UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 JUNE 30, 2017

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	**68-0683755**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
First Floor, 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**

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

None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 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 mark 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, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x Accelerated filer o

Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company o Emerging Growth Company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. 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 practicable date.

Ordinary shares, $0.0001 par value Number of ordinary shares outstanding as of July 31, 2017: 223,292,068

ENDO INTERNATIONAL PLC

INDEX

		Page
Forward-Looking Statements		i
	PART I. FINANCIAL INFORMATION	
Item 1.	Financial Statements	1
	Condensed Consolidated Balance Sheets (Unaudited)	1
	Condensed Consolidated Statements of Operations (Unaudited)	2
	Condensed Consolidated Statements of Comprehensive (Loss) Income (Unaudited)	3
	Condensed Consolidated Statements of Cash Flows (Unaudited)	4
	Notes to Condensed Consolidated Financial Statements (Unaudited)	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	40
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	53
Item 4.	Controls and Procedures	53
	PART II. OTHER INFORMATION	
Item 1.	Legal Proceedings	54
Item 1A.	Risk Factors	54
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	58
Item 3.	Defaults Upon Senior Securities	58
Item 4.	Mine Safety Disclosures	58
Item 5.	Other Information	59
Item 6.	Exhibits	59
Signatures		60
Exhibit Index		

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 (Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (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 Part II, Item 1A of this document and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016 under the caption "Risk Factors," 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 Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016 and as otherwise enumerated herein, 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)

	June 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 616,534	$ 517,250
Restricted cash and cash equivalents	364,796	282,074
Accounts receivable	580,123	992,153
Inventories, net	489,752	555,671
Prepaid expenses and other current assets	33,325	77,523
Income taxes receivable	24,295	47,803
Assets held for sale	166,190	116,985
Total current assets	$ 2,275,015	$ 2,589,459
MARKETABLE SECURITIES	2,494	2,267
PROPERTY, PLANT AND EQUIPMENT, NET	637,820	669,596
GOODWILL	4,447,314	4,729,395
OTHER INTANGIBLES, NET	4,836,087	5,859,297
DEFERRED INCOME TAXES	799	7,817
OTHER ASSETS	78,561	417,278
TOTAL ASSETS	$ 12,278,090	$ 14,275,109
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 1,233,336	$ 1,454,084
Current portion of legal settlement accrual	909,831	1,015,932
Current portion of long-term debt	34,150	131,125
Income taxes payable	5,263	9,266
Liabilities held for sale	44,367	24,338
Total current liabilities	$ 2,226,947	$ 2,634,745
DEFERRED INCOME TAXES	79,805	192,297
LONG-TERM DEBT, LESS CURRENT PORTION, NET	8,251,289	8,141,378
LONG-TERM LEGAL SETTLEMENT ACCRUAL, LESS CURRENT PORTION, NET	425,756	—
OTHER LIABILITIES	485,187	605,100
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
SHAREHOLDERS' EQUITY:		
Euro deferred shares, $0.01 par value; 4,000,000 shares authorized and issued at both June 30, 2017 and December 31, 2016	46	42
Ordinary shares, $0.0001 par value; 1,000,000,000 shares authorized; 223,284,141 and 222,954,175 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	22	22
Additional paid-in capital	8,768,305	8,743,240
Accumulated deficit	(7,631,452)	(5,688,281)
Accumulated other comprehensive loss	(327,815)	(353,434)
Total shareholders' equity	$ 809,106	$ 2,701,589
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 12,278,090	$ 14,275,109

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
TOTAL REVENUES	$ 875,731	$ 920,887	$ 1,913,331	$ 1,884,426
COSTS AND EXPENSES:				
Cost of revenues	539,401	632,218	1,208,363	1,320,923
Selling, general and administrative	155,555	193,070	332,795	371,425
Research and development	40,869	50,589	83,878	92,281
Litigation-related and other contingencies, net	(2,600)	5,259	(1,664)	10,459
Asset impairment charges	725,044	39,951	929,006	169,576
Acquisition-related and integration items	4,190	48,171	15,070	60,725
OPERATING LOSS FROM CONTINUING OPERATIONS	$ (586,728)	$ (48,371)	$ (654,117)	$ (140,963)
INTEREST EXPENSE, NET	121,747	111,919	233,746	228,712
LOSS ON EXTINGUISHMENT OF DEBT	51,734	—	51,734	—
OTHER (INCOME) EXPENSE, NET	(6,709)	5,175	(8,746)	3,268
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX	$ (753,500)	$ (165,465)	$ (930,851)	$ (372,943)
INCOME TAX BENEFIT	(57,480)	(555,277)	(69,408)	(673,992)
(LOSS) INCOME FROM CONTINUING OPERATIONS	$ (696,020)	$ 389,812	$ (861,443)	$ 301,049
DISCONTINUED OPERATIONS, NET OF TAX (NOTE 3)	(700,498)	(46,216)	(708,903)	(91,324)
CONSOLIDATED NET (LOSS) INCOME	$ (1,396,518)	$ 343,596	$ (1,570,346)	$ 209,725
Less: Net income attributable to noncontrolling interests	—	18	—	16
NET (LOSS) INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	$ (1,396,518)	$ 343,578	$ (1,570,346)	$ 209,709
NET (LOSS) INCOME PER SHARE ATTRIBUTABLE TO ENDO INTERNATIONAL PLC ORDINARY SHAREHOLDERS—BASIC:				
Continuing operations	$ (3.12)	$ 1.75	$ (3.86)	$ 1.35
Discontinued operations	(3.14)	(0.21)	(3.18)	(0.41)
Basic	$ (6.26)	$ 1.54	$ (7.04)	$ 0.94
NET (LOSS) INCOME PER SHARE ATTRIBUTABLE TO ENDO INTERNATIONAL PLC ORDINARY SHAREHOLDERS—DILUTED:				
Continuing operations	$ (3.12)	$ 1.75	$ (3.86)	$ 1.35
Discontinued operations	(3.14)	(0.21)	(3.18)	(0.41)
Diluted	$ (6.26)	$ 1.54	$ (7.04)	$ 0.94
WEIGHTED AVERAGE SHARES:				
Basic	223,158	222,667	223,086	222,485
Diluted	223,158	222,863	223,086	223,021

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
CONSOLIDATED NET (LOSS) INCOME	$ (1,396,518)	$ 343,596	$ (1,570,346)	$ 209,725
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:				
Net unrealized gain (loss) on securities:				
Unrealized gain (loss) arising during the period	$ 491	$ (147)	$ 145	$ (1,007)
Less: reclassification adjustments for loss realized in net (loss) income	—	—	—	—
	491	(147)	145	(1,007)
Foreign currency translation gain (loss):				
Foreign currency gain (loss) arising during the period	10,340	(21,609)	$ 25,474	$ 59,154
Less: reclassification adjustments for loss realized in net (loss) income	—	—	—	—
	10,340	(21,609)	25,474	59,154
OTHER COMPREHENSIVE INCOME (LOSS)	$ 10,831	$ (21,756)	$ 25,619	$ 58,147
CONSOLIDATED COMPREHENSIVE (LOSS) INCOME	$ (1,385,687)	$ 321,840	$ (1,544,727)	$ 267,872
Less: Net income attributable to noncontrolling interests	—	18	—	16
Less: Other comprehensive income (loss) attributable to noncontrolling interests	—	(18)	—	38
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO ENDO INTERNATIONAL PLC	$ (1,385,687)	$ 321,840	$ (1,544,727)	$ 267,818

See Notes to Condensed Consolidated Financial Statements.

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

	Six Months Ended June 30,	
	2017	**2016**
OPERATING ACTIVITIES:		
Consolidated net (loss) income	$ (1,570,346)	$ 209,725
Adjustments to reconcile consolidated net (loss) income to Net cash provided by operating activities:		
Depreciation and amortization	499,656	476,911
Inventory step-up	215	87,970
Share-based compensation	27,005	29,585
Amortization of debt issuance costs and discount	12,757	14,483
(Benefit) provision for bad debts	(498)	8,082
Provision for inventory reserve	85,806	84,590
Deferred income taxes	(179,775)	(670,615)
Change in fair value of contingent consideration	8,134	13,204
Loss on extinguishment of debt	51,734	—
Asset impairment charges	929,006	190,904
(Gain) loss on sale of business and other assets	(2,311)	575
Changes in assets and liabilities which (used) provided cash:		
Accounts receivable	409,790	133,654
Inventories	(47,513)	(54,760)
Prepaid and other assets	16,322	21,846
Accounts payable and accrued expenses	110,057	(282,419)
Other liabilities	(24,707)	(395,126)
Income taxes payable/receivable	15,654	690,002
Net cash provided by operating activities	$ 340,986	$ 558,611
INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(59,729)	(53,705)
Patent acquisition costs and license fees	—	(13,000)
Proceeds from sale of business and other assets, net	18,531	6,631
Increase in restricted cash and cash equivalents	(522,772)	(327,359)
Decrease in restricted cash and cash equivalents	440,190	524,438
Net cash (used in) provided by investing activities	$ (123,780)	$ 137,005

	Six Months Ended June 30,	
	2017	2016
FINANCING ACTIVITIES:		
Proceeds from issuance of notes	300,000	—
Proceeds from issuance of term loans	3,415,000	—
Principal payments on term loans	(3,713,875)	(48,375)
Repayments of revolving debt	—	(225,000)
Principal payments on other indebtedness, net	(3,675)	(3,365)
Deferred financing fees	(53,954)	(500)
Payment for contingent consideration	(41,240)	(18,646)
Payments of tax withholding for restricted shares	(1,839)	(10,396)
Exercise of options	—	1,952
Issuance of ordinary shares related to the employee stock purchase plan	—	2,729
Net cash used in financing activities	$ (99,583)	$ (301,601)
Effect of foreign exchange rate	2,786	1,459
Movement in cash held for sale	(21,125)	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 99,284	$ 395,474
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	517,250	272,348
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 616,534	$ 667,822
SUPPLEMENTAL INFORMATION:		
Cash received from income taxes, net	$ 8,931	$ 698,584
Cash paid into Qualified Settlement Funds for mesh legal settlements	$ 522,770	$ 326,795
Cash paid out of Qualified Settlement Funds for mesh legal settlements	$ 440,190	$ 524,438
Other cash distributions for mesh legal settlements	$ 3,794	$ 5,438
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Accrual for purchases of property, plant and equipment	$ 1,325	$ 2,363

See Notes to Condensed Consolidated Financial Statements.

ENDO INTERNATIONAL PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017

NOTE 1. BASIS OF PRESENTATION

Endo International plc is an Ireland-domiciled, global specialty pharmaceutical company focused on generic and branded pharmaceuticals. We aim to be the premier partner to healthcare professionals and payment providers, delivering an innovative suite of generic and branded drugs to meet patients' needs.

Unless otherwise indicated or required by the context, references throughout to "Endo," the "Company," "we," "our," or "us" refer to financial information and transactions of Endo International plc and its consolidated subsidiaries.

The accompanying unaudited Condensed Consolidated Financial Statements of Endo International plc and its subsidiaries have been prepared in accordance with United States (U.S.) generally accepted accounting principles (GAAP) for interim financial information and 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 International plc and its subsidiaries, which are unaudited, include all normal and recurring adjustments necessary for a fair statement of the Company's financial position as of June 30, 2017 and the results of our operations and our cash flows for the periods presented. Operating results for the three and six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. The year-end Condensed Consolidated Balance Sheet data as of December 31, 2016 was derived from audited financial statements.

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, 2016.

NOTE 2. RECENT ACCOUNTING PRONOUNCEMENTS

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards update (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 a 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. In August 2015, the FASB issued ASU No. 2015-14, "*Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,"* which defers the effective date of ASU 2014-09 by one year, but permits companies to adopt one year earlier if they choose (i.e., the original effective date). As such, ASU 2014-09 will be effective for annual and interim reporting periods beginning after December 15, 2017. In March and April 2016, the FASB issued ASU No. 2016-08 *"Revenue from Contracts with Customers (Topic 606): Principal versus Agent Consideration (Reporting Revenue Gross versus Net)"* and ASU No. 2016-10 *"Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing,"* respectively, which clarifies the guidance on reporting revenue as a principal versus agent, identifying performance obligations and accounting for intellectual property licenses. In addition, in May 2016, the FASB issued ASU No. 2016-12 *"Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients,"* which amends certain narrow aspects of Topic 606, and in December 2016, the FASB issued ASU No. 2016-20 *"Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers,"* which amends certain narrow aspects of Topic 606.

The Company will adopt the new revenue recognition standard on January 1, 2018. The Company is currently evaluating the impact of ASU 2014-09 on its consolidated results of operations and financial position. The Company's cross-functional implementation team consisting of representatives from across its business segments is progressing towards the completion of the diagnostic assessment of the impact of the standard on its contract portfolio, including review of customer contracts, as well as the Company's current accounting policies and practices to identify potential differences that would result from applying the requirements of the new standard to its revenue contracts. The majority of the Company's revenue is generated from product sales and the Company currently does not anticipate a significant impact to revenue related to these arrangements; however, this analysis is preliminary and remains subject to change. In certain limited situations, under current GAAP, the Company has deferred revenue for certain product sales because the sales price was not deemed to be fixed or determinable. Under the new standard, the Company will be required to estimate the variable consideration associated with these transactions and record revenue at the point of sale. The Company continues to evaluate the impact on certain less significant transactions, including certain licensing arrangements, and expects to substantially complete its diagnostic assessment during the third quarter of 2017. The Company is also continuing to evaluate the internal control implications associated with the adoption of the new standard, including the identification and implementation, if necessary, of changes to its business processes, systems and controls to support recognition and disclosure under the new standard.

The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. The Company will utilize the modified retrospective method of adoption.

In February 2016, the FASB issued ASU No. 2016-02, "*Leases (Topic 842)*" (ASU 2016-02). ASU 2016-02 establishes the principles to report transparent and economically neutral information about the assets and liabilities that arise from leases. This guidance results in a more faithful representation of the rights and obligations arising from operating and capital leases by requiring lessees to recognize the lease assets and lease liabilities that arise from leases in the statement of financial position and to disclose qualitative and quantitative information about lease transactions, such as information about variable lease payments and options to renew and terminate leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently evaluating the impact of ASU 2016-02 on the Company's consolidated results of operations and financial position.

In August 2016, the FASB issued ASU No. 2016-15 "*Classification of Certain Cash Receipts and Cash Payments*" (ASU 2016-15). ASU 2016-15 addresses eight specific cash flow issues with the objective of reducing diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted in any interim or annual period but all of ASU 2016-15 must be adopted in the same period. The Company is currently evaluating the impact of ASU 2016-15 on the Company's consolidated statement of cash flows.

In November 2016, the FASB issued ASU No. 2016-18 "*Statement of Cash Flows (Topic 230) - Restricted Cash*" (ASU 2016-18). ASU 2016-18 states that a statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period, and all updates should be applied using a retrospective transition method. Subsequent to the adoption of ASU 2016-18 the mesh-related qualified settlement funds and other restricted cash accounts will be included in the beginning-of-period and end-of-period Cash and cash equivalents on the Condensed Consolidated Statements of Cash Flows and transfers into and out of the qualified settlement funds will therefore no longer result in separate investing cash flows in the Condensed Consolidated Statements of Cash Flows.

In May 2017, the FASB issued ASU No. 2017-09 *"Compensation - Stock Compensation"* (ASU 2017-09). ASU 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. It is intended to reduce both (1) diversity in practice and (2) cost and complexity when accounting for changes to the terms or conditions of share-based payment awards. ASU 2017-09 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted. The amendments in this update should be applied prospectively to an award modified on or after the adoption date. The Company is currently evaluating the impact of ASU 2017-09 on the Company's consolidated results of operations and financial position.

Recently Adopted Accounting Pronouncements

In July 2015, the FASB issued ASU No. 2015-11, "*Simplifying the Measurement of Inventory*" (ASU 2015-11). ASU 2015-11 states that an entity should measure inventory at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. For public entities, ASU 2015-11 is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The Company adopted ASU 2015-11 on January 1, 2017 and the adoption did not impact the Company's consolidated results of operations and financial position.

In March 2016, the FASB issued ASU No. 2016-09 *"Improvements to Employee Share-Based Payment Accounting"* (ASU 2016-09). ASU 2016-09 changes how companies account for certain aspects of share-based payments to employees including: (a) requiring all income tax effects of awards to be recognized in the income statement, rather than in additional paid in capital, when the awards vest or are settled, (b) eliminating the requirement that excess tax benefits be realized before companies can recognize them, (c) requiring companies to present excess tax benefits as an operating activity on the statement of cash flows rather than as a financing activity, (d) increasing the amount an employer can withhold to cover income taxes on awards and still qualify for the exception to liability classification for shares used to satisfy the employer's statutory income tax withholding obligation, (e) requiring an employer to classify the cash paid to a tax authority when shares are withheld to satisfy its statutory income tax withholding obligation as a financing activity on its statement of cash flows and (f) electing whether to account for forfeitures of share-based payments by (1) recognizing forfeitures of awards as they occur or (2) estimating the number of awards expected to be forfeited and adjusting the estimate when it is likely to change, as is currently required. ASU 2016-09 is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. The Company adopted the new guidance on January 1, 2017 on a prospective basis, except for the provision requiring companies to present excess tax benefits as an operating activity on the statement of cash flows rather than as a financing activity, which was adopted retrospectively. As a result of the adoption, during the three and six months ended June 30, 2017, the Company recognized tax expense of $0.4 million and $4.8 million, respectively, in its Condensed Consolidated Statement of Operations that would have been recorded as additional paid-in capital prior to adoption. In addition, the Company retrospectively adjusted its statement of cash flows for the six months ended June 30, 2016 to present an inflow of $3.9 million related to excess tax benefits as an operating activity, rather than as a financing activity. The adoption of ASU 2016-09 did not impact beginning retained earnings and the Company will continue to estimate forfeitures to determine the amount of compensation cost to be recognized in each period. None of the other provisions in this amended guidance had a significant impact on the Company's consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16 "*Intra-Entity Transfers of Assets Other Than Inventory*" (ASU 2016-16). ASU 2016-16 states that an entity should recognize the income tax consequences when an intra-entity transfer of an asset other than inventory occurs. ASU 2016-16 is effective for fiscal years beginning after December 15, 2017 and interim periods within those fiscal years. Early adoption is permitted as long as it is adopted in the first interim period of a fiscal year beginning after December 15, 2016. The Company early adopted ASU 2016-16 on January 1, 2017, resulting in the elimination of previously recorded deferred charges that were established in 2016. Specifically, the Company eliminated a $24.1 million current deferred charge and a $348.8 million non-current deferred charge that were reflected in our Condensed Consolidated Balance Sheet at December 31, 2016 as Prepaid expenses and other current assets and Other assets, respectively. The eliminations of these deferred charges were recorded as adjustments to retained earnings as of January 1, 2017. On adoption, the Company also recorded net deferred tax assets, primarily related to certain intangibles and tax deductible goodwill, of $479.7 million, fully offset by a corresponding valuation allowance.

In January 2017, the FASB issued ASU No. 2017-01 *"Business Combinations (Topic 805) - Clarifying the Definition of a Business"* (ASU 2017-01). ASU 2017-01 clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments in this update provide a screen to determine when an integrated set of assets and activities (collectively referred to as a "set"), is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This screen reduces the number of transactions that need to be further evaluated. ASU 2017-01 is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. The amendments in this update should be applied prospectively on or after the effective date. Early application of the amendments in this update is allowed. The Company adopted this new standard on January 1, 2017.

In January 2017, the FASB issued ASU No. 2017-04 *"Intangibles - Goodwill and Other (Topic 350): Simplifying the Accounting for Goodwill Impairment"* (ASU 2017-04). ASU 2017-04 simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. In computing the implied fair value of goodwill under Step 2, an entity had to perform procedures to determine the fair value at the impairment testing date of its assets and liabilities (including unrecognized assets and liabilities) following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Instead, under ASU 2017-04, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity should consider the income tax effects of any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. ASU 2017-04 is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019 and an entity should apply the amendments of ASU 2017-04 on a prospective basis. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company adopted this standard on January 1, 2017. Refer to Note 8. Goodwill and Other Intangibles for a description of goodwill impairment charges taken during the six months ended June 30, 2017.

NOTE 3. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

American Medical Systems

On February 24, 2015, the Company's Board of Directors (Board of Directors) approved a plan to sell the Company's American Medical Systems Holdings, Inc. (AMS) business. The AMS business included the Men's Health and Prostate Health businesses, which were sold to Boston Scientific Corporation on August 3, 2015, as well as the Women's Health business (Astora). On February 24, 2016, the Company's Board of Directors resolved to wind-down the remaining Astora business as it did not align with the Company's strategic direction and to reduce Astora's exposure to the mesh-related product liability. Astora ceased business operations on March 31, 2016.

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 following table provides the operating results of AMS Discontinued operations, net of tax for the three and six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenue	$ 179	$ 863	$ 179	$ 29,714
Litigation-related and other contingencies, net	$ 775,474	$ —	$ 775,684	$ 2,450
Asset impairment charges	$ —	$ 149	$ —	$ 21,328
Loss from discontinued operations before income taxes	$ (791,588)	$ (22,492)	$ (804,485)	$ (91,324)
Income tax benefit	$ (91,090)	$ 23,724	$ (95,582)	$ —
Discontinued operations, net of tax	$ (700,498)	$ (46,216)	$ (708,903)	$ (91,324)

Amounts reported in the table above as Litigation-related and other contingencies, net primarily relate to charges for vaginal-mesh-related matters, which are further described in Note 11. Commitments and Contingencies.

The cash flows from discontinued operating activities related to AMS included the impact of net losses of $708.9 million and $91.3 million for the six months ended June 30, 2017 and 2016, respectively, and the impact of cash activity related to vaginal mesh cases, which is further described in Note 11. Commitments and Contingencies. Net cash used in discontinued investing activities related to AMS consisted of purchases of property, plant and equipment of $0.1 million for the six months ended June 30, 2016, with no comparable amount during the six months ended June 30, 2017. There was no depreciation or amortization during the three and six months ended June 30, 2017 or 2016 related to AMS.

Astora Restructuring

The Astora wind-down process included a restructuring initiative implemented during the three months ended March 31, 2016, which included a reduction of the Astora workforce consisting of approximately 250 employees.

The Company did not incur any pre-tax charges during the three and six months ended June 30, 2017 as a result of the Astora restructuring initiative. The Company incurred expenses of $6.0 million and $66.6 million during the three and six months ended June 30, 2016, consisting of employee separation and other benefit-related costs, asset impairment charges, contract termination charges and other general restructuring costs. The Company anticipates there will be no significant additional pre-tax restructuring expenses related to this initiative. The majority of these actions were completed as of September 30, 2016 and substantially all cash payments were made by June 30, 2017. These restructuring costs are included in Discontinued operations in the Condensed Consolidated Statements of Operations.

A summary of expenses related to the Astora restructuring initiative is included below for the three and six months ended June 30, 2016 (in thousands):

	Three Months Ended June 30, 2016	Six Months Ended June, 2016
Employee separation, retention and other benefit-related costs	$ 5,317	$ 21,466
Asset impairment charges	149	21,328
Contract termination-related items	(424)	9,800
Other wind down costs	909	14,030
Total	$ 5,951	$ 66,624

The liability related to the Astora restructuring initiative is included in Accounts payable and accrued expenses in the Condensed Consolidated Balance Sheets. Changes to this liability during the six months ended June 30, 2017 were as follows (in thousands):

	Employee Separation and Other Benefit-Related Costs	Contract Termination Charges	Total
Liability balance as of January 1, 2017	$ 3,855	$ 1,661	$ 5,516
Cash distributions	(3,175)	(952)	(4,127)
Liability balance as of June 30, 2017	$ 680	$ 709	$ 1,389

Litha

During the fourth quarter of 2016, the Company initiated a process to sell its Litha Healthcare Group Limited and related Sub-Sahara African business assets (Litha) and, on February 27, 2017, the Company entered into a definitive agreement to sell Litha to Acino Pharma AG. The sale closed on July 3, 2017. At closing, the Company received approximately $97 million in cash, after giving effect to initial cash and net working capital purchase price adjustments, and may receive up to an additional $11 million in contingent consideration. The assets and liabilities of Litha are classified as held for sale in the Condensed Consolidated Balance Sheets as of June 30, 2017 and December 31, 2016. Litha is part of the Company's International Pharmaceuticals segment.

The following table provides the components of Assets and Liabilities held for sale of Litha as of June 30, 2017 and December 31, 2016 (in thousands):

	June 30, 2017	December 31, 2016
Current assets	$ 59,221	$ 50,167
Property, plant and equipment	3,617	3,527
Other intangibles, net	21,893	29,950
Other assets	14,877	11,343
Assets held for sale	$ 99,608	$ 94,987
Current liabilities	26,059	18,642
Other liabilities	4,375	5,696
Liabilities held for sale	$ 30,434	$ 24,338

Litha does not meet the requirements for treatment as a discontinued operation.

Somar

During the first quarter of 2017, the Company announced that it was assessing strategic alternatives for its Somar business. On June 30, 2017, the Company entered into a definitive agreement to sell Grupo Farmacéutico Somar, S.A.P.I. de C.V., together with its subsidiaries (Somar), to AI Global Investments (Netherlands) PCC Limited (AI Global) acting for and on behalf of the Soar Cell. AI Global will pay an aggregate purchase price of approximately $124 million in cash, subject to certain cash, debt and working capital adjustments. The transaction is expected to close in the second half of 2017, pending customary regulatory approvals and satisfaction of other customary closing conditions. The assets and liabilities of Somar are classified as held for sale in the Condensed Consolidated Balance Sheets as of June 30, 2017. Somar is part of the Company's International Pharmaceuticals segment.

The following table provides the components of Assets and Liabilities held for sale of Somar as of June 30, 2017 (in thousands):

	June 30, 2017
Current assets	$ 63,780
Property, plant and equipment	2,347
Other assets	455
Assets held for sale	$ 66,582
Current liabilities	13,933
Liabilities held for sale	$ 13,933

Somar does not meet the requirements for treatment as a discontinued operation.

NOTE 4. RESTRUCTURING

2016 U.S. Generic Pharmaceuticals Restructuring

As part of the ongoing U.S. Generic Pharmaceuticals integration efforts initiated in connection with the acquisition of Par Pharmaceutical Holdings Inc. in September 2015, the Company announced a restructuring initiative in May 2016 to optimize its product portfolio and rationalize its manufacturing sites to expand product margins (the 2016 U.S. Generic Pharmaceuticals restructuring initiative). These measures included certain cost savings initiatives, including a reduction in headcount and the disposal of our Charlotte, North Carolina manufacturing facility (the Charlotte facility). On October 31, 2016, we entered into a definitive agreement to sell the Charlotte facility for cash proceeds of $14 million. The transaction closed in January 2017. The assets of the Charlotte facility were classified as held for sale in the accompanying Condensed Consolidated Balance Sheet as of December 31, 2016.

As a result of the 2016 U.S. Generic Pharmaceuticals restructuring initiative, the Company incurred pre-tax charges of $1.1 million during the six months ended June 30, 2017. These charges related primarily to employee separation and other benefit-related costs. The Company did not incur charges related to this restructuring initiative during the three months ended June 30, 2017.

The Company incurred pre-tax charges of $18.9 million and $146.2 million during the three and six months ended June 30, 2016, respectively. These charges consisted of certain intangible asset impairment charges of $100.3 million during the six months ended June 30, 2016, which were recorded in the first quarter of 2016, charges to increase excess inventory reserves of $6.4 million and $33.3 million during the three and six months ended June 30, 2016, respectively, charges relating to employee separation, retention and other benefit-related costs of $6.4 million, accelerated depreciation of $3.4 million and other charges of $2.7 million during both the three and six months ended June 30, 2016. These charges are included in the U.S. Generic Pharmaceuticals segment and are included in Asset impairment charges, Cost of revenues and Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations. The Company does not expect to incur additional significant expenses related to this restructuring initiative. The Company anticipates substantially all related cash payments will be made by the end of 2017. Under this restructuring initiative, separation costs were expensed ratably over the requisite service period, as applicable.

The liability related to the 2016 U.S. Generic Pharmaceuticals restructuring initiative is included in Accounts payable and accrued expenses in the Condensed Consolidated Balance Sheets and is entirely related to employee separation and other benefit-related costs. Changes to this liability during the six months ended June 30, 2017 were as follows (in thousands):

	Total
Liability balance as of January 1, 2017	$ 9,939
Expenses	1,117
Cash distributions	(8,621)
Liability balance as of June 30, 2017	$ 2,435

2016 U.S. Branded Pharmaceutical Restructuring

In December 2016, the Company announced that it was terminating its worldwide license and development agreement with BioDelivery Sciences International, Inc. (BDSI) for BELBUCA™ and returning the product to BDSI. This termination was completed on January 6, 2017. As a result of this announcement and a comprehensive assessment of its product portfolio, the Company restructured its U.S. Branded Pharmaceuticals segment sales organization during the fourth quarter of 2016 (the 2016 U.S. Branded restructuring initiative), which included the elimination of an approximate 375-member U.S. Branded Pharmaceuticals pain field sales force and the termination of certain contracts.

The Company did not incur any significant pre-tax charges during the three and six months ended June 30, 2017 or 2016 as a result of the 2016 U.S. Branded restructuring initiative. Actions related to this initiative were completed by December 31, 2016 and substantially all of the cash payments are anticipated to be made by the end of 2017. The Company does not expect to incur any additional material pre-tax restructuring expenses related to this initiative.

The liability related to the 2016 U.S. Branded Pharmaceutical restructuring initiative is included in Accounts payable and accrued expenses in the Condensed Consolidated Balance Sheets. Changes to this liability during the six months ended June 30, 2017 were as follows (in thousands):

	Employee Separation and Other Benefit-Related Costs	Contract Termination Charges	Total
Liability balance as of January 1, 2017	$ 16,544	$ 5,224	$ 21,768
Cash distributions	(13,890)	(5,224)	(19,114)
Liability balance as of June 30, 2017	$ 2,654	$ —	$ 2,654

January 2017 Restructuring

On January 26, 2017, the Company announced a restructuring initiative implemented as part of its ongoing organizational review (the January 2017 restructuring initiative). This restructuring is intended to further integrate, streamline and optimize the Company's operations by aligning certain corporate and R&D functions with its recently restructured U.S. Generics Pharmaceutical and U.S. Branded Pharmaceutical business units in order to create efficiencies and cost savings. As part of this restructuring, the Company undertook certain cost reduction initiatives, including a reduction of approximately 90 positions of its workforce, primarily related to corporate and U.S. Branded Pharmaceutical R&D functions in Malvern, PA and Chestnut Ridge, NY, a streamlining of general and administrative expenses, an optimization of commercial spend and a refocusing of research and development efforts.

As a result of the January 2017 restructuring initiative, the Company incurred total pre-tax charges of approximately $15.1 million during the six months ended June 30, 2017 related to employee separation and other benefit-related costs. There were no expenses related to this restructuring initiative for the three months ended June 30, 2017. Of the total charges incurred, $6.9 million are included in the U.S. Branded Pharmaceuticals segment, $4.9 million are included in Corporate unallocated costs and $3.3 million are included in the U.S. Generic Pharmaceuticals segment for six months ended June 30, 2017, respectively. These charges are included in Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations. The Company does not expect to incur additional material pre-tax restructuring-related expenses. Substantially all cash payments are anticipated to be made by the end of 2017 and substantially all of the actions associated with this restructuring were completed by the end of April 2017.

The liability related to the January 2017 restructuring initiative is included in Accounts payable and accrued expenses in the Condensed Consolidated Balance Sheets and is entirely related to employee separation and other benefit-related costs. Changes to this liability during the six months ended June 30, 2017 were as follows (in thousands):

	Total
Liability balance as of January 1, 2017	$ —
Expenses	15,060
Cash distributions	(5,141)
Liability balance as of June 30, 2017	$ 9,919

2017 U.S. Generics Pharmaceuticals Restructuring

On July 21, 2017, the Company announced that after completing a comprehensive review of its manufacturing network, the Company will be ceasing operations and closing its manufacturing and distribution facilities in Huntsville, Alabama (the 2017 U.S. Generics Pharmaceuticals restructuring initiative). The closure of the facilities is expected to occur by the end of 2018.

As a result of the 2017 U.S. Generics Pharmaceuticals restructuring initiative, the Company's workforce is expected to be reduced by approximately 875 positions, including approximately 35 open positions, and the Company expects to incur total pre-tax charges of approximately $325 million, including total estimated cash outlays of approximately $60 million, substantially all of which will be paid by the end of 2018. The estimated restructuring charges consist of accelerated depreciation charges of approximately $165 million, asset impairment charges related to identifiable intangible assets and certain property, plant and equipment of approximately $90 million, charges to increase excess inventory reserves of approximately $10 million, employee separation, retention and other benefit-related costs of approximately $40 million and certain other charges of approximately $20 million. Employee separation, retention and certain other employee benefit-related costs will be expensed ratably over the requisite service period. Other costs that will be incurred including, but not limited to, contract termination fees and product technology transfer costs, will be expensed as incurred.

As a result of the 2017 U.S. Generics Pharmaceuticals restructuring initiative, the Company incurred pretax charges of $109.3 million during the three and six months ended June 30, 2017, consisting of certain intangible asset and property, plant and equipment impairment charges of $89.5 million, charges to increase excess inventory reserves of $7.9 million and certain other charges of $11.9 million. These charges are included in the U.S. Generic Pharmaceuticals segment and are included in Asset impairment charges, Cost of revenues and both Cost of revenues and Selling, general and administrative, respectively, in the Condensed Consolidated Statements of Operations.

The liability related to the 2017 U.S. Generics Pharmaceuticals restructuring initiative, which relates to certain other restructuring charges, is included in Accounts payable and accrued expenses in the Condensed Consolidated Balance Sheets. Changes to this liability during the six months ended June 30, 2017 were as follows (in thousands):

	Total
Liability balance as of January 1, 2017	$ —
Expenses	8,871
Cash distributions	—
Liability balance as of June 30, 2017	$ 8,871

NOTE 5. SEGMENT RESULTS

The three reportable business segments in which the Company operates are: (1) U.S. Generic Pharmaceuticals, (2) U.S. Branded Pharmaceuticals and (3) International Pharmaceuticals. These segments reflect the level at which the chief operating decision maker 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 from continuing operations before income tax, which we define as loss from continuing operations before income tax and before certain upfront and milestone payments to partners; acquisition-related and integration items, including transaction costs, earn-out payments or adjustments, changes in the fair value of contingent consideration and bridge financing costs; cost reduction and integration-related initiatives such as separation benefits, retention payments, other exit costs and certain costs associated with integrating an acquired company's operations; excess costs that will be eliminated pursuant to integration plans; asset impairment charges; amortization of intangible assets; inventory step-up recorded as part of our acquisitions; certain non-cash interest expense; litigation-related and other contingent matters; gains or losses from early termination of debt; foreign currency gains or losses on intercompany financing arrangements; and certain other items.

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 costs." Interest income and expense are also considered corporate items and not allocated to any of the Company's segments. The Company's consolidated adjusted income from continuing operations before income tax is equal to the combined results of each of its segments less these unallocated corporate items.

The following represents selected information for the Company's reportable segments for the three and six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net revenues to external customers:				
U.S. Generic Pharmaceuticals	$ 563,312	$ 565,358	$ 1,285,295	$ 1,148,748
U.S. Branded Pharmaceuticals	245,188	288,342	495,347	597,155
International Pharmaceuticals (1)	67,231	67,187	132,689	138,523
Total net revenues to external customers	$ 875,731	$ 920,887	$ 1,913,331	$ 1,884,426
Adjusted income from continuing operations before income tax:				
U.S. Generic Pharmaceuticals	$ 253,866	$ 214,968	$ 595,465	$ 426,736
U.S. Branded Pharmaceuticals	127,595	122,420	257,087	291,201
International Pharmaceuticals	14,812	20,615	29,694	42,369
Total segment adjusted income from continuing operations before income tax	$ 396,273	$ 358,003	$ 882,246	$ 760,306

(1) Revenues generated by our International Pharmaceuticals segment are primarily attributable to external customers located in Canada, Latin America and South Africa.

There were no material revenues from external customers attributed to an individual country outside of the United States during the three and six months ended June 30, 2017 and 2016. There were no material tangible long-lived assets in an individual country other than the United States as of June 30, 2017 or December 31, 2016.

The table below provides reconciliations of our consolidated loss from continuing operations before income tax, which is determined in accordance with U.S. GAAP, to our total segment adjusted income from continuing operations before income tax for the three and six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Total consolidated loss from continuing operations before income tax	$ (753,500)	$ (165,465)	$ (930,851)	$ (372,943)
Interest expense, net	121,747	111,919	233,746	228,712
Corporate unallocated costs (1)	34,152	49,818	81,620	86,098
Amortization of intangible assets	190,943	212,844	454,077	424,513
Inventory step-up and certain manufacturing costs that will be eliminated pursuant to integration plans	100	29,103	215	97,579
Upfront and milestone payments to partners	3,082	2,688	6,177	4,105
Separation benefits and other cost reduction initiatives (2)	24,614	22,174	47,284	60,630
Impact of VOLTAREN® Gel generic competition	—	—	—	(7,750)
Certain litigation-related and other contingencies, net (3)	(2,600)	5,259	(1,664)	10,459
Asset impairment charges (4)	725,044	39,951	929,006	169,576
Acquisition-related and integration items (5)	4,190	48,171	15,070	60,725
Loss on extinguishment of debt	51,734	—	51,734	—
Foreign currency impact related to the remeasurement of intercompany debt instruments	(3,233)	417	(5,927)	1,672
Other, net	—	1,124	1,759	(3,070)
Total segment adjusted income from continuing operations before income tax	$ 396,273	$ 358,003	$ 882,246	$ 760,306

(1) Amounts include certain corporate overhead costs, such as headcount and facility expenses and certain other income and expenses.

(2) Amounts primarily relate to employee separation costs of $0.7 million and $21.5 million during the three and six months ended June 30, 2017, respectively, charges to increase excess inventory reserves of $7.9 million during both periods and other charges of $16.0 million and $17.5 million, related primarily to the 2017 U.S. Generics Pharmaceuticals restructuring initiative, during the three and six months ended June 30, 2017, respectively. Amounts during the three and six months ended June 30, 2016 include charges to increase excess inventory reserves of $6.4 million and $33.3 million related to the 2016 U.S. Generic Pharmaceuticals restructuring initiative, employee separation costs of $8.4 million and $15.2 million and other restructuring costs of $7.1 million and $11.8 million, respectively. These amounts were primarily recorded as Cost of revenues and Selling, general and administrative expense in our Condensed Consolidated Statements of Operations. See Note 4. Restructuring for discussion of our material restructuring initiatives.

(3) Amounts include adjustments for Litigation-related and other contingencies, net as further described in Note 11. Commitments and Contingencies.

(4) Amounts primarily relate to charges to write down goodwill and intangible assets as further described in Note 8. Goodwill and Other Intangibles as well as charges to write down certain property, plant and equipment as further described in Note 6. Fair Value Measurements.

(5) Amounts during the three and six months ended June 30, 2017 include costs directly associated with previous acquisitions of $2.2 million and $6.9 million, respectively, and charges due to changes in fair value of contingent consideration of $2.0 million and $8.1 million, respectively. Amounts during the three and six months ended June 30, 2016 include costs directly associated with previous acquisitions of $24.3 million and $47.5 million, respectively, and charges due to changes in fair value of contingent consideration of $23.9 million and $13.2 million, respectively.

Asset information is not reviewed or included within our internal management reporting. Therefore, the Company has not disclosed asset information for each reportable segment.

NOTE 6. FAIR VALUE MEASUREMENTS

Financial Instruments

The financial instruments recorded in our Condensed Consolidated Balance Sheets include cash and cash equivalents (including money market funds and time deposits), 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 pay dividends that generally reflect short-term interest rates. Due to their short-term maturity, the carrying amounts of non-restricted and restricted cash and cash equivalents (including money market funds and time deposits), 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

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 above-defined fair value hierarchy. 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 our Condensed Consolidated Balance Sheets at June 30, 2017 and December 31, 2016.

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 any 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.

Acquisition-Related Contingent Consideration

The fair value of contingent consideration liabilities is determined using unobservable inputs; hence these instruments represent Level 3 measurements within the above-defined fair value hierarchy. These inputs include the estimated amount and timing of projected cash flows, the probability of success (achievement of the contingent event) and the risk-adjusted discount rate used to present value the probability-weighted cash flows. Subsequent to the acquisition date, at each reporting period, the contingent consideration liability is remeasured at current fair value with changes recorded in earnings. Changes in any of the inputs may result in a significant adjustment to fair value. See Recurring Fair Value Measurements below for additional information on acquisition-related contingent consideration.

Recurring Fair Value Measurements

The Company's financial assets and liabilities measured at fair value on a recurring basis at June 30, 2017 and December 31, 2016 were as follows (in thousands):

	Fair Value Measurements at Reporting Date using:			
June 30, 2017	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	$ 96,888	$ —	$ —	$ 96,888
Time deposits	—	100,000	—	100,000
Equity securities	2,494	—	—	2,494
Total	$ 99,382	$ 100,000	$ —	$ 199,382
Liabilities:				
Acquisition-related contingent consideration—short-term	$ —	$ —	$ 94,460	$ 94,460
Acquisition-related contingent consideration—long-term	—	—	116,000	116,000
Total	$ —	$ —	$ 210,460	$ 210,460

At June 30, 2017, money market funds include $21.9 million in QSFs to be disbursed to mesh-related product liability claimants. See Note 11. Commitments and Contingencies for further discussion of our product liability cases.

	Fair Value Measurements at Reporting Date using:			
December 31, 2016	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	$ 26,210	$ —	$ —	$ 26,210
Time deposits	—	100,000	—	100,000
Equity securities	2,267	—	—	2,267
Total	$ 28,477	$ 100,000	$ —	$ 128,477
Liabilities:				
Acquisition-related contingent consideration—short-term	$ —	$ —	$ 109,373	$ 109,373
Acquisition-related contingent consideration—long-term	—	—	152,740	152,740
Total	$ —	$ —	$ 262,113	$ 262,113

At December 31, 2016, money market funds include $26.2 million in QSFs to be disbursed to mesh-related product liability claimants. See Note 11. Commitments and Contingencies for further discussion of our product liability cases.

Fair Value Measurements Using Significant Unobservable Inputs

The following table presents changes to the Company's liability for acquisition-related contingent consideration, which was measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three and six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Beginning of period	$ 234,391	$ 124,511	$ 262,113	$ 143,502
Amounts settled	(26,219)	(12,646)	(60,310)	(22,120)
Changes in fair value recorded in earnings	1,950	23,892	8,134	13,204
Effect of currency translation	338	39	523	1,210
End of period	$ 210,460	$ 135,796	$ 210,460	$ 135,796

The fair value measurements of the contingent consideration obligations at June 30, 2017 were determined using risk-adjusted discount rates ranging from 3% to 22%. Changes in fair value recorded in earnings related to acquisition-related contingent consideration are included in our Condensed Consolidated Statements of Operations as Acquisition-related and integration items, and amounts recorded for the short-term and long-term portions of acquisition-related contingent consideration are included in Accounts payable and accrued expenses and Other liabilities, respectively, in our Condensed Consolidated Balance Sheets.

The following table presents changes to the Company's liability for acquisition-related contingent consideration during the six months ended June 30, 2017 by acquisition (in thousands):

	Balance as of December 31, 2016	Acquisitions	Fair Value Adjustments and Accretion	Payments and Other	Balance as of June 30, 2017
Auxilium acquisition	$ 21,097	$ —	$ (1,720)	$ (4,219)	$ 15,158
Lehigh Valley Technologies, Inc. acquisitions	96,000	—	16,755	(36,754)	76,001
VOLTAREN® Gel acquisition	118,395	—	4,384	(17,909)	104,870
Other	26,621	—	(11,285)	(905)	14,431
Total	$ 262,113	$ —	$ 8,134	$ (59,787)	$ 210,460

The following is a summary of available-for-sale securities held by the Company at June 30, 2017 and December 31, 2016 (in thousands):

	Available-for-sale			
June 30, 2017	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized (Losses)**	**Fair Value**
Money market funds	$ 96,888	$ —	$ —	$ 96,888
Total included in cash and cash equivalents	$ 75,000	$ —	$ —	$ 75,000
Total included in restricted cash and cash equivalents	$ 21,888	$ —	$ —	$ 21,888
Equity securities	$ 1,766	$ 728	$ —	$ 2,494
Long-term available-for-sale securities	$ 1,766	$ 728	$ —	$ 2,494

	Available-for-sale			
December 31, 2016	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized (Losses)**	**Fair Value**
Money market funds	$ 26,210	$ —	$ —	$ 26,210
Total included in cash and cash equivalents	$ —	$ —	$ —	$ —
Total included in restricted cash and cash equivalents	$ 26,210	$ —	$ —	$ 26,210
Equity securities	$ 1,766	$ 501	$ —	$ 2,267
Long-term available-for-sale securities	$ 1,766	$ 501	$ —	$ 2,267

Nonrecurring Fair Value Measurements

The Company's financial assets and liabilities measured at fair value on a nonrecurring basis during the six months ended June 30, 2017 were as follows (in thousands):

	Fair Value Measurements at Reporting Date using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Expense for the Six Months Ended June 30, 2017**
Assets:				
Certain U.S. Branded Pharmaceuticals intangible assets (Note 8)	$ —	$ —	$ 17,781	$ (52,096)
Certain U.S. Generic Pharmaceuticals intangible assets (Note 8)	—	—	409,874	(398,423)
Certain International Pharmaceuticals intangible assets (Note 8)	—	—	21,772	(145,359)
Branded reporting unit goodwill (Note 8)	—	—	828,818	(180,430)
Paladin reporting unit goodwill (Note 8)	—	—	84,881	(82,602)
Somar reporting unit goodwill (Note 8)	—	—	—	(25,712)
Certain property, plant and equipment (1)	—	—	—	(44,384)
Total	$ —	$ —	$ 1,363,126	$ (929,006)

(1) Amounts relate primarily to an aggregate charge of $32.0 million recorded in connection with the 2017 U.S. Generics Pharmaceuticals restructuring initiative, which is described further in Note 4. Restructuring, and $9.9 million recorded following the initiation of held-for-sale accounting resulting from the Company's June 30, 2017 definitive agreement to sell Somar, which is described in Note 3. Discontinued Operations and Assets and Liabilities Held for Sale.

NOTE 7. INVENTORIES

Inventories consist of the following at June 30, 2017 and December 31, 2016 (in thousands):

	June 30, 2017	**December 31, 2016**
Raw materials (1)	$ 138,686	$ 175,240
Work-in-process (1)	96,618	100,494
Finished goods (1)	254,448	279,937
Total	$ 489,752	$ 555,671

(1) The components of inventory shown in the table above are net of allowance for obsolescence.

Inventory that is in excess of the amount expected to be sold within one year, which relates primarily to XIAFLEX® inventory, is classified as long-term inventory and is not included in the table above. At June 30, 2017 and December 31, 2016, $27.2 million and $22.9 million, respectively, of long-term inventory was included in Other assets in the Condensed Consolidated Balance Sheets. As of June 30, 2017 and December 31, 2016, the Company's Condensed Consolidated Balance Sheets included approximately $5.3 million and $16.8 million, respectively, of capitalized pre-launch inventories related to generic products that were not yet available to be sold.

NOTE 8. GOODWILL AND OTHER INTANGIBLES

Goodwill

Changes in the carrying amount of our goodwill for the six months ended June 30, 2017 were as follows (in thousands):

	Carrying Amount			
	U.S. Generic Pharmaceuticals	U.S. Branded Pharmaceuticals	International Pharmaceuticals	Total
Goodwill as of December 31, 2016	$ 3,531,301	$ 1,009,248	$ 188,846	$ 4,729,395
Effect of currency translation on gross balance	—	—	26,646	26,646
Effect of currency translation on accumulated impairment	—	—	(19,983)	(19,983)
Goodwill impairment charges	—	(180,430)	(108,314)	(288,744)
Goodwill as of June 30, 2017	$ 3,531,301	$ 828,818	$ 87,195	$ 4,447,314

The carrying amount of goodwill at June 30, 2017 and December 31, 2016 is net of the following accumulated impairments:

	Accumulated Impairment			
	U.S. Generic Pharmaceuticals	U.S. Branded Pharmaceuticals	International Pharmaceuticals	Total
Accumulated impairment losses as of December 31, 2016	$ 2,342,549	$ 675,380	$ 408,280	$ 3,426,209
Accumulated impairment losses as of June 30, 2017	$ 2,342,549	$ 855,810	$ 536,577	$ 3,734,936

Other Intangible Assets

The following is a summary of other intangible assets held by the Company at June 30, 2017 and December 31, 2016 (in thousands):

Cost basis:	**Balance as of December 31, 2016**	**Acquisitions**	**Impairments (1)**	**Other (1) (2)**	**Effect of Currency Translation (1)**	**Balance as of June 30, 2017**
Indefinite-lived intangibles:						
In-process research and development	$ 1,123,581	$ —	$ (167,889)	$ (177,200)	$ 209	$ 778,701
Total indefinite-lived intangibles	$ 1,123,581	$ —	$ (167,889)	$ (177,200)	$ 209	$ 778,701
Finite-lived intangibles:						
Licenses (weighted average life of 12 years)	$ 465,720	$ —	$ (8,179)	$ —	$ —	$ 457,541
Tradenames (weighted average life of 12 years)	7,345	—	(808)	(262)	134	6,409
Developed technology (weighted average life of 11 years)	6,223,004	—	(409,356)	144,158	24,617	5,982,423
Total finite-lived intangibles (weighted average life of 11 years)	$ 6,696,069	$ —	$ (418,343)	$ 143,896	$ 24,751	$ 6,446,373
Total other intangibles	$ 7,819,650	$ —	$ (586,232)	$ (33,304)	$ 24,960	$ 7,225,074

Accumulated amortization:	**Balance as of December 31, 2016**	**Amortization**	**Impairments**	**Other (2)**	**Effect of Currency Translation**	**Balance as of June 30, 2017**
Finite-lived intangibles:						
Licenses	$ (341,600)	$ (14,586)	$ —	$ —	$ —	$ (356,186)
Tradenames	(6,599)	(42)	—	262	(30)	(6,409)
Developed technology	(1,612,154)	(439,449)	—	33,042	(7,831)	(2,026,392)
Total other intangibles	$ (1,960,353)	$ (454,077)	$ —	$ 33,304	$ (7,861)	$ (2,388,987)
Net other intangibles	$ 5,859,297					$ 4,836,087

(1) Changes in the net carrying amount of our other intangible assets presented in the table above exclude changes related to businesses classified as held for sale, to the extent such changes occurred after the business was classified as held for sale. As such, asset impairment charges of $9.6 million and net increases resulting from currency translation of $1.6 million related to our Litha business are excluded from the table above.

Additional information on the changes in the total gross carrying amount of our other intangible assets is presented below (in thousands):

	Gross Carrying Amount
December 31, 2016	$ 7,819,650
Impairment of certain U.S. Branded Pharmaceuticals intangible assets	(52,096)
Impairment of certain U.S. Generic Pharmaceuticals intangible assets	(398,423)
Impairment of certain International Pharmaceuticals intangible assets	(135,713)
Transfer of intangible assets to Assets held for sale (NOTE 3)	(33,304)
Effect of currency translation	24,960
June 30, 2017	$ 7,225,074

(2) Includes reclassification adjustments of $177.2 million for certain developed technology intangible assets, previously classified as in-process research and development, that were placed in service during the six months ended June 30, 2017. The remaining amounts in this column relate to the transfer of Somar intangible assets to Assets held for sale.

Amortization expense for the three and six months ended June 30, 2017 totaled $191.0 million and $454.1 million, respectively. Amortization expense for the three and six months ended June 30, 2016 totaled $212.8 million and $424.5 million, respectively. Estimated amortization of intangibles for the five fiscal years subsequent to December 31, 2016 is as follows (in thousands):

2017	$	764,409
2018	$	544,485
2019	$	473,230
2020	$	442,265
2021	$	427,558

Impairments

As part of the Company's goodwill and intangible asset impairment assessments, the Company estimates the fair values of its reporting units using an income approach that utilizes a discounted cash flow model, or, where appropriate, a market approach. The discounted cash flow models are dependent upon the Company's estimates of future cash flows and other factors. These estimates of future cash flows involve assumptions concerning (i) future operating performance, including future sales, long-term growth rates, operating margins, variations in the amount and timing of cash flows and the probability of achieving the estimated cash flows and (ii) future economic conditions. These assumptions are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy. The discount rates applied to the estimated cash flows are based on the overall risk associated with the particular assets and other market factors. The Company believes the discount rates and other inputs and assumptions are consistent with those that a market participant would use. Any impairment charges resulting from annual or interim goodwill and intangible asset impairment assessments are recorded to Asset impairments charges on the Company's Condensed Consolidated Statements of Operations.

A summary of significant goodwill and other intangible asset impairment charges by reportable segment for the six months ended June 30, 2017 and 2016 is included below.

U.S. Generic Pharmaceuticals Segment

During the first and second quarters of 2017, the Company identified certain market conditions impacting the recoverability of certain indefinite and finite-lived intangible assets in its U.S. Generic Pharmaceuticals segment. Accordingly, the Company tested these assets for impairment and determined that their carrying amounts were no longer fully recoverable, resulting in pre-tax, non-cash asset impairment charges totaling $72.7 million and $268.2 million during the three months ended March 31, 2017 and June 30, 2017, respectively.

In addition, as further described in Note 4. Restructuring, the Company announced the 2017 U.S. Generic Pharmaceuticals restructuring initiative in July 2017, which includes the discontinuation of certain commercial products. As a result, the Company assessed the recoverability of the impacted products, resulting in pre-tax, non-cash intangible asset impairment charges of approximately $57.5 million during the second quarter of 2017. The Company also initiated an interim goodwill impairment analysis of its Generics reporting unit during the second quarter of 2017 as a result of the 2017 U.S. Generic Pharmaceuticals restructuring initiative and determined that the estimated fair value of the Generics reporting unit exceeded its carrying amount. Accordingly, no related goodwill impairment was recorded. The Company estimated the fair value of the Generics reporting unit using an income approach that utilizes a discounted cash flow model. The discount rate applied to the estimated cash flows for our Generics goodwill impairment test was 9.0%. The goodwill balance for the Company's Generics reporting unit was approximately $3,531 million as of June 30, 2017.

During the first and second quarters of 2016, the Company identified certain market and regulatory conditions impacting the recoverability of certain indefinite and finite-lived intangible assets in our U.S. Generic Pharmaceuticals segment. Accordingly, we tested these assets for impairment and determined that the carrying amounts of certain of these assets was no longer fully recoverable, resulting in pre-tax, non-cash asset impairment charges of $29.3 million and $40.0 million during the first and second quarters of 2016, respectively. The Company also recognized pre-tax, non-cash asset impairment charges of $100.3 million during the first quarter of 2016 related to the 2016 U.S. Generic Pharmaceuticals restructuring initiative, which resulted from the discontinuation of certain commercial products and the abandonment of certain IPR&D projects. See Note 4. Restructuring for discussion of our material restructuring initiatives.

U.S. Branded Pharmaceuticals Segment

In March 2017, we announced that the Food and Drug Administration's (FDA) Drug Safety and Risk Management and Anesthetic and Analgesic Drug Products Advisory Committees voted that the benefits of reformulated OPANA® ER (oxymorphone hydrochloride extended release) no longer outweigh its risks. In June 2017, we became aware of the FDA's request that we voluntarily withdraw OPANA® ER from the market, and in July 2017, after careful consideration and consultation with the FDA, we decided to voluntarily remove OPANA® ER from the market. As a result of our decision, the Company determined that the carrying amount of its OPANA® ER intangible asset was no longer recoverable, resulting in a pre-tax, non-cash impairment charge of $20.6 million in the second quarter of 2017, representing the remaining carrying amount. In addition, during the second quarter of 2017, the Company identified certain market conditions impacting the recoverability of certain other finite-lived intangible assets in its U.S. Branded Pharmaceuticals segment. Accordingly, the Company tested these assets for impairment and determined that their carrying amounts were no longer fully recoverable, resulting in pre-tax, non-cash asset impairment charges totaling $31.5 million during the three months ended June 30, 2017.

In addition, as a result of the withdrawal of OPANA® ER from the market and the continued erosion of its U.S. Branded Pharmaceuticals segment's Established Products portfolio, the Company initiated an interim goodwill impairment analysis of its Branded reporting unit during the second quarter of 2017. Based on the provisions of ASU 2017-04, which the Company adopted as of January 1, 2017, the Company recorded a pre-tax, non-cash asset impairment charge of $180.4 million during the three months ended June 30, 2017 for the amount by which the carrying amount exceeded the reporting unit's fair value. The Company estimated the fair value of the Branded reporting unit using an income approach that utilizes a discounted cash flow model. The discount rate applied to the estimated cash flows for our Branded goodwill impairment test was 9.5%. The remaining goodwill for the Company's Branded reporting unit was approximately $829 million as of June 30, 2017.

International Pharmaceuticals Segment

Pursuant to an existing agreement with a wholly owned subsidiary of Novartis AG (Novartis), Paladin licensed the Canadian rights to commercialize serelaxin, an investigational drug for the treatment of acute heart failure (AHF). In March 2017, Novartis announced that a Phase III study of serelaxin in patients with AHF failed to meet its primary endpoints. As a result, Endo has concluded that the full carrying amount of its serelaxin in-process research and development intangible asset is impaired, resulting in a $45.5 million pre-tax non-cash impairment charge for the three months ended March 31, 2017.

In addition and as a result of the serelaxin impairment, the Company assessed the recoverability of its Paladin goodwill balance and determined that the estimated fair value of the Paladin reporting unit was below its carrying amount. The Company recorded a pre-tax, non-cash asset impairment charge of $82.6 million during the three months ended March 31, 2017 for the amount by which the carrying amount exceeded the reporting unit's fair value. The Company estimated the fair value of the Paladin reporting unit using an income approach that utilizes a discounted cash flow model. The discount rate applied to the estimated cash flows for our Paladin goodwill impairment test was 10.0%. The remaining goodwill for the Company's Paladin reporting unit was approximately $87 million as of June 30, 2017.

As further discussed in Note 3. Discontinued Operations and Assets and Liabilities Held for Sale, the Company entered into a definitive agreement to sell Somar on June 30, 2017, which resulted in Somar's assets and liabilities being classified as held for sale. The initiation of held-for-sale accounting, together with the agreed upon sale price, triggered an impairment review. Accordingly, the Company performed an impairment analysis using a market approach and determined that impairment charges were required. The Company recorded pre-tax non-cash impairment charges of $25.7 million and $89.5 million related to Somar's goodwill and other intangible assets, respectively, during the second quarter of 2017, each of which represented the remaining carrying amounts of the corresponding assets.

NOTE 9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses include the following at June 30, 2017 and December 31, 2016 (in thousands):

	June 30, 2017	December 31, 2016
Trade accounts payable	$ 114,710	$ 126,712
Returns and allowances	310,852	332,455
Rebates	218,166	227,706
Chargebacks	18,426	33,092
Accrued interest	129,208	128,254
Accrued payroll and related benefits	79,942	115,224
Accrued royalties and other distribution partner payables	63,807	191,433
Acquisition-related contingent consideration—short-term	94,460	109,373
Other	203,765	189,835
Total	$ 1,233,336	$ 1,454,084

NOTE 10. DEBT

The following table presents the carrying amounts of the Company's total indebtedness at June 30, 2017 and December 31, 2016 (in thousands):

	June 30, 2017			December 31, 2016		
	Effective Interest Rate	Principal Amount	Carrying Amount	Effective Interest Rate	Principal Amount	Carrying Amount
7.25% Senior Notes due 2022	7.91%	$ 400,000	$ 390,044	7.91%	$ 400,000	$ 389,150
5.75% Senior Notes due 2022	6.04%	700,000	692,085	6.04%	700,000	691,339
5.375% Senior Notes due 2023	5.62%	750,000	741,381	5.62%	750,000	740,733
6.00% Senior Notes due 2023	6.28%	1,635,000	1,611,838	6.28%	1,635,000	1,610,280
5.875% Senior Secured Notes due 2024	6.14%	300,000	295,251	—	—	—
6.00% Senior Notes due 2025	6.27%	1,200,000	1,180,207	6.27%	1,200,000	1,179,203
Term Loan A Facility Due 2019	—	—	—	2.95%	941,875	932,824
Term Loan B Facility Due 2022	—	—	—	4.06%	2,772,000	2,728,919
Term Loan B Facility Due 2024	5.46%	3,415,000	3,374,578	—	—	—
Other debt	1.50%	55	55	1.50%	55	55
Total long-term debt, net		$ 8,400,055	$ 8,285,439		$ 8,398,930	$ 8,272,503
Less current portion, net		34,150	34,150		131,125	131,125
Total long-term debt, less current portion, net		$ 8,365,905	$ 8,251,289		$ 8,267,805	$ 8,141,378

The senior notes are unsecured and subordinated in right of payment to our credit facility.

The aggregate estimated fair value of the Company's long-term debt, which was estimated using the quoted market prices for the same or similar debt issuances, was $7.8 billion at both June 30, 2017 and December 31, 2016. Based on this valuation methodology, we determined these debt instruments represent Level 2 measurements within the fair value hierarchy.

Credit Facility

We have $995.8 million of remaining credit available through our revolving credit facility as of June 30, 2017. As of June 30, 2017, we were in compliance with all covenants contained in our credit agreement that are described below under the heading "April 2017 Refinancing".

April 2017 Refinancing

On April 27, 2017, Endo International plc entered into a new credit agreement (the 2017 Credit Agreement) as parent, together with its subsidiaries Endo Luxembourg Finance Company I S.à r.l., and Endo LLC as co-borrowers, the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, issuing bank and swingline lender. The 2017 Credit Agreement provides for (i) a five-year revolving credit facility in a principal amount of $1,000.0 million (the 2017 Revolving Credit Facility) and (ii) a seven-year term loan facility in a principal amount of $3,415.0 million (the 2017 Term Loan Facility and, together with the 2017 Revolving Credit Facility, the 2017 Credit Facility). Any outstanding amounts borrowed pursuant to the 2017 Credit Facility will immediately mature if any of the following of our senior notes are not refinanced or repaid in full prior to the date that is 91 days prior to the stated maturity date thereof:

Instrument	Maturity Date
7.25% Senior Notes due 2022	January 15, 2022
5.75% Senior Notes due 2022	January 15, 2022
5.375% Senior Notes due 2023	January 15, 2023
6.00% Senior Notes due 2023	July 15, 2023

The obligations under the 2017 Credit Agreement are guaranteed by Endo International plc and its material subsidiaries, as defined in the 2017 Credit Agreement, and certain other subsidiaries of the Company from time to time and secured by a lien on substantially all the assets (with certain exceptions) of the borrowers and the guarantors. The 2017 Credit Agreement contains affirmative and negative covenants that the Company believes to be usual and customary for a senior secured credit facility of this type. The negative covenants include, among other things, limitations on asset sales, mergers and acquisitions, indebtedness, liens, dividends, investments and transactions with the Company's affiliates. Borrowings under the 2017 Revolving Credit Facility bear interest, at the borrower's election, at a rate equal to (i) an applicable margin between 1.50% and 3.00% plus the London Interbank Offered Rate (LIBOR) or (ii) an applicable margin between 0.50% and 2.00% plus the Alternate Base Rate (as defined in the 2017 Credit Agreement). In addition, borrowings under our 2017 Term Loan Facility bear interest, at the borrower's election, at a rate equal to (i) 4.25% plus LIBOR, subject to a LIBOR floor of 0.75%, or (ii) 3.75% plus the Alternate Base Rate, subject to an Alternate Base Rate floor of 1.75%.

Also on April 27, 2017, Endo Designated Activity Company (Endo DAC), Endo Finance LLC and Endo Finco Inc. (collectively, the Issuers) issued $300.0 million in aggregate principal amount of 5.875% senior secured notes due 2024 (the 2024 Notes). The 2024 Notes were issued in a private offering for resale 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 2024 Notes are senior secured obligations of the Issuers and are: (i) guaranteed by Endo International plc and its subsidiaries that also guarantee the 2017 Credit Agreement and certain other material indebtedness and (ii) secured by a lien on the same collateral that secures the 2017 Credit Agreement. Interest on the 2024 Notes is payable semiannually in arrears on April 15 and October 15 of each year, beginning on October 15, 2017. The 2024 Notes will mature on October 15, 2024, subject to earlier repurchase or redemption in accordance with the terms of the 2024 Notes indenture. On or after April 15, 2020, the Issuers may on any one or more occasions redeem all or a part of the 2024 Notes, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and additional interest, if any, on the notes redeemed if such notes are redeemed during the twelve-month period beginning on April 15 of the years indicated below:

Year	Percentage
2020	102.938%
2021	101.469%
2022 and thereafter	100.000%

At any time prior to April 15, 2020, the Issuers may on any one or more occasions redeem all or a part of the 2024 Notes at a redemption price equal to 100% of the principal amount of the notes redeemed, plus the applicable make-whole premium as described in the 2024 Notes indenture, plus accrued and unpaid interest and additional interest, if any. In addition, prior to April 15, 2020, the Issuers may, subject to certain restrictions and limitations, redeem up to 35% of the aggregate principal amount of the 2024 Notes with the net cash proceeds from specified equity offerings at a redemption price equal to 105.875% of the aggregate principal amount of the 2024 Notes redeemed, plus accrued and unpaid interest and additional interest, if any. If the Company experiences certain changes of control events, the Issuers must offer to repurchase the 2024 Notes at 101% of their principal amount, plus accrued and unpaid interest and additional interest, if any. The 2024 Notes indenture contains covenants that, among other things, restrict the Company's ability and the ability of its restricted subsidiaries to incur certain additional indebtedness and issue preferred stock, make certain dividends, distributions, investments and restricted payments, sell certain assets, enter into sale and leaseback transactions, agree to payment restrictions on the ability of restricted subsidiaries to make certain payments to Endo International plc or any of its restricted subsidiaries, create certain liens, merge, consolidate or sell all or substantially all of the Company's assets, enter into certain transactions with affiliates or designate subsidiaries as unrestricted subsidiaries. These covenants are subject to a number of exceptions and qualifications, including the fall away or revision of certain of these covenants and release of the collateral upon the 2024 Notes receiving investment grade credit ratings.

The Company used the net proceeds under the 2017 Term Loan Facility, together with the net proceeds of the 2024 Notes and cash on hand, to repay all of its outstanding loans under its prior credit facilities and to pay related fees and expenses. We intend to use the proceeds of the 2017 Revolving Credit Facility from time to time for general corporate purposes.

In connection with the April 2017 Refinancing, we incurred new debt issuance costs of approximately $56.7 million, which were allocated among the new debt instruments as follows: (i) $41.3 million to the 2017 Term Loan Facility, (ii) $10.5 million to the 2017 Revolving Credit Facility and (iii) $4.9 million to the 2024 Notes. These costs, together with $10.1 million of the previously deferred debt issuance costs associated with our prior revolving credit facility, have been deferred and will be amortized as interest expense over the terms of the respective instruments. The remaining $51.7 million of deferred debt issuance costs associated with our prior revolving and term loan facilities were charged to expense in the second quarter of 2017. These expenses were included in the Condensed Consolidated Statements of Operations as Loss on extinguishment of debt.

Maturities

The following table presents, subsequent to the closing of the April 2017 Refinancing, the maturities on our long-term debt for each of the five fiscal years subsequent to December 31, 2016 (in thousands):

	Maturities (1)
2017 (2)	$ 44,700
2018	$ 34,150
2019	$ 34,150
2020	$ 34,150
2021	$ 34,150

(1) Any outstanding amounts borrowed pursuant to the 2017 Credit Facility will immediately mature if certain of our senior notes (enumerated above under the heading "April 2017 Refinancing") are not refinanced or repaid in full prior to the date that is 91 days prior to the respective stated maturity dates thereof. Accordingly, we may be required to repay or refinance senior notes with an aggregate principal amount of $1,100.0 million in 2021, despite such notes having stated maturities in 2022. The amounts in this maturities table do not reflect any such early payment; rather, they reflect stated maturity dates.

(2) Includes payments related to: (i) our existing credit facilities prior to the April 2017 Refinancing and (ii) our 2017 Term Loan Facility thereafter.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings and Investigations

We and certain of our subsidiaries are involved in various claims, legal proceedings, internal and governmental investigations (collectively, proceedings) that arise from time to time in the ordinary course of our business, including, among others, those relating to product liability, intellectual property, regulatory compliance and commercial matters. While we cannot predict the outcome of these proceedings and we intend to defend vigorously our 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. Matters that are not being disclosed herein are, in the opinion of our management, immaterial both individually and in the aggregate with respect to our financial position, results of operations and cash flows. If and when such matters, in the opinion of our management, become material either individually or in the aggregate, we will disclose such matters.

As of June 30, 2017, our reserve for loss contingencies totaled $1,335.6 million, of which $1,294.6 million relates to our liability accrual for vaginal mesh cases and other mesh-related matters. Although we believe 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 U.S. federal and state courts, as well as in Canada and other countries, alleging personal injury resulting from the use of certain products of our subsidiaries. These matters are described below in more detail.

We believe that certain settlements and judgments, as well as legal defense costs, relating to certain product liability matters are or may be covered in whole or in part under our product liability insurance policies with a number of insurance carriers. In certain circumstances, insurance carriers reserve their rights to contest or deny coverage. We intend to contest vigorously any and all such disputes with our insurance carriers and to enforce our rights under the terms of our insurance policies. Accordingly, we 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 our product liability insurance policies will likely 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. In October 2008, the FDA issued a Public Health Notification (October 2008 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 provided recommendations and encouraged 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 the July 2011 update, the FDA stated that adverse events are not rare. Furthermore, the FDA 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. In January 2016, the FDA issued a statement reclassifying surgical mesh for transvaginal POP repair from Class II to Class III. Surgical mesh for SUI repair remains a Class II device.

Since 2008, we and certain of our subsidiaries, including AMS and/or Astora, have been named as defendants in multiple lawsuits in the U.S. in various state and federal courts, including a multidistrict litigation (MDL) in the U.S. District Court for the Southern District of West Virginia (MDL No. 2325), and in Canada and other countries, where various class action and individual complaints are pending 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, and seek compensatory and punitive damages, where available.

We and certain plaintiffs' counsel representing mesh-related product liability claimants have entered into various Master Settlement Agreements (MSAs) and other agreements to resolve up to approximately 71,000 filed and unfiled mesh claims handled or controlled by the participating counsel. These MSAs and other agreements were entered into at various times between June 2013 and August 2017, were solely by way of compromise and settlement and were not in any way an admission of liability or fault by us or any of our subsidiaries.

All MSAs are subject to a process that includes guidelines and procedures for administering the settlements and the release of funds. In certain cases, the MSAs provide for the creation of qualified settlement funds (QSFs) into which funds may be deposited pursuant to certain schedules set forth in those agreements. All MSAs have participation requirements regarding the claims represented by each law firm party to the MSA. If certain participation requirements are not met, then we will have the right to terminate the settlement with that law firm. In addition, one agreement gives us 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. Funds deposited in QSFs are included in restricted cash and cash equivalents in the Condensed Consolidated Balance Sheets.

Distribution of funds to any individual claimant is conditioned upon the receipt of documentation substantiating the validity of the claim, 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 is required to represent and warrant that liens, assignment rights or other claims identified in the claims administration process have been or will be satisfied by the individual claimant. Confidentiality provisions apply to 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 settlements.

In June 2017, the Hon. Joseph R. Goodwin, U.S. District Court Judge for the Southern District of West Virginia, entered a case management order in MDL 2325 that includes a provision requiring plaintiffs in newly filed MDL cases to provide expert disclosures on specific causation within one hundred twenty (120) days of filing a claim (the Order). Under the Order, a plaintiff's failure to meet the foregoing deadline may be grounds for the entry of judgment against such plaintiff. In July 2017, a similar order was entered in Minnesota state court.

Beginning in the second quarter of 2017, we aggressively pursued a settlement strategy in connection with our mesh litigation. Consequently, the Company increased its mesh liability accrual by $775.5 million in the second quarter of 2017, which is expected to cover approximately 22,000 known U.S. mesh claims, subject to a claims validation process for all resolved claims, as well as all of the international mesh liability claims of which the Company is aware and other mesh-related matters. This increase reflects the Company's conclusion that a loss was probable with respect to all unsettled mesh-related matters of which we are aware as of the date of this report and our current liability accrual applies to such matters. Although the Company believes it has appropriately estimated the probable total amount of loss associated with all matters as of the date of this report, it is reasonably possible that further claims may be filed or asserted and adjustments to our liability accrual may be required. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The following table presents the changes in the QSFs and mesh liability accrual balance during the six months ended June 30, 2017 (in thousands):

	Qualified Settlement Funds	Mesh Liability Accrual
Balance as of January 1, 2017	$ 275,987	$ 963,117
Additional charges	—	775,474
Cash contributions to Qualified Settlement Funds	522,770	—
Cash distributions to settle disputes from Qualified Settlement Funds	(440,190)	(440,190)
Cash distributions to settle disputes	—	(3,794)
Other	510	—
Balance as of June 30, 2017	$ 359,077	$ 1,294,607

As of June 30, 2017, $868.9 million of the mesh liability accrual amount shown above is classified in the Current portion of the legal settlement accrual in the Condensed Consolidated Balance Sheets, with the remainder classified as Long-term legal settlement accrual, less current portion. Charges related to vaginal mesh liability and associated legal fees and other expenses for all periods presented are reported in Discontinued operations, net of tax in our Condensed Consolidated Statements of Operations.

To date, the Company has made total mesh liability payments of approximately $2.8 billion, $359.1 million of which remains in the QSFs as of June 30, 2017. We expect to fund into the QSFs the remaining payments under all settlement agreements during 2017, 2018 and 2019. As the funds are disbursed out of the QSFs from time to time, the liability accrual will be reduced accordingly with a corresponding reduction to restricted cash and cash equivalents. In addition, we may pay cash distributions to settle disputes separate from the QSFs, which will also decrease the liability accrual and decrease cash and cash equivalents.

We were contacted in October 2012 regarding a civil investigation 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 we have subsequently received additional subpoenas from California and other states. We are currently cooperating with this investigation. At this time, we cannot predict the ultimate outcome of these matters and we are unable to estimate the possible range of any additional losses that could be incurred, which could be material to the Company's operating results and cash flows for the period in which they are resolved or become estimable.

Testosterone Cases. We and certain of our subsidiaries, including Endo Pharmaceuticals Inc. (EPI) and Auxilium Pharmaceuticals, Inc. (subsequently converted to Auxilium Pharmaceuticals, LLC and hereinafter referred to as Auxilium), along with other pharmaceutical manufacturers, have been named as defendants in lawsuits alleging personal injury resulting from the use of prescription medications containing testosterone, including FORTESTA® Gel, DELATESTRYL®, TESTIM®, TESTOPEL®, AVEED® and STRAINT®. Plaintiffs in these suits allege various personal injuries, including pulmonary embolism, stroke and other vascular and/or cardiac injuries and seek compensatory and/or punitive damages, where available. In June 2014, an MDL was formed to include claims involving all testosterone replacement therapies filed against EPI, Auxilium and other manufacturers of such products, and certain transferable cases pending in federal court were coordinated in the U.S. District Court for the Northern District of Illinois as part of MDL No. 2545. In addition, litigation has also been filed against EPI in the Court of Common Pleas for Philadelphia County and in certain other state courts. Litigation similar to that described above may also be brought by other plaintiffs in various jurisdictions, and we expect cases brought in federal court to be transferred to the U.S. District Court for the Northern District of Illinois as tag-along actions to MDL No. 2545. However, we cannot predict the timing or outcome of any such litigation, or whether any such additional litigation will be brought against us. We intend to contest the litigation vigorously and to explore all options as appropriate in our best interests. As of July 31, 2017, approximately 1,285 cases are currently pending against us; some of which may have been filed on behalf of multiple plaintiffs. The first MDL trial against Auxilium involving TESTIM® is set to begin in November 2017; the first trial against Auxilium in the Court of Common Pleas for Philadelphia County involving TESTIM® is set to begin in January 2018; and the first MDL trial against EPI involving FORTESTA® Gel is set to begin in September 2018.

In November 2015, the U.S. District Court for the Northern District of Illinois entered an order granting defendants' motion to dismiss claims involving certain testosterone products that were approved pursuant to ANDAs, including TESTOPEL®. Plaintiffs filed a motion for reconsideration and clarification of this order. In March 2016, the District Court granted plaintiffs' motion in part and entered an order permitting certain claims to go forward to the extent they are based on allegations of fraudulent off-label marketing.

In November 2014, a civil class action complaint was filed in the U.S. District for the Northern District of Illinois against EPI, Auxilium 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, Auxilium 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 Racketeer Influenced and Corrupt Organizations Act claims. Further, the complaint alleged that EPI, Auxilium and other defendant manufacturers violated various state consumer protection laws through their marketing of certain testosterone products and raised other state law claims. In March 2015, defendants filed a motion to dismiss the complaint and plaintiffs responded by filing amended complaints, which defendants also moved to dismiss. In February 2016, the District Court granted in part and denied in part defendants' motion to dismiss. The District Court declined to dismiss plaintiffs' claims for conspiracy to commit racketeering activity in violation of 18 U.S.C. §1962(d) and claims for negligent misrepresentation. In April 2016, plaintiffs filed a third amended complaint, which defendants moved to dismiss in June 2016. In August 2016, the court denied the motion to dismiss, and we filed a response to the third amended complaint in September 2016. In October 2015, a similar civil class action complaint was filed against EPI and other defendant manufacturers in the U.S. District for the Northern District of Illinois. Similar litigation may be brought by other plaintiffs. We 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 we intend to contest this litigation vigorously and will explore all options as appropriate in our best interests.

Unapproved Drug Litigation

In September 2013, the State of Louisiana filed a petition for damages against certain of our subsidiaries, including EPI, 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 sought damages, fines, penalties, attorneys' fees and costs under various causes of action. In October 2015, the District Court ordered judgment for defendants on their exception for no right of action. The State of Louisiana appealed that decision and in October 2016, the Louisiana Court of Appeals, First Circuit, issued a decision affirming the dismissal as to certain counts and reversing the dismissal as to others. The State filed a petition for rehearing, which was denied by the court in December 2016. Both sides applied to Louisiana Supreme Court for a writ of certiorari to review the First Circuit's decision. Those writs were denied in March 2017. Defendants filed exceptions for no cause of action in May 2017. A hearing on Defendants' exceptions was held in July 2017.

In March 2017, the State of Mississippi filed a complaint against our subsidiary EPI in the Chancery Court for the First Judicial District of Hinds County, Mississippi, alleging that EPI marketed products that were not approved by the FDA. The State of Mississippi seeks damages, penalties, attorneys' fees, costs and other relief under various causes of action. In April 2017, EPI removed this case to the U.S. District Court for the Southern District of Mississippi. See *State of Mississippi v. Endo Pharmaceuticals Inc.*, No. 3:17-CV-277 (S.D. Miss.). In May 2017, the State of Mississippi filed a motion to remand and the case was consolidated for purposes of the remand motion with five other nearly identical cases brought by the State of Mississippi against other manufacturers. That motion is fully briefed and remains pending.

We intend to contest the above cases vigorously and to explore other options as appropriate in our best interests. 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 us. We 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.

Opioid-Related Litigations, Subpoenas and Document Requests

In June 2014, Corporation Counsel for the City of Chicago filed suit in Illinois state court against multiple defendants, including our subsidiaries Endo Health Solutions Inc. (EHSI) and EPI, for alleged violations of city ordinances and other laws relating to defendants' alleged opioid sales and marketing practices. In June 2014, the case was removed to the U.S. District Court for the Northern District of Illinois. In December 2014, defendants moved to dismiss the amended complaint and in May 2015, the District Court issued an order granting that motion in part, dismissing the case as to EHSI and EPI. In August 2015, plaintiff filed its second amended complaint against multiple defendants, including EPI and EHSI. In November 2015, defendants moved to dismiss the second amended complaint. In September 2016, the District Court granted in part and denied in part defendants' motions to dismiss and provided plaintiff an opportunity to amend its complaint. Plaintiff filed the third amended complaint in October 2016. In December 2016, defendants moved to dismiss the re-pled claims in the third amended complaint, and filed their answers as to the claims not previously dismissed by the Court. Defendants are currently awaiting a ruling on their motions to dismiss.

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 our subsidiaries EHSI and EPI (with EPI being added as part of the first amended complaint in June 2014). The complaint asserted 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® ER. Plaintiff sought declaratory relief, restitution, civil penalties (including treble damages), abatement, an injunction and attorneys' fees and costs. Defendants, including our subsidiaries, filed various motions attacking the pleadings, including one requesting that the Superior Court refrain from proceeding under the doctrines of primary jurisdiction and equitable abstention. That motion was granted in August 2015, and the case was stayed pending further proceedings and findings by the FDA. In June 2016, plaintiffs filed a motion to lift the stay and to amend the complaint. Defendants, including EHSI and EPI, opposed that motion. Following a hearing in July 2016, the court provided plaintiffs an opportunity to seek leave to file another amended complaint. In August 2016, plaintiffs filed a renewed motion to lift the stay and amend the complaint. In October 2016, the court granted, in part, plaintiffs' renewed motion to lift the stay and the plaintiffs filed their third amended complaint. Defendants were not required to respond to this complaint. In July 2017, plaintiffs filed a fourth amended complaint, to which defendants' response is not yet due.

In December 2015, a lawsuit was filed in the Chancery Court of the First Judicial District of Hinds County, Mississippi by the State of Mississippi against multiple defendants, including our subsidiaries EHSI and EPI. The complaint alleges violations of Mississippi's Consumer Protection Act and various other claims arising out of defendants' alleged opioid sales and marketing practices. Plaintiff seeks declaratory relief, restitution, civil penalties, abatement, an injunction and attorneys' fees and costs. In March 2016, defendants moved to dismiss the complaint and to transfer the case from Hinds County to Rankin County. The motion to transfer was denied in February 2017. In March 2017, Defendants petitioned for an interlocutory appeal of that ruling, and in May 2017 the Mississippi Supreme Court agreed to hear the appeal and stayed proceedings in the Hinds County Chancery Court until resolution of the appeal. The motion to dismiss also remains pending.

In August 2016, the County of Suffolk, New York filed suit in New York Supreme Court (Suffolk County) against multiple defendants, including our subsidiaries EHSI and EPI, for alleged violations of state false and deceptive advertising and other statutes, public nuisance, common law fraud and unjust enrichment based on opioid sales and marketing practices. The County of Suffolk is seeking compensatory damages, interest, costs, disbursements, punitive damages, treble damages, penalties and attorneys' fees. Defendants, including our subsidiaries, filed motions to dismiss and to stay in January 2017. The hearing on those motions is scheduled for September 2017. In February 2017, Broome County, New York, and Erie County, New York, filed similar suits in New York Supreme Court (Broome County and Erie County, respectively). Defendants also filed motions to dismiss in Broome and Erie Counties. Between May and June 2017, several other New York counties also filed similar suits in New York Supreme Court within their respective counties. Those counties are: Orange County, Dutchess County, Seneca County, Sullivan County, Nassau County and Schenectady County. In July 2017, the pharmaceutical defendants, including our subsidiaries, moved to coordinate the nine New York county suits within the Supreme Court of the State of New York, County of Suffolk for pre-trial purposes. The State of New York Supreme Court Litigation Coordinating Panel granted the motion in July 2017.

In March 2017, the Boone County Commission filed suit in the U.S. District Court for the Southern District of West Virginia against multiple defendants, including our subsidiary Generics Bidco I, LLC, for the alleged violation of federal and state safety laws designed to monitor, detect and prevent the diversion of controlled substances. The complaint generally seeks compensatory and punitive damages for the alleged creation of a public nuisance. That case is currently stayed as to Generics Bidco I, LLC, pending resolution of motions to dismiss filed by certain other pharmaceutical distributor defendants.

In May 2017, San Joaquin County, the City of Stockton, California and the Montezuma Fire Protection District filed suit in California Superior Court (San Joaquin County) against multiple defendants, including our subsidiaries EHSI and EPI, asserting various claims arising out of defendants' alleged misrepresentations in connection with sales and marketing of opioids. The plaintiffs in that case seek compensatory damages, punitive damages and attorneys' fees and costs. In July 2017, our subsidiaries removed the case to the U.S. District Court for the Eastern District of California.

In May 2017, the State of Ohio filed suit in the Ohio state court (Ross County) against multiple defendants, including EPI and EHSI. The complaint asserts that defendants, including our subsidiaries, violated the Ohio Consumer Sales Practices Act, the Ohio Medicaid Fraud Act and the Ohio Corrupt Practices Act. The complaint also asserts other statutory and common law claims against the defendants, including our subsidiaries. The State's claims arise out of defendants' alleged misrepresentations in connection with sales and marketing of opioids. The State of Ohio seeks declaratory and injunctive relief, compensatory, punitive and treble damages, restitution, civil penalties and attorneys' fees and costs.

In June 2017, the City of Dayton, Ohio filed suit in Ohio state court (Montgomery County) against our subsidiaries EPI and EHSI and other defendants, asserting claims for violation of Ohio's consumer sales practice statute, violation of Ohio's deceptive trade practices statute, public nuisance, unjust enrichment and fraud arising from alleged misrepresentations in connection with sales and marketing of opioids. The complaint also asserts a claim for negligence against pharmaceutical distributors named as defendants, but does not assert that claim as to EPI or EHSI. The City of Dayton seeks compensatory damages, treble damages, penalties, punitive damages, interest, costs and disbursements. In July 2017, our subsidiaries removed the case to the U.S. District Court for the Southern District of Ohio. In August 2017, the City of Dayton filed a motion to remand the case to state court, which remains pending. The City of Lorain, Ohio filed a similar suit in Ohio state court (Lorain County) in June 2017, which also names our subsidiaries, along with other defendants. In August 2017, our subsidiaries removed the case to the U.S. District Court for the Northern District of Ohio.

In June 2017, Barry Staubus in his official capacity as the District Attorney General for the Second Judicial District, TN, Tony Clark, in his official capacity as the District Attorney General for the First Judicial District, TN, and Dan Armstrong, in his official capacity as the District Attorney General for the Third Judicial District, TN, along with plaintiff "Baby Doe," filed suit against EPI, EHSI and other defendants in Tennessee Circuit Court (Sullivan County). The suit asserts claims for violation of the Tennessee Drug Dealer Liability Act and public nuisance and also seeks a declaration that Tennessee's statutory caps on personal injury and punitive damages violate Tennessee's state constitution. The plaintiffs also seek compensatory and punitive damages, restitution, injunctive relief and attorneys' fees and costs. In July 2017, our subsidiaries removed the case to the U.S. District Court for the Eastern District of Tennessee. In August 2017, the plaintiffs filed a motion to remand the case to state court, which remains pending.

In June 2017, the State of Missouri filed suit against EPI, EHSI and other defendants in the Circuit Court of St. Louis City, Missouri asserting claims for violations of the Missouri Merchandising Practices Act and other state law claims based on defendants' alleged misrepresentations in connection with sales and marketing of opioids. The state seeks civil penalties, damages, restitution, attorneys' fees and costs and punitive damages.

In June 2017, a lawsuit was filed in the Illinois Circuit Court of the First Judicial Circuit (Union County) in the name of the People of the State of Illinois, the People of Union County and Union County against EPI, EHSI and other defendants. The complaint asserts state statutory claims based on alleged misrepresentations in connection with sales and marketing of opioids. A similar lawsuit was also filed in the Illinois Circuit Court of the Seventh Judicial Circuit (Jersey County) in the name of the People of the State of Illinois, the People of Jersey County and Jersey County against EPI, EHSI and other defendants. Both complaints seek injunctive relief, restitution, disgorgement, civil penalties, attorneys' fees and costs.

In June 2017, a class action complaint was filed in the United States District Court of the Western District of Arkansas against our subsidiaries EPI and EHSI and other defendants. The complaint alleges that defendants violated Arkansas deceptive trade practices law and have been unjustly enriched by their alleged opioid sales and marketing practices, and seeks an order requiring defendants to fund a medical monitoring program to identify problematic opioid use. The complaint also seeks damages, restitution, disgorgement, other injunctive relief and attorneys' fees and costs.

In August 2017, the County of Multnomah, Oregon filed suit in Oregon state court against our subsidiaries EPI and EHSI and other defendants, asserting claims for public nuisance, abnormally dangerous activity, gross negligence, fraud and deceit, and negligence. The plaintiff seeks damages, interest and costs.

We intend to contest the lawsuits identified above vigorously.

In addition to the lawsuits described above, the Company and/or its subsidiaries have received subpoenas, civil investigative demands and informal requests for information concerning the sale and marketing of opioids, including the following:

In September 2014, our subsidiaries EHSI and EPI 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.

In August 2015, our subsidiaries EHSI and EPI received a subpoena from the State of New Hampshire Office of the Attorney General seeking documents and information regarding the sales and marketing of opioids, including OPANA® ER. We were cooperating with the State of New Hampshire Office of the Attorney General in its investigation until we learned it was being assisted by outside counsel hired on a contingent fee basis. The New Hampshire Attorney General initiated an action in the Superior Court for the State of New Hampshire to enforce the subpoena despite this contingent fee arrangement, and we (along with other companies that had received similar subpoenas) responded by filing a motion for protective order to preclude the use of contingent fee counsel. In addition, we filed a separate motion seeking declaratory relief. In March 2016, the Superior Court granted the motion for protective order on the grounds that the contingent fee agreement was invalid as *ultra vires* and that the office of the Attorney General had acted outside of its statutory authority in entering into the agreement with the contingent fee counsel. In April 2016, both the New Hampshire Attorney General and the companies that received subpoenas from the New Hampshire Attorney General, including EHSI and EPI, appealed, in part, the March 2016 Superior Court order to the New Hampshire Supreme Court. In June 2017, the New Hampshire Supreme Court issued its decision on the appeals, reversing the Superior Court's protective order ruling and remanding the case to the Superior Court.

In April 2016, EHSI and EPI received a Civil Investigative Demand (CID) from the Department of Justice (DOJ) for the State of Oregon seeking documents and information regarding the sales and marketing of OPANA® ER.

In November 2016, Endo International plc and EPI received an Administrative Subpoena from the Office of the Attorney General of Maryland seeking documents and information regarding the sales and marketing of opioid products.

In March 2017, EPI received a subpoena from the Office of the Attorney General of New Jersey seeking documents and information regarding the sales and marketing of opioid products.

In May 2017, EPI received an Investigative Demand from the State of North Carolina Department of Justice seeking documents and information regarding the sales and marketing of opioid products.

We are currently cooperating with each of the investigations described above.

Investigations and lawsuits similar to the foregoing matters may be brought by others. We are unable to predict the outcome of these investigations or litigations, which may involve additional requests for information. We are also unable to predict 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 or litigations, if any, but will explore all options as appropriate in our best interests.

Antitrust Litigation and Investigations

Multiple direct and indirect purchasers of LIDODERM® have filed a number of cases against our subsidiary EPI and co-defendants Teikoku Seiyaku Co., Ltd., Teikoku Pharma USA, Inc. (collectively, Teikoku) and Actavis plc and certain of its subsidiaries (collectively, Actavis), which was subsequently acquired by Teva Pharmaceuticals Industries Ltd and its subsidiaries (collectively, Teva) from Allergan plc (Allergan). Certain of these actions have been asserted on behalf of classes of direct and indirect purchasers, while others are individual cases brought by one or more alleged direct or indirect purchasers. The complaints in these cases generally allege that EPI, 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) and other patents. Some of the complaints also allege that Teikoku wrongfully listed the '529 patent in the Orange Book as related to LIDODERM®, that EPI and Teikoku commenced sham patent litigation against Actavis and that EPI 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 as well as common law remedies in some states. These cases generally seek damages, treble damages, disgorgement of profits, restitution, injunctive relief and attorneys' fees.

The U.S. Judicial Panel on Multidistrict Litigation, pursuant to 28 U.S.C. § 1407, issued an order in April 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. The court granted plaintiffs' motions for class certification filed on behalf of classes of direct and indirect purchasers in February 2017. In June 2017, we filed a motion for summary judgment on all claims against all defendants, and plaintiffs filed a motion for partial summary judgment on certain elements of their claims. Trial is currently scheduled to begin in late 2017. We cannot predict whether or not additional cases similar to those described above will be filed by other plaintiffs or the timing or outcome of any such litigation. We expect any such cases brought in federal court to be transferred to the Northern District of California as tag-along actions to *In Re Lidoderm Antitrust Litigation*.

Multiple direct and indirect purchasers of OPANA® ER have filed cases against our subsidiaries EHSI and EPI and other pharmaceutical companies, including Penwest Pharmaceuticals Co., which we subsequently acquired, and Impax Laboratories Inc. (Impax), all of which have been transferred and coordinated for pretrial proceedings in the U.S. District Court for the Northern District of Illinois by the Judicial Panel on Multidistrict Litigation. Some of these cases have been filed on behalf of putative classes of direct and indirect purchasers, while others have been filed on behalf of individual retailers or health care benefit plans. 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. In February 2016, the District Court issued orders (i) denying defendants' motion to dismiss the claims of the direct purchasers, (ii) denying in part and granting in part defendants' motion to dismiss the claims of the indirect purchasers, but giving them permission to file amended complaints and (iii) granting defendants' motion to dismiss the complaints filed by certain retailers, but giving them permission to file amended complaints. In response to the District Court's orders, the indirect purchasers filed an amended complaint to which the defendants filed a renewed motion to dismiss certain claims, and certain retailers also filed amended complaints. The defendants successfully moved to dismiss the indirect purchaser unjust enrichment claims arising under the laws of the states of California, Rhode Island and Illinois.

Beginning in February 2009, certain private plaintiffs, including distributors and retailers, filed a lawsuit against our subsidiary, Par Pharmaceutical Companies, Inc. (Par), in the U.S. District Court for the Central District of California, which was subsequently transferred to the U.S. District Court for the Northern District of Georgia, and which alleged violations of antitrust law arising out of Par's settlement of certain patent litigation concerning the generic version of AndroGel®. Generally, the complaints in the remaining private plaintiff suits seek equitable relief, unspecified damages and costs.

In September 2012, the District Court granted a motion for summary judgment against the private plaintiffs' claims of sham litigation. In May 2016, those private plaintiffs representing the putative class of indirect purchasers voluntarily dismissed their case against Par with prejudice. Claims by the direct purchasers are still pending.

In July 2016, Fresenius Kabi USA, LLC (Fresenius) filed a complaint against Par and its affiliate Par Sterile Products, LLC in the U.S. District Court for the District of New Jersey alleging that Par and its affiliate engaged in an anticompetitive scheme to exclude competition from the market for vasopressin solution for intravenous injection in view of Par's VASOSTRICT® (vasopressin) product. The complaint alleges violations of Sections 1 and 2 of The Sherman Antitrust Act, 15 U.S.C. §§ 1, 2, as well as the antitrust law and common law of the state of New Jersey, alleging that Par and its affiliate entered into exclusive supply agreements with one or more active pharmaceutical ingredient (API) manufacturers and that Fresenius has been unable to obtain vasopressin API in order to file an ANDA to obtain FDA approval for its own vasopressin product. Fresenius seeks actual, treble and punitive damages in an unspecified amount, attorneys' fees and costs and injunctive relief. In September 2016, Par and its affiliate filed a motion to dismiss the case for Fresenius' failure to properly state a claim under the antitrust laws. In February 2017, the District Court denied the motion to dismiss.

We intend to contest the lawsuits identified above vigorously.

In addition to the lawsuits described above, the Company and/or its subsidiaries have received subpoenas, civil investigative demands and informal requests for information concerning antitrust matters, including the following:

In November 2014, EPI received a CID from the State of Florida Office of the Attorney General issued pursuant to the Florida Antitrust Act of 1980, Section 542.28 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®.

In February 2015, EHSI and EPI received CIDs for Production of Documents and Information from the State of Alaska Office of Attorney General issued pursuant to Alaska's Antitrust and Unfair Trade Practices and Consumer Protection law seeking documents and other information concerning settlement agreements with Actavis and Impax settling the OPANA® ER patent litigation as well as information concerning EPI's settlement agreement with Actavis settling the LIDODERM® patent litigation, as well as information concerning the marketing and sales of LIDODERM®.

In February 2016, EPI received a CID from the State of South Carolina Office of the Attorney General 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®.

In February 2015, Par and affiliates received a CID from the Office of the Attorney General for the State of Alaska seeking production of certain documents and information regarding Par's settlement of the AndroGel® patent litigation as well as documents produced in the aforementioned litigation filed by the FTC.

We are currently cooperating with the State of Florida Office of the Attorney General, the State of Alaska Office of the Attorney General and the State of South Carolina Office of the Attorney General in their respective investigations. Investigations and lawsuits similar to these antitrust matters described above may be brought by others.

In certain of these matters, the Company believes that a loss is probable and we have incorporated our best estimate of this loss into our reserve for loss contingencies. However, we are unable to predict the outcome of certain of these investigations or litigations. Except for the amount included in our reserve for loss contingencies, the ultimate legal and financial liability and the possible loss or range of loss for these investigations or litigations cannot be reasonably estimated at this time. It is reasonably possible that additional losses could be incurred and those losses could be material. Investigations and lawsuits similar to the foregoing matters may be brought by others. The Company will explore all options as appropriate in our best interests.

False Claims Act Litigation

The Attorneys General of Florida, Indiana and Virginia and the U.S. Office of Personnel Management (the USOPM) have issued subpoenas, and the Attorneys General of Michigan, Tennessee, Texas and Utah have issued CIDs, to our subsidiary Par, among other companies. The demands generally request documents and information pertaining to allegations that certain of Par's sales and marketing practices caused pharmacies to substitute ranitidine capsules for ranitidine tablets, fluoxetine tablets for fluoxetine capsules and two 7.5 mg buspirone tablets for one 15 mg buspirone tablet, under circumstances in which some state Medicaid programs at various times reimbursed the new dosage form at a higher rate than the dosage form being substituted. Par has provided documents in response to these subpoenas to the respective Attorneys General and the USOPM. The aforementioned subpoenas and CIDs culminated in the federal and state law qui tam action brought on behalf of the U.S. and several states by Bernard Lisitza. The complaint was unsealed in August 2011. Lisitza's corrected second amended complaint generally seeks (i) a finding that defendants violated and be enjoined from future violations of the federal False Claims Act and state false claims acts; (ii) treble damages and maximum civil penalties for each violation of the federal False Claims Act and state false claims acts; (iii) an applicable percentage share of the proceeds; and (iv) expenses, fees and costs. The U.S. intervened in this action and filed a separate complaint in September 2011, alleging claims for violations of the Federal False Claims Act and common law fraud. The U.S.'s second corrected complaint generally seeks (i) treble damages and civil penalties for violations under the federal False Claims Act and (ii) compensatory and punitive damages for common law fraud. The states of Michigan and Indiana have also intervened as to claims arising under their respective state false claim acts, common law fraud and unjust enrichment. Michigan's complaint generally seeks (i) treble damages and civil penalties and (ii) common law compensatory and punitive damages. Indiana's amended complaint generally seeks treble damages, costs and attorney's fees. A motion for summary judgment is pending. Similar litigation may be brought by other plaintiffs. We intend to vigorously defend this lawsuit. At this time, we 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.

Pricing Matters

In December 2014, our subsidiary Par received a Subpoena to testify before Grand Jury from the Antitrust Division of the DOJ and issued by the U.S. District Court for the Eastern District of Pennsylvania. The subpoena requested documents and information focused primarily on product and pricing information relating to Par's authorized generic version of Lanoxin (digoxin) oral tablets and Par's generic doxycycline products, and on communications with competitors and others regarding those products. Par is currently cooperating with the investigation.

In December 2015, EPI received Interrogatories and Subpoena Duces Tecum from the State of Connecticut Office of Attorney General requesting information regarding pricing of certain of its generic products, including doxycycline hyclate, amitriptyline hydrochloride, doxazosin mesylate, methotrexate sodium and oxybutynin chloride. We are currently cooperating with this investigation.

In March 2016, EPI received a CID from the U.S. Attorney's Office for the Southern District of New York. The CID requested documents and information regarding contracts with Pharmacy Benefit Managers regarding FROVA®. We are currently cooperating with this investigation.

We are unable to predict the outcome of the foregoing investigations, which may involve additional requests for information. In addition, investigations similar to these matters described above may be brought by others. We are also unable to predict 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 our best interests.

Beginning in December 2015, two complaints, including a class action complaint, were filed in the Philadelphia Court of Common Pleas against us and certain of our subsidiaries, including Par, along with other manufacturers of generic pharmaceutical products, seeking compensatory and punitive or treble damages, as well as injunctive relief, and alleging that certain marketing and pricing practices by the defendant companies violated state law, including consumer protection law. The class action complaint was subsequently removed to the U.S. District Court for the Eastern District of Pennsylvania, and the plaintiff filed an amended complaint. In January 2017, defendants moved to dismiss the amended class action complaint, and that motion remains pending. The case in the Philadelphia Court of Common Pleas is stayed pending resolution of the class action.

Beginning in March 2016, several class action complaints were filed in the U.S. District Courts for the Eastern District of Pennsylvania and the District of Rhode Island against us and certain of our subsidiaries, including Par and Par Pharmaceutical, Inc. (PPI), and other manufacturers seeking compensatory and punitive or treble damages, as well as injunctive relief, and alleging that certain marketing and pricing practices regarding digoxin and doxycycline violated federal and/or state antitrust laws and/or gave rise to state consumer protection and/or unjust enrichment claims. The U.S. Judicial Panel on Multidistrict Litigation, pursuant to 28 U.S.C. §1407, issued an order in August 2016 establishing coordinated or consolidated pretrial proceedings for these cases in the U.S. District Court for the Eastern District of Pennsylvania under the caption *In Re Generic Digoxin and Doxycycline Antitrust Litigation*, MDL No. 2724. The direct purchaser plaintiffs and indirect purchaser plaintiffs filed consolidated amended class action complaints in January 2017, and defendants moved to dismiss those complaints in March 2017. An independent pharmacy plaintiff filed a similar class action complaint in the U.S. District Court for the Eastern District of Pennsylvania in March 2017.

Since November 2016, several class action complaints have been filed in the U.S. District Court for the Eastern District of Pennsylvania against certain of our subsidiaries, including Par and PPI, and other manufacturers seeking compensatory and punitive or treble damages, as well as injunctive relief, and alleging that certain marketing and pricing practices regarding divalproex ER violated federal and/or state antitrust laws and/or gave rise to state consumer protection and/or unjust enrichment claims.

Beginning in December 2016, multiple class action complaints were filed in the U.S. District Court for the Eastern District of Pennsylvania and U.S. District Court for the Southern District of New York against us and certain of our subsidiaries, including PPI, and other manufacturers seeking compensatory and punitive or treble damages, as well as injunctive relief, and alleging that certain marketing and pricing practices regarding propranolol violated federal and/or state antitrust laws and/or gave rise to state consumer protection and/or unjust enrichment claims. Defendants moved to dismiss one direct purchaser complaint pending in the Eastern District of Pennsylvania in March 2017. The remaining Eastern District of Pennsylvania actions relating to propranolol were stayed pending a ruling from the U.S. Judicial Panel on Multidistrict Litigation on the motion to transfer described below. In the Southern District of New York actions, the indirect purchasers filed a consolidated amended complaint in February 2017, and the direct purchasers filed a consolidated amended complaint in March 2017. Defendants moved to dismiss both consolidated amended complaints, and those motions were denied in April 2017, except as to certain state law claims brought by the indirect purchaser plaintiffs.

Beginning in March 2017, several class action complaints were filed in the U.S. District Court for the Eastern District of Pennsylvania against our subsidiary PPI and other manufacturers seeking compensatory and punitive or treble damages, as well as injunctive relief, and alleging that certain marketing and pricing practices regarding baclofen violated federal and/or state antitrust laws and/or gave rise to state consumer protection and/or unjust enrichment claims.

Also beginning in March 2017, several class action complaints were filed in the U.S. District Courts for the Eastern District of Pennsylvania and the Southern District of New York against us and certain of our subsidiaries, including PPI, and other manufacturers seeking compensatory and punitive or treble damages, as well as injunctive relief, and alleging that certain marketing and pricing practices regarding amitriptyline or amitriptyline hydrochloride violated federal and/or state antitrust laws and/or gave rise to state consumer protection and/or unjust enrichment claims.

In January 2017, Rochester Drug Co-Operative, Inc. filed a motion with the U.S. Judicial Panel on Multidistrict Litigation seeking to transfer certain of the foregoing antitrust complaints to the U.S. District Court for the Eastern District of Pennsylvania for inclusion in MDL No. 2724, which would then be renamed *In re Generic Pharmaceuticals Pricing Antitrust Litigation*. In April 2017, the U.S. Judicial Panel on Multidistrict Litigation issued an order renaming MDL No. 2724 as requested and expanding it to include actions in which: (a) plaintiffs assert claims for price fixing of generic drugs in violation of the Sherman Act and/or state antitrust laws on behalf of overlapping putative nationwide classes of direct or indirect purchasers of generic pharmaceuticals; (b) the average market price of the subject generic pharmaceutical is alleged to have increased between 2012 and the present; (c) defendants are alleged to have effectuated the alleged conspiracy through direct company-to-company contacts and through joint activities undertaken through trade associations, in particular meetings of the Generic Pharmaceutical Association; and (d) the allegations stem from the same government investigation into anticompetitive conduct in the generic pharmaceuticals industry. Pursuant to this order, the propranolol and amitriptyline hydrochloride cases filed in the U.S. District Court for the Southern District of New York were transferred to the U.S. District Court for the Eastern District of Pennsylvania as part of MDL No. 2724. As noted above, the digoxin and doxycycline, divalproex ER and baclofen cases were already pending in the U.S. District Court for the Eastern District of Pennsylvania, and they all have been consolidated into MDL No. 2724. We expect consolidated amended class action complaints to be filed in August 2017.

We intend to contest these litigations vigorously and to explore all options as appropriate in our best interests. Lawsuits similar to these pricing matters described above may be brought by others. We are unable to predict the outcome of these litigations 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 litigations, if any.

Securities Related Class Action Litigation

In May 2016, a putative class action entitled *Craig Friedman v. Endo International plc, Rajiv Kanishka Liyanaarchchie de Silva and Suketu P. Upadhyay* was filed in the U.S. District Court for the Southern District of New York by an individual shareholder on behalf of himself and all similarly situated shareholders. In August 2016, the Steamfitters' Industry Pension Fund and Steamfitters' Industry Security Benefit Fund were appointed lead plaintiffs in the action. In October 2016, a second amended complaint was filed, which added Paul Campanelli as a defendant, and we filed a motion to dismiss the case. In response, and without resolving the motion, the Court permitted lead plaintiffs to file a third amended complaint. The lawsuit alleges violations of Sections 10(b) and 20(a) of the Exchange Act based on the Company's revision of its 2016 earnings guidance and certain disclosures about its generics business, the integration of Par and its subsidiaries, certain other alleged business issues and the receipt of a CID from the U.S. Attorney's Office for the Southern District of New York regarding contracts with Pharmacy Benefit Managers concerning FROVA®. Lead plaintiffs seek class certification, damages in an unspecified amount and attorneys' fees and costs. We filed a motion to dismiss the third amended complaint in December 2016. Briefing on that motion has been completed but no ruling has been issued.

In February 2017, a putative class action entitled *Public Employees' Retirement System of Mississippi v. Endo International plc* was filed in the Court of Common Pleas of Chester County, Pennsylvania by an institutional purchaser of shares in our June 2, 2015 public offering, on behalf of itself and all similarly situated purchasers. The lawsuit alleges violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 against Endo, certain of Endo's current and former directors and officers, and the underwriters who participated in the offering, based on certain disclosures about Endo's generics business. In March 2017 defendants removed the case to the U.S. District Court for the Eastern District of Pennsylvania. In May 2017, the plaintiff moved to remand the case back to Pennsylvania state court; briefing on their motion has been completed, but no ruling has been issued.

In April 2017, a putative class action entitled *Phaedra A. Makris v. Endo International plc, Rajiv Kanishka Liyanaarchchie de Silva and Suketu P. Upadhyay* was filed in the Superior Court of Justice in Ontario, Canada by an individual shareholder on behalf of herself and similarly-situated Canadian-based investors who purchased Endo's securities between January 11 and May 5, 2016. The statement of claim generally seeks class certification, declaratory relief, damages, interest and costs based on alleged violations of the Ontario Securities Act. The statement of claim alleges negligent misrepresentations concerning the Company's revenues, profit margins and earnings per share; its receipt of a subpoena from the State of Connecticut regarding doxycycline hyclate, amitriptyline hydrochloride, doxazosin mesylate, methotrexate sodium and oxybutynin chloride; and the erosion of the Company's U.S. generic pharmaceutical business.

We intend to contest these litigations vigorously and to explore all options as appropriate in our best interests. Lawsuits similar to these securities related class action matters described above may be brought by others. We are unable to predict the outcome of these litigations 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 litigations, if any.

Paragraph IV Certifications on OPANA® ER

In late 2012, two patents (U.S. Patent Nos. 8,309,122 and 8,329,216) were issued to EPI covering OPANA® ER (oxymorphone hydrochloride extended-release tablets CII). In December 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-INTAC® technology version of OPANA® ER. In May 2013 and June 2013, EPI filed similar suits in the U.S. District Court for the Southern District of New York against the following applicants for non-INTAC® technology OPANA® ER: Roxane Laboratories, Inc. (Roxane) and Ranbaxy Laboratories Limited, which was acquired by Sun Pharmaceutical Industries Ltd. (Ranbaxy). Those suits allege infringement of U.S. 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-INTAC® technology formulations of OPANA® ER. A trial in this case was held from March 2015 through April 2015 in the U.S. District Court for the Southern District of New York. In August 2015, the District Court ruled that all defendants infringed the claims of U.S. Patent Nos. 8,309,122 and 8,329,216. The District Court also ruled that the defendants failed to show that U.S. Patent Nos. 8,309,122 and 8,329,216 were invalid, enjoined the defendants from launching their generic products until the expiration of those patents and directed Actavis to withdraw its generic product within 60 days. In October 2015, the District Court tolled the 60-day period until it decided two pending post-trial motions. In April 2016, the District Court issued an order upholding its August 2015 ruling in EPI's favor and confirming the prior injunction against the manufacture or sale of the generic version of the non-INTAC® technology OPANA® ER currently offered by Actavis and the additional approved but not yet marketed generic version of the product developed by Roxane. The defendants filed appeals to the Court of Appeals for the Federal Circuit. We intend to continue vigorously asserting our intellectual property rights and to oppose any such appeal.

From September 21, 2012 through October 30, 2013, EPI and its partner Grünenthal received Paragraph IV Notices from each of Teva Pharmaceuticals USA, Inc., Amneal Pharmaceuticals, LLC (Amneal), ThoRx Laboratories, Inc. (ThoRx), Actavis, Impax and Ranbaxy (now Sun Pharmaceutical Industries Ltd.), advising of the filing by each such company of an ANDA for a generic version of the formulation of OPANA® ER with INTAC® technology. These Paragraph IV Notices refer to U.S. Patent Nos. 7,851,482, 8,075,872, 8,114,383, 8,192,722, 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. A trial in this case was held from March 2015 through April 2015 in the U.S. District Court for the Southern District of New York against the remaining filers. In August 2015, the District Court issued an Opinion holding that all defendants infringed the claims of U.S. Patent Nos. 8,309,060, 8,309,122 and 8,329,216. The Opinion also held that the defendants had shown that U.S. Patent No. 8,309,060 was invalid, but that the defendants had failed to show that U.S. Patent Nos. 8,309,122 and 8,329,216 were invalid. The District Court also issued an Order enjoining the defendants from launching their generic products until the expiration of U.S. Patent Nos. 8,309,122 and 8,329,216. The defendants filed appeals to the Court of Appeals for the Federal Circuit. We intend to continue to vigorously assert our intellectual property and oppose appeals by the defendants. However, there can be no assurance that we and/or Grünenthal will be successful. If we are unsuccessful and Teva, Amneal, ThoRx, Actavis or Impax is able to obtain FDA approval of its product, generic versions of OPANA® ER INTAC® technology may be launched prior to the applicable patents' expirations in 2023. Additionally, we cannot predict or determine the timing or outcome of this defense but will explore all options as appropriate in our best interests.

In August 2014 and October 2014, the U.S. Patent Office issued U.S. 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. In November 2014, EPI filed lawsuits against Teva, ThoRx, Actavis, Impax, Ranbaxy, Roxane, Amneal and Sandoz Inc. based on their ANDAs filed against both the INTAC® technology and non-INTAC® technology versions of OPANA® ER. Those lawsuits were filed in the U.S. District Court for the District of Delaware alleging infringement of these new patents, which expire in 2027 and 2029, respectively. On November 17, 2015, the District Court held the '737 patent invalid for claiming unpatentable subject matter. That patent has been dismissed from all suits and the suits administratively closed as to that patent, subject to appeal at the end of the case on the '779 patent. Beginning July 11, 2016, a three-day trial was held in the U.S. District Court for the District of Delaware against Teva and Amneal for infringement of the '779 patent. In October 2016, the District Court issued an Opinion holding that the defendants infringed the claims of U.S. Patent No. 8,871,779. The Opinion also held that the defendants had failed to show that U.S. Patent No. 8,871,779 was invalid. The District Court issued an Order enjoining the defendants from launching their generic products until the expiration of U.S. Patent No. 8,871,779 in November 2029. A trial for infringement of the '799 patent by Actavis was held in February 2017 in the same court (U.S. District Court for the District of Delaware) in front of the same judge.

We intend to defend vigorously our intellectual property rights and to pursue all available legal and regulatory avenues in defense of both the non-INTAC® technology formulation OPANA® ER and the INTAC® technology formulation OPANA® ER, including enforcement of the product's intellectual property rights and approved labeling. However, there can be no assurance that we will be successful. If we are 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 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 our best interests. In addition to the above litigation, it is possible that another generic manufacturer may also seek to launch a generic version of OPANA® ER and challenge the applicable patents.

Other Proceedings and Investigations

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

NOTE 12. OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the tax effects allocated to each component of Other comprehensive income (loss) for the three months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,					
	2017			2016		
	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount	Before-Tax Amount	Tax Benefit (Expense)	Net-of-Tax Amount
Net unrealized gain (loss) on securities:						
Unrealized gain (loss) arising during the period	$ 771	$ (280)	$ 491	$ (234)	$ 87	$ (147)
Less: reclassification adjustments for (gain) loss realized in net (loss) income	—	—	—	—	—	—
Net unrealized gains (losses)	$ 771	$ (280)	$ 491	$ (234)	$ 87	$ (147)
Net unrealized gain (loss) on foreign currency:						
Foreign currency translation gain (loss) arising during the period	10,340	—	10,340	(7,866)	(13,743)	(21,609)
Less: reclassification adjustments for (gain) loss realized in net (loss) income	—	—	—	—	—	—
Foreign currency translation gain (loss)	$ 10,340	$ —	$ 10,340	$ (7,866)	$ (13,743)	$ (21,609)
Other comprehensive income (loss)	$ 11,111	$ (280)	$ 10,831	$ (8,100)	$ (13,656)	$ (21,756)

The following table presents the tax effects allocated to each component of Other comprehensive income for the six months ended June 30, 2017 and 2016 (in thousands):

	Six Months Ended June 30,					
	2017			2016		
	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount	Before-Tax Amount	Tax Benefit (Expense)	Net-of-Tax Amount
Net unrealized gain (loss) on securities:						
Unrealized gain (loss) arising during the period	$ 227	$ (82)	$ 145	$ (1,620)	$ 613	$ (1,007)
Less: reclassification adjustments for (gain) loss realized in net (loss) income	—	—	—	—	—	—
Net unrealized gains (losses)	$ 227	$ (82)	$ 145	$ (1,620)	$ 613	$ (1,007)
Net unrealized gain (loss) on foreign currency:						
Foreign currency translation gain arising during the period	25,474	—	25,474	46,706	12,448	59,154
Less: reclassification adjustments for gain realized in net loss	—	—	—	—	—	—
Foreign currency translation gain	$ 25,474	$ —	$ 25,474	$ 46,706	$ 12,448	$ 59,154
Other comprehensive income	$ 25,701	$ (82)	$ 25,619	$ 45,086	$ 13,061	$ 58,147

The following is a summary of the accumulated balances related to each component of Other comprehensive income, net of taxes, at June 30, 2017 and December 31, 2016 (in thousands):

	June 30, 2017	December 31, 2016
Net unrealized gains	$ 1,040	$ 895
Foreign currency translation loss	(328,855)	(354,329)
Accumulated other comprehensive loss	$ (327,815)	$ (353,434)

NOTE 13. SHAREHOLDERS' EQUITY

Changes in Shareholders' Equity

The following table displays a reconciliation of our beginning and ending balances in shareholders' equity for the six months ended June 30, 2017 (in thousands):

	Total Shareholders' Equity
Shareholders' equity at January 1, 2017, prior to the adoption of ASU 2016-16	$ 2,701,589
Effect of adopting ASU 2016-16 (1)	(372,825)
Shareholders' equity at January 1, 2017	$ 2,328,764
Net loss	(1,570,346)
Other comprehensive income	25,619
Compensation related to share-based awards	27,005
Tax withholding for restricted shares	(1,839)
Other	(97)
Shareholders' equity at June 30, 2017	$ 809,106

(1) Refer to Note 2. Recent Accounting Pronouncements for further description of ASU 2016-16.

The following table displays a reconciliation of our beginning and ending balances in shareholders' equity for the six months ended June 30, 2016 (in thousands):

	Attributable to:		
	Endo International plc	Noncontrolling interests	Total Shareholders' Equity
Shareholders' equity at January 1, 2016	$ 5,968,030	$ (54)	$ 5,967,976
Net income	209,709	16	209,725
Other comprehensive income	58,109	38	58,147
Compensation related to share-based awards	29,585	—	29,585
Tax withholding for restricted shares	(10,396)	—	(10,396)
Exercise of options	1,952	—	1,952
Issuance of ordinary shares related to the employee stock purchase plan	2,729	—	2,729
Other	1,820	—	1,820
Shareholders' equity at June 30, 2016	$ 6,261,538	$ —	$ 6,261,538

Share-Based Compensation

In February 2017, the Compensation Committee of the Company's Board of Directors approved modifications to the Company's performance stock unit (PSU) program, effective with the 2017 annual grants. The plan is based upon two discrete measures, relative total shareholder return (TSR) and a free cash flow metric. The addition of the free cash flow performance metric, which accounts for 50% of the PSU award at grant, will be measured annually over the performance cycle, which spans a 3-year period. The remaining 50% of the PSU award is tied exclusively to relative TSR performance, which will be measured against the 3-year TSR of a custom index of companies. In addition to meeting the conditions required by both the TSR and free cash flow portions of the awards, grant recipients are also subject to being employed by the Company following the completion of the 3-year period in order to receive the awards.

During the second quarter of 2017, the Company's shareholders approved an amendment to the Endo International plc Amended and Restated 2015 Stock Incentive Plan (the Plan). The Plan was amended and restated to increase the number of the Company's ordinary shares that may be issued with respect to awards under the Plan by 10.0 million ordinary shares and to make certain other changes to the Plan's terms. None of the additional ordinary shares reserved were issued during the six months ended June 30, 2017.

The Company recognized share-based compensation expense of $27.0 million and $29.6 million during the six months ended June 30, 2017 and 2016, respectively. As of June 30, 2017, the total remaining unrecognized compensation cost related to all non-vested share-based compensation awards amounted to $66.6 million. For the PSUs that are based on a free cash flow metric and are measured against annual performance targets, performance targets with respect to future annual performance periods have not yet been established. As a result, no fair value has been ascribed to these future annual performance periods and these performance periods are not reflected in the remaining unrecognized compensation cost.

As of June 30, 2017, the weighted average remaining requisite service period of the non-vested stock options was 2.9 years and for non-vested restricted stock units was 2.3 years.

NOTE 14. OTHER (INCOME) EXPENSE, NET

The components of Other (income) expense, net for the three and six months ended June 30, 2017 and 2016 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Foreign currency (gain) loss, net	$ (3,870)	$ 1,554	$ (6,854)	$ 2,550
Equity (earnings) loss from investments accounted for under the equity method, net	(1,090)	3,828	(88)	1,484
Other miscellaneous, net	(1,749)	(207)	(1,804)	(766)
Other (income) expense, net	$ (6,709)	$ 5,175	$ (8,746)	$ 3,268

Foreign currency (gain) loss, net results from the remeasurement of the Company's foreign currency denominated assets and liabilities.

NOTE 15. INCOME TAXES

During the three months ended June 30, 2017, the Company recognized income tax benefit of $57.5 million on $753.5 million of loss from continuing operations before income tax, compared to $555.3 million of income tax benefit on $165.5 million of loss from continuing operations before income tax during the comparable 2016 period. The income tax benefit for the current period is primarily related to the geographic mix of pretax earnings, the discrete tax benefits associated with goodwill and intangible asset impairments in the U.S. Branded Pharmaceuticals segment, and the net discrete tax benefit associated with intangible asset impairments in the International Pharmaceuticals segment. During the second quarter of 2016, the Company implemented a legal entity restructuring as part of its continuing integration of its businesses that resulted in the realization of a $644.0 million discrete tax benefit arising from outside basis differences, reduced by a $196.0 million valuation allowance. The reorganization also provided operating flexibility and benefits and reduced the impact related to potential future limits that could apply to the use of tax attributes by utilizing most of the Company's attributes to offset the gain in the intercompany sale that stepped-up the tax basis of the U.S. Generic Pharmaceuticals business assets. The Company also benefited from an improved mix of jurisdictional pre-tax income and losses.

During the six months ended June 30, 2017, the Company recognized income tax benefit of $69.4 million on $930.9 million of loss from continuing operations before income tax, compared to $674.0 million of income tax benefit on $372.9 million of loss from continuing operations before income tax during the comparable 2016 period. The income tax benefit for the current period is primarily related to the geographic mix of pretax earnings and the discrete tax benefits associated with goodwill and intangible asset impairments in the U.S. Branded Pharmaceuticals segment and intangible asset impairments in the International Pharmaceuticals segment. The income tax benefit for the comparable 2016 period was primarily related to benefits arising from losses from continued operations and the net discrete tax benefit recorded in the second quarter discussed above.

As further discussed in Note 2. Recent Accounting Pronouncements, the Company adopted ASU 2016-16, effective January 1, 2017, resulting in the elimination of previously recorded deferred charges that were established in 2016. Specifically, the Company eliminated a $24.1 million current deferred charge and a $348.8 million non-current deferred charge that were reflected in our Condensed Consolidated Balance Sheet at December 31, 2016 as Prepaid expenses and other current assets and Other assets, respectively. The eliminations of these deferred charges were recorded as adjustments to retained earnings as of January 1, 2017. On adoption, the Company also recorded net deferred tax assets, primarily related to certain intangibles and tax deductible goodwill, of $479.7 million, fully offset by a corresponding valuation allowance.

NOTE 16. 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 six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Numerator:				
(Loss) income from continuing operations	$ (696,020)	$ 389,812	$ (861,443)	$ 301,049
Less: Net income from continuing operations attributable to noncontrolling interests	—	18	—	16
(Loss) income from continuing operations attributable to Endo International plc ordinary shareholders	$ (696,020)	$ 389,794	$ (861,443)	$ 301,033
Loss from discontinued operations attributable to Endo International plc ordinary shareholders, net of tax	(700,498)	(46,216)	(708,903)	(91,324)
Net (loss) income attributable to Endo International plc ordinary shareholders	$ (1,396,518)	$ 343,578	$ (1,570,346)	$ 209,709
Denominator:				
For basic per share data—weighted average shares	223,158	222,667	223,086	222,485
Dilutive effect of ordinary share equivalents	—	195	—	535
Dilutive effect of various convertible notes and warrants	—	1	—	1
For diluted per share data—weighted average shares	223,158	222,863	223,086	223,021

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 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.

Due to the Company's adoption of ASU 2016-09, effective January 1, 2017, the Company will no longer consider excess tax benefits resulting from share-based compensation awards when applying the treasury stock method to calculate diluted weighted average shares outstanding. Therefore, the adoption of this ASU will have the effect of increasing dilution in periods where there is net income from continuing operations attributable to Endo ordinary shareholders and there are weighted average dilutive awards outstanding.

All stock options and stock awards were excluded from the diluted share calculation for the three and six months ended June 30, 2017 because their effect would have been anti-dilutive, as the Company was in a loss position. During the three and six months ended June 30, 2016, aggregate stock options and stock awards of 5.9 million and 4.7 million, respectively, were excluded from the diluted share calculation because their effect would have been anti-dilutive.

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. 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, 2016 (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.

Unless otherwise indicated or required by the context, references throughout to "Endo," the "Company," "we," "our" or "us" refer to financial information and transactions of Endo International plc and its consolidated subsidiaries.

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 new product launches, (2) purchasing patterns of our customers, (3) market acceptance of our products, (4) the impact of competitive products and products we recently acquired, (5) pricing of our products, (6) the timing of mergers, acquisitions, divestitures and other related activity and (7) other actions taken by the Company which may impact the availability of our products. These fluctuations are also attributable to charges incurred for compensation related to share-based payments, amortization of intangible assets, asset impairment charges, litigation-related charges, restructuring charges and certain upfront, milestone and other payments made or accrued pursuant to acquisition or licensing agreements.

Consolidated Results Review

Total Revenues. Total revenues for the three and six months ended June 30, 2017 decreased 5% to $875.7 million and increased 2% to $1,913.3 million, respectively, from $920.9 million and $1,884.4 million in the comparable 2016 periods.

Throughout the first half of 2017, our U.S. Generic Pharmaceuticals segment benefited from fourth quarter 2016 launches, including ezetimibe tablets (generic version of Zetia®) and quetiapine ER tablets (generic version of Seroquel® XR), as well as strong performance of its Sterile Injectables portfolio, including VASOSTRICT®, ADRENALIN® and other products. The U.S. Generics Base portfolio continued to decline driven by overall market trends and product rationalization in our U.S. Generic Pharmaceuticals segment. Our U.S. Branded Pharmaceuticals segment's Specialty Products portfolio, which includes XIAFLEX®, continued to grow during the first half of 2017. However, this growth was more than offset by declines in its Established Products portfolio, resulting primarily from the impact of generic competition and the divestiture of STENDRA® in the third quarter of 2016.

The decrease for the three months ended June 30, 2017 primarily related to the declines in the U.S. Generics Base and U.S. Branded Pharmaceuticals Established Products portfolios described above, partially offset by revenue increases related to new generic launches, Sterile Injectables and our U.S. Branded Pharmaceuticals segment's Specialty Products portfolio. The increase for the six months ended June 30, 2017 primarily related to revenue increases described above related to new generic launches, Sterile Injectables and our U.S. Branded Pharmaceuticals segment's Specialty Products portfolio, partially offset by the declines in the U.S. Generics Base and U.S. Branded Pharmaceuticals Established Products portfolios. Our revenues are further described below under the heading "Business Segment Results Review".

The marketing exclusivity periods for both ezetimibe tablets and quetiapine ER tablets expired in the second quarter of 2017. As a result, combined revenues for these products began to decline significantly during the second quarter of 2017 and will continue to decline leading into the third quarter of 2017.

In March 2017, we announced that the Food and Drug Administration's (FDA) Drug Safety and Risk Management and Anesthetic and Analgesic Drug Products Advisory Committees voted that the benefits of reformulated OPANA® ER (oxymorphone hydrochloride extended release) no longer outweigh its risks. In June 2017, we became aware of the FDA's request that we voluntarily withdraw OPANA® ER from the market, and in July 2017, after careful consideration and consultation with the FDA, we decided to voluntarily remove OPANA® ER from the market. We plan to work with the FDA to coordinate an orderly withdrawal of the product from the market and plan to cease shipments to customers by September 1, 2017. We expect the withdrawal of OPANA® ER will have an adverse effect on the future revenues and results of operations of our U.S. Branded Pharmaceuticals segment.

Gross margin, costs and expenses. The following table sets forth costs and expenses for the three and six months ended June 30, 2017 and 2016 (dollars in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2017		2016		2017		2016	
	$	% of Revenue	$	% of Revenue	$	% of Revenue	$	% of Revenue
Cost of revenues	$ 539,401	62	$ 632,218	69	$ 1,208,363	63	$ 1,320,923	70
Selling, general and administrative	155,555	18	193,070	21	332,795	17	371,425	20
Research and development	40,869	5	50,589	5	83,878	4	92,281	5
Litigation-related and other contingencies, net	(2,600)	—	5,259	1	(1,664)	—	10,459	1
Asset impairment charges	725,044	83	39,951	4	929,006	49	169,576	9
Acquisition-related and integration items	4,190	—	48,171	5	15,070	1	60,725	3
Total costs and expenses*	$ 1,462,459	167	$ 969,258	105	$ 2,567,448	134	$ 2,025,389	107

* Percentages may not add due to rounding.

Cost of revenues and gross margin. Cost of revenues for the three and six months ended June 30, 2017 decreased 15% to $539.4 million and decreased 9% to $1,208.4 million, respectively, from the comparable 2016 periods.

Product rationalization resulting from the U.S. Generic Pharmaceuticals restructuring initiative announced in May 2016 and decreases to inventory step-up expense based on the timing of prior acquisitions each contributed to period-over-period decreases in Cost of revenues during both the three and six months ended June 30, 2017 when compared to the same periods in 2016. These savings were partially offset by charges of $12.8 million recorded during the three months ended June 30, 2017 related to the 2017 U.S. Generics Pharmaceuticals restructuring initiative.

Also contributing to the decrease in cost of revenues for the three months ended June 30, 2017 were period-over-period decreases in amortization expense and total revenues.

Partially offsetting the decrease in cost of revenues for the six months ended June 30, 2017 was a period-over-period increase in amortization expense, which resulted from certain generic product launches, and increased revenues.

Gross margin for the three and six months ended June 30, 2017 increased to 38% from 31% and increased to 37% from 30%, respectively, in the comparable 2016 periods. The increase for both the three and six months ended June 30, 2017 was primarily attributable to reductions in inventory step-up and fluctuations in amortization expenses and the impact of changes in the mix of revenues resulting from the product rationalization initiative described above.

Selling, general and administrative expenses. Selling, general and administrative expenses for the three and six months ended June 30, 2017 decreased 19% to $155.6 million and decreased 10% to $332.8 million, respectively, from the comparable 2016 periods.

The decrease for both the three and six months ended June 30, 2017 was primarily a result of cost reductions that were implemented during 2016 and in the first half of 2017, including the impact of those related to various restructuring initiatives. These savings were partially offset by charges related to our restructuring initiatives. Total charges related to our January 2017 restructuring initiative and 2017 U.S. Generics Pharmaceuticals restructuring initiative during the three and six months ended June 30, 2017 totaled $6.9 million and $22.0 million, respectively. Our restructuring initiatives are described more fully in Note 4. Restructuring of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Research and development expenses. Research and development (R&D) expenses for the three and six months ended June 30, 2017 decreased 19% to $40.9 million and decreased 9% to $83.9 million, respectively, from the comparable 2016 periods.

These decreases were primarily attributable to lower development costs and filing fees in 2017 compared to 2016 related to new product launches in our U.S. Generic Pharmaceuticals segment. Additionally, our U.S. Branded Pharmaceuticals segment's costs decreased as a result of cost savings generated from the January 2017 Restructuring, as well as the timing of a 2016 Phase 2 clinical trial for the development of XIAFLEX® for the treatment of cellulite, the results of which were announced in November 2016. We currently expect to initiate Phase 3 trials in cellulite towards the end of 2017.

Litigation-related and other contingencies, net. Litigation-related and other contingencies, net for the three and six months ended June 30, 2017 totaled a net benefit of $2.6 million and $1.7 million, respectively, which included the impact of certain reimbursements. This compared to charges of $5.3 million and $10.5 million, respectively, in the comparable 2016 periods. Our material legal proceedings and other contingent matters are described in more detail in Note 11. 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. Asset impairment charges for the three and six months ended June 30, 2017 totaled $725.0 million and $929.0 million, respectively, compared to $40.0 million and $169.6 million in the comparable 2016 periods. A summary of significant goodwill and other intangible asset impairment charges by reportable segment for the six months ended June 30, 2017 and 2016 is included below.

U.S. Generic Pharmaceuticals Segment

During the first and second quarters of 2017, the Company identified certain market conditions impacting the recoverability of certain indefinite and finite-lived intangible assets in its U.S. Generic Pharmaceuticals segment. Accordingly, the Company tested these assets for impairment and determined that their carrying amounts were no longer fully recoverable, resulting in pre-tax, non-cash asset impairment charges totaling $72.7 million and $268.2 million during the three months ended March 31, 2017 and June 30, 2017, respectively.

In addition, as further described in Note 4. Restructuring, the Company announced the 2017 U.S. Generic Pharmaceuticals restructuring initiative in July 2017, which includes the discontinuation of certain commercial products. As a result, the Company assessed the recoverability of the impacted products and certain property, plant and equipment, resulting in pre-tax, non-cash asset impairment charges of approximately $57.5 million related to intangible assets and $32.0 million related to property, plant and equipment during the second quarter of 2017. The Company also initiated an interim goodwill impairment analysis of its Generics reporting unit during the second quarter of 2017 as a result of the 2017 U.S. Generic Pharmaceuticals restructuring initiative and determined that the estimated fair value of the Generics reporting unit exceeded its carrying amount. Accordingly, no related goodwill impairment was recorded. The Company estimated the fair value of the Generics reporting unit using an income approach that utilizes a discounted cash flow model. The discount rate applied to the estimated cash flows for our Generics goodwill impairment test was 9.0%. The goodwill balance for the Company's Generics reporting unit was approximately $3,531 million as of June 30, 2017.

During the first and second quarters of 2016, the Company identified certain market and regulatory conditions impacting the recoverability of certain indefinite and finite-lived intangible assets in our U.S. Generic Pharmaceuticals segment. Accordingly, we tested these assets for impairment and determined that the carrying amounts of certain of these assets was no longer fully recoverable, resulting in pre-tax, non-cash asset impairment charges of $29.3 million and $40.0 million during the first and second quarters of 2016, respectively. The Company also recognized pre-tax, non-cash asset impairment charges of $100.3 million during the first quarter of 2016 related to the 2016 U.S. Generic Pharmaceuticals restructuring initiative, which resulted from the discontinuation of certain commercial products and the abandonment of certain IPR&D projects. See Note 4. Restructuring for discussion of our material restructuring initiatives.

U.S. Branded Pharmaceuticals Segment

In March 2017, we announced that the Food and Drug Administration's (FDA) Drug Safety and Risk Management and Anesthetic and Analgesic Drug Products Advisory Committees voted that the benefits of reformulated OPANA® ER (oxymorphone hydrochloride extended release) no longer outweigh its risks. In June 2017, we became aware of the FDA's request that we voluntarily withdraw OPANA® ER from the market, and in July 2017, after careful consideration and consultation with the FDA, we decided to voluntarily remove OPANA® ER from the market. As a result of our decision, the Company determined that the carrying amount of its OPANA® ER intangible asset was no longer recoverable, resulting in a pre-tax, non-cash impairment charge of $20.6 million in the second quarter of 2017, representing the remaining carrying amount. In addition, during the second quarter of 2017, the Company identified certain market conditions impacting the recoverability of certain other finite-lived intangible assets in its U.S. Branded Pharmaceuticals segment. Accordingly, the Company tested these assets for impairment and determined that their carrying amounts were no longer fully recoverable, resulting in pre-tax, non-cash asset impairment charges totaling $31.5 million during the three months ended June 30, 2017.

In addition, as a result of the withdrawal of OPANA® ER from the market and the continued erosion of its U.S. Branded Pharmaceuticals segment's Established Products portfolio, the Company initiated an interim goodwill impairment analysis of its Branded reporting unit during the second quarter of 2017. Based on the provisions of ASU 2017-04, which the Company adopted as of January 1, 2017, the Company recorded a pre-tax, non-cash asset impairment charge of $180.4 million during the three months ended June 30, 2017 for the amount by which the carrying amount exceeded the reporting unit's fair value. The Company estimated the fair value of the Branded reporting unit using an income approach that utilizes a discounted cash flow model. The discount rate applied to the estimated cash flows for our Branded goodwill impairment test was 9.5%. The remaining goodwill for the Company's Branded reporting unit was approximately $829 million as of June 30, 2017.

International Pharmaceuticals Segment

Pursuant to an existing agreement with a wholly owned subsidiary of Novartis AG (Novartis), Paladin licensed the Canadian rights to commercialize serelaxin, an investigational drug for the treatment of acute heart failure (AHF). In March 2017, Novartis announced that a Phase III study of serelaxin in patients with AHF failed to meet its primary endpoints. As a result, Endo has concluded that the full carrying amount of its serelaxin in-process research and development intangible asset is impaired, resulting in a $45.5 million pre-tax non-cash impairment charge for the three months ended March 31, 2017.

In addition and as a result of the serelaxin impairment, the Company assessed the recoverability of its Paladin goodwill balance and determined that the estimated fair value of the Paladin reporting unit was below its carrying amount. The Company recorded a pre-tax, non-cash asset impairment charge of $82.6 million during the three months ended March 31, 2017 for the amount by which the carrying amount exceeded the reporting unit's fair value. The Company estimated the fair value of the Paladin reporting unit using an income approach that utilizes a discounted cash flow model. The discount rate applied to the estimated cash flows for our Paladin goodwill impairment test was 10.0%. The remaining goodwill for the Company's Paladin reporting unit was approximately $87 million as of June 30, 2017.

As further discussed in Note 3. Discontinued Operations and Assets and Liabilities Held for Sale, the Company entered into a definitive agreement to sell Somar on June 30, 2017, which resulted in Somar's assets and liabilities being classified as held for sale. The initiation of held-for-sale accounting, together with the agreed upon sale price, triggered an impairment review. Accordingly, the Company performed an impairment analysis using a market approach and determined that impairment charges were required. The Company recorded pre-tax non-cash impairment charges of $25.7 million, $89.5 million and $9.9 million related to Somar's goodwill, other intangible assets and property, plant and equipment, respectively, during the second quarter of 2017. The goodwill and other intangibles asset impairment charges each represented the remaining carrying amounts of the corresponding assets.

Acquisition-related and integration items. Acquisition-related and integration items for the three and six months ended June 30, 2017 totaled $4.2 million and $15.1 million of expense, respectively, compared to $48.2 million and $60.7 million of expense, respectively, in the comparable 2016 periods.

Acquisition-related and integration items, excluding amounts related to contingent consideration, for the three and six months ended June 30, 2017 decreased 91% to $2.2 million and decreased 85% to $6.9 million, respectively, from the comparable 2016 periods. The decreases were primarily attributable to lower costs incurred associated with our 2015 Auxilium and Par acquisitions.

Net adjustments related to acquisition-related contingent consideration, which resulted from changes in market conditions impacting the commercial potential of the underlying products, included charges of $2.0 million and $8.1 million for the three and six months ended June 30, 2017, respectively, compared to charges of $23.9 million and $13.2 million in the comparable 2016 periods. See Note 6. Fair Value Measurements of the Condensed Consolidated Financial Statements included in Part I, Item 1 for further discussion of our acquisition-related contingent consideration.

Interest expense, net. The components of Interest expense, net for the three and six months ended June 30, 2017 and 2016 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Interest expense	$ 123,354	$ 113,097	$ 236,807	$ 230,567
Interest income	(1,607)	(1,178)	(3,061)	(1,855)
Interest expense, net	$ 121,747	$ 111,919	$ 233,746	$ 228,712

Interest expense for the three and six months ended June 30, 2017 increased 9% to $123.4 million and increased 3% to $236.8 million from the comparable 2016 periods. The increase for both the three and six months ended June 30, 2017 was primarily attributable to increased interest rates as a result of the refinancing that occurred on April 27, 2017, which is further described in Note 10. Debt of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Loss on extinguishment of debt. Loss on extinguishment of debt totaled $51.7 million for both the three and six months ended June 30, 2017, with no such amounts recorded in the comparable 2016 periods. The 2017 amounts related to certain previously unamortized debt issuance costs that were charged to expense in connection with the April 2017 refinancing.

Other (income) expense, net. The components of Other (income) expense, net for the three and six months ended June 30, 2017 and 2016 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Foreign currency (gain) loss, net	$ (3,870)	$ 1,554	$ (6,854)	$ 2,550
Equity (earnings) loss from investments accounted for under the equity method, net	(1,090)	3,828	(88)	1,484
Other miscellaneous, net	(1,749)	(207)	(1,804)	(766)
Other (income) expense, net	$ (6,709)	$ 5,175	$ (8,746)	$ 3,268

Foreign currency (gain) loss, net results from the remeasurement of our foreign currency denominated assets and liabilities.

Income tax benefit. During the three months ended June 30, 2017, the Company recognized income tax benefit of $57.5 million on $753.5 million of loss from continuing operations before income tax, compared to $555.3 million of income tax benefit on $165.5 million of loss from continuing operations before income tax during the comparable 2016 period. The income tax benefit for the current period is primarily related to the geographic mix of pretax earnings, the discrete tax benefits associated with goodwill and intangible asset impairments in the U.S. Branded Pharmaceuticals segment, and the net discrete tax benefit associated with intangible asset impairments in the International Pharmaceuticals segment. During the second quarter of 2016, the Company implemented a legal entity restructuring as part of its continuing integration of its businesses that resulted in the realization of a $644.0 million discrete tax benefit arising from outside basis differences, reduced by a $196.0 million valuation allowance. The reorganization also provided operating flexibility and benefits and reduced the impact related to potential future limits that could apply to the use of tax attributes by utilizing most of the Company's attributes to offset the gain in the intercompany sale that stepped-up the tax basis of the U.S. Generic Pharmaceuticals business assets. The Company also benefited from an improved mix of jurisdictional pre-tax income and losses.

During the six months ended June 30, 2017, the Company recognized income tax benefit of $69.4 million on $930.9 million of loss from continuing operations before income tax, compared to $674.0 million of income tax benefit on $372.9 million of loss from continuing operations before income tax during the comparable 2016 period. The income tax benefit for the current period is primarily related to the geographic mix of pretax earnings and the discrete tax benefits associated with goodwill and intangible asset impairments in the U.S. Branded Pharmaceuticals segment and intangible asset impairments in the International Pharmaceuticals segment. The income tax benefit for the comparable 2016 period was primarily related to benefits arising from losses from continued operations and the net discrete tax benefit recorded in the second quarter discussed above.

Discontinued operations, net of tax. As a result of the decision to sell our AMS business and wind down our Astora 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, net of tax, totaled $700.5 million and $708.9 million of loss, respectively, during the three and six months ended June 30, 2017 compared to $46.2 million and $91.3 million of loss, respectively, in the comparable 2016 periods.

The primary drivers of the period-over-period changes for both the three and six months ended June 30, 2017 included the after-tax impact of a second quarter 2017 charge of $775.5 million related to mesh litigation that is further described in Note 11. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, and decreases in revenue and overall spending resulting from the wind-down of our Astora business following discontinuation of business operations on March 31, 2016.

The change for the six months ended June 30, 2017 also includes the impact of a decrease in asset impairment charges of $21.3 million.

2017 Outlook

We estimate that our 2017 total revenues will be between $3.38 billion and $3.53 billion. This estimate reflects an anticipated decline in our U.S. Generic Pharmaceuticals segment driven by a decline in the base business partially offset by growth in our Sterile Injectables and new launch revenues; a decline in our U.S. Branded Pharmaceuticals segment resulting from the annualization of the loss of exclusivity for VOLTAREN® Gel and FROVA®, our previously announced decision to voluntarily withdraw OPANA® ER from the market and the continued decline in the legacy pain portfolio, partially offset by the growth of XIAFLEX® and our other Specialty business products; the divestiture of the Litha and Somar businesses in the second half of 2017 and competitive pressures in our International Pharmaceuticals segment. The Company anticipates improved margins in 2017 driven by product rationalization in our U.S. Generic Pharmaceuticals segment and targeted cost reductions in selling, general and administrative expenses. We will continue to invest in XIAFLEX® and other core products to position the Company for long-term success. There can be no assurance that we will achieve these results.

Business Segment Results Review

The three reportable business segments in which we operate are: (1) U.S. Generic Pharmaceuticals, (2) U.S. Branded Pharmaceuticals and (3) International Pharmaceuticals. These segments reflect the level at which the chief operating decision maker 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 from continuing operations before income tax, a financial measure not determined in accordance with U.S. GAAP, which we define as loss from continuing operations before income tax and before certain upfront and milestone payments to partners; acquisition-related and integration items, including transaction costs, earn-out payments or adjustments, changes in the fair value of contingent consideration and bridge financing costs; cost reduction and integration-related initiatives such as separation benefits, retention payments, other exit costs and certain costs associated with integrating an acquired company's operations; excess costs that will be eliminated pursuant to integration plans; asset impairment charges; amortization of intangible assets; inventory step-up recorded as part of our acquisitions; certain non-cash interest expense; litigation-related and other contingent matters; gains or losses from early termination of debt; foreign currency gains or losses on intercompany financing arrangements; and certain other items.

Certain of the corporate general and administrative expenses incurred by us are not attributable to any specific segment. Accordingly, these costs are not allocated to any of our segments and are included in the results below as "Corporate unallocated costs." Interest income and expense are also considered corporate items and not allocated to any of our segments. Our consolidated adjusted income from continuing operations before income tax is equal to the combined results of each of our segments less these unallocated corporate items.

We refer to adjusted income from continuing operations before income tax in making operating decisions because we believe it provides meaningful supplemental information regarding our operational performance. For instance, we believe that this measure facilitates its internal comparisons to our historical operating results and comparisons to competitors' results. We believe this measure is useful to investors in allowing for greater transparency related to supplemental information used 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 current financial reporting. Further, we believe that adjusted income from continuing operations before income tax may be useful to investors as we are aware that certain of our significant shareholders utilize adjusted income from continuing operations before income tax to evaluate our financial performance. Finally, adjusted income 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 Endo'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 from continuing operations before income tax. Other companies in our industry may define adjusted income from continuing operations before income tax differently than we do. As a result, it may be difficult to use adjusted income 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 from continuing operations before income tax is not intended to represent cash flow from operations as defined by U.S. GAAP and should not be used as alternatives to net income as indicators of operating performance or to cash flows as measures of liquidity. We compensate for these limitations by providing reconciliations of our total segment adjusted income from continuing operations before income tax to our consolidated loss from continuing operations before income tax, which is determined in accordance with U.S. GAAP and included in our Condensed Consolidated Statements of Operations.

Revenues. The following table displays our revenue by reportable segment for the three and six months ended June 30, 2017 and 2016 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net revenues to external customers:				
U.S. Generic Pharmaceuticals	$ 563,312	$ 565,358	$ 1,285,295	$ 1,148,748
U.S. Branded Pharmaceuticals	245,188	288,342	495,347	597,155
International Pharmaceuticals (1)	67,231	67,187	132,689	138,523
Total net revenues to external customers	$ 875,731	$ 920,887	$ 1,913,331	$ 1,884,426

(1) Revenues generated by our International Pharmaceuticals segment are primarily attributable to external customers located in Canada, Latin America and South Africa.

U.S. Generic Pharmaceuticals. The following table displays the significant components of our U.S. Generic Pharmaceuticals revenues to external customers for the three and six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
U.S. Generic Pharmaceuticals:				
U.S. Generics Base (1)	$ 218,935	$ 331,095	$ 455,082	$ 678,524
Sterile Injectables	160,597	126,245	311,946	249,934
New Launches and Alternative Dosages (2)	183,780	108,018	518,267	220,290
Total U.S. Generic Pharmaceuticals	$ 563,312	$ 565,358	$ 1,285,295	$ 1,148,748

(1) U.S. Generics Base includes solid oral-extended release, solid oral-immediate release and pain/controlled substances products.

(2) New Launches and Alternative Dosages includes liquids, semi-solids, patches, powders, ophthalmics, sprays and new product launches. Products are included in New Launches during the calendar year of launch and the subsequent calendar year such that the period of time any product will be considered a New Launch will range from thirteen to twenty-four months. Subsequent to this thirteen to twenty-four month period that revenues are considered New Launches, these product revenues will be reflected as either U.S. Generics Base or Sterile Injectables, or will remain as an Alternative Dosage. New Launches contributed $92.3 million and $333.9 million of revenues for the three and six months ended June 30, 2017, respectively, compared to $32.9 million and $64.0 million of revenues in the comparable 2016 periods.

Net sales of U.S. Generics Base for the three and six months ended June 30, 2017 decreased 34% to $218.9 million and decreased 33% to $455.1 million, respectively, from the comparable 2016 periods. Continued competitive pressure on commoditized generic products resulted in revenue decreases for both the three and six months ended June 30, 2017. Also contributing to the revenues decrease during the six months ended June 30, 2017 was the impact of product rationalization actions resulting from the 2016 U.S. Generic Pharmaceuticals restructuring initiative.

Net sales of Sterile Injectables for the three and six months ended June 30, 2017 increased 27% to $160.6 million and increased 25% to $311.9 million, respectively, from the comparable 2016 periods. The increase for both the three and six months ended June 30, 2017 was primarily attributable to net sales of VASOSTRICT® and ADRENALIN®. VASOSTRICT® is the first and only vasopressin injection with a New Drug Application (NDA) approved by the FDA. Its sales were $95.8 million and $194.9 million for the three and six months ended June 30, 2017, up from $77.2 million and $157.1 million in the comparable 2016 periods, with the change driven by increases in both price and volume.

Net sales of New Launches and Alternative Dosages for the three and six months ended June 30, 2017 increased 70% to $183.8 million and increased 135% to $518.3 million, respectively, from the comparable 2016 periods. Included within this portfolio are ezetimibe tablets and quetiapine ER tablets, both of which are first-to-file products launched in the fourth quarter of 2016. Combined net sales for these two products for the three and six months ended June 30, 2017 totaled $52.3 million and $253.7 million, respectively. The marketing exclusivity periods for both ezetimibe tablets and quetiapine ER tablets expired in the second quarter of 2017. As a result, combined revenues for these products began to decline significantly during the second quarter of 2017 and will continue to decline leading into the third quarter of 2017. The remaining increases in net sales of New Launches and Alternative Dosages were primarily attributable to the launch of new injectables during the six months ended June 30, 2017 and Alternative Dosages, driven by favorable changes in the competitive market for certain products in this category. As of June 30, 2017, our U.S. Generic Pharmaceuticals segment has approximately 200 products in its pipeline, which includes approximately 110 Abbreviated New Drug Applications (ANDAs) pending with the U.S. Food and Drug Administration. Of the 110 ANDAs, approximately 40 represent potential first-to-file or first-to-market opportunities. We expect total 2017 launches to exceed 20 products.

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 six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Specialty Products:				
XIAFLEX®	$ 50,077	$ 42,419	$ 99,602	$ 86,464
SUPPRELIN® LA	23,649	21,211	42,830	38,463
Other Specialty (1)	36,745	31,973	72,773	64,942
Total Specialty Products	$ 110,471	$ 95,603	$ 215,205	$ 189,869
Established Products:				
OPANA® ER	$ 31,582	$ 38,554	$ 67,300	$ 83,224
PERCOCET®	30,889	35,708	61,834	69,301
VOLTAREN® Gel	20,270	27,290	34,544	63,037
LIDODERM®	11,678	27,039	24,854	46,751
Other Established (2)	40,298	64,148	91,610	144,973
Total Established Products	$ 134,717	$ 192,739	$ 280,142	$ 407,286
Total U.S. Branded Pharmaceuticals (3)	$ 245,188	$ 288,342	$ 495,347	$ 597,155

(1) Products included within Other Specialty include TESTOPEL®, NASCOBAL® Nasal Spray, and AVEED®.
(2) Products included within Other Established include, but are not limited to, TESTIM® and FORTESTA® Gel, including the authorized generic.
(3) Individual products presented above represent the top two performing products in each product category and/or any product having revenues in excess of $25 million during any quarterly period in 2017 or 2016.

Specialty Products

Net sales of XIAFLEX® for the three and six months ended June 30, 2017 increased 18% to $50.1 million and increased 15% to $99.6 million, respectively, from the comparable 2016 periods. The increase for both the three and six months ended June 30, 2017 was primarily attributable to demand growth driven by the continued investment and promotional efforts behind XIAFLEX® as well as price.

Net sales of SUPPRELIN® LA for the three and six months ended June 30, 2017 increased 11% to $23.6 million and increased 11% to $42.8 million, respectively, from the comparable 2016 periods. The increase for both the three and six months ended June 30, 2017 was primarily attributable to price increases.

Net sales of Other Specialty Products for the three and six months ended June 30, 2017 increased 15% to $36.7 million and increased 12% to $72.8 million, respectively, from the comparable 2016 periods, driven by increased net sales of AVEED®, TESTOPEL® and NASCOBAL® Nasal Spray, which benefited from increased prices and, in certain cases, improved volume.

Established Products

Net sales of OPANA® ER for the three and six months ended June 30, 2017 decreased 18% to $31.6 million and decreased 19% to $67.3 million, respectively, from the comparable 2016 periods. Net sales continue to be impacted by competing generic versions of OPANA® ER and market declines. Additionally, as further described above, we are currently working with the FDA to coordinate an orderly withdrawal of OPANA® ER from the market and plan to cease shipments to customers by September 1, 2017. We expect the withdrawal of OPANA® ER will have an adverse effect on the future revenues and results of operations of OPANA® ER and our Established Products portfolio.

Net sales of PERCOCET® for the three and six months ended June 30, 2017 decreased 13% to $30.9 million and decreased 11% to $61.8 million, respectively, from the comparable 2016 periods. The decrease for both the three and six months ended June 30, 2017 was primarily attributable to volume decreases, partially offset by price increases.

Net sales of VOLTAREN® Gel for the three and six months ended June 30, 2017 decreased 26% to $20.3 million and decreased 45% to $34.5 million, respectively, from the comparable 2016 periods. The decrease for both the three and six months ended June 30, 2017 was primarily attributable to the March 2016 launch of Amneal Pharmaceuticals LLC's generic equivalent of VOLTAREN® Gel and our launch of the authorized generic of VOLTAREN® Gel in July 2016. Subject to FDA approval, it is possible one or more additional competing generic products could potentially enter the market, which could negatively impact future sales of VOLTAREN® Gel.

Net sales of LIDODERM® for the three and six months ended June 30, 2017 decreased 57% to $11.7 million and decreased 47% to $24.9 million, respectively, from the comparable 2016 periods. The decrease for both the three and six months ended June 30, 2017 was primarily attributable to volume decreases resulting from generic competition.

Net sales of Other Established Products for the three and six months ended June 30, 2017 decreased 37% to $40.3 million and decreased 37% to $91.6 million, respectively, from the comparable 2016 periods. Net sales for both the three and six months ended June 30, 2017 were negatively impacted by volume decreases resulting from generic competition and certain other factors, as well as the divestiture of STENDRA® in the third quarter of 2016.

International Pharmaceuticals. Revenues from our International Pharmaceuticals segment for the three and six months ended June 30, 2017 increased less than 1% to $67.2 million and decreased 4% to $132.7 million, respectively, from the comparable 2016 periods. The decrease for the six months ended June 30, 2017 was primarily attributable to lower volumes across certain of the international markets in which we operate, partially offset by the impact of certain products that were acquired or launched after the end of the second quarter of 2016. We expect this segment's revenues to decline due to the second-half 2017 divestitures of Litha and Somar, which are described in more detail in Note 3. Discontinued Operations and Assets and Liabilities Held for Sale of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Adjusted income from continuing operations before income tax. The following table displays our Adjusted income from continuing operations before income tax by reportable segment for the three and six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Adjusted income from continuing operations before income tax:				
U.S. Generic Pharmaceuticals	$ 253,866	$ 214,968	$ 595,465	$ 426,736
U.S. Branded Pharmaceuticals	127,595	122,420	257,087	291,201
International Pharmaceuticals	14,812	20,615	29,694	42,369
Total segment adjusted income from continuing operations before income tax	$ 396,273	$ 358,003	$ 882,246	$ 760,306

U.S. Generic Pharmaceuticals. Adjusted income from continuing operations before income tax for the three and six months ended June 30, 2017 increased 18% to $253.9 million and increased 40% to $595.5 million, respectively, from the comparable 2016 periods.

The increase for the three and six months ended June 30, 2017 was primarily attributable to increases to gross margins, primarily due to the fourth quarter 2016 launch of ezetimibe tablets and quetiapine ER tablets, as well as revenue increases related to Sterile Injectables. Gross margin improved and overall costs also declined due to product rationalization actions resulting from the 2016 U.S. Generic Pharmaceuticals restructuring.

U.S. Branded Pharmaceuticals. Adjusted income from continuing operations before income tax for the three and six months ended June 30, 2017 increased 4% to $127.6 million and decreased 12% to $257.1 million, respectively, from the comparable 2016 periods. Amounts were negatively impacted during both the three and six months ended June 30, 2017 as a result of decreased revenues related to generic competition and the divestiture of STENDRA® in the third quarter of 2016.

During the three months ended June 30, 2017, the impact of targeted cost reductions associated with our previously announced restructuring initiatives, together with the reduction to research and development costs described above, more than offset the impact of decreased revenues.

The decrease for the six months ended June 30, 2017 attributable to reduced revenues was partially offset by targeted cost reductions in selling, general and administrative expenses associated with our previously announced restructuring initiatives.

International Pharmaceuticals. Adjusted income from continuing operations before income tax for the three and six months ended June 30, 2017 decreased 28% to $14.8 million and decreased 30% to $29.7 million, respectively, from the comparable 2016 periods. The decreases for both the three and six months ended June 30, 2017 were primarily attributable to unfavorable shifts in the mix of revenue and, for the six months ended June 30, 2017, an overall decline in revenues.

The table below provides reconciliations of our consolidated loss from continuing operations before income tax, which is determined in accordance with U.S. GAAP, to our total segment adjusted income from continuing operations before income tax for the three and six months ended June 30, 2017 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Total consolidated loss from continuing operations before income tax	$ (753,500)	$ (165,465)	$ (930,851)	$ (372,943)
Interest expense, net	121,747	111,919	233,746	228,712
Corporate unallocated costs (1)	34,152	49,818	81,620	86,098
Amortization of intangible assets	190,943	212,844	454,077	424,513
Inventory step-up and certain manufacturing costs that will be eliminated pursuant to integration plans	100	29,103	215	97,579
Upfront and milestone payments to partners	3,082	2,688	6,177	4,105
Separation benefits and other cost reduction initiatives (2)	24,614	22,174	47,284	60,630
Impact of VOLTAREN® Gel generic competition	—	—	—	(7,750)
Certain litigation-related and other contingencies, net (3)	(2,600)	5,259	(1,664)	10,459
Asset impairment charges (4)	725,044	39,951	929,006	169,576
Acquisition-related and integration items (5)	4,190	48,171	15,070	60,725
Loss on extinguishment of debt	51,734	—	51,734	—
Foreign currency impact related to the remeasurement of intercompany debt instruments	(3,233)	417	(5,927)	1,672
Other, net	—	1,124	1,759	(3,070)
Total segment adjusted income from continuing operations before income tax	$ 396,273	$ 358,003	$ 882,246	$ 760,306

(1) Amounts include certain corporate overhead costs, such as headcount and facility expenses and certain other income and expenses.

(2) Amounts primarily relate to employee separation costs of $0.7 million and $21.5 million during the three and six months ended June 30, 2017, respectively, charges to increase excess inventory reserves of $7.9 million during both periods and other charges of $16.0 million and $17.5 million, related primarily to the 2017 U.S. Generics Pharmaceuticals restructuring initiative, during the three and six months ended June 30, 2017, respectively. Amounts during the three and six months ended June 30, 2016 include charges to increase excess inventory reserves of $6.4 million and $33.3 million related to the 2016 U.S. Generic Pharmaceuticals restructuring initiative, employee separation costs of $8.4 million and $15.2 million and other restructuring costs of $7.1 million and $11.8 million, respectively. These amounts were primarily recorded as Cost of revenues and Selling, general and administrative expense in our Condensed Consolidated Statements of Operations. See Note 4. Restructuring of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for discussion of our material restructuring initiatives.

(3) Amounts include adjustments for Litigation-related and other contingencies, net as further described in Note 11. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(4) Amounts primarily relate to charges to write down goodwill and intangible assets as further described in Note 8. Goodwill and Other Intangibles of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q as well as charges to write down certain property, plant and equipment as further described in Note 6. Fair Value Measurements of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(5) Amounts during the three and six months ended June 30, 2017 include costs directly associated with previous acquisitions of $2.2 million and $6.9 million, respectively, and charges due to changes in fair value of contingent consideration of $2.0 million and $8.1 million, respectively. Amounts during the three and six months ended June 30, 2016 include costs directly associated with previous acquisitions of $24.3 million and $47.5 million, respectively, and charges due to changes in fair value of contingent consideration of $23.9 million and $13.2 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity is cash generated from operations. Our principal liquidity requirements are primarily for working capital for operations, licenses, milestone payments, capital expenditures, contingent liabilities, vaginal mesh liability payments and debt service payments. The Company's working capital was $48.1 million at June 30, 2017 compared to a working capital deficit of $45.3 million at December 31, 2016. The amounts at June 30, 2017 and December 31, 2016 include restricted cash and cash equivalents of $359.1 million and $276.0 million, respectively, held in QSFs. Although the amounts in QSFs are included in working capital, these amounts are required to be used for mesh product liability settlement agreements that are expected to be paid to qualified claimants within the next twelve months.

Cash and cash equivalents, which primarily consisted of bank deposits, time deposits and money market accounts, totaled $616.5 million at June 30, 2017 compared to $517.3 million at December 31, 2016.

We expect cash generated from operations together with our cash, cash equivalents, restricted cash and the revolving credit facilities to be sufficient to cover cash needs for working capital and general corporate purposes, 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 over the next year. However, on a longer term basis, we may not be able to 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 product candidates. Additionally, we may not be successful in implementing, or may face unexpected changes or expenses in connection with our strategic direction, 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. We have historically had broad access to financial markets that provide liquidity; however, 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 acquisition efforts, if any, we are likely to experience significant charges to earnings for merger and related expenses (whether or not the acquisitions are consummated) that may include transaction costs, closure costs or costs of restructuring activities.

Borrowings. At June 30, 2017, the Company's indebtedness includes a credit agreement with combined outstanding borrowings of $3,415.0 million and additional availability of approximately $995.8 million under the revolving credit facility.

The credit agreement contains affirmative and negative covenants that the Company believes to be usual and customary for a senior secured credit facility. The negative covenants include, among other things, limitations on asset sales, mergers and acquisitions, indebtedness, liens, dividends, investments and transactions with the Company's affiliates. As of June 30, 2017, we were in compliance with all such covenants.

At June 30, 2017, the Company's indebtedness includes senior notes with aggregate principal amounts totaling $5.0 billion. These notes mature between 2022 and 2025, 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%. All but one series of these notes are senior unsecured obligations of the Company's subsidiaries that are party to the applicable indenture governing such notes and are issued or guaranteed on a senior unsecured basis, as applicable, by the subsidiaries of Endo International plc that also guarantee our credit agreement, except for a de minimis amount of the 7.25% Senior Notes due 2022, which are issued by Endo Health Solutions Inc. and guaranteed on a senior unsecured basis by the guarantors named in the Fifth Supplemental Indenture relating to such notes. The 5.875% Senior Secured Notes due 2024 are senior secured obligations of the Company's subsidiaries that are party to the indenture governing such notes and are issued or guaranteed on a senior secured basis by Endo International plc and its subsidiaries that also guarantee our credit agreement.

The indentures governing our various senior notes contain affirmative and negative covenants that the Company believes to be usual and customary for similar indentures. The negative covenants, among other things, restrict the Company's ability and the ability of its restricted subsidiaries to incur certain additional indebtedness and issue preferred stock, make certain investments and restricted payments, sell certain assets, enter into sale and leaseback transactions, agree to payment restrictions on the ability of restricted subsidiaries to make certain payments to Endo International plc or any of its restricted subsidiaries, create certain liens, merge, consolidate or sell all or substantially all of the Company's assets or enter into certain transactions with affiliates. As of June 30, 2017, we were in compliance with all covenants.

Credit ratings. The Company's corporate credit ratings assigned by Moody's Investors Service and Standard & Poor's are B2 with a stable outlook and B+ with a negative outlook, respectively.

Working capital. The components of our working capital and our liquidity at June 30, 2017 and December 31, 2016 are below (dollars in thousands):

	June 30, 2017	December 31, 2016
Total current assets	$ 2,275,015	$ 2,589,459
Less: total current liabilities	(2,226,947)	(2,634,745)
Working capital	$ 48,068	$ (45,286)
Current ratio	1.0:1	-1.0:1

Net working capital increased by $93.4 million from December 31, 2016 to June 30, 2017. This increase was primarily attributable to net cash provided by operating activities of $341.0 million. In addition, the April 2017 refinancing reduced the principal amount of debt maturing in 2017 by $86.4 million, which had the effect of increasing working capital. These increases were partially offset by the unfavorable impact of mesh-related product liability charges, net of related reclassification adjustments from current to non-current liabilities, of $349.7 million, purchases of property, plant and equipment of $59.7 million during the six months ended June 30, 2017 and the elimination of a $24.1 million current deferred charge related to the adoption of ASU 2016-16, which was recorded as an adjustment to retained earnings. Other significant items contributing to the change in working capital were largely offsetting. These included a reduction in accounts receivable of $412.0 million that was primarily driven by cash collections on fourth quarter sales of ezetimibe tablets and quetiapine ER tablets and a net reduction in accounts payable and accrued expenses of $220.7 million, primarily related to a reduction in gross-to-net accruals and payments to partners related to fourth quarter sales of ezetimibe tablets.

The following table summarizes our Condensed Consolidated Statements of Cash Flows for the six months ended June 30, (in thousands):

	Six Months Ended June 30,	
	2017	2016
Net cash flow provided by (used in):		
Operating activities	$ 340,986	$ 558,611
Investing activities	(123,780)	137,005
Financing activities	(99,583)	(301,601)
Effect of foreign exchange rate	2,786	1,459
Movement in cash held for sale	(21,125)	—
Net increase in cash and cash equivalents	$ 99,284	$ 395,474

Net cash provided by operating activities. Net cash provided by operating activities was $341.0 million for the six months ended June 30, 2017 compared to $558.6 million of net cash provided by operating activities in the comparable 2016 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 and refunds in the ordinary course of business.

The $217.6 million decrease in Net cash provided by operating activities for the six months ended June 30, 2017 compared to the same period in 2016 was primarily the result of a $707.3 million federal income tax refund received during the second quarter of 2016 and increased payments to partners during the six months ended June 30, 2017 resulting from sales of ezetimibe, which was launched during the fourth quarter of 2016. These decreases period-over-period were partially offset by increased cash receipts generated by net sales of ezetimibe tablets and quetiapine ER tablets during the six months ended June 30, 2017 and decreases in cash outlays for existing mesh settlement agreements during the six months ended June 30, 2017 compared to the same period in 2016. In addition, as a result of continued generic competition on certain legacy branded products and the discontinuation of certain generic products resulting from the 2016 U.S. Generic Pharmaceuticals restructuring initiative, cash outlays for customer rebates and chargebacks decreased during the six months ended June 30, 2017 compared to 2016.

Net cash (used in) provided by investing activities. Net cash used in investing activities was $123.8 million for the six months ended June 30, 2017 compared to $137.0 million provided by investing activities in the comparable 2016 period.

This $260.8 million fluctuation in cash used in investing activities for the six months ended June 30, 2017 compared to the comparable 2016 period relates primarily to $522.8 million paid into QSFs for mesh settlements during the six months ended June 30, 2017, an increase of $196.0 million from the comparable 2016 period. In addition, there was $440.2 million of cash released from the QSFs for mesh settlements during six months ended June 30, 2017, a decrease of $84.2 million from the comparable 2016 period. Cash payments into QSFs result in a cash outflow for investing activities. Cash releases from QSFs result in a cash inflow for investing activities and a corresponding outflow for cash provided by (used in) operating activities. Payments related to our QSFs are further described in Note 11. Commitments and Contingencies of Part I, Item 1 of this Quarterly Report on Form 10-Q. Cash used for purchases of property, plant and equipment also increased $6.0 million.

Partially offsetting the QSF activity between periods, prior year activity included payments for patent acquisition costs and license fees of $13.0 million, with no comparable activity during six months ended June 30, 2017. In addition, there was an increase in net proceeds from the sales of businesses and other assets of $11.9 million.

Net cash used in financing activities. Net cash used in financing activities was $99.6 million for the six months ended June 30, 2017 compared to $301.6 million used in financing activities in the comparable 2016 period.

Items contributing to the $202.0 million decrease in cash used in financing activities for the six months ended June 30, 2017 compared to the same 2016 period include an increase in proceeds from issuance of term loans of $3,415.0 million, an increase in proceeds from issuance of notes of $300.0 million and a decrease in payments of revolving debt of $225.0 million, partially offset by an increase in principal payments on term loans of $3,665.5 million, an increase in payments for deferred financing fees of $53.5 million and an increase in payments for contingent consideration of $22.6 million.

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, certain actions taken by the Company which may impact the availability of our products, asset impairment charges, litigation-related 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 business combinations. 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.

Contractual Obligations. As of June 30, 2017, there were no material changes in our contractual obligations from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission on March 1, 2017, except for the debt issuances and repayments and mesh-related obligations, which are described in Note 10. Debt and Note 11. Commitments and Contingencies, respectively, of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The mesh-related amount we previously reported in our contractual obligations table disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016 represents contractual payments for mesh-related liability settlements pursuant to MSAs that have been executed as of the effective date of the disclosure, reflecting the earliest date that a settlement payment could be due and the largest amount that could be due on that date. The previously reported amount, determined as of December 31, 2016, was $674.1 million, all of which was reported as a 2017 obligation.

As further described in Note 11. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, we increased our mesh-related liability accrual during the six months ended June 30, 2017. As an update to the amounts disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016, we currently estimate that our total remaining mesh-related cash obligation, net of QSF balances, is approximately $935 million, of which we expect to pay approximately $172 million in 2017, $510 million in 2018 and $253 million in 2019.

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, 2016. 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, 2016 filed with the Securities and Exchange Commission on March 1, 2017.

As further described in Note 8. Goodwill and Other Intangibles of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, as a result of the various interim goodwill tests performed during the six months ended June 30, 2017, the Company recorded pre-tax, non-cash goodwill impairment charges relating to our Paladin, Branded and Somar reporting units of $82.6 million, $180.4 million and $25.7 million, respectively. A 50 basis point increase in the assumed discount rate utilized or a 50 basis point decrease in the annual growth rate would have increased our Paladin reporting unit goodwill impairment charge by approximately $20 million and $10 million, respectively. A 50 basis point increase in the assumed discount rate utilized or a 10% reduction of annual cash flows used in testing the Branded reporting unit would have increased our Branded reporting unit goodwill impairment charge by approximately $100 million and $300 million, respectively. The Somar goodwill impairment charge represented the remaining carrying amount.

In addition to the goodwill impairment tests described above, we also initiated an interim goodwill impairment analysis of our Generics reporting unit during the second quarter of 2017 as a result of the 2017 U.S. Generics Pharmaceuticals restructuring initiative as further described in Note 4. Restructuring of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. The analysis indicated the estimated fair value of the Generics reporting unit exceeded its carrying amount. Accordingly, no related goodwill impairment was recorded. A 50 basis point increase in the assumed discount rate utilized or a 50 basis point decrease in the annual growth rate would not have changed the results of our analysis.

We have not made any substantial changes to our methodology used in our annual impairment test since our previous assessment. Determination of the fair value of a reporting unit is a matter of judgment and involves the use of estimates and assumptions, which are based on management's best estimates at the time. The use of different assumptions would increase or decrease our estimated discounted future cash flows and the resulting estimated fair value of our reporting units, and could result in the fair value of a reporting unit being less than its carrying amount in the impairment test. Any resulting non-cash impairment charges could be material.

RECENT ACCOUNTING PRONOUNCEMENTS

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

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

Market risk is the potential loss arising from adverse changes in the financial markets, including interest rates and foreign currency exchange rates.

Interest Rate Risk

Our exposure to interest rate risk relates primarily to our variable rate indebtedness associated with our term loan and revolving credit facilities. At June 30, 2017, our variable-rate debt borrowings related to our term loan facilities and had an aggregate principal amount of $3.4 billion. Borrowings under our credit facilities bear interest at a rate equal to an applicable margin plus London Interbank Offered Rate (LIBOR), in certain cases subject to a LIBOR floor. A hypothetical 1% increase in LIBOR over the LIBOR floor would result in $34.2 million in incremental annual interest expense related to our variable-rate debt borrowings.

To the extent we utilize amounts under our revolving credit facilities or take on additional variable rate indebtedness, including the impact of our April 2017 refinancing described in Note 10. Debt of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, we will be exposed to additional interest rate risk.

As of June 30, 2017 and December 31, 2016, we had no other assets or liabilities with significant interest rate sensitivity.

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 June 30, 2017. 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 June 30, 2017.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the fiscal quarter ended June 30, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The disclosures under Note 11. 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, 2016 filed with the Securities and Exchange Commission on March 1, 2017 (Annual Report) are incorporated into this document by reference. The risk factors set forth below are the risk factors containing changes from the risk factors previously disclosed in the Company's Annual Report. Except as set forth below, there have been no material changes to the risk factors disclosed therein.

The pharmaceutical industry is heavily regulated, which creates uncertainty about our ability to bring new products to market and imposes substantial compliance costs on our business.

Governmental authorities such as the FDA impose substantial requirements on the development, manufacture, holding, labeling, marketing, advertising, promotion, distribution and sale of therapeutic pharmaceutical products through lengthy and detailed laboratory and clinical testing and other costly and time-consuming procedures. In addition, before obtaining regulatory approvals for certain generic products, we must conduct limited bioequivalence studies and other research to show comparability to the branded products. A failure to obtain satisfactory results in required pre-marketing trials may prevent us from obtaining required regulatory approvals. The FDA may also require companies to conduct post-approval studies and post-approval surveillance regarding their drug products and to report adverse events.

Before obtaining regulatory approvals for the sale of any of our new product candidates, we must demonstrate through preclinical studies and clinical trials that the product is safe and effective for each intended use. Preclinical and clinical studies may fail to demonstrate the safety and effectiveness of a product. Likewise, we may not be able to demonstrate through clinical trials that a product candidate's therapeutic benefits outweigh its risks. Even promising results from preclinical and early clinical studies do not always accurately predict results in later, large scale trials. A failure to demonstrate safety and efficacy could or would result in our failure to obtain regulatory approvals. Clinical trials can be delayed for reasons outside of our control, which can lead to increased development costs and delays in regulatory approval. For example, there is substantial competition to enroll patients in clinical trials, and such competition has delayed clinical development of our products in the past. For example, patients may not enroll in clinical trials at the rate expected or patients may drop out after enrolling in the trials or during the trials. In addition, we rely on collaboration partners that may control or make changes in trial protocol and design enhancements, or encounter clinical trial compliance-related issues, which may also delay clinical trials. Product supplies may be delayed or be insufficient to treat the patients participating in the clinical trials, or manufacturers or suppliers may not meet the requirements of the FDA or foreign regulatory authorities, such as those relating to Current Good Manufacturing Practices. We also may experience delays in obtaining, or we may not obtain, required initial and continuing approval of our clinical trials from institutional review boards. We cannot confirm to you that we will not experience delays or undesired results in these or any other of our clinical trials.

We cannot confirm to you that the FDA or foreign regulatory agencies will approve, clear for marketing or certify any products developed by us or that such approval will not subject the marketing of our products to certain limits on indicated use. The FDA or foreign regulatory authorities may not agree with our assessment of the clinical data or they may interpret it differently. Such regulatory authorities may require additional or expanded clinical trials. Any limitation on use imposed by the FDA or delay in or failure to obtain FDA approvals or clearances of products developed by us would adversely affect the marketing of these products and our ability to generate product revenue, which would adversely affect our financial condition and results of operations.

In addition, with respect specifically to pharmaceutical products, the submission of a New Drug Application (NDA) or ANDA to the FDA with supporting clinical safety and efficacy data, for example, does not guarantee that the FDA will grant approval to market the product. Meeting the FDA's regulatory requirements to obtain approval to market a drug product, which varies substantially based on the type, complexity and novelty of the pharmaceutical product, typically takes years and is subject to uncertainty.

Additional delays may result if an FDA Advisory Committee or other regulatory authority recommends non-approval or restrictions on approval. Although the FDA is not required to follow the recommendations of its Advisory Committees, it usually does. A negative Advisory Committee meeting could signal a lower likelihood of approval, although the FDA may still end up approving our application. Regardless of an Advisory Committee meeting outcome or the FDA's final approval decision, public presentation of our data may shed positive or negative light on our application.

With respect to our Supplemental New Drug Application for OPANA® ER, the FDA scheduled a Joint Meeting of the Drug Safety and Risk Management Advisory Committee and the Anesthetic and Analgesic Drug Products Advisory Committee in March 2017, to discuss pre- and post-marketing data about the abuse of OPANA® ER and the overall risk-benefit of this product. The Advisory Committees was also scheduled to discuss abuse of generic oxymorphone ER and oxymorphone immediate-release (IR) products. In March 2017, the Advisory Committees voted 18 to eight, with one abstention, that the benefits of reformulated OPANA® ER no longer outweigh its risks. In June 2017, the FDA requested that we voluntarily withdraw OPANA® ER from the market and, in July 2017, we announced that we would voluntarily comply with the FDA's request. We plan to work with the FDA to coordinate the orderly removal of OPANA® ER in a manner that looks to minimize treatment disruption for patients and allows patients sufficient time to seek guidance from their healthcare professionals. As a result of this withdrawal, we have incurred and expect to incur certain charges. These and other product corrections, recalls or withdrawals could divert management time and attention, reduce market acceptance of all of our products, harm our reputation, lead to additional charges or expenses or result in product liability claims, any of which could have a material adverse effect on our revenue, results of operations and financial condition.

Some drugs are available in the United States that are not the subject of an FDA-approved NDA. In 2011, the FDA's Center for Drug Evaluation and Research ("CDER") Office of Compliance modified its enforcement policy with regard to the marketing of such "unapproved" marketed drugs. Under CDER's revised guidance, the FDA encourages manufacturers to obtain NDA approvals for such drugs by requiring unapproved versions to be removed from the market after an approved version has been introduced, subject to a grace period at the FDA's discretion. This grace period is intended to allow an orderly transition of supply to the market and to mitigate any potential related drug shortage. Depending on the length of the grace period and the time it takes for subsequent applications to be approved, this may result in a period of de facto market exclusivity to the first manufacturer that has obtained an approved NDA for the previously unapproved marketed drug. We may seek FDA approval for certain unapproved marketed drug products through the 505(b)(2) regulatory pathway. Even if we receive approval for an NDA under Section 505(b)(2), the FDA may not take timely enforcement action against companies marketing unapproved versions of the drug; therefore, we cannot be sure that that we will receive the benefit of any de facto exclusive marketing period or that we will fully recoup the expenses incurred to obtain an approval. In addition, certain competitors and others have objected to the FDA's interpretation of Section 505(b)(2). If the FDA's interpretation of Section 505(b)(2) is successfully challenged, this could delay or even prevent the FDA from approving any NDA that we submit under Section 505(b)(2).

Moreover, even if our product candidates are approved under Section 505(b)(2), the approval may be subject to limitations on the indicated uses for which the products may be marketed or to other conditions of approval, or may contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the products.

The ANDA approval process for a new product varies in time, generally requiring a minimum of 10 months following submission of the ANDA to FDA, but could also take several years from the date of application. The timing for the ANDA approval process for generic products is difficult to estimate and can vary significantly. ANDA approvals, if granted, may not include all uses (known as indications) for which a company may seek to market a product.

Further, once a product is approved or cleared for marketing, failure to comply with applicable regulatory requirements can result in, among other things, suspensions or withdrawals of approvals or clearances, seizures or recalls of products, injunctions against the manufacture, holding, distribution, marketing and sale of a product, and civil and criminal sanctions. Furthermore, changes in existing regulations or the adoption of new regulations could prevent us from obtaining, or affect the timing of, future regulatory approvals or clearances. Meeting regulatory requirements and evolving government standards may delay marketing of our new products for a considerable period of time, impose costly procedures upon our activities and result in a competitive advantage to larger companies that compete against us.

Based on scientific developments, post-market experience, or other legislative or regulatory changes, the current FDA standards of review for approving new pharmaceutical products, or new indications or uses for approved or cleared products, are sometimes more stringent than those that were applied in the past.

Some new or evolving FDA review standards or conditions for approval or clearance were not applied to many established products currently on the market, including certain opioid products. As a result, the FDA does not have as extensive safety databases on these products as on some products developed more recently. Accordingly, we believe the FDA has expressed an intention to develop such databases for certain of these products, including many opioids. In particular, the FDA has expressed interest in specific chemical structures that may be present as impurities in a number of opioid narcotic active pharmaceutical ingredients, such as oxycodone, which based on certain structural characteristics and laboratory tests may indicate the potential for having mutagenic effects. FDA has required, and may continue to require, more stringent controls of the levels of these impurities in drug products for approval.

Also, the FDA may require labeling revisions, formulation or manufacturing changes and/or product modifications for new or existing products containing such impurities. The FDA's more stringent requirements, together with any additional testing or remedial measures that may be necessary, could result in increased costs for, or delays in, obtaining approval for certain of our products in development. Although we do not believe that the FDA would seek to remove a currently marketed product from the market unless such mutagenic effects are believed to indicate a significant risk to patient health, we cannot make any such assurance.

In May of 2016, an FDA advisory panel recommended mandatory training of all physicians who prescribe opioids on the risks of prescription opioids. In 2016, the CDC also issued a guideline for prescribing opioids for chronic pain that provides recommendations for primary care clinicians who are prescribing opioids for chronic pain outside of active cancer treatment, palliative care and end-of-life care. In addition, state health departments and boards of pharmacy have authority to regulate distribution and may modify their regulations with respect to prescription narcotics in an attempt to curb abuse. In either case, any such new regulations or requirements may be difficult and expensive for us to comply with, may delay our introduction of new products, may adversely affect our total revenues and may have a material adverse effect on our business, results of operations, financial condition and cash flows.

The FDA has the authority to require companies to undertake additional post-approval studies to assess known or signaled safety risks, to make any labeling changes to address those risks and to formulate approved Risk Evaluation and Mitigation Strategies (REMS) to confirm a drug's benefits outweigh its risks. For example, in 2015, the FDA sent letters to a number of manufactures, including Endo, requiring that a randomized, double-blind, placebo-controlled clinical trial be conducted to evaluate the effect of testosterone replacement therapy on the incidence of major adverse cardiovascular events in men. The letter received by Endo required that we include new safety information in the labeling and Medication Guide for certain prescription medications containing testosterone, such as TESTIM®.

The FDA's exercise of its authority under the FFDCA could result in delays or increased costs during product development, clinical trials and regulatory review, increased costs to comply with additional post-approval regulatory requirements and potential restrictions on sales of approved products. Foreign regulatory agencies often have similar authority and may impose comparable requirements and costs. Post-marketing studies and other emerging data about marketed products, such as adverse event reports, may also adversely affect sales of our products. Furthermore, the discovery of significant safety or efficacy concerns or problems with a product in the same therapeutic class as one of our products that implicate or appear to implicate the entire class of products could have an adverse effect on sales of our product or, in some cases, result in product withdrawals. The FDA has continuing authority over the approval of an NDA or ANDA and may withdraw approval if, among other reasons, post-marketing clinical or other experience, tests or data show that a drug is unsafe for use under the conditions upon which it was approved, or if FDA determines that there is a lack of substantial evidence of the drug's efficacy under the conditions described in its labeling. Furthermore, new data and information, including information about product misuse or abuse at the user level, may lead government agencies, professional societies, practice management groups or patient or trade organizations to recommend or publish guidance or guidelines related to the use of our products, which may lead to reduced sales of our products.

The FDA and the DEA have important and complementary responsibilities with respect to our business. The FDA administers an application and post-approval monitoring process to confirm that products that are available in the market are safe, effective and consistently of uniform, high quality. The DEA administers registration, drug allotment and accountability systems to satisfy against loss and diversion of controlled substances. Both agencies have trained investigators that routinely, or for cause, conduct inspections, and both have authority to seek to enforce their statutory authority and regulations through administrative remedies as well as civil and criminal enforcement actions.

The FDA regulates and monitors the quality of drug clinical trials to provide human subject protection and to support marketing applications. The FDA may place a hold on a clinical trial and may cause a suspension or withdrawal of product approvals if regulatory standards are not maintained. The FDA also regulates the facilities, processes and procedures used to manufacture and market pharmaceutical products in the U.S. Manufacturing facilities must be registered with the FDA and all products made in such facilities must be manufactured in accordance with the latest cGMP regulations, which are enforced by the FDA. Compliance with clinical trial requirements and cGMP regulations requires the dedication of substantial resources and requires significant expenditures. In the event an approved manufacturing facility for a particular drug is required by the FDA to curtail or cease operations, or otherwise becomes inoperable, or a third party contract manufacturing facility faces manufacturing problems, obtaining the required FDA authorization to manufacture at the same or a different manufacturing site could result in production delays, which could adversely affect our business, results of operations, financial condition and cash flow.

The FDA is authorized to perform inspections of U.S. and foreign facilities under the FFDCA. At the end of such an inspection, FDA could issue a Form 483 Notice of Inspectional Observations, which could cause us to modify certain activities identified during the inspection. Following such inspections, the FDA may issue an untitled letter as an initial correspondence that cites violations that do not meet the threshold of regulatory significance of a Warning Letter. FDA guidelines also provide for the issuance of Warning Letters for violations of "regulatory significance" for which the failure to adequately and promptly achieve correction may be expected to result in an enforcement action. FDA also may issue Warning Letters and untitled letters in connection with events or circumstances unrelated to an FDA inspection.

Similar to other healthcare companies, during 2016, our facilities, in multiple countries, across the full range of our business units, were subject to routine and new-product related inspections by the FDA, MHRA, HPRA and Health Canada. Some of these inspections resulted in non-critical inspection observations (including FDA Form 483 observations). We have responded to all inspection observations within the required time frame and have implemented, or are continuing to implement, the corrective action plans as agreed with the relevant regulatory agencies.

Many of our core products contain controlled substances. The stringent DEA regulations on our use of controlled substances include restrictions on their use in research, manufacture, distribution and storage. A breach of these regulations could result in imposition of civil penalties, refusal to renew or action to revoke necessary registrations, or other restrictions on operations involving controlled substances. In addition, failure to comply with applicable legal requirements subjects the manufacturing facilities of our subsidiaries and manufacturing partners to possible legal or regulatory action, including shutdown. Any such shutdown may adversely affect their ability to supply us with product and thus, our ability to market affected products. This could have a negative impact on our business, results of operations, financial condition, cash flows and competitive position. See also the risk described under the caption "The DEA limits the availability of the active ingredients used in many of our current products and products in development, as well as the production of these products, and, as a result, our procurement and production quotas may not be sufficient to meet commercial demand or complete clinical trials." under the caption "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016. In addition, we are subject to the Federal Drug Supply Chain Security Act (DSCSA). The U.S. government has enacted DSCSA which requires development of an electronic pedigree to track and trace each prescription drug at the salable unit level through the distribution system, which will be effective incrementally over a 10-year period. Compliance with DSCSA and future U.S. federal or state electronic pedigree requirements may increase our operational expenses and impose significant administrative burdens.

We cannot determine what effect changes in regulations or legal interpretations or requirements by the FDA or the courts, when and if promulgated or issued, may have on our business in the future. Changes could, among other things, require different labeling, monitoring of patients, interaction with physicians, education programs for patients or physicians, curtailment of necessary supplies, or limitations on product distribution. These changes, or others required by the FDA or DEA could have an adverse effect on the sales of these products. The evolving and complex nature of regulatory science and regulatory requirements, the broad authority and discretion of the FDA and the generally high level of regulatory oversight results in a continuing possibility that, from time to time, we will be adversely affected by regulatory actions despite our ongoing efforts and commitment to achieve and maintain full compliance with all regulatory requirements.

We are currently dependent on outside manufacturers for the manufacture of a significant amount of our products; therefore, we have and will continue to have limited control of the manufacturing process and related costs. Certain of our manufacturers currently constitute the sole source of one or more of our products.

Third party manufacturers currently manufacture a significant amount of our products pursuant to contractual arrangements. Certain of our manufacturers currently constitute the sole source of our products. For example, Teikoku is our sole source of LIDODERM®. Because of contractual restraints and the lead-time necessary to obtain FDA approval, and possibly DEA registration, of a new manufacturer, replacement of any of these manufacturers may be expensive and time consuming and may cause interruptions in our supply of products to customers. As a result, any such delay could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have significant goodwill and other intangible assets. Consequently, potential impairment of goodwill and other intangibles may significantly impact our profitability.

Goodwill and other intangibles represent a significant portion of our assets. As of June 30, 2017 and December 31, 2016, goodwill and other intangibles comprised approximately 76% and 74%, respectively, of our total assets. Goodwill and other intangible assets are subject to an impairment test at least annually. Additionally, impairment tests must be performed whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. For example, as further discussed in Note 8. Goodwill and Other Intangibles in Part I, Item 1 of this Quarterly Report on Form 10-Q, we recorded a $45.5 million impairment charge related to our serelaxin in-process research and development intangible asset during the three months ended March 31, 2017. This charge resulted from the announcement that a Phase III study of serelaxin in patients with AHF failed to meet its primary endpoints.

Asset impairment charges for the three and six months ended June 30, 2017 totaled $725.0 million and $929.0 million, respectively, compared to $40.0 million and $169.6 million in the comparable 2016 periods, which related primarily to goodwill and other intangible assets. The procedures used in our goodwill and intangible assets impairment testing are discussed in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the Securities and Exchange Commission on March 1, 2017 under the captions "CRITICAL ACCOUNTING ESTIMATES" and "RESULTS OF OPERATIONS".

Events giving rise to impairment of goodwill or intangible assets are an inherent risk in the pharmaceutical industry and often cannot be predicted. As a result of the significance of goodwill and other intangible assets, our results of operations and financial position in a future period could be negatively impacted should additional impairments of our goodwill or other intangible assets occur.

We may be the subject of product liability claims or product recalls, and we may be unable to obtain or maintain insurance adequate to cover potential liabilities.

Our business exposes us to significant potential risk from product liability claims, other significant litigation matters, government investigations or product recalls, including, but not limited to, such matters associated with the testing, manufacturing, marketing and sale of our products. We have been in the past, and continue to be, subject to various product liability cases, other litigations and government investigations. In addition to direct expenditures for damages, settlement and defense costs, there is a possibility of adverse publicity, loss of revenues and disruption of business as a result of product liability claims or other litigation matters. Some plaintiffs have received substantial damage awards in some jurisdictions against pharmaceutical and/or medical device companies based upon claims for injuries allegedly caused by the use of their products. In addition, in the age of social media, plaintiffs' attorneys have a wide variety of tools to advertise their services and solicit new clients for litigation, including using judgments against other pharmaceutical companies in a product liability or mass tort litigation as an advertising tool. Thus, we could expect that any significant product liability litigation or mass tort in which we are a defendant will have a larger number of plaintiffs than such actions have seen historically and we could expect to see an increase in number of cases filed against us because of the increasing use of widespread and media-varied advertising. Furthermore, a ruling against other pharmaceutical companies in product liability or mass tort litigation in which we are not a defendant could have a negative impact on pending litigation where we are a defendant. In addition, it may be necessary for us to voluntarily or mandatorily recall or withdraw products that do not meet approved specifications or which subsequent data demonstrate may be unsafe or ineffective or misused. Any such recall or withdraw could result in adverse publicity, costs connected to the recall and loss of revenue. If we are found liable on a product liability claim or series of claims, defaults could be declared under our debt agreements, we could suffer reputational damage, and we could incur losses, any of which could materially and adversely impact our business, financial condition, results of operations and cash flows.

Our pharmaceutical and medical device products may cause, or may appear to cause, serious adverse side effects or potentially dangerous drug interactions if misused, improperly prescribed or subject to faulty surgical technique. For example, we and/or certain of our subsidiaries, have been named as defendants in multiple lawsuits in various federal and state courts alleging personal injury resulting from use of transvaginal surgical mesh products designed to treat pelvic organ prolapse and stress urinary incontinence. Through our Astora Women's Health Business (Astora), we and certain plaintiffs' attorneys representing mesh-related product liability claimants have entered into various Master Settlement Agreements (MSAs) and other agreements to resolve up to approximately 71,000 filed and unfiled mesh claims handled or controlled by the participating counsel. These MSAs and other agreements were entered into at various times between June 2013 and August 2017, were solely by way of compromise and settlement were not in any way an admission of liability or fault by us or any of our subsidiaries. In addition, there may be other claims asserted in the future. It is currently not possible to estimate the number or validity of any such future claims. Although we believe 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 accrued at this time.

We cannot confirm to you that we will be able to obtain or maintain product liability insurance in the future on acceptable terms or with adequate coverage against potential liabilities or other losses such as the cost of a recall if any claim is brought against us, regardless of the success or failure of the claim. For example, we generally no longer have product liability insurance to cover the claims in connection with the mesh-related litigation described above. Additionally, we may be limited by the surviving insurance policies of our acquired subsidiaries, which may not be adequate to cover against potential liabilities or other losses. The failure to generate sufficient cash flow or to obtain other financing could affect our ability to pay the amounts due under those liabilities not covered by insurance. See Note 11. Commitments and Contingencies of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion of our product liability claims.

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

There were no purchases or sales of equity securities by the Company during the three months ended June 30, 2017.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On August 1, 2017, the Nominating & Governance Committee of the Company's Board of Directors approved an amendment to the Company's Common Stock Ownership Guidelines for Non-Employee Directors and Executive Management of Endo International plc (Guidelines). The amendment waives the applicability of the Guidelines to any non-employee director who is a representative or employee of a significant shareholder of the Company or an investment firm if such non-employee director is prohibited from personally owning Company shares of common stock by the internal policies of such significant shareholder or investment firm. As of the date hereof, the waiver covered by this amendment applies to Todd B. Sisitsky, who serves as a representative of TPG Capital, a significant shareholder of the Company. TPG Capital's policies prohibit personal ownership of Company stock by its representatives and, accordingly, Mr. Sisitsky has waived all rights to receive any annual cash retainer fees, meeting fees, share-based awards or other compensation of any kind (other than certain rights to indemnification, directors and officers insurance and expense reimbursement) in connection with his service as a director of the Company. The Guidelines are posted on the Company's website at www.endo.com, under "Investors-Corporate Governance-Nominating & Governance Committee."

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/ PAUL V. CAMPANELLI

Name: **Paul V. Campanelli**

Title: **President and Chief Executive Officer**
(Principal Executive Officer)

/s/ BLAISE COLEMAN

Name: **Blaise Coleman**

Title: **Executive Vice President, Chief Financial Officer**
(Principal Financial Officer)

Date: August 8, 2017

Exhibit Index

Exhibit No.	Description
2.1	Purchase Agreement, dated as of June 30, 2017, by and among Endo Somar Holdings B.V., Endo Luxembourg Finance Company I S.à r.l., Endo Global Finance LLC, Endo Luxembourg Finance Company II S.à r.l. and AI Global Investments (Netherlands) PCC Limited, acting for and on behalf of the Soar Cell (filed herewith)
3.1	Memorandum and Articles of Association of Endo International plc, dated as of October 31, 2013 and as amended as of June 8, 2017 (filed herewith)
10.1	Endo International plc Amended and Restated 2015 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Endo International plc Current Report on Form 8-K, filed with the Commission on June 9, 2017)
14.1	Our Code of Conduct (incorporated by reference to Exhibit 14.1 of the Endo International plc Current Report on Form 8-K, filed with the Commission on August 2, 2017)
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
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 Report on Form 10-Q for the quarter ended June 30, 2017, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Loss, (iv) the Condensed Consolidated Statements of Cash Flows and (v) the Notes to Condensed Consolidated Financial Statements

Exhibit 2.1

Execution Version

PURCHASE AGREEMENT

by and among

Endo Somar Holdings B.V.,

Endo Luxembourg Finance Company I S.A.R.L.,

Endo Global Finance LLC, and

Endo Luxembourg Finance Company II S.A.R.L.,

as Sellers,

and

AI Global Investments (Netherlands) PCC Limited,
acting for and on behalf of the Soar Cell,

as Purchaser

dated June 30, 2017

TABLE OF CONTENTS

RECITALS 1
CLAUSES 2
ARTICLE I DEFINITIONS 2
SECTION 1.1. Definitions. 2
ARTICLE II PURCHASE OF SHARES; CLOSING 2
SECTION 2.1. Purchase of the Shares. 2
SECTION 2.2. Shares Purchase Price and Purchased Debt Purchase Price. 3
SECTION 2.3. Closing. 3
SECTION 2.4. Transactions to be Effected on the Closing Date; Payment of Shares Closing Payment and Purchased Debt Purchase Price. 4
SECTION 2.5. Shares Purchase Price Adjustment; Determination of Final Shares Purchase Price. 5
ARTICLE III REPRESENTATIONS OF THE COMPANY 8
SECTION 3.1. Organization and Standing. 8
SECTION 3.2. Authority; Execution. 8
SECTION 3.3. Representative's Authority. 8
SECTION 3.4. Capital Stock of the Target Companies. 8
SECTION 3.5. No Conflicts. 9
SECTION 3.6. Consents, Filings and Approvals. 9
SECTION 3.7. Financial Statements; Books and Records. 10
SECTION 3.8. No Undisclosed Liabilities. 10
SECTION 3.9.Absence of Certain Changes. 10
SECTION 3.10. Title to Personal Property. 10
SECTION 3.11. Real Property. 11
SECTION 3.12. Leased Property. 11
SECTION 3.13. Environmental Matters. 11
SECTION 3.14.Material Contracts. 12
SECTION 3.15. Sanitary Licenses. 14
SECTION 3.16. Intellectual Property. 15
SECTION 3.17. Suppliers. 17
SECTION 3.18. Corporate Records. 17
SECTION 3.19. Permits. 17
SECTION 3.20. Legal Proceedings. 17
SECTION 3.21. Tax Matters. 18
SECTION 3.22. Key Employees. 19
SECTION 3.23. Employee Benefits. 19
SECTION 3.24. Unionized Labor. 19
SECTION 3.25. Insurance Policies. 20
SECTION 3.26. Related Party Transactions. 20
SECTION 3.27. No Additional Representations. 20
SECTION 3.28. Compliance with Applicable Law. 20

SECTION 3.29. Brokers. 20
SECTION 3.30 Anticorruption and Sanctions. 21
ARTICLE IV REPRESENTATIONS OF THE SELLERS 21
SECTION 4.1. Organization and Standing. 21
SECTION 4.2. Authority; Execution. 22
SECTION 4.3. Representative's Authority. 22
SECTION 4.4. Ownership of Shares and Purchased Debt. 22
SECTION 4.5. No Conflicts. 23
SECTION 4.6. Consents, Filings and Approvals. 23
SECTION 4.7. Legal Proceedings. 23
SECTION 4.8. Financial Wherewithal. 24
SECTION 4.8. No Additional Representations. 24
ARTICLE V REPRESENTATIONS OF THE PCC 24
SECTION 5.1. Organization. 24
SECTION 5.2. Authority; Execution. 24
SECTION 5.3. Representatives' Authority. 25
SECTION 5.4. No Conflicts. 25
SECTION 5.5. Consents, Filings and Approvals. 25
SECTION 5.6. Legal Proceedings. 26
SECTION 5.7. Breach of Representations. 26
SECTION 5.8. Financial Wherewithal. 26
SECTION 5.9. No Additional Representations. 26
ARTICLE VI COVENANTS OF THE COMPANY, THE SELLERS AND THE PURCHASERS 27
SECTION 6.1. Conduct of Business by the Target Companies. 27
SECTION 6.2. Non-Solicitation of Employees. 28
SECTION 6.3. Non-Compete. 29
SECTION 6.4. Access and Information. 29
SECTION 6.5. Exclusive Dealing. 30
ARTICLE VII OTHER COVENANTS 30
SECTION 7.1. Confidentiality. 30
SECTION 7.2. Publicity. 33
SECTION 7.3. Approvals. 33
SECTION 7.4. Further Assurances. 34
SECTION 7.5. Supplemental Disclosure. 34
SECTION 7.6. Tax Matters. 35
SECTION 7.7. Anti-Corruption Laws. 39
ARTICLE VIII CONDITIONS PRECEDENT 39
SECTION 8.1. Conditions to Obligations of the Purchasers. 39
SECTION 8.2. Conditions to Obligations of the Company and the Sellers. 40
ARTICLE IX TERMINATION 41
SECTION 9.1. Termination. 41

SECTION 9.2. Effect of Termination. 42
ARTICLE X INDEMNIFICATION 43
SECTION 10.1. Indemnification by the Sellers. 43
SECTION 10.2. Indemnification by the Purchasers. 43
SECTION 10.3. Excluded Losses. 44
SECTION 10.4. Termination of Indemnification; Limitations on Liability. 44
SECTION 10.5. Procedures. 44
SECTION 10.6. Term for Indemnification. 46
SECTION 10.7. Calculation; Payment of Losses. 46
SECTION 10.8. Liability Limitations; Payment of Losses. 46
SECTION 10.9. Treatment. 48
SECTION 10.10. Remedies. 49
ARTICLE XI NON RECOURSE 49
ARTICLE XII MISCELLANEOUS 49
SECTION 12.1. Notices. 49
SECTION 12.2. Governing Law. 51
SECTION 12.3. Binding Effect. 52
SECTION 12.4. Entire Agreement. 52
SECTION 12.5. Further Instruments and Acts. 52
SECTION 12.6. Waivers. 52
SECTION 12.7. Headings. 52
SECTION 12.8. Severability. 52
SECTION 12.9. Arbitration. 53
SECTION 12.10. Fees. 53
SECTION 12.11. Transaction Costs. 54
SECTION 12.12. Assignment. 54
SECTION 12.13. Third-Party Beneficiaries. 54
SECTION 12.14. Counterparts. 54
SECTION 12.15. Obligations of Sellers. 55
SECTION 12.16. Usage. 55
SECTION 12.17. Accounting Terms; Calculations. 55
SECTION 12.18. Statutory References. 55

PURCHASE AGREEMENT

This PURCHASE AGREEMENT (the "Agreement") is entered into on June 30, 2017 by and among:

(I) Endo Somar Holdings B.V. ("Endo Holdings"), a company duly organized and validly existing under the laws of the Netherlands;

(II) Endo Luxembourg Finance Company I S.A.R.L. ("Endo Lux"), a company duly organized and validly existing under the laws of Luxembourg;

(III) Endo Global Finance LLC ("Endo Global"), a limited liability company duly organized and validly existing under the laws of Delaware;

(IV) Endo Luxembourg Finance Company II S.A.R.L. ("Endo Lux II"), a company duly organized and validly existing under the laws of Luxembourg (and together with Endo Holdings, Endo Lux and Endo Global, the "Sellers", and each a "Seller");

(V) AI Global Investments (Netherlands) PCC Limited, a protected cell company limited by shares duly organized and validly existing under the laws of the Island of Guernsey (the "PCC"), acting for and on behalf of the Soar Cell (the "Soar Cell") (and together with any of its permitted assigns under Section 12.12, the "Purchasers", and each a "Purchaser"); and

(VI) Grupo Farmacéutico Somar, S.A.P.I. de C.V. (the "Company"), a corporation duly organized and validly existing under the laws of Mexico.

This Agreement is subject to the following Recitals and Clauses:

RECITALS

WHEREAS, Sellers own (i) all of the issued and outstanding shares representative of the capital stock of the Company and all of the issued and outstanding shares representative of the capital stock of the Company Subsidiaries that are not currently owned by the Company (collectively, the "Shares") and, (ii) indirectly, all of the issued and outstanding shares representative of the capital stock of the Company Subsidiaries that are currently owned by the Company (together with the Shares, the "Equity Securities").

WHEREAS, subject to the terms and conditions set forth in this Agreement, (i) the Sellers wish to sell to the Purchasers, and the Purchasers wish to purchase and acquire from the Sellers all of the Shares, and (ii) Endo Lux II wishes to sell and assign to the Purchasers, and the Purchasers wish to purchase and assume all the rights and obligations of Endo Lux II, as of the Closing Date, derived from the loan agreement entered into between Endo Lux II and Serral, S.A. de C.V. on January 20, 2016, in terms of which Endo Lux II made available to Serral, S.A. de C.V. a loan in an amount of MXN$514,996,800.00 (five hundred and fourteen million nine hundred and ninety six thousand eight hundred Pesos 00/100), as amended prior to the Closing Date (the "Purchased Debt").

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and the intent of the parties to be legally bound, the parties hereto agree as follows:

CLAUSES

ARTICLE I
DEFINITIONS

SECTION 1.1. Definitions.

Unless otherwise provided for in this Agreement, capitalized terms used in this Agreement but not defined herein shall have the meanings given to them on the Exhibit "A" hereto.

ARTICLE II
PURCHASE OF SHARES; CLOSING

SECTION 2.1. Purchase of the Shares.

On the terms and subject to the conditions of this Agreement, at the Closing, (i) the Sellers will sell to the Purchasers, and the Purchasers will purchase from the Sellers, free and clear of any Liens, the Shares described opposite each Seller's name on Exhibit "B" hereto, and (ii) Endo Lux II shall sell and assign to Soar Cell (or to Dutch SPV appointed by Soar Cell for such purposes), and Soar Cell (or Dutch SPV, as it may correspond) shall purchase and assume from Endo Lux II, the Purchased Debt. For the avoidance of doubt, the Sellers will not be required to sell any of the Shares unless the Purchasers concurrently acquire all of the Shares and the Purchased Debt.

SECTION 2.2. Shares Purchase Price and Purchased Debt Purchase Price.

(a) The aggregate purchase price to be paid by the Purchasers to the Sellers for the Shares (the "Shares Purchase Price") will be equal to the Shares Closing Payment as adjusted pursuant to Section 2.5. The shares closing payment will be equal to US$124,000,000.00 (one hundred twenty four million Dollars 00/100) *plus* (i) Estimated Cash, *minus* (ii) Estimated Indebtedness, *plus* (iii) the amount by which Estimated Net Working Capital exceeds Reference Net Working Capital, if any, *minus* (iv) the amount by which the Reference Net Working Capital exceeds Estimated Net Working Capital, if any, and *minus* (v) the Dollar equivalent of the Purchased Debt Purchase Price, determined using the Peso-Dollar exchange rate (*tipo de cambio para solventar obligaciones denominadas en moneda extranjera pagaderas en la República Mexicana*) published by Banco de México on the Official Gazette of the Federal Government (*Diario Oficinal de la Federación*) on the date on which the Closing Statement is delivered (the "Shares Closing Payment"). For illustrative purposes Exhibit "C" includes an example of the calculation of the Shares Closing Payment considering the assumptions set forth therein.

No later than 12 (twelve) Business Days prior to the Closing Date Sellers shall deliver to Purchasers a written statement (the "Closing Statement") setting forth a good faith estimate, in each case as of the Closing Date, of (i) the Cash, which shall not exceed $50,000,000.00 (fifty million Pesos 00/100) and shall not be less than $30,000,000.00 (thirty million Pesos 00/100) (the "Estimated Cash"), (ii) the Indebtedness (the "Estimated Indebtedness") and (iii) the Net Working Capital (the "Estimated Net Working Capital") calculations, together with reasonable details regarding the calculation of such estimates.

(b) The aggregate purchase price to be paid by Soar Cell (or Dutch SPV, as applicable) to Endo Lux II for the Purchased Debt will be an amount not to exceed MXN$515,000,000.00 (five hundred and fifteen million Pesos 00/100) (the "Purchased Debt Purchase Price"), as indicated by the Sellers to the Purchaser in writing no later than 12 (twelve) Business Days prior to the Closing Date, in the understanding that the Purchased Debt Purchase Price shall be an amount equal to the outstanding balance of the Purchased Debt at the date of estimation thereof.

(c) Purchaser and Sellers will agree and prepare an exhibit regarding the allocation of the Shares Purchase Price among the Sellers; provided, that such allocation shall be proportional and commensurate to the Shares sold by each Seller.

SECTION 2.3. Closing.

The closing (the "Closing") of the purchase and payment for the Shares and the other transactions contemplated herein shall be held and take place at the offices of Creel, García-Cuéllar, Aiza y Enríquez, S.C., located at Paseo de los Tamarindos

60 4th Floor, Bosques de Las Lomas, Mexico City, Mexico, no later than 12 (twelve) Business Days following the satisfaction (or, to the extent permitted, waiver) of the applicable conditions set forth in Article VIII, or at such other place, time and date as shall be agreed in writing between the Purchasers and the Sellers (the "Closing Date").

SECTION 2.4. Transactions to be Effected on the Closing Date; Payment of Shares Closing Payment and Purchased Debt Purchase Price.

(a) On the Closing Date, subject to satisfaction of the Purchasers' joint and several payment obligation set forth in item (b) below and in addition to any conditions established in Sections 8.1 and 8.2 that may be satisfied at the Closing:

(i) the Sellers will deliver to the Purchasers, the stock certificates representing the Shares duly endorsed in property (*endoso en propiedad*) in favor of the Purchasers;

(ii) the Sellers will deliver to the Purchasers a copy of the entry of the stock registry book of the Target Companies evidencing the purchase of the Shares by the Purchasers;

(iii) each Purchaser will deliver to the Sellers a certification evidencing receipt of the certificates representing the Shares purchased by it;

(iv) the Sellers will deliver to the Purchasers copies of the shareholders' meeting resolutions of each of the Target Companies, approving: (A) the resignations, effective as of the Closing Date and conditioned upon the consummation of Closing, of the directors identified in writing by the Purchaser no later than 12 (twelve) Business Days prior to the Closing Date, releasing each of them from any and all liability in which they might have incurred in connection with the lawful performance of their respective duties; (B) the revocation, effective as of the Closing Date, of the powers of attorney conferred in favor of the attorneys-in-fact identified in writing by the Purchaser no later than 12 (twelve) Business Days prior to the Closing Date, releasing each and every one of such attorneys-in-fact from any and all liability in which they might have incurred in connection with the lawful performance of their respective duties; (C) the appointment of the new members of the board of directors nominated by the Purchasers (each of which shall have previously accepted their appointment in writing), as applicable, whose names shall be notified in writing by Purchasers to Sellers prior to the Closing Date; and (D) the appointment of the attorneys-in-fact nominated by the Purchasers whose names shall be notified in writing by Purchasers to Sellers prior to the Closing Date;

(v) the Purchasers shall deliver to Sellers a copy of the shareholders' meeting resolutions of each of the Target Companies ratifying, on their terms, the resolutions adopted pursuant to the resolutions set forth in (iv) above; and

(vi) Soar Cell (or Dutch SPV, as applicable) and Endo Lux II shall enter into the Assignment and Assumption Agreement in respect of the Purchased Debt.

(b) On the Closing Date, (i) the Purchasers will pay the Shares Closing Payment, on a joint and several basis, to the Sellers, and (ii) Soar Cell (or Dutch SPV, as applicable) will pay the Purchased Debt Purchase Price to Endo Lux II, in immediately available funds, by means of electronic wire transfers to the Dollar and Pesos accounts of the Sellers notified to the Purchasers in writing at least 12 (twelve) Business Days prior to the Closing Date, respectively.

SECTION 2.5. Shares Purchase Price Adjustment; Determination of Final Shares Purchase Price.

(a) Within 90 (ninety) calendar days after the Closing, the Purchasers will prepare, and deliver to Sellers a statement (the "Purchasers Statement") setting forth (i) a balance sheet of the Target Companies, on a consolidated basis as of the close of business immediately preceding the Closing Date, which balance sheet will be prepared in accordance with Mexican GAAP applied on a consistent basis with the Financial Statements, and (ii) a certificate setting forth the calculation of (x) Net Working Capital, (y) Cash, and (z) Indebtedness in each case as of the Closing Date. All components or elements that are in a currency other than Dollars shall be converted to Dollars using the exchange rate that the Sellers used in the Closing Statement, which shall be the Peso-Dollar exchange rate (*tipo de cambio para solventar obligaciones denominadas en moneda extranjera pagaderas en la República Mexicana*) published by Banco de México on the Official Gazette of the Federal Government (*Diario Oficinal de la Federación*) on the date of delivery of the Closing Statement. If Purchasers fail to timely deliver the Purchasers Statement in accordance with the foregoing, then, the Adjustment Amount shall be deemed to equal zero.

(b) Contemporaneously with the delivery of the Purchasers Statement, Purchasers shall also deliver to Sellers reasonable details regarding the calculation of such estimates. Likewise, to the extent requested by Sellers, Purchasers will make available to Sellers and their auditors and advisors all material records and work papers used by Purchasers in preparing the Purchasers Statements.

(c) Sellers shall have 45 (forty five) calendar days following receipt of the Purchasers Statement (the "Review Period") to review such calculations. The Purchasers Statement shall become final and binding upon the parties and the determination as to Cash, Indebtedness and Net Working Capital contained in the

Purchasers Statement shall be the final and definitive determination as to the Cash, Indebtedness and Net Working Capital 5 (five) Business Days following the Review Period, unless the Sellers give written notice of their disagreement (a "Notice of Disagreement") to the Purchasers prior to such date, which shall specify in reasonable detail the nature of any disagreement so asserted.

(d) During the 30 (thirty) day period following the delivery of a Notice of Disagreement, the Sellers and the Purchasers shall seek in good faith to resolve in writing any differences in respect of the matters specified in the Notice of Disagreement. At the end of such 30 (thirty) day period, either the Sellers or the Purchasers may submit to Galaz, Yamazaki, Ruíz Urquiza, S.C. (member of Deloitte Touche Tohmatsu Limited) or, if such firm is unable or unwilling to act, to the internationally recognized independent public accounting firm mutually agreed by the parties (the "Accounting Firm"), for arbitration on any and all matters that remain in dispute and were included in the Notice of Disagreement. The parties will use reasonable efforts to cause the Accounting Firm to render a decision resolving the matters submitted to it within 30 (thirty) days following submission, provided that, the failure to make a decision within that time period shall not constitute a basis or defense to the Accounting Firm's decision for any party. In making its decision, the Accounting Firm shall be provided with and may evaluate the Notice of Disagreement, the Purchasers Statement, any briefs submitted by parties and any other documents and work papers which it may request from the parties (which the parties are required to provide). The decision of the Accounting Firm shall be final, non-appealable and binding on the parties and the determination of the Accounting Firm as to Cash, Indebtedness and Net Working Capital shall be the final and definitive determination as to the Cash, Indebtedness and Net Working Capital. The determination by the Accounting Firm shall be treated as an expert determination, rather than an arbitration, for purposes of this Agreement, and the legal and procedural requirements relating to arbitration shall not apply to such determination.

(e) The fees and expenses of the Accounting Firm shall initially be borne 50% by Purchasers and 50% by Sellers; provided, that Accounting Firm's fees and expenses shall ultimately be borne proportionately by them, meaning that the party which calculation of the adjustment provided in this Section is closer to the determination of the Accounting Firm's resolution will pay the lesser amount of the Accounting Firm's fees. The fees and disbursements of the Purchasers' independent auditors incurred in connection with their review of the Closing Statement and Notice of Disagreement, if any, shall be borne by the Purchasers, and the fees and disbursements of the Sellers' independent auditors incurred in connection with their review of the Purchasers Statement, if any, shall be borne by the Sellers.

(f) Cash, Indebtedness and Net Working Capital are to be calculated in accordance with the Accounting Principles, whether or not doing so is in accordance

with Mexican GAAP. The scope of the disputes to be resolved by the Accounting Firm shall be limited to whether such calculation was done in accordance with this Section 2.5 and the definitions thereof set forth in this Agreement, and whether there were mathematical errors in the Purchasers Statement, and the Accounting Firm is not to make any other determination, including any determination as to whether Mexican GAAP was followed for the Financial Statements or the Purchasers Statement. Any items or omissions from the Financial Statements that are based upon errors of fact or mathematical errors or that are not in accordance with Mexican GAAP shall be retained for purposes of calculating Indebtedness and Net Working Capital. Without limiting the generality of the foregoing, the Accounting Firm is not authorized or permitted to make any determination as to the accuracy of Section 3.7 or any other representation in this Agreement or as to compliance by the Target Companies or any Seller with any of its covenants in this Agreement (other than in this Section 2.5.).

(g) For illustrative purposes only, Exhibit "D" contains an example of a hypothetical calculation of an adjustment pursuant to this Section 2.5, subject to the assumptions contemplated therein.

(h) Within 5 (five) Business Days following the date in which (i) the Review Period has ended without the Sellers having notified the Purchasers with a Notice of Disagreement, (ii) the parties have resolved by mutual agreement the objections stated in the Notice of Disagreement, or (iii) the parties have received the final determination prepared by the Accounting Firm, then subject to Section 2.5(i) below, the Shares Purchase Price shall be adjusted as follows:

(i) if the Adjustment Amount is a negative amount, an amount in Dollars equal to the absolute value of such amount shall be paid by Sellers to Purchasers by wire transfer of immediately available funds to an account designated by Purchasers; or

(ii) if the Adjustment Amount is a positive amount, an amount in Dollars equal to such amount shall be paid by Purchasers to Sellers by wire transfer of immediately available funds to such account or accounts designated by Sellers.

(i) Notwithstanding the foregoing provisions of this Section 2.5, no adjustment to the Shares Purchase Price pursuant to Section 2.5(h) shall be made unless the corresponding Adjustment Amount exceeds US$25,000.00 (twenty five thousand Dollars 00/100), and if the Adjustment Amount exceeds US$25,000.00 (twenty five thousand Dollars 00/100), then the full amount of the adjustment shall be made.

ARTICLE III
REPRESENTATIONS OF THE COMPANY

The Sellers and the Company hereby represent to the Purchasers as of the date hereof and as of the Closing Date, as follows:

SECTION 3.1. Organization and Standing.

Each Target Company is duly organized and validly existing in the terms set forth in Schedule 3.1. Each of the Target Companies has full corporate power and authority to own, lease and operate their properties and carry on the Business as presently conducted. Copies of the by-laws (*estatutos sociales*) of each Target Company and any amendments thereof, as in effect on the date hereof, were made available to the Purchasers (through an electronic data site or a physical data room accessible by the Purchasers and their advisors) before the date of execution hereof.

SECTION 3.2. Authority; Execution.

The Company has full corporate power and authority to execute this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and performance by the Company of this Agreement, the performance by it of its obligations hereunder and the consummation of the transactions provided for herein have been duly and validly authorized by all necessary corporate action. This Agreement has been duly and validly executed by the Company and constitutes legal, valid and binding obligations of the Company, enforceable against it in accordance with its terms subject to applicable *concurso mercantil*, bankruptcy, insolvency and other similar laws affecting enforceability of creditor's rights generally.

SECTION 3.3. Representative's Authority.

The representative of the Company has the necessary power and authority to execute this Agreement on its behalf, which powers and authorities have not been modified, limited or revoked in any manner as of the date hereof.

SECTION 3.4. Capital Stock of the Target Companies.

The authorized capital stock and the issued and outstanding Equity Securities of the Target Companies are set forth in Schedule 3.4. All of the Equity Securities of the Target Companies are validly issued, fully subscribed and paid for, and, except as set forth in their respective by-laws or pursuant to Applicable Law, free of any Liens (including with respect to use, voting, transfer or exercise of any attribute of ownership). There are no options, warrants, convertible securities, treasury securities, subscriptions, stock appreciation rights, phantom stock plans or stock

equivalents or other rights, agreements, arrangements or commitments (contingent or otherwise) of any character issued or authorized relating to the issued or unissued capital stock or ownership interests of any Target Company that provides for the issuance or selling of any shares of capital stock or ownership interests of, or options, warrants, convertible securities, subscriptions or other equity interests in, any Target Company. There are no trusts, shareholders' agreements, investment agreements or any other agreements in effect with respect to the voting or transfer of any of the Equity Securities of the Target Companies.

SECTION 3.5. No Conflicts.

Except as set forth in Schedule 3.5, the execution by the Company of this Agreement does not, and the performance by the Company and the consummation of the transactions contemplated hereby will not (a) conflict with or violate any provision of the by-laws of the Company or of any of the Target Companies, (b) result in a breach of or constitute a default under, give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any property or asset owned or used by the Company or any of the Target Companies pursuant to, any note, bond, mortgage, contract, confidentiality agreement, lease, license, or other agreement to which the Company or any of the Target Companies is a party or by which any of the Company's or any Target Company's properties or assets are bound or affected, or (c) violate or conflict with, constitute a breach of or default under, any Applicable Law or Judgment to which the Company or any of the Target Companies is a party or by which any of its properties are bound; except, in the case items (b) and (c) above, for any conflict, violation, breach, default, termination, amendment, acceleration, cancellation, right or Lien which, individually or in the aggregate, would not materially and adversely affect the Target Companies or materially impair the Target Companies' ability to effect the Closing. Should the parties fail to obtain the relevant waivers or consents required under the contracts listed in Schedule 3.5, neither the termination nor any other potential consequence (including penalties) under any such contracts may have a Material Adverse Effect on the Target Companies.

SECTION 3.6. Consents, Filings and Approvals.

Except as set forth in Schedule 3.6, no consent, approval, notification, authorization or order of, or declaration, filing or registration with any Governmental Authority or third party is required to be obtained or made by or with respect to each of the Target Companies or the Sellers in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, except for cases where the failure to obtain (or give or make, as applicable) such consent, approval, notification, authorization, order, declaration, filing or registration, individually or in the aggregate, would not have a Material Adverse Effect on the Target Companies.

SECTION 3.7. Financial Statements; Books and Records.

(a) Schedule 3.7(a) contains copies of the Financial Statements.

(b) The Financial Statements have been prepared in accordance with Applicable Law and Mexican GAAP (except in each case as described in the notes thereto) and fairly present (together with their related notes and schedules thereto) in all material respects the consolidated financial position, results and assets of the Target Companies, as of the dates thereof or for the periods covered thereby.

(c) Since December 31, 2016, there has been no material change in any of the accounting (and tax accounting) policies, practices or procedures of the Target Companies, except for any changes required under Mexican GAAP or Applicable Law.

SECTION 3.8. No Undisclosed Liabilities.

No Target Company has any undisclosed liabilities or obligations that would be required to be reflected in the Financial Statements or in its books and records under Applicable Law and Mexican GAAP and that are not reflected or provided for in the Financial Statements or its books and records, except for liabilities and obligations that have been incurred since December 31, 2016 in the ordinary course of business consistent with past practice, which individually or in the aggregate *would not exceed* MXN$5,000,000.00 (five million Pesos 00/100).

SECTION 3.9.Absence of Certain Changes.

Since December 31, 2016, and up to the date hereof (i) the Target Companies have caused the Business to be conducted in the ordinary course and in substantially the same manner as previously conducted, and (ii) none of the actions listed in Section 6.1 of this Agreement has been taken or has occurred.

SECTION 3.10. Title to Personal Property.

(a) The Target Companies have good and valid title to all their respective material Assets and Properties reflected in the books and records of the Target Companies as owned by them, in each case free and clear of all Liens.

(b) All material Assets and Properties used or held for use in connection with the Business (other than Real Property) are usable in the regular and ordinary course of business. Since December 31, 2016, the Target Companies have not sold, transferred or disposed of any material Assets and Properties other than in the ordinary course of business consistent with past practice.

SECTION 3.11. Real Property.

(a) Schedule 3.11(a)(i) sets forth a list of all Real Property as of the date of this Agreement, including (i) the name of the record owner(s) of each Real Property and (ii) the location and surface area and description of each Real Property. Except as set forth in Schedule 3.11(a)(ii), the Target Companies own and have good and marketable title to the Real Property as provided for in Schedule 3.11(a)(i) and the Real Property is free and clear of all Liens.

(b) The Target Companies have made available to applicable Governmental Authorities (including local *catastro* offices) as required by Applicable Law, all information required in respect of each real estate property owned by the Target Companies for Tax purposes, and all such properties are registered and are currently assessed by the appropriate Governmental Authorities (including the local *catastro* offices) for Tax purposes (including for purposes of the *impuesto predial*).

(c) Except for ordinary wear and tear, the Real Property is in good condition. The Target Companies hold the Permits required for the Business to be conducted as presently conducted.

SECTION 3.12. Leased Property.

(a) Schedule 3.12(a) sets forth a list, as of the date of execution of this Agreement, of all leases, subleases, gratuitous bailments (*comodatos*) or similar arrangements which, individually or in the aggregate, would exceed MXN$2,000,000.00 (two million Pesos 00/100) annually, and any options in respect thereof whereby any of the Target Companies lease, sublease, use or occupy any real property owned by a Person other than such Target Companies ("Leased Property").

(b) The Target Companies are in compliance in all material respects with their obligations under any lease or sublease agreements entered in connection with the Leased Property. Likewise, except for ordinary wear and tear, the Leased Property is in good condition.

SECTION 3.13. Environmental Matters.

(a) Except as disclosed in Schedule 3.13, (i) the Target Companies are in compliance in all material respects with Environmental Laws applicable to their assets and operations, including possessing all Permits required for its operations under Environmental Laws as such operations are currently conducted (the "Environmental Permits"); and (ii) the Target Companies have not received any written notice from any Governmental Authority or third party stating that there is a

material pending or threatened Environmental Claim or Judgment against the Target Companies.

(b) The Environmental Permits are in full force and effect, and to the Knowledge of the Company there are no circumstances which would reasonably be expected to lead to the Environmental Permits to be revoked, suspended, materially modified, withdrawn or not renewed.

(c) To their Knowledge, there have been (i) no Releases of Hazardous Substances on any Real Property (including the Industrial Plants) or the indoor or outdoor environment which result in an Environmental Claim against the Target Companies, and (ii) no other actions, activities, events or conditions, in either case that have resulted in, or could reasonably be expected to give rise to, an Environmental Claim against any of the Target Companies or their officers and employees.

(d) To their Knowledge, there is no underground storage tank or underground injection well on any Real Property currently or formerly owned or leased, as the case may be, by any of the Target Companies that results in an Environmental Claim against the Target Companies. None of the Target Companies has entered into any contract that may require it to pay to, reimburse, guarantee, pledge, defend, indemnify or hold harmless any person from or against any liabilities arising out of or related to the generation, manufacture, treatment, keeping, deposit, use, transportation or disposal of Hazardous Substances or otherwise arising out of Environmental Laws.

(e) This Section constitutes the sole and exclusive representation of the Sellers with respect to Environmental Law or any related environmental matter.

SECTION 3.14.Material Contracts.

(a) Schedule 3.14(a) sets forth a list of the following material contracts, whether written or oral, to which any of the Target Companies is a party (including any amendments, exhibits, waivers, modifications or supplements thereto) (collectively, the "Material Contracts"):

(i) all contracts which limit or restrict any Target Company from engaging in any business in any jurisdiction or from owning, operating, or in any way participating in any business (in any capacity) in a manner that would compete with the Business;

(ii) any material distributor, dealer, manufacturer's representative or sales representative contract;

(iii) all loan agreements, bonds, debentures, notes and similar instruments evidencing indebtedness for an individual amount in excess of an amount of MXN$5,000,000.00 (five million Pesos 00/100);

(iv) all joint venture or partnership agreements or other contracts providing for the sharing of any profits;

(v) all contracts documenting derivative or hedging transactions;

(vi) any contract relating to the acquisition by the Target Companies of any business or the equity of any other Person for which the Target Companies have any continuing obligation to make payments thereunder;

(vii) all agreements containing a "key men" or other provision requiring the continuity of one or more shareholders of any Target Company or any director, officer or employee of any Target Company;

(viii) all contracts that relate to the future disposition or acquisition of assets or properties by any Target Company in excess of MXN$2,000,000.00 (two million Pesos 00/100);

(ix) all contracts executed with any Governmental Authorities;

(x) any contract granting licenses or rights over the Target Company Intellectual Property to third parties;

(xi) all contracts that contain clauses relating to limitations on change of control, automatic renewal, non-compete, confidentiality obligations or granting powers of attorney; and

(xii) all existing contracts (other than those described in the preceding subparagraphs of this Section 3.14) involving (A) an annual commitment or annual payment to or from any Target Company of more than MXN$5,000,000.00 (five million Pesos 00/100), (B) a term of 24 (twenty four) months or more and that cannot be terminated without cause within 90 (ninety) days after giving notice of termination without resulting in any material cost or penalty to any Target Company, or (C) under which the consequences of a default or termination would have a Material Adverse Effect on the Target Companies.

(b) Each Material Contract is in force and effect, legal, valid, binding and enforceable in accordance with its respective terms against the Target Company party to such Material Contract and to the Knowledge of the Company, against each other party to such agreements (except as such enforceability may be affected by *concurso mercantil*, bankruptcy or insolvency or similar proceedings). The Target

Companies have performed, in all material respects, all of the obligations required to be performed by them to date under the Material Contracts, and to the Knowledge of the Company, such other parties to any Material Contract have performed their obligations thereunder in all material respects.

SECTION 3.15. Sanitary Licenses.

(a) Schedule 3.15(a)(i) contains a list of all Sanitary Licenses the Target Companies hold or possess, which are all the material Sanitary Licenses required to conduct the Business of the Target Companies in the ordinary course of business. Each Sanitary License listed in Schedule 3.15(a)(i) has been validly obtained by the corresponding Target Company, is legal, valid and enforceable and, to the extent applicable, subsisting. The Target Companies have not received written notice of any investigation, claim or proceeding that is ongoing or being initiated, or threatened to be initiated, by COFEPRIS or any Governmental Authority regarding a breach of a Sanitary License.

(b) To the extent that any Sanitary License has been filed, requested and obtained by a third party, the Target Companies have a written agreement with such third party with respect thereto and such Sanitary License can be validly used by the respective Target Company to the fullest extent permitted by Applicable Law. The dossiers for obtaining the Sanitary Licenses are duly integrated with all information and documentation required under Applicable Laws.

(c) Except as set forth in Schedule 3.15(c), there is no action or proceeding initiated by any Governmental Authority pending or, to the Knowledge of the Company, threatened, restricting the use of Sanitary Licenses by the Target Companies, seeking the cancellation or suspension of the Sanitary Licenses.

(d) The Target Companies have completed and filed all material reports required by the Health Authority or other Governmental Authority in order to maintain the Sanitary Licenses in full force and effect.

(e) Except as indicated in Schedule 3.15(e), the products manufactured and marketed by the Target Companies as of the date of this Agreement comply with the Applicable Laws and during the last 3 (three) years none of the Target Companies has been required by any Governmental Authority to conduct a partial or total recall of its products.

(f) Except as set forth in Schedule 3.15(f), to the Knowledge of the Company, there exist no set of facts (i) which would require the Target Companies to recall, withdraw or suspend any product registration, product license, export license or other license, approval or consent of any Governmental Authority with respect to the Target Companies or any of the products; or (ii) which would require

the Target Companies to recall, withdraw or suspend of any product from the market, the termination or suspension of any clinical testing of any product, or the change in marketing classification of any product.

(g) To the Company's Knowledge, there are no impediments to renew Sanitary Licenses when due.

(h) The process to effect the transfer of the manufacturing of those products listed on Schedule 3.15(h) to the Chalco Plant has complied with all Applicable Laws; provided that the status of each such transfer as of the date hereof is described in Schedule 3.15(h). To the Knowledge of the Company, neither COFEPRIS nor any Governmental Authority has notified their intention to or threatened to (i) stop the transfer process in respect of the products listed in Schedule 3.15(h), or (ii) request any information or documentation to complete such transfers. To the extent the Target Companies comply with any requests from COFEPRIS prior to the Closing or after the Closing Date (under the direction of Purchasers), once completed, the transfer of the products listed on Schedule 3.15(h) to the Chalco Plant will comply with Applicable Laws and Sanitary Licenses in respect of the products listed in Schedule 3.15(h).

(i) Schedule 3.15(i) accurately depicts the products under development by the Company as of the date hereof. The development stages of those products are accurate in all respects.

SECTION 3.16. Intellectual Property.

(a) Schedule 3.16(a) contains a list of all Target Company Intellectual Property as of the date of execution of this Agreement. The Target Company Intellectual Property described in Schedule 3.16(a), are all of the intellectual property rights required by the Target Companies to conduct the Business as currently conducted and in accordance with past practice.

(b) The Target Companies own and have good and sole title to, or have licenses to, the Target Company Intellectual Property. The Target Company Intellectual Property owned by the Target Companies is free and clear of any Liens.

(c) The Business is currently conducted in a manner that, to the Knowledge of the Company, does not violate any intellectual property right of any third party. The Sellers have not received any written notices that its use of Target Company Intellectual Property materially infringes the Intellectual Property of any third party under any Applicable Laws.

(d) To the Knowledge of the Company, no Person has materially infringed, or is materially infringing, any Target Company Intellectual Property.

(e) The Target Companies have not granted licenses over the Target Company Intellectual Property to third parties. Except for its own terms, none of the Target Company Intellectual Property is subject to any restrictions on its use, disclosure, ownership, encumbrance, license or transfer.

(f) To the extent that any Target Company Intellectual Property rights have been developed or created by a third party for the Target Companies, the Target Companies have a written agreement with such third party with respect thereto and the Target Companies thereby either (i) are the sole owners of, or (ii) have obtained a license to, all of such third party's intellectual property rights in such work, material or invention by operation of law or by valid assignment, to the fullest extent it is legally possible to do so.

(g) There are no royalties, fees or other payments payable by any Target Company to any Person by reason of the ownership, development, use, license, sale or disposition of the Target Company Intellectual Property or of any products branded under any Target Company Intellectual Property, other than those identified on Schedule 3.16(g).

(h) All registered Target Company Intellectual Property is valid and enforceable and, as of the date hereof, none of such Target Company Intellectual Property has been rendered invalid or unenforceable in whole or part, or has been limited by any court or arbitration panel. In respect of any applications that are pending, the Target Companies have not been notified of any adverse opposition or post-grant proceedings before any Governmental Authority. All maintenance fees, issue fees and annuities, and all filings, due to any Governmental Authority in respect of any and all Target Company Intellectual Property as of the date hereof have been paid and/or filed as applicable.

(i) The Target Companies have taken all actions necessary to maintain the confidentiality of any and all trade secrets included in the Target Company Intellectual Property. No trade secrets included in the Target Company Intellectual Property have been disclosed other than to employees, representatives, contractors, consultants and agents of the Target Companies, all of whom are bound by written confidentiality agreements. There has been no loss of, or unauthorized access, use or disclosure of any trade secrets included in the Target Company Intellectual Property. The Target Companies are in compliance in all material respects with all Applicable Laws relating to privacy and data protection with respect to the collection and use by the Target Companies of customer personal information or data gathered or stored in the operation of the Business, including personal information or data of employees and service providers, and no claims have been asserted or, to the Knowledge of Sellers, threatened against any member of the

Target Companies by any Person alleging a violation of such Person's privacy or personal information rights under any Applicable Law.

SECTION 3.17. Suppliers.

Schedule 3.17 sets forth a list of the top 30 (thirty) suppliers of the Target Companies taken as a whole, for the fiscal years ended December 31, 2015 and December 31, 2016 including (a) any amounts payable on the remainder of the contract with the supplier by the respective Target Company in favor of such suppliers as of December 31, 2016, all of which were generated in the ordinary course of business, (b) any amounts actually paid to such suppliers during fiscal years 2015 and 2016, and (c) termination date of contracts with each of the listed suppliers.

SECTION 3.18. Corporate Records.

The Corporate Records of the Target Companies are complete and correct and in accordance in all material respects with the requirements of Applicable Laws.

SECTION 3.19. Permits.

Except as set forth in Schedule 3.19, the Target Companies own or possess all Permits which are necessary under Applicable Law to enable them to carry on the Business, substantially as presently conducted, free and clear of any Liens, other than those Permits the absence of which, individually or in the aggregate, would not have a material impact on the Target Companies, and are in compliance in all material respects with all of such Permits. Since December 31, 2016, the Target Companies have not received any written notice or claim from any Governmental Authority or other Person that asserts, or raises the possibility of assertion of, any noncompliance with any Permits that would, individually or in the aggregate, result in a material negative impact on the Target Companies and, to their Knowledge, no condition or state of facts exists that would provide a basis for any such assertion.

For the avoidance of doubt, no representation is made under this Section 3.19 with respect to environmental or Sanitary Licenses' matters, which are covered solely and exclusively by Sections 3.13 and 3.15, respectively.

SECTION 3.20. Legal Proceedings.

Except as set forth in Schedule 3.20, the Target Companies have not received written notice from any Governmental Authority or other Person of any suits, actions, claims, arbitration, notified proceedings or regulatory investigations (including with respect to Taxes and claims related to Labor Law), and that relates to or involves more than MXN$5,000,000.00 (five million Pesos 00/100), that are

pending and, to the Knowledge of the Company, no such suits, actions, claims, arbitration, notified proceedings or regulatory investigations are threatened (a) against, relating to or involving the Target Companies or any properties or assets owned, leased or used by any of the Target Companies, or (b) that challenge, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the transactions contemplated hereby.

SECTION 3.21. Tax Matters.

(a) (i) The Target Companies have filed or caused to be filed in a timely manner (within any applicable extension periods) all Tax Returns required to be filed on or before the date hereof in accordance with Applicable Law, (ii) all such Tax Returns are complete and accurate in all material respects, (iii) all material Taxes shown as due on such Tax Returns and all other material Taxes for which the Target Companies are liable, have been timely paid in full or will be paid in full by the due date thereof, except to the extent contested in good faith in accordance with the appropriate proceedings existing under Applicable Law, and (iv) to the Knowledge of the Company, no Liens for Taxes over any of the assets of the Target Companies have been filed, and no claims or assessments for Taxes have been asserted, by any Taxing Authority with respect to the Target Companies.

(b) No Target Company has been informed in writing of any pending audit relating to any of the Target Companies or any Tax Return and to the Knowledge of the Company there is no ongoing material administrative or judicial proceeding, or deficiency or refund litigation, or any action threatened against, or with respect to any Target Company with respect to any Taxes or any Tax Return.

(c) The Target Companies are not a party to nor are they bound by any tax consolidation, tax sharing agreement, tax indemnity obligation or similar agreement or arrangement with respect to Taxes.

(d) Each Target Company has complied with all Applicable Laws or agreements relating to the payment and withholding of Taxes (including with respect to wages, salaries and other payments to employees) in all material respects and has, within the time and in the manner prescribed by Applicable Law, withheld from and paid over to the proper Tax Authorities all amounts required to be so withheld and paid over under Applicable Laws or agreements and are not liable for any arrears of wages or any Taxes for failure to withhold.

(e) No Target Company has been a member of a consolidated Tax group of persons.

(f) No Target Company is a resident for tax purposes of any jurisdiction other than Mexico.

SECTION 3.22. Key Employees.

(a) Schedule 3.22(a) contains a list of the key officers, directors, managers, employees and full-time independent contractors of the Target Companies as of the date hereof with a total annual compensation in excess of MXN$1,500,000.00 (one million five hundred thousand Pesos 00/100) (the "Key Employees"), in each case specifying their position and date of hire, respectively. All Key Employees are active on the date hereof and, as of the date hereof, no Key Employee has given written notice of its intention to terminate employment. All of the employees were hired and receive any and all types of employment benefits exclusively from the Target Companies.

(b) Except as set forth in Schedule 3.22(b) and except for such increases and payments made in the ordinary course of business consistent with past practice, (i) since December 31, 2016, no Target Company has granted any employee or outsourced person any increase in compensation or any increase in benefits or any payment of any bonus that could be deemed material individually or in the aggregate and (ii) no employee or outsourced person is entitled to any increase in compensation or bonus or other increase in benefits as a result of or in connection with the Closing.

SECTION 3.23. Employee Benefits.

(a) Schedule 3.23(a) contains a list of the Employee Benefit Plans of the Target Companies as of the date hereof. Other than as specifically required under Applicable Law and as set forth in Schedule 3.23(a), the Target Companies do not have any Employee Benefit Plan pertaining to any employee or former employee.

(b) The Target Companies are in compliance, in all material respects, with all Labor Laws. No Target Company has received written notice of any proceeding pending, or to the Knowledge of the Company, threatened against such Target Company as a result of the failure to comply, in all material respects, with or violation of any such Labor Laws.

SECTION 3.24. Unionized Labor.

Schedule 3.24 contains a list of all collective bargaining agreements to which the Target Companies are a party to. Except as disclosed in Schedule 3.24, as of the date hereof, there is no labor strike, request for representation, material slowdown or material stoppage actually pending or, to the Knowledge of the Company, threatened against or affecting the Target Companies. Since June, 2014, the Target Companies have not experienced any significant union organization attempts or any work stoppage due to any labor disagreement, nor is there any labor strike, request

for representation, slowdown or stoppage actually pending or threatened against or affecting any Target Company.

SECTION 3.25. Insurance Policies.

(a) Schedule 3.25 contains, as of the date of execution of this Agreement, a list of all material insurance policies and bonds carried by or for the benefit of the Target Companies, specifying the insurer, amount and nature of coverage and the date through which coverage will continue by virtue of premiums already paid.

(b) All insurance policies and bonds with respect to each Target Company described in Schedule 3.25 are in full force and effect as of the date hereof. The Target Companies are in compliance in all material respects with all conditions set forth under such insurance policies. All premiums due and payable in respect of insurance policies relating to the Target Companies have been timely paid.

SECTION 3.26. Related Party Transactions.

Schedule 3.26 contains a list of all Related Party Transactions that are in force and effect as of the date hereof. Except for contracts between the Target Companies only, none of the contracts listed in Schedule 3.26 will continue in effect subsequent to Closing. As of the date hereof, no Target Company owes any amount or has a Related Party Transaction in force with the Sellers or any of their Affiliates, except from the Purchased Debt and the accounts payable listed in Schedule 3.26.

SECTION 3.27. No Additional Representations.

Except for the representations included in this Article III, neither the Company or the Sellers make or have made any additional representations (express or implied) relating to the Business, the Target Companies, their rights or assets or the Transaction. Except as expressly set forth in this Agreement, neither the Company or the Sellers make or have made any representation as to market value or quality of the Business, units, rights or assets of any of the Target Companies.

SECTION 3.28. Compliance with Applicable Law.

Except as set forth in Schedule 3.28, the Target Companies are in compliance in all material respects with any Applicable Laws. None of the Target Companies, and to the Knowledge of the Company, their directors, representatives or any other person acting on their behalf, has taken any action or failed to take an action that would result in a material violation of any Applicable Laws.

SECTION 3.29. Brokers.

No agent, broker, firm, finder or investment banker is entitled to any brokerage, finders' or other fee or commission to be paid by the Company or any of the Target Companies in connection with the transactions contemplated by this Agreement.

SECTION 3.30 Anticorruption and Sanctions.

(a) No Target Company nor any director or officer, nor, to the Knowledge of the Company, any employee or agent acting on behalf or for the benefit of any Target Company, has provided, promised, or authorized the provision of, nor shall provide, promise, or authorize the provision of any contribution, gift, entertainment or other expenses relating to political activity, or any other money, property, or thing of value, directly or indirectly, to any government official, including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any political party or party official or candidate for political office, or any other person acting in an official capacity, to influence official action or secure an improper advantage, or to encourage the recipient to breach a duty of good faith or loyalty or the policies of his/her employer, or otherwise in violation of any Anti-Corruption Law.

(b) The Target Companies have in place and have adhered to procedures designed to prevent their officers, employees, contractors, sub-contractors, service providers, agents and intermediaries from undertaking any activity, practice or conduct relating to the Business of the Target Companies that would constitute an offence under the Anti-Corruption Laws or Sanctions.

(c) No Target Company is party to any actual or, to the Knowledge of the Company, threatened, legal proceedings or outstanding enforcement action relating to any breach or suspected breach of Anti-Corruption Laws or Sanctions.

(d) No Target Company and none of their directors or officers, nor, to the Knowledge of the Company, employees or agents (in each case acting on behalf of or for the benefit any Target Company) (i) is a Sanctioned Person nor (ii) has engaged in, nor is it now engaged in, any dealings or transactions with or for the benefit of any Sanctioned Person, nor has otherwise violated Sanctions.

ARTICLE IV
REPRESENTATIONS OF THE SELLERS

Each Seller, as to itself, represents to the Purchasers as of the date hereof and as of the Closing Date, as follows:

SECTION 4.1. Organization and Standing.

(a) Endo Holdings is a company, duly organized and validly existing under the laws of the Netherlands, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and to perform all of its obligations.

(b) Endo Lux is a company, duly organized and validly existing under the laws of Luxembourg, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and to perform all of its obligations.

(c) Endo Global is a limited liability company, duly organized and validly existing under the laws of Delaware, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and to perform all of its obligations.

(d) Endo Lux II is a company, duly organized and validly existing under the laws of Luxembourg, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and to perform all of its obligations.

SECTION 4.2. Authority; Execution.

Each Seller has full corporate power and authority to execute this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and performance by each Seller of this Agreement, the performance by each Seller of its obligations hereunder and the consummation of the transactions provided for herein have been duly and validly authorized by all necessary corporate action, if applicable. This Agreement has been duly and validly executed by each Seller and constitutes legal, valid and binding obligations of each Seller, enforceable against each Seller in accordance with their terms subject to applicable *concurso mercantil*, bankruptcy, insolvency and other similar laws affecting enforceability of creditor's rights generally.

SECTION 4.3. Representative's Authority.

The representative of each Seller has the necessary power and authority to execute this Agreement on its behalf, which powers and authorities have not been modified, limited or revoked in any manner as of the date hereof.

SECTION 4.4. Ownership of Shares and Purchased Debt.

Each Seller is the sole record and beneficial owner of the Shares described opposite to their names on Exhibit "B". Each Seller's Shares were validly issued, fully subscribed and paid for, and are free of any Liens. Each Seller has the sole right

to vote and dispose its Shares and none of the Shares are subject to any voting trust or other agreement, arrangement or restriction with respect to the voting of such Shares.

As of the Closing, Endo Lux II will be the lender under the Purchased Debt, will hold all rights as the lender thereunder, free and clear of Liens, including the right to receive any amounts owed in accordance with its terms. To the date hereof the parties have performed all obligations in relation to the Purchased Debt documents and no default, on payment or any other has occurred in relation of such documents.

SECTION 4.5. No Conflicts.

The execution by each Seller of this Agreement, and the performance by each Seller of this Agreement and the consummation of the transactions contemplated hereby will not (a) conflict with or violate any provision of the by-laws of any of the Sellers, (b) result in a breach of or constitute a default under, give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of the Equity Securities pursuant to, any note, bond, mortgage, contract, confidentiality agreement, lease, license, or other agreement to which any of the Sellers are a party or by which any of the Sellers' properties or assets are bound or affected, or (c) violate or conflict with, constitute a breach of or default under, any Judgment to which any of the Sellers are a party or by which any of the Sellers or any of their properties are bound; except, in the cases of each of items (a), (b) and (c) above, for any conflict, violation, breach, default, termination, amendment, acceleration, cancellation, right or Lien which, individually or in the aggregate, would not materially and adversely affect the Sellers or materially impair the Sellers' ability to effect the Closing.

SECTION 4.6. Consents, Filings and Approvals.

Except for the FECC Approval, no consent, approval, notification, authorization or order of, or declaration, filing or registration with any Governmental Authority or other third party is required to be obtained or made by or with respect to the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, except for cases where the failure to obtain (or give or make, as applicable) such consent, approval, notification, authorization, order, declaration, filing or registration, individually or in the aggregate, materially and adversely affect the Sellers.

SECTION 4.7. Legal Proceedings.

Except for circumstances which, individually or in the aggregate, would not materially and adversely affect the Sellers, neither of the Sellers have received

written notice from any Governmental Authority or other Person of any suits, actions, claims, arbitration, notified proceedings or regulatory investigations (including with respect to Taxes) that are pending and, to their Knowledge, no such suits, actions, claims, arbitration, notified proceedings or investigations are threatened that challenge, prevent, delay, make illegal or otherwise interfere with, any of the transactions contemplated hereby. None of the Sellers are bound by any Judgment which could prevent, impair or otherwise affect the existence, validity or enforceability of this Agreement or the performance by the Sellers of any of their obligations under this Agreement or the consummation of the transactions contemplated hereby.

SECTION 4.8. Financial Wherewithal.

The Sellers have, and will have until the expiration of the indemnity agreed upon in Article X hereof, sufficient funds to cover and pay any indemnity, claim, or any other payment for the benefit of Purchasers resulting from this Agreement.

SECTION 4.8. No Additional Representations.

Except for the representations included in this Article IV, the Sellers do not make and have not made any representations (express or implied) relating to the Business, the Target Companies, their rights or assets, the Purchased Debt or the Transaction. Except as expressly set forth in this Agreement, the Sellers do not make and have not made any representation as to value or quality of the Business, units, rights or assets of any of the Target Companies.

ARTICLE V
REPRESENTATIONS OF THE PCC

The PCC, acting on behalf of the Soar Cell hereby represents to the Sellers as of the date hereof and as of the Closing Date as follows:

SECTION 5.1. Organization.

The PCC, acting on behalf of the Soar Cell is a protected cell company limited by shares, duly organized and validly existing under the laws of the Island of Guernsey and the Soar Cell is a duly established protected cell of the PCC and the PCC, acting on behalf of the Soar Cell, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and to perform all of its obligations.

SECTION 5.2. Authority; Execution.

The PCC, acting on behalf of the Soar Cell has full corporate power and authority to execute this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and performance by the PCC, acting on behalf of the Soar Cell of this Agreement, the performance by the Soar Cell of its obligations hereunder and the consummation of the transactions provided for herein have been duly and validly authorized by all necessary corporate action, if applicable. This Agreement has been duly and validly executed by the PCC, acting on behalf of the Soar Cell, and constitutes legal, valid and binding obligations of the PCC, acting on behalf of the Soar Cell, enforceable against it in accordance with their terms subject to applicable *concurso mercantil*, bankruptcy, insolvency and other similar laws affecting enforceability of creditor's rights generally.

SECTION 5.3. Representatives' Authority.

The representative of the PCC, acting on behalf of the Soar Cell, has the necessary power and authority to execute this Agreement on its behalf, which powers and authorities have not been modified, limited or revoked in any manner as of the date hereof.

SECTION 5.4. No Conflicts.

The execution by the PCC, acting on behalf of the Soar Cell of this Agreement, and the performance by such Purchaser of this Agreement and the consummation of the transactions contemplated hereby will not (a) conflict with or violate any provision of its by-laws or other comparable organizational instrument, (b) result in a breach of or constitute a default under, give to others any right of termination, amendment, acceleration or cancellation of, result in triggering any payment or other obligations pursuant to, any note, bond, mortgage, contract, confidentiality agreement or similar agreement, lease, license, or other agreement to which the PCC, acting on behalf of the Soar Cell, is a party or by which such Purchasers' properties or assets are bound or affected, or (c) violate or conflict with, constitute a breach of or default under, any Judgment to which the PCC, acting on behalf of the Soar Cell, is a party or by which such Purchaser or any of its properties are bound; except, in the cases of each of items (a), (b) and (c) above, for any conflict, violation, breach, default, termination, amendment, acceleration, cancellation, right or Lien which, individually or in the aggregate, would not materially and adversely affect the PCC, acting on behalf of the Soar Cell, or materially impair their ability to effect the Closing.

SECTION 5.5. Consents, Filings and Approvals.

Except for the FECC Approval, no consent, approval, notification, authorization or order of, or declaration, filing or registration with any

Governmental Authority or other third party is required to be obtained or made by or with respect to the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, except for cases where the failure to obtain (or give or make, as applicable) such consent, approval, notification, authorization, order, declaration, filing or registration, individually or in the aggregate, materially and adversely affect the PCC, acting on behalf of the Soar Cell.

SECTION 5.6. Legal Proceedings.

Except for circumstances which, individually or in the aggregate, would not materially and adversely affect the Purchasers, the PCC, acting on behalf of the Soar Cell, has not received written notice from any Governmental Authority or other Person of any suits, actions, claims, arbitration, notified proceedings or regulatory investigations (including with respect to Taxes and claims related to Labor Law) that are pending and, to its knowledge, no such suits, actions, claims, arbitration, notified proceedings or investigations are threatened that challenge, prevent, delay, make illegal or otherwise interfere with, any of the transactions contemplated hereby. The PCC, acting on behalf of the Soar Cell, is not bound by any Judgment which could prevent, impair or otherwise affect the existence, validity or enforceability of this Agreement or i performance by such Purchaser of any of its obligations under this Agreement or the consummation of the transactions contemplated hereby.

SECTION 5.7. Breach of Representations.

The PCC, acting on behalf of the Soar Cell, has no Knowledge of any breach (or of any event or condition which, with the passage of time or giving of notice, or both, would constitute a breach), or of the falsity or untruth, of any of the representations made by the Sellers and the Company under Articles III and IV above.

SECTION 5.8. Financial Wherewithal.

The PCC, acting on behalf of the Soar Cell, together with any of its permitted assigns hereunder, shall have sufficient funds on hand on the Closing Date to purchase the Shares and the Purchased Debt pursuant to the agreements, terms and conditions contained in this Agreement and will have such funds on the Closing Date.

SECTION 5.9. No Additional Representations.

The PCC, acting on behalf of the Soar Cell, in making its determination to proceed with the transactions contemplated by this Agreement, have relied on (i) the results of its own analysis of the Target Companies and (ii) the representations and warranties of the Sellers and the Company expressly and specifically set forth in this

Agreement in Articles III and IV above. Such representations and warranties by the Sellers constitute the sole and exclusive representations and warranties of the Sellers to the Purchasers in connection with the Target Companies, the Business and transactions contemplated hereby, and the PCC, acting on behalf of the Soar Cell, understands, acknowledges and agrees that, if any, all other representations and warranties of any kind or nature expressed or implied that are not set forth in this Agreement are specifically disclaimed by the Sellers. The PCC, acting on behalf of the Soar Cell, acknowledges and agrees that the representations and warranties made by the Sellers in this Agreement (as qualified by the Disclosure Schedules) supersede, replace and nullify in every respect the data set forth in any other document, material or statement, whether written or oral, made available to the Purchasers. Nothing in this Section shall be construed in a manner or to the extent that could impair or restrict Purchaser from exercising any indemnification rights pursuant to Article X hereof.

ARTICLE VI
COVENANTS OF THE COMPANY, THE SELLERS AND THE PURCHASERS

SECTION 6.1. Conduct of Business by the Target Companies.

From the date hereof and until the Closing Date or such date as this Agreement is terminated under Section 9.1, the Company agrees that (except (a) as expressly required, contemplated or permitted by this Agreement, (b) as required by Applicable Law, (c) as set forth in Schedule 6.1, or (d) as otherwise consented to in advance in writing by the Purchasers), the Target Companies shall (i) conduct the Business in the ordinary course of business on a basis consistent with past practice; (ii) maintain the assets that constitute tangible personal property of the Target Companies in normal operating condition and repair in accordance with past practice (ordinary wear and tear excepted); (iii) maintain their books and records in the regular manner; (iv) perform in all material respects all of the obligations of the Target Companies under the Material Contracts to which the Target Companies are a party; and (v) give notice to the Purchasers regarding any material communication held with any Governmental Authority. Without limiting the generality of the foregoing, the Target Companies shall not, without consent of the Purchasers (which consent shall not be unreasonably withheld or denied):

(a) amend any of the Target Companies' respective organizational documents;

(b) authorize, issue, deliver, sell, grant, pledge or otherwise dispose of or encumber any shares of the Company's capital stock or any other Company voting securities or any securities convertible into or exercisable or exchangeable for, or any rights, warrants or options to acquire, any such shares or voting securities;

(c) declare any dividends, stock-splits or other distributions with respect to the equity interests of any of the Target Companies, except as set forth in Schedule 6.1;

(d) form any subsidiaries or make any investment in any new business or other entity, other than in the ordinary course of business, consistent with past practice;

(e) pay, discharge or otherwise satisfy any claim, liability or obligation, or settle, waive or otherwise compromise any claim, including litigation except in the ordinary course of business and consistent with past practice, except as set forth in Schedule 6.1;

(f) enter into, amend or modify in any material respect or terminate any Material Contract or any relationship with suppliers, customers, vendors or clients, other than those entered into in the ordinary course of business consistent with past practice (including contracts, agreements or arrangements with suppliers, customers, vendors or clients);

(g) take or fail to take any action that (i) results in a breach of covenant or the failure of a representation to be true at Closing (in accordance with the terms of such covenant or representation as provided herein), or (b) causes the occurrence of any event or default under any Material Contract;

(h) dispose or permit to lapse the rights to use any patent, trademark or other intellectual property or disclose trade secrets to a third party;

(i) change or modify any accounting practice or procedure, other than as may be required by Mexican GAAP;

(j) enter into, adopt, amend or terminate any collective bargaining agreement, other than any adoption, amendment or termination required by law;

(k) terminate any senior member of the Target Companies' management other than for cause;

(l) increase the rate of compensation of, or pay or agree to pay any benefit to, its directors, officers, or employees, except as may be required by any existing plan made available to the Purchasers or in the ordinary course of business in a manner consistent with past practice; and

(m) enter into any new Related Party Transaction.

SECTION 6.2. Non-Solicitation of Employees.

(a) From the date hereof and until the second anniversary of the date on which this Agreement is terminated pursuant to Section 9.1, the Purchasers shall not, directly or indirectly, hire or offer employment or any other position (as independent contractor, consultant or otherwise) to any direct or indirect employee of any of the Sellers or their respective Affiliates, or solicit, entice or induce any such employee to leave his/her employment with, or at any of, the Sellers or the Target Companies or their respective Affiliates.

(b) From the date hereof and until the second anniversary of the Closing Date, the Sellers shall not, directly or indirectly, hire or offer employment or any other position (as independent contractor, consultant or otherwise) to any direct or indirect employee of any of the Target Companies or their Affiliates, or solicit, entice or induce any such employee to leave his/her employment with, or at any of, the Target Companies or their respective Affiliates; provided that this Section 6.2(b) shall not be applicable to (i) general untargeted employment solicitations carried out by Sellers or their Affiliates, and (ii) the hiring of any individual that is terminated by Purchasers or any Target Company.

SECTION 6.3. Non-Compete.

From the date hereof and for 18 (eighteen) months after the Closing Date, the Sellers shall not, directly or indirectly:

(a) create or participate, in a similar Business in Mexico (the "Territory"); or

(b) be or become an officer, employee, director, stockholder, owner, co-owner, Affiliate, partner, agent, representative, advisor, manager in any Person that, directly or through its Affiliates, engages in a substantially similar Business within the Territory; provided, however, that the Seller may, without contravention to the provisions set forth herein own as a passive investment shares of capital stock of a publicly-held company that is engaged in a similar Business, only if (i) such shares are actively traded in an established securities market and (ii) the number of shares of such publicly-held company that are owned beneficially (directly or indirectly) by the Sellers, or the number of shares of such publicly-held company that are owned beneficially (directly or indirectly) of one or more of its Affiliates, collectively represent less than 5% (five percent) of the total number of shares of such publicly-held company that are being traded.

SECTION 6.4. Access and Information.

(a) The Target Companies shall give, or cause to be given to, Purchasers and their representatives, employees and counsel, reasonable access during normal

business hours and upon notice delivered 3 (three) calendar days in advance, to the personnel, properties, books and records, counsel, accountants, consultants and representatives of each of the Target Companies; provided that such access does not disrupt the normal operations of such Target Company and does not contravene Applicable Law. Within such access and information rights, the parties agree that, to the extent it does not disrupt the normal operations of the Target Companies and does not contravene Applicable Law, Purchasers shall have the right to (i) periodically meet with senior management whenever is convenient to all the parties involved and for periods of time that do not affect their ability to fulfill their day-to-day duties, (ii) meet with employees in charge of regulatory and compliance matters on a monthly basis, and (iii) receive monthly financial statements of the Target Companies as they become available in the ordinary course of business.

(b) Sellers shall furnish Purchasers with such financial and operating information with respect to the Business and properties of the Target Companies as Purchasers shall from time to time reasonably request in accordance with this Section. Likewise, Sellers shall promptly advise Purchasers of the occurrence of any matter or event that is material to the Business of any of the Target Companies and that would have to be disclosed pursuant to the representations and warranties set forth in Articles III and IV.

SECTION 6.5. Exclusive Dealing.

From the date hereof, and until the earlier of (i) the Closing Date; or (ii) the termination of this Agreement in accordance with its terms, none of the Sellers or the Target Companies, nor any of their respective Affiliates, directors, officers, representatives or agents, shall solicit, encourage or initiate any offer or proposal from, or engage in any discussions or negotiations with, or provide any information to, any person, entity or group concerning any inquiries or proposals for (y) the acquisition of all or any part of the capital stock of any of the Target Companies or the sale of a substantial portion of the assets of any of the Target Companies, or (z) any other transaction that is competitive with or otherwise precludes the transactions contemplated hereby. Should any of the Sellers or the Target Companies, or their respective Affiliates, directors, officers, agents or representatives receive any unsolicited offers or proposals for any such transaction(s) from any third party, such party will be advised that the Sellers are engaged in exclusive discussions with a prospective investor, and are precluded from proceeding with any third party.

ARTICLE VII
OTHER COVENANTS

SECTION 7.1. Confidentiality.

(a) From the date hereof and until the earlier to occur between (i) the Closing Date, or (ii) the date in which this Agreement is terminated pursuant to Section 9.1 hereof, (x) the Purchasers shall, and shall cause their Representatives to which Confidential Information has been provided to, hold confidential all such Confidential Information, and (y) the Sellers shall, and shall cause their Representatives to hold confidential all Transaction Confidential Information;

(b) In the event that Closing occurs pursuant to Article II hereof, from the Closing Date and until the date which is 2 (two) years following the Closing Date, then:

(i) the Sellers shall, and shall cause its respective Representatives to hold confidential all Company Confidential Information; and

(ii) the Purchasers shall, and shall cause its respective Representatives to hold confidential all Transaction Confidential Information.

(c) In the event that this Agreement is terminated pursuant to Section 9.1 hereof, from the relevant date of termination hereof and until the date which is2 (two) years following such date of termination, then:

(i) the Purchasers shall, and shall cause its respective Representatives to hold confidential all Confidential Information; and

(ii) the Sellers shall, and shall cause its respective Representatives to hold confidential all Transaction Confidential Information.

(d) provided, however, that the foregoing covenants shall not apply to (a) information that is or becomes generally available to the public other than as a result of a disclosure by a party or any of its Representatives, (b) information that is or becomes available to a party or any of its Representatives on a non-confidential basis prior to its disclosure by any of the parties hereto, and (c) information that is required to be disclosed by a party or any of its Representatives as a result of any Applicable Law of any Governmental Authority or stock exchange or as a result of an order issued by a competent authority. In the circumstances described in item (c) above, the party that is required to disclose the Confidential Information shall, if practicable, first have given notice to the other party and made a reasonable effort not to disclose the Confidential Information or at least to obtain a protective order requiring that the Confidential Information or documents so disclosed be used only for the purposes for which the order was issued. The parties may disclose Confidential Information to any of their Representatives who need to know such information for purposes of this Agreement or the consummation of the Transaction, and will inform such Representatives of the confidential nature of the Confidential Information and instruct them to comply with the terms of this Section 7.1. Each

party will be responsible for any actions taken by their respective Representatives that would be deemed a breach of this Section 7.1 had the actions been taken by the respective party and each party hereby assumes liability for all damages arising out of or relating to such party's respective Representatives disclosure of Confidential Information. The Confidential Information may only be used for purposes of the consummating the Transaction and may not be used by the receiving party for any other purpose.

(e) If this Agreement is terminated under Section 9.1, each of the parties will and will cause their Representatives to return to the disclosing party (or, at the receiving party's option, destroy) any Confidential Information delivered by such other disclosing party; provided, however, that the receiving party's covenant with respect to any Confidential Information shall remain in full force and effect for the relevant term provided for herein. If information is destroyed, the receiving party shall deliver a certificate by an authorized officer certifying that such destruction has taken place.

Notwithstanding the foregoing provision, (i) any return or destruction is subject to Applicable Law, regulation, and document retention and compliance policies, and (ii) the receiving party shall not be required to delete, erase, alter or destroy the Confidential Information from back-up archival storage and other back-up media made in the ordinary course of business and the parties may retain such copies of Confidential Information in its confidential files for record keeping and compliance purposes so long as they continue to afford confidential treatment to such information stored in the back-up storage or media.

(f) The parties expressly understand and agree that the Confidential Information (i) is a valuable asset of each party, has competitive value and is confidential and the restrictions contained above represent a reasonable and necessary protection of the legitimate interests of each party and its affiliates; (ii) that failure to observe and comply with the terms and conditions of this Agreement will cause irreparable harm to each party and its Affiliates, the value of which is and will continue to be difficult to ascertain; and (iii) a remedy at law for such failure by any of the parties will be inadequate. Accordingly, it is the parties intention that, in addition to any other rights and remedies each of them may have in the event of any breach of this Section and without prejudice to any administrative, civil or criminal liabilities that could arise from the crimes of unauthorized disclosure, the parties and their Affiliates shall be entitled, and are expressly and irrevocably authorized to demand and obtain, specific performance, including without limitation temporary and permanent injunctive relief, and all other appropriate equitable relief against the defaulting party in order to enforce, or in order to prevent any breach or any threatened breach by any of the parties of this Section. The defaulting party further agrees to waive, and to use its reasonable best efforts to cause its Representatives to

waive, any requirements for the securing or posting of any bond in connection with such remedy.

SECTION 7.2. Publicity.

The parties hereto will use their best efforts to agree on content of a common press release. Purchasers will not preclude Sellers, and Sellers shall be entitled, to make any public statement with respect to this Agreement or the transactions contemplated hereby that may be required by Applicable Law or any listing agreement with any applicable securities exchange. To the extent possible, the Purchasers will be given reasonable anticipation to comment on the referred release or statement. Each of the parties may make internal announcements to their respective Representatives or further public disclosure, which it deems appropriate in its sole judgment, including to securities analysts, institutional investors, general or limited partners and rating agencies and in press interviews, which, in each case, are otherwise consistent with the parties' prior public disclosures regarding the Agreement and the transactions contemplated hereby.

SECTION 7.3. Approvals.

(a) The Company, the Sellers and the Purchasers will cooperate and use best efforts to prepare all documentation and to provide such other information as may reasonably be requested by the other parties, to carry out all filings and to obtain all permits, consents, approvals and authorizations of all Governmental Authorities necessary to consummate the Transaction, including the FECC Approval. In this sense, as provided in Section 8.1(b) of this Agreement, the Purchasers shall carry out all acts that may be necessary to obtain the FECC Approval, with or without conditions as long as such acts would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Purchasers and the Sellers shall jointly approve (which approval shall not be unreasonably withheld or delayed) in advance the content of any such applications, notices or reports. Except as expressly provided in this paragraph, neither Party may terminate the Agreement as a result of any conditions imposed by the Federal Economic Competition Commission.

(b) Prior to the Closing, each party shall use commercially reasonable efforts (at its own expense) to obtain, and to cooperate in obtaining, all material consents from third parties necessary to consummate the Transaction, including the consents or waivers relating to the agreements set forth in Schedule 3.5 hereto.

(c) Subject to the provisions of section (b) above, Sellers and Purchasers shall, and Sellers shall cause the Target Companies to (i) keep each other appraised of the status of any communications with, and any inquiries or requests for additional information from, the Mexican Federal Economic Competition

Commission, (ii) to the extent reasonable, comply promptly with any such inquiry or request, and (iii) have the right to participate and be present at any meeting with the Federal Economic Competition Commission or other applicable Governmental Authority.

SECTION 7.4. Further Assurances.

(a) For the duration of the Restricted Period, Endo Lux (i) shall not cause an Event of Default (as such term is defined in the Credit Agreement), after giving effect to the applicable grace periods, rights to cure, amendments, waivers and/or consents set forth in the Credit Agreement and (ii) shall not terminate the Credit Agreement during the Restricted Period unless it is required to so do following a change of control or refinancing. Endo Lux will endeavor to provide written notice to Purchasers of any material amendment to the Credit Agreement upon such amendment being publicly disclosed, provided, however, that failure to provide such notice shall not be considered a breach or default hereunder.

(b) From time to time, as and when requested by any party hereto, the other parties shall execute, or cause to be executed, all such documents and instruments and shall take, or cause to be taken, all such further or other actions, including actions on or after the Closing Date, as such party may reasonably deem necessary or desirable to consummate the transactions contemplated hereby.

SECTION 7.5. Supplemental Disclosure.

(a) The Target Companies and the Sellers shall have the continuing right until the Closing to supplement or amend, the Schedules with respect to any matter hereafter arising that, if existing or known at the date of this Agreement, would have been required to be set forth or described in the Schedules listed in Articles III and IV above. The parties agree that to the extent any representation contained in Articles III and IV above does not make reference to a Schedule, but as a result of circumstances arising after the date of this Agreement the inclusion of exceptions in a Schedule to such representation is necessary to make such representation not inaccurate, the Target Companies and the Sellers will be entitled to create the respective schedule prior to Closing; provided such new or revised schedule, as the case may be, may exclusively refer to actions, facts or situations created or arising from activities performed after the date hereof, that derive from the ordinary course of business of the Target Companies, that do not result in a Material Adverse Effect on the Target Companies, and if applicable, are in compliance with Section 6.1 hereof (the "Supplemental Disclosure Standards"). All of the foregoing, in the understanding, however, that, (i) such supplemental disclosures are permitted in order to make the statements contained in such Schedules, or in the relevant representation in the case such representation does not make reference to a Schedule, accurate and true, and (ii) such new information will not release Sellers

from, or otherwise affect or limit, their obligation to indemnify Purchasers for any Losses that could arise from, or in connection with, such supplemental disclosures due to the fact that it was disclosed to Purchasers, except for any update made in compliance with the Supplemental Disclosure Standards to Schedules 3.11(a)(i) (*Real Property*) (in this case, solely for purposes of updating the status of registration of the deeds of cancellation referred therein), 3.12(a) (*Leased Property*), 3.14(a) (*Material Contracts*), 3.15(a)(i) (*Sanitary Licenses*) (in this case, solely for purposes of including additional Sanitary Licenses obtained by the Target Companies between the date of this Agreement and the Closing Date), 3.16(a) (*Intellectual Property*) (in this case, solely for purposes of including additional Target Company Intellectual Property or to reflect the renewal of any existing Target Company Intellectual Property), 3.17 (*Suppliers*), 3.22(a) (*Key Employees*), 3.23(a) (*Employee Benefits*), 3.24 (*Collective Bargaining Agreements*), 3.25 (*Insurance Policies*), and 3.26 (*Related Party Transactions*), in which case the accurate disclosure by Sellers of the relevant matter or situation would release them from any indemnification liability or responsibility under Article X in connection with such matters.

(b) The inclusion of any matter in the Schedules as provided in (a) above, shall not be deemed to constitute an admission by the Sellers, the Target Companies or the Purchasers or otherwise imply that any such matter is material for the purposes of this Agreement.

SECTION 7.6. Tax Matters.

(a) Each of the parties hereto shall be liable for any Taxes imposed upon it by the Applicable Laws in connection with the execution and performance of this Agreement. No withholding may be applicable in connection with the execution of this Agreement, provided Sellers deliver to Purchasers five (5) days before the Closing Date a duly executed Option Exercise Statement in the form set forth in Exhibit "E", whereby Sellers shall inform Purchasers that they will elect to be taxed on net gain pursuant to Article 161 of the Mexican Income Tax Law and appoint a legal representative in Mexico pursuant to 174 of the Mexican Income Tax Law and Article 282 of its regulations. Sellers shall deliver to Purchasers a copy of the tax audit ledger (*cuadernillo de dictamen fiscal*) deriving from the sale of the Shares, along with a copy of the respective tax return and proof of tax payment deriving therefrom, no later than 5 (five) Business Days after the due date of each item.

(b) None of the Purchasers nor any of their Affiliates shall (or shall cause or permit the Target Companies to) amend, re-file or otherwise modify (or grant an extension of any statute of limitation with respect to) any Tax Return filed by the Target Companies relating in whole or in part to the Target Companies with respect to any Pre-Closing Tax Period.

(c) Except as otherwise provided in this Section 7.6, following the Closing Date, Purchasers shall (or shall cause the Target Companies to) prepare and timely file all Tax Returns of the Target Companies that relate to Straddle Periods. With respect to each Tax Return covering a Straddle Period (a "Straddle Period Return"), Purchasers shall (i) prepare such Straddle Period Return in a manner consistent with the past practice of the Target Companies, (ii) provide, or cause to be provided, to Sellers a proposed final draft of such Straddle Period Return (as applicable), with respect to annual Tax Returns, at least 15 (fifteen) Business Days prior to the date on which such Tax Return is due to be filed (taking into account any applicable extensions), with respect to monthly or other Tax Returns (as applicable), at least 5 (five) Business Days prior to the date on which such Tax Return is due to be filed (taking into account any applicable extensions), and (iii) accept any reasonable comments submitted by Sellers in writing regarding the pre-Closing portion of such Straddle Period Return so long as such comments are received by Purchasers no later than 3 (three) Business Days following Seller's receipt of such proposed draft of the Straddle Period Return.

For purposes of this Agreement, whenever it is necessary to determine a liability for Taxes of the Target Companies (or the right of any of the parties to receive a Tax refund or an indemnification with respect to Taxes of the Target Companies) for a Straddle Period, the determination of the Taxes of the Target Companies for the portion of the Straddle Period ending on the day prior to the Closing Date, and the portion of the Straddle Period beginning the Closing Day shall be determined by assuming that the Straddle Period consisted of two taxable periods, and items of income, gain, deduction, loss or credit of the Target Companies for the Straddle Period shall be allocated between such two taxable periods on a "closing of the books basis" by assuming that the books of the Target Companies were closed at the close of the Business Day immediately prior to the Closing Date, provided, however, that (i) transactions occurring on the Closing Date that are properly allocable to the portion of the Closing Date prior to when the Closing occurred, shall be allocated to the pre-closing portion of the Straddle Period, and (ii) exemptions, allowances or deductions that are calculated on an annual basis, such as the deduction for depreciation, and real, personal and intangible property Taxes, shall be apportioned between the pre-closing portion of the Straddle Period and the post-closing portion of the Straddle Period on a daily basis.

(d) Purchasers shall promptly (and in any case not later than 3 (three) Business Days after being duly notified of any Tax audit) notify Sellers in writing upon receipt by Purchasers, or any of its Affiliates or the Target Companies of notice of any pending or threatened federal, state, or municipal Tax audits, examinations, reviews, requests of information or assessments which may give rise to a breach of Section 3.21 hereof. Failure by the Purchasers to duly provide such notification to the Sellers shall result in voiding the right for an indemnity per SECTION X hereof, unless such failure does not materially affect the ability to defend the Target

Companies from such Tax audit. The Sellers may, at the Sellers' expense, upon written notice to the Purchasers, assume and control the defense of any such Tax audit that relates solely to a Pre-Closing Tax Period that does not include any portion of a Straddle Period. If the Sellers assume such defense, then the Sellers shall have the authority, with respect to such Tax audit, to represent the interests of the Target Companies before the relevant Taxing Authority, subject to the limitations contained herein. If the Sellers assume the defense of a Tax audit, the Sellers shall not enter into any settlement of, or otherwise compromise or abandon any such Tax audit without the prior written consent of the Purchasers, which consent shall not be unreasonably withheld, conditioned or delayed. The Sellers shall keep the Purchasers duly informed with respect to the commencement, status and nature of any such Tax audit. The Purchasers shall have the right to participate fully in such Tax audit, including the right to employ counsel of its choice, to participate in all material conferences and telephonic calls and to review and comment on all material proposed submissions. With respect to any Tax audit for which the Sellers may have an indemnification obligation pursuant to this Agreement and for which the Sellers have not assumed such defense, the Purchasers shall not enter into any settlement of, otherwise compromise or abandon any such Tax Matter without the prior written consent of the Sellers, which consent shall not be unreasonably withheld, conditioned or delayed, and the Purchasers shall keep the Sellers duly informed with respect to such Tax audit. Purchasers agree to provide to Sellers or the entity and persons appointed by Sellers with powers of attorney that may be reasonably necessary for the defense of any Tax audit. Not answering or taking care of such Tax audit, in due time and as required by Applicable Law, by Sellers, when Sellers assume the defense of such Tax audit, will be considered as a breach of representation for purposes of Article X hereof.

(e) After the Closing Date, each of the Sellers and Purchasers shall (and cause their respective Affiliates to):

(i) grant to the other party (or their designees or Affiliates) access at all reasonable times to all of the books and records relating to the Target Companies within their possession (including without limitation all kind of tax returns, accounting records, tax documents and correspondence with tax authorities), and shall afford the other party or any of their Affiliates or designees, the right (at such other party's expense) to take extracts therefrom and to make copies thereof, to the extent reasonably necessary to permit the other party or any of their Affiliates or designees, to prepare Tax Returns, to conduct negotiations with Taxing Authorities, to defend against any tax contingency or to implement the provisions of, or to investigate or defend any claims between the parties arising under, this Agreement; and

(ii) make available to the other party and to any applicable Taxing Authority, as reasonably requested, all information, records, and documents relating to Taxes of the Target Companies.

(f) Additionally, the Sellers, at their own cost and expense, shall (i) be responsible to prepare the applicable Tax Returns pursuant to article 76-A of the Mexican Income Tax Law (for purposes of this Section 7.6, the "76-A Tax Returns") for the Pre-Closing Tax Period and (ii) to provide the relevant information for the portion of the Straddle Period attributable to the Sellers. Purchasers will grant access and share with Sellers, or the accounting firm appointed for such purposes by Sellers, to all information and documentation of the Target Companies needed to prepare such 76-A Tax Returns for the Pre-Closing Tax Period. Once Sellers have finalized preparing such 76-A Tax Returns, Sellers will require the Target Companies to file such 76-A Tax Returns through the accounting firm hired to prepare such 76-A Tax Returns or to request Purchasers to have the Target Companies file it. In the latter case, the Sellers (i) shall deliver to Purchasers the 76-A Tax Returns with at least 3 (three) Business Days before the date of filing and instruct Purchasers the procedure to make such filing, (ii) will be solely responsible for any liability arising for the Target Companies from the filing of 76-A Tax Returns, and (iii) hereby agree as of this date, that Purchasers are released from any liability that could arise from the preparation, content or filing of the 76-A Tax Return, unless Purchasers fail to grant access and share with Sellers, or the accounting firm appointed for such purposes by Sellers, to all information and documentation of the Target Companies needed to prepare such 76-A Tax Returns for the Pre-Closing Tax Period.

(g) Sellers shall be responsible for (i) preparing any Tax returns in respect of Pre-Closing Tax Periods that end on or prior to the Closing Date, including the 76-A Tax Returns and causing the Target Companies to file as described in the previous paragraph, and making the payment of all Taxes of the Target Companies attributable for any Pre-Closing Tax Period that are due and payable prior to the Closing Date (in this case Sellers being obligated to deliver to Purchasers documentary evidence of the payment done within 5 (five) Business Days after payment is made), and (ii) to the extent there is a breach of Section 3.21 hereof in connection with the Taxes attributable to the pre-closing portion of any Straddle Period, for all Taxes of the Target Companies attributable to such period.

(h) Purchasers shall be responsible for all Taxes of the Target Companies attributable for any tax period that ends after the Closing Date.

(i) For the avoidance of doubt, Purchasers shall not be entitled to indemnification with respect to Taxes in connection with any Tax-related amounts which were expressly considered in and subject to the Shares Purchase Price Adjustment set forth in Section 2.5 of this Agreement.

SECTION 7.7. Anti-Corruption Laws.

Sellers shall not use the proceeds transferred pursuant to this Agreement in violation of any Anti-Corruption Laws, nor shall directly or knowingly indirectly transfer such proceeds to or for the benefit of any Sanctioned Person or in violation of Sanctions.

ARTICLE VIII
CONDITIONS PRECEDENT

SECTION 8.1. Conditions to Obligations of the Purchasers.

Unless waived in writing by the Purchasers on or prior to the Closing Date, the obligations of the Purchasers to consummate the transactions contemplated by this Agreement will be subject to the fulfillment at or prior to the Closing of each of the following conditions:

(a) Injunction. No (i) injunction, writ or preliminary restraining order or any written order of any nature issued by any Governmental Authority to the effect that the transactions contemplated hereby may not be consummated as provided in this Agreement will have been issued and remain in effect, (ii) proceeding or lawsuit will have been commenced by any Governmental Authority for the purpose of obtaining any such injunction, writ or preliminary restraining order, and (iii) written notice will have been received from any Governmental Authority indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated by this Agreement, in each case where the Closing would (or would be Reasonably Likely to) result in a material fine or penalty payable by the Purchasers or any of their Affiliates.

(b) Governmental Approvals. All consents, approvals, orders or authorizations of any Governmental Authority required in connection with the execution or performance of this Agreement by the Target Companies and the Sellers, including the FECC Approval (with or without conditions) will have been obtained and be in full force and effect.

(c) Representations. The representations of the Sellers set forth herein, shall have been true and correct as of the date hereof and, except for such representations of the Sellers (and the respective disclosure schedules) that expressly address matters as of the date hereof or a specific date (in which case such representations and warranties shall have been true and correct as of such specific dates), (i) those that are not qualified by materiality or Material Adverse Effect, shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date, and (ii) those that are qualified by materiality or Material Adverse Effect, shall be true and correct in the manner in which they were made as

of the Closing Date as though made on and as of the Closing Date, in each case after giving effect to any supplemental disclosure made after the date hereof pursuant to Section 7.5 hereof.

(d) Performance of Covenants of the Company and the Sellers. The Company and the Sellers shall have performed and complied in all material respects with the covenants and provisions of this Agreement required to be performed or complied with by them between the date hereof and the Closing Date.

(e) Delivery of Certificates. An authorized officer of Company and each of the Sellers shall have executed and delivered to the Purchasers a certificate as to compliance with the conditions set forth in Sections 8.1(b), 8.1(c) and 8.1(d).

(f) Assignment of Rights and Title prior to Closing. Endo Lux II shall, prior to the Closing Date, execute an agreement with the relevant Target Company by virtue of which any trademark rights related to Binotal would be assigned to the Target Company, which shall be effective on such date the sole owner for all legal purposes of the trademark.

(g) Termination of Employees. The labor or contractual relationship of the Target Companies with the Persons listed in Exhibit "F" has been terminated by resignation, or otherwise in accordance with Applicable Law, so that they are no longer considered employed or contracted by any of the Target Companies under Applicable Law.

SECTION 8.2. Conditions to Obligations of the Company and the Sellers.

Unless waived in writing by the Sellers on or prior to the Closing Date, the obligations of the Company and the Sellers to consummate the transactions contemplated by this Agreement will be subject to the fulfillment at or prior to the Closing of each of the following conditions:

(a) Injunction. No (i) injunction, writ or preliminary restraining order or any order of any nature issued by any Governmental Authority to the effect that the transactions contemplated hereby may not be consummated as provided in this Agreement will have been issued and remain in effect, (ii) proceeding or lawsuit will have been commenced by any Governmental Authority for the purpose of obtaining any such injunction, writ or preliminary restraining order, and (iii) written notice will have been received from any Governmental Authority indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated by this Agreement, in each case where the Closing would (or would be Reasonably Likely to) result in a material fine or penalty payable by the Sellers or any of their Affiliates.

(b) Government Approvals. All consents, approvals, orders or authorizations of any Governmental Authority required in connection with the execution or performance of this Agreement by the Purchasers, including the FECC Approval will have been obtained and be in full force and effect.

(c) Representations. The representations of the Purchasers set forth herein, shall have been true and correct as of the date hereof and, except for such representations of the Purchasers (and the respective disclosure schedules) that expressly address matters as of the date hereof or a specific date (in which case such representations and warranties shall have been true and correct as of such specific dates), (i) those that are not qualified by materiality or Material Adverse Effect, shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date, and (ii) those that are qualified by materiality or Material Adverse Effect, shall be true and correct in the manner in which they were made as of the Closing Date as though made on and as of the Closing Date, in each case after giving effect to any supplemental disclosure made after the date hereof pursuant to Section 7.5 hereof.

(d) Performance of Covenants of the Purchasers. The Purchasers shall have performed and complied in all material respects with the covenants and provisions of this Agreement required to be performed or complied with by it between the date hereof and the Closing Date.

(e) Delivery of Certificates. The Purchasers shall have executed and delivered to the Sellers a certificate as to compliance with the conditions set forth in Sections 8.2(b), 8.2(c), 8.2(d) and 8.2(e).

ARTICLE IX
TERMINATION

SECTION 9.1. Termination.

(a) Notwithstanding anything to the contrary in this Agreement, this Agreement may be terminated and all the transactions contemplated herein abandoned at any time prior to Closing:

(i) by written consent of the Company, the Sellers and the Purchasers; or

(ii) by the Sellers or Purchasers if the Transaction has not been consummated on or before the Termination Date; provided, that if on the date of such written election (i) either of the conditions set forth in Section 8.1 or Section 8.2 has not been satisfied, or (ii) litigation with any Governmental Authority that is challenging the consummation of the transactions contemplated hereby under

Applicable Laws (including anti-trust laws) has been commenced, then, at the written election of the Sellers or Purchasers, the Termination Date may be extended by a period of 90 (ninety) calendar days (and in the case of such extension, any reference to the Termination Date in any other provision of this Agreement shall be a reference to the Termination Date, as extended); provided, further, that the right to terminate this Agreement pursuant to this Section 9.1 shall not be available to any party whose breach of any provision of this Agreement results in the failure of the Transaction to be consummated by the Termination Date or which is impeding fulfillment of any of the conditions set forth in Article VIII of this Agreement in the required timeframe; or

(iii) by the Purchasers, if there has been a material violation or breach of any representation, warranty, covenant or agreement under this Agreement, either by Sellers or the Target Companies that, if not cured, would prevent the satisfaction of any conditions to the obligations of Purchasers, and such violation or breach has not been waived by Purchasers or, if curable, cured within 30 (thirty) days after written notice thereof by Purchasers. The latter in the understanding that remedying or curing such curable material violation or breach of any representation, warranty, covenant or agreement of this Agreement (i) shall be done in a manner that, upon consummation of the relevant remedy or cure, the Target Companies shall be able to operate in the ordinary course of business in a manner consistent with past practice, and (ii) shall not be achieved solely by means of financial compensation, that is, by paying cash or cash equivalents to Purchasers or to the Target Companies as a compensatory measure for the underlying breach of violation, except as otherwise expressly consented in writing by Purchasers.

(b) In the event of termination by the Sellers or Purchasers pursuant to Section 9.1(a)(ii), written notice thereof shall forthwith be given to the other and the transactions contemplated by this Agreement shall be terminated, without further action by any party. If the transactions contemplated by this Agreement are terminated as provided herein:

(i) Purchasers shall return all documents and other material received from any Seller or the Target Companies relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the Sellers; and

(ii) all Confidential Information received by any Purchaser with respect to the Business of the Target Companies shall be treated in accordance with the Section 7.1.

SECTION 9.2. Effect of Termination.

(a) If this Agreement is terminated and the transactions contemplated herein are abandoned as described in Section 9.1, this Agreement shall have no further force and effect, except for the provisions of Section 7.1, Section 7.2, Section 9.1, Section 9.2, Article XI, Section 12.1, Section 12.2, Section 12.9, Section 12.10 and Section 12.11; provided, however, that no termination of this Agreement pursuant to the provisions of Section 9.1 shall relieve any party of liability for a breach of or failure to perform any provision of this Agreement occurring prior to such termination.

(b) If this Agreement is terminated and the Transaction is not consummated as a consequence of a breach by any party of its obligations hereunder that results in the non-defaulting party becoming incapable of fulfillment of its obligations hereunder, then the non-defaulting party shall be entitled to demand specific performance in the event that the Transaction is not consummated as a result of such breach.

ARTICLE X
INDEMNIFICATION

SECTION 10.1. Indemnification by the Sellers.

From and after the Closing, Sellers shall be jointly and severally liable for, and shall indemnify Purchasers (the "Purchasers Indemnitees") against, and hold them harmless from, any actual Losses suffered or incurred by any Purchaser Indemnitee directly arising from, relating to or otherwise in respect of:

(a) any breach, as of the Closing Date, of any representation of the Company and/or the Sellers of this Agreement during the term provided for in Section 10.6. hereof; or

(b) any breach of any covenant of the Company and/or the Sellers contained in this Agreement; or

(c) any Specific Indemnity.

SECTION 10.2. Indemnification by the Purchasers.

Each Purchaser shall be jointly and severally liable for and shall indemnify the Sellers (the "Sellers Indemnitees") against and hold them harmless from, any Losses suffered or incurred by any Seller Indemnitee, directly arising from, relating to or otherwise in respect of:

(a) any breach, as of the Closing Date, of any representation of Purchasers of this Agreement during the term provided for in Section 10.6. hereof; and

(b) any breach of any covenant of the Purchasers contained in this Agreement.

SECTION 10.3. Excluded Losses.

The indemnification obligations for Losses set forth in this Agreement shall in no case include incidental (*daños incidentales*), consequential (*daños consecuenciales*), special (*daños especiales*), indirect (*daños indirectos*) or punitive damages (*daños punitivos*), all of which are hereby expressly and irrevocably waived by the parties hereto.

SECTION 10.4. Termination of Indemnification; Limitations on Liability.

The obligations to indemnify and hold harmless any party pursuant to Sections 10.1 and 10.2 shall terminate when the applicable survival period for any representation or covenant ends pursuant to Section 10.6; provided, however, that such obligations to indemnify and hold harmless shall not terminate with respect to any item as to which the Person to be indemnified shall have, before the expiration of the applicable period, timely and properly made a claim by delivering a written notice of such claim (stating in reasonable detail the basis of such claim and providing supporting documentation in such respect) pursuant to Section 10.5 to the indemnifying party.

SECTION 10.5. Procedures.

(a) Third Party Claims. For a Person (the "Indemnified Party") to demand any indemnification in respect of, arising out of, or involving a claim made by any Person other than a party hereto against the Indemnified Party (a "Third Party Claim"), such Indemnified Party must notify the indemnifying party in writing (and in reasonable detail, including attached copies of any notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim, as and if available) of the Third Party Claim as soon as reasonably practicable, but in any event no later than 3 (three) Business Days after receipt by such Indemnified Party of notice of the Third Party Claim or such lesser period of time if the nature of the Third Party Claim would require a response prior to such 3 (three) Business Day period or would be appropriate for the indemnifying party to prepare an appropriate response and defense. Such Third Party Claim notice shall (i) contain a reasonably detailed description of the nature of the claim and specify the amount claimed, (ii) include the legal and contractual basis therefore, (iii) indicate the representation, warranty, covenant and indemnification provision to which the claim relates, and (iv) include as exhibits all documents that are deemed necessary or convenient for the indemnifying party to adequately evaluate the claim.

(b) Defense; Settlement.

(i) Except as set forth in sub-item (ii) below, if a Third Party Claim is made against an Indemnified Party, the Indemnified Party shall conduct the defense of such Third Party Claim at the indemnifying party's expense in accordance with this Article X. The indemnifying party shall be entitled to participate in the defense of any Third Party Claim at the indemnifying party's expense. The Indemnified Party shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the indemnifying party's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned). The Indemnified Party shall agree to any settlement, compromise or discharge of a Third Party Claim that the indemnifying party may recommend and that by its terms obligates the indemnifying party to pay the full amount of the liability in connection with such Third Party Claim, which releases the Indemnified Party completely in connection with such Third Party Claim and that would not otherwise adversely affect the Indemnified Party or result in the Indemnified Party or its Affiliates (including the Company) admitting to any liability with respect to such Third Party Claim.

(ii) Notwithstanding the foregoing, the indemnifying party may elect, by delivering a notice in writing to the Indemnified Party as soon as reasonably practicable, but in any event within a term of 5 (five) Business Days following the date of delivery by the Indemnified Party of the Third Party Claim to the indemnifying party, to control all proceedings taken in connection with such Third Party Claim (including selection of counsel) and, without limiting the foregoing, may pursue or forego any and all appeals, proceedings, hearings and conferences with any Governmental Authority with respect thereto, and may either pay the Third Party Claim and sue for a refund where Applicable Law permits such refund suits or contest the Third Party Claim in any permissible manner. Should the indemnifying party elect to assume the defense of any proceedings relating to a Third-Party Claim as provided herein, the indemnifying party will not be liable to any Indemnified Party under this Article X for any fees or disbursement of counsel retained by any Indemnified Party in connection with the Third Party Claim in question. For purposes of the above, the Indemnified Party shall grant, and shall cause the relevant Target Company to grant, the necessary powers of attorney for lawsuits and collections (*pleitos y cobranzas*) to the indemnifying party's selected counsel. The Indemnified Party shall reasonably cooperate, and shall cause the Company to reasonably cooperate, in the defense of such Third Party Claims, and to make available to the indemnifying party, its counsel and other advisors, all relevant records and take such other action and sign such documents as are reasonably necessary to assess and defend such Third Party Claim in a timely manner.

(iii) With respect to any of the matters covered by the Specific Indemnity, the parties agree that Purchasers shall maintain the current outside

counsel and strategy and shall not enter into any settlement of, or otherwise compromise or abandon, the procedure, litigation or defense, without the prior written consent of the Sellers. Sellers agree to pay to Purchasers or the Target Companies (as directed by Purchaser) such amounts that are finally resolved to be due and payable by the relevant Target Company as a result of either (i) a final, non-appealable judgement issued against the such Target Company or (ii) a settlement agreement between the such Target Company and the relevant counterparty (which would have been previously approved by Sellers), no later than 30 days following the date in which such final resolution is made pursuant to (i) or (ii) above and, if applicable, Purchaser notifies Sellers and delivers a copy of such judgment or settlement agreement.

SECTION 10.6. Term for Indemnification.

The obligation for indemnification related to the representations, covenants and agreements contained in this Agreement shall only be applicable from the Closing and for 18 (eighteen) months after the Closing Date, except that with respect to the Statute Representations, the referred obligation shall be applicable until the expiration of the relevant statute of limitations under Applicable Law.

SECTION 10.7. Calculation; Payment of Losses.

(a) The amount of any Loss for which indemnification is provided under this Article X shall be net of any amounts recovered by the Indemnified Party or the Target Companies under insurance policies with respect to such Loss and shall be reduced to take account of any net tax benefit realizable by the Indemnified Party, the Target Companies or their Affiliates from the incurrence or payment of any such Loss. Purchasers will conduct all actions required in the relevant insurance policy to collect any amounts thereunder. If such amounts are received after the indemnity payment is done without being accounted for such payment, Purchasers will transfer such amount to Sellers within 5 (five) Business Days after received, net of any taxes impact to the Target Companies, if any.

(b) Notwithstanding anything to the contrary contained in this Agreement, no indemnifying party will have any obligation to indemnify for any Losses until a final, non-appealable judgment or arbitral award is rendered with respect to such claim.

SECTION 10.8. Liability Limitations; Payment of Losses.

(a) No claim for indemnification for any Losses under Sections 10.1(a) and 10.2(a) (in each case except with respect to a claim based on a breach of a Statute Representation or the Specific Indemnity – in which case and for the avoidance of doubt, neither the Basket, nor the *De Minimis* Threshold will be applicable) hereof

shall be made unless and until the claims for Losses by the Purchasers Indemnitees or the Sellers Indemnitees, as applicable, exceeds US$1,000,000.00 (one million Dollars 00/100) (the "Basket"); provided that, upon such Losses equaling or exceeding the Basket, the Purchasers Indemnitees or the Sellers Indemnitees, as applicable, shall, subject to the limitations established in sub-clause (c) below and any other limitation established in this Agreement, be entitled to indemnification for Losses from the first Dollar, as applicable. For the avoidance of doubt, the parties agree to a tipping-Basket, not a deductible mechanism.

(b) In addition to the foregoing, none of the parties shall indemnify or hold the Purchasers Indemnitees or the Sellers Indemnitees, as applicable, harmless against any individual Loss under Article X unless such Loss exceeds US$25,000.00 (twenty five thousand Dollars 00/100) (the "*De Minimis* Threshold") and no individual claim for Losses of less than the *De Minimis* Threshold shall be considered in determining the amount of the Losses under Article X and whether the Basket has been reached unless a series of similar events arising from the same circumstances reach the described amount.

(c) The Sellers and Purchasers shall not be liable for Losses under Sections 10.1 or 10.2 in excess of an amount equal to 20% (twenty percent) of the Total Purchase Price, except with respect to a claim based on (i) a breach of Section 3.13 (*Environmental Matters*), in which case Sellers' liability shall be increased to, but shall not exceed 25% (twenty five percent) of the Total Purchase Price, (ii) a breach of Section 3.21 (*Tax Matters*) and Section 3.15 (*Sanitary Licenses*), in which case Sellers' liability shall be increased to, but shall not exceed 30% (thirty percent) of the Total Purchase Price; or (iii) a breach of a Specific Representation or fraud, in which case the Sellers' or Purchasers' liability, as the case may be, shall not exceed an amount equal to the Total Purchase Price. For the avoidance of doubt, the differentiated maximum liability amounts set forth herein shall not be cumulative and shall be aggregated when determining Losses with respect to which Purchaser is entitled to be indemnified. For example, in the event that Purchaser is entitled to indemnification for Losses suffered in connection with Section 3.13 (*Environmental Matters*) for an amount equal to 20% (twenty percent) of the Total Purchase Price and, subsequently, Purchaser suffers an indemnifiable Loss in connection with Section 3.21 (*Tax Matters*) for an amount equal to 15% (fifteen percent) of the Total Purchase Price, then the Purchaser would only be entitled to receive indemnification for 10% (ten percent) in connection with such subsequent indemnifiable Loss, and not for the balance, as it would exceed Sellers' maximum liability by 5% (five percent).

(d) No Purchaser Indemnitee shall be entitled to indemnification for any Losses to the extent that an amount has been specifically reserved, provided or allowed for in the Financial Statements, and no party shall be liable for Losses to the extent they arose from (i) a change in accounting or tax law, policy or practice made

on or after the Closing Date, or (ii) a change to any Applicable Law made on or after the Closing Date, or (iii) any Applicable Law not in force on the Closing Date.

(e) The Sellers shall not be liable for any Losses imposed on, sustained, incurred or suffered by, or asserted against, any Purchaser Indemnitee arising out of, based upon, attributable to or resulting from any act or omission by the Target Companies disclosed by the Sellers hereunder (including, for the avoidance of doubt, under Section 4.5 hereof).

(f) The Knowledge qualifier in Sections 3.13(c) and 3.13(d) shall not affect Purchasers' right to indemnification in accordance with the terms of this Article X; in the understanding that, for purposes of determining whether the relevant Purchaser Indemnitee is entitled to indemnification under Section 10.1(a), the parties hereby agree that the Knowledge qualifiers in Sections 3.13(c) and 3.13(d) shall be deemed as not inserted therein.

(g) Upon making any payment to an Indemnified Party for any indemnification claim for Losses pursuant to this Article X, the indemnifying party shall be subrogated, to the extent of such payment, to any rights which the Indemnified Party may have against any other parties, except from the Target Companies, with respect to the subject matter underlying such indemnification claim.

(h) No party shall be entitled to any recovery unless a claim for indemnification is made in accordance with this Article X and within the time period of survival set forth in Section 10.6.

(i) No Indemnified Party shall be indemnified pursuant to this Agreement to the extent that such Indemnified Party's Losses are increased or extended by the negligence, willful misconduct, violation of Applicable Law or bad faith of such Indemnified Party.

(j) Notwithstanding anything to the contrary set forth in this Agreement, the Indemnified Party shall have no right to indemnification hereunder with respect to any Loss or alleged Loss to the extent such Loss or alleged Loss is included in the calculation of the items for calculation of the adjustment to the Shares Purchase Price.

(k) If the Sellers have paid any amounts in accordance with this Article X to one Indemnified Party, Sellers shall be deemed to have been released, up to such amounts paid, from their obligation to indemnify any other person or party in connection with such matters.

SECTION 10.9. Treatment.

The parties agree that any indemnity payment under this Article X will be treated by the parties as an adjustment to the Shares Purchase Price.

SECTION 10.10. Remedies.

(a) The parties agree that the sole and exclusive remedy for the Purchasers for any claim for Losses arising out of the transactions contemplated hereby or a breach of any representation, covenant or other agreement in this Agreement shall be a claim by the Purchasers, as applicable, for indemnification pursuant to this Article X, and accordingly Purchasers hereby expressly waive any other right for indemnification they may have at law, by contract or otherwise, and any right to claim or seek specific performance.

(b) In addition to claims for Losses pursuant to Article X hereto, the parties agree that the Sellers shall be entitled to demand specific performance pursuant to the provisions of Section 9.2(b) hereof.

ARTICLE XI
NON RECOURSE

This Agreement may only be enforced against, and any claim, action, suit or other legal proceeding based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the entities that are expressly named as Purchasers hereto and then only with respect to the specific obligations set forth herein with respect to such party. No past, present or future director, officer, employee, incorporator, manager, member, partner, stockholder, affiliates, agent, attorney or other representative of any Purchaser hereto, or any of their successors or permitted assigns, shall have any liability for any obligations or liabilities under this Agreement or for any claim or action based on, in respect of or by reason of the transactions contemplated hereby, except for any responsibility of the Advent entities set forth under the Equity Commitment Letter issued on June 30, 2017, which is attached hereto as Exhibit "G".

The parties hereto agree and acknowledge that any liability of the Soar Cell arising out of or in connection with this Agreement shall be limited to the value of the assets attributable to the Soar Cell and that no party shall have recourse to the assets attributable to any other cell of the PCC or to its core assets (as those terms are defined in the Companies (Guernsey) Law, 2008 (as amended)).

ARTICLE XII
MISCELLANEOUS

SECTION 12.1. Notices.

(a) All notices, demands, consents, and reports provided for in this Agreement shall be in writing and shall be given to the other parties, by registered air mail, postage prepaid, or courier, return receipt requested, or e-mail, at the address set forth below, or at such other address as a party, may hereafter specify in writing:

if to the Purchasers:

Advent International PE Advisors, S.C.
Edificio Omega
Campos Eliseos 345-14° Piso
Col. Polanco
11560 Ciudad de México
México
Attention: Enrique Pani, Managing Director
E-mail: epani@adventinternational.mx

With a copy (without constituting notice) to:

Galicia Abogados, S.C.
Blvd. Manuel Avila Camacho No. 24 Piso 7
Col. Lomas de Chapultepec, 11000
Attention: Arturo Perdomo Jiménez
E-mail: aperdomo@galicia.com.mx; rgarcia@galicia.com.mx

if to the Sellers:

Endo Luxembourg Finance Company I S.a.r.l.
c/o Endo International PLC
First Floor, Minerva House
Simmonscourt Road
Ballsbridge, Dublin 4, Ireland

With copy (without constituting notice) to:

Endo Health Solutions Inc.
1400 Atwater Drive
Malvern, Pennsylvania
Attn: Matthew J. Maletta,
Executive Vice President, Chief Legal Officer
E-mail: maletta.matthew@endo.com

With a copy (without constituting notice) to:

Creel, García-Cuellar, Aíza y Enriquez, S.C.
Paseo de los Tamarindos No. 60 Piso 3
Col. Bosques de las Lomas, 05120
Attention: Jorge Montaño Valdés
E-mail: jorge.montano@creel.mx

if to the Company:

Grupo Farmacéutico Somar, S.A.P.I de C.V.
Adolfo Prieto 1427 Colonia del Valle
Del. Benito Juárez
Ciudad de México, México 03100
Attention: Maria Eugenia Ojeda Ortiz
E-mail: MOjeda@gruposomar.com

Prior to Closing, with copy to:

Endo Health Solutions Inc.
1400 Atwater Drive
Malvern, Pennsylvania
Attn: Matthew J. Maletta,
Executive Vice President, Chief Legal Officer
E-mail: maletta.matthew@endo.com

Prior to Closing, with a copy (without constituting notice) to:

Creel, García-Cuellar, Aiza y Enríquez, S.C.
Paseo de los Tamarindos No. 60 Piso 3
Col. Bosques de las Lomas, 05120
Attention: Jorge Montaño Valdés
E-mail: jorge.montano@creel.mx

(b) Any notice so given shall be deemed to be effective only upon written or electronic acknowledgment of receipt.

SECTION 12.2. Governing Law.

This Agreement shall be governed by and construed in accordance with the federal laws of Mexico, without giving effect to the conflicts of laws principles thereof that would mandate the application of the laws of another jurisdiction. The parties hereto expressly waive any right they may have, now or in the future, to demand or seek the application of a governing law other than the Applicable Laws of Mexico.

SECTION 12.3. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 12.4. Entire Agreement.

This Agreement, along with the Schedules and Exhibits hereto, constitutes the entire agreement between the parties hereto relating to the subject matter hereof, and supersede all prior agreements (written or oral), representations and understandings of the parties, including, but not limited to any letter of intent or related correspondence. No amendment, variation or modification of this Agreement or of any of the terms and provisions hereof shall be deemed valid unless in writing signed by the parties hereto.

SECTION 12.5. Further Instruments and Acts.

The parties hereto will execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectively the purposes of this Agreement.

SECTION 12.6. Waivers.

No failure by either party hereto to insist on the performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon the breach thereof, shall constitute a waiver of any such breach or any subsequent breach of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Agreement and no breach thereof shall be waived, altered or modified except by written instrument. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other than existing or subsequent breach thereof.

SECTION 12.7. Headings.

Headings of Clauses, Articles, Representations, Sections and items are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

SECTION 12.8. Severability.

If any provision of this Agreement shall be found to be invalid or unenforceable, the remainder of this Agreement shall remain in full force and effect.

SECTION 12.9. Arbitration.

(a) Any claim, dispute or controversy arising out of or in connection with the existence, validity, intent, interpretation, performance or enforcement of this Agreement, shall be finally settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce, in effect on the date of this Agreement (the "ICC Rules").

(b) The number of arbitrators shall be 3 (three). One arbitrator shall be appointed by the Purchasers, one arbitrator shall be appointed by the Sellers and the third arbitrator shall be appointed by the first 2 (two) appointed arbitrators. If within 30 (thirty) calendar days after the appointment of the second arbitrator, the 2 (two) arbitrators shall not have appointed the third arbitrator, the third arbitrator shall be appointed by the International Chamber of Commerce International Court of Arbitration in accordance with the ICC Rules.

(c) The place of arbitration shall be Mexico City, Mexico. The award shall be rendered in English. The arbitration proceedings shall be conducted in the English language and all briefs and other non-evidentiary writings submitted to the arbitration panel shall be submitted in the English language. Any documentary evidence submitted to the arbitration panel shall be submitted in its original language. All fees and expenses incurred in connection with translating documents necessary to distribute to the parties in connection with the arbitration shall be shared equally between the Purchasers and the Sellers.

(d) The arbitration procedure set forth in this Section 12.9 shall be the sole and exclusive means of settling or resolving any dispute referred to in this Section 12.9. The award of the arbitrators shall be final, non-appealable and binding on the parties and may be presented by any of the parties for enforcement in any court of competent jurisdiction and the parties hereby consent to the jurisdiction of such court solely for purposes of enforcement of this arbitration agreement and any award rendered hereunder. In any such enforcement action, irrespective of where it is brought, none of the parties will seek to invalidate or modify the decision of the arbitrators or otherwise to invalidate or circumvent the procedures set forth in this Section 12.9. The fees of the arbitrators and the other costs of such arbitration shall be borne by the parties in such proportions as shall be specified in the arbitration award.

SECTION 12.10. Fees.

Each of the parties will pay its own costs and expenses, including legal fees and expenses, incurred by such party by reason of the enforcement and protection of its rights under this Agreement; provided that any costs and expenses incurred by

the Target Companies prior to the Closing in connection with the enforcement and protection of their rights under this Agreement shall be exclusively borne by Sellers.

SECTION 12.11. Transaction Costs.

Except as otherwise expressly provided herein, each of the parties will pay its own fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement, including the fees, costs and expenses of its financial advisors, accountants and counsel. The parties agree that the Target Companies shall not bear any costs and expenses in connection with this Agreement and the transactions contemplated hereunder.

SECTION 12.12. Assignment.

This Agreement and the rights and obligations hereunder shall not be assignable or transferable by any party hereto without the prior written consent of the other parties to this Agreement; provided, however, that (i) any Seller may freely transfer its collection rights hereunder without written consent from the Purchasers so long as such transfer is made to an Affiliate of such Seller, and (ii) any Purchaser may freely transfer its rights or obligations hereunder without written consent from the Sellers so long as such transfer is made to an Affiliate of such Purchaser through the execution of an assignment agreement in accordance with the form attached hereto as Exhibit ”H”. Any attempted assignment in violation of this Section 12.12 shall be void.

SECTION 12.13. Third-Party Beneficiaries.

Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reasons of this Agreement on any Persons other than the parties to it and their respective successors and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third Person to any party to this Agreement, nor shall any provision give any third Person any right of subrogation or action over against any party to this Agreement.

SECTION 12.14. Counterparts.

This Agreement may be executed in any number of counterparts and any party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by all of the parties. It shall not be necessary in making proof

of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

SECTION 12.15. Obligations of Sellers.

Notwithstanding anything to the contrary contained herein, the parties hereby acknowledge and agree that the obligations and covenants assumed and undertaken by each Seller are joint and several obligations, being obligated Purchaser to, as the case may be, sue or start a claim or proceeding against all Sellers.

SECTION 12.16. Usage.

Except as otherwise specifically indicated, all references to Section, Clause or Article numbers refer to Sections, Clauses or Articles of this Agreement, all references to Exhibits and Schedules refer to the Exhibits and Schedules attached hereto or referred to herein and are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any matter set forth in any provision, sub-provision, section or subsection of any Schedule shall, unless the context otherwise manifestly requires, be deemed set forth for all purposes of the Schedules. The words “herein”, “hereof”, “hereunder”, “hereinafter”, and words of similar import refer to this Agreement as a whole and not to any particular Section hereof. The definitions in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The word “or” shall not be exclusive. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, unless such phrase otherwise appears.

SECTION 12.17. Accounting Terms; Calculations.

Unless otherwise expressly defined or specified in this Agreement, all accounting terms shall have the meaning given to such terms under Mexican GAAP.

SECTION 12.18. Statutory References.

Any references to any specific statute, law, regulation, treaty or protocol (and not merely to the defined term “Applicable Law”) shall be deemed to include any amendments thereto from time to time, or any successor statute, law, regulation, treaty or protocol thereof, except when such reference is made as of a particular date.

[*SIGNATURE PAGE FOLLOWS*]

Purchaser

AI Global Investments (Netherlands) PCC Limited, acting for and on behalf of the Soar Cell.

By:	/s/ Dennis Cornelis Kulk
Name:	Europe Management Company B.V.
Title:	Director A
Represented by:	Dennis Cornelis Kulk
Title:	Attorney-in-fact A

By:	/s/ Tu Diep Lam
Name:	Europe Management Company B.V.
Title:	Director A
Represented by:	Tu Diep Lam
Title	Attorney-in-fact B

By:	
Name:	
Title:	Director B

Sellers:

Endo Somar Holdings B.V.

By:	/s/ Robert J. Cobuzzi
Name:	Robert J Cobuzzi, Jr., Ph.D.
Title:	Managing Director A

SIGNATURE PAGE TO PURCHASE AGREEMENT ENTERED INTO BY AND AMONG ENDO SOMAR HOLDINGS B.V., ENDO LUXEMBOURG FINANCE COMPANY I S.A.R.L., ENDO GLOBAL FINANCE LLC AND ENDO LUXEMBOURG FINANCE COMPANY II S.A.R.L., AS SELLERS, AND AI GLOBAL INVESTMENTS (NETHERLANDS) PCC LIMITED, ACTING FOR AND ON BEHALF OF THE SOAR CELL, AS PURCHASER.

Endo Luxembourg Finance Company I S.A.R.L.

By:	/s/ Robert J. Cobuzzi
Name:	Robert J. Cobuzzi, Jr., Ph.D.
Title:	Manager A

SIGNATURE PAGE TO PURCHASE AGREEMENT ENTERED INTO BY AND AMONG ENDO SOMAR HOLDINGS B.V., ENDO LUXEMBOURG FINANCE COMPANY I S.A.R.L., ENDO GLOBAL FINANCE LLC AND ENDO LUXEMBOURG FINANCE COMPANY II S.A.R.L., AS SELLERS, AND AI GLOBAL INVESTMENTS (NETHERLANDS) PCC LIMITED, ACTING FOR AND ON BEHALF OF THE SOAR CELL, AS PURCHASER.

Endo Luxembourg Finance Company II S.A.R.L.

By:	/s/ Robert J. Cobuzzi
Name:	Robert J. Cobuzzi, Jr., Ph.D.
Title:	Manager A

SIGNATURE PAGE TO PURCHASE AGREEMENT ENTERED INTO BY AND AMONG ENDO SOMAR HOLDINGS B.V., ENDO LUXEMBOURG FINANCE COMPANY I S.A.R.L., ENDO GLOBAL FINANCE LLC AND ENDO LUXEMBOURG FINANCE COMPANY II S.A.R.L., AS SELLERS, AND AI GLOBAL INVESTMENTS (NETHERLANDS) PCC LIMITED, ACTING FOR AND ON BEHALF OF THE SOAR CELL, AS PURCHASER.

Endo Global Finance LLC

By:	/s/ Laurence S. Smith
Name:	Laurence S. Smith
Title:	Board Manager

DEFINED TERMS

The following terms shall have the respective meanings indicated below:

"Accounting Firm" shall have the meaning set forth in Section 2.5.

"Accounting Principles" means the accounting principles to be used for purposes of calculating Cash, Indebtedness and Net Working Capital, as set forth in Exhibit "I".

"Adjustment Amount" means an amount, which may be a negative number, equal to the sum of (a) the Final Net Working Capital *minus* the Estimated Net Working Capital, (b) the Final Cash *minus* the Estimated Cash, (c) the Estimated Indebtedness *minus* the Final Indebtedness.

"Affiliate" means, in respect of any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person, including all present and future Subsidiaries, controlling partners and controlling shareholders of such Persons and Persons under common Control with such Person.

"Agreement" means this Stock Purchase Agreement together with all Exhibits and Schedules, as the same may be amended from time to time.

"Anti-Corruption Laws" means the U.S. Foreign Corrupt Practices Act of 1977, Mexico's *Ley Federal Anticorrupción en Contrataciones Públicas*, *Ley Federal de Responsabilidades Administrativas de los Servidores Públicos*, and *Ley Federal de Responsabilidades de los Servidores Públicos*.

"Applicable Law" means, with respect to any Person, all present and future statutes, laws, ordinances, rules, orders and regulations of any Governmental Authority or stock exchange applicable to such Person or any of its Subsidiaries, or any of their respective properties or assets.

"Assets and Properties" of any Person means all assets and properties of every kind, nature, character and description, other than real property (whether tangible or intangible, and wherever situated), including the goodwill related thereto, operated, owned or leased by such Person.

"Assignment and Assumption Agreement" means that certain assignment and assumption agreement to be entered into by Soar Cell (or Dutch SPV, as it may

correspond), as assignee, and Endo Lux II, as assignor, at the Closing, substantially in the form attached hereto as Exhibit "J", with respect to the Purchased Debt.

"Basket" shall have the meaning set forth in Section 10.8(a).

"Business" means the development, manufacturing, production, distribution and sale of pharmaceutical products, including generic and branded generic pharmaceuticals, as well as over the counter drugs and other medical devices and services.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in Mexico City and in New York, NY, are authorized by Applicable Law to close.

"Cash" means, at any given date of calculation, with respect to the Company on a consolidated basis, (a) all consolidated cash and (b) cash equivalents (in each case determined in accordance with the Accounting Principles).

"Chalco Plant" means the industrial facility located at Camino Real a Cocotitlán w/n, between Carmelo and Arturo Montiel, Industrial Zone of Chalco, Mexico.

"Closing" shall have the meaning set forth in Section 2.3.

"Closing Date" shall have the meaning set forth in Section 2.3.

"Closing Statement" shall have the meaning set forth in Section 2.2.

"COFEPRIS" means the Mexican Sanitary Risks Protection Agency (*Comisión Federal para la Protección contra Riesgos Sanitarios*) and any successor agency thereto.

"Company" shall have the meaning set forth in the preamble of this Agreement.

"Company Subsidiaries" shall mean each and all of Serral, S.A. de C.V., Somar Humana, S.A. de C.V., Lakeside Salud Humana, S.A. de C.V., Laboratorios Serral, S.A. de C.V. and Pharma Inmobiliaria, S.A. de C.V.

"Company Confidential Information" means all information and documentation related to the Business, the Target Companies and their assets, employees, operations, prospects, strategies or agreements, and the documents and transactions contemplated thereby (including all management presentations), all offering memoranda and forecasts, budgets and any documents or files contained in data rooms set up for purposes of the Transaction.

"Confidential Information" means both the Company Confidential Information and the Transaction Confidential Information.

"Control" (including the terms "controlling," "controlled by" and "under common control with") means with respect to any Person, the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

"Corporate Records" means the original corporate books of each Target Company, duly signed by such Persons as is required under Applicable Law, including, the shareholders' meeting minutes book (*libro de actas de asamblea*), stock registry book (*libro de registro de acciones*), capital variations registry (*registro de variaciones de capital*) and the board of directors' meeting minutes book (*libro de actas de sesiones del consejo de administración*).

"Credit Agreement" means that certain credit agreement, dated as of April 27, 2017, by and among Endo International plc, Endo Lux, Endo LLC, JPMorgan Chase Bank, N.A. and the other lenders party thereto, as may be amended, amended and restated, supplemented or otherwise modified from time to time.

"*De Minimis* Threshold" shall have the meaning set forth in Section 10.8(b).

"Dollar" or "US" means the lawful currency of the United States of America.

"Dutch SPV" means an entity organized under the laws of the Netherlands prior to Closing.

"Employee Benefit Plan" means employment, bonus, deferred compensation, incentive compensation, stock purchase, stock option, stock appreciation right or other stock-based incentive, severance, change-in-control, or termination pay, hospitalization or other medical, disability, life or other insurance, supplemental unemployment benefits, profit-sharing, pension, or retirement plan, program, agreement or arrangement and each other employee benefit plan, program, agreement or arrangement sponsored, maintained or contributed to or required to be contributed to by any of the Target Companies for the benefit of any current or former employee or director of any of the Target Companies, whether formal or informal and whether written or unwritten.

"Endo Global" shall have the meaning set forth in the preamble of this Agreement.

"Endo Holdings" shall have the meaning set forth in the preamble of this Agreement.

"Endo Lux" shall have the meaning set forth in the preamble of this Agreement.

"Endo Lux II" shall have the meaning set forth in the preamble of this Agreement.

"Environmental Claim" means any suit, claim, action, demand, order, proceeding, demand of payment, litigation or administrative proceeding brought by any Governmental Authority in connection with the Business, the Target Companies or the Real Property, arising out of, based on, or resulting from: (i) the presence, or Release into the environment of any Hazardous Substance, in breach of Environmental Law; or (ii) for any violation of any Environmental Law or the terms and conditions set forth in the Environmental Permits.

"Environmental Law" means all applicable federal, state or municipal laws, regulations (*reglamentos*), codes or Mexican official norms relating to the regulation or protection of the environment, including, without limitation, Mexico's *Ley General del Equilibrio Ecológico y la Protección al Ambiente*, Mexico's *Ley de Aguas Nacionales*, Mexico's *Ley General para la Prevención y Gestión Integral de los Residuos*, and their respective regulations (*reglamentos*), as amended or supplemented.

"Environmental Permits" shall have the meaning set forth in Section 3.13.

"Equity Securities" shall have the meaning set forth in the Recitals of this Agreement.

"Estimated Cash" shall have the meaning set forth in Section 2.2.

"Estimated Indebtedness" shall have the meaning set forth in Section 2.2.

"Estimated Net Working Capital" shall have the meaning set forth in Section 2.2.

"FECC Approval" means the written resolution, issued by the Mexican Federal Economic Competition Commission, or deemed, under Applicable Law, to have been issued by the Federal Economic Competition Commission approving to the Transaction (with or without conditions).

"Federal Economic Competition Commission" means Mexico's *Comisión Federal de Competencia Económica*.

"Final Cash" means the amount of Cash as of Closing that is (i) agreed by the parties in writing, or (ii) determined to be conclusive and binding pursuant to any of the provisions of Section 2.5(a),(c) and (d) hereof.

"Final Indebtedness" means the amount of Indebtedness as of Closing that is (i) agreed by the parties in writing, or (ii) determined to be conclusive and binding pursuant to any of the provisions of Section 2.5(a),(c) and (d) hereof.

"Final Net Working Capital" means the amount of Net Working Capital as of Closing that is (i) agreed by the parties in writing, or (ii) determined to be conclusive and binding pursuant to any of the provisions of Section 2.5(a),(c) and (d) hereof.

"Financial Statements" means, with respect to the Target Companies, the audited consolidated balance sheet (*balance general*) and the related statement of income (*estado de resultados*) and statement of cash flow (*estado de cambios en la situación financiera*) as of, and for the fiscal years ended December 31, 2015 and December 31, 2016.

"Good Manufacturing Practices Certificate" means *certificado de buenas prácticas de fabricación para fábrica o laboratorio de medicamentos o productos biológicos para uso humano*.

"Governmental Authority" means any sovereign government or any political subdivision thereof, whether federal, state or municipal, any legislative or judicial body, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Hazardous Substance" means any toxic, explosive or radioactive substance, hazardous waste or hazardous material defined or regulated as such under applicable Environmental Law, including petroleum, petroleum products and byproducts, friable asbestos and polychlorinated biphenyls.

"Health Authority" means any Governmental Authority with jurisdiction regarding health matters including without limitation the Mexican Ministry of Health (*Secretaría de Salud*), and any successor agency thereto, acting either directly or indirectly through any of its dependencies, including COFEPRIS or the Pharmacovigilance National Center (*Centro Nacional de Farmacovigilancia*).

"Indebtedness" means, at any given date of calculation, with respect to the Company on a consolidated basis, (a) all indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, plus (b) obligations or commitments to repay deposits or other amounts advanced by and owning to third parties, plus (c) any liability in respect of banker's acceptances or letters of credit (to the extent drawn), plus (d) obligations under any interest rate, currency or other hedging agreement, plus (e) MXN$30,000,000.00 (thirty million Pesos 00/100) (in each case determined in

accordance with the Accounting Principles). For the avoidance of doubt, the calculation of "Indebtedness" shall exclude (with respect to the Company on a consolidated basis), (v) the Purchased Debt, (w) accounts payable to trade creditors irrespective of how they are documented, (x) accrued expenses arising in the ordinary course of business, (y) amounts owing as deferred purchase price for property or services, including all seller notes and "earn-out" payments, whether or not they are due and payable, and (z) any obligations as lessee under leases that have been, or should be, recorded as capital leases and equipment in accordance with Mexican GAAP.

"Indemnified Party" shall have the meaning set forth in Section 10.5(a).

"Industrial Plants" shall mean, collectively, the Chalco Plant, the Piedras Negras Plant, and the Valle Plant.

"Intellectual Property" shall mean any or all of the following and all rights arising out of or associated therewith (i) all patents; (ii) all inventions (whether patentable or not) and trade secrets; (iii) all copyrights and all other rights corresponding thereto, including reservations of rights (*reservas de derechos)* whether registered or not, and operating systems, computer programs and software whether registered or not; (iv) all industrial designs, utility models, formulae, methods, processes, recipes, catalogs, manuals, and *know-how* in general; and (v) all URL's, Internet domain names, trade names, business names (whether published or not), brand names, trade signs, logos, slogans, designs, trademarks and service marks, whether registered and/or in use or not, including registrations and applications therefore, defined as intellectual or industrial property under Applicable Law or international treaties.

"Judgments" means, with respect to any Person, any judgment, order or decree of any Governmental Authority or arbitration tribunal applicable to such Person or any of its Subsidiaries or any of their respective properties or assets.

"Key Employees" shall have the meaning set forth in Section 3.22(a).

"Knowledge" means, with respect to any Person, such Person's actual knowledge to a particular fact. For purposes hereof, "Knowledge of the Company" shall mean the actual knowledge of the individuals listed in Exhibit "K", having taken due and appropriate inquiries.

"Labor Laws" means all Applicable Laws governing or concerning labor relations, unions and collective bargaining, terms and conditions of employment, employment discrimination, harassment, wages, hours or occupational safety and health, including the Federal Labor Law of Mexico (*Ley Federal del Trabajo*), the Social Security Act of Mexico (*Ley del Seguro Social*) and the National Housing Fund Law

(*Ley del Instituto del Fondo Nacional de la Vivienda para los Trabajadores*), as such laws have been amended or supplemented, and the regulations promulgated pursuant thereto.

"Leased Property" shall have the meaning set forth in Section 3.12.

"Lien" means any lien, pledge, mortgage, trust, option, right of first refusal or right of first offer, charge, transfer restriction, voting restriction, encumbrance or security interest.

"Losses" means any direct damage (*daño*) or loss (*perjuicio*) in accordance with Applicable Law, including any expense (including reasonable attorney's fees) so determined, that is suffered or incurred by any Purchaser Indemnitee or any Seller Indemnitee, as applicable.

"Material Adverse Effect" means any change, event, state of facts, circumstance, condition, or effect that results, or would reasonably be expected to result, in a material and significant Loss or detriment to the condition (financial or otherwise), results of operations, properties, assets, relationships with suppliers or business of the Target Companies taken as a whole, other than changes, events or effects due to (i) general economic, political or market conditions, (ii) matters generally affecting the industries or market sectors in which the Target Companies operate, (iii) the announcement of the transactions contemplated by this agreement (including any impact of the transactions contemplated by this Agreement on the relationships with customers or employees), (iv) changes in Applicable Law or the interpretation thereof, (v) changes in Mexican GAAP or the interpretation thereof by any applicable regulatory body, and (vi) acts of war or terrorism.

"Material Contracts" shall have the meaning set forth in Section 3.14(a).

"Mexican GAAP" shall mean, the *Normas de Información Financiera* (formerly, the Mexican generally accepted accounting principles) issued, from time to time, by the Mexican Financial Reporting Standard Board (*Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera A.C.*), consistently applied.

"Mexico" shall have the meaning set forth in the Preamble to this Agreement.

"Net Working Capital" means, at any given date of calculation, with respect to the Company on a consolidated basis, the result of (i) its current assets (*activo circulante*) (excluding Cash) minus (ii) its current liabilities (*pasivo a corto plazo*) (excluding Indebtedness), in each case determined in accordance with the Accounting Principles and taking into account the line items and methodology set forth in Exhibit "L".

"Notice of Disagreement" shall have the meaning set forth in Section 2.5(c).

"Permits" means all notifications, licenses, permits, franchises, certificates, authorizations, concessions, approvals, exemptions, classifications, registrations and other similar documents and authorizations issued by any Governmental Authority.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, *asociación en participación*, trust, unincorporated organization or Governmental Authority.

"Pesos" or "MXN" means the lawful currency of Mexico.

"Piedras Negras Plant" means the industrial facility located at Privada Aldama No. 113, Fraccionamiento Las Fuentes, 26010, Piedras Negras, Coahuila, Mexico.

"Pre-Closing Tax Period" shall mean all taxable periods (or portions thereof) ending on or before the Business Day immediately preceding the Closing Date, and, with respect to a Straddle Period, the portion of such Tax period ending on the Business Day immediately preceding the Closing Date.

"Purchased Debt" shall have the meaning set forth in the Recitals of this Agreement.

"Purchased Debt Purchase Price" shall have the meaning set forth in Section 2.2.

"Purchasers" and "Purchaser" shall have the meaning set forth in the preamble to this Agreement.

"Purchasers Indemnitees" shall have the meaning set forth in Section 10.1.

"Purchasers Statement" shall have the meaning set forth in Section 2.5.

"Real Property" means the real property owned or co-owned, of record, by any of the Target Companies, together with all easements and other rights and interests appurtenant thereto and together with all improvements thereon. To avoid any confusion, the Industrial Plants are part of the Real Property.

"Reasonably Likely" means having the character of being more probable than not, based in reason or experience.

"Reference Net Working Capital" shall mean MXN$680,000,000.00 (six

hundred and eighty million Pesos 00/100).

"Related Party Transaction" means any transaction, relationship or contract (written or oral), whether actual, contingent or otherwise, by and among any Target Company, on the one hand, and any of the Sellers or their Affiliates, on the other hand (except for any agreements entered into by and between the Target Companies).

"Release" means any release, spill, emission, effluent, discharge, leaking, pumping, injection, deposit, disposal, dispersal, leaching or migration into the environment (including ambient air, surface water, ground water and surface or subsurface strata) or into or out of any property.

"Representatives" means, with respect to any Person, its respective shareholders, general partners, limited partners, officers, directors, employees, agents, advisors and Affiliates.

"Restricted Period" shall mean the shorter of (a) the applicable survival period in accordance with Article X hereof, or (b) the term of the Credit Agreement.

"Review Period" shall have the meaning set forth in Section 2.5.

"Sanctioned Person" means at any time: (a) any person or entity listed on any Sanctions-related list of designated or blocked persons; (b) any person resident in, or entity organized under the laws of, a country or territory that is the subject of comprehensive Sanctions (including without limitation Cuba, Iran, North Korea, Sudan, Syria, and the Crimea region); or (c) any person or entity majority-owned or controlled or acting on behalf of any of the foregoing.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by: (a) the European Union and implemented by its member States; (b) the United Nations Security Council; (c) Her Majesty's Treasury of the United Kingdom; or (d) the U.S. government, including those administered by the U.S. Treasury, Office of Foreign Assets Control.

"Sanitary License" shall mean each license, marketing authorization (*registro sanitario*), dossier, permit or certificate issued to any of the Target Companies by the COFEPRIS or any other Governmental Authority in Mexico which is required by Applicable Law to manufacture, prepare, warehouse and commercialize medications and raw materials for the production thereof.

"Sellers" and "Seller" shall have the meaning set forth in the Preamble to this Agreement.

"Sellers Indemnitees" shall have the meaning set forth in Section 10.2.

"Shares" shall have the meaning set forth in the Recitals of this Agreement.

"Shares Closing Payment" shall have the meaning set forth in Section 2.2.

"Shares Purchase Price" shall have the meaning set forth in Section 2.2.

"Specific Indemnity" shall mean any Losses suffered in connection with any of the following (i) the lawsuit filed before the competent authority (*Juez Quincuagésimo Noveno de lo Civil en la Ciudad de México*) with file number 218/2016 by Norma Barrenechea Nava, as plaintiff and Serral, S.A. de C.V. as defendant, (ii) the lawsuit filed before the labor authority of Piedras Negras with file number 154/2002, between Elvia Raquel Gomez Peña as plaintiff and Rio Manufacturero Rio Grande, S.A. de C.V. as defendant; and (iii) the lawsuit filed before the labor authority of Mexico City with file number 1742/2013, between Anayely Velasco Sosa as plaintiff and Somar Humana, S.A. de C.V. as defendant.

"Specific Representations" shall mean, collectively, the representations and warranties contained in Sections 3.1 (*Organization and Standing*), 3.2 (*Authority; Execution*), 3.3. (*Representative's Authority*), 3.4 (*Capital Stock of the Target Companies*), 3.29 (*Brokers*), 4.1 (*Organization and Standing*), 4.2 (*Authority; Execution*), 4.3. (*Representative's Authority*), 4.4 (*Ownership of Shares and Purchased Debt*), 5.1 (*Organization and Standing*), 5.2 (*Authority; Execution*), and 5.3. (*Representative's Authority*).

"Statute Representations" shall mean, collectively, the representations and warranties contained in Sections 3.1 (*Organization and Standing*), 3.2 (*Authority; Execution*), 3.3. (*Representative's Authority*), 3.4 (*Capital Stock of the Target Companies*), 3.13 (*Environmental Matters*), 3.21 (*Tax Matters*), 3.26 (*Related Party Transactions*), 3.29 (*Brokers*), 4.1 (*Organization and Standing*), 4.2 (*Authority; Execution*), 4.3. (*Representative's Authority*), 4.4 (*Ownership of Shares and Purchased Debt*), 5.1 (*Organization and Standing*), 5.2 (*Authority; Execution*), and 5.3. (*Representative's Authority*).

"Straddle Period" shall mean a taxable period that begins on or before the Business Day immediately preceding the Closing Date and ends after the Business Day immediately preceding the Closing Date.

"Straddle Period Return" shall have the meaning set forth in Section 7.6.

"Subsidiary" means, with respect to any Person, any corporation or other organization of which more than 50% (fifty percent) of either the voting equity interest in, or the voting control of, such corporation or other organization is,

directly or indirectly, through Subsidiaries or otherwise, beneficially owned by such Person.

"Supplemental Disclosure Standards" shall have the meaning set forth in Section 7.5(a).

"Target Companies" means the Company and the Company Subsidiaries.

"Target Company Intellectual Property" means any Intellectual Property that is owned by, or licensed to, whether registered or not, the Target Companies and is used in and is material to the Business as presently conducted.

"Tax" or "Taxes" means any and all taxes (*impuestos*), social security contributions (*aportaciones de seguridad social*), duties (including import) (*derechos*), contributions (*contribuciones*), and tariffs (*aranceles*) and other charges deemed as such under Applicable Law imposed by any Governmental Authority, including with respect to income (*impuesto sobre la renta*), assets (*impuesto al activo*), flat taxes (*impuesto empresarial a tasa única*), real property (including *impuesto predial* and *contribuciones de mejoras*), withholding taxes (*retenciones*) and value added tax (*Impuesto al Valor Agregado*), including in each case any charges, interest, surcharges, additions or penalties imposed by any Governmental Authority in connection therewith.

"Tax Return" or "Tax Returns" means all returns, declarations, reports, estimates, information returns and statements, including any amendments of, or related or supporting information with respect to, any of the foregoing, filed or to be filed with any Taxing Authority in connection with the determination, assessment, collection or administration of any Taxes or any other informative return filed with any Taxing Authority.

"Taxing Authority" means any Governmental Authority exercising tax regulatory authority or otherwise having the authority to impose or assess Taxes.

"Termination Date" means December 31, 2017.

"Third Party Claim" shall have the meaning set forth in Section 10.5(a).

"Total Purchase Price" means the Shares Purchase Price *plus* the Purchased Debt Purchase Price.

"Transaction" means the transactions contemplated hereby.

"Transaction Confidential Information" means all information and documentation concerning this Agreement, the Ancillary Transaction Agreements,

the Transaction (including the proposed and definitive terms of the Transaction, the fact that any discussions or negotiations are taking place among the parties and their respective Representatives, or the status of such discussions or negotiations).

"Valle Plant" means the industrial facility located at Adolfo Prieto 1009, Col. del Valle, 03100, Mexico City, Mexico

Exhibit "B"
to the Purchase Agreement

Sellers' Shares

Seller	Company
Endo Luxembourg Finance Company I SARL	- 1 share in Grupo Farmacéutico Somar, S.A.P.I. de C.V.
Endo Global Finance LLC	- 1 share in Laboratorios Serral S.A. de C.V. - 1 share in Somar Humana, S.A. de C.V. - 1 share in Lakeside Salud Humana, S.A. de C.V. - 1 share in Serral, S.A. de C.V.
Endo Somar Holdings BV	- 11,648,539 shares in Grupo Farmacéutico Somar, S.A.P.I. de C.V.

Exhibit "C"
to the Purchase Agreement

Shares Closing Payment Calculation Example

Assuming that as of the Closing Date, as defined in Sellers Closing Statement:

(i) The Company has MXN$35,000,000.00 (thirty five million Pesos 00/100) of Cash ("Estimated Cash").

(ii) Assuming the sum of the items (a) through (d) in the definition of Indebtedness equals to MXN$5,000,000.00 (five million Pesos 00/100), then total Indebtedness would be MXN$35,000,000.00 (thirty five million Pesos 00/100) ("Estimated Indebtedness").

(iii) The Estimated Net Working Capital (as determined in accordance with Exhibit "L") is MXN$604,000,000.00 (six hundred and four million Pesos 00/100), which is MXN$76,000,000.00 (seventy six million Pesos 00/100) less than the Reference Net Working Capital.

(iv) The Purchased Debt Purchase Price is equal to MXN$300,000,000.00 (three hundred million Pesos 00/100).

(v) The exchange rate on the date of the Closing Statement is equal to MXN$18.0000 (eighteen Pesos 00/100) per dollar.

Then, the Shares Closing Payment shall be determined as follows:

Base Price	US$124,000,000.00
(plus) Estimated Cash	+ 1,944,444.44 (=MXN$35,000,000.00 ÷ 18.0000)
(minus) Estimated Indebtedness	- 1,944,444.44 (=MXN$35,000,000.00 ÷ 18.0000)
(minus) Amount by which Reference Net Working Capital exceeds Estimated Net Working Capital	- 4,222,222.22 (=MXN$76,000,000.00 ÷ 18.0000)
(plus) Amount by which Estimated Net Working Capital exceeds Reference Net Working capital	N/A
(minus) Purchased Debt Purchase Price	- 16,666,666.67 (=MXN$300,000,000.00 ÷ 18.0000)
Shares Closing Payment	US$103,111,111.11

Exhibit "D"
to the Purchase Agreement

Example Calculation of Adjustment Amount

$ thousand	**Estimated MXN$**	**Final MXN$**	**Difference MXN$**	[MXN$/US$] **Exchange Rate** [a]	**USD$**
Cash	156,905	150,000	(6,905)	17.9310	(385)
Indebtedness	35,000	30,000	5,000	17.9310	279
Net Working Capital	686,621	675,000	(11,621)	17.9310	(648)
Adjustment Amount			**(13,526)**		**(754)**
Threshold					25
Due to (from) Seller					**(754)**

[a] For the avoidance of doubt, the exchange rate applied in this example is only intended for illustrative purposes. The actual exchange rate to be applied for purposes of calculating the Adjustment Amount shall be determined in accordance with Section 2.5(a) of the Stock Purchase Agreement.

Exhibit "E"
To the Purchase Agreement

Option Exercise Statement

Pursuant to section 7.6(a) *"Tax Matters"* of this Purchase Agreement, I, _____, acting as the legal representative of _____ (hereinafter the "Principal"), state that the Principal elects to pay any income Taxes derived from the transfer of the stock of Grupo Farmacéutico Somar, S.A.P.I. de C.V. to the Purchasers on the net gain, per the election provided under article 161 of the Mexican Income Tax Statute, or any successor provision thereto.

For such purposes, the Principal delivers this Statement to the Purchasers on this [_____], 2017.

The Principal further states that it has met and will timely meet all legal requirements provided by the Mexican Income Tax Statute for the election referred to in the previous paragraph to be valid.

By: _____

Name: [_____]

Title: [_____]

Exhibit “F”
to the Purchase Agreement

Termination of Employees

Gabriel Figueroa Pérez.
Gustavo Enrique Ordoñez Puig.

Exhibit "G"
to the Purchase Agreement

Equity Commitment Letter

(*Please see attached*)

EQUITY COMMITMENT LETTER

June 30, 2017

AI Global Investments (Netherlands) PCC Limited
Herengracht 450
1017 CA Amsterdam
Dear Ladies and Gentlemen:

Reference is hereby made in this letter agreement (the "***Letter***") to that certain Purchase Agreement (the "***Agreement***"), to be entered into/dated as of the date hereof, by and among AI Global Investments (Netherlands) PCC Limited, a protected cell company limited by shares duly organized and validly existing under the laws of the Island of Guernsey, acting for and on behalf of the Soar Cell (the "***Purchaser***") and the other parties signatory thereto, regarding the direct or indirect acquisition by the Purchaser of the Shares and the Purchased Debt in Grupo Farmacéutico Somar, S.A.P.I. de C.V., a corporation duly organized and validly existing under the laws of Mexico (the "***Company***"), and the other transactions contemplated under the Agreement (collectively, the "***Transactions***"). Reference is also hereby made to: the funds listed in Schedule A to this Letter (each an "***Investor***" and collectively, the "***Investors***"); the amount set forth opposite the name of each Investor in Schedule A to this Letter (each a "***Commitment Amount***"); the percentage set forth opposite the name of each Investor in Schedule A to this Letter (each a "***Commitment Percentage***"). Unless otherwise specified, capitalized terms used but not defined in this Letter shall have the respective meanings given to them in the Agreement.

1. Equity Commitment. Subject to the provisions of Section 2 below and the Purchaser's acceptance of this Letter, each Investor irrevocably severally (but not jointly or jointly and severally) commits, in respect of itself only, to provide to the Purchaser on or before the Closing, by way of direct and/or indirect contributions, including, without limitation, in the form of ordinary equity shares, preference shares, subordinated or non-subordinated shareholder loans, preferred equity certificates or in such other form as such Investor deems appropriate, an amount of cash equal to the lesser of (i) such Investor's Commitment Percentage of the Purchaser's Payment Obligations (as defined below) and (ii) such Investor's Commitment Amount. Such amounts, when paid to the Purchaser, will be used by the Purchaser to satisfy the Purchaser's payment obligations if and when due to be paid pursuant to the Agreement (the "***Payment Obligations***").

2. Condition. Each Investor's obligation in Section 1 above (each, an "***Equity Commitment***") is subject to: (a) the valid execution of the Agreement by all parties to the Agreement; (b) the satisfaction of the conditions to the Purchaser's Payment Obligations to be satisfied prior to the Closing as set out in Article VIII of the Agreement; and (c) no party having terminated the Agreement in accordance with its terms.

3. Termination. Each Investor's Equity Commitment shall terminate immediately and be of no further force and effect, and neither the Purchaser nor any other person or entity shall have any recourse against such Investor hereunder, upon the earliest of (a) the consummation of the Closing, (b) the termination of the Agreement in accordance with its terms and (c) the funding in full by such Investor of its Equity Commitment pursuant hereto.

4. Limitation on Liability of Related Persons; Investor Recourse.

(a) Notwithstanding anything that may be expressed or implied in this Letter, the Purchaser, by its acceptance of the benefits of this Letter, acknowledges and agrees that:

(i) except for the obligation of each Investor to pay its Equity Commitment under Section 1 of this Letter, no recourse hereunder or under any documents or instrument delivered in connection herewith, may be had against any Investor; (ii) no recourse hereunder or under any documents or instruments delivered in connection herewith may be had against any past, present or future officer, agent or employee of any Investor, any direct or indirect holder of any equity interests or securities of any Investor (whether such holder is a limited or general partner, member, manager, stockholder or otherwise), any controlling person or affiliate of any Investor, or any direct or indirect director, officer, employee, partner, affiliate, member, manager, controlling person, agent or representative of any of the foregoing (any such person or entity, a "***Related Person***" and collectively, "***Related Persons***"), whether by the enforcement of any judgment or assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law; and (iii) no personal liability whatsoever will attach to, be imposed on or otherwise be incurred by any Related Person under this Letter or any document or instrument delivered in connection herewith or with the Transactions or for any claim based on, in respect of, or by reason of such obligations or by their creation ("***Claims***"). The Purchaser acknowledges that the agreements contained in this Section 4(a) are an integral part of the transactions contemplated by this Letter, and that without these agreements, the Investors would not enter into this Letter. Without limiting the generality of the foregoing, to the maximum extent permitted or otherwise conceivable under applicable law, the Purchaser hereby (x) waives, releases and disclaims any and all Claims against all Related Persons, including, without limitation, any Claims to avoid or disregard the entity form of any Investor or otherwise seek to impose any liability arising out of, relating to or in connection with a Claim on any Related Person, whether a Claim granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise, and (y) disclaims any reliance upon any Related Person with respect to the performance of this Letter or any representation or warranty made in, in connection with, or as an inducement to this Letter.

(b) The terms of this Letter set out the entire commitment of the Investors to the Purchaser in connection with the Transactions and under no circumstances shall the Investors assume or guarantee, or be deemed to have assumed or guaranteed, any of the obligations or liabilities of the Purchaser under the Agreement or otherwise, or any obligations or liabilities of any person or entity whatsoever. The obligations of the Investors under this Letter are several and accordingly no Investor will be under any obligation to contribute, or cause there to be contributed, pursuant to this Letter, or otherwise have any obligation or liability under this Letter for, an amount in excess of such Investor's Equity Commitment. The liability of each Investor to any person arising hereunder or in any way related hereto shall be limited to the amount of its Equity Commitment.

(c) This Letter shall be binding on the Investors for the sole benefit of the Purchaser, and shall not be relied upon, nor create any right or any benefit whatsoever in favor of any third party, and no person or entity (including the Purchaser's creditors) other than the Purchaser shall have any right to enforce this Letter or to cause the Purchaser to enforce this Letter.

5. Assignment. This Letter and the benefits hereof may not be assigned by the Purchaser or the Investors or otherwise transferred to any other person or entity without the prior written consent of the other parties, provided, however, that without the prior consent of the other parties (i) an Investor may assign and transfer any or all of its rights and obligations to another private equity fund with sufficient undrawn commitments from its investors to allow it to meet the obligations assumed by it pursuant to such assignment and transfer and which is managed or advised by an affiliate of such Investor, whereupon such Investor shall be released from its

obligations contained herein to the extent assigned and transferred and that (ii) the Purchaser may assign any or all of its rights and obligations hereunder to any of its Affiliates, whereupon the Purchaser shall be released from its obligations contained herein to the extent assigned and transferred.

6. Confidentiality. This Letter shall be treated by the Purchaser as strictly confidential and is being provided to the Purchaser solely in connection with the Transactions and, subject to any disclosure required by law, the Purchaser shall not use, circulate, quote or otherwise refer to this Letter in any document or otherwise distribute to any person without the prior written consent of the Investors. Notwithstanding the foregoing, this Letter may be provided to: (a) potential and actual financing sources and co-investors for the Transactions; (b) employees or advisers of the Purchaser; and (c) as necessary in connection with the Transactions; provided that, in each case, the Purchaser shall direct such parties and such parties shall agree to treat this Letter as strictly confidential in accordance with (and Purchaser shall be responsible for any disclosure or use of this Letter by such parties in violation of) this Section 6.

7. Miscellaneous.

(a) Limited Liability. Each of the parties to this Letter hereby acknowledges that the limited partners in the Investors have limited liability (for the purposes of this Letter and otherwise) and, in addition to any other limitation of liability set forth in this Letter, each party hereby agrees that the liability of the limited partners in any party that is constituted as a limited partnership shall be limited in accordance with the law of the jurisdiction in which that limited partnership is registered or otherwise constituted.

(b) Governing Law. This Letter (including, without limitation, the validity, construction, effect or performance hereof, and any remedies hereunder or related hereto) and all Claims shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

(c) Jurisdiction. Any legal action, suit or proceeding arising out of or relating to this Letter or the transactions contemplated hereby shall be heard and determined exclusively in the courts of the State of New York, or in the federal courts of the United States of America located in the New York, and each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding.

(d) Forum. Each party hereto waives, and agrees not to assert, as a defense in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of such courts, that its property is exempt or immune from attachment or execution, that the action, suit or proceeding is brought in an inconvenient forum, that the venue of the action, suit or proceeding is improper or that this Letter or the transactions contemplated hereby may not be enforced in or by such courts.

(e) Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Letter is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action directly or indirectly arising out of or relating to this Letter or the transactions contemplated hereby. Each party certifies and acknowledges that (i) no representative of any other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a legal action, (ii) such party has

considered and understands the implications of this waiver, (iii) such party makes this waiver voluntarily and (iv) such party has been induced to enter into this Letter by, among other things, the mutual waivers and certifications in this Section 7(e).

(f) Amendment. This Letter may not be amended or otherwise modified except by an instrument in writing signed by each of the parties hereto.

(g) Entire Agreement. This Letter and the Agreement constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersede all prior and contemporaneous discussions, negotiations, proposals, undertakings, understandings and agreements, whether written or oral, among the parties hereto. All parties hereto acknowledge that each party and its counsel have participated in the drafting and negotiation of this Letter and that any rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Letter.

(h) Severability. Any term or provision of this Letter that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(i) Counterparts. This Letter may be executed and delivered (including by facsimile transmission or other electronic means) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original but all of which taken together shall constitute one and the same instrument.

[*The remainder of this page is left blank intentionally.*]

Very truly yours,

Advent Latin American Private Equity Fund VI Limited Partnership
Advent Latin American Private Equity Fund VI-A Limited Partnership
Advent Latin American Private Equity Fund VI-B Limited Partnership
Advent Latin American Private Equity Fund VI-C Limited Partnership
Advent Latin American Private Equity Fund VI-D Limited Partnership
Advent Latin American Private Equity Fund VI-E Limited Partnership
Advent Latin American Private Equity Fund VI-F Limited Partnership
Advent Latin American Private Equity Fund VI-G Limited Partnership
Advent Latin American Private Equity Fund VI-H Limited Partnership

By: LAPEF VI GP Limited Partnership, General Partner
By: Advent International LAPEF VI, LLC, General Partner
By: Advent International Corporation, Manager

By: /s/ James Westra
James Westra
Managing Partner, Chief Legal Officer, and General Counsel

Advent Partners LAPEF VI Limited Partnership
Advent Partners LAPEF VI-A Limited Partnership

By: Advent International LAPEF VI, LLC, General Partner
By: Advent International Corporation, Manager

By: /s/ James Westra
James Westra
Managing Partner, Chief Legal Officer, and General Counsel

Accepted and agreed as of the date first above written:

AI Global Investments (Netherlands)
PCC Limited, acting for and on behalf of the
Soar Cell

By:	/s/ D.C. Kulk
Name:	Europe Management Company B.V.
Title:	Director A
Represented by:	D.C. Kulk
Title:	Attorney-in-fact A

By:	/s/ N.A. Riedstra
Name:	Europe Management Company B.V.
Title:	Director A
Represented by:	N.A. Riedstra
Title:	Attorney-in-fact B

By:	/s/ L.A.P. Mulder
Name:	L.A.P Mulder
Title:	Director B

SCHEDULE A

Investor	Equity Commitment Amount (US Dollars)	Equity Commitment Percentage
Advent Latin American Private Equity Fund VI Limited Partnership	$24,160,408	19.4842%
Advent Latin American Private Equity Fund VI-A Limited Partnership	$1,156,300	0.9325%
Advent Latin American Private Equity Fund VI-B Limited Partnership	$10,678,136	8.6114%
Advent Latin American Private Equity Fund VI-C Limited Partnership	$11,851,796	9.5579%
Advent Latin American Private Equity Fund VI-D Limited Partnership	$12,175,560	9.8190%
Advent Latin American Private Equity Fund VI-E Limited Partnership	$4,914,120	3.9630%
Advent Latin American Private Equity Fund VI-F Limited Partnership	$4,336,032	3.4968%
Advent Latin American Private Equity Fund VI-G Limited Partnership	$27,750,580	22.3795%
Advent Latin American Private Equity Fund VI-H Limited Partnership	$24,385,840	19.6660%
Advent Partners LAPEF VI Limited Partnership	$2,530,468	2.0407%
Advent Partners LAPEF VI-A Limited Partnership	$60,760	0.0490%
Total	**$124,000,000**	**100.00%**

Exhibit "H"

to the Purchase Agreement

Form of Assignment Agreement

ASSIGNMENT AGREEMENT (THE "AGREEMENT") ENTERED INTO BY AND BETWEEN AI GLOBAL INVESTMENTS (NETHERLANDS) PCC LIMITED, ACTING FOR AND ON BEHALF OF THE SOAR CELL, HEREINAFTER REFERRED TO AS THE "ASSIGNOR" AND [*INSERTAR NOMBRE DEL CESIONARIO*], HEREINAFTER REFERRED TO AS THE "ASSIGNEE", WITH THE APPEARANCE OF ENDO SOMAR HOLDINGS B.V., ENDO LUXEMBOURG FINANCE COMPANY I S.A.R.L., ENDO GLOBAL FINANCE LLC, AND ENDO LUXEMBOURG FINANCE COMPANY II S.A.R.L., HEREINAFTER REFERRED TO AS THE "SELLERS" AND JOINTLY HEREINAFTER REFERRED TO AS THE "PARTIES" OR INDIVIDUALLY THE "PARTY", PURSUANT TO THE FOLLOWING RECITALS AND CLAUSES:

RECITALS

I. Assignor, recites through its legal representative, that:

a) The PCC, acting on behalf of the Soar Cell is a protected cell company limited by shares, duly organized and validly existing under the laws of the Island of Guernsey and the Soar Cell is a duly established protected cell of the PCC and the PCC, acting on behalf of the Soar Cell, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and to perform all of its obligations.

b) The representative of the PCC, acting on behalf of the Soar Cell, has the necessary power and authority to execute this Agreement on its behalf, which powers and authorities have not been modified, limited or revoked in any manner as of the date hereof.

c) It is the sole and legitimate holder of the rights and obligations derived from the purchase agreement entered into on June 30, 2017 by and among, the Assignor, the Sellers and Grupo Farmaceutico Somar, S.A.P.I. de C.V. (the ("Purchase Agreement").

d) Subject to the terms and conditions set forth herein, it desires to assign and convey its rights and obligations in respect of the Purchase Agreement in favor of the Assignee.

II. Assignee, recites through its legal representative, that:

a) The Assignee is duly organized and validly existing under the laws of [____], and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and to perform all of its obligations.

b) The representative of the Assignee has the necessary power and authority to execute this Agreement on its behalf, which powers and authorities have not been modified, limited or revoked in any manner as of the date hereof.

c) Subject to the terms and conditions set forth herein, it desires to accept from the Assignor the assignment of the rights and obligations of the Assignor under the Purchase Agreement.

Now, therefore in consideration of the foregoing recitals, the Parties agree to the following:

CLAUSES

FIRST. **Assignment.** Pursuant to what is set forth in this Agreement, the Assignor assigns and conveys its rights and obligations, as Purchaser, under the Purchase Agreement, irrevocably, exclusively and definitely on behalf of the Assignee, which are free of any lien, encumbrance, option, ownership limitation or preemptive rights of any nature.

The Assignee hereby accepts and receives, irrevocably, exclusively and definitely from the Assignor the assignment of rights and obligations of the Assignor, as Purchaser, under the Purchase Agreement. As a result , the Assignee shall become a party to the Purchase Agreement in its capacity as Purchaser, and it expressly agrees to become bound by, and shall benefit from, any and all of the rights, and shall assume, any and all obligations in such capacity. For all intents and purposes of the Purchase Agreement, all Parties thereto acknowledge and agree that the Assignee become a party to the Purchase Agreement and that it is to be deemed as a "Purchaser" thereunder.

SECOND. Assignment Notice. Pursuant to Article 2038 of the Federal Civil Code, the Sellers hereby accept and consider itself as notified of the assignment of the rights and obligations of the Assignor under the Purchase Agreement, so acknowledges and accepts that the payment obligation of Purchaser under the Purchase Agreement shall be exclusively fulfilled by the Assignee.

THIRD. **Representations under the Purchase Agreement**. The Assignee hereby makes, and at Closing (as defined in the Purchase Agreement) shall make the representations set forth in Article V of the Purchase Agreement that relate to the Assignor in respect of itself; provided that such representations shall be deemed amended to reflect the jurisdiction of incorporation of the Assignee and its corporate form. Therefore, references to "PCC, acting on behalf of the Soar Cell", shall be deemed made to the Assignee.

FOURTH. **Notices**. Any notices, request, warning, claim, action or any other communication related to this Agreement, shall be in writing and shall be delivered in person or mailed by certified mail or e-mail, to the following addresses:

Assignor:
[_____]

Assignee:
[_____]

Sellers:
[_____]

FIFTH. **Amendments**. Any amendment or release to the terms and conditions of this Agreement will be valid unless being in writing and executed by all the Parties; and even then, such amendment or release will only be valid for the specific case for which it has been granted.

SIXTH. **Severability.** Nullity, invalidity, illegality or defect in any of the provisions of this Agreement will only affect that provision, and therefore will not affect the other provisions herein agreed, which same that will retain their binding force.

SEVENTH. **Headings**. The headings in this Agreement are for convenience of reference only and do not limit or otherwise affect the terms and conditions of this Agreement.

EIGHTH. **Applicable Law**. This Agreement shall be governed and interpreted by the laws of the United Mexican States. For any matter related to the interpretation and application of this Agreement, the parties submit to the jurisdiction of the courts of Mexico City, expressly waiving any other jurisdiction that may correspond by reason of their domiciles or futures or any other cause.

NINTH. **Entire Agreement.** This Agreement constitutes the entire agreement existed between the parties regarding the subject matter hereof, and supersedes all prior negotiations, agreements and / or contracts carried out prior to or simultaneously with their signature.

[*Signature page continues*]

Exhibit "I"
to the Purchase Agreement

Accounting Principles

Except for the practices, policies and methodologies for the specific accounts noted herein, Cash, Indebtedness and Net Working Capital shall be calculated in accordance with Mexican GAAP applied in a manner consistent with the principles, past practices, policies, judgments and methodologies used in the preparation of the Financial Statements. If an item exists at the close of business on the Closing Date which did not exist in the Financial Statements, then it shall be calculated in accordance with Mexican GAAP.

- Net Working Capital shall be presented in a manner consistent with Exhibit "L" to the Purchase Agreement.
- All balance sheet amounts shall be calculated on the basis that the Company is a going concern and shall exclude the effect of change of control or ownership of the Company and will not take into account the effects of any post-Closing reorganizations or the post-Closing intentions or obligations of the Purchaser.
- The provisions of this Exhibit "I" shall be interpreted so as to avoid double counting (whether positive or negative) of any item to be included in the calculation of Cash, Indebtedness or Net Working Capital.
- For the purposes of the calculation of Cash, Indebtedness and Net Working Capital, the end of business on the Closing Date shall be treated as the end of a financial and tax accounting period.
- No value shall be attributed to any non-current assets or non-current liabilities for purposes of calculating Net Working Capital.
- Cash, Indebtedness and Net Working Capital shall be calculated on a consolidated basis including all Target Companies. Adjustments will be made to eliminate the cost of investment in subsidiaries and to reconcile and eliminate any profit on transactions between Target Companies.
- For the avoidance of doubt, no value shall be attributed to the Purchased Debt for purposes of calculating Cash, Indebtedness or Net Working Capital.
- All payables due to the Sellers except for the Purchased Debt, and all receivables due from the Sellers, shall be settled as of the close of business on the Closing Date and, therefore, shall not be included in the calculation of Cash, Indebtedness or Net Working Capital. To the extent any such balances remain, they shall, except for the Purchased Debt, be included as current liabilities or current assets, as the case may be, for purposes of calculating Net Working Capital.
- No value shall be attributed to deferred tax assets or deferred tax liabilities for purposes of calculating Net Working Capital.
- Current income tax receivables shall be included as current assets and current income tax payables shall be included as current liabilities for purposes of calculating Net Working Capital.

- Net Working Capital shall include a liability for any Sellers' transaction costs (including professional adviser fees, special retention and transaction bonuses) to the extent unpaid and payable by the Target Companies as of the close of business on the Closing Date.
- No value shall be attributed to statutory severance and seniority liabilities for purposes of calculating Cash, Indebtedness or Net Working Capital.
- No value shall be attributed to the "Lavandería" litigation matter for purposes of calculating Cash, Indebtedness or Net Working Capital.

Exhibit "J"
to Purchase Agreement

Form of Assignment of Purchased Debt

ASSIGNMENT AND ASSUMPTION AGREEMENT, DATED AS OF [•], ("AGREEMENT"), ENTERED INTO BY AND BETWEEN ENDO LUXEMBOURG FINANCE COMPANY II S.A.R.L., HEREIN REPRESENTED BY [•] (THE "ASSIGNOR"), AND [THE PURCHASERS], HEREIN REPRESENTED BY [•] (THE "ASSIGNEE") (COLLECTIVELY WITH THE ASSIGNOR, THE "PARTIES") IN ACCORDANCE WITH THE FOLLOWING RECITALS, REPRESENTATIONS AND CLAUSES:

RECITALS

I. On January 20, 2016, Serral, S.A. de C.V. ("Serral"), in its capacity as borrower entered into a Loan Agreement with Endo Ventures Limited ("Endo Ventures"), in its capacity as lender, by means of which Serral borrowed an amount of MXN$514,996,800.00 from Endo Ventures (the "Binotal Loan Agreement").

II. On June 29, 2016, Endo Ventures, in its capacity as assignor, assigned the rights and obligations derived from the Binotal Loan Agreement to Endo Ventures Cyprus Limited ("Endo Cyprus"), in its capacity as assignee.

III. On June 29, 2016, Endo Cyprus, in its capacity as assignor, assigned the rights and obligations derived from the Binotal Loan Agreement to Endo Ventures Bermuda Limited ("Endo Bermuda"), in its capacity as assignee.

IV. On June 29, 2016, Endo Bermuda, in its capacity as assignor, assigned the rights and obligations derived from the Binotal Loan Agreement to the Assignor, in its capacity of assignee.

V. On June 30, 2017, the Assignor and certain of its affiliates, entered into a Stock Purchase Agreement, as sellers, by means of which, among others, the Assignor agreed to assign its rights, title, benefit and interest in respect of the Binotal Loan Agreement to the Purchasers.

REPRESENTATIONS

I. The Assignor represents, through its legal representative, that:

(a) It is a company duly incorporated and validly existing under the laws of the Luxembourg.

(b) Its legal representative has all necessary powers and authorities to enter into this Agreement on its name and behalf, and which powers and authorities have not been revoked, limited or modified in any way whatsoever.

(c) It has all the necessary authorizations and consents to carry out this Agreement.

(d) It is its intention to enter into this Agreement.

II. The Assignee represents, through its legal representative, that:

(a) It is a company duly incorporated and validly existing under the laws of [•].

(b) Its legal representative has all necessary powers and authorities to enter into this Agreement on its name and behalf, and which powers and authorities have not been revoked, limited or modified in any way whatsoever.

(c) It is its intention to enter into this Agreement.

NOW THEREFORE, the Parties hereto hereby agree as follows:

CLAUSES

FIRST.- Effectiveness. This Agreement shall become effective as of the date set forth in the preamble (the "Effective Date").

Each party shall, at its own expense, at all times from the Effective Date, do all things as may be required to give full effect to this Agreement, including but not limited to, the execution of all documents arising from this Agreement.

SECOND.- Assignment. In consideration for the mutual promises contained herein, the Assignor irrevocably and unconditionally assigns, conveys and transfers to the Assignee and the Assignee hereby accepts for all legal effects, the rights, obligations, powers, interests and benefits of access and use derived from the Binotal Loan Agreement as of the Effective Date.

Subject to the provisions of the Binotal Loan Agreement, the Assignee may assign or otherwise transfer all or any part of its rights under this Agreement and the Binotal Loan Agreement.

Following the assignment, the Assignor shall no longer hold the benefit of the Binotal Loan Agreement.

THIRD.- Notices. All notices, demands, consents, and reports provided for in this Agreement shall be in writing and shall be given to the other party, by registered air mail,

postage prepaid, or courier, return receipt requested, or facsimile with a confirmation of transmission, at the address set forth below, or at such other address as a party, may hereafter specify in writing:

To the Assignor:
[•]

To the Assignee:
[•]

FOURTH.- Governing Law and Jurisdiction. For the construction, execution, compliance and performance of this Agreement, the Parties expressly subject to [●] law. The [●] courts shall have exclusive jurisdiction to settle any dispute, claim or controversy arising out of or in connection with this Agreement and the Parties hereby waive its right to any other jurisdiction that may correspond to them pursuant to its present or future domiciles or any other reason.

FIFTH.- Counterparts. This Agreement shall be executed in any number of counterparts, all of which shall be deemed one and the same agreement and any party may enter into this Agreement by executing a counterpart.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed, as of the Effective Date.

[*Signature pages follow*]

"ASSIGNOR "
ENDO LUXEMBOURG FINANCE COMPANY II S.A.R.L.

_____

BY / POR: [•]
LEGAL REPRESENTATIVE.

[*Signature pages of the Assignment and Assumption Agreement*]

"ASSIGNEE"
[*]

_____

BY / POR: [•]
LEGAL REPRESENTATIVE.

[*Signature pages of the Assignment and Assumption Agreement*]

Exhibit "K"
to the Purchase Agreement

Knowledge of the Company

Name	Position
María Eugenia Ojeda Ortiz	CFO/acting CEO
Carlos Humberto Juárez del Toro	Legal Manager
Marco Antonio Zepeda Orozco	Director of Operations
Roberto Tena Alavez	Director of Development/Regulatory
Marco Antonio Aguilar Curiel	Comptroller
José Luis Rosas Martell	HR Manager
Haydee Neira	Lab. Serral Unit Manager
Ericka Sánchez-Barrales Zavalza*	Director for Lakeside and Advaita
Dr. Jose Antonio Vargas Romero	Chief Medical Officer
Ing. Valentin Ojeda Jaramillo	Manager Del Valle Plant
Ing. Oscar German Castañeda Silva	Manager Chalco Plant
Ing. Hugo Carranza Aguirre	Manager Piedras Negras Plant
Jose Meza Carmona	Tax Manager
Guadalupe Bautista	Regulatory Affairs Manager
Miguel Uribe Meneses	Government Sales Unit Manager

*Subject to her rehiring.

Example Statement of Net Working Capital

MXN$ million

Account Name	Account #	As of 12/31/2016
Cash	110-100-000	2
Bank accounts	110-200-000	155
Customer receivables	110-300-000	730
Provision for doubtful accounts	110-310-000	(31)
Officers and employees	110-400-000	-
Expenses	110-401-000	0
Advances to suppliers	110-402-000	8
Interco Cash	110-403-000	0
Other accounts receivable	110-404-000	-
Intercompany receivabes	110-405-000	4
VAT receivable	110-500-000	33
VAT credit	110-600-000	25
Inventory	110-700-000	528
Inventory in transit	110-800-000	0
Inventory in transit	110-810-000	-
Inventory adjustments	110-900-000	-
Prepaid taxes	111-400-000	44
Tax assets	111-500-000	54
Equity investments	111-900-000	1,049
Total current assets, As Reported [A]	**119-000-000**	**2,601**
Suppliers	210-100-000	(443)
Suppliers pending	210-101-000	(5)
Other creditors	210-200-000	0
Intercompany payables	210-250-000	(590)
Debt, current	210-300-000	-
Other accounts payable	210-400-000	(65)
VAT Payable	210-500-000	(24)
VAT transferred	210-600-000	(11)
Taxes payable	210-700-000	(76)
Reserves and provisions	210-800-000	(19)
Dividends payable	210-900-000	-
Total current liabilities, As Reported [B]	**219-000-000**	**(1,231)**

MXN$ million

Net Working Capital, As Reported [A] + [B]		**1,369**
Less: Cash	110-100-000	(2)
Less: Bank accounts	110-200-000	(155)
Less: Intercompany receivables	110-405-000	(4)
Less: Profit in inventory	NA	(79)
Less: Equity Investments	111-900-000	(1,049)
Add: Prepaid expenses	130-500-000	5
Add: Intercompany payables	210-250-000	590
Add: Seniority bonus	210-800-001	5
Add: Compensation	210-800-002	6
Net Working Capital, Definitional Adjusted (excl. Sellers' payables, receivables and transaction costs)		**687**
Add: Intercompany receivables	110-405-000	4
Less: Intercompany payables	210-250-101	(50)
Less: Intercompany general services payable	210-250-106	(24)
Less: Intercompany interests payable	210-250-191	-
Less: Intercompany retentions	210-250-195	(1)
Less: Unaccrued management retention bonus	NA	(12)
Net Working Capital, Definitional Adjusted		**604**
Reference Net Working Capital		**680**
Excess (Shortfall)		**(76)**

COMPANIES ACT, 2014

A PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

ENDO INTERNATIONAL PUBLIC LIMITED COMPANY

Incorporated 31 October 2013

(as amended by Special Resolution on 8 June 2017)

A&L Goodbody
Solicitors

A&L Goodbody

COMPANIES ACT, 2014

A PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

ENDO INTERNATIONAL PUBLIC LIMITED COMPANY

(as amended by Special Resolution on 8 June 2017)

1. The name of the Company is: Endo International public limited company.

2. The Company is to be a public limited company for the purposes of Part 17 of the Companies Act 2014.

3. The objects for which the Company is established are:

   3.1. To carry on all or any of the businesses of manufacturers, buyers, sellers, and distributing agents of and dealers in all kinds of patent, pharmaceutical, medicinal, and medicated preparations, patent medicines, drugs, herbs, and of and in pharmaceutical, medicinal, proprietary and industrial preparations, compounds, and articles of all kinds; and to manufacture, make up, prepare, buy, sell, and deal in all articles, substances, and things commonly or conveniently used in or for making up, preparing, or packing any of the products in which the Company is authorised to deal, or which may be required by customers of or persons having dealings with the Company.

   3.2. To invest in pharmaceutical and related assets, including, amongst other items, investments in pharmaceutical companies, products, businesses, divisions, technologies, devices, sales force and other marketing capabilities, development projects and related activities, licences, intellectual and similar property rights, premises and equipment, royalty rights and all other assets needed to operate a pharmaceuticals business.

   3.3. To establish, maintain and operate laboratories for the purpose of carrying on chemical, physical and other research in medicine, chemistry, industry or other unrelated or related fields.

   3.4. To invest (including long-term investments in, and acquisitions of, the shares of pharmaceutical companies) any monies of the Company in such investments and in such manner as may from time to time be determined, and to hold, sell or deal with such investments and generally to purchase, take on lease or in exchange or otherwise acquire any real and personal property and rights or privileges.

   3.5. To develop and turn to account any land acquired by the Company or in which it is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up and improving buildings and conveniences, and by planting, paving, draining, farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.

   3.6. To acquire and hold shares and stocks of any class or description, debentures, debenture stock, bonds, bills, mortgages, obligations, investments and securities of all descriptions and of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wheresoever constituted or carrying on business or issued or guaranteed by any government, state, dominion, colony, sovereign ruler, commissioners, trust, public; municipal, local or other

authority or body of whatsoever nature and wheresoever situated and investments, securities and property of all descriptions and of any kind, including real and chattel real estates, mortgages, reversions, assurance policies, contingencies and choses in action.

3.7. To remunerate by cash payments or allotment of shares or securities of the Company credited as fully paid up or otherwise any person or company for services rendered or to be rendered to the Company or any parent or subsidiary body corporate whether in the conduct or management of its business, or in placing or assisting to place or guaranteeing the placing of any of the shares of the Company's capital, or any debentures or other securities of the Company or in or about the formation or promotion of the Company.

3.8. To purchase for investment only property of any tenure and any interest therein, and to make advances upon the security of land or other similar property or any interest therein.

3.9. To acquire by purchase, exchange, lease, fee farm grant or otherwise, either for an estate in fee simple or for any less estate or other estate or interest, whether immediate or reversionary and whether vested or contingent, any lands, tenements or hereditaments of any tenure, whether subject or not to any charges or encumbrances, and to hold, farm, work and manage and to let, sublet, mortgage or charge land and buildings of any kind, reversions, interests, annuities, life policies, and any other property real or personal, movable or immovable, either absolutely or conditionally, and either subject or not to any mortgage, charge, ground rent or other rents or encumbrances.

3.10. To erect or secure the erection of buildings of any kind with a view of occupying or letting them and to enter into any contracts or leases and to grant any licences necessary to effect the same.

3.11. To maintain and improve any lands, tenements or hereditaments acquired by the Company or in which the Company is interested, in particular by decorating, maintaining, furnishing, fitting up and improving houses, shops, flats, maisonettes and other buildings and to enter into contracts and arrangements of all kinds with tenants and others.

3.12. To sell, exchange, mortgage (with or without power of sale), assign, turn to account or otherwise dispose of and generally deal with the whole or any part of the property, shares, stocks, securities, estates, rights or undertakings of the Company, real, chattels real or personal, movable or immovable, either in whole or in part, upon whatever terms and whatever consideration the Company shall think fit.

3.13. To take part in the management, supervision, or control of the business or operations of any company or undertaking, and for that purpose to appoint and remunerate any directors, accountants, or other experts or agents to act as consultants, supervisors and agents of other companies or undertakings and to provide managerial, advisory, technical, design, purchasing and selling services.

3.14. To make, draw, accept, endorse, negotiate, issue, execute, discount and otherwise deal with bills of exchange, promissory notes, letters of credit, circular notes, and other negotiable or transferable instruments.

3.15. To redeem, purchase, or otherwise acquire in any manner permitted by law and on such terms and in such manner as the Company may think fit any shares in the Company's capital.

3.16. To guarantee, support or secure whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods the performance of the obligations of, and the repayment or payment of the principal amounts of and the premiums, interest and dividends on any security of any person, firm or company including (without prejudice to the generality of the foregoing) any company which is for the time being the Company's holding company (as defined by Section 8 of

the Companies Act 2014) or subsidiary (as defined by Section 7 of the Companies Act 2014) or another subsidiary as defined by the said section of the Company's holding company (as defined by Section 8 of the Companies Act 2014) or otherwise associated with the Company in business notwithstanding the fact that the Company may not receive any consideration, advantage or benefit, direct or indirect from entering into such guarantee or other arrangement or transaction contemplated herein.

3.17. To lend the funds of the Company with or without security and at interest or free of interest and on such terms and conditions as the directors shall from time to time determine.

3.18. To raise or borrow or secure the payment of money in such manner and on such terms as the directors may deem expedient whether or not by the issue of bonds, debentures or debenture stock, perpetual or redeemable, or by mortgage, charge, lien or pledge upon the whole or any part of the undertaking, property, assets and rights of the Company, present or future, including its uncalled capital and generally in any other manner as the directors shall from time to time determine and to enter into or issue interest and currency hedging and swap agreements, forward rate agreements, interest and currency futures or options and other forms of financial instruments, and to purchase, redeem or pay off any of the foregoing and to guarantee the liabilities of the Company or any other person, and any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, transfer, drawings, allotments of shares; attending and voting at general meetings of the Company, appointment of directors and otherwise.

3.19. To accumulate capital for any of the purposes of the Company, and to appropriate any of the Company's assets to specific purposes, either conditionally or unconditionally, and to admit any class or section of those who have any dealings with the Company to any share in the profits thereof or in the profits of any particular branch of the Company's business or to any other special rights, privileges, advantages or benefits.

3.20. To reduce the share capital of the Company in any manner permitted by law.

3.21. To make gifts or grant bonuses to officers or other persons who are or have been in the employment of the Company and to allow any such persons to have the use and enjoyment of such property, chattels or other assets belonging to the Company upon such terms as the Company shall think fit.

3.22. To establish and maintain or procure the establishment and maintenance of any pension or superannuation fund (whether contributory or otherwise) for the benefit of and to give or procure the giving of donations, gratuities, pensions, annuities, allowances, emoluments or charitable aid to any persons who are or were at any time in the employment or service of the Company or any of its predecessors in business, or of any company which is a subsidiary of the Company or who may be or have been directors or officers of the Company, or of any such other company as aforesaid, or any persons in whose welfare the Company or any such other company as aforesaid may be interested and the wives, husbands, widows, widowers, families, relatives or dependants of any such persons and to make payments towards insurance and assurance and to form and contribute to provident and benefit funds for the benefit of such persons and to remunerate any person, firm or company rendering services to the Company, whether by cash payment, gratuities, pensions, annuities, allowances, emoluments or by the allotment of shares or securities of the Company credited as paid up in full or in part or otherwise.

3.23. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns, undertakings, assets, property or rights.

3.24. To insure the life of any person who may, in the opinion of the Company, be of value to the Company, as having or holding for the Company interests, goodwill, or influence or otherwise and to pay the premiums on such insurance.

3.25. To distribute either upon a distribution of assets or division of profits among the Members of the Company in kind any property of the Company, and in particular any shares, debentures or securities of other companies belonging to the Company or of which the Company may have the power of disposing.

3.26. To give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company, or, where the Company is a subsidiary company, in its holding company.

3.27. To do and carry out all or any of the foregoing objects in any part of the world and either as principals, agents, contractors, trustees or otherwise, and either by or through agents, trustees or otherwise and either alone or in partnership or in conjunction with any other company, firm or person, provided that nothing herein contained shall empower the Company to carry on the businesses of insurance.

3.28. To apply for, purchase or otherwise acquire any patents, brevets d'invention, licences, trademarks, industrial designs, know-how, concessions and other forms of intellectual property rights and the like conferring any exclusive or non-exclusive or limited or contingent rights to use, or any secret or other information as to any invention or process of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired.

3.29. To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.

3.30. To acquire and undertake the whole or any part of the undertaking, business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or which is capable of being conducted so as to benefit the Company directly or indirectly or which is possessed of assets suitable for the purposes of the Company.

3.31. To adopt such means of making known the Company and its products and services as may seem expedient.

3.32. To acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company.

3.33. To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.

3.34. To amalgamate with, merge with or otherwise become part of or associated with any other company or association in any manner permitted by law.

3.35. To do and carry out all such other things, except the issuing of policies of insurance, as may be deemed by the Company capable of being conveniently carried on in connection with the above objects or any of them or calculated to enhance the value of or render profitable any of the Company's properties or rights.

And it is hereby declared that the word "company" in this clause, except where used in reference to this Company, shall be deemed to include any person, partnership or other body of persons whether incorporated or not incorporated and whether domiciled in the State or elsewhere and that the objects of the Company as specified in each of the foregoing paragraphs of this clause shall be separate and distinct

objects and shall not be in anyway limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of each Member is limited to the amount from time to time unpaid on such Member's Shares.

5. The authorised share capital of the Company is €40,000 and US$100,000 divided into 4,000,000 euro deferred shares of €0.01 each and 1,000,000,000 ordinary shares of US$0.0001 each.

6. The shares forming the capital, increased or reduced, may be increased or reduced and be divided into such classes and issued with any special rights, privileges and conditions or with such qualifications as regards preference, dividend, capital, voting or other special incidents, and be held upon such terms as may be attached thereto or as may from time to time be provided by the original or any substituted or amended Articles of Association and regulations of the Company for the time being, but so that where shares are issued with any preferential or special rights attached thereto such rights shall not be alterable otherwise than pursuant to the provisions of the Company's Articles of Association for the time being.

7. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

COMPANIES ACT, 2014

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ENDO INTERNATIONAL PUBLIC LIMITED COMPANY

(as adopted by Special Resolution on 8 June 2017)

PRELIMINARY

1. Sections 43(2), 43(3), 65 (2)-(7), 77 - 80, 81, 94(1), 95(1), 96, 124, 125, 126, 144(3), 144(4), 148(2), 158-165, 180(5), 181(1), 181(6), 182(2), 182(5), 183(3), 186 (c), 187, 188, 218 (3)-(5), 229, 230, 338(5), 338(6), 618(1)(b), 620(8) 1090, 1092, and 1113 of the Act shall not apply to the Company. The provisions of the Act which are stated therein to apply to a public limited company, save to the extent that its constitution is permitted to provide or state otherwise, will apply to the Company subject to the alterations contained in these Articles, and will, so far as not inconsistent with these Articles bind the Company and its Members.

2.

2.1. In these Articles:

"**Act**"	means the Companies Act 2014.
"**Address**"	includes, without limitation, any number or address used for the purposes of communication by way of electronic mail or other electronic communication.
"**Adoption Date**"	means 25 February 2014.
"**Articles**" or "**Articles of Association**"	means these articles of association of the Company, as amended from time to time by Special Resolution.
"**Assistant Secretary**"	means any person appointed by the Secretary from time to time to assist the Secretary.
"**Auditors**"	means the persons for the time being performing the duties of auditors of the Company.
"**Board**"	means the board of Directors for the time being of the Company.

"**CA1990 Regs**"	The Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996) as may be amended from time to time.
"**Chairperson**"	means the chairperson of the Board from time to time and/or chairperson of a general meeting of the Company as the context may require.
"**clear days**"	means, in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"**Company**"	means the above-named company.
"**Court**"	means the Irish High Court.
"**Directors**"	means the directors for the time being of the Company.
"**dividend**"	includes interim dividends and bonus dividends.
"**electronic communication**"	shall have the meaning given to those words in the Electronic Commerce Act 2000.
"**electronic signature**"	shall have the meaning given to those words in the Electronic Commerce Act 2000.
"**Exchange**"	means any securities exchange or other system on which the Shares of the Company may be listed or otherwise authorised for trading from time to time.
"**Exchange Act**"	means the Securities Exchange Act of 1934 of the United States of America.
"**Member**"	means a person who has agreed to become a Member of the Company and whose name is entered in the Register of Members as a registered holder of Shares.
"**Member Associated Person**"	means (in connection to a Member) (A) any person controlling, directly or indirectly, or acting as a "group" (as such term is used in Rule 13d-5(b) under the Exchange Act) with, such Member, (B) any beneficial owner of shares of the Company owned of record or beneficially by such Member and (C) any person controlling, controlled by or under common control with such Member director by whatever name called.
"**Memorandum**"	means the memorandum of association of the Company as amended from time to time by Special Resolution.
"**month**"	means a calendar month.

"**Ordinary Resolution**"	means an ordinary resolution of the Company's Members within the meaning of section 191 of the Act.
"**paid-up**"	means paid-up in accordance with the Act as to the nominal value and any premium payable in respect of the issue of any Shares and includes credited as paid-up.
"**Redeemable Shares**"	means redeemable shares in accordance with the Act.
"**Register of Members**" or "**Register**"	means the register of Members of the Company maintained by or on behalf of the Company, in accordance with the Act and includes (except where otherwise stated) any duplicate Register of Members.
"**registered office"**	means the registered office for the time being of the Company.
"**Seal"**	means the seal of the Company, if any, and includes every duplicate seal.
"**Secretary"**	means the person appointed by the Board to perform any or all of the duties of secretary of the Company and includes an Assistant Secretary and any person appointed by the Board to perform the duties of secretary of the Company.
"**Share"** and "**Shares"**	means a share or shares in the capital of the Company.
"**Special Resolution"**	means a special resolution of the Company's Members within the meaning of section 191 of the Act.

2.2. In these Articles:

2.2.1. words importing the singular number include the plural number and vice-versa;

2.2.2. words importing the feminine gender include the masculine gender;

2.2.3. words importing persons include any company, partnership or other body of persons, whether corporate or not, any trust and any government, governmental body or agency or public authority, whether of Ireland or elsewhere;

2.2.4. expressions referring to "written" and "in writing" shall be construed, unless the contrary intention appears, as including references to printing, lithography, photography and any other modes of representing or reproducing words in a visible form except as provided in these Articles and/or where it constitutes writing in electronic form sent to the Company, and the Company has agreed to its receipt in written form;

2.2.5. expressions referring to execution of any document shall include any mode of execution whether under seal or under hand or any mode of electronic signature as shall be approved by the Directors;

2.2.6. expressions referring to receipt of any electronic communications shall, unless the contrary intention appears, be limited to receipt in such manner as the Company has approved;

2.2.7. references to a company include any body corporate or other legal entity, whether incorporated or established in Ireland or elsewhere;

2.2.8. references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;

2.2.9. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

2.2.10. reference to "officer" or "officers" in these Articles means any executive that has been designated by the Company as an "officer" and, for the avoidance of doubt, shall not have the meaning given to such term in the Act and any such officers shall not constitute officers of the Company within the meaning of section 2(1) of the Act;

2.2.11. headings are inserted for reference only and shall be ignored in construing these Articles; and

2.2.12. references to US$, USD, $ or dollars shall mean United States dollars, the lawful currency of the United States of America and references to €, euro, or EUR shall mean the euro, the lawful currency of Ireland.

REGISTERED OFFICE

3. The registered office shall be at such place in Ireland as the Board from time to time shall decide.

SHARE CAPITAL; ISSUE OF SHARES

4. The authorised share capital of the Company is €40,000 and US$100,000 divided into 4,000,000 euro deferred shares of €0.01 each and 1,000,000,000 ordinary shares of US$0.0001 each.

5. Subject to the provisions of these Articles relating to new Shares, the Shares shall be at the disposal of the Directors, and they may (subject to the provisions of the Act) allot, grant options over or otherwise dispose of them to such persons, on such terms and conditions and at such times as they may consider to be in the best interests of the Company and its Members, but so that no Share shall be issued at a discount save in accordance with sections 71(4) and 1026 of the Act, and so that, in the case of Shares offered to the public for subscription, the amount payable on application on each Share shall not be less than one-quarter of the nominal amount of the Share and the whole of any premium thereon. To the extent permitted by the Act, shares may also be allotted by a committee of the Directors or by any other person where such committee or person is so authorised by the Directors.

6. Subject to any requirement to obtain the approval of Members under any laws, regulations or the rules of any Exchange, the Board is authorised, from time to time, in its discretion, to grant such persons, for such periods and upon such terms as the Board deems advisable, options to purchase or subscribe for any number of Shares of any class or classes or of any series of any class as the Board may deem advisable, and to cause warrants or other appropriate instruments evidencing such options to be issued.

7.

7.1. The Directors are, for the purposes of section 1021 of the Act, generally and unconditionally authorised to exercise all powers of the Company to allot and issue relevant securities (as defined by the said section 1021) up to the amount of the Company's authorised but unissued share capital as at the date of adoption of these Articles and to allot and issue any Shares acquired by or on behalf of the Company pursuant to the provisions of the Act and held as treasury shares and this authority shall expire five years from the Adoption Date.

7.2. The Directors are hereby empowered pursuant to sections 1022 and 1023(3) of the Act to allot equity securities within the meaning of the said section 1023 for cash pursuant to the authority conferred by Article 7.1 as if section 1022 of the said Act did not apply to any such allotment. The Company may before the expiry of such authority make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred by Article 7.1 had not expired.

7.3. The Company may issue permissible letters of allotment (as defined by section 1019 of the Act) to the extent permitted by the Act.

8. Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, any Share in the Company may be issued with such preferred or deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by Ordinary Resolution determine.

9. The Company may pay commission to any person in consideration of any person subscribing or agreeing to subscribe, whether absolutely or conditionally, for the Shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any Shares in the Company on such terms and, subject to the provisions of the Act and to such conditions as the Board may determine, including, without limitation, by paying cash or allotting and issuing fully or partly paid Shares or any combination of the two. The Company may also on any issue of Shares pay such brokerage as may be lawful.

ORDINARY SHARES

10. The holder of an ordinary share shall be:

10.1. entitled to dividends on a *pro rata* basis in accordance with the relevant provisions of these Articles;

10.2. entitled to participate *pro rata* in the distribution of the total assets of the Company in the event of the Company's winding up; and

10.3. entitled, subject to the right of the Company to set record dates for the purpose of determining the identity of Members entitled to notice of and/or vote at a general meeting, to attend general meetings of the Company and shall be entitled to one vote for each Ordinary Share registered in his or her name in the Register of Members, in accordance with the relevant provisions of these Articles.

11. An ordinary share shall be deemed to be a Redeemable Share on, and from the time of, the existence or creation of an agreement, transaction or trade ("arrangement") between the Company (including any agent or broker acting on behalf of the Company) and any third party pursuant to which the Company acquires or will acquire ordinary shares, or an interest in ordinary shares, from the relevant third party and the Company is hereby authorised to enter into any such arrangement. In these circumstances, all such shares

shall be redeemable at the instance of the Company and the acquisition of such shares by the Company shall constitute the redemption of a Redeemable Share in accordance with the Act unless the Board resolves, prior to the existence or creation of any relevant arrangement, that the arrangement concerned is to be treated as a purchase of shares pursuant to Article 31.3, in which case the arrangement shall be so executed. No resolution, whether special or otherwise shall be required to be passed to deem any Share a Redeemable Share.

12. All ordinary shares shall rank *pari passu* with each other in all respects.

EURO DEFERRED SHARES

13. The holders of the euro deferred shares shall not be entitled to receive any dividend or distribution and shall not be entitled to receive notice of, nor to attend, speak or vote at any general meeting of the Company. On a return of assets, whether on liquidation or otherwise, the euro deferred shares shall entitle the holder thereof only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the ordinary shares plus the payment of $5,000,000 on each of the ordinary shares and the holders of the euro deferred shares (as such) shall not be entitled to any further participation in the assets or profits of the Company.

14. The Special Resolution passed on the Adoption Date shall be deemed to confer irrevocable authority on the Company at any time after the Adoption Date:

14.1. to acquire all or any of the fully paid euro deferred shares otherwise than for valuable consideration in accordance with section 102 of the Act and without obtaining the sanction of the holders thereof;

14.2. to appoint any person to execute on behalf of the holders of the euro deferred shares remaining in issue (if any) a transfer thereof and/or an agreement to transfer the same otherwise than for valuable consideration to the Company or to such other person as the Company may nominate;

14.3. to cancel any acquired euro deferred shares; and

14.4. pending such acquisition and/or transfer and/or cancellation to retain the certificate (if any) for such euro deferred shares.

15. In accordance with section 1040(3) of the Act the Company shall, not later than three (3) years after any acquisition by it of any euro deferred shares as aforesaid, cancel such shares (except those which, or any interest of the Company in which, it shall have previously disposed of) and reduce the amount of the share capital by the nominal value of the shares so cancelled and the Board may take such steps as are requisite to enable the Company to carry out its obligations under that subsection without complying with sections 84 and 85 of the Act including passing resolutions in accordance with section 1040(5) of the Act.

16. Neither the acquisition by the Company otherwise than for valuable consideration of all or any of the euro deferred shares nor the redemption thereof nor the cancellation thereof by the Company in accordance with this Article shall constitute a variation or abrogation of the rights or privileges attached to the euro deferred shares, and accordingly the euro deferred shares or any of them may be so acquired, redeemed and cancelled without any such consent or sanction on the part of the holders thereof. The rights conferred upon the holders of the euro deferred shares shall not be deemed to be varied or abrogated by the creation of further shares ranking in priority thereto or pari passu therewith.

ISSUE OF WARRANTS

17. To the extent permitted by the Act, the Board may issue warrants to subscribe for any class of Shares or other securities of the Company on such terms as it may from time to time determine.

CERTIFICATES FOR SHARES

18. Any person whose name is entered as a Member in the Register of Members shall be entitled upon request to receive a share certificate for any Shares of any class held by him or her (or on transferring a part of holding, to a certificate for the balance).

19. Any share certificate, if issued, shall specify the number of Shares in respect of which it is issued and the amount paid thereon or the fact that they are fully paid, as the case may be, and may otherwise be in such form as shall be determined by the Board. Such certificates may be under Seal. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. The name and address of the person to whom the Shares represented thereby are issued, with the number of Shares and date of issue, shall be entered in the Register of Members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of Shares shall have been surrendered and cancelled. The Board may authorise certificates to be issued with the Seal and authorised signature(s) affixed by some method or system of mechanical process. In respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.

20. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating such evidence, as the Board may prescribe, and, in the case of defacement or wearing out, upon delivery of the old certificate.

REGISTER OF MEMBERS

21. The Company shall maintain or cause to be maintained a Register of its Members in accordance with the Act.

22. If the Board considers it necessary or appropriate, the Company may establish and maintain a duplicate Register of Members at such location or locations within or outside Ireland as the Board thinks fit. The original Register of Members shall be treated as the Register of Members for the purposes of these Articles and the Act.

23. The Company, or any agent(s) appointed by it to maintain the duplicate Register of Members in accordance with these Articles, shall as soon as practicable and on a regular basis record or procure the recording of, in the original Register of Members, all transfers of Shares effected on any duplicate Register of Members and shall at all times maintain the original Register of Members in such manner as to show at all times the Members for the time being and the Shares respectively held by them, in all respects in accordance with the Act.

24. The Company shall not be bound to register more than four (4) persons as joint holders of any Share. If any Share shall stand in the names of two (2) or more persons, the person first named in the Register of Members shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company.

TRANSFER OF SHARES

25. Subject to such of the restrictions of these Articles and to such of the conditions of issue or transfer as may be applicable, all transfers of Shares shall be effected by an instrument in writing (an "instrument of transfer") in such form as the Board may approve. All such instruments of transfer must be left at the registered office or at such other place as the Board may specify and all such instruments of transfer shall be retained by the Company.

26.

26.1. The instrument of transfer of any Share shall be executed by the transferor or alternatively for and on behalf of the transferor by the Secretary (or such other person as may be nominated by the Secretary for this purpose) on behalf of the Company, and the Company, the Secretary (or relevant nominee) shall be deemed to have been irrevocably appointed agent for the transferor of such Share or Shares with full power to execute, complete and deliver in the name of and on behalf of the transferor of such Share or Shares all such transfers of Shares held by the Members in the share capital of the Company. An instrument of transfer need not be executed by the transferee save that if the share concerned (or one or more of the shares concerned) is not fully paid, the instrument shall be executed by or on behalf of the transferor and transferee.Any document which records the name of the transferor, the name of the transferee, the class and number of Shares agreed to be transferred, details of the total consideration payable and the date of the agreement to transfer the Shares, shall, once executed in accordance with this Article, be deemed to be a proper instrument of transfer for the purposes of section 94 of the Act.

26.2. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered on the Register in respect thereof, and neither the title of the transferee nor the title of the transferor shall be affected by any irregularity or invalidity in the proceedings in reference to the sale should the Board so determine.

26.3. The Company, at its absolute discretion and insofar as the Act or any other applicable law permits, may, or may procure that a subsidiary of the Company shall, pay Irish stamp duty arising on a transfer of Shares on behalf of the transferee of such Shares of the Company. If stamp duty resulting from the transfer of Shares in the Company which would otherwise be payable by the transferee is paid by the Company or any subsidiary of the Company on behalf of the transferee, then in those circumstances, the Company shall, on its behalf or on behalf of its subsidiary (as the case may be), be entitled to (i) seek reimbursement of the stamp duty from the transferee, (ii) set-off the stamp duty against any dividends payable to the transferee of those Shares and (iii) to claim a first and permanent lien on the Shares on which stamp duty has been paid by the Company or its subsidiary for the amount of stamp duty paid.

26.4. Notwithstanding the provisions of these Articles and subject to any regulations made under section 1086 of the Act or the CA 1990 Regs, including any modification thereof or any regulations in substitution therefor made under the Act or otherwise, title to any Shares in the Company may also be evidenced and transferred without a written instrument in accordance with section 1086 of the Act or the CA1990 Regs, including any modification thereof or any regulations in substitution therefor made under the Act or otherwise. The Board shall have power to permit any class of Shares to be held in uncertificated form and to implement any arrangements they think fit for such evidencing and transfer which accord with such regulations and in particular shall, where appropriate, be entitled to disapply or modify all or part of the provisions in these Articles with respect to the requirement for written instruments of transfer and share certificates (if any), in order to give effect to such regulations.

27. The Board may in its absolute discretion and without assigning any reason for its decision, decline to register any transfer of any Share which is not a fully paid Share. The Board may also, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any Share unless:

27.1. the instrument of transfer is fully and properly completed and is lodged with the Company accompanied by the certificate for the Shares (if any) to which it relates (which shall upon registration of the transfer be cancelled) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

27.2. the instrument of transfer is in respect of only one class of Shares;

27.3. a registration statement under the Securities Act of 1933 of the United States of America is in effect with respect to such transfer or such transfer is exempt from registration and, if requested by the Board, a written opinion from counsel reasonably acceptable to the Board is, obtained to the effect that such transfer is exempt from registration;

27.4. the instrument of transfer is properly stamped (in circumstances where stamping is required);

27.5. in the case of a transfer to joint holders, the number of joint holders to which the Share is to be transferred does not exceed four;

27.6. it is satisfied, acting reasonably, that all applicable consents, authorisations, permissions or approvals of any governmental body or agency in Ireland or any other applicable jurisdiction required to be obtained under relevant law prior to such transfer have been obtained; and

27.7. it is satisfied, acting reasonably, that the transfer would not violate the terms of any agreement to which the Company (or any of its subsidiaries) and the transferor are party or subject.

28. If the Board shall refuse to register a transfer of any Share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

29. The Company shall not be obligated to make any transfer to an individual under 18 years of age or to a person in respect of whom an order has been made by a competent court or official on the grounds that he or she is or may be suffering from mental disorder or is otherwise incapable of managing his or her affairs or under other legal disability.

30. Upon every transfer of Shares the certificate (if any) held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and subject to Article 18 a new certificate may be issued without charge to the transferee in respect of the Shares transferred to him or her, and if any of the Shares included in the certificate so given up shall be retained by the transferor, a new certificate in respect thereof may be issued to him or her without charge.

REDEMPTION AND REPURCHASE OF SHARES

31. Subject to the provisions of Chapter 6 of Part 3 and Chapter 5 of Part 17 of the Act and the other provisions of this Article 31, the Company may:

31.1. pursuant to section 66(4) of the Act, issue any Shares of the Company which are to be redeemed or are liable to be redeemed at the option of the Company or the Member on such terms and in such manner as may be determined by the Company in general meeting (by Special Resolution) on the recommendation of the Board;

31.2. redeem Shares of the Company on such terms as may be contained in, or be determined pursuant to the provisions of, these Articles. Subject as aforesaid, the Company may cancel any Shares so redeemed or may hold them as treasury shares and re-issue such treasury shares as Shares of any class or classes or cancel them;

31.3. subject to or in accordance with the provisions of the Act and without prejudice to any relevant special rights attached to any class of Shares, pursuant to section 105 and Chapter 5 of Part 17 of the Act, purchase any of its own Shares (including any Redeemable Shares and without any obligation to purchase on any *pro rata* basis as between Members or Members of the same class) and may cancel any Shares so purchased or hold them as treasury shares (as defined by section 106 of the Act) and may reissue any such Shares as Shares of any class or classes or cancel them; or

31.4. pursuant to section 83(3) of the Act, convert any of its Shares into Redeemable Shares provided that the total number of Shares which shall be redeemable pursuant to this authority shall not exceed the limit in section 1071(1)(b) of the Act.

32. The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Act.

33. The holder of the Shares being purchased shall be bound to deliver up to the Company at its registered office or such other place as the Board shall specify, the certificate(s) (if any) thereof for cancellation and

thereupon the Company shall pay to him or her the purchase or redemption monies or consideration in respect thereof.

VARIATION OF RIGHTS OF SHARES

34. If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied or abrogated with the consent in writing of the holders of three-quarters of all the votes of the issued Shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class.

35. The provisions of these Articles relating to general meetings of the Company shall apply *mutatis mutandis* to every such general meeting of the holders of one class of Shares except that the necessary quorum shall be one or more persons holding or representing by proxy at least one-half of the issued and outstanding Shares of the class entitled to vote at the meeting in question.

36. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by (i) the creation or issue of further Shares ranking *pari passu* therewith; (ii) a purchase or redemption by the Company of its own Shares; or (iii) the creation or issue for value (as determined by the Board) of further Shares ranking as regards participation in the profits or assets of the Company or otherwise in priority to them.

LIEN ON SHARES

37. The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all monies (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Board, at any time, may declare any Share to be wholly or in part exempt from the provisions of this Article 37. The Company's lien on a Share shall extend to all monies payable in respect of it.

38. The Company may sell in such manner as the Board determines any Share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen (14) clear days after notice demanding payment, and stating that if the notice is not complied with the Share may be sold, has been given to the holder of the Share or to the person entitled to it by reason of the death, bankruptcy, insolvency of the holder or otherwise by operation of any law or regulation (whether of Ireland or otherwise).

39. To give effect to a sale, the Board may authorise some person to execute an instrument of transfer of the Share(s) sold to, or in accordance with, the directions of, the transferee. The transferee shall be entered in the Register as the holder of the Share(s) comprised in any such transfer and he or she shall not be bound to see to the application of the purchase monies nor shall his or her title to the Share be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale, and after the name of the transferee has been entered in the Register, the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

40. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable and any residue (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any monies not presently payable as existed upon the Shares before the sale) shall be paid to the person entitled to the Shares at the date of the sale.

41. Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in

respect of any Shares registered in the Register as held either jointly or solely by any Members or in respect of any dividends, bonuses or other monies due or payable or accruing due or which may become due or payable to such Member by the Company on, or in respect of, any Shares registered as mentioned above or for or on account or in respect of any Member and whether in consequence of:

a) the death of such Member;

b) the non-payment of any income tax or other tax by such Member;

c) the non-payment of any estate, probate, succession, death, stamp or other duty by the executor or administrator of such Member or by or out of his or her estate; or

d) any other act or thing;

in every such case (except to the extent that the rights conferred upon holders of any class of Shares renders the Company liable to make additional payments in respect of sums withheld on account of the foregoing):

41.1. the Company shall be fully indemnified by such Member or his or her executor or administrator from all liability;

41.2. the Company shall have a lien upon all dividends and other monies payable in respect of the Shares registered in the Register as held either jointly or solely by such Member for all monies paid or payable by the Company as referred to above in respect of such Shares or in respect of any dividends or other monies thereon or for or on account or in respect of such Member under or in consequence of any such law, together with interest at the rate of fifteen percent (15%) per annum (or such other rate as the Board may determine) thereon from the date of payment to date of repayment, and the Company may deduct or set off against such dividends or other monies so payable any monies paid or payable by the Company as referred to above together with interest at the same rate;

41.3. the Company may recover as a debt due from such Member or his or her executor or administrator (wherever constituted) any monies paid by the Company under or in consequence of any such law and interest thereon at the rate and for the period referred to above in excess of any dividends or other monies then due or payable by the Company; and

41.4. the Company may if any such money is paid or payable by it under any such law as referred to above refuse to register a transfer of any Shares by any such Member or his or her executor or administrator until such money and interest is set off or deducted as referred to above or in the case that it exceeds the amount of any such dividends or other monies then due or payable by the Company, until such excess is paid to the Company.

Subject to the rights conferred upon the holders of any class of Shares, nothing in this Article 41 will prejudice or affect any right or remedy which any law may confer or purport to confer on the Company. As between the Company and every such Member as referred to above (and, his or her executor, administrator and estate, wherever constituted), any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

CALLS ON SHARES

42. Subject to the terms of allotment, the Board may make calls upon the Members in respect of any monies unpaid on their Shares and each Member (subject to receiving at least fourteen (14) clear days' notice specifying when and where payment is to be made) shall pay to the Company as required by the notice the amount called on his or her Shares. A call may be required to be paid by instalments. A call may be revoked before receipt by the Company of a sum due thereunder, in whole or in part and payment of a call may be postponed in whole or in part.

43. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

44. A person on whom a call is made shall (in addition to a transferee) remain liable notwithstanding the subsequent transfer of the Share in respect of which the call is made.

45. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

46. If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Board may waive payment of the interest wholly or in part.

47. An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value by way of premium, shall be deemed to be a call and if it is not paid, the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

48. Subject to the terms of allotment, the Board may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.

49. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the monies uncalled and unpaid upon any Shares held by him or her, and upon all or any of the monies so advanced may pay (until the same would, but for such advance, become payable) interest at such rate as may be agreed upon between the Directors and the Member paying such sum in advance.

FORFEITURE

50. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors, at any time thereafter during such times as any part of the call or instalment remains unpaid, may serve a notice on him or her requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.

51. The notice shall state a further day (not earlier than the expiration of fourteen (14) clear days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

52. If the requirements of any such notice as aforesaid are not complied with, then at any time thereafter before the payment required by the notice has been made, any Shares in respect of which the notice has been given may be forfeited by a resolution of the Directors to that effect. The forfeiture shall include all dividends or other monies payable in respect of the forfeited Shares and not paid before forfeiture. The Board may accept a surrender of any Share liable to be forfeited hereunder.

53. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the Shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the Member sued, in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

54. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal, such a Share is to be transferred to any person, the Board may authorise some person to execute an instrument of transfer of the Share to that person. The Company may receive the consideration, if any, given for the Share on any sale or disposition thereof

and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of and thereupon he or she shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his or her title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

55. A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but nevertheless shall remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him or her to the Company in respect of the Shares, without any deduction or allowance for the value of the Shares at the time of forfeiture but his or her liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

56. A statement in writing that the maker of the statement is a Director or the Secretary of the Company, and that a Share in the Company has been duly forfeited on the date stated in the statement, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

57. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

58. The Directors may accept the surrender of any Share which the Directors have resolved to have been forfeited upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered Share shall be treated as if it has been forfeited.

NON-RECOGNITION OF TRUSTS

59. The Company shall not be obligated to recognise any person as holding any Share upon any trust (except as is otherwise provided in these Articles or to the extent required by law) and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as is otherwise provided by these Articles or the Act) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder. This shall not preclude the Company from requiring the Members or a transferee of Shares to furnish to the Company with information as to the beneficial ownership of any Share when such information is reasonably required by the Company.

TRANSMISSION OF SHARES

60. If a Member dies, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he or she was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his or her interest in the Shares; but nothing herein contained shall release the estate of any deceased holder from any liability in respect of any Share which had been jointly held by him or her solely or jointly with other persons.

61. A person becoming entitled to a Share in consequence of the death, bankruptcy, liquidation or insolvency of a Member, or otherwise becoming entitled to a Share by operation of any law, directive or regulation (whether of the State, the European Union, or any other jurisdiction) may elect, upon such evidence of title being produced as the Directors may reasonably require at any time and from time to time, and subject as further provided in this Article, either to become the holder of the Share or to have some person nominated by him or her registered as the transferee. If he or she elects to become the holder of the Share, he or she shall give notice to the Company to that effect and, where the Directors are satisfied with the evidence of title produced to them, they may register such persons as the holder of the Share, subject to the other provisions of these Articles and of the Act. If he or she elects to have another person registered he or she shall execute an instrument of transfer of the Share to that person. All of these Articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the event giving rise to the entitlement of the relevant person to the Shares had not occurred.

62. A person becoming entitled to a Share by transmission shall have the rights to which he or she would be entitled if he or she were the holder of the Share (including, without limitation, the right to receive and give a valid discharge for any dividends, distributions or other moneys payable on or in respect of the Share), except that, before being registered as the holder of the Share he or she shall not be entitled in respect of it to receive notices of, or to attend or vote at any meeting of the Company or at any separate meeting of holders of any class of Shares in the Company, so, however, that the Directors, at any time, may give notice requiring any such person to elect either to be registered himself or herself to transfer the Share and, if the notice is not complied with within ninety (90) days, the Directors thereupon may withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

AMENDMENT OF MEMORANDUM OF ASSOCIATION;
CHANGE OF LOCATION OF REGISTERED OFFICE; AND
ALTERATION OF CAPITAL

63. The Company may by Ordinary Resolution:

63.1. divide its share capital into several classes and attach to them respectively any preferential, deferred, qualified or special rights, privileges or conditions;

63.2. increase the authorised share capital by such sum to be divided into Shares of such nominal value, as such Ordinary Resolution shall prescribe;

63.3. consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

63.4. by subdivision of its existing Shares or any of them, divide the whole or any part of its share capital into Shares of smaller nominal value than is fixed by the Memorandum subject to section 83(1)(b) of the Act, so, however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;

63.5. cancel any Shares that at the date of the passing of the relevant Ordinary Resolution have not been taken or agreed to be taken by any person; and

63.6. subject to applicable law, change the currency denomination of its share capital.

64. Subject to the provisions of the Act, the Company may:

64.1. by Special Resolution change its name, alter or add to the Memorandum with respect to any objects, powers or other matters specified therein or alter or add to these Articles;

64.2. by Special Resolution, or as otherwise required or permitted by applicable law, including without limitation section 83 of the Act, reduce its issued share capital and any capital redemption reserve fund or any share premium account or undenominated capital account. In relation to such reductions, the Company may by Special Resolution (or as otherwise required or permitted by applicable law) determine the terms upon which the reduction is to be effected, including in the case of a reduction of part only of any class of Shares, those Shares to be affected; and

64.3. by resolution of the Directors, change the location of its registered office.

65. Whenever as a result of an alteration or reorganisation of the share capital of the Company any Members would become entitled to fractions of a Share, the Board may, on behalf of those Members, sell the Shares representing the fractions for the best price reasonably obtainable to any person and distribute the proceeds of sale in due proportion among those Members, and the Board may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee

shall not be bound to see to the application of the purchase money nor shall his or her title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

66. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Board may provide, subject to the requirements of section 174 of the Act, that the Register of Members shall be closed for transfers at such times and for such periods, not exceeding in the whole thirty (30) days in each year. If the Register of Members shall be so closed for the purpose of determining Members entitled to notice of, or to vote at, a meeting of Members, such Register of Members shall be so closed for at least five (5) days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register of Members.

67. In lieu of, or apart from, closing the Register of Members, the Board may fix in advance a date as the record date (a) for any such determination of Members entitled to notice of or to vote at a meeting of the Members, which record date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, and (b) for the purpose of determining the Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, which record date shall not be more than sixty (60) days prior to the date of payment of such dividend or the taking of any action to which such determination of Members is relevant.

68. If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the date immediately preceding the date on which notice of the meeting is deemed given under these Articles shall be the record date for such determination of Members. Where a determination of Members entitled to vote at any meeting of Members has been made as provided in these Articles, such determination shall apply to any adjournment thereof; provided, however, that the Directors may fix a new record date of the adjourned meeting, if they think fit.

GENERAL MEETINGS

69. The Board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Act.

70. The Board may, whenever it thinks fit, and shall, on the requisition in writing of Members holding such number of Shares as is prescribed by, and made in accordance with, the Act, convene a general meeting in the manner required by the Act. All general meetings other than annual general meetings shall be called extraordinary general meetings.

71. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notice calling it. Not more than fifteen (15) months shall elapse between the date of one annual general meeting of the Company and that of the next. Each general meeting shall be held at such time and place as designated by the Board and as specified in the notice of meeting. Subject to section 176 of the Act all general meetings may be held outside of Ireland.

72. The Board may, in its absolute discretion, authorise the Secretary to postpone any general meeting called in accordance with the provisions of these Articles (other than a meeting requisitioned under Article 70 or the postponement of which would be contrary to the Act, law or a Court order pursuant to the Act) if the Board considers that, for any reason, it is impractical or unreasonable to hold the general meeting, provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles.

NOTICE OF GENERAL MEETINGS

73. Subject to the provisions of the Act allowing a general meeting to be called by shorter notice, an annual general meeting, and an extraordinary general meeting called for the passing of a Special Resolution, shall be called by at least twenty-one (21) clear days' notice and all other extraordinary general meetings shall be called by at least fourteen (14) clear days' notice. Such notice shall state the date, time, place of the meeting and, the general nature of the business to be considered. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day of the meeting and shall specify such other details as are required by applicable law or the relevant code, rules and regulations applicable to the listing of the Shares on the Exchange.

74. A general meeting of the Company shall, whether or not the notice specified in Article 73 has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if applicable law so permits and it is so agreed by the Auditors and by all the Members entitled to attend and vote thereat or by their proxies.

75. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a Special Resolution shall specify the intention to propose the resolution as a Special Resolution. Notice of every general meeting shall be given in any manner permitted by these Articles to all Members other than such as, under the provisions hereof or the terms of issue of the Shares they hold, those who are not entitled to receive such notice from the Company.

76. There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him or her and that a proxy need not be a Member of the Company.

77. The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.

78. In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting. A Member present, either in person or by proxy, at any general meeting of the Company or of the holders of any class of Shares in the Company, will be deemed to have received notice of that meeting and, where required, of the purpose for which it was called.

PROCEEDINGS AT GENERAL MEETINGS

79. The business of annual general meetings shall include:

79.1. the consideration of the Company’s statutory financial statements and the report of the Directors and the report of the Auditors on those statements and that report;

79.2. the review by the Members of the Company’s affairs;

79.3. the declaration of a final dividend (if any) of an amount not exceeding the amount recommended by the Directors;

79.4. the authorisation of the Directors to approve the remuneration of the Auditors (if any);

79.5. the election and re-election of Directors; and

79.6. the appointment or re-appointment of Auditors.

80. No business shall be transacted at any general meeting unless a quorum is present. One or more Members present in person or by proxy holding not less than a majority of the issued and outstanding ordinary shares of the Company entitled to vote at the meeting in question shall be a quorum.

81. If within one hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other time or such other place as the Board may determine and if at the adjourned meeting a quorum is not present within one hour from the time appointed for the meeting the Members present shall be a quorum.

82. If the Board wishes to make this facility available to Members for a specific or all general meetings of the Company, a Member may participate in any general meeting of the Company, by means of a telephone, video, electronic or similar communication equipment by way of which all persons participating in such meeting can communicate with each other simultaneously and instantaneously and such participation shall be deemed to constitute presence in person at the meeting.

83. Each Director and the Auditors shall be entitled to attend and speak at any general meeting of the Company.

84. The Chairperson, or in his absence some other Director nominated by the Directors, shall preside at every general meeting of the Company, but if at any meeting neither the Chairperson, nor such other Director is present within fifteen minutes after the time appointed for the holding of the meeting, or if none of them are willing to act as Chairperson, the Directors present shall choose some Director present to be Chairperson, or if no Director is present, or if all the Directors present decline to take the chair, the Members present shall choose some Member present to be Chairperson.

85. The Chairperson of the meeting may, with the consent of any general meeting duly constituted hereunder, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished, or which might have been transacted, at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

86. No business may be transacted at a general meeting of the Company or of any class of Members, other than business that is either proposed by or at the direction of the Board; proposed at the direction of a court of competent jurisdiction; proposed on the requisition in writing of such number of Members as is prescribed by, and is made in accordance with, the relevant provisions of the Act and, in respect of an annual general meeting only, these Articles; or the Chairperson determines in his or her absolute discretion that the business may properly be regarded as within the scope of the meeting. For business or nominations to be properly brought by a Member at any general meeting, the Member proposing such business must be a Member at the time of giving the notice provided for in Articles 73 to 78 and must be entitled to vote at such meeting and any proposed business must be a proper matter for Member action.

87.

87.1. Subject to the Act, a resolution may only be put to a vote at a general meeting of the Company or of any class of Members if:

a) it is specified in the notice of meeting;

b) it is proposed by or at the direction of the Board;

c) it is proposed at the direction of a court of competent jurisdiction;

d) it is proposed pursuant to, and in accordance with, the procedures and requirements of Article 147;

e) it is proposed on the requisition in writing of such number of Members as is prescribed by, and is made in accordance with, section 178(3) of the Act; or

f) the Chairperson of the meeting in his or her absolute discretion decides that the resolution may properly be regarded as within the scope of the meeting.

87.2. No amendment may be made to a resolution, at or before the time when it is put to a vote, unless the Chairperson of the meeting in his or her absolute discretion decides that the amendment or the amended resolution may properly be put to a vote at that meeting.

87.3. If the Chairperson of the meeting rules a resolution or an amendment to a resolution admissible or out of order (as the case may be), the proceedings of the meeting or on the resolution in question shall not be invalidated by any error in his or her ruling. Any ruling by the Chairperson of the meeting in relation to a resolution or an amendment to a resolution shall be final and conclusive.

88.

88.1. For business to be properly requested by a Member to be brought before an annual general meeting, the Member must:

a) be a Member of the Company at the time of the giving of the notice for such annual general meeting;

b) be entitled to vote at such meeting; and

c) have given timely and proper notice in writing to the Secretary in accordance with this Article 88.

88.2. To be timely for an annual general meeting, a Member's notice to the Secretary must be delivered to or mailed and received at the registered office of the Company not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual general meeting of Members (save that in the case of the Company's first annual general meeting, references to the preceding year's annual general meeting will be to the annual general meeting of Endo Health Solutions, Inc. held that preceding year); provided, however, that in the event that the annual general meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the Member, in order to be timely, must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual general meeting was mailed or such public disclosure of the date of the annual general meeting was made, whichever first occurs.

88.3. To be in proper written form, a Member's notice must set forth as to each matter such Member proposes to bring before the meeting:

88.3.1. A brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and if such business includes a proposal to amend the Articles, the text of the proposed amendment) and the reasons for conducting such business at the meeting;

88.3.2. As to the Member giving notice:

(i) the name and address, as they appear in the Register of Members, of such Member and any Member Associated Person covered by this Article 88.3.2(i) and Article 88.3.2(ii) below;

(ii) (A) the class and number of Shares of the Company which are held of record or are beneficially owned by the Member and by any Member Associated Person with respect to the Company's securities; (B) a description of any agreement, arrangement or understanding in connection with the proposal of such business between or among such Member and any Member Associated Person, any of their respective affiliates or associates, and any others (including their names) acting as a "group" (as such

term is used in Rule 13d-5(b) under the Exchange Act) with any of the foregoing; (C) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned securities) that has been entered into, the effect or intent of which is to mitigate loss to, manage risk or benefit from share price changes for, or increase or decrease the voting power of, such Member or such Member Associated Person, with respect to shares of the Company; (D) a representation that the Member is a holder of Shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business; (E) a representation whether the Member or the Member Associated Person, if any, intends or is part of a group which intends (x) to deliver a proxy statement and / or form of proxy to holders of at least the percentage of the Company's outstanding Shares required to adopt the proposal and / or (y) otherwise to solicit proxies from Members in support of such proposal. If requested by the Company, the information required under clauses (A), (B) and (C) of the preceding sentence shall be supplemented by such Member and any Member Associated Person not later than ten days after the later of the record date for the meeting or the date notice of the record date is first publicly disclosed to disclose such information as of the record date; and

(iii) any material interest of the Member or any Member Associated Person in such business.

The Chairperson shall have the power and duty to determine whether any business proposed to be brought before the meeting was made or proposed in accordance with the procedures set forth in this Article, and if any proposed business is not in compliance with this Article 88, to declare that such defective proposal shall be disregarded. The Chairperson shall, if the facts reasonably warrant, refuse to acknowledge that a proposal that is not made in compliance with the procedure specified in this Article, and any such proposal not properly brought before the meeting, be considered.

89. Except where a greater majority is required by the Act or these Articles, any question proposed for a decision of the Members at any general meeting of the Company or a decision of any class of Members at a separate meeting of any class of Shares shall be decided by an Ordinary Resolution.

90. At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll. The Board or the Chairperson may determine the manner in which the poll is to be taken and the manner in which the votes are to be counted.

91. A poll demanded on the election of the Chairperson or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time, not being more than ten days from the date of the meeting or adjourned meeting at which the vote was taken, as the Chairperson of the meeting directs, and any business other than that on which a poll has been demanded may be proceeded with pending the taking of the poll.

92. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded. On a poll, a Member entitled to more than one vote need not use all his or her votes or cast all the votes he or she uses in the same way.

93. If authorised by the Board, any vote taken by written ballot may be satisfied by a ballot submitted by electronic or telephonic transmission, provided that any such electronic or telephonic submission must either set forth or be submitted with information from which it can be determined that the electronic submission or telephonic has been authorised by the Member or proxy.

94. The Board may, and at any general meeting, the Chairperson of such meeting may make such arrangement and impose any requirement or restriction it or he or she considers appropriate to ensure the security of

a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the Chairperson of such meeting are entitled to refuse entry to a person who refuses to comply with such arrangements, requirements or restrictions.

95. Subject to the provisions of the Act, a resolution in writing signed by all of the Members for the time being entitled to attend and vote on such resolution at a general meeting (or being bodies corporate by their duly authorised representatives) shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held, and may consist of several documents in like form each signed by one or more persons, and if described as a special resolution shall be deemed to be a special resolution within the meaning of the Act. Any such resolution shall be served on the Company.

VOTES OF MEMBERS

96. Subject to any rights or restrictions for the time being attached to any class or classes of Shares, every Member of record present in person or by proxy shall have one vote for each Share registered in his or her name in the Register of Members.

97. In the case of joint holders of record the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

98. A Member of unsound mind, a Member who has made an enduring power of attorney, or in respect of whom an order has been made by any court, having jurisdiction in cases of unsound mind, may vote by his or her committee, donee of an enduring power of attorney, receiver, guardian or other person appointed by the foregoing court, and any such committee, donee of an enduring power of attorney, receiver, guardian or other person appointed by the foregoing court may vote by proxy.

99. No Member shall be entitled to vote at any general meeting unless he or she is registered as a Member on the record date for such meeting.

100. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the general meeting whose decision shall be final and conclusive.

101. Votes may be given either personally or by proxy. A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting and may appoint a proxy to vote both in favour of and against the same resolution in such proportion as specified in the instrument appointing the proxy.

PROXIES AND CORPORATE REPRESENTATIVES

102.

102.1. Every Member entitled to attend and vote at a general meeting may appoint a proxy to attend, speak and vote on his or her behalf and may appoint more than one proxy to attend, speak and vote at the same meeting. The appointment of a proxy or corporate representative shall be in such form and may be accepted by the Company at such place and at such time as the Board or the Secretary shall from time to time determine, subject to applicable requirements of the United States Securities and Exchange Commission and the Exchange on which the Shares are listed. No such instrument appointing a proxy or corporate representative shall be voted or acted upon after two (2) years from its date.

102.2. Without limiting the foregoing, the Board may from time to time permit appointments of a proxy to be made by means of an electronic or internet communication or facility and may in a similar manner permit supplements to, or amendments or revocations of, any such electronic or internet communication or facility to be made. For the avoidance of doubt, such appointments of proxy made by electronic or internet communications (as permitted by the Board or the Secretary) would be deemed to be deposited at the place specified for such purpose once received by the Company. The Board may in addition prescribe the method of determining the time at which any such electronic or internet communication or facility is to be treated as deposited at the place specified for such purpose. The Board may treat any such electronic or internet communication or facility which purports to be or is expressed to be sent on behalf of a Member as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that Member.

103. Any body corporate which is a Member of the Company may authorise such person or persons as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company and the person or persons so authorised shall be entitled to exercise the same powers on behalf of the body corporate which he or she represents as that body corporate could exercise if it were an individual Member of the Company. The Company may require evidence from the body corporate of the due authorisation of such person or persons to act as the representative of the relevant body corporate.

104. An appointment of proxy relating to more than one meeting (including any adjournment thereof) having once been received by the Company for the purposes of any meeting shall not require to be delivered, deposited or received again by the Company for the purposes of any subsequent meeting to which it relates.

105. Receipt by the Company of an appointment of proxy in respect of a meeting shall not preclude a Member from attending and voting at the meeting or at any adjournment thereof which attendance and voting will automatically cancel any proxy previously submitted.

106. An appointment of proxy shall be valid, unless the contrary is stated therein, for any adjournment of the meeting as well as for the meeting to which it relates.

107.

107.1. A vote given in accordance with the terms of an appointment of proxy or a resolution authorising a representative to act on behalf of a body corporate shall be valid notwithstanding the death or insanity of the principal, or the revocation of the appointment of proxy or of the authority under which the proxy was appointed or of the resolution authorising the representative to act or transfer of the Share in respect of which the proxy was appointed or the authorisation of the representative to act was given, provided that no direction in writing (whether in electronic form or otherwise) of such death, insanity, revocation or transfer shall have been received by the Company at the Office, before the commencement of the meeting or adjourned meeting at which the appointment of proxy is used or at which the representative acts.

107.2. The Board may send, at the expense of the Company, by post, electronic mail or otherwise, to the Members, forms for the appointment of a proxy (with or without stamped envelopes for their return) for use at any general meeting or at any class meeting, either in blank or nominating any one or more of the Directors or any other persons in the alternative.

DIRECTORS

108. Unless otherwise determined by the Company by Ordinary Resolution, the number of Directors on the Board shall be not less than five (5) nor more than twelve (12). The exact number of Directors shall be fixed from time to time by resolution of the Board.

109. The remuneration to be paid to the Directors shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the

Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Board from time to time, or a combination partly of one such method and partly the other.

110. The Board may approve additional remuneration to any Director undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his or her ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his or her remuneration as a Director.

111. Members of special or standing committees may be allowed like compensation for attending committee meetings.

DIRECTORS' AND OFFICERS' INTERESTS

112. A Director or an officer of the Company who is in any way, whether directly or indirectly, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company shall, in accordance with section 231 of the Act, declare the nature of his or her interest at the first opportunity either (a) at a meeting of the Board at which the question of entering into the contract, transaction or arrangement is first taken into consideration, if the Director or officer of the Company knows this interest then exists, or in any other case, at the first meeting of the Board after learning that he or she is or has become so interested or (b) by providing a general notice to the Directors declaring that he or she is a Director or an officer of, or has an interest in, a person and is to be regarded as interested in any transaction or arrangement made with that person, and after giving such general notice it shall not be necessary to give special notice relating to any particular transaction.

113. A Director may hold any other office or place of profit under the Company (other than the office of its Auditors) in conjunction with his or her office of Director for such period and on such terms as to remuneration and otherwise as the Board may determine. Nothing in Section 228(1)(e) of the Act shall restrict a director from entering into any commitment which has been approved by the Board or has been approved pursuant to such authority as may be delegated by the Board in accordance with these Articles. It shall be the duty of each Director to obtain the prior approval of the Board, before entering into any commitment permitted by Sections 228(1)(e)(ii) and 228(2) of the Act.

114. A Director is expressly permitted (for the purposes of section 228(1)(d) of the Act) to use the property of the Company pursuant to or in connection with: the exercise or performance of his duties, functions and powers as Director or employee; the terms of any contract of service or employment or letter of appointment; and, or in the alternative, any other usage authorised by the Directors (or a person authorised by the Directors) from time to time; and including in each case for a Director's own benefit or for the benefit of another person.

115. A Director may act by himself or herself or by his or her firm in a professional capacity for the Company (other than as its Auditors) and he or she or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Director.

116. A Director may be or become a Director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or Member of any other company or otherwise interested in any company promoted by the Company or in which the Company may be interested as Member or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him or her as a Director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or Member of such other company; provided that he or she has declared the nature of his or her position with, or interest in, such company to the Board in accordance with Article 112 and this has been approved by a majority of the disinterested Directors, notwithstanding the fact that the disinterested Directors may represent less than a quorum.

117. No person shall be disqualified from the office of Director or from being an officer of the Company or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor

shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or officer of the Company shall be in any way interested be or be liable to be avoided, nor shall any Director or officer of the Company so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director or officer of the Company holding office or of the fiduciary relation thereby established; provided that:

117.1. he has declared the nature of his or her interest in such contract or transaction to the Board in accordance with Article 112; and

117.2. the contract or transaction is approved by a majority of the disinterested Directors, notwithstanding the fact that the disinterested Directors may represent less than a quorum.

118. A Director may be counted in determining the presence of a quorum at a meeting of the Board which authorises or approves the contract, transaction or arrangement in which he or she is interested and he or she shall be at liberty to vote in respect of any contract, transaction or arrangement in which he or she is interested, provided that the nature of the interest of any Director in any such contract or transaction shall be disclosed by him or her in accordance with Article 112, at or prior to its consideration and any vote thereon.

119. For the purposes of Article 112:

119.1. a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;

119.2. an interest of which a Director has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers; and

119.3. a copy of every declaration made and notice given under Article 112 shall be entered within three (3) days after the making or giving thereof in a book kept for this purpose. Such book shall be open for inspection without charge by any Director, Secretary, the Auditors or Member of the Company at the registered office and shall be produced at every general meeting of the Company and at any meeting of the Directors if any Director so requests in sufficient time to enable the book to be available at the meeting.

POWERS AND DUTIES OF DIRECTORS

120. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles and to the provisions of the Act. No resolution made by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been made.

121. The Board shall have the power to appoint and remove officers on such terms as the Board sees fit and to give such titles and delegate such responsibilities to those executives as it sees fit.

122. The Company may exercise the powers conferred by Section 44 of the Act with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

123. Subject as otherwise provided with these Articles, the Directors may exercise the voting powers conferred by shares of any other company held or owned by the Company in such manner in all respects as they think fit and in particular they may exercise their voting powers in favour of any resolution appointing the Directors or any of them as Director or officers of such other company or providing for the payment of remuneration or pensions to the Directors or officers of such other company.

124. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person or persons and in such manner as the Directors shall from time to time by resolution determine.

125. The Directors may from time to time authorise such person or persons as they see fit to perform all acts, including without prejudice to the foregoing, to effect a transfer of any Shares, bonds, or other evidences of indebtedness or obligations, subscription rights, warrants, and other securities in another body corporate in which the Company holds an interest and to issue the necessary powers of attorney for the same; and each such person is authorised on behalf of the Company to vote such securities, to appoint proxies with respect thereto, and to execute consents, waivers and releases with respect thereto, or to cause any such action to be taken.

126. The Board may exercise all powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds or such other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

127. The Directors may procure the establishment and maintenance of or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors or other officers) who are or shall have been at any time in the employment or service of the Company or of any company which is or was a subsidiary of the Company or of the predecessor in business of the Company or any such subsidiary or holding Company and the wives, husbands, widows, widowers, families, relatives or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription to and support of any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or its Members, and payments for or towards the issuance of any such persons as aforesaid and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. Provided that any Director shall be entitled to retain any benefit received by him or her under this Article 127, subject only, where the Act requires, to disclosure to the Members and the approval of the Company in general meeting.

128. The Board may from time to time provide for the management of the affairs of the Company in such manner as it shall think fit and the specific delegation provisions contained in the Articles shall not limit the general powers conferred by these Articles.

MINUTES

129. The Board shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Board, all resolutions and proceedings at meetings of the Company or the holders of any class of Shares, of the Directors and of committees of Directors, including the names of the Directors present at each meeting.

DELEGATION OF THE BOARD'S POWERS

130. The Board may delegate any of its powers (with power to sub-delegate) to any committee consisting of one or more Directors. The Board may also delegate to any Director, officer or member of the management of the Company or any of its subsidiaries such of its powers as it considers desirable to be exercised by him or her. The Board may also designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of the Board shall be governed by the Articles regulating the proceedings of

Directors, so far as they are capable of applying. Each committee shall keep regular minutes and report to the Board when required.

131. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company on such conditions as the Board may determine, provided that the delegation is not to the exclusion of its own powers and may be revoked by the Board at any time.

132. The Board may, by power of attorney or otherwise, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Board may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him or her.

CHAIRPERSON AND EXECUTIVE OFFICERS

133. The Board may elect any Director as Chairperson of the Board and determine the period for which he or she is to hold office.

134. In addition to the Chairperson, the Directors and the Secretary, the Company may have such officers as the Board may from time to time determine and, without limitation to the foregoing, may appoint any person (whether or not a Director) to fill the position of chief executive officer.

135. The use of the word "officer" (or similar words) in the title of any executive or other position shall not be deemed to imply that the person holding such executive or other position is an "officer" of the Company within the meaning of the Act.

PROCEEDINGS OF DIRECTORS

136. Except as otherwise provided by these Articles, the Directors shall meet together for the despatch of business, convening, adjourning and otherwise regulating their meetings and procedures as they think fit. Questions arising at any meeting shall be decided by a majority of votes of the Directors present at a meeting at which there is a quorum. Each Director shall have one vote.

137. Regular meetings of the Board may be held at such times and places as may be provided for in resolutions adopted by the Board. No additional notice of a regularly scheduled meeting of the Board shall be required.

138. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors by at least 24 hours' notice in writing to every Director, which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors either at, before or after the meeting is held and provided further if notice is given in person, by telephone, cable, telex, telecopy or email, the same shall be deemed to have been given on the day it is delivered to the Directors or transmitting organisation as the case may be. The accidental omission to give notice of a meeting of the Directors to, or the non-receipt of notice of a meeting by any person entitled to receive notice, shall not invalidate the proceedings of that meeting.

139. The quorum necessary for the transaction of the business of the Board may be fixed by the Board from time to time and unless so fixed shall be a majority of the Directors in office. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

140. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of

Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

141. Any casual vacancy shall only be filled by decision of a majority of the Board then in office, provided that a quorum is present. Any Director elected to fill a vacancy not resulting from an increase in the number of Directors shall have the same remaining term as that of his or her predecessor. Any vacancy on the Board, including a vacancy that results from an increase in the number of Directors or from the death, resignation, retirement, disqualification or removal of a Director, shall be deemed a casual vacancy.

142. If no Chairperson is elected, or if at any meeting the Chairperson is not present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be the Chairperson of the meeting.

143. All acts done by any meeting of the Directors or of a committee of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director.

144. Members of the Board or of any committee thereof may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. Unless otherwise determined by the Directors the meeting shall be deemed to be held at the place where the telephone call or similar communication was initiated.

145. A resolution in writing (in one or more counterparts), signed by all the Directors for the time being or all the members of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee as the case may be duly convened and held.

RESIGNATION AND DISQUALIFICATION OF DIRECTORS

146. The office of a Director shall be vacated ipso facto:

146.1. if he or she resigns his or her office, on the date on which notice of his or her resignation is delivered to the registered office or tendered at a meeting of the Board or on such later date as may be specified in such notice; or

146.2. on him or her being prohibited by law from being a Director; or

146.3. on him or her ceasing to be a Director by virtue of any provision of the Act.

APPOINTMENT, ROTATION, REMOVAL AND NOMINATION OF DIRECTORS

147.

147.1. No person shall be appointed a Director, unless nominated in accordance with the provisions of this Article 147. Nominations of persons for election to the Board at a general meeting may be made:

(a) by the affirmative vote of the Board;

(b) with respect to election at an annual general meeting, by any Member who holds ordinary Shares or other Shares carrying the general right to vote at general meetings of the Company, who is a Member at the time of the giving of the notice provided for in Article 147.2 and at the time of the relevant annual general meeting, and who timely complies with the notice procedures set forth in this Article 147; and

(c) with respect to election at an extraordinary general meeting requisitioned in accordance with section 178(3) of the Act, by a Member or Members who hold ordinary Shares or other Shares carrying the general right to vote at general meetings of the Company and who make such nomination in the written requisition of the extraordinary general meeting in accordance with these Articles and the Act relating to nominations of Directors and the proper bringing of special business before an extraordinary general meeting,

(sub-clauses (b) and (c) being the exclusive means for a Member to make nominations of persons for election to the Board).

147.2. For nominations of persons for election as Directors at an annual general meeting to be timely, a Member's notice must comply with the requirements of Article 88.2.

147.3. To be in proper written form, a Member's notice for nomination(s) of person(s) for election must in addition to any other applicable requirements set forth:

(a) as to each person whom the Member proposes to nominate for election or re−election as a Director:

(i) the name, age, business address and residence address of such person;

(ii) the principal occupation or employment of such person;

(iii) the class and number of Shares of which are beneficially owned by such person in the Company and any other direct or indirect pecuniary or economic interest in any Shares of the Company of such person, including, without limitation, any derivative instrument, swap, option, warrant, short interest, hedge or profit sharing arrangement; and

(iv) any other information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of Directors, or is otherwise required, in each case pursuant to section 14 of the Exchange Act, and the rules and regulations promulgated thereunder (including, without limitation, such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected),

(b) as to the Member giving the notice and the beneficial owner, if any, on whose behalf the nomination is made:

(i) the name and address, as they appear on the Company's Register of Members, of such Member, and of such beneficial owner;

(ii) the class and number of Shares in the Company which are beneficially owned by such Member and such beneficial owner and any other direct or indirect pecuniary or economic interest in any capital Shares of the Company of such Member and such beneficial owner, including, without limitation, any derivative instrument, swap, option, warrant, short interest, hedge or profit sharing arrangement;

(iii) a description of any arrangements or understandings between such Member and each proposed nominee and any other person (including their names) pursuant to which the nomination(s) are to be made by such Member and such beneficial owner;

(iv) a representation that such Member intends to appear in person or by proxy at the meeting to nominate the persons named in its notice; and

(v) any other information relating to such Member and such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of Directors, or may otherwise be required, in each case pursuant to section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

147.4. Notwithstanding the foregoing provisions of this Article 147, unless otherwise required by law, if the Member (or a qualified representative of the Member) does not appear at the meeting of Members of the Company to present a nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Company.

147.5. The Chairperson of the meeting shall determine whether a nomination was not made in accordance with the procedures prescribed by these Articles, and if he or she should so determine, he or she shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

147.6. The Company may require any proposed nominee to furnish such other information as it may reasonably require, including the completion of any questionnaires to determine the eligibility of such proposed nominee to serve as a Director of the Company and the impact that such service would have on the ability of the Company to satisfy the requirements of laws, rules, regulations and listing standards applicable to the Company or its Directors.

148. At every annual general meeting of the Company, all of the Directors shall retire from office unless re-elected by Ordinary Resolution at the annual general meeting. A Director retiring at a meeting shall retain office until the close of that meeting (including any adjournment thereof).

149. Every Director shall be eligible to stand for re-election at an annual general meeting.

150. If a Director offers himself for re-election, he shall be deemed to have been re-elected, unless at such meeting the Ordinary Resolution for the re-election of such Director has been defeated.

151. The Company may, by Ordinary Resolution, of which notice has been given in accordance with section 146 of the Act, remove any Director before the expiration of his or her period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him or her and the Company.

152. The Company may, by Ordinary Resolution, appoint another person in place of a Director removed from office under Article 151 and without prejudice to the powers of the Directors under Article 108, the Company in general meeting by Ordinary Resolution may appoint any person to be a Director either to fill a casual vacancy or as an additional Director, subject to the maximum number of Directors set out in Article 108.

153. Notwithstanding any other provision of these Articles, the Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed the number fixed by or in accordance with these Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, such Director shall vacate office at the conclusion thereof.

ALTERNATE DIRECTORS

154.

154.1. Any Director may appoint by writing under his or her hand one or more persons (including another Director) to be his or her alternate provided always that no such appointment of any person(s) other than a Director as an alternate shall be operative unless and until such appointment(s) shall have been approved by resolution of the Directors.

154.2. An alternate Director shall be entitled, subject to him or her giving to the Company an address, to receive notices of all meetings of the Directors and of all meetings of committees of Directors of which his or her appointor is a member, to attend and vote at any such meeting at which the Director appointing him or her is not personally present and in the absence of his or her appointor to exercise all the powers, rights, duties and authorities of his or her appointor as a Director (other than the right to appoint an alternate hereunder).

154.3. Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his or her own acts and defaults and he or she shall not be deemed to be the agent of the Director appointing him or her. The remuneration of any such alternate Director shall be payable out of the remuneration paid to the Director appointing him or her and shall consist of such portion of the last mentioned remuneration as shall be agreed between the alternate and the Director appointing him or her.

154.4. A Director may revoke at any time the appointment of any alternate appointed by him or her. If a Director shall die or cease to hold the office of Director, the appointment of his or her alternate shall thereupon cease and determine but if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he or she retires, any appointment of an alternate Director made by him or her which was in force immediately prior to his or her retirement shall continue after his or her re-appointment.

154.5. Any appointment or revocation pursuant to this Article 154 may be sent by delivery, post, cable, commercial courier, telegram, telex, telefax, electronic mail or any other means of communication approved by the Directors and may bear a printed or facsimile signature of the Director making such appointment or revocation or in any other manner approved by the Directors.

SECRETARY

155. The Secretary shall be appointed by the Board at such remuneration (if any) and on such terms as the Board sees fit and any Secretary so appointed may be removed by the Board at any time.

156. The duties of the Secretary shall be those prescribed by the Act, together with such other duties as shall from time to time be prescribed by the Board, and in any case, shall include the making and keeping of records of the votes, doings and proceedings of all meetings of the Members and the Board of the Company, and committees, and the authentication of records of the Company.

157. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

SEAL

158. The Company may, if the Board so determines, have a Seal (including any official seals kept pursuant to the Act) which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that regard and every instrument to which the Seal has been affixed shall be signed by any person who shall be either a Director or the Secretary or some other person authorised by the Board, either generally or specifically, for the purpose.

159. The Company may have for use in any place or places outside Ireland, a duplicate Seal or Seals each of which shall be a duplicate of the Seal of the Company except, in the case of a seal for use in sealing documents creating or evidencing securities issued by the Company, for the addition on its face of the word "Securities" and if the Board so determines, with the addition on its face of the name of every place where it is to be used.

DIVIDENDS, DISTRIBUTIONS AND RESERVES

160. The Company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the Board. Any general meeting declaring a dividend and any resolution of the Directors declaring an interim dividend may direct payment of such dividend or interim dividend wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stocks of any other company or in any one or more of such ways, and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all the parties, and may vest any such specific assets in trustees as may seem expedient to the Board.

161. Subject to the Act, the Board may from time to time declare dividends (including interim dividends) and distributions on Shares outstanding and authorise payment of the same out of the funds of the Company lawfully available therefore and in any currency chosen at its discretion.

162. The Board may, before declaring any dividends or distributions, set aside such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company. The Directors may also, without placing the same to reserve, carry forward any profits which they may think it prudent not to dividend.

163. No dividend, interim dividend or distribution shall be paid otherwise than in accordance with the provisions of section 117 of the Act.

164. Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends or distributions, if dividends or distributions are to be declared on a class of Shares, they shall be declared and paid according to the amounts paid or credited as paid on the Shares of such class outstanding on the record date for such dividend or distribution as determined in accordance with these Articles.

165. The Directors may deduct from any dividend payable to any Member all sums of money (if any) immediately payable by him or her to the Company in relation to his or her Shares.

166. The Board or any general meeting declaring a dividend (upon the recommendation of the Board), may direct that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures, or debenture stock or similar instrument of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Board.

167. Any dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post, or sent by any electronic or other means of payment, directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant, electronic or other payment shall be made payable to the order of the person to whom it is sent and payment of the cheque or warrant shall be a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the Share held by them as joint holders. Any such dividend or other distribution may also be paid by any other method (including payment in a currency other than US$, electronic funds transfer, direct debit, bank transfer or by means of a relevant system) which the Directors consider appropriate and any Member who elects for such method of payment shall be deemed to have accepted all of the risks inherent therein. The debiting of the Company's account in respect of the relevant amount shall be evidence of good discharge of the Company's obligations in respect of any payment made by any such methods.

168. No dividend or distribution shall bear interest against the Company.

169. If the Directors so resolve, any dividend which has remained unclaimed for six (6) years from the date of its declaration shall be forfeited and cease to remain owing by the Company. The payment by the Directors of any unclaimed dividend or other monies payable in respect of a Share into a separate account shall not constitute the Company a trustee in respect thereof.

CAPITALISATION

170. Without prejudice to any powers conferred on the Directors as aforesaid, and subject to the Board's authority to issue and allot Shares under Articles 7 and 8, the Board may:

170.1. resolve to capitalise an amount standing to the credit of reserves (including a share premium account, undenominated capital account, capital redemption reserve and profit and loss account), whether or not available for distribution;

170.2. appropriate the sum resolved to be capitalised to the Members in proportion to the nominal amount of Shares held by them respectively and apply that sum on their behalf in or towards paying up in full unissued Shares or debentures of a nominal amount equal to that sum, and allot the Shares or debentures, credited as fully paid, to the Members (or as the Board may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, undenominated capital account, the capital redemption reserve and profits that are not available for distribution may, for the purposes of this Article 170, only be applied in paying up unissued Shares to be allotted to Members credited as fully paid;

170.3. make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions, the Board may deal with the fractions as it thinks fit;

170.4. authorise a person to enter (on behalf of all the Members concerned) into an agreement with the Company providing for the allotment to the Members respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation and any such agreement made under this authority being effective and binding on all those Members; and

170.5. generally do all acts and things required to give effect to the resolution.

ACCOUNTING RECORDS

171. The Board shall cause to be kept accounting records, whether in the form of documents, electronic form or otherwise, that:

171.1. correctly record and explain the transactions of the Company;

171.2. will at any time enable the financial position of the Company to be determined with reasonable accuracy;

171.3. will enable the Board to ensure that any balance sheet, profit and loss account or income and expenditure account of the Company complies with the requirements of the Act;

171.4. will record all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company; and

171.5. will enable the accounts of the Company to be readily and properly audited.

172. Accounting records shall be kept on a continuous and consistent basis and entries therein shall be made in a timely manner and be consistent from year to year. The Company may send by post, electronic mail or any other means of electronic communication a summary financial statement to its Members or persons

nominated by any Member. The Company may meet, but shall be under no obligation to meet, any request from any of its Members to be sent additional copies of its full report and accounts or summary financial statement or other communications with its Members.

173. The accounting records shall be kept at the registered office of the Company or, subject to the provisions of the Act, at such other place as the Directors think fit and shall be open at all reasonable times to the inspection of the Directors.

174. Accounting records shall not be deemed to be kept as required by Articles 171 to 173, if there are not kept such accounting records as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

175. In accordance with the provisions of the Act, the Board may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

176. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the annual general meeting of the Company together with a copy of the Directors' report and Auditors' report shall be sent by post, electronic mail or any other means of communication (electronic or otherwise), not less than twenty-one (21) clear days before the date of the annual general meeting, to every person entitled under the provisions of the Act to receive them; provided that in the case of those documents sent by electronic mail or any other means of electronic communication, such documents shall be sent with the consent of the recipient, to the Address of the recipient notified to the Company by the recipient for such purposes.

AUDIT

177. Auditors shall be appointed and their duties regulated in accordance with Chapter 18 of the Act or any statutory amendment thereof, any other applicable law and such requirements not inconsistent with the Act as the Board may from time to time determine.

NOTICES

178. Any notice to be given, served, sent or delivered pursuant to these Articles shall be in writing (whether in electronic form or otherwise).

178.1. A notice or document to be given, served, sent or delivered in pursuance of these Articles, and the annual report of the Company, may be given to, served on or delivered to any Director, Member or committee member by the Company:

(a) by handing same to their authorised agent;

(b) by delivering same to their registered address;

(c) by sending same by the post in a pre-paid cover addressed to their registered address; or

(d) by sending, with the consent of the Director, Member or committee member to the extent required by law, same by means of electronic mail or other means of electronic communication approved by the Directors, to the Address of the Director, Member or committee member notified to the Company by the Director, Member or committee member for such purpose (or if not so notified, then to the Address of the Director, Member or committee member last known to the Company).

178.2. For the purposes of these Articles and the Act, a document shall be deemed to have been sent to a Director, Member or committee member if a notice is given, served, sent or delivered to the Director, Member or committee member and the notice specifies the website or hotlink or other electronic link at or through which the Director, Member or committee member may obtain a copy of the relevant document.

178.3. Where a notice or document is given, served or delivered pursuant to sub-paragraph 178.1(a) or 178.1(b) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the time the same was handed to the Director, Member or committee member or his or her authorised agent, or left at his or her registered Address (as the case may be).

178.4. Where a notice or document is given, served or delivered pursuant to sub-paragraph 178.1(c) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the expiration of twenty-four (24) hours after the cover containing it was posted. In proving service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

178.5. Where a notice or document is given, served or delivered pursuant to sub-paragraph 178.1(d) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the expiration of forty-eight (48) hours after despatch.

178.6. Every legal personal representative, committee, receiver, curator bonis or other legal curator, assignee in bankruptcy, examiner or liquidator of a Member shall be bound by a notice given as aforesaid if sent to the last registered Address of such Member, or, in the event of notice given or delivered pursuant to sub-paragraph 178.1(d), if sent to the Address notified by the Company by the Member for such purpose notwithstanding that the Company may have notice of the death, lunacy, bankruptcy, liquidation or disability of such Member.

178.7. Notwithstanding anything contained in this Article, the Company shall not be obliged to take account of or make any investigations as to the existence of any suspension or curtailment of postal services within or in relation to all or any part of any jurisdiction.

178.8. Any requirement in these Articles for the consent of a Member in regard to the receipt by such Member of electronic mail or other means of electronic communications approved by the Directors, including the receipt of the Company's annual report, statutory financial statements and the Directors' and auditor's reports thereon, shall be deemed to have been satisfied where the Company has written to the Member informing him or her of its intention to use electronic communications for such purposes and the Member has not, within four (4) weeks of the issue of such notice, served an objection in writing on the Company to such proposal. Where a Member has given, or is deemed to have given, his/her consent to the receipt by such Member of electronic mail or other means of electronic communications approved by the Directors, she/he may revoke such consent at any time by requesting the Company to communicate with him or her in documented form; provided, however, that such revocation shall not take effect until five (5) days after written notice of the revocation is received by the Company.

178.9. Without prejudice to the provisions of sub-paragraphs 178.1(a) and 178.1(b) of this Article, if at any time by reason of the suspension or curtailment of postal services in any territory, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a public announcement (as defined below) and such notice shall be deemed to have been duly served on all Members entitled thereto at noon (New York time) on the day on which the said public announcement is made. In any such case the Company shall put a full copy of the notice of the general meeting on its website. A "public announcement" shall mean disclosure in a press release reported by a financial news service or in a document publicly filed by the Company with the U.S. Securities and Exchange Commission pursuant to sections 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

179. Notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder whose name stands first in the Register in respect of the Share and notice so given shall be sufficient notice to all the joint holders.

180.

180.1. Every person who becomes entitled to a Share shall before his or her name is entered in the Register in respect of the Share, be bound by any notice in respect of that Share which has been duly given to a person from whom he or she derives his or her title.

180.2. A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a Member, addressed to them at the address, if any, supplied by them for that purpose. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

181. The signature (whether electronic signature, an advanced electronic signature or otherwise) to any notice to be given by the Company may be written (in electronic form or otherwise) or printed.

182. A Member present, either in person or by proxy, at any meeting of the Company or the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

UNTRACED HOLDERS

183.

183.1. The Company shall be entitled to sell at the best price reasonably obtainable, any Share or stock of a Member or any Share or stock to which a person is entitled by transmission if and provided that:

(a) for a period of six (6) years (not less than three (3) dividends having been declared and paid) no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the Member or to the person entitled by transmission to the Share or stock at his or her address on the Register or other than the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission; and

(b) at the expiration of the said period of six (6) years the Company has given notice by advertisement in a leading newspaper circulating in the area in which the address referred to in paragraph (a) of this Article is located of its intention to sell such Share or stock; and

(c) the Company has not during the further period of three (3) months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission.

183.2. To give effect to any such sale, the Company may appoint any person to execute as transferor an instrument of transfer of such Share or stock and such instrument of transfer shall be as effective as if it had been executed by the Member or person entitled by transmission to such Share or stock. The Company shall account to the Member or other person entitled to such Share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

DESTRUCTION OF DOCUMENTS

184. Former shareholders of Paladin Labs Inc. ("Paladin") who do not deliver their Paladin share certificates and all other required documentation to Paladin's exchange agent on or before the second anniversary of the completion of the Company's indirect acquisition of Paladin (the "Paladin Acquisition") may in the absolute discretion of the Board, have their relevant Shares repurchased by the Company for nil

consideration in accordance with the procedures set out in Article 31.3 and thereafter shall cease to have a claim or interest of any kind or nature as a Member and shall lose their right to receive any dividend or other distribution declared by the Company with respect to his or her relevant Shares after the completion of the Paladin Acquisition.

185. The Company may destroy:

185.1. any dividend mandate or any variation or cancellation thereof or any notification of change of name or address, at any time after the expiry of two (2) years from the date such mandate variation, cancellation or notification was recorded by the Company;

185.2. any instrument of transfer of Shares which has been registered, at any time after the expiry of six (6) years from the date of registration; and

185.3. any other document on the basis of which any entry in the Register was made, at any time after the expiry of six (6) years from the date an entry in the Register was first made in respect of it;

185.4. and it shall be presumed conclusively in favour of the Company that every share certificate (if any) so destroyed was a valid certificate duly and properly sealed and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided always that:

(a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;

(b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and

(c) references in this Article to the destruction of any document include references to its disposal in any manner.

WINDING UP

186. If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up or credited as paid up share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up or credited as paid up at the commencement of the winding up on the Shares held by them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the share capital paid up or credited as paid up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital at the commencement of the winding up paid up or credited as paid up on the said Shares held by them respectively. Provided that this Article shall not affect the rights of the Members holding Shares issued upon special terms and conditions.

186.1. In case of a sale by the liquidator under section 601 of the Act, the liquidator may by the contract of sale agree so as to bind all the Members, for the allotment to the Members directly, of the proceeds of sale in proportion to their respective interests in the Company and may further, by the contract, limit a time at the expiration of which obligations or Shares not accepted or required to be sold shall be deemed to have been irrevocably refused and be at the disposal of the Company, but so that nothing herein contained shall be taken to diminish, prejudice or affect the rights of dissenting Members conferred by the said section.

186.2. The power of sale of the liquidator shall include a power to sell wholly or partially for debentures, debenture stock, or other obligations of another company, either then already constituted or about to be constituted for the purpose of carrying out the sale.

187. If the Company is wound up, the liquidator, with the sanction of a Special Resolution and any other sanction required by the Act, may divide amongst the Members *in specie* or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not), and, for such purpose, may value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator, with the like sanction, may vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as, with the like sanction, he or she determines, but so that no Member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

188.

188.1. Subject to the provisions of, and so far as may be permitted by, the Act, every Director and Secretary shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him or her in the execution and discharge of his or her duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his or her favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part) or in which he or she is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

188.2. As far as permissible under the Act, the Company shall indemnify any current or former executive or officer of the Company (excluding any Directors or Secretary) or any person who is serving or has served at the request of the Company as a Director, executive, officer or trustee of another company, joint venture, trust or other enterprise against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Company, to which he or she was, is, or is threatened to be, made a party by reason of the fact that he or she is or was such a Director, executive, officer or trustee, provided always that the indemnity contained in this Article 188.2 shall not extend to any matter which would render it void pursuant to the Act.

188.3. In the case of any threatened, pending or completed action, suit or proceeding by or in the right of the Company, the Company shall indemnify each person indicated in Article 188.2 against expenses, including attorneys' fees, actually and reasonably incurred in connection with the defence or the settlement thereof, except no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for fraud or dishonesty in the performance of his or her duty to the Company unless and only to the extent that the Court or the Court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court shall deem proper.

188.4. As far as permissible under the Act, expenses, including attorneys' fees, incurred in defending any action, suit or proceeding referred to in Articles 188.2 and 188.3 may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorised by the Board in the specific case upon receipt of an undertaking by or on behalf of the Director, executive, officer or trustee, or other indemnitee

to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Company as authorised by these Articles.

188.5. It being the policy of the Company that indemnification of the persons specified in this Article shall be made to the fullest extent permitted by law, the indemnification provided by this Article shall not be deemed exclusive (a) of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Memorandum, Articles, any agreement, any insurance purchased by the Company, any vote of Members or disinterested Directors, or pursuant to the direction (however embodied) of any court of competent jurisdiction, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, or (b) of the power of the Company to indemnify any person who is or was an employee or agent of the Company or of another company, joint venture, trust or other enterprise which he or she is serving or has served at the request of the Company, to the same extent and in the same situations and subject to the same determinations as are hereinabove set forth with respect to a Director, executive, officer or trustee. As used in this Article 188.5, references to the "Company" include all constituent companies in a consolidation or merger in which the Company or a predecessor to the Company by consolidation or merger was involved. The indemnification provided by this Article shall continue as to a person who has ceased to be a Director, executive, officer or trustee and shall inure to the benefit of the heirs, executors, and administrators of such a person.

188.6. The Directors shall have power to purchase and maintain for any Director, the Secretary or other officers or employees of the Company insurance against any such liability as referred to in section 235 of the Act.

188.7. The Company may additionally indemnify any employee or agent of the Company or any Director, executive, officer, employee or agent of any of its subsidiaries to the fullest extent permitted by law.

FINANCIAL YEAR

189. The financial year of the Company shall be as prescribed by the Board from time to time.

SHAREHOLDER RIGHTS PLAN

190. The Board is hereby expressly authorised to adopt any shareholder rights plan, upon such terms and conditions as the Board deems expedient and in the best interests of the Company, subject to applicable law.

We, the corporate body whose name and address is subscribed, wish to be formed into a company in pursuance of this memorandum of association, and we agree to take the number of shares in the capital of the Company set opposite our respective names.

Name, Address and Description of the Subscriber	Number of shares taken by the Subscriber
For and on behalf of Goodbody Subscriber One Limited IFSC, North Wall Quay, Dublin 1 Limited Liability Company	One Ordinary Share of EUR€1.00 each
For and on behalf of Goodbody Subscriber Two Limited IFSC, North Wall Quay, Dublin 1 Limited Liability Company	One Ordinary Share of EUR€1.00 each

Total Number of Shares Taken: 2

Dated

Witness to the above signature: _____

Name:

Address:

Occupation:

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Paul V. Campanelli, 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/ PAUL V. CAMPANELLI

Paul V. Campanelli

President and Chief Executive Officer
(Principal Executive Officer)

Date: August 8, 2017

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Blaise Coleman, 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/ BLAISE COLEMAN

Blaise Coleman

Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Date: August 8, 2017

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, Paul V. Campanelli, 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 June 30, 2017 (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/ PAUL V. CAMPANELLI

Name: Paul V. Campanelli

Title: President and Chief Executive Officer
(Principal Executive Officer)

Date: August 8, 2017

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, Blaise Coleman, 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 June 30, 2017 (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/ BLAISE COLEMAN

Name: Blaise Coleman

Title: Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Date: August 8, 2017

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.