term Loan B Credit Facility (which in the case of legal fees and expenses shall be limited to the reasonable fees and expenses of (x) the primary counsel acting for the Agents, which shall be Latham & Watkins LLP, (y) one local counsel for each relevant jurisdiction as may be necessary or advisable in the sole judgment of the Lead Arrangers and (z) in the case of an actual conflict of interest, where the Indemnified Person affected by such conflict informs the Company of such conflict and thereafter retains its own counsel, another firm of counsel for such affected Indemnified Person) of the Agents and their affiliates arising in connection with the Incremental Term Loan B Credit Facility and the preparation, negotiation, execution, delivery and enforcement of this Commitment Letter, the Fee Letter and the Credit Documentation (including in connection with our due diligence and syndication efforts) shall be for your account (and that you shall from time to time upon request from such Agent, reimburse such Agent and its respective affiliates for all such reasonable and documented out-of-pocket fees and expenses paid or incurred by them), whether or not the Transaction is consummated or the Incremental Term Loan B Credit Facility are made available or the Credit Documentation is executed.

You further agree to indemnify and hold harmless each Agent and each other agent or co-agent (if any) designated by the Lead Arrangers with respect to the Incremental Term Loan B Credit Facility (each, a "Co-Agent"), each Initial Lender, each Lender which is a Co-Agent or an affiliate thereof (each, a "Co-Agent Lender") and all of their respective affiliates and each director, officer, employee, representative and advisor of the foregoing (each, an "Indemnified Person") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against or involve any Agent, any Co-Agent, any Initial Lender, any Co-Agent Lender or any other such Indemnified Person as a result of or arising out of or in any way related to or resulting from the Transaction, this Commitment Letter or the Fee Letter and, upon demand, to pay and reimburse each Agent, each Co-Agent, each Initial Lender, each Co-Agent Lender and each other Indemnified Person for any reasonable legal expenses of one firm of counsel for all such Indemnified Persons, taken as a whole (and, in the case of an actual conflict of interest, where the Indemnified Person affected by such conflict informs the Company of such conflict and thereafter

retains its own counsel, of another firm of counsel for such affected Indemnified Person) and, if necessary, of a single local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all such Indemnified Persons, taken as a whole or other reasonable and documented out-of-pocket expenses paid or incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including any inquiry or investigation) or claim (whether or not any Agent, any Co-Agent, any Initial Lender, any Co-Agent Lender or any other such Indemnified Person is a party to any action or proceeding out of which any such expenses arise or such matter is initiated by a third party or by you or any of your affiliates); provided, however, that you shall not have to indemnify any Indemnified Person against any loss, claim, damage, expense or liability to the extent same resulted from (x) the gross negligence or willful misconduct of such Indemnified Person (as determined by a court of competent jurisdiction in a final and non-appealable judgment), (y) a material breach in bad faith by the relevant Indemnified Person (as determined by a court of competent jurisdiction in a final and non-appealable judgment) of the express contractual obligations of such Indemnified Person under this Commitment Letter pursuant to a claim made by you or (z) any disputes among the Indemnified Parties (other than disputes brought against them in their capacities as Co-Agents) and not arising from any act or omission by the Company or any of its affiliates.

No Agent nor any other Indemnified Person shall be responsible or liable to you or any other person or entity for (i) any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems (including IntraLinks, Syndtrak Online or email) or (ii) any indirect, special, exemplary, incidental, punitive or consequential damages (including, without limitation, any loss of profits, business or anticipated savings) which may be alleged as a result of this Commitment Letter, the Fee Letter or the Transaction even if advised of the possibility thereof, in each case other than as a result of such person's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable decision.

You agree that, without each Agent's prior written consent (such consent not to be unreasonably withheld or delayed, it being understood that it would be reasonable to withhold consent if such settlement, compromise or consent does not fulfill the criteria set forth in this sentence), the Company will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought under the indemnification provision of this Commitment Letter (whether or not any Agent or any other Indemnified Person is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of each Indemnified Person from all liability arising out of such claim, action or proceeding and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any Indemnified Person.

In addition, the Company agrees to indemnify the Indemnified Persons against any loss incurred by any Indemnified Person as a result of any judgment or order being given or made for any amount due hereunder and such judgment or order being expressed and paid in a currency (the "Judgment Currency") other than United States dollars and as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the

Judgment Currency for the purpose of such judgment or order, and (ii) the rate of exchange at which such Indemnified Person is able to purchase United States dollars with the amount of the Judgment Currency actually received by such Indemnified Person. The foregoing indemnity shall constitute a separate and independent obligation of the Company and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

The indemnification and contribution provisions contained in this Commitment Letter are in addition to any liability which the Company may otherwise have to an Indemnified Person. Solely for purposes of enforcing the provisions of this Section 7, the Company hereby consents to personal jurisdiction, service of process and venue in any court in which any claim or proceeding that is subject to this Section 7 is brought against any Agent.

8. Sharing Information; Absence of Fiduciary Relationship; Affiliate Activities.

Each Agent reserves the right to employ the services of its affiliates and branches in providing services contemplated by this Commitment Letter and to allocate, in whole or in part, to its affiliates certain fees payable to such Agent in such manner as such Agent and its affiliates may agree in their sole discretion. You acknowledge that (i) each Agent may share with any of its affiliates and its and their respective directors, officers, employees, representatives, agents and advisors (including, without limitation, attorneys, accountants, consultants, bankers and financial advisors) (collectively, "Related Persons") and such affiliates and Related Persons may share with such Agent, any information related to the Transaction, the Parent, the Borrowers, the Company and the Target (and its and their respective subsidiaries and affiliates) or any of the matters contemplated hereby and (ii) each Agent and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you, the Target or your or its affiliates may have conflicting interests regarding the transactions described herein or otherwise. No Agent will, however, furnish confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or its other relationships with you to Disqualified Institutions or other companies (other than your affiliates). You also acknowledge that no Agent has any obligation to use in connection with the Transaction, this Commitment Letter, the Fee Letter or to furnish to you, confidential information obtained by it from other companies.

You acknowledge that you have been advised of the role of Citi and/or its affiliates as financial advisors to you in connection with the Transaction and that, in such capacity, Citi are not advising you to enter this Commitment Letter or the Fee Letter or advising you with respect to any financing contemplated herein and therein. You acknowledge and agree that you (together with your legal and other advisors) are independently evaluating this Commitment Letter, the Fee Letter and any provision of financing contemplated herein and therein and are fully aware of any conflicts of interest which may exist as a result of Citi's engagement hereunder and the engagement of Citi or any of its affiliates as financial advisor to you. You acknowledge and agree to such retentions, and further agree not to assert any claim you might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the engagement of Citi or any of its affiliates as financial advisor to you in

connection with the Transaction and, on the other hand, Citi's engagement hereunder or any arrangement, underwriting or provision by it of any financing in connection with the Transaction.

You further acknowledge and agree that (i) no fiduciary, advisory or agency relationship between you and us is intended to be or has been created in respect of the Transaction, this Commitment Letter or the Fee Letter, irrespective of whether we or our affiliates have advised or are advising you on other matters, (ii) we, on the one hand, and you, on the other hand, have an arms-length business relationship that does not directly or indirectly give rise to, nor do you rely on, any fiduciary duty on our part in respect of the transactions contemplated by this Commitment Letter, (iii) you are capable of evaluating and understanding, and you understand and accept, the terms, risks and conditions of the transactions contemplated by this Commitment Letter and the Fee Letter, (iv) you have been advised that we and our affiliates are engaged in a broad range of transactions that may involve interests that differ from your interests and that we and our affiliates have no obligation to disclose such interests and transactions to you by virtue of any fiduciary, advisory or agency relationship, and (v) you waive, to the fullest extent permitted by law, any claims you may have against us or our affiliates for breach of fiduciary duty or alleged breach of fiduciary duty in respect of the transactions contemplated by this Commitment Letter and agree that we and our affiliates shall have no liability (whether direct or indirect) to you in respect of such a fiduciary duty claim or to any person asserting such a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors. Additionally, you acknowledge and agree that no Agent nor any affiliate thereof has, except as expressly contemplated in the preceding paragraph, advised or is advising you as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the Transaction, this Commitment Letter and the Fee Letter. You shall consult with your own advisors concerning such matters and shall be responsible for making your own independent investigation and appraisal of the transactions contemplated by this Commitment Letter, and no Agent nor any affiliate thereof shall have any responsibility or liability to you with respect thereto. Accordingly, it is specifically understood that you will base your decisions regarding whether and how to pursue the Transaction or any portion thereof based on the advice of your legal, tax and other business advisors and such other factors that you consider appropriate. Each Agent is serving as an independent contractor hereunder, and in connection with the Transaction, in respect of its services hereunder and in such connection and not as a fiduciary or trustee of any party. The Company further acknowledges and agrees that any review by the Agents of the Company, the Acquired Business, the Incremental Term Loan B Credit Facility, and other matters relating thereto will be performed solely for the benefit of the Agents and shall not be on behalf of the Company or any other person.

You further acknowledge that each of the Agents is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, each of the Agents and their affiliates may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, you, the Acquired Business and your and their respective subsidiaries and other companies with which you, the Acquired Business or your subsidiaries may have commercial or other relationships. With

respect to any securities and/or financial instruments so held by any of the Agents or any of their affiliates or any of their customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

Each Agent or its affiliates may also co-invest with, make direct investments in, and invest or co-invest client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities of you, the Acquired Business or other companies which may be the subject of the arrangements contemplated by this Commitment Letter or engage in commodities trading with any thereof.

9. Confidentiality.

This Commitment Letter is delivered to you on the understanding that neither this Commitment Letter nor the Fee Letter nor any of their terms or substance shall be disclosed, directly or indirectly, by you to any other person or entity except (a) to your officers, directors, affiliates, employees, attorneys, accountants and advisors who are directly involved in the consideration of this matter and on a confidential and need-to-know basis, (b) as required by applicable law or compulsory legal process or in connection with any pending legal proceeding (in which case you agree, to the extent permitted by applicable law, to inform us promptly thereof) or regulatory review or (c) if the Agents consent in writing to such proposed disclosure (such consent not to be unreasonably withheld); provided that (i) you may disclose this Commitment Letter and the contents hereof (but you may not disclose the Fee Letter or the contents thereof) to the Acquired Business, its affiliates and their respective officers, directors, employees, attorneys, accountants and advisors, in each case who are directly involved in the consideration of this matter and on a confidential and need-to-know basis (provided that you also may disclose the Fee Letter (including the "market flex" thereof) (subject to redactions satisfactory to the Agents) to such persons), (ii) you may disclose this Commitment Letter and the contents hereof (but you may not disclose the Fee Letter or the contents thereof) in any filing with the SEC in connection with the Transaction, (iii) you may disclose the Term Sheet and the other exhibits and annexes to the Commitment Letter, and the contents thereof, to any rating agencies in connection with obtaining ratings for the Lux Borrower and the Incremental Term Loan B Credit Facility and (iv) you may disclose the aggregate fee amounts contained in the Fee Letter as part of a generic disclosure of aggregate sources and uses related to fee amounts applicable to the Transaction to the extent customary or required in offering and marketing materials for the Incremental Term Loan B Credit Facility or in any public release or filing relating to the Transaction.

The Agents and their respective affiliates will use all confidential information provided to them or such affiliates by or on behalf of you hereunder solely for the purpose of providing the services which are the subject of this Commitment Letter (and any other engagement letter between you and such persons) and shall treat confidentially all such information; provided that nothing herein shall prevent the Agents from disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process (in which case the Agents, to the extent permitted by law, agree to inform you promptly thereof), (b) upon the request or demand of any regulatory authority or self-regulatory body having jurisdiction or oversight over the Agents

or any of their respective affiliates, their business or operations, (c) to the extent that such information becomes publicly available other than by reason of improper disclosure by the Agents or any of their affiliates, (d) to the extent that such information is received by the Agents from a third party that is not to their knowledge subject to confidentiality obligations to you or the Acquired Business, (e) to the extent that such information is independently developed by the Agents, (f) to the Agents' respective affiliates and their respective employees, legal counsel, independent auditors and other experts or agents who need to know such information in connection with the Transaction and are informed of the confidential nature of such information, (g) to potential Lenders, participants or assignees or any potential counterparty (or its advisors) to any swap or derivative transaction relating to the Borrowers, the Company, the Acquired Business or any of their respective affiliates or any of their respective obligations, in each case who are instructed that they shall be bound by the terms of this paragraph (or language substantially similar to this paragraph), (h) for purposes of establishing a "due diligence" defense or (i) to enforce their respective rights hereunder or under the Fee Letter. The Agents' obligations under this paragraph shall automatically terminate and be superseded by the confidentiality provisions in the Credit Documentation upon the execution and delivery of the Credit Documentation and initial funding thereunder or shall expire on the date occurring 18 months after the date hereof, whichever occurs earlier.

10. Assignments; Etc.

This Commitment Letter and the Fee Letter (and your rights and obligations hereunder and thereunder) shall not be assignable by you without the prior written consent of each Lead Arranger (and any attempted assignment without such consent shall be null and void), are intended to be solely for the benefit of the parties hereto and thereto (and Indemnified Persons), are not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and thereto (and Indemnified Persons) and may not be relied upon by any person or entity other than you. Each Agent may assign its commitment hereunder to one or more prospective Lenders; provided that, (a) no Initial Lender shall be relieved or novated from its obligations hereunder (including its obligation to fund the Incremental Term Loan B Credit Facility on the Closing Date) in connection with any syndication, assignment or participation of the Incremental Term Loan B Credit Facility (including its commitments in respect thereof) until after the initial funding of the Incremental Term Loan B Credit Facility; provided, that this clause shall not apply to any assignment of commitments in respect of the Incremental Term Loan B Credit Facility by Goldman Sachs Bank USA to Goldman Sachs Lending Partners LLC, (b) no assignment or novation shall become effective with respect to all or any portion of an Initial Lender's commitments in respect of the Incremental Term Loan B Credit Facility until the initial funding of the Incremental Term Loan B Credit Facility on the Closing Date; provided, that this clause shall not apply to any assignment of commitments in respect of the Incremental Term Loan B Credit Facility by Goldman Sachs Bank USA to Goldman Sachs Lending Partners LLC, (c) unless you agree in writing, each Initial Lender shall retain exclusive control over all rights and obligations with respect to its commitments in respect of the Incremental Term Loan B Credit Facility, including all rights with respect to consents, modifications, supplements and amendments, until the initial funding of the Incremental Term Loan B Credit Facility has occurred and (d) no assignments shall be made to any Disqualified Institution. Any and all obligations of, and services to be provided by an Agent hereunder (including, without limitation, the commitment of such Agent) may be performed and

any and all rights of the Agents hereunder may be exercised by or through any of their respective affiliates or branches; provided that with respect to the commitments, any assignments thereof to an affiliate (other than any assignment of commitments in respect of the Incremental Term Loan B Credit Facility by Goldman Sachs Bank USA to Goldman Sachs Lending Partners LLC) will not relieve the Agents from any of their obligations hereunder unless and until such affiliate shall have funded the portion of the commitment so assigned.

11. Amendments; Governing Law; Etc.

This Commitment Letter and the Fee Letter may not be amended or modified, or any provision hereof or thereof waived, except by an instrument in writing signed by you and each Agent. Each of this Commitment Letter and the Fee Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter or the Fee Letter by facsimile (or other electronic, i.e. a "pdf" or "tif") transmission shall be effective as delivery of a manually executed counterpart hereof or thereof, as the case may be. Section headings used herein and in the Fee Letter are for convenience of reference only, are not part of this Commitment Letter or the Fee Letter, as the case may be, and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter or the Fee Letter, as the case may be. Notwithstanding anything to the contrary set forth herein, each Agent may, in consultation with you, place customary advertisements in financial and other newspapers and periodicals or on a home page or similar place for dissemination of customary information on the Internet or worldwide web as it may choose, and circulate similar promotional materials, after the Closing Date in the form of a "tombstone" or otherwise describing the names of the Borrowers, the Company, the Acquired Business and their respective affiliates (or any of them), and the amount, type and closing date of the transactions contemplated hereby, all at the expense of such Agent. This Commitment Letter and the Fee Letter set forth the entire agreement between the parties hereto as to the matters set forth herein and therein and supersede all prior understandings, whether written or oral, between us with respect to the matters herein and therein. **THIS COMMITMENT LETTER AND THE FEE LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK**; provided, however, that (a) the interpretation of the definition of Target Material Adverse Effect and whether there shall have occurred a Target Material Adverse Effect, (b) whether the Acquisition has been consummated as contemplated by the Acquisition Agreement and (c) the determination of whether the representations made by or with respect to the Acquired Business or any of their affiliates are accurate and whether as a result of any inaccuracy of any such representations a party to the Acquisition Agreement (or its applicable affiliates) has the right to terminate its (or their) obligations, or has the right not to consummate the Acquisition, under the Acquisition Agreement, shall be governed by, and construed in accordance with, the laws of the State of Delaware without regard to the principles of conflicts of law.

12. Jurisdiction.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the County of New York, Borough of Manhattan, and any

appellate court from any thereof, in any action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding shall be heard and determined only in such courts located within New York County; provided that each Agent shall be entitled to assert jurisdiction over you and your property in any court in which jurisdiction may be laid over you or your property, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby in any such New York State or Federal court, as the case may be, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and (d) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Service of any process, summons, notice or document by registered mail or overnight courier addressed to you at the address above shall be effective service of process against you for any suit, action or proceeding brought in any such court.

13. Waiver of Jury Trial.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, SUIT, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER, THE FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

14. Surviving Provisions.

The provisions of Sections 2, 3, 6, 7, 8, 9, 11, 12, 13 and 14 of this Commitment Letter and the provisions of the Fee Letter shall remain in full force and effect regardless of whether definitive Credit Documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the commitments of the Agents hereunder and our agreements to perform the services described herein; provided that your obligations under this Commitment Letter and the Fee Letter, other than those provisions relating to confidentiality, the syndication of the Incremental Term Loan B Credit Facility and the payment of annual agency fees to any Agent, shall automatically terminate and be superseded by the definitive Credit Documentation relating to the Incremental Term Loan B Credit Facility upon the initial funding thereunder and the payment of all amounts owing at such time hereunder and under the Fee Letter. You may terminate the Initial Lenders' commitments with respect to the Incremental Term Loan B Credit Facility hereunder at any time in their entirety (but not in part), subject to the provisions of the preceding sentence, by written notice to the Initial Lenders.

15. PATRIOT Act Notification.

Each Agent hereby notifies the Company that each Lender subject to the USA PATRIOT ACT (Title III of Pub. Law 107-56 (signed into law October 26, 2001)) (as amended from time to time, the "PATRIOT Act") is required to obtain, verify and record information that

identifies the Parent, the Borrowers and any other obligor under the Incremental Term Loan B Credit Facility and any related Credit Documentation and other information that will allow such Lender to identify the Parent, the Borrowers and any other obligor in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective as to each Agent and each Lender. You hereby acknowledge and agree that the Agents shall be permitted to share any or all such information with the Lenders.

16. Termination and Acceptance.

Each Agent's commitments with respect to the Incremental Term Loan B Credit Facility as set forth above, and each Agent's agreements to perform the services described herein, will automatically terminate (without further action or notice and without further obligation to you) on the first to occur of (i) 11:59 p.m., New York City time, on April 10, 2015 (such date, the "Termination Date"); provided, that to the extent the Outside Date (as defined in the Acquisition Agreement as in effect on October 8, 2014) has been extended pursuant to Section 7.1(b)(i) of the Acquisition Agreement as in effect on October 8, 2014 in accordance with the terms thereof, the Termination Date shall be extended to the earlier to occur of (a) the date that is three months after the date referred to in clause (i) above and (b) the Outside Date in the Acquisition Agreement as in effect on October 8, 2014 (as extended pursuant to such Section 7.1(b)(i)), unless on or prior to such time the Transaction has been consummated, (ii) any time after the execution of the Acquisition Agreement and prior to the consummation of the Transaction, the date of the termination of the Acquisition Agreement in accordance with its terms (other than with respect to ongoing indemnities, confidentiality provisions and similar provisions), or (iii) the consummation of the Acquisition without the use of the Incremental Term Loan B Credit Facility (such first date to occur, the "Expiration Date").

Each of the parties hereto agrees that (i) this Commitment Letter, if accepted by you as provided above, is a binding and enforceable agreement (subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law)) with respect to the subject matter contained herein, including an agreement to negotiate in good faith the Credit Documentation by the parties hereto in a manner consistent with this Commitment Letter, it being acknowledged and agreed that the funding of the Incremental Term Loan B Credit Facility is subject to the Funding Conditions and (ii) the Fee Letter is a binding and enforceable agreement (subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law)).

If the foregoing correctly sets forth our agreement with you, please indicate your acceptance of the terms of this Commitment Letter and of the Fee Letter by returning to us executed counterparts hereof and of the Fee Letter not later than 11:59 p.m., New York City time, on October 31, 2014. The commitments of each Initial Lender hereunder, and the Agents' agreements to perform the services described herein, will expire automatically (and without further action or notice and without further obligation to you) at such time in the event that we have not received such executed counterparts in accordance with the immediately preceding sentence.

This Commitment Letter supersedes the Original Commitment Letter in full and, upon execution of this Commitment Letter, the Original Commitment Letter will no longer have any force or effect.

[Remainder of this page intentionally left blank]

We are pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Stuart G. Dickson
Name: Stuart G. Dickson
Title: Managing Director

BARCLAYS BANK PLC

By: /s/ John Skrobe
Name: John Skrobe
Title: Managing Director

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Alexander Lanuza
Name: Alexander Lanuza
Title: Authorized Signatory

CREDIT SUISE AG, CAYMAN ISLANDS BRANCH

By: /s/ Christopher Day
Name: Christopher Day
Title: Authorized Signatory

By: /s/ Remy Riester
Name: Remy Riester
Title: Authorized Signatory

TD SECURITIES (USA) LLC

By: /s/ Linda Lavin
Name: Linda Lavin
Title: Managing Director

TORONTO DOMINION (TEXAS) LLC

By: /s/ Robyn Zeller
Name: Robyn Zeller
Title: Vice President

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Shuji Yabe
Name: Shuji Yabe
Title: Managing Director

ROYAL BANK OF CANADA

By: /s/ James S. Wolfe
Name: James S. Wolfe
Title: Manging Director
Head of Global Leveraged Finance

FIFTH THIRD BANK

By: /s/ Derek D. Brust
Name: Derek D. Brust
Title: Managing Director

GOLDMAN SACHS BANK USA

By: /s/ Robert Ehudin

Name: Robert Ehudin

Title: Authorized Signatory

Accepted and agreed to as of
the date first above written:

ENDO LIMITED

By: /s/ Orla Dunlea

Name: Orla Dunlea
Title: Director

EXHIBIT A

Project Avalon
Transaction Description

Capitalized terms used but not defined in this Exhibit A shall have the meanings set forth in the other Exhibits to the commitment letter to which this Exhibit A is attached. In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.

Endo U.S. Inc., an indirect wholly-owned subsidiary of Endo Limited (the "Company") intends to acquire, for consideration consisting of (x) shares of common stock of the Parent and (y) up to $845 million in cash (subject to adjustment as provided in the Acquisition Agreement), all of the capital stock of a company identified to us and code-named "Avalon" ("Target" and, together with its subsidiaries, the "Acquired Business"), by means of a transaction pursuant to which it would cause a newly formed entity, Avalon Merger Sub Inc., to merge with and into Target, with Target as the surviving entity, which acquisition shall result in Target becoming an indirect, wholly-owned subsidiary of the Parent (the "Acquisition").

The sources of cash funds needed to effect the Acquisition and to pay all fees and expenses incurred in connection with the Transaction (as defined below) (the "Transaction Costs") shall be provided through:

(i) available cash on hand of the Parent and the Target; and

(ii) third-party debt financing consisting of a senior secured incremental term loan B credit facility to be established under the Existing Credit Agreement (as defined in Exhibit B) and made available to the Borrowers (as defined in Exhibit B) (the "Incremental Term Loan B Credit Facility") in an aggregate principal amount equal to $1.5 billion; provided, that at the Company's option, in lieu of a portion of the Incremental Term Loan B Credit Facility, the Company may, prior to the commencement of the Bank Marketing Period, elect to issue unsecured senior notes (the "Senior Notes") in a public offering or in a Rule 144A or other private placement (in each case with customary registration rights) (such election, the "Senior Notes Election"); provided, further, that (a) the Commitment in respect of the Incremental Term Loan B Credit Facility shall be reduced on a dollar-for-dollar basis by the aggregate principal amount of such Senior Notes actually issued in lieu of a portion thereof and (b) the Company shall have notified the Lead Arrangers in writing of such election (and the aggregate principal amount of the Senior Notes to be so issued) no later than the commencement of the Bank Marketing Period.

The date on which the Acquisition is consummated and the initial borrowings are made under the Incremental Term Loan B Credit Facility is referred to herein as the "Closing Date". The transactions described in this Exhibit A, including the Acquisition, the arrangement, and the funding and subsequent syndication of the Incremental Term Loan B Credit Facility, are collectively referred to herein as the "Transaction".

EXHIBIT B

Project Avalon
$1.5 billion Incremental Term Loan B Credit Facility
Summary of Principal Terms and Conditions

Parent:	Endo International, an Irish public company (the "Parent").
Borrowers:	(A) Endo Luxembourg Finance Company I S.A.R.L., a *société à responsabilité limitée* (private limited liability company) incorporated under the laws of Grand Duchy of Luxembourg ("Luxembourg"), as a wholly-owned indirect subsidiary of the Parent (the "Lux Borrower") and (B) Endo LLC, a limited liability company organized under the laws of Delaware as a wholly-owned direct subsidiary of the Lux Borrower (the "U.S. Co-Borrower"), on a joint and several basis (the "Borrowers").
Administrative Agent:	Same as the Existing Credit Agreement.
Lead Arrangers and Book-Running Managers:	Citi, RBC and GS will act as exclusive lead arrangers and book-running managers for the Incremental Term Loan B Credit Facility (as defined below), and will perform the duties customarily associated with such roles (each a "Lead Bank Arranger" and, collectively, the "Lead Bank Arrangers").
Incremental Term Loan B Credit Facility:	1. Amount: Incremental term loan "B" facility in an aggregate principal amount of $1.5 billion (the "Incremental Term Loan B Credit Facility") (provided that such amount shall be reduced on a dollar-for-dollar basis by the aggregate principal amount of such Senior Notes actually issued in lieu of a portion thereof pursuant to the Senior Notes Election), which Incremental Term Loan B Credit Facility shall consist of Incremental Term Loan B Commitments (as defined in the Credit Agreement, dated as of February 28, 2014, among, inter alia, the Borrowers, the lenders from time to time party thereto and Deutsche Bank AG New York Branch, as administrative agent (the "Existing Credit Agreement")) established under and in accordance with Section 2.20 of the Existing Credit Agreement. 2. Currency: U.S. dollars. 3. Use of Proceeds: The loans made pursuant to the Incremental Term Loan B Credit Facility (the "B Term Loans") may only be incurred on the Closing Date and the proceeds thereof shall be utilized, together with the proceeds of the Senior Notes, if any, solely (i) to finance, in part, the Acquisition and to pay the Transaction Costs and (ii) to the extent any portion of the Incremental Term Loan B Credit Facility remains available following application of proceeds pursuant to preceding clause (i), for general corporate purposes.

4. Maturity: Same as maturity date applicable to the term loans already outstanding under the Existing Credit Agreement on the date hereof (the "B Term Loan Maturity Date").

5. Amortization: Same as the Existing Credit Agreement.

6. Availability: B Term Loans may only be incurred on the Closing Date. No amount of B Term Loans once repaid may be reborrowed.

7. Issuance Price: 99.5%; provided that the discount to par reflected in the issuance price of B Term Loans may, at the election of the Lead Bank Arrangers, be taken in the form of an upfront fee paid on the Closing Date. All calculations of interest in respect of the B Term Loans will be calculated on the basis of their full stated principal amount.

Guaranties and Security:	Same as the Existing Credit Agreement. "Guaranties", "Guarantors" and "Collateral" shall be as defined in the Existing Credit Agreement and include the equity and assets of the Company and its subsidiaries (including, for the avoidance of doubt, the Target and its material subsidiaries) required to be Collateral under the Existing Credit Agreement, with the Company and its subsidiaries (including, for the avoidance of doubt, the Target and its material subsidiaries) required to become Guarantors.
Documentation:	The definitive documentation governing the Incremental Term Loan B Credit Facility (the "Credit Documentation") will be the Existing Credit Agreement and the Incremental Amendment (as defined in the Existing Credit Agreement) (the "Documentation Principles"). Notwithstanding the foregoing, the Credit Documentation will be subject only to the Funding Conditions.
Voluntary Prepayments:	Same as the Existing Credit Agreement; provided, that soft call protection consistent with the Existing Credit Agreement shall be applicable for six months from the Closing Date.
Mandatory Repayments and Commitment Reductions:	Same as the Existing Credit Agreement.

Interest Rates:	At the Borrowers' option, (1) Loans may be maintained from time to time as (x) Base Rate Loans, which shall bear interest at the Base Rate (or, if greater at any time, the Base Rate Floor (as defined below)) in effect from time to time plus the Applicable Margin (as defined below) or (y) LIBOR Loans, which shall bear interest at LIBOR (adjusted for statutory reserve requirements) as determined by the Administrative Agent for the respective interest period (or, if greater at any time, the LIBOR Floor (as defined below)), plus the Applicable Margin. "Applicable Margin" shall mean a percentage per annum equal to, in the case of (A) Base Rate Loans, 2.25%, and (B) LIBOR Loans, 3.25%. "Base Rate" shall mean the highest of (x) the rate that the Administrative Agent publicly announces from time to time as its prime lending rate in effect at its principal office in New York City, as in effect from time to time, (y) 1/2 of 1% in excess of the overnight federal funds rate, and (z) LIBOR for an interest period of one month plus 1.00%. "Base Rate Floor" shall mean 1.75% per annum. "LIBOR Floor" shall mean 0.75% per annum. Interest periods of 1, 2, 3 and 6 months or, to the extent agreed to by all Lenders with commitments and/or Loans under the Incremental Term Loan B Credit Facility, 12 months, shall be available in the case of LIBOR Loans. Interest in respect of Base Rate Loans shall be payable quarterly in arrears on the last business day of each calendar quarter. Interest in respect of LIBOR Loans shall be payable in arrears at the end of the applicable interest period and every three months in the case of interest periods in excess of three months. Interest will also be payable at the time of repayment of any Loans and at maturity. All interest on Base Rate Loans, LIBOR Loans and commitment fees and any other fees shall be based on a 360-day year and actual days elapsed (or, in the case of Base Rate Loans determined by reference to the prime lending rate, a 365/366-day year and actual days elapsed).
Default Interest:	Same as the Existing Credit Agreement.
Yield Protection:	Same as the Existing Credit Agreement.
Agent/ Lender Fees:	The Lead Bank Arrangers and the Lenders shall receive such fees as have been separately agreed upon.
Conditions Precedent:	Those conditions precedent set forth herein, in Section 5 of the Commitment Letter and on Exhibit C to the Commitment Letter.
Representations and Warranties:	Same as the Existing Credit Agreement.

Affirmative, Negative and Financial Covenants:	Same as the Existing Credit Agreement.
Unrestricted Subsidiaries:	Same as the Existing Credit Agreement.
Events of Default:	Same as the Existing Credit Agreement.
Assignments and Participations:	Same as the Existing Credit Agreement (other than Disqualified Institutions).
Waivers and Amendments:	Same as the Existing Credit Agreement.
Defaulting Lenders:	Same as the Existing Credit Agreement.
Indemnification; Expenses:	Same as the Existing Credit Agreement.
Governing Law and Forum; Submission to Exclusive Jurisdiction:	Same as the Existing Credit Agreement (New York).
Counsel to Administrative Agent and Lead Bank Arrangers:	Latham & Watkins LLP.

EXHIBIT C

Project Avalon
Conditions Precedent

Capitalized terms used in this Exhibit C but not defined herein shall have the meanings set forth in the other Exhibits attached to the commitment letter to which this Exhibit C is attached (the "Commitment Letter"). In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit C shall be determined by reference to the context in which it is used.

The initial borrowing under the Incremental Term Loan B Credit Facility shall be subject solely to the conditions set forth in Section 5 of the Commitment Letter and the following conditions precedent:

1. The Agents' commitments under the Incremental Term Loan B Credit Facility will be subject to the execution and delivery by the Borrowers of definitive Credit Documentation consistent with the terms of the Commitment Letter and the Term Sheet, in each case prepared by counsel to the respective Agents.

2. The definitive Agreement and Plan of Merger, dated October 8, 2014, relating to the Acquisition (including, but not limited to, all schedules and exhibits thereto) (collectively, as altered, amended or otherwise changed or supplemented in accordance with the terms hereof, the "Acquisition Agreement") shall be in full force and effect. Substantially concurrently with the initial funding under the Incremental Term Loan B Credit Facility and the issuance of the Senior Notes, if any, the Acquisition shall have been consummated in accordance with the terms and conditions of the Acquisition Agreement, and the Acquisition Agreement shall not have been altered, amended or otherwise changed or supplemented or any provision or condition therein waived by Parent or any of its affiliates, and neither the Parent nor any affiliate thereof shall have consented to any action which would require the consent of the Parent or such affiliate under the Acquisition Agreement, if such alteration, amendment, change, supplement, waiver or consent would be adverse to the interests of the Lenders in any material respect, in any such case without the prior written consent of the Lead Arrangers (such consent not to be unreasonably withheld, conditioned or delayed) (it being understood and agreed that any alteration, supplement, amendment, modification, waiver or consent that (a) decreases the purchase price in respect of the Acquisition by 10% or more other than purchase price adjustments pursuant to the express terms of the Acquisition Agreement shall be deemed to be adverse to the interests of the Lenders in a material respect, or (b) any increase in the purchase price in respect of the Acquisition shall not be deemed to be adverse to the interests of the Lenders in any material respect, so long as such increase is funded solely by the issuance by the Parent of common equity.

3. All existing indebtedness for borrowed money of the Target and its subsidiaries shall have been repaid in full and any liens in connection therewith shall have been terminated other than indebtedness permitted under the Acquisition Agreement.

4. The Guaranties and Security Agreements required by the Term Sheet shall be in full force and effect and, with respect to the assets of the Acquired Business, subject to the Funds Certain Provisions, the Lenders shall have a first priority perfected security interest in all assets of the Borrowers and the Guarantors as, and to the extent, required by the Term Sheet.

5. The Lenders shall have received (1) customary legal opinions from counsel (including, without limitation, New York, Luxembourg and Irish counsel) in form, scope and substance reasonably acceptable to the Agents, (2) a solvency certificate from the chief financial officer of the Company in the form attached as Annex D-I hereto, and (3) other customary closing and corporate documents, resolutions, certificates, lien searches and borrowing notices, in each case consistent with the Documentation Principles.

6. The Agents shall have received (1) audited consolidated balance sheets and related statements of income and cash flows of each of the Company and the Target for the most recent three fiscal years ended, in each case, at least 75 days prior to the Closing Date, (2) unaudited consolidated balance sheets and related statements of income and cash flows of each of the Company and the Target for each fiscal quarter ended after the close of its most recent fiscal year and at least 45 days prior to the Closing Date (other than the fiscal quarter ended December 31, 2014) and (3) pro forma financial information consistent with that which would customarily be included in a confidential information memorandum for senior secured credit facilities. The Lead Arrangers hereby acknowledge receipt of (i) the audited financial statements referred to in clause (1) above of each of the Company and the Acquired Business as of, and for the years ended, December 31, 2011, 2012 and 2013 and (ii) the unaudited financial statements of each of the Company and the Acquired Business referred to in clause (2) above as of, and for the periods ended, March 31, 2014 and June 30, 2014.

7. The Lead Bank Arrangers shall have had a period of not less than 15 consecutive business days (the "Bank Marketing Period") after receipt of information customarily delivered by a borrower and necessary for the preparation of a customary confidential information memorandum for senior secured term loan financings (collectively, the "Required Bank Information") (it being understood and agreed that such information shall not include any information customarily provided by an investment bank in the preparation of such a confidential information memorandum) to market and syndicate the Incremental Term Loan B Credit Facility (provided that (i) the days from and including November 26, 2014 to and including November 28, 2014 shall not be included in determining such 15 consecutive business day period and if such consecutive 15 business day period has not ended prior to December 19, 2014, then it will not commence until January 5, 2015 and (ii) the Bank Marketing Period shall commence no later than the date that is 15 consecutive business days (the "Marketing Commencement Date") prior to the date that is six months

following the date of the Original Commitment Letter; provided, further, that in the case of this clause (ii), if the Marketing Period has not commenced by the Marketing Commencement Date because Required Information that is Compliant (each as defined in the Acquisition Agreement) has not been delivered by Auxilium, the Bank Marketing Period shall not be required to commence for purposes of this clause (ii) until such time as Required Information this is Compliant has been delivered by Auxilium). If you shall in good faith reasonably believe that you have delivered the Required Bank Information, you may deliver to the Lead Bank Arrangers written notice to that effect (stating when you believe you completed any such delivery), in which case you shall be deemed to have delivered such Required Bank Information on the date such notice is received and the Bank Marketing Period shall be deemed to have commenced on the date such notice is received, unless the Lead Bank Arrangers in good faith reasonably believe that you have not completed delivery of such Required Bank Information and, within three business days after its receipt of such notice from you, the Lead Bank Arrangers deliver a written notice to you to that effect (stating with specificity what Required Information you have not delivered).

8. To the extent invoiced at least two business days prior to the Closing Date, all costs, fees, expenses (including, without limitation, legal fees and expenses) and other compensation contemplated by the Commitment Letter and the Fee Letter, payable to each Agent and the Lenders shall have been paid to the extent due on the Closing Date.

9. The Lead Arrangers, on behalf of the Agents, shall have received a copy of a letter appointing a process agent reasonably acceptable to the Lead Arrangers as process agent for each of the Parent, the Company, Endo Luxembourg Holding Company S.A.R.L., a *société à responsabilité limitée* (private limited liability company) incorporated under the laws of Luxembourg as a wholly-owned indirect subsidiary of the Company ("Lux Holdco") and the Lux Borrower in form and substance satisfactory to the Lead Arrangers.

10. The Agents shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act to the extent requested in writing at least 10 days prior to the Closing Date.

11. The Specified Representations and the Acquisition Agreement Representations shall be true and correct in all material respects other than where such representations are already qualified by materiality, in which case they shall be true and correct.

ANNEX D-I

ENDO LIMITED
33 Fitzwilliam Square
Dublin 2 Ireland

(the "**Company**")

SOLVENCY CERTIFICATE

[DATE]

This Solvency Certificate (this "Certificate") is furnished to the Administrative Agent and the Lenders pursuant to Section [___] of the Credit Agreement, dated as of _____ ___, ____, among [_____] (the "Credit Agreement"). Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the Credit Agreement.

I, [ ], [manager/director] of the Company (after giving effect to the Transactions), in that capacity only and not in my individual capacity (and without personal liability), DO HEREBY CERTIFY on behalf of the Company that as of the date hereof, after giving effect to the consummation of the Transactions (including the execution and delivery of the Acquisition Agreement and the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof):

1. The fair value of the property and assets of the Company and its Subsidiaries on a consolidated basis will exceed their consolidated debts and liabilities, subordinated, contingent or otherwise.

2. The present fair saleable value of the property and assets of the Company and its Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability on their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured.

3. The Company and its Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

4. The Company and its Subsidiaries on a consolidated basis will not have incurred and do not intend to incur, or believe that they will incur, any debts and liabilities, subordinated, contingent or otherwise, including current obligations, that they do not believe that they will be able to pay (based on their assets and cash flow) as such debts and liabilities become due (whether at maturity or otherwise).

5. The Company and its Subsidiaries on a consolidated basis do not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

6. In reaching the conclusions set forth in this Certificate, the undersigned has (i) reviewed the Credit Agreement, (ii) reviewed the financial statements (including the pro forma financial statements) referred to in Section [ ] of the Credit Agreement (the "Financial Statements") and (iii) made such other investigations and inquiries as the undersigned has deemed appropriate. The undersigned is familiar with the financial performance and business of the Company and its Subsidiaries.

7. The Lux Borrower and the Lux Holdco are not subject to nor, as applicable, do they meet or threaten to meet the criteria of bankruptcy (*faillite*), suspension of payments (*sursis de paiement*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de la faillite*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors, reorganization or similar legal provisions affecting the rights of creditors generally in Luxembourg or abroad, or any analogous procedure in any jurisdiction, nor subject to any proceedings under the Council Regulation 1346/2000/EC of 29 May 2000 on insolvency proceedings.

8. No corporate action, legal proceedings or other procedure or step has been taken by the Lux Borrower or the Lux Holdco nor has been notified to either of them in relation to bankruptcy (*faillite*), voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de la faillite*), suspension of payments (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors, reorganization or similar legal provisions affecting the rights of creditors generally in Luxembourg or abroad, or any analogous procedure in any jurisdiction, nor subject to any proceedings under the Council Regulation 1346/2000/EC of 29 May 2000 on insolvency proceedings.

9. The Lux Borrower and the Lux Holdco are not, on the date hereof and will not, as a result of the execution of the Loan Documents to which they are a party, respectively, be in a state of cessation of payments (*cessation de payments*) and lose its respective creditworthiness (*ébranlement de crédit*).

10. No application has been made by the Lux Borrower or the Lux Holdco for a voluntary or judicial winding-up or liquidation.

11. For purposes of this certificate, the terms below shall have the following definitions:

(a) "fair value"

The amount at which the assets (both tangible and intangible), in their entirety, of the Company, each Borrower and their respective Subsidiaries taken as a whole would change hands between a willing buyer and a willing seller, within a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under any compulsion to act.

(b) "present fair salable value"

The amount that could be obtained by an independent willing seller from an independent willing buyer if the assets of the Company, each Borrower and their respective Subsidiaries taken as a whole are sold with reasonable promptness in an arm's-length transaction under present conditions for the sale of comparable business enterprises insofar as such conditions can be reasonably evaluated.

(c) "stated liabilities"

The recorded liabilities (including contingent liabilities that would be recorded in accordance with GAAP) of the Company, each Borrower and their respective Subsidiaries taken as a whole, determined in accordance with GAAP consistently applied.

(d) "contingent liabilities"

The estimated amount of liabilities reasonably likely to result from pending litigation, asserted claims and assessments, guaranties, uninsured risks and other contingent liabilities of the Company, each Borrower and their respective Subsidiaries taken as a whole (but exclusive of such contingent liabilities to the extent reflected in stated liabilities), as identified and explained in terms of their nature and estimated magnitude by responsible officers of the Company and each Borrower.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, I have executed this Certificate this as of the date first written above.

ENDO LIMITED

By:

Name:
Title:

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

The following is a list of subsidiaries of the Company as of September 30, 2014, omitting some subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary.

Subsidiary	Jurisdiction of Incorporation or Organization	Ownership by Endo International plc
Endo Limited	Ireland	Direct
Endo Management Limited	Ireland	Indirect
Endo Ventures Limited	Ireland	Ireland
Endo Ventures Bermuda Limited	Bermuda	Indirect
Endo Finance LLC	Delaware	Indirect
Endo Netherlands BV	Netherlands	Indirect
Endo U.S. Inc.	Delaware	Indirect
Endo Finco Inc.	Delaware	Indirect
Endo LLC	Delaware	Indirect
Endo Luxembourg Finance Company II S.a.r.l.	Luxembourg	Indirect
Endo Finance Limited	Ireland	Indirect
Endo Health Solutions Inc.	Delaware	Indirect
Endo Pharmaceuticals Inc.	Delaware	Indirect
Endo Pharmaceuticals Solutions Inc.	Delaware	Indirect
Endo Pharma Ireland Limited	Ireland	Indirect
Endo Luxembourg Holding Company S.a.r.l.	Luxembourg	Indirect
Endo Luxembourg Finance Company I S.a.r.l.	Luxembourg	Indirect
Endo Pharmaceuticals Valera Inc.	Delaware	Indirect
CPEC LLC	Delaware	Indirect
Paladin Labs Europe Limited	Ireland	Indirect
Paladin Labs Canadian Holding Inc.	Canada	Indirect
Paladin Labs, Inc.	Canada	Indirect
Litha Healthcare Group Limited	South Africa	Indirect
Laboratoris Paladin de Mexico S.A. (f/k/a Activa Pharma S.A.)	Mexico	Indirect
American Medical Systems Holdings, Inc.	Delaware	Indirect
American Medical Systems, Inc.	Delaware	Indirect
American Medical Systems Luxembourg S.a.r.l.	Luxembourg	Indirect
Laserscope	California	Indirect
AMS Research Corporation	Delaware	Indirect
AMS Sales Corporation	Delaware	Indirect
Ledgemont Royalty Sub LLC	Delaware	Indirect
Generics International (US Holdco), Inc.	Delaware	Indirect
Generics International (US Midco), Inc.	Delaware	Indirect
Generics International (US), Inc.	Delaware	Indirect
Generics International (US Parent), Inc.	Delaware	Indirect
Generics Bidco I, LLC	Delaware	Indirect
Generics Bidco II, LLC	Delaware	Indirect
Quartz Specialty Pharmaceuticals, LLC	Delaware	Indirect

Moores Mill Properties, LLC	Delaware	Indirect
Wood Park Properties, LLC	Delaware	Indirect
Vintage Pharmaceuticals, LLC	Delaware	Indirect
Boca Pharmacal LLC	Florida	Indirect

Exhibit 21

Subsidiary	Jurisdiction of Incorporation or Organization	Ownership by Endo International plc
Grupo Farmaceutico Somar, S.A. de C.V.	Mexico	Indirect
DAVA Pharmaceuticals, Inc.	Delaware	Indirect
DAVA International, LLC	Delaware	Indirect
DAVA Capital Management, Inc.	Delaware	Indirect

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Rajiv De Silva, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Endo International plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ RAJIV DE SILVA

Rajiv De Silva

President and Chief Executive Officer
(Principal Executive Officer)

Date: November 10, 2014

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Suketu P. Upadhyay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Endo International plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ SUKETU P. UPADHYAY

Suketu P. Upadhyay

Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Date: November 10, 2014

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Rajiv De Silva, as President and Chief Executive Officer of Endo International plc (the Company), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2014 (the Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ RAJIV DE SILVA

Name: Rajiv De Silva

Title: President and Chief Executive Officer
(Principal Executive Officer)

Date: November 10, 2014

A signed original of this written statement required by Section 906 has been provided to, and will be retained by, Endo International plc and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Suketu P. Upadhyay, as Chief Financial Officer of Endo International plc (the Company), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2014 (the Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ SUKETU P. UPADHYAY

Name: Suketu P. Upadhyay

Title: Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Date: November 10, 2014

A signed original of this written statement required by Section 906 has been provided to, and will be retained by, Endo International plc and furnished to the Securities and Exchange Commission or its staff upon request.