UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2017

OR

☐ **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	Exact name of registrant as specified in its charter, principal office and address and telephone number	State of incorporation or organization	I.R.S. Employer Identification No.
001-36867	Allergan plc Clonshaugh Business and Technology Park Coolock, Dublin, D17 E400, Ireland (862) 261-7000	Ireland	98-1114402
001-36887	Warner Chilcott Limited Cannon's Court 22 Victoria Street Hamilton HM 12 Bermuda (441) 295-2244	Bermuda	98-0496358

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:

Allergan plc	YES ☒	NO ☐
Warner Chilcott Limited	YES ☒	NO ☐

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).

Allergan plc	YES ☒	NO ☐
Warner Chilcott Limited	YES ☒	NO ☐

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. (Check one):

Allergan plc	Large accelerated filer	☒	Accelerated filer	☐
	Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☐
	Emerging growth company	☐		
Warner Chilcott Limited	Large accelerated filer	☐	Accelerated filer	☐
	Non-accelerated filer (Do not check if a smaller reporting company)	☒	Smaller reporting company	☐
	Emerging growth company	☐		

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Allergan plc	YES ☐	NO ☒
Warner Chilcott Limited	YES ☐	NO ☒

Number of shares of Allergan plc's Ordinary Shares outstanding on May 3, 2017: 335,867,027. There is no trading market for securities of Warner Chilcott Limited, all of which are indirectly wholly owned by Allergan plc.

This Quarterly Report on Form 10-Q is a combined report being filed separately by two different registrants: Allergan plc and Warner Chilcott Limited. Warner Chilcott Limited is an indirect wholly-owned subsidiary of Allergan plc. The information in this Quarterly Report on Form 10-Q is equally applicable to Allergan plc and Warner Chilcott Limited, except where otherwise indicated. Warner Chilcott Limited meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and, to the extent applicable, is therefore filing this form with a reduced disclosure format.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

ALLERGAN PLC
CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except par value)

	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,092.9	$ 1,724.0
Marketable securities	7,858.2	11,501.5
Accounts receivable, net	2,542.0	2,531.0
Inventories	904.7	718.0
Prepaid expenses and other current assets	1,302.9	1,383.4
Total current assets	13,700.7	17,857.9
Property, plant and equipment, net	1,659.3	1,611.3
Investments and other assets	283.2	282.1
Non current assets held for sale	27.0	27.0
Deferred tax assets	255.4	233.3
Product rights and other intangibles	62,994.2	62,618.6
Goodwill	47,917.1	46,356.1
Total assets	$ 126,836.9	$ 128,986.3
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 4,795.4	$ 5,019.0
Income taxes payable	69.8	57.8
Current portion of long-term debt and capital leases	5,526.4	2,797.9
Total current liabilities	10,391.6	7,874.7
Long-term debt and capital leases	26,223.0	29,970.8
Other long-term liabilities	1,060.5	1,085.0
Other taxes payable	914.5	886.2
Deferred tax liabilities	13,048.5	12,969.1
Total liabilities	51,638.1	52,785.8
Commitments and contingencies (Refer to Note 19)		
Equity:		
Preferred shares, $0.0001 par value per share, 5.1 million shares authorized, 5.1 million and 5.1 million shares issued and outstanding, respectively	$ 4,929.7	$ 4,929.7
Ordinary shares; $0.0001 par value per share; 1,000.0 million shares authorized, 335.6 million and 334.9 million shares issued and outstanding, respectively	-	-
Additional paid-in capital	54,107.1	53,958.9
Retained earnings	15,429.9	18,342.5
Accumulated other comprehensive income / (loss)	721.7	(1,038.4)
Total shareholders' equity	75,188.4	76,192.7
Noncontrolling interest	10.4	7.8
Total equity	75,198.8	76,200.5
Total liabilities and equity	$ 126,836.9	$ 128,986.3

See accompanying Notes to Consolidated Financial Statements.

ALLERGAN PLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in millions, except per share amounts)

	Three Months Ended March 31,	
	2017	**2016**
Net revenues	$ 3,572.9	$ 3,399.3
Operating expenses:		
Cost of sales (excludes amortization and impairment of acquired intangibles including product rights)	450.4	477.4
Research and development	759.9	403.1
Selling and marketing	869.1	766.8
General and administrative	316.1	329.5
Amortization	1,736.0	1,589.7
In-process research and development impairments	340.0	6.0
Asset sales and impairments, net	7.4	(1.7)
Total operating expenses	4,478.9	3,570.8
Operating (loss)	(906.0)	(171.5)
Interest income	25.3	2.9
Interest (expense)	(289.7)	(332.8)
Other (expense) income, net	(1,922.8)	0.5
Total other (expense), net	(2,187.2)	(329.4)
(Loss) before income taxes and noncontrolling interest	(3,093.2)	(500.9)
(Benefit) for income taxes	(532.1)	(408.7)
Net (loss) from continuing operations, net of tax	(2,561.1)	(92.2)
(Loss) / income from discontinued operations, net of tax	(3.1)	348.6
Net (loss) / income	(2,564.2)	256.4
(Income) attributable to noncontrolling interest	(1.0)	(0.7)
Net (loss) / income attributable to shareholders	(2,565.2)	255.7
Dividends on preferred shares	69.6	69.6
Net (loss) / income attributable to ordinary shareholders	$ (2,634.8)	$ 186.1
(Loss) / income per share attributable to ordinary shareholders - basic:		
Continuing operations	$ (7.85)	$ (0.41)
Discontinued operations	(0.01)	0.88
Net (loss) / income per share - basic	$ (7.86)	$ 0.47
(Loss) / income per share attributable to ordinary shareholders - diluted:		
Continuing operations	$ (7.85)	$ (0.41)
Discontinued operations	(0.01)	0.88
Net (loss) / income per share - diluted	$ (7.86)	$ 0.47
Dividends per ordinary share	$ 0.70	$ -
Weighted average shares outstanding:		
Basic	335.1	394.8
Diluted	335.1	394.8

See accompanying Notes to Consolidated Financial Statements.

ALLERGAN PLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) / INCOME
(Unaudited; in millions)

	Three Months Ended March 31,	
	2017	**2016**
Net (loss) / income	$ (2,564.2)	$ 256.4
Other comprehensive income		
Foreign currency translation gains	162.6	542.8
Net impact of other-than-temporary loss on investment in Teva securities	1,599.4	-
Unrealized (losses), net of tax	(1.9)	(20.3)
Total other comprehensive income, net of tax	1,760.1	522.5
Comprehensive (loss) / income	(804.1)	778.9
Comprehensive (income) attributable to noncontrolling interest	(1.0)	(0.7)
Comprehensive (loss) / income attributable to ordinary shareholders	$ (805.1)	$ 778.2

See accompanying Notes to Consolidated Financial Statements.

ALLERGAN PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Three Months Ended March 31,	
	2017	**2016**
Cash Flows From Operating Activities:		
Net (loss) / income	$ (2,564.2)	$ 256.4
Reconciliation to net cash provided by operating activities:		
Depreciation	41.6	42.1
Amortization	1,736.0	1,592.1
Provision for inventory reserve	23.9	59.2
Share-based compensation	62.7	99.0
Deferred income tax benefit	(712.8)	(519.2)
In-process research and development impairments	340.0	6.0
Loss / (gain) on asset sales and impairments, net	7.4	(1.7)
Net income impact of other-than-temporary loss on investment in Teva securities	1,978.0	-
Amortization of inventory step-up	27.9	42.4
Amortization of deferred financing costs	6.7	10.0
Contingent consideration adjustments, including accretion	30.7	33.6
Other, net	(18.8)	(9.1)
Changes in assets and liabilities (net of effects of acquisitions):		
Decrease / (increase) in accounts receivable, net	53.2	(148.6)
Decrease / (increase) in inventories	(50.5)	(148.5)
Decrease / (increase) in prepaid expenses and other current assets	2.5	14.4
Increase / (decrease) in accounts payable and accrued expenses	(363.7)	31.3
Increase / (decrease) in income and other taxes payable	123.8	(52.2)
Increase / (decrease) in other assets and liabilities	(1.1)	(54.1)
Net cash provided by operating activities	723.3	1,253.1
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(33.2)	(84.9)
Additions to product rights and other intangibles	(346.3)	-
Additions to investments	(6,387.9)	-
Proceeds from sale of investments and other assets	9,655.3	19.0
Proceeds from sales of property, plant and equipment	0.7	12.1
Acquisitions of businesses, net of cash acquired	(2,874.4)	-
Net cash provided by / (used in) investing activities	14.2	(53.8)
Cash Flows From Financing Activities:		
Proceeds from borrowings on credit facility and other	-	900.0
Payments on debt, including capital lease obligations and credit facility	(1,015.9)	(854.2)
Proceeds from stock plans	52.6	69.6
Payments of contingent consideration	(76.3)	(32.3)
Repurchase of ordinary shares	(29.5)	(53.2)
Dividends	(305.8)	(69.6)
Net cash (used in) financing activities	(1,374.9)	(39.7)
Effect of currency exchange rate changes on cash and cash equivalents	6.3	5.2
Net (decrease) / increase in cash and cash equivalents	(631.1)	1,164.8
Cash and cash equivalents at beginning of period	1,724.0	1,096.0
Cash and cash equivalents at end of period	$ 1,092.9	$ 2,260.8
Supplemental Disclosures of Cash Flow Information		
Other income taxes paid, net of refunds	$ 55.0	$ 60.2
Cash payments of interest	$ 420.0	$ 478.9
Schedule of Non-Cash Investing and Financing Activities:		
Dividends accrued	$ 24.6	$ 24.0

See accompanying Notes to Consolidated Financial Statements.

WARNER CHILCOTT LIMITED
CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions)

	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,090.9	$ 1,713.2
Marketable securities	7,858.2	11,501.5
Accounts receivable, net	2,542.0	2,531.0
Receivables from Parents	5,124.8	9,289.2
Inventories	904.7	718.0
Prepaid expenses and other current assets	1,299.7	1,382.1
Total current assets	18,820.3	27,135.0
Property, plant and equipment, net	1,659.3	1,611.3
Investments and other assets	283.2	282.1
Non current receivables from Parents	3,964.0	3,964.0
Non current assets held for sale	27.0	27.0
Deferred tax assets	255.3	233.3
Product rights and other intangibles	62,994.2	62,618.6
Goodwill	47,917.1	46,356.1
Total assets	$ 135,920.4	$ 142,227.4
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 4,766.0	$ 4,993.3
Payables to Parents	1,481.3	1,372.8
Income taxes payable	69.8	57.8
Current portion of long-term debt and capital leases	5,526.4	2,797.9
Total current liabilities	11,843.5	9,221.8
Long-term debt and capital leases	26,223.0	29,970.8
Other long-term liabilities	1,060.9	1,086.0
Other taxes payable	914.5	886.2
Deferred tax liabilities	13,048.5	12,969.1
Total liabilities	53,090.4	54,133.9
Commitments and contingencies		
Equity:		
Members' capital	72,935.1	72,935.1
Retained earnings	9,162.8	16,189.0
Accumulated other comprehensive income / (loss)	721.7	(1,038.4)
Total members' equity	82,819.6	88,085.7
Noncontrolling interest	10.4	7.8
Total equity	82,830.0	88,093.5
Total liabilities and equity	$ 135,920.4	$ 142,227.4

See accompanying Notes to Consolidated Financial Statements.

WARNER CHILCOTT LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in millions)

	Three Months Ended March 31,	
	2017	**2016**
Net revenues	$ 3,572.9	$ 3,399.3
Operating expenses:		
Cost of sales (excludes amortization and impairment of acquired intangibles including product rights)	450.4	477.4
Research and development	759.9	403.1
Selling and marketing	869.1	766.8
General and administrative	314.3	314.3
Amortization	1,736.0	1,589.7
In-process research and development impairments	340.0	6.0
Asset sales and impairments, net	7.4	(1.7)
Total operating expenses	4,477.1	3,555.6
Operating (loss)	(904.2)	(156.3)
Non-operating income (expense):		
Interest income	51.4	2.9
Interest (expense)	(289.7)	(332.8)
Other (expense) / income, net	(1,922.8)	0.5
Total other (expense), net	(2,161.1)	(329.4)
(Loss) before income taxes and noncontrolling interest	(3,065.3)	(485.7)
(Benefit) for income taxes	(532.1)	(408.7)
Net (loss) from continuing operations, net of tax	(2,533.2)	(77.0)
(Loss) / income from discontinued operations, net of tax	(3.1)	348.6
Net (loss) / income	(2,536.3)	271.6
(Income) attributable to noncontrolling interest	(1.0)	(0.7)
Net (loss) / income attributable to members	$ (2,537.3)	$ 270.9

See accompanying Notes to Consolidated Financial Statements.

WARNER CHILCOTT LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) / INCOME
(Unaudited; in millions)

	Three Months Ended March 31,	
	2017	**2016**
Net (loss) / income	$ (2,536.3)	$ 271.6
Other comprehensive income		
Foreign currency translation gains	162.6	542.8
Net impact of other-than-temporary loss on investment in Teva securities	1,599.4	-
Unrealized (losses), net of tax	(1.9)	(20.3)
Total other comprehensive income, net of tax	1,760.1	522.5
Comprehensive (loss) / income	(776.2)	794.1
Comprehensive (income) attributable to noncontrolling interest	(1.0)	(0.7)
Comprehensive (loss) / income attributable to members	$ (777.2)	$ 793.4

See accompanying Notes to Consolidated Financial Statements.

WARNER CHILCOTT LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Three Months Ended March 31,	
	2017	**2016**
Cash Flows From Operating Activities:		
Net (loss) / income	$ (2,536.3)	$ 271.6
Reconciliation to net cash provided by operating activities:		
Depreciation	41.6	42.1
Amortization	1,736.0	1,592.1
Provision for inventory reserve	23.9	59.2
Share-based compensation	62.7	99.0
Deferred income tax benefit	(712.8)	(519.2)
In-process research and development impairments	340.0	6.0
Loss / (gain) on asset sales and impairments, net	7.4	(1.7)
Net income impact of other-than-temporary loss on investment in Teva securities	1,978.0	-
Amortization of inventory step up	27.9	42.4
Amortization of deferred financing costs	6.7	10.0
Contingent consideration adjustments, including accretion	30.7	33.6
Other, net	(18.8)	(9.1)
Changes in assets and liabilities (net of effects of acquisitions):		
Decrease / (increase) in accounts receivable, net	53.2	(148.6)
Decrease / (increase) in inventories	(50.5)	(148.5)
Decrease / (increase) in prepaid expenses and other current assets	5.7	14.5
Increase / (decrease) in accounts payable and accrued expenses	(334.3)	18.8
Increase / (decrease) in income and other taxes payable	123.8	(52.2)
Increase / (decrease) in other assets and liabilities, including receivable / payable with Parents	(29.7)	6.2
Net cash provided by operating activities	755.2	1,316.2
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(33.2)	(84.9)
Additions to product rights and other intangibles	(346.3)	-
Additions to investments	(6,387.9)	-
Proceeds from the sale of investments and other assets	9,655.3	19.0
Proceeds from sales of property, plant and equipment	0.7	12.1
Acquisitions of businesses, net of cash acquired	(2,874.4)	-
Net cash provided by / (used in) investing activities	14.2	(53.8)
Cash Flows From Financing Activities:		
Proceeds from borrowings on credit facility and other	-	900.0
Payments on debt, including capital lease obligations and credit facility	(1,015.9)	(854.2)
Payments of contingent consideration	(76.3)	(32.3)
Dividend to Parent	(305.8)	(69.6)
Net cash (used in) financing activities	(1,398.0)	(56.1)
Effect of currency exchange rate changes on cash and cash equivalents	6.3	5.2
Net (decrease) / increase in cash and cash equivalents	(622.3)	1,211.5
Cash and cash equivalents at beginning of period	1,713.2	1,036.2
Cash and cash equivalents at end of period	$ 1,090.9	$ 2,247.7
Schedule of Non-Cash Investing and Financing Activities:		
Non-cash dividends to Parent	$ 4,203.9	$ -

See accompanying Notes to Consolidated Financial Statements

NOTE 1 — General

Allergan plc is a global pharmaceutical company and a leader in a new industry model – Growth Pharma. Allergan is focused on developing, manufacturing and commercializing branded pharmaceutical ("brand", "branded" or "specialty brand"), device, biologic, surgical and regenerative medicine products for patients around the world. The Company has operations in more than 100 countries. Warner Chilcott Limited is an indirect wholly-owned subsidiary of Allergan plc and has the same principal business activities.

On August 2, 2016 we completed the divestiture of our global generics business and certain other assets to Teva Pharmaceutical Industries Ltd. ("Teva") (the "Teva Transaction") in exchange for which we received $33.3 billion in cash, net of cash acquired by Teva, which includes estimated working capital and other contractual adjustments, and 100.3 million unregistered Teva ordinary shares (or American Depository Shares with respect thereto), which approximated $5.0 billion in value using the closing date Teva opening stock price discounted at a rate of 5.9 percent due to the lack of marketability ("Teva Shares").

As part of the Teva Transaction, Teva acquired our global generics business, including the United States ("U.S.") and international generic commercial units, our third-party supplier Medis, our global generic manufacturing operations, our global generic research and development ("R&D") unit, our international over-the-counter ("OTC") commercial unit (excluding OTC eye care products) and certain established international brands.

On October 3, 2016, the Company completed the divestiture of the Anda Distribution business to Teva for $500.0 million. The Anda Distribution business distributes generic, branded, specialty and OTC pharmaceutical products from more than 300 manufacturers to retail independent and chain pharmacies, nursing homes, mail order pharmacies, hospitals, clinics and physician offices across the U.S.

The Company recognized a combined gain on the sale of the Anda Distribution business and the Teva Transaction of $15,932.2 million in the year ended December 31, 2016, as well as deferred liabilities relating to other elements of our arrangements with Teva of $299.2 million.

As a result of the Teva Transaction and the divestiture of the Company's Anda Distribution business, and in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") number 2014-08 "Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity", the financial results of the businesses held for sale have been reclassified to discontinued operations for all periods presented in our consolidated financial statements. The results of our discontinued operations include the results of our generic product development, manufacturing and distribution of off-patent pharmaceutical products, certain established international brands marketed similarly to generic products and out-licensed generic pharmaceutical products primarily in Europe through our Medis third-party business through August 2, 2016, as well as our Anda Distribution business through October 3, 2016.

The accompanying consolidated financial statements should be read in conjunction with the Company's annual report on Form 10-K for the year ended December 31, 2016 ("Annual Report"). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") have been condensed or omitted from the accompanying consolidated financial statements. The accompanying year end consolidated balance sheet was derived from the audited financial statements included in the Annual Report. The accompanying interim financial statements are unaudited and reflect all adjustments which are in the opinion of management necessary for a fair statement of the Company's consolidated financial position, results of operations, comprehensive income and cash flows for the periods presented. Unless otherwise noted, all such adjustments are of a normal, recurring nature. All intercompany transactions and balances have been eliminated in consolidation. The Company's results of operations, comprehensive income and cash flows for the interim periods are not necessarily indicative of the results of operations, comprehensive income and cash flows that it may achieve in future periods.

References throughout to "we," "our," "us," the "Company" or "Allergan" refer to financial information and transactions of Allergan plc. References to "Warner Chilcott Limited" refer to Warner Chilcott Limited, the Company's indirect wholly-owned subsidiary, and, unless the context otherwise requires, its subsidiaries.

NOTE 2 – Reconciliation of Warner Chilcott Limited results to Allergan plc results

Warner Chilcott Limited is an indirect wholly-owned subsidiary of Allergan plc (together with other Warner Chilcott Limited parents, the "Parent"), the ultimate parent of the group. The results of Warner Chilcott Limited are consolidated into the results of

Allergan plc. Due to the deminimis activity between Allergan plc and Warner Chilcott Limited, references throughout this filing relate to both Allergan plc and Warner Chilcott Limited. Warner Chilcott Limited representations relate only to itself and not to any other company.

Except where otherwise indicated, and excluding certain insignificant cash and non-cash transactions at the Allergan plc level, these notes relate to the consolidated financial statements for both separate registrants, Allergan plc and Warner Chilcott Limited. In addition to certain inter-company payable and receivable amounts between the entities, the following is a reconciliation of the financial position and results of operations of Warner Chilcott Limited to Allergan plc ($ in millions):

	As of March 31, 2017			As of December 31, 2016		
	Allergan plc	Warner Chilcott Limited	Difference	Allergan plc	Warner Chilcott Limited	Difference
Cash and cash equivalents	$ 1,092.9	$ 1,090.9	$ 2.0	$ 1,724.0	$ 1,713.2	$ 10.8
Prepaid expenses and other current assets	1,302.9	1,299.7	3.2	1,383.4	1,382.1	1.3
Accounts payable and accrued liabilities	4,795.4	4,766.0	29.4	5,019.0	4,993.3	25.7
Other long-term liabilities	1,060.5	1,060.9	(0.4)	1,085.0	1,086.0	(1.0)

	Three Months Ended March 31, 2017			Three Months Ended March 31, 2016		
	Allergan plc	Warner Chilcott Limited	Difference	Allergan plc	Warner Chilcott Limited	Difference
General and administrative expenses	$ 316.1	$ 314.3	$ 1.8	$ 329.5	$ 314.3	$ 15.2
Operating (loss)	(906.0)	(904.2)	(1.8)	(171.5)	(156.3)	(15.2)
Total other (expense), net	(2,187.2)	(2,161.1)	(26.1)	(329.4)	(329.4)	-
(Loss) before income taxes and noncontrolling interest	(3,093.2)	(3,065.3)	(27.9)	(500.9)	(485.7)	(15.2)
Net (loss) from continuing operations, net of tax	(2,561.1)	(2,533.2)	(27.9)	(92.2)	(77.0)	(15.2)
Net (loss) / income	(2,564.2)	(2,536.3)	(27.9)	256.4	271.6	(15.2)
Dividends on preferred stock	69.6	-	69.6	69.6	-	69.6
Net (loss) / income attributable to ordinary shareholder/members	(2,634.8)	(2,537.3)	(97.5)	186.1	270.9	(84.8)

The difference between general and administrative expenses in the three months ended March 31, 2017 and 2016 were due to corporate related expenses incurred at Allergan plc as well as transaction costs. Movements in equity are due to historical differences in the results of operations of the companies and differences in equity awards.

As of March 31, 2017 and December 31, 2016, Warner Chilcott Limited had $5.1 billion and $9.3 billion in Receivables from Parent, respectively. As of both March 31, 2017 and December 31, 2016, Warner Chilcott Limited had $4.0 billion in Non-current Receivables from Parent. These receivables related to intercompany loans between Allergan plc and Allergan Capital S.à.r.l. (formerly known as Actavis Capital S.à.r.l.) and Forest Finance BV, subsidiaries of Warner Chilcott Limited. These loans are interest-bearing loans with varying term dates. Total interest income recognized during the three months ended March 31, 2017 and 2016 was $26.1 million and zero million, respectively.

NOTE 3 — Summary of Significant Accounting Policies

The following are interim updates to certain of the policies described in "Note 4" of the notes to the Company's audited consolidated financial statements for the year ended December 31, 2016 included in the Annual Report.

Reclassifications

In March 2016, the FASB issued ASU No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The amendments are intended to improve the accounting for employee share-based payments and affect all organizations that issue share-based payment awards to their employees. Several aspects of the accounting for share-based payment award transactions are simplified, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. The amendments are effective for annual periods beginning

after December 15, 2016, and interim periods within those annual periods. As a result of implementation of this guidance, the Company reduced previously reported Retained Earnings by $62.4 million and increased previously reported Additional-Paid-In-Capital by $62.4 million. In addition, the Company decreased its net deferred tax liabilities and increased retained earnings by $20.8 million for the tax impact of this change. The Company also revised its presentation of previously reported cash flows by eliminating the presentation of "Excess tax benefit from stock-based compensation" which raised operating cash flows and reduced financing cash flows for the three months ended March 31, 2016 by $34.6 million.

In addition, the Company made certain presentation reclassifications to the quarterly report on Form 10-Q for the period ended March 31, 2016 relating to segment results and guarantor financial statements as a result of the discontinued operations treatment for the Anda Distribution Business.

Revenue Recognition

General

Revenue from product sales is recognized when title and risk of loss to the product transfers to the customer, which is based on the transaction shipping terms. Recognition of revenue also requires reasonable assurance of collection of sales proceeds, the seller's price to the buyer to be fixed or determinable and the completion of all performance obligations. The Company warrants products against defects and for specific quality standards, permitting the return of products under certain circumstances. Product sales are recorded net of all sales-related deductions including, but not limited to: chargebacks, trade discounts, sales returns and allowances, commercial and government rebates, customer loyalty programs and fee-for-service arrangements with certain distributors, which we refer to in the aggregate as "SRA" allowances.

Royalty and commission revenue is recognized as a component of net revenues in accordance with the terms of their respective contractual agreements when collectability is reasonably assured and when revenue can be reasonably measured.

Provisions for SRAs

As is customary in the pharmaceutical industry, our gross product sales are subject to a variety of deductions in arriving at reported net product sales. When the Company recognizes gross revenue from the sale of products, an estimate of SRA is recorded, which reduces the product revenues. Accounts receivable and/or accrued liabilities are also reduced and/or increased by the SRA amount depending on whether we have the right of offset with the customer. These provisions are estimated based on historical payment experience, historical relationship of the deductions to gross product revenues, government regulations, estimated utilization or redemption rates, estimated customer inventory levels and current contract sales terms. The estimation process used to determine our SRA provision has been applied on a consistent basis and no material revenue adjustments have been necessary to increase or decrease our reserves for SRA as a result of a significant change in underlying estimates. The Company uses a variety of methods to assess the adequacy of the SRA reserves to ensure that our financial statements are fairly stated.

Accounts receivable balances in the Company's consolidated financial statements are presented net of SRA estimates. SRA balances in accounts receivable were $288.1 million and $287.4 million at March 31, 2017 and December 31, 2016, respectively. SRA balances within accounts payable and accrued expenses were $1,806.0 million and $1,891.4 million at March 31, 2017 and December 31, 2016, respectively. The movements in the SRA reserve balances for continuing operations in the three months ended March 31, 2017 are as follows ($ in millions):

Balance as of December 31, 2016	$	2,178.8
Provision to reduce gross product sales to net product sales		1,892.6
Acquired balances in the LifeCell Acquisition		20.1
Payments and other		(1,997.4)
Balance as of March 31, 2017	**$**	**2,094.1**

The provisions recorded to reduce gross product sales to net product sales, excluding discontinued operations, were as follows ($ in millions):

	Three Months Ended March 31,	
	2017	**2016**
Gross product sales	$ 5,382.4	$ 5,009.0
Provisions to reduce gross product sales to net product sales	(1,892.6)	(1,641.6)
Net product sales	**$ 3,489.8**	**$ 3,367.4**
Percentage of provisions to gross sales	*35.2%*	*32.8%*

The increase in provisions to reduce gross product sales to net product sales was attributable primarily to the US business with higher managed care rebates to maintain broad coverage for key brands, an increase in coupon/co-pay participation due to the first quarter high deductible period, and statutory discounts across our product line.

Litigation and Contingencies

The Company is involved in various legal proceedings in the normal course of its business, including product liability litigation, intellectual property litigation, employment litigation and other litigation. Additionally, the Company, in consultation with its counsel, assesses the need to record a liability for contingencies on a case-by-case basis in accordance with FASB Accounting Standards Codification ("ASC") Topic 450 "Contingencies" ("ASC 450"). For more information on litigation and contingencies, refer to "NOTE 4 – Summary of Significant Accounting Policies" of our Annual Report on Form 10-K for the year ended December 31, 2016 and "NOTE 19 — Commitments and Contingencies" in this Quarterly Report.

Earnings Per Share ("EPS")

The Company computes EPS in accordance with ASC Topic 260, "Earnings Per Share" ("ASC 260") and related guidance, which requires two calculations of EPS to be disclosed: basic and diluted. Basic EPS is computed by dividing net (loss) / income by the weighted average ordinary shares outstanding during a period. Diluted EPS is based on the treasury stock method and includes the effect from potential issuance of ordinary shares, such as shares issuable pursuant to the exercise of stock options and restricted stock units. Diluted EPS also includes the impact of ordinary share equivalents to be issued upon the mandatory conversion of the Company's preferred shares. Ordinary share equivalents have been excluded where their inclusion would be anti-dilutive.

A reconciliation of the numerators and denominators of basic and diluted EPS consisted of the following ($ in millions, except per share amounts):

	Three Months Ended March 31,	
	2017	2016
Net (loss) / income:		
Net (loss) attributable to ordinary shareholders excluding income from discontinued operations, net of tax	$ (2,631.7)	$ (162.5)
(Loss) / income from discontinued operations, net of tax	(3.1)	348.6
Net (loss) / income attributable to ordinary shareholders	$ (2,634.8)	$ 186.1
Basic weighted average ordinary shares outstanding	335.1	394.8
Basic EPS:		
Continuing operations	$ (7.85)	$ (0.41)
Discontinued operations	$ (0.01)	$ 0.88
Net (loss) / income per share	$ (7.86)	$ 0.47
Dividends per ordinary share	$ 0.70	$ -
Diluted weighted average ordinary shares outstanding	335.1	394.8
Diluted EPS:		
Continuing operations	$ (7.85)	$ (0.41)
Discontinued operations	$ (0.01)	$ 0.88
Net (loss) / income per share	$ (7.86)	$ 0.47

Stock awards to purchase 4.6 million ordinary shares for the three months ended March 31, 2017, were outstanding, but not included in the computation of diluted EPS, because the awards were anti-dilutive. The weighted average impact of ordinary share equivalents of 17.6 million for the three months ended March 31, 2017, which are anticipated to result from the mandatory conversion of the Company's preferred shares were not included in the calculation of diluted EPS as their impact would be anti-dilutive.

Stock awards to purchase 5.4 million ordinary shares for the three months ended March 31, 2016, were outstanding, but not included in the computation of diluted EPS, because the awards were anti-dilutive for continuing operations and as such the treatment for discontinued operations is also anti-dilutive. The weighted average impact of ordinary share equivalents of 17.6 million for the three months ended March 31, 2016, which are anticipated to result from the mandatory conversion of the Company's preferred shares, were not included in the calculation of diluted EPS as their impact would be anti-dilutive.

Restructuring Costs

The Company records liabilities for costs associated with exit or disposal activities in the period in which the liability is incurred. In accordance with existing benefit arrangements, employee severance costs are accrued when the restructuring actions are probable and estimable. Costs for one-time termination benefits in which the employee is required to render service until termination in order to receive the benefits are recognized ratably over the future service period. The Company also incurs costs with contract terminations and costs of transferring products as part of restructuring activities. Refer to "NOTE 18 — Business Restructuring Charges" for more information.

Recent Accounting Pronouncements

On May 28, 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606), with an effective date for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. The effective date for ASU 2014-09 was deferred by one year through the issuance of ASU 2015-14, Revenue from Contracts with Customers – Deferral of the Effective Date, to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Subsequent to the issuance of ASU 2014-09, the FASB issued multiple updates which are intended to improve the operability and understandability of the implementation guidance, and to provide clarifying guidance in certain narrow areas and add some practical expedients, which include guidance on principal versus

agent considerations; identifying performance obligations; licensing implementation guidance; assessing the specific collectability criterion and accounting for certain contracts; presentation of sales taxes and other similar taxes collected from customers; noncash consideration; contract modifications at transition and completed contracts at transition. The guidance provides clarification that an entity that retrospectively applies the guidance in Topic 606 to each prior reporting period is not required to disclose the effect of the accounting change for the period of adoption, however, an entity is still required to disclose the effect of the changes on any prior periods retrospectively adjusted. The Company is continuing to evaluate the impact of the new revenue guidance. The majority of the Company's revenue relates to the sale of finished product to various customers and we do not believe that the adoption of the new standard will have a material impact on these transactions. The Company is continuing to evaluate the impact of certain less significant transactions involving collaboration arrangements, warranties, as well as certain rebates and discounts offered. The Company expects to adopt the standard in 2018 using the modified retrospective approach.

In February 2016, the FASB issued ASU 2016-02, which states that a lessee should recognize the assets and liabilities that arise from leases. This update is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is evaluating the impact the pronouncement will have on our financial positions and results of operations.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The ASU is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The ASU requires the measurement of all expected credit losses for financial assets including trade receivables held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early application will be permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Company is evaluating the impact, if any, the pronouncement will have on our financial positions and results of operations.

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory. Current GAAP prohibits the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. This prohibition on recognition is an exception to the principle of comprehensive recognition of current and deferred income taxes in GAAP. The amendments require an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments eliminate the exception for an intra-entity transfer of an asset other than inventory. Two common examples of assets included in the scope of the amendments are intellectual property and property, plant, and equipment. The amendments are effective for public business entities for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities in the first interim period if an entity issues interim financial statements. The amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company is evaluating the impact the pronouncement will have on our financial positions and results of operations.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business, clarifying the definition of a business. The amendments are intended to help companies evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. When substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business. This introduces an initial required screening that, if met, eliminates the need for further assessment. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. To be a business without outputs, there will need to be an organized workforce. The ASU also narrows the definition of the term "outputs" to be consistent with how it is described in Topic 606, Revenue from Contracts with Customers. The amendments are effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early adoption is permitted. The changes to the definition of a business may result in more acquisitions being accounted for as asset acquisitions.

In January 2017, the FASB issued ASU No. 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. The amendments eliminate Step 2 from the goodwill impairment test. The goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized 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. In addition, income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit should be considered when measuring the goodwill impairment loss, if applicable. The amendments also eliminate the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment. The amendments should be applied on a prospective basis. The nature of and reason for the change in accounting principle should be disclosed upon transition. The amendments are effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is evaluating the impact, if any, the amendments will have on our financial positions and results of operations.

In March 2017, the FASB issued ASU No. 2017-07, Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. The amendments require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. If a separate line item or items are used to present the other components of net benefit cost, that line item or items must be appropriately described. If a separate line item or items are not used, the line item or items used in the income statement to present the other components of net benefit cost must be disclosed. In addition, the amendments also allow only the service cost component to be eligible for capitalization when applicable. The amendments are effective for annual periods beginning after December 15, 2017, including interim periods within those annual periods. The Company is evaluating the impact the amendments will have on our financial positions and results of operations.

NOTE 4 — Acquisitions and Other Agreements

2017 Transactions

The following are the significant transactions that were completed in the three months ended March 31, 2017.

Acquisitions

LifeCell Corporation

On February 1, 2017, the Company completed the acquisition of LifeCell Corporation ("LifeCell"), a regenerative medicine company, for $2,883.1 million in cash (the "LifeCell Acquisition"). The acquisition combined LifeCell's novel, regenerative medicines business, including its high-quality and durable portfolio of dermal matrix products, with Allergan's leading portfolio of medical aesthetic products, breast implants and tissue expanders. The acquisition of LifeCell expanded the Company's portfolio including the promotion of Alloderm® and Strattice®.

Assets Acquired and Liabilities Assumed at Fair Value

The transaction has been accounted for using the acquisition method of accounting. This method requires that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date. As of March 31, 2017, certain amounts relating to the valuation of tax related matters, intangible assets and gross-to-net deductions have not been finalized. The finalization of these matters may result in changes to goodwill.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed at the acquisition date ($ in millions):

	Amount
Cash and cash equivalents	$ 8.7
Accounts receivable	50.8
Inventories	175.4
Property, plant and equipment, net	53.7
Currently marketed products ("CMP") intangible assets	2,010.0
In-process research and development ("IPR&D") intangible assets	10.0
Goodwill	1,469.8
Accounts payable and accrued expenses	(149.6)
Deferred tax liabilities, net	(766.9)
Other	21.2
Net assets acquired	**$ 2,883.1**

IPR&D and Intangible Assets

The estimated fair value of the intangible assets, including IPR&D and Customer Relationships was determined using the "income approach," which is a valuation technique that provides an estimate of the fair value of an asset based on market participant expectations of the cash flows an asset would generate over its remaining useful life. Some of the more significant assumptions inherent in the development of those asset valuations include the estimated net cash flows for each year for each asset or product (including net revenues, cost of sales, R&D costs, selling and marketing costs, other allocated costs, and working capital/contributory

asset charges), the appropriate discount rate to select in order to measure the risk inherent in each future cash flow stream, the assessment of each asset's life cycle, the potential regulatory and commercial success risks, competitive trends impacting the asset and each cash flow stream as well as other factors (the "IPR&D and Intangible Asset Valuation Technique").

The fair value of the acquired intangible assets was determined using the IPR&D and Intangible Asset Valuation Technique. The discount rate used to arrive at the present value for acquired intangible assets was 7.5% to reflect the internal rate of return and incremental commercial uncertainty in the cash flow projections. The discount rate of the acquisition was driven by the life-cycle stage of the products, the advanced nature of IPR&D projects, and IPR&D assets acquired and the therapeutic indication. No assurances can be given that the underlying assumptions used to prepare the discounted cash flow analysis will not change. For these and other reasons, actual results may vary significantly from estimated results.

The following table identifies the summarized amounts recognized and the weighted average useful lives using the economic benefit of intangible assets ($ in millions):

	Amount recognized as of the acquisition date	Weighted average useful lives (years)
Definite-lived assets		
Alloderm®	$ 1,385.0	6.9
Revolve®	80.0	7.1
Strattice®	320.0	5.1
Artia®	115.0	8.8
Other	10.0	2.8
Total CMP	1,910.0	
Customer Relationships	100.0	6.3
Total definite-lived assets	2,010.0	
In-process research and development		
Other	10.0	
Total IPR&D	10.0	
Total intangible assets	**$ 2,020.0**	

Goodwill

Among the reasons the Company acquired LifeCell and the factors that contributed to the preliminary recognition of goodwill was the expansion of the Company's top product portfolio. Goodwill from the LifeCell Acquisition of $1,469.8 million was assigned to the US Specialized Therapeutic segment and is non-deductible for tax purposes.

Inventories

The fair value of inventories acquired included an acquisition accounting fair market value step-up of $108.4 million. In the three months ended March 31, 2017, the Company recognized $27.9 million as a component of cost of sales as the inventory acquired was sold to the Company's customers.

Long-Term Deferred Tax Liabilities and Other Tax Liabilities

Long-term deferred tax liabilities and other tax liabilities result from identifiable intangible assets' fair value adjustments. These adjustments create excess book basis over the tax basis which is multiplied by the statutory tax rate for the jurisdiction in which the deferred taxes exist.

Licenses and Other Transactions Accounted for as Asset Acquisitions

Editas Medicine, Inc.

On March 14, 2017, the Company entered into a strategic alliance and option agreement with Editas Medicine, Inc. ("Editas") for access to early stage, first-in-class eye care programs. Pursuant to the agreement, Allergan made an upfront payment of $90.0 million for the right to license up to five of Editas' gene-editing programs in eye care, including its lead program for Leber Congenital Amaurosis ("LCA") currently in pre-clinical development. Under the terms of the agreement, if an option is exercised, Editas is eligible to receive contingent research and development and commercial milestones plus royalties based on net sales. The Company

concluded based on the stage of development of the assets, the lack of acquired employees and manufacturing, as well as the lack of certain other inputs and processes, that the transaction did not qualify as a business. The total upfront payment of $90.0 million was expensed as a component of R&D expense. The future option exercise payments, if any, and any future success based milestones relating to licensed products will be recorded if the corresponding events become probable.

Assembly Biosciences, Inc.

On January 9, 2017 the Company entered into a licensing agreement with Assembly Biosciences, Inc. ("Assembly") for the worldwide rights to Assembly's microbiome gastrointestinal development programs. Under the terms of the agreement, the Company made an upfront payment to Assembly of $50.0 million for the exclusive, worldwide rights to develop and commercialize certain development compounds. Additionally, Assembly will be eligible to receive success-based development and commercial milestone payments plus royalties based on net sales. The Company and Assembly will generally share development costs through proof-of-concept ("POC") studies, and Allergan will assume all post-POC development costs. The Company concluded based on the stage of development of the assets, the lack of acquired employees and manufacturing as well as the lack of certain other inputs and processes that the transaction did not qualify as a business. The total upfront payment of $50.0 million was expensed as a component of R&D expense and the future success based milestone payments of up to $2,771.0 million will be recorded if the corresponding events become probable.

Lysosomal Therapeutics, Inc.

On January 9, 2017 the Company entered into a definitive agreement for the option to acquire Lysosomal Therapeutics, Inc. ("LTI"). LTI is focused on innovative small-molecule research and development in the field of neurodegeneration, yielding new treatment options for patients with severe neurological diseases. Under the agreement, Allergan acquired an option right directly from LTI shareholders to acquire LTI for $150.0 million plus future milestone payments following completion of a Phase 1b trial for LTI-291 as well as an upfront research and development payment. The Company concluded based on the stage of development of the assets, the lack of acquired employees and manufacturing, as well as the lack of certain other inputs and processes, that the transaction did not qualify as a business. The aggregate payment of $145.0 million was recorded as a component of R&D expense in the three months ended March 31, 2017.

2016 Transactions

The following are the significant transactions that were completed in the year ended December 31, 2016.

Acquisitions

Tobira Therapeutics, Inc.

On November 1, 2016, the Company acquired Tobira Therapeutics, Inc. ("Tobira"), a clinical-stage biopharmaceutical company focused on developing and commercializing therapies for non-alcoholic steatohepatitis ("NASH") and other liver diseases for an acquisition accounting purchase price of $570.1 million, plus contingent consideration of up to $49.84 per share in contingent value rights ("CVR"), or up to $1,101.3 million, that may be payable based on the successful completion of certain development, regulatory and commercial milestones (the "Tobira Acquisition"). The CVR had an acquisition date fair value of $479.0 million. The acquisition adds Cenicriviroc and Evogliptin, two differentiated, complementary development programs for the treatment of the multi-factorial elements of NASH, including inflammation, metabolic syndromes and fibrosis, to Allergan's global gastroenterology R&D pipeline.

Assets Acquired and Liabilities Assumed at Fair Value

The Tobira Acquisition has been accounted for using the acquisition method of accounting. This method requires that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed at the acquisition date ($ in millions):

	Amount
Cash and cash equivalents	$ 21.3
IPR&D intangible asset	1,357.0
Goodwill	112.7
Indebtedness	(15.9)
Contingent consideration	(479.0)
Deferred tax liabilities, net	(395.9)
Other assets and liabilities	(30.1)
Net assets acquired	**$ 570.1**

Contingent Consideration

As part of the Tobira Acquisition, the Company is required to pay the former shareholders of Tobira up to $1,101.3 million based on the timing of certain development, regulatory and commercial milestones, if any. The Company estimated the fair value of the contingent consideration to be $479.0 million using a probability weighted average approach that considered the possible outcomes of scenarios related to the specified product.

Vitae Pharmaceuticals, Inc.

On October 25, 2016, the Company acquired Vitae Pharmaceuticals, Inc. ("Vitae"), a clinical-stage biotechnology company for an acquisition accounting purchase price of $621.4 million (the "Vitae Acquisition"). The acquisition strengthens Allergan's dermatology product pipeline, with the addition of a Phase II, orally active RORγt (retinoic acid receptor-related orphan receptor gamma) inhibitor for the potential treatment of psoriasis and other autoimmune disorders. In addition, the Company expanded its pipeline with the acquisition of a Phase II atopic dermatitis drug candidate.

Assets Acquired and Liabilities Assumed at Fair Value

The transaction has been accounted for using the acquisition method of accounting. This method requires that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date.

The following table summarizes the preliminary fair values of the assets acquired and liabilities assumed at the acquisition date ($ in millions):

	Amount
Cash and cash equivalents	$ 44.7
Marketable securities	20.2
Property, plant and equipment, net	5.0
IPR&D assets	686.0
Assets held for sale	22.5
Goodwill	34.4
Other liabilities	(20.7)
Deferred tax liabilities, net	(170.7)
Net assets acquired	**$ 621.4**

Assets held for sale

The Company held for sale certain intangible assets acquired as part of the Vitae Acquisition for an acquisition accounting value of $22.5 million. In the quarter ending June 30, 2017, the Company sold these assets for $22.5 million.

ForSight VISION 5

On September 23, 2016, the Company acquired ForSight VISION5, Inc. ("ForSight'), a privately held, clinical-stage biotechnology company focused on eye care, in an all cash transaction of approximately $95.0 million. Under the terms of the agreement, the Company acquired ForSight for an acquisition accounting purchase price of $74.5 million plus the payment of

outstanding indebtedness of $14.8 million and other miscellaneous charges. ForSight shareholders are eligible to receive contingent consideration of up to $125.0 million, which has an initial estimated fair value of $79.8 million, relating to commercialization milestones (the "ForSight Acquisition"). The Company acquired ForSight for its lead development program, a peri-ocular ring designed for extended drug delivery and reducing elevated intraocular pressure ("IOP") in glaucoma patients.

Assets Acquired and Liabilities Assumed at Fair Value

The ForSight Acquisition has been accounted for using the acquisition method of accounting. This method requires that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date.

The following table summarizes the final fair values of the assets acquired and liabilities assumed at the acquisition date ($ in millions):

	Amount
Cash and cash equivalents	$ 1.0
IPR&D intangible asset	158.0
Goodwill	51.6
Current liabilities	(14.8)
Contingent consideration	(79.8)
Deferred tax liabilities, net	(38.3)
Other	(3.2)
Net assets acquired	**$ 74.5**

Licenses and Other Transactions Accounted for as Asset Acquisitions

In the year ended December 31, 2016, the following transactions which were entered into and completed, did not qualify as a business. The conclusion for each transaction was determined based on the stage of development of the specific assets acquired, the lack of acquired employees in the individual transactions and the lack of acquired manufacturing processes, as well as the lack of certain other inputs and processes. As a result, the initial consideration in these transactions was included as a component of R&D expenses in the year ended December 31, 2016 as follows ($ in millions):

	Amount
AstraZeneca license agreement in the three months ended December 31, 2016	$ 250.0
Motus Therapeutics, Inc. acquisition in the three months ended December 31, 2016	199.5
Chase Pharmaceuticals Corporation acquisition in the three months ended December 31, 2016	122.9
RetroSense Therapeutics, LLC license agreement in the three months ended September 30, 2016	59.7
Akarna Therapeutics, Ltd acquisition in the three months ended September 30, 2016	48.2
Topokine Therapeutics, Inc. acquisition in the three months ended June 30, 2016	85.8
Heptares Therapeutics Ltd. License agreement in the three months ended June 30, 2016	125.0
Anterios, Inc. acquisition in the three months ended March 31, 2016	89.2

2015 Transactions

The following are the significant transactions that were completed in the year ended December 31, 2015.

Acquisitions

Allergan, Inc.

On March 17, 2015, the Company completed the acquisition of Allergan, Inc. ("Legacy Allergan"). The addition of Legacy Allergan's therapeutic franchises in ophthalmology, neurosciences and medical aesthetics/dermatology/plastic surgery complemented the Company's existing central nervous system, gastroenterology, women's health and urology franchises. The combined company benefited from Legacy Allergan's global brand equity and consumer awareness of key products, including Botox® and Restasis®. The transaction also expanded our presence and market and product reach across many international markets, with strengthened commercial positions across Canada, Europe, Southeast Asia and other high-value growth markets, including China, India, the Middle East and Latin America.

Inventories

The fair value of inventories acquired included an acquisition accounting fair market value step-up of $923.9 million. In the three months ended March 31, 2016, the Company recognized $21.6 million as a component of cost of sales as the inventory acquired was sold to the Company's customers.

Acquisition-Related Expenses

As a result of the Allergan acquisition, the Company incurred the following transaction and integration costs in the three months ended March 31, 2017 and 2016, respectively ($ in millions):

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Cost of sales		
Stock-based compensation acquired for Legacy Allergan employees	$ 1.6	$ 3.1
Acquisition, integration and restructuring related charges	0.6	3.9
Research and development		
Stock-based compensation acquired for Legacy Allergan employees	7.9	13.9
Acquisition, integration and restructuring related charges	1.0	2.8
Selling and marketing		
Stock-based compensation acquired for Legacy Allergan employees	11.0	20.5
Acquisition, integration and restructuring related charges	(1.0)	5.0
General and administrative		
Stock-based compensation acquired for Legacy Allergan employees	4.3	9.9
Acquisition, integration and restructuring related charges	5.3	39.8
Total transaction and integration costs	**$ 30.7**	**$ 98.9**

NOTE 5 — Discontinued Operations

Global Generics Business

On July 27, 2015, the Company announced that it entered into the Teva Transaction, which closed on August 2, 2016. As a result of the Teva Transaction, the Company holds equity in Teva and purchases product manufactured by Teva for sale in our US General Medicine segment as part of ongoing transitional service and contract manufacturing agreements.

In October 2016, pursuant to our agreement with Teva, Teva provided the Company with its proposed estimated adjustment to the closing date working capital balance. The Company disagrees with Teva's proposed adjustment, and, pursuant to our agreement with Teva, each of the Company's and Teva's proposed adjustments will be submitted to arbitration to determine the working capital amount in accordance with GAAP as applied by the Company consistent with past practice. Teva has proposed an adjustment of approximately $1.4 billion, and the final amount of any contractual adjustment as determined in accordance with the arbitration could vary materially from the adjustment calculated by the Company and reflected in our financial statements for discontinued operations. Any adjustment to the Company's proceeds from the Teva Transaction could have a material adverse effect on the Company's results of operations and cash flows. A timeline respecting the final resolution of the arbitration will be agreed by the parties and the arbitrator, and, as a result, the Company cannot at this time estimate when this dispute will be resolved.

The fair value of Teva Shares owned are recorded within "Marketable securities" on the Company's Consolidated Balance Sheet. The closing Teva Transaction date opening stock price discounted at a rate of 5.9 percent due to the lack of marketability was used to initially value the shares. During the three months ended March 31, 2017, the Company determined that the decline in value since August 2, 2016 is other-than-temporary. As a result, the Company impaired the value of its investment by $1,978.0 million in the three months ended March 31, 2017 as a component of other (expense) income. The determination was made based on the amount of time that the stock price has been below acquisition date value, intentions regarding the potential holding period of the shares, and the materiality of the decline in share price. As of March 31, 2017, the discount rate due to the lack of marketability is 4.9 percent.

On October 3, 2016, the Company completed the divestiture of the Anda Distribution business for $500.0 million.

Financial results of the global generics business and the Anda Distribution business are presented as "(Loss) / Income from discontinued operations, net of tax" on the Consolidated Statements of Operations for the three months ended March 31, 2017 and

2016. The loss from discontinued operations, net of tax of $(3.1) million in the three months ended March 31, 2017, primarily related to continuing involvement for matters relating to the Teva Transaction.

The following table presents key financial results of the businesses included in "(Loss) / Income from discontinued operations" for the three months ended March 31, 2016 ($ in millions):

	Three Months Ended March 31, 2016
Net revenues	$ 1,651.9
Operating expenses:	
Cost of sales (excludes amortization and impairment of acquired intangibles including product rights)	986.3
Research and development	112.3
Selling and marketing	141.0
General and administrative	141.5
Amortization	2.4
Total operating expenses	1,383.5
Operating income	268.4
Other (expense) income, net	0.2
(Benefit) for income taxes	(80.0)
Net income from discontinued operations	**$ 348.6**

Depreciation and amortization was ceased upon the determination that the held for sale criteria were met, which were the announcement dates of the Teva Transaction and the divestiture of the Anda Distribution business. The depreciation, amortization and significant operating and investing non-cash items of the discontinued operations were as follows ($ in millions):

	Three Months Ended March 31, 2016
Depreciation from discontinued operations	$ 1.1
Amortization from discontinued operations	2.4
Capital expenditures	35.9
Deferred income tax (benefit)	(104.0)

NOTE 6 – Other (Expense) Income

Other (expense) income consisted of the following ($ in millions):

	Three Months Ended March 31,	
	2017	2016
Net income impact of other-than-temporary loss on investment in Teva securities	$ (1,978.0)	$ -
Dividend income	34.1	-
Naurex recovery	20.0	-
Other income	1.1	0.5
Other (expense) income, net	**$ (1,922.8)**	**$ 0.5**

Teva Securities

As described in Note 5, the Company recognized an other-than-temporary impairment on its investment in Teva securities of $1,978.0 million in the three months ended March 31, 2017.

Dividend income

As a result of the Teva Transaction, the Company acquired 100.3 million Teva ordinary shares. During three months ended March 31, 2017, the Company received dividend income of $34.1 million.

Naurex Recovery

On August 28, 2015, the Company acquired certain products in early stage development of Naurex, Inc. ("Naurex") in an all-cash transaction, which was accounted for as an asset acquisition (the "Naurex Transaction"). The Company received a purchase price reduction of $20.0 million in the three months ended March 31, 2017 based on the settlement of an open contract negotiation.

NOTE 7 — Share-Based Compensation

The Company recognizes compensation expense for all share-based compensation awards made to employees and directors based on the fair value of the awards on the date of grant. A summary of the Company's share-based compensation plans is presented below.

Equity Award Plans

The Company has adopted several equity award plans which authorize the granting of options, restricted shares, restricted stock units and other forms of equity awards of the Company's ordinary shares, subject to certain conditions.

The Company grants awards with the following features:

- Time-based vesting restricted stock and restricted stock units awards;
- Performance-based restricted stock unit awards measured to the EBITDA, as defined, of the Company or other performance-based targets defined by the Company;
- Performance-based restricted stock unit awards based on pre-established total shareholder returns metrics;
- Non-qualified options to purchase outstanding shares; and
- Cash-settled awards recorded as a liability. These cash settled awards are based on pre-established total shareholder returns metrics.

Option award plans require options to be granted at the fair value of the shares underlying the options at the date of the grant and generally become exercisable over periods ranging from three to five years. Each option granted expires ten years from the date of the grant. Restricted stock awards are grants that entitle the holder to ordinary shares, subject to certain terms. Restricted stock unit awards are grants that entitle the holder the right to receive an ordinary share, subject to certain terms. Restricted stock and restricted stock unit awards (both time-based vesting and performance-based vesting) generally have restrictions that lapse over a one to four year vesting period. Restrictions generally lapse for non-employee directors after one year. Certain restricted stock units are performance-based awards issued at a target number with the actual number of ordinary shares issued ranging based on achievement of the performance criteria.

Fair Value Assumptions

All restricted stock and restricted stock units (whether time-based vesting or performance-based vesting), are granted and expensed, using the fair value per share on the applicable grant date, over the applicable vesting period. Non-qualified options to purchase ordinary shares are granted to employees at exercise prices per share equal to the closing market price per share on the date of grant. The fair value of non-qualified options is determined on the applicable grant dates using the Black-Scholes method of valuation and that amount is recognized as an expense over the vesting period. Using the Black-Scholes valuation model, the fair value of options is based on the following assumptions:

	2017 Grants	2016 Grants
Dividend yield	1.2%	0%
Expected volatility	27.0%	27.0%
Risk-free interest rate	2.3%	1.3 - 2.4%
Expected term (years)	7.0	7.0 - 7.5

Share-Based Compensation Expense

Share-based compensation expense recognized in the Company's results of operations for the three months ended March 31, 2017 and 2016 was as follows ($ in millions):

	Three Months Ended March 31,	
	2017	2016
Equity based compensation awards	$ 62.7	$ 99.0
Total stock-based compensation expense	**$ 62.7**	**$ 99.0**

Included in the table above is stock-based compensation relating to discontinued operations of $8.2 million for the three months ended March 31, 2016.

Included in the equity-based compensation awards for the three months ended March 31, 2017 and 2016 is the impact of accelerations and step-ups relating to the acquisition accounting treatment of outstanding awards acquired in the Allergan and Forest acquisitions as follows ($ in millions):

	Three Months Ended March 31,	
	2017	2016
Allergan Acquisition	$ 17.4	$ 34.2
Forest Acquisition	4.6	12.9
Total	**$ 22.0**	**$ 47.1**

Unrecognized future stock-based compensation expense was $493.1 million as of March 31, 2017, including $84.3 million from the Allergan Acquisition and $15.2 million from the Forest Acquisition. This amount will be recognized as an expense over a remaining weighted average period of 1.9 years. Stock-based compensation is being amortized and charged to operations over the same period as the restrictions are eliminated for the participants, which is generally on a straight-line basis.

Share Activity

The following is a summary of equity award activity for unvested restricted stock and stock units in the period from December 31, 2016 through March 31, 2017:

(in millions, except per share data)	Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Grant Date Fair Value
Restricted shares / units outstanding at December 31, 2016	1.5	$ 251.88	1.6	$ 388.0
Granted	0.7	239.46		167.6
Vested	(0.3)	(238.55)		(71.6)
Forfeited	(0.1)	(164.55)		(18.2)
Restricted shares / units outstanding at March 31, 2017	**1.8**	**$ 249.14**	**1.6**	**$ 465.9**

The following is a summary of equity award activity for non-qualified options to purchase ordinary shares in the period from December 31, 2016 through March 31, 2017:

(in millions, except per share data)	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2016	9.0	$ 113.77	5.9	$ 861.7
Granted	0.2	239.60		
Exercised	(0.5)	(93.23)		
Cancelled	(0.1)	(120.02)		
Outstanding, vested and expected to vest at March 31, 2017	**8.6**	**$ 116.68**	**5.9**	**$ 1,055.3**

NOTE 8 — Reportable Segments

The Company's businesses are organized into the following segments: US Specialized Therapeutics, US General Medicine and International. In addition, certain revenues and shared costs, and the results of corporate initiatives, are managed outside of the three segments.

The operating segments are organized as follows:

- The US Specialized Therapeutics segment includes sales and expenses relating to certain branded products within the U.S., including Medical Aesthetics, Medical Dermatology, Eye Care, Neurosciences and Urology therapeutic products.
- The US General Medicine segment includes sales and expenses relating to branded products within the U.S. that do not fall into the US Specialized Therapeutics business units, including Central Nervous System, Gastrointestinal, Women's Health, Anti-Infectives and Diversified Brands.
- The International segment includes sales and expenses relating to products sold outside the U.S.

The Company evaluates segment performance based on segment contribution. Segment contribution for our segments represents net revenues less cost of sales (defined below), selling and marketing expenses, and select general and administrative expenses. Included in segment revenues are product sales that were sold through our former Anda Distribution business once the Anda Distribution business had sold the product to a third party customer. These sales are included in segment results and are reclassified into revenues from discontinued operations through a reduction of Corporate revenues which eliminates the sales made by our Anda Distribution business from results of continuing operations prior to October 3, 2016. Cost of sales for these products in discontinued operations is equal to our average third party cost of sales for third party branded products distributed by Anda Distribution. The Company does not evaluate the following items at the segment level:

- Revenues and operating expenses within cost of sales, selling and marketing expenses, and general and administrative expenses that result from the impact of corporate initiatives. Corporate initiatives primarily include integration, restructuring, acquisition and other shared costs.
- General and administrative expenses that result from shared infrastructure, including certain expenses located within the United States.
- Total assets including capital expenditures.
- Other select revenues and operating expenses including R&D expenses, amortization, IPR&D impairments and asset sales and impairments, net, as not all such information has been accounted for at the segment level, or such information has not been used by all segments.

The Company defines segment net revenues as product sales and other revenue derived from branded products or licensing agreements.

Cost of sales within segment contribution includes standard production and packaging costs for the products we manufacture, third party acquisition costs for products manufactured by others, profit-sharing or royalty payments for products sold pursuant to licensing agreements and finished goods inventory reserve charges. Cost of sales included within segment contribution does not include non-standard production costs, such as non-finished goods inventory obsolescence charges, manufacturing variances and excess capacity utilization charges, where applicable. Cost of sales does not include amortization or impairment costs for acquired product rights or other acquired intangibles.

Selling and marketing expenses consist mainly of personnel-related costs, product promotion costs, distribution costs, professional service costs, insurance, depreciation and travel costs.

General and administrative expenses consist mainly of personnel-related costs, facilities costs, transaction costs, insurance, depreciation, litigation costs and professional services costs which are general in nature and attributable to the segment.

Segment net revenues, segment operating expenses and segment contribution information consisted of the following for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31, 2017			
	US Specialized Therapeutics	**US General Medicine**	**International**	**Total**
Net revenues	$ 1,482.0	$ 1,345.8	$ 737.3	$ 3,565.1
Operating expenses:				
Cost of sales(1)	89.2	194.5	100.3	384.0
Selling and marketing	330.4	302.5	209.5	842.4
General and administrative	44.8	40.7	29.9	115.4
Segment Contribution	**$ 1,017.6**	**$ 808.1**	**$ 397.6**	**$ 2,223.3**
Contribution margin	***68.7%***	***60.0%***	***53.9%***	***62.4%***
Corporate				286.0
Research and development				759.9
Amortization				1,736.0
In-process research and development impairments				340.0
Asset sales and impairments, net				7.4
Operating (loss)				$ (906.0)
Operating margin				(25.4)%

(1) Excludes amortization and impairment of acquired intangibles including product rights, as well as indirect cost of sales not attributable to segment results.

	Three Months Ended March 31, 2016			
	US Specialized Therapeutics	US General Medicine	International	Total
Net revenues	$ 1,298.7	$ 1,453.7	$ 673.3	$ 3,425.7
Operating expenses:				
Cost of sales[1]	70.7	219.6	99.2	389.5
Selling and marketing	264.6	277.3	187.3	729.2
General and administrative	39.2	42.2	27.6	109.0
Segment Contribution	**$ 924.2**	**$ 914.6**	**$ 359.2**	**$ 2,198.0**
Contribution margin	***71.2%***	***62.9%***	***53.3%***	***64.2%***
Corporate				372.4
Research and development				403.1
Amortization				1,589.7
In-process research and development impairments				6.0
Asset sales and impairments, net				(1.7)
Operating (loss)				$ (171.5)
Operating margin				(5.0)%

(1) Excludes amortization and impairment of acquired intangibles including product rights, as well as indirect cost of sales not attributable to segment results.

The following is a reconciliation of net revenues for the operating segments to the Company's net revenues for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31,	
	2017	2016
Segment net revenues	$ 3,565.1	$ 3,425.7
Corporate revenues	7.8	(26.4)
Net revenues	**$ 3,572.9**	**$ 3,399.3**

No country outside of the United States represents ten percent or more of net revenues. The US Specialized Therapeutics and US General Medicine segments are comprised solely of sales within the United States.

The following tables present global net revenues for the top products of the Company for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31, 2017				
	US Specialized Therapeutics	US General Medicine	International	Corporate	Total
Botox®	$ 509.4	$ -	$ 204.6	$ -	$ 714.0
Restasis®	308.8	-	13.9	-	322.7
Juvederm Collection **	119.8	-	122.2	-	242.0
Lumigan®/Ganfort®	74.3	-	85.9	-	160.2
Linzess®/Constella®	-	147.6	4.9	-	152.5
Bystolic® /Byvalson®	-	139.8	0.5	-	140.3
Alphagan®/Combigan®	86.4	-	42.3	-	128.7
Namenda XR®	-	122.0	-	-	122.0
Eye Drops	47.8	-	65.3	-	113.1
Lo Loestrin®	-	99.8	-	-	99.8
Breast Implants	54.3	-	37.6	-	91.9
Ozurdex ®	22.5	-	51.1	-	73.6
Estrace® Cream	-	73.4	-	-	73.4
Viibryd®/Fetzima®	-	72.5	0.4	-	72.9
Asacol®/Delzicol®	-	57.6	12.1	-	69.7
Carafate ® /Sulcrate ®	-	58.7	0.7	-	59.4
Alloderm®	54.1	-	1.2	-	55.3
Vraylar™	-	53.6	-	-	53.6
Zenpep®	-	46.5	-	-	46.5
Canasa®/Salofalk®	-	38.3	4.4	-	42.7
Minastrin® 24	-	41.1	-	-	41.1
Aczone®	40.6	-	-	-	40.6
Saphris®	-	37.3	-	-	37.3
Armour Thyroid	-	37.3	-	-	37.3
Viberzi®	-	31.5	-	-	31.5
Teflaro®	-	30.6	-	-	30.6
SkinMedica®	28.0	-	-	-	28.0
Rapaflo®	25.9	-	2.0	-	27.9
Savella®	-	24.3	-	-	24.3
Namzaric®	-	23.6	-	-	23.6
Tazorac®	23.4	-	0.2	-	23.6
Kybella® /Belkyra®	15.1	-	1.5	-	16.6
Latisse®	13.6	-	1.9	-	15.5
Lexapro®	-	13.4	-	-	13.4
Avycaz®	-	11.3	-	-	11.3
Dalvance®	-	9.6	-	-	9.6
Liletta®	-	7.2	-	-	7.2
Enablex®	-	0.9	-	-	0.9
Namenda® IR	-	0.1	-	-	0.1
Other Products Revenues	58.0	167.8	84.6	7.8	318.2
Total Net Revenues	**$ 1,482.0**	**$ 1,345.8**	**$ 737.3**	**$ 7.8**	**$ 3,572.9**

	Three Months Ended March 31, 2016				
	US Specialized Therapeutics	US General Medicine	International	Corporate	Total
Botox®	$ 455.5	$ -	$ 182.0	$ -	$ 637.5
Restasis®	298.7	-	15.0	-	313.7
Juvederm Collection **	102.7	-	100.1	-	202.8
Lumigan®/Ganfort®	81.5	-	88.1	-	169.6
Linzess®/Constella®	-	137.1	3.8	-	140.9
Bystolic® /Byvalson®	-	163.6	0.4	-	164.0
Alphagan®/Combigan®	84.9	-	41.8	-	126.7
Namenda XR®	-	173.1	-	-	173.1
Eye Drops	40.8	-	67.2	-	108.0
Lo Loestrin®	-	89.3	-	-	89.3
Breast Implants	46.4	-	36.7	-	83.1
Ozurdex ®	19.4	-	41.1	-	60.5
Estrace® Cream	-	80.6	-	-	80.6
Viibryd®/Fetzima®	-	83.3	-	-	83.3
Asacol®/Delzicol®	-	105.9	15.3	-	121.2
Carafate ® /Sulcrate ®	-	61.0	0.5	-	61.5
Vraylar™	-	7.6	-	-	7.6
Zenpep®	-	49.6	-	-	49.6
Canasa®/Salofalk®	-	41.1	4.0	-	45.1
Minastrin® 24	-	79.6	0.8	-	80.4
Aczone®	33.0	-	-	-	33.0
Saphris®	-	41.5	-	-	41.5
Armour Thyroid	-	42.1	-	-	42.1
Viberzi®	-	4.0	-	-	4.0
Teflaro®	-	33.4	-	-	33.4
SkinMedica®	26.6	-	-	-	26.6
Rapaflo®	33.0	-	1.2	-	34.2
Savella®	-	23.7	-	-	23.7
Namzaric®	-	10.3	-	-	10.3
Tazorac®	17.1	-	0.2	-	17.3
Kybella® /Belkyra®	11.3	-	0.5	-	11.8
Latisse®	19.8	-	2.1	-	21.9
Lexapro®	-	18.7	-	-	18.7
Avycaz®	-	8.4	-	-	8.4
Dalvance®	-	6.2	-	-	6.2
Liletta®	-	4.9	-	-	4.9
Enablex®	-	12.8	-	-	12.8
Namenda® IR	-	5.8	-	-	5.8
Other Products Revenues	28.0	170.1	72.5	5.5	276.1
Less product sold through our former Anda Distribution business	n.a.	n.a.	n.a.	(31.9)	(31.9)
Total Net Revenues	**$ 1,298.7**	**$ 1,453.7**	**$ 673.3**	**$ (26.4)**	**$ 3,399.3**

** Sales of fillers including Juvederm, Voluma and other fillers are referred to herein as the "Juvederm Collection."

Unless included above, no product represents ten percent or more of total net revenues.

NOTE 9 — Inventories

Inventories consist of finished goods held for sale and distribution, raw materials and work-in-process. Inventories are stated at the lower of cost (first-in, first-out method) or market (net realizable value). The Company writes down inventories to net realizable value based on forecasted demand, market conditions or other factors, which may differ from actual results.

Inventories consisted of the following ($ in millions):

	March 31, 2017	December 31, 2016
Raw materials	$ 316.9	$ 297.1
Work-in-process	179.6	145.4
Finished goods	494.2	357.7
	990.7	800.2
Less: inventory reserves	86.0	82.2
Total Inventories	**$ 904.7**	**$ 718.0**

As of March 31, 2017, work-in-process and finished goods included $15.9 million and $64.6 million, respectively, related to the fair-value step-up of acquired inventory as a result of the LifeCell Acquisition.

NOTE 10 — Investments and Other Assets

Investments in marketable securities, other investments and other assets consisted of the following ($ in millions):

	March 31, 2017	December 31, 2016
Marketable securities:		
Short-term investments	$ 4,797.6	$ 8,062.3
Teva Shares	3,060.6	3,439.2
Total marketable securities	**$ 7,858.2**	**$ 11,501.5**
Investments and other assets:		
Legacy Allergan deferred executive compensation investments	$ 113.5	$ 111.7
Equity method investments	12.5	12.8
Cost method investments	15.0	15.0
Other long-term investments	68.4	67.2
Taxes receivable	36.0	36.0
Other assets	37.8	39.4
Total investments and other assets	**$ 283.2**	**$ 282.1**

Investments in securities, including those classified in cash and cash equivalents due to the maturity term of the instrument, as of March 31, 2017 and December 31, 2016 included the following ($ in millions):

	Investments in Securities as of March 31, 2017:					
Level 1	**Carrying amount**	**Unrecognized gain**	**Unrecognized loss**	**Estimated fair value**	**Cash & cash equivalents**	**Marketable securities**
Money market funds	$ 724.4	$ -	$ -	$ 724.4	$ 724.4	$ -
Total	**$ 724.4**	**$ -**	**$ -**	**$ 724.4**	**$ 724.4**	**$ -**

Level 2	**Carrying amount**	**Unrecognized gain**	**Unrecognized loss**	**Estimated fair value**	**Cash & cash equivalents**	**Marketable securities**
Commercial paper	$ 2,095.8	$ 0.9	$ -	$ 2,096.7	$ -	$ 2,096.7
Investment in Teva ordinary shares	3,060.6	-	-	3,060.6	-	3,060.6
Certificates of deposit	2,700.9	-	-	2,700.9	-	2,700.9
Total	**$ 7,857.3**	**$ 0.9**	**$ -**	**$ 7,858.2**	**$ -**	**$ 7,858.2**

	Investments in Securities as of December 31, 2016:					
Level 1	**Carrying amount**	**Unrecognized gain**	**Unrecognized loss**	**Estimated fair value**	**Cash & cash equivalents**	**Marketable securities**
Money market funds	$ 1,238.9	$ -	$ -	$ 1,238.9	$ 1,238.9	$ -
Total	**$ 1,238.9**	**$ -**	**$ -**	**$ 1,238.9**	**$ 1,238.9**	**$ -**

Level 2	**Carrying amount**	**Unrecognized gain**	**Unrecognized loss**	**Estimated fair value**	**Cash & cash equivalents**	**Marketable securities**
Commercial paper	$ 3,909.7	$ 0.2	$ -	$ 3,909.9	$ -	$ 3,909.9
Investment in Teva ordinary shares	5,038.6	-	(1,599.4)	3,439.2	-	3,439.2
Certificates of deposit	4,152.4	-	-	4,152.4	-	4,152.4
Total	**$ 13,100.7**	**$ 0.2**	**$ (1,599.4)**	**$ 11,501.5**	**$ -**	**$ 11,501.5**

Companies are required to use a fair value hierarchy as defined in ASC Topic 820 "Fair Value Measurement," ("ASC 820") which maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value ("Fair Value Leveling"). There are three levels of inputs used to measure fair value with Level 1 having the highest priority and Level 3 having the lowest:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, 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. The Level 3 assets are those whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with significant unobservable inputs, as well as instruments for which the determination of fair value requires significant judgment or estimation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants. Fair values are determined based on Fair Value Leveling.

Marketable securities and investments consist of available-for-sale investments in money market securities and equity securities of publicly traded companies for which market prices are readily available. Unrealized gains or losses on marketable securities and investments are recorded in accumulated other comprehensive (loss) / income. Realized gains or losses on marketable securities and investments are recorded in interest income. The Company's marketable securities and other long-term investments are classified as available-for-sale and are recorded at fair value based on quoted market prices using the specific identification method. These investments are classified as either current or non-current, as appropriate, in the Company's consolidated balance sheets. The Company may sell certain of its marketable securities prior to their stated maturities for strategic reasons including, but not limited to, anticipation of credit deterioration and maturity management.

Excluding the Company's investment in Teva securities, the Company considers the declines in market value of its marketable securities investment portfolio to be temporary in nature. See Note 5 for further discussion of the Company's investment in Teva Shares. The Company typically invests in highly-rated securities, and its investment policy generally limits the amount of credit exposure to any one issuer. The Company's policy requires investments to be investment grade with the primary objective of minimizing the potential risk of principal loss. Fair values were determined for each individual security in the investment portfolio.

NOTE 11 — Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following ($ in millions):

	March 31, 2017	December 31, 2016
Accrued expenses:		
Accrued third-party rebates	$ 1,495.1	$ 1,595.5
Accrued payroll and related benefits	472.2	581.1
Current portion of contingent consideration obligations	470.4	511.0
Accrued returns	310.9	295.9
Accrued pharmaceutical fees	274.6	221.3
Contractual commitments	271.3	264.9
Interest payable	166.0	294.2
Litigation-related reserves and legal fees	163.4	101.1
Royalties payable	146.8	146.6
Accrued R&D expenditures	117.4	154.0
Accrued severance, retention and other shutdown costs	72.1	86.2
Accrued non-provision taxes	70.7	55.0
Accrued selling and marketing expenditures	50.5	95.9
Dividends payable	24.6	23.2
Other accrued expenses	397.2	368.2
Total accrued expenses	$ 4,503.2	$ 4,794.1
Accounts payable	292.2	224.9
Total Accounts Payable and Accrued Expenses	**$ 4,795.4**	**$ 5,019.0**

NOTE 12 — Goodwill, Product Rights and Other Intangible Assets

The Company's goodwill by segment consisted of the following ($ in millions):

	US Specialized Therapeutics	US General Medicine	International	Total
Balance as of December 31, 2016	$ 18,433.2	$ 21,426.6	$ 6,496.3	$ 46,356.1
Additions through acquisitions	1,469.8	-	-	1,469.8
Foreign exchange and other adjustments	-	-	91.2	91.2
Balance as of March 31, 2017	**$ 19,903.0**	**$ 21,426.6**	**$ 6,587.5**	**$ 47,917.1**

As of March 31, 2017 and December 31, 2016, the gross balance of goodwill, pre-impairments, was $47,934.4 million and $46,373.4 million, respectively

The following items had a significant impact on goodwill in the three months ended March 31, 2017:

- An increase in goodwill of $1,469.8 million resulting from the LifeCell Acquisition.

Product rights and other intangible assets consisted of the following ($ in millions):

Cost Basis	Balance as of December 31, 2016	Acquisitions	Impairments	IPR&D to CMP Transfers	Foreign Currency Translation	Balance as of March 31, 2017
Intangibles with definite lives:						
Product rights and other related intangibles	$ 67,801.4	$ 2,356.3	$ -	$ 833.1	$ 92.6	**$ 71,083.4**
Trade name	690.0	-	-	-	-	**690.0**
Total definite-lived intangible assets	$ 68,491.4	$ 2,356.3	$ -	$ 833.1	$ 92.6	**$ 71,773.4**
Intangibles with indefinite lives:						
IPR&D	$ 8,758.3	$ 10.0	$ (340.0)	$ (833.1)	$ 7.5	**$ 7,602.7**
Total indefinite-lived intangible assets	$ 8,758.3	$ 10.0	$ (340.0)	$ (833.1)	$ 7.5	**$ 7,602.7**
Total product rights and related intangibles	$ 77,249.7	$ 2,366.3	$ (340.0)	$ -	$ 100.1	**$ 79,376.1**

Accumulated Amortization	Balance as of December 31, 2016	Amortization	Foreign Currency Translation	Balance as of March 31, 2017
Intangibles with definite lives:				
Product rights and other related intangibles	$ (14,493.9)	$ (1,716.6)	$ (14.8)	**$ (16,225.3)**
Trade name	(137.2)	(19.4)	-	**(156.6)**
Total definite-lived intangible assets	$ (14,631.1)	$ (1,736.0)	$ (14.8)	**$ (16,381.9)**
Total product rights and related intangibles	$ (14,631.1)	$ (1,736.0)	$ (14.8)	**$ (16,381.9)**
Net Product Rights and Other Intangibles	$ 62,618.6			**$ 62,994.2**

The following items had a significant impact on net product rights and other intangibles in the three months ended March 31, 2017:

- The Company acquired $2,020.0 million of intangible assets in connection with the LifeCell Acquisition;
- The Company reacquired rights on select licensed products promoted in the Company's US General Medicine segment in an aggregate value of $334.0 million in the three months ended March 31, 2017. As part of the rights reacquired, the Company is no longer obligated to pay royalties on the specific products, which increases the Company's segment gross margin percentage;
- The Company impaired an IPR&D asset acquired as part of the Warner Chilcott acquisition by $200.0 million as a result of a decline in anticipated market demand;
- The Company notified Serenity Pharmaceuticals, LLC of its intent to terminate the License, Transfer and Development Agreement for SER-120 (nocturia). As a result of this termination, the Company recorded an impairment of $140.0 million on the IPR&D intangible asset obtained as part of the Allergan acquisition; and
- The Company reclassified certain intangible assets from IPR&D to CMP primarily related to Juvederm® and Rhofade® upon approval of the products.

Assuming no additions, disposals or adjustments are made to the carrying values and/or useful lives of the intangible assets, annual amortization expense on product rights and other related intangibles as of March 31, 2017 over the remainder of 2017 and each of the next five years is estimated to be as follows ($ in millions):

	Amortization Expense
2017 remaining	$ 5,239.4
2018	$ 6,617.8
2019	$ 6,544.1
2020	$ 6,222.3
2021	$ 5,273.1
2022	$ 4,854.5

The above amortization expense is an estimate. Actual amounts may change from such estimated amounts due to fluctuations in foreign currency exchange rates, additional intangible asset acquisitions, finalization of preliminary fair value estimates, potential impairments, accelerated amortization or other events.

NOTE 13 — Long-Term Debt and Capital Leases

Total debt and capital leases consisted of the following ($ in millions):

	Balance As of		Fair Market Value As of	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Senior Notes:				
Floating Rate Notes				
$500.0 million floating rate notes due March 12, 2018 *	$ 500.0	$ 500.0	$ 503.2	$ 502.5
$500.0 million floating rate notes due March 12, 2020 **	500.0	500.0	511.0	509.4
	1,000.0	1,000.0	1,014.2	1,011.9
Fixed Rate Notes				
$1,000.0 million 1.850% notes due March 1, 2017	-	1,000.0	-	1,001.1
$500.0 million 1.300% notes due June 15, 2017	500.0	500.0	499.9	499.7
$1,200.0 million 1.875% notes due October 1, 2017	1,200.0	1,200.0	1,201.3	1,202.5
$3,000.0 million 2.350% notes due March 12, 2018	3,000.0	3,000.0	3,014.0	3,018.0
$250.0 million 1.350% notes due March 15, 2018	250.0	250.0	248.8	248.4
$1,050.0 million 4.375% notes due February 1, 2019	1,050.0	1,050.0	1,093.7	1,090.0
$500.0 million 2.450% notes due June 15, 2019	500.0	500.0	502.6	501.2
$400.0 million 6.125% notes due August 14, 2019	400.0	400.0	435.1	437.7
$3,500.0 million 3.000% notes due March 12, 2020	3,500.0	3,500.0	3,555.4	3,541.8
$650.0 million 3.375% notes due September 15, 2020	650.0	650.0	666.8	663.6
$750.0 million 4.875% notes due February 15, 2021	750.0	750.0	804.7	803.3
$1,200.0 million 5.000% notes due December 15, 2021	1,200.0	1,200.0	1,306.1	1,297.7
$3,000.0 million 3.450% notes due March 15, 2022	3,000.0	3,000.0	3,058.7	3,030.7
$1,700.0 million 3.250% notes due October 1, 2022	1,700.0	1,700.0	1,710.9	1,693.1
$350.0 million 2.800% notes due March 15, 2023	350.0	350.0	340.2	335.6
$1,200.0 million 3.850% notes due June 15, 2024	1,200.0	1,200.0	1,222.1	1,211.7
$4,000.0 million 3.800% notes due March 15, 2025	4,000.0	4,000.0	4,036.1	3,995.6
$2,500.0 million 4.550% notes due March 15, 2035	2,500.0	2,500.0	2,512.2	2,458.5
$1,000.0 million 4.625% notes due October 1, 2042	1,000.0	1,000.0	986.0	967.6
$1,500.0 million 4.850% notes due June 15, 2044	1,500.0	1,500.0	1,527.3	1,496.4
$2,500.0 million 4.750% notes due March 15, 2045	2,500.0	2,500.0	2,515.4	2,466.9
	30,750.0	31,750.0	31,237.3	31,961.1
Total Senior Notes Gross	**31,750.0**	**32,750.0**	**32,251.5**	**32,973.0**
Unamortized premium	159.5	171.2	-	-
Unamortized discount	(92.9)	(95.8)	-	-
Total Senior Notes Net	**31,816.6**	**32,825.4**	**32,251.5**	**32,973.0**
Other Indebtedness				
Debt Issuance Costs	(137.8)	(144.6)		
Other	68.2	85.5		
Total Other Borrowings	**(69.6)**	**(59.1)**		
Capital Leases	**2.4**	**2.4**		
Total Indebtedness	**$ 31,749.4**	**$ 32,768.7**		

* Interest on the 2018 floating rate note is three month USD LIBOR plus 1.080% per annum

** Interest on the 2020 floating rate note is three month USD LIBOR plus 1.255% per annum

Fair market value in the table above is determined in accordance with Fair Value Leveling.

Senior Notes

The $500.0 million 2016 floating rate notes were paid in full at maturity on September 1, 2016 and bore interest at the three-month LIBOR plus 0.875%. Interest on the 2018 Floating Rate Notes and the 2020 Floating Rate Notes is payable quarterly on March 12, June 12, September 12 and December 12 of each year, and began on June 12, 2015.

The Company has issued fixed rate notes over multiple issuances for various business needs. Interest on the various notes is generally payable semi-annually with various payment dates.

The $500.0 million 1.300% senior notes due June 15, 2017 were redeemed and paid in full on April 21, 2017.

Credit Facility Indebtedness

On August 2, 2016, the Company repaid the remaining balances of all outstanding term-loan indebtedness and terminated its then existing revolving credit facility with proceeds from the Teva Transaction. The interest expense on the then outstanding indebtedness in the three months ended March 31, 2016 was $39.3 million.

Annual Debt Maturities

As of March 31, 2017, annual debt maturities were as follows ($ in millions):

	Total Payments
2017 remaining	$ 1,700.0
2018	3,750.0
2019	1,950.0
2020	4,650.0
2021	1,950.0
2022	4,700.0
2023 and after	13,050.0
	$ 31,750.0
Capital leases	2.4
Debt issuance costs	(137.8)
Other short-term borrowings	68.2
Unamortized premium	159.5
Unamortized discount	(92.9)
Total Indebtedness	**$ 31,749.4**

Amounts represent total anticipated cash payments assuming scheduled repayments.

NOTE 14 — Other Long-Term Liabilities

Other long-term liabilities consisted of the following ($ in millions):

	March 31, 2017	December 31, 2016
Acquisition related contingent consideration liabilities	$ 620.6	$ 661.1
Long-term pension and post retirement liability	198.4	201.6
Legacy Allergan deferred executive compensation	114.9	111.7
Deferred revenue	38.0	15.7
Product warranties	27.8	28.1
Long-term contractual obligations	24.6	25.3
Long-term severance and restructuring liabilities	14.7	22.0
Other long-term liabilities	21.5	19.5
Total other long-term liabilities	**$ 1,060.5**	**$ 1,085.0**

NOTE 15 — Income Taxes

The Company's effective tax rate for the three months ended March 31, 2017 was 17.2% compared to 81.6% for the three months ended March 31, 2016. The effective tax rate for the three months ended March 31, 2017 was favorably impacted by income earned in jurisdictions with tax rates lower than the Irish statutory rate and U.S. losses tax benefited at rates greater than the Irish statutory rate. This was offset by a pre-tax charge for the impairment of the Company's investment in Teva Shares of $1,978.0 million and the tax impact of amortization of intangible assets, both at rates less than the Irish statutory rate. Additionally, the tax benefit for the three months ended March 31, 2017 included tax benefits of $74.0 million related to the impairment of certain intangible assets and $40.6 million related to the integration of an acquired business.

The effective tax rate for the three months ended March 31, 2016 was impacted by income earned in jurisdictions with tax rates lower than the Irish statutory rate and U.S. losses tax benefited at rates greater than the Irish statutory rate. Additionally, the tax

benefit for the three months ended March 31, 2016 included an expense of $124.3 million for the change in a valuation allowance on a portion of U.S. capital loss carryforwards resulting from restructuring associated with the sale of the global generics business and a benefit of $32.2 million for the recognition of previously unrecognized tax benefits.

The decrease in the effective tax rate for the period ended March 31, 2017 as compared to the period ended March 31, 2016 is primarily the result of the Teva Shares' impairment charge for which no tax benefit was recorded.

The Company conducts business globally and, as a result, it files U.S. federal, state and foreign tax returns. The Company strives to resolve open matters with each tax authority at the examination level and could reach agreement with a tax authority at any time. While the Company has accrued for amounts it believes are in accordance with the accounting standard, the final outcome with a tax authority may result in a tax liability that is more or less than that reflected in the consolidated financial statements. Furthermore, the Company may later decide to challenge any assessments, if made, and may exercise its right to appeal. The uncertain tax positions are reviewed quarterly and adjusted as events occur that affect potential liabilities for additional taxes, such as lapsing of applicable statutes of limitations, proposed assessments by tax authorities, negotiations with tax authorities, identification of new issues and issuance of new legislation, regulations or case law.

The Company has several concurrent audits open and pending with the Internal Revenue Service ("IRS") as set forth below:

IRS Audits	Tax Years
Actavis W.C. Holding Inc.	2013 and 2014
Warner Chilcott Corporation	2010, 2011, 2012 and 2013
Forest Laboratories, Inc.	2010, 2011, 2012, 2013 and 2014
Allergan, Inc.	2009, 2010, 2011, 2012 and 2013
Durata Therapeutics, Inc.	2012 and 2014
LifeCell Corporation	2014

NOTE 16 — Shareholders' Equity

A summary of the changes in shareholders' equity for the three months ended March 31, 2017 consisted of the following ($ in millions):

	Allergan plc
Shareholders' equity as of December 31, 2016	$ 76,192.7
Increase in additional paid in capital for share-based compensation plans	62.7
Tax impact of change in accounting for share-based compensation plans	20.8
Net (loss) attributable to shareholders	(2,565.2)
Proceeds from stock plans	52.6
Dividends on ordinary shares	(236.2)
Dividends on preferred shares	(69.6)
Repurchase of ordinary shares	(29.5)
Net impact of other-than-temporary loss on investment in Teva securities	1,599.4
Other comprehensive income	160.7
Shareholders' equity as of March 31, 2017	**$ 75,188.4**

	Warner Chilcott Limited
Members' equity as of December 31, 2016	$ 88,085.7
Tax impact of change in accounting for share-based compensation plans	20.8
Net (loss) attributable to members	(2,537.3)
Dividend to Parent	(4,509.7)
Net impact of other-than-temporary loss on investment in Teva securities	1,599.4
Other comprehensive income	160.7
Members' equity as of March 31, 2017	**$ 82,819.6**

Share Repurchase Program

During the year ended December 31, 2016, the Company's Board of Directors approved a $5.0 billion share repurchase program which was completed in October 2016. Additionally, the Company's Board of Directors approved a $10.0 billion accelerated share repurchase program, which was initiated in November 2016. Under the accelerated share repurchase program, the Company received $8.0 billion of repurchased shares during the year ended December 31, 2016. During the year ended December 31, 2016, the Company repurchased a total of 61.6 million ordinary shares under these share repurchase programs. The amount of shares, if any, to be received from the remaining $2.0 billion of repurchases is subject to the volume weighted average share price over the term of the agreement. Additionally, a portion of the accelerated share repurchase program is subject to a collar which would set the cap and floor of the share price for the transaction.

Quarterly Dividend

On February 7, 2017, the Board of Directors authorized a quarterly dividend of $0.70 per ordinary share, or $236.2 million in the aggregate, with the first payment on March 28, 2017 made to shareholders of record at the close of business on February 28, 2017.

Preferred Shares

In both the three months ended March 31, 2017 and 2016, the Company paid $69.6 million of dividends on preferred shares.

Accumulated Other Comprehensive Income / (Loss)

For most of the Company's international operations, the local currency has been determined to be the functional currency. The results of its non-U.S. dollar based operations are translated to U.S. dollars at the average exchange rates during the period. Assets and liabilities are translated at the rate of exchange prevailing on the balance sheet date. Equity is translated at the prevailing rate of exchange at the date of the equity transaction. Translation adjustments are reflected in shareholders' equity and are included as a component of other comprehensive income / (loss). The effects of converting non-functional currency assets and liabilities into the functional currency are recorded as transaction gains/losses in general and administrative expenses in the consolidated statements of operations.

The movements in accumulated other comprehensive income for the three months ended March 31, 2017 were as follows ($ in millions):

	Foreign Currency Translation Items	Unrealized (losses) / gains net of tax	Total Accumulated Other Comprehensive Income / (Loss)
Balance as of December 31, 2016	**$ 534.7**	**$ (1,573.1)**	**$ (1,038.4)**
Other comprehensive gain / (loss) before reclassifications into general and administrative	162.6	(1.9)	160.7
Net impact of other-than-temporary loss on investment in Teva securities	-	1,599.4	1,599.4
Total other comprehensive income	162.6	1,597.5	1,760.1
Balance as of March 31, 2017	**$ 697.3**	**$ 24.4**	**$ 721.7**

The movements in accumulated other comprehensive (loss) / income for the three months ended March 31, 2016 were as follows ($ in millions):

	Foreign Currency Translation Items	Unrealized gains net of tax	Total Accumulated Other Comprehensive Income / (Loss)
Balance as of December 31, 2015	**$ (564.3)**	**$ 70.2**	**$ (494.1)**
Other comprehensive gain / (loss) before reclassifications into general and administrative	542.8	(20.3)	522.5
Total other comprehensive income / (loss)	542.8	(20.3)	522.5
Balance as of March 31, 2016	**$ (21.5)**	**$ 49.9**	**$ 28.4**

NOTE 17 — Fair Value Measurement

Assets and liabilities are measured at fair value using Fair Value Leveling or disclosed at fair value on a recurring basis and as of March 31, 2017 and December 31, 2016 consisted of the following ($ in millions):

	Fair Value Measurements as of March 31, 2017 Using:			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
Cash equivalents *	$ 724.4	$ 724.4	$ -	$ -
Short-term investments	4,797.6	-	4,797.6	-
Deferred executive compensation investments	113.5	90.6	22.9	-
Foreign currency derivatives	0.1	-	0.1	-
Investment in Teva ordinary shares	3,060.6	-	3,060.6	-
Investments and other	95.9	95.9	-	-
Total assets	**$ 8,792.1**	**$ 910.9**	**$ 7,881.2**	**$ -**
Liabilities:				
Deferred executive compensation liabilities	$ 114.9	$ 92.0	$ 22.9	$ -
Contingent consideration obligations	1,091.0	-	-	1,091.0
Total liabilities	**$ 1,205.9**	**$ 92.0**	**$ 22.9**	**$ 1,091.0**

	Fair Value Measurements as of December 31, 2016 Using:			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
Cash equivalents*	$ 1,238.9	$ 1,238.9	$ -	$ -
Short-term investments	8,062.3	-	8,062.3	
Deferred executive compensation investments	111.7	90.5	21.2	
Foreign currency derivatives	0.1	-	0.1	-
Investment in Teva ordinary shares	3,439.2	-	3,439.2	-
Investments and other	95.0	95.0	-	-
Total assets	**$ 12,947.2**	**$ 1,424.4**	**$ 11,522.8**	**$ -**
Liabilities:				
Deferred executive compensation liabilities	$ 111.7	$ 90.5	$ 21.2	$ -
Contingent consideration obligations	1,172.1	-	-	1,172.1
Total liabilities	**$ 1,283.8**	**$ 90.5**	**$ 21.2**	**$ 1,172.1**

* Marketable securities with less than 90 days remaining until maturity are classified as cash equivalents.

Marketable securities and investments consist of available-for-sale investments in money market securities and equity securities for which market prices are readily available. Unrealized gains or losses on marketable securities and investments are recorded in accumulated other comprehensive (loss) / income. Realized gains or losses on marketable securities and investments are recorded in interest income.

Contingent Consideration Obligations

The fair value measurement of the contingent consideration obligations is determined using Level 3 inputs and is based on a probability-weighted income approach. The measurement is based upon unobservable inputs supported by little or no market activity based on our own assumptions. Changes in the fair value of the contingent consideration obligations, including accretion, are recorded in our consolidated statements of operations as follows ($ in millions):

	Three Months Ended	
Expense / (income)	**March 31, 2017**	**March 31, 2016**
Cost of sales	$ (35.5)	$ 7.8
Research and development	66.2	25.9
General and administrative	-	0.1
Total	**$ 30.7**	**$ 33.8**

The table below provides a summary of the changes in fair value, including net transfers in and/or out, of all financial assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three months ended March 31, 2017 and 2016 ($ in millions):

	Balance as of December 31, 2016	Net transfers in to (out of) Level 3	Purchases and settlements, net	Net accretion and fair value adjustments	Foreign currency translation	Balance as of March 31, 2017
Liabilities:						
Contingent consideration obligations	$ 1,172.1	$ -	$ (111.8)	$ 30.7	$ -	$ 1,091.0

	Balance as of December 31, 2015	Net transfers in to (out of) Level 3	Purchases and settlements, net	Net accretion and fair value adjustments	Foreign currency translation	Balance as of March 31, 2016
Liabilities:						
Contingent consideration obligations	$ 868.0	$ -	$ (35.3)	$ 33.8	$ (0.9)	$ 865.6

During the three months ended March 31, 2017, the following activity in contingent consideration obligations was incurred ($ in millions):

	Balance as of December 31, 2016	Acquisitions	Fair Value Adjustments and Accretion	Payments and Other	Balance as of March 31, 2017
Tobira Acquisition	$ 514.4	$ -	$ 3.2	$ -	$ 517.6
Allergan Acquisition	199.6	-	8.8	(110.0)	98.4
Medicines 360 acquisition	127.5	-	(35.3)	(1.2)	91.0
AqueSys Acquisition	103.9	-	0.7	-	104.6
Oculeve Acquisition	99.5	-	51.0	-	150.5
ForSight Acquisition	65.4	-	0.7	-	66.1
Metrogel acquisition	15.0	-	-	-	15.0
Forest Acquisition	11.0	-	0.7	(0.5)	11.2
Uteron acquisition	8.2	-	-	-	8.2
Other	27.6	-	0.9	(0.1)	28.4
Total	**$ 1,172.1**	**$ -**	**$ 30.7**	**$ (111.8)**	**$ 1,091.0**

NOTE 18 — Business Restructuring Charges

During 2017, activity related to our business restructuring and facility rationalization activities primarily related to the cost optimization initiatives in conjunction with the LifeCell Acquisition, international restructurings and the Allergan Acquisition. Restructuring activities for the three months ended March 31, 2017 were as follows ($ in millions):

	Severance and Retention	Share-Based Compensation	Other	Total
Reserve balance at December 31, 2016	$ 68.5	$ -	$ 39.7	$ 108.2
Charged to expense				
Cost of sales	0.3	-	-	0.3
Research and development	0.6	-	-	0.6
Selling and marketing	9.7	-	-	9.7
General and administrative	3.8	0.2	7.3	11.3
Total expense	14.4	0.2	7.3	21.9
Cash payments	(18.8)	-	(16.8)	(35.6)
Other reserve impact	(7.5)	(0.2)	-	(7.7)
Reserve balance at March 31, 2017	**$ 56.6**	**$ -**	**$ 30.2**	**$ 86.8**

During the three months ended March 31, 2017 and 2016, the Company recognized restructuring charges of $21.9 million and $16.1 million, respectively.

NOTE 19 — Commitments & Contingencies

The Company and its affiliates are involved in various disputes, governmental and/or regulatory inspections, inquires, investigations and proceedings, and litigation matters that arise from time to time in the ordinary course of business. The process of resolving matters through litigation or other means is inherently uncertain and it is possible that an unfavorable resolution of these matters will adversely affect the Company, its results of operations, financial condition and cash flows. The Company's general practice is to expense legal fees as services are rendered in connection with legal matters, and to accrue for liabilities when losses are probable and reasonably estimable.

The Company evaluates, on a quarterly basis, developments in legal proceedings and other matters that could cause an increase or decrease in the amount of the liability that is accrued. As of March 31, 2017, the Company's consolidated balance sheet includes accrued loss contingencies of approximately $115.0 million.

The Company's legal proceedings range from cases brought by a single plaintiff to mass tort actions and class actions with thousands of putative class members. These legal proceedings, as well as other matters, involve various aspects of our business and a variety of claims (including, but not limited to, *qui tam* actions, antitrust, product liability, breach of contract, securities, patent infringement and trade practices), some of which present novel factual allegations and/or unique legal theories. In addition, a number of the matters pending against us are at very early stages of the legal process (which in complex proceedings of the sort faced by us often extend for several years). As a result, some matters have not yet progressed sufficiently through discovery and/or development of important factual information and legal issues to enable us to estimate a range of possible loss. In those proceedings in which plaintiffs do request publicly quantified amounts of relief, the Company does not believe that the quantified amounts are meaningful because they are merely stated jurisdictional limits, exaggerated and/or unsupported by the evidence or applicable burdens of proof.

In matters involving the defense of the Company's intellectual property, the Company believes it has meritorious claims and intends to vigorously defend the patents or other intellectual property at issue in such litigation. Similarly, in matters where the Company is a defendant, the Company believes it has meritorious defenses and intends to defend itself vigorously. However, the Company can offer no assurances that it will be successful in a litigation or, in the case of patent enforcement matters, that a generic version of the product at issue will not be launched or enjoined. Failing to prevail in a litigation could adversely affect the Company and could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

Antitrust Litigation

Asacol® Litigation. Two class action complaints were filed on June 22, 2015, and three more on September 21, 2015, in federal court in Massachusetts on behalf of a putative class of indirect purchasers. In each complaint plaintiffs allege that they paid higher prices for Warner Chilcott's Asacol® HD and Delzicol® products as a result of Warner Chilcott's alleged actions preventing or delaying generic competition in the market for Warner Chilcott's older Asacol® product in violation of U.S. federal antitrust laws

and/or state laws. Plaintiffs seek unspecified injunctive relief, treble damages and/or attorneys' fees. Defendants moved to dismiss the indirect purchasers' complaint. A hearing was held on the motion to dismiss on May 11, 2016. On July 20, 2016, the court issued a decision granting the motion in part, dismissing the indirect purchaser plaintiffs' claims based on purported reverse payments and dismissing several of indirect purchaser plaintiffs' claims based on state laws. On August 15, 2016, the indirect purchaser plaintiffs filed a second amended complaint. The Company filed an answer to the second amended complaint on October 4, 2016. Complaints were also filed on behalf of a putative class of direct purchasers of Asacol® in federal court in New York on April 26, 2016, and on June 29, 2016, in each case making similar allegations to the complaints filed by the indirect purchaser plaintiffs. Those matters have been consolidated with the indirect purchaser cases in the federal court in Massachusetts. On October 11, 2016, the Company filed a motion to dismiss the direct purchasers' consolidated complaint and oral argument on the motion was held on December 16, 2016. On February 10, 2017, the court issued an order granting in part and denying in part the Company's motion to dismiss.

Botox® Litigation. A class action complaint was filed in federal court in California on February 24, 2015, and amended May 29, 2015, alleging unlawful market allocation in violation of Section 1 of the Sherman Act, 15 U.S.C. §1, agreement in restraint of trade in violation of 15 U.S.C. §1 of the Sherman Act, unlawful maintenance of monopoly market power in violation of Section 2 of the Sherman Act, 15 U.S.C. §2 of the Sherman Act, violations of California's Cartwright Act, Section 16700 et seq. of Calif. Bus. and Prof. Code, and violations of California's unfair competition law, Section 17200 et seq. of Calif. Bus. and Prof. Code. In the complaint, plaintiffs seek an unspecified amount of treble damages. On July 19, 2016, plaintiffs filed a motion for class certification. On October 14, 2016, the Company filed an opposition to plaintiffs' motion for class certification. Oral argument on the class certification motion was heard on January 13, 2017.

Doryx® Litigation. In July 2012, Mylan Pharmaceuticals Inc. ("Mylan") filed a complaint against Warner Chilcott and Mayne Pharma International Pty. Ltd. ("Mayne") in federal court in Pennsylvania alleging that Warner Chilcott and Mayne prevented or delayed Mylan's generic competition to Warner Chilcott's Doryx® products in violation of U.S. federal antitrust laws and tortiously interfered with Mylan's prospective economic relationships under Pennsylvania state law. In the complaint, Mylan seeks unspecified treble and punitive damages and attorneys' fees. Warner Chilcott and Mylan filed motions for summary judgment on March 10, 2014. On April 16, 2015, the court issued an order granting Warner Chilcott and Mayne's motion for summary judgment, denying Mylan's summary judgment motion and entering judgment in favor of Warner Chilcott and Mayne on all counts. Mylan appealed the district court's decision to the Third Circuit Court of Appeals. On September 28, 2016, the Court of Appeals issued its decision and affirmed the ruling of the district court. On November 30, 2016 the Third Circuit Court of Appeals denied Mylan's petition for a rehearing *en banc*. Mylan declined to file a petition for certiorari with the United States Supreme Court by the due date of April 28, 2017. The Company has reversed all accruals in connection with this matter and considers the matter closed.

Loestrin® 24 Litigation. On April 5, 2013, two putative class actions were filed in the federal district court against Warner Chilcott and certain affiliates alleging that Warner Chilcott's 2009 patent lawsuit settlements with Watson Laboratories and Lupin related to Loestrin® 24 Fe were unlawful. The complaints, both asserted on behalf of putative classes of end-payors, generally allege that Watson and Lupin improperly delayed launching generic versions of Loestrin® 24 in exchange for substantial payments from Warner Chilcott in violation of federal and state antitrust and consumer protection laws. The complaints each seek declaratory and injunctive relief and damages. Additional complaints have been filed by different plaintiffs seeking to represent the same putative class of end-payors. In addition to the end-payor suits, two lawsuits have been filed on behalf of a class of direct payors and by direct purchasers in their individual capacities. After a hearing on September 26, 2013, the JPML issued an order transferring all related Loestrin® 24 cases to the federal court for the District of Rhode Island. On September 4, 2014, the court granted the defendants' motion to dismiss the complaint. The plaintiffs appealed the district court's decision to the First Circuit Court of Appeals and oral argument was held on December 7, 2015. On February 22, 2016 the First Circuit issued its decision vacating the decision of, and remanding the matter to, the district court. On June 11, 2016, defendants filed an omnibus motion to dismiss the claims of the direct purchaser class plaintiffs, end-payor class plaintiffs and individual direct purchaser plaintiffs. Oral argument on the motion to dismiss was held on January 13, 2017.

Namenda® Litigation. On September 15, 2014, the State of New York, through the Office of the Attorney General of the State of New York, filed a lawsuit in the United States District Court for the Southern District of New York alleging that Forest was acting to prevent or delay generic competition to Forest's immediate-release product Namenda® in violation of federal and New York antitrust laws and committed other fraudulent acts in connection with its commercial plans for Namenda® XR. On December 11, 2014, the district court issued a ruling granting the state's preliminary injunction motion and issued an injunction on December 15, 2014 which the Court of Appeals for the Second Circuit affirmed on May 22, 2015. Forest and the New York Attorney General reached a settlement on November 24, 2015. On May 29, 2015, a putative class action was filed on behalf of a class of direct purchasers and on June 8, 2015 a similar putative class action was filed on behalf of a class of indirect purchasers. Since that time, additional complaints have been filed on behalf of putative classes of direct and indirect purchasers. The class action complaints make claims similar to those asserted by the New York Attorney General and also include claims that Namenda® patent litigation settlements between Forest and generic companies also violated the antitrust laws. On December 22, 2015, Forest and its co-defendants filed motions to dismiss the pending complaints. On September 13, 2016, the court issued a decision denying the Company's motion to dismiss. On

September 27, 2016 the Company filed an answer to the amended complaint. On February 16, 2017 and February 23, 2017, plaintiffs filed motions for summary judgment two of the counts of their complaint. On March 16, 2017, the Company filed oppositions to the plaintiffs' summary judgment motions and a cross motion for summary judgment on one count. The motions were argued before the court on May 5, 2017.

Zymar®/Zymaxid® Litigation. On February 16, 2012, Apotex Inc. and Apotex Corp. filed a complaint in the federal district court in Delaware against Senju Pharmaceuticals Co., Ltd. ("Senju"), Kyorin Pharmaceutical Co., Ltd. ("Kyorin"), and Allergan, Inc. alleging monopolization in violation of Section 2 of the Sherman Act, conspiracy to monopolize, and unreasonable restraint of trade in the market for gatifloxacin ophthalmic formulations, which includes Allergan Inc.'s ZYMAR® gatifloxacin ophthalmic solution 0.3% and ZYMAXID® gatifloxacin ophthalmic solution 0.5% products. In the complaint, Plaintiffs seek an unspecified amount of treble damages and disgorgement of profits. Following the court's denial of Allergan Inc.'s motions to dismiss, Allergan Inc. filed an answer to Apotex's complaint on June 1, 2015. On March 27, 2017, the Company and Apotex settled this matter.

On June 6, 2014, a separate antitrust class action complaint was filed in the federal district court in Delaware against the same defendants as in the Apotex case. The complaint alleges that defendants unlawfully excluded or delayed generic competition in the gatifloxacin ophthalmic formulations market (generic versions of ZYMAR® and ZYMAXID®). On September 18, 2014, Allergan Inc. filed a motion to dismiss for lack of subject matter jurisdiction and joined in co-defendants' motion to dismiss for failure to state a claim. On August 19, 2015, the court granted Allergan Inc.'s motion to dismiss. On September 18, 2015, plaintiff filed a notice of appeal with the U.S. Court of Appeals for the Third Circuit. The Third Circuit oral argument was held on June 13, 2016. On September 7, 2016, the U.S. Court of Appeals for the Third Circuit vacated the District Court's granting of Allergan Inc.'s motion to dismiss and remanded to the District Court for further proceedings. The Third Circuit denied the Company's petition for a rehearing on October 4, 2016.

Commercial Litigation

Celexa®/Lexapro® Class Actions. Forest and certain of its affiliates have been named as defendants in multiple federal court actions relating to the promotion of Celexa® and/or Lexapro® all of which have been consolidated in the Celexa®/Lexapro® MDL proceeding in the federal district court in Massachusetts. On November 13, 2013, an action was filed in federal court in Minnesota which sought to certify a nationwide class of third-party payor entities that purchased Celexa® and Lexapro® for pediatric use. The complaint asserts claims under the federal Racketeer Influenced and Corrupt Organizations ("RICO") Act, alleging that Forest engaged in an off-label marketing scheme and paid illegal kickbacks to physicians to induce prescriptions of Celexa® and Lexapro®. Forest moved to dismiss the complaint on December 12, 2014, and the court thereafter issued a ruling dismissing plaintiff's claims under Minnesota's Deceptive Trade Practices Act, but denying the remaining portions of the motion. A motion for class certification was filed in February, 2016, and denied on June 2, 2016. Thereafter, plaintiffs filed a 23(f) petition requesting leave to appeal the denial of class certification which the First Circuit denied on December 7, 2016. On January 19, 2017, plaintiff filed a motion for summary judgment on the Company's statute of limitation affirmative defense and the Company filed a cross motion for summary judgment on all claims on February 23, 2017. In addition, plaintiff in this action filed a second motion for class certification on February 28, 2017.

On August 28, 2014, an action was filed in the federal district court in Washington seeking to certify a nationwide class of consumers and subclasses of Washington and Massachusetts consumers that purchased Celexa® and Lexapro® for pediatric use. The complaint asserts claims under the federal RICO statute, alleging that Forest engaged in an off-label marketing scheme and paid illegal kickbacks to physicians to induce prescriptions of Celexa® and Lexapro®. Forest moved to dismiss the complaint on December 19, 2014. On June 16, 2015, the court issued a ruling on the motion to dismiss, granting it in part and denying it in part. Plaintiffs thereafter filed an amended complaint. Forest moved to dismiss the amended complaint. On June 9, 2016, the court denied Forest's motion. On March 3, 2017, plaintiffs in this action filed a motion for class certification.

Telephone Consumer Protection Act Litigation. In October 2012, Forest and certain of its affiliates were named as defendants in a putative class action in federal court in Missouri. This suit alleges that Forest and another defendant violated the Telephone Consumer Protection Act (the "TCPA") and was filed on behalf of a proposed class that includes all persons who, from four years prior to the filing of the action, were sent telephone facsimile messages of material advertising the commercial availability of any property, goods, or services by or on behalf of defendants, which did not display an opt-out notice compliant with a certain regulation promulgated by the FCC. On July 17, 2013, the district court granted Forest's motion to stay the action pending the administrative proceeding initiated by the pending FCC Petition and a separate petition Forest filed. On October 31, 2015, another class action complaint was filed in Missouri state court against Allergan USA, Inc., Warner Chilcott Corporation and Actavis, Inc., now known as Allergan Finance LLC, alleging violations of the Telephone Consumer Protection Act, the Missouri Consumer Fraud and Protection Act and conversion on behalf of a putative nationwide class of plaintiffs to who defendant Warner Chilcott Corporation sent unsolicited facsimile advertisements. Defendants removed this action to the federal district court for the Western District of Missouri

on December 10, 2015 and responded to the complaint on February 8, 2016. On February 17, 2016, plaintiffs voluntarily dismissed defendants Allergan USA, Inc. and Actavis, Inc. from the litigation.

In a related matter, on June 27, 2013, Forest filed a Petition for Declaratory Ruling with the FCC requesting that the FCC find that (1) the faxes at issue in the action complied, or substantially complied with the FCC regulation, and thus did not violate it, or (2) the FCC regulation was not properly promulgated under the TCPA. Warner Chilcott filed a similar petition with the FCC. On January 31, 2014, the FCC issued a Public Notice seeking comment on Forest's and several other similar petitions. On October 30, 2014, the FCC issued a final order on the FCC Petition granting Forest and several other petitioners a retroactive waiver of the opt-out notice requirement for all faxes sent with express consent. The litigation plaintiffs, who had filed comments on the January 2014 Public Notice, have appealed the final order to the Court of Appeals for the District of Columbia. Forest and other petitioners have moved to intervene in the appeal seeking review of that portion of the FCC final order addressing the statutory basis for the opt out/express consent portion of the regulation. Oral argument before the appellate court took place on November 8, 2016. On March 31, 2017, the Court of Appeals issued a decision which held that the FCC regulation at issue was not properly promulgated under the TCPA.

Prescription Drug Abuse Litigation. The Company has been named as a defendant in three matters relating to the promotion and sale of prescription opioid pain relievers and additional suits may be filed. On May 21, 2014, the California counties Santa Clara and Orange filed a lawsuit in California state court on behalf of the State of California against several pharmaceutical manufacturers. Plaintiffs named Actavis plc in the suit. The California plaintiffs filed an amended complaint on June 9, 2014. On June 2, 2014, the City of Chicago also filed a complaint in Illinois state court against the same set of defendants, including Actavis plc, that were sued in the California Action. Co-defendants in the action removed the matter to the federal court in Illinois. Both the California and Chicago complaints allege that the manufacturer defendants engaged in a deceptive campaign to promote their products in violation of state and local laws. Each of the complaints seeks unspecified monetary damages, penalties and injunctive relief. Defendants have moved to dismiss the complaints in each action. On May 8, 2015, the court in the Chicago litigation granted the Company's motion to dismiss the complaint. On August 26, 2015, the City of Chicago filed a second amended complaint. On September 29, 2016, the court in the Chicago litigation granted in part and denied in part defendants' motion to dismiss the second amended complaint. On October 25, 2016, Chicago filed a third amended complaint. On December 15, 2016, the Company moved to dismiss the third amended complaint and filed an answer to the complaint. In the California action, on August 27, 2015, the court stayed the action based on primary jurisdiction arguments raised in the motions to dismiss. On June 3, 2016, the California plaintiffs filed a motion to lift the stay and a motion for leave to file a third amended complaint. On July 1, 2016, the Company and co-defendants filed joint oppositions to the California plaintiffs' motion to lift the stay and motion for leave to file a third amended complaint. On July 27, 2016, the court ordered the California plaintiffs to file another motion for leave to file an amended complaint along with a proposed amended complaint. On October 19, 2016, the court in the California litigation lifted the stay in part permitting defendants to challenge the third amended complaint and for the parties to discuss settlement and maintaining the stay in all other respects. On December 15, 2015, the State of Mississippi filed a lawsuit in Mississippi state court against several pharmaceutical manufacturers. The Mississippi action parallels the allegations in the California and Chicago matters and seeks monetary and equitable relief. In March and April 2016, the defendants filed motions to dismiss, stay, and transfer venue in the Mississippi action. On February 13, 2017, the defendants' motion to transfer venue was denied. On March 6, 2017, the defendants filed a petition for permission to appeal interlocutory order denying defendants' motion to transfer venue with the Mississippi Supreme Court.

Testosterone Replacement Therapy Class Action. On November 24, 2014, the Company was served with a putative class action complaint filed on behalf a class of third party payers in federal court in Illinois. The suit alleges that the Company and other named pharmaceutical defendants violated various laws including the federal RICO statute and state consumer protection laws in connection with the sale and marketing of certain testosterone replacement therapy pharmaceutical products ("TRT Products"), including the Company's Androderm® product. This matter was filed in the TRT Products Liability MDL, described in more detail below, notwithstanding that it is not a product liability matter. Plaintiff alleges that it reimbursed third parties for dispensing TRT Products to beneficiaries of its insurance policies. Plaintiff seeks to obtain certain equitable relief, including injunctive relief and an order requiring restitution and/or disgorgement, and to recover damages and multiple damages in an unspecified amount. Defendants filed a joint motion to dismiss the complaint, after which plaintiff amended its complaint. Defendants jointly filed a motion to dismiss the amended complaint, which was granted in part and denied in part on February 3, 2016. The Court dismissed plaintiff's substantive RICO claims against the Company for mail and wire fraud for failure to plead with particularity under Rule 9(b) but granted plaintiffs leave to replead. The court also dismissed plaintiff's state law statutory claims and common law claims for fraud and unjust enrichment. The Court declined to dismiss plaintiff's conspiracy claims pursuant to 18 U.S.C. § 1962(d) and its claims for negligent misrepresentation. Plaintiff filed a Third Amended Complaint on April 7, 2016. Defendants jointly filed a motion to dismiss the Third Amended Complaint on May 5, 2016. On August 2, 2016, the court dismissed all claims in the Third Amended Complaint against the Company except plaintiff's RICO conspiracy claim. On August 29, 2016, the Company filed a Motion for Reconsideration or, in the alternative, Motion to Certify for Interlocutory Appeal, which the court denied on the September 8, 2016. Discovery is in the early stages.

TNS Products Litigation. On March 19, 2014, a class action complaint was filed in the federal district court in California on behalf of a putative class of consumers. The complaint alleges violations of the California Unfair Competition Law, the Consumers Legal Remedies Act, and the False Advertising Law, and deceit. On June 2, 2014, plaintiff filed a first amended complaint. On June 23, 2014, Allergan filed a motion to dismiss the first amended complaint. On September 5, 2014, the court granted-in-part and denied-in-part Allergan's motion to dismiss. On September 8, 2014, the court set trial for September 1, 2015. On November 4, 2014, Allergan and SkinMedica filed a motion to dismiss. On January 7, 2015, Allergan and SkinMedica's motion to dismiss was denied. On February 19, 2015 plaintiff filed a third amended complaint. On May 27, 2015, the case was stayed pending the decision of the Ninth Circuit Court of Appeals in another matter involving similar legal issues.

Xaleron Dispute. On February 5, 2016, Xaleron Pharmaceuticals, Inc. filed a lawsuit against Allergan, Inc. and Actavis, Inc., now known as Allergan Finance, LLC in state court in New York. The complaint, filed on February 26, 2016, alleges the defendants misappropriated Xaleron's confidential business information and asserts claims for unfair competition, tortious interference with prospective economic advantage and unjust enrichment. The Company filed a motion to dismiss the complaint on April 15, 2016. On September 13, 2016, the court issued a decision denying the Company's motion. Defendants filed an answer to the complaint and the parties are now engaged in discovery.

Zeltiq Shareholder Litigation. On March 14, 2017, a putative shareholder class action lawsuit was filed against Zeltiq Aesthetics, Inc. and various directors as well as Allergan entities in Delaware federal court. Plaintiffs allege that Zeltiq's proxy statement misrepresents material information that is preventing Zeltiq's shareholders from making a fully informed decision on the proposed sale to Allergan, including failure to disclose GAAP reconciliation of Zeltiq's non-GAAP projections. The Allergan entities were named under a supervisory role theory. On March 29, 2017, a similar putative shareholder class action lawsuit was filed in California federal court against Zeltiq Aesthetics, Inc. and various directors seeking a preliminary injunction. Allergan was not named as a defendant. Zeltiq filed an amendment to its Definitive Proxy Statement on April 11, 2017, which includes supplemental disclosures that address plaintiffs' claims. On the same date, plaintiffs in the California action withdrew their motion for a preliminary injunction. Defendants anticipate that plaintiffs will dismiss their complaint.

Zeltiq Advertising Litigation. On April 26, 2017, a putative class action lawsuit was filed against Zeltiq Aesthetics, Inc. in state court in California alleging that Zeltiq misled customers regarding the promotion of its CoolSculpting product and the product's premarket notification clearance status. Plaintiffs recently served Zeltiq with the complaint. The Company has not yet responded to the complaint.

Employment Litigation

In July 2012, Forest was named as defendants in an action brought by certain former company sales representatives and specialty sales representatives in the federal district court in New York. The action is a putative class and collective action, and alleges class claims under Title VII for gender discrimination with respect to pay and promotions, as well as discrimination on the basis of pregnancy, and a collective action claim under the Equal Pay Act. The proposed Title VII gender class includes all current and former female sales representatives employed by the Company throughout the U.S. from 2008 to the date of judgment, and the proposed Title VII pregnancy sub-class includes all current and former female sales representatives who have been, are, or will become pregnant while employed by the Company throughout the U.S. from 2008 to the date of judgment. The proposed Equal Pay Act collective action class includes current, former, and future female sales representatives who were not compensated equally to similarly-situated male employees during the applicable liability period. The Second Amended Complaint also includes non-class claims on behalf of certain of the named Plaintiffs for sexual harassment and retaliation under Title VII, and for violations of the Family and Medical Leave Act. On August 14, 2014, the court issued a decision on the Company's motion to dismiss, granting it in part and denying it in part, striking the plaintiffs' proposed class definition and instead limiting the proposed class to a smaller set of potential class members and dismissing certain of the individual plaintiffs' claims. Plaintiffs filed a motion for conditional certification of an Equal Pay Act collective action on May 22, 2015 which the Company has opposed. On September 2, 2015, the court granted plaintiffs motion to conditionally certify a collective action. On April 3, 2017, the parties agreed to settle this matter.

Patent Litigation

Patent Enforcement Matters

Amrix®. In August 2014, Aptalis Pharmatech, Inc. ("Aptalis") and Ivax International GmbH ("Ivax"), Aptalis's licensee for Amrix, brought an action for infringement of U.S. Patent No. 7,790,199 (the "'199 patent"), and 7,829,121 (the "'121 patent") in the U.S. District Court for the District of Delaware against Apotex Inc. and Apotex Corp. (collectively "Apotex"). Apotex has notified Aptalis that it has filed an ANDA with the FDA seeking to obtain approval to market a generic version of Amrix before these patents expire. (The '199 and '121 patents expire in November 2023.) This lawsuit triggered an automatic stay of approval of Apotex's ANDA until no earlier than December 27, 2016 (unless there is a final court decision adverse to Plaintiffs sooner, and subject to any

other exclusivities, such as a first filer 180 day market exclusivity). A bench trial concluded on November 17, 2015. Post-trial briefing concluded on April 8, 2016. On December 8, 2016, the court entered an order, opinion and judgment in favor of Plaintiffs and against Apotex, that Apotex infringes the asserted claims of the '199 and '121 patents. On December 8, 2016, Apotex filed a notice of appeal. Apotex filed its opening brief on February 15, 2017. Aptalis and Ivax's responsive brief is due on May 11, 2017. On September 29, 2016, Adare Pharmaceuticals, Inc., and Ivax filed suit in U.S. District Court for the District of Delaware against Apotex asserting that Apotex's generic product will infringe U.S. Patent No. 9,399,025 (the "'025 patent"). (The '025 patent expires in November 2023.). On March 17, 2017, the district court granted the parties' joint stipulation to stay the action concerning the '025 patent.

Canasa®. In July 2013, Aptalis Pharma US, Inc. and Aptalis Pharma Canada Inc. brought actions for infringement of U.S. Patent Nos. 8,217,083 (the "'083 patent") and 8,436,051 (the "'051 patent") in the U.S. District Court for the District of New Jersey against Mylan and Sandoz. These companies have notified Aptalis that they have filed ANDAs with the FDA seeking to obtain approval to market generic versions of Canasa® before these patents expire. Amended complaints were filed against these companies in November 2013 adding claims for infringement of U.S. Patent No. 7,854,384 (the "'384 patent"). The '083, '051, and '384 patents expire in June 2028. On November 11, 2015, Aptalis entered into a settlement agreement with Mylan. Under the terms of the settlement agreement, Mylan may launch its generic version of Canasa® on December 15, 2018, or earlier under certain circumstances. On March 22, 2016, Aptalis entered into a settlement agreement with Sandoz.

On December 14, 2015, Aptalis brought an action for infringement of the '083, '051, and '384 patents in the U.S. District Court for the District of New Jersey against Pharmaceutical Sourcing Partners, Inc. ("PSP"). PSP had notified Aptalis that it had filed an ANDA with the FDA seeking to obtain approval to market generic versions of Canasa® before certain of these patents expire. This lawsuit triggered an automatic stay of approval of PSP's ANDA that expires no earlier than May 2018 (unless a court issues a decision adverse to Aptalis sooner). On December 23 and 27, 2015, Aptalis brought actions for infringement of the '083, '051, and '384 patents in the U.S. District Courts for the District of New Jersey and the District of Delaware, respectively, against Delcor Asset Corp., Renaissance Pharma, Inc. and Renaissance Acquisition Holdings, LLC (collectively, "Delcor"). Delcor has notified Aptalis that it has filed an ANDA with the FDA seeking to obtain approval to market generic versions of Canasa before certain of these patents expire. These lawsuits triggered an automatic stay of approval of Delcor's ANDA that expires no earlier than May 2018 (unless there is a final court decision adverse to Aptalis sooner). On March 14, 2016, Aptalis filed a motion to dismiss PSP's Seventh and Eighth counterclaims alleging unfair competition and tortious interference under state law, or in the alternative, to bifurcate the trial and stay discovery relating to PSP's Seventh and Eighth counterclaims. Trial is scheduled for November 2017 in the PSP action. On April 8, 2016, Aptalis entered into a settlement agreement with Delcor. On May 27, 2016, the court denied Aptalis' motion to the extent that it concerns dismissal of PSP's Seventh and Eighth counterclaims, denied without prejudice to the extent that the motion concerns bifurcation and a stay and granted leave to Aptalis to move again concerning bifurcation and a stay. On June 24, 2016, Aptalis filed an answer to PSP's counterclaims. On October 13, 2016, Aptalis entered into a settlement agreement with PSP, and the case was dismissed on October 20, 2016.

On January 30, 2017, Aptalis brought an action for infringement of the '083, '051, and '384 patents in the U.S. District Court for the District of New Jersey against Zydus Pharmaceuticals (USA) Inc., Zydus Healthcare USA LLC and Cadila Healthcare Limited (collectively "Zydus"). Zydus has notified Aptalis that it has filed an ANDA with the FDA seeking to obtain approval to market generic versions of Canasa® before certain of these patents expire. This lawsuit triggered an automatic stay of approval of Zydus's ANDA that expires no earlier than June 2019 (unless a court issues a decision adverse to Aptalis sooner). No schedule has been set.

Combigan® II-III. In 2012, Allergan filed a complaint against Sandoz, Alcon, Apotex and Watson in the U.S. District Court for the Eastern District of Texas, Marshall Division, alleging that their proposed products infringe U.S. Patent Number 8,133,890 (the "890 Patent"), and subsequently amended their complaint to assert infringement of U.S. Patent Number 8,354,409. In March 2013, Allergan received a Paragraph IV invalidity and non-infringement certification from Sandoz, contending that the '890 Patent is invalid and not infringed by the proposed generic product. In October 2013, Allergan filed a motion to stay and administratively close the Combigan II matter, which was granted. In April 2015, Allergan filed a stipulation of dismissal and the U.S. District Court granted the Order with respect to the Watson defendants. In October 2015, the U.S. District Court entered an order consolidating the *Combigan® III* matter *C.A. 2:15-cv-00347-JRG* into this matter *C.A. 2:12-cv-00207-JRG*, as lead case. A Markman Hearing was held on March 2, 2016.

On May 19, 2016, Sandoz filed an opposed motion for leave to amend its answer and counterclaim seeking to add a count for declaratory judgment of invalidity of the '149 Patent. On July 20, 2016, Alcon and Sandoz filed motions for summary judgment of invalidity and non-infringement of claim 4 of the '149 Patent, and Allergan filed a motion for summary judgment of infringement of claim 4 of the '149 Patent and to preclude Sandoz from re-challenging the validity of that claim. On September 30, 2016, the court denied the parties' motions for summary judgment. A bench trial concluded on October 27, 2016. On December 30, 2016, the court entered an opinion and final judgment in favor of Allergan and against Sandoz, that the asserted claims of the '149 Patent, and U.S. Patent Numbers 7,320,976 ("'976 Patent") and 8,748,425 (the "'425 Patent"), were not invalid, and that Sandoz infringes the asserted claims of the '425 Patent. The court also held in favor of Sandoz and against Allergan, that Sandoz does not infringe the asserted

claims of the '149 and '976 Patents. Sandoz filed a notice of appeal on January 17, 2017, and Allergan filed a notice of cross appeal on January 27, 2017. On March 1, 2017, Sandoz filed its opening brief and, on April 10, 2017, Allergan filed its responsive brief. Oral argument has not yet been scheduled.

Delzicol®. On August 28, 2015, Warner Chilcott Company, LLC, Warner Chilcott (US), LLC, and Qualicaps Co., Ltd. (collectively, "Plaintiffs") brought an action for infringement of U.S. Patent No. 6,649,180 (the "'180 patent") in the United States District Court for the Eastern District of Texas against Teva Pharmaceuticals USA, Inc. and Teva Pharmaceutical Industries Ltd. (collectively, "Teva"). Teva notified Plaintiffs that it has filed an ANDA with the FDA seeking to obtain approval to market generic versions of Delzicol® before the '180 patent expires in April 2020. This lawsuit triggered an automatic stay of approval of Teva's ANDA that expires no earlier than January 2018 (unless there is a final court decision adverse to Plaintiffs sooner). Trial is scheduled for October 2017. On November 9, 2015, Plaintiffs also brought an action for infringement of '180 patent in the United States District Court for the Eastern District of Texas against Mylan Pharmaceuticals, Inc., Mylan Laboratories Limited and Mylan, Inc. (collectively, "Mylan"). Mylan notified Plaintiffs that it has filed an ANDA with the FDA seeking to obtain approval to market generic versions of Delzicol® before the '180 patent expires in April 2020. This lawsuit triggered an automatic stay of approval of Mylan's ANDA that expires no earlier than March 2018 (unless a court issues a decision adverse to Plaintiffs sooner). On December 16, 2015, Mylan filed a motion to dismiss for failure to state a claim, lack of personal jurisdiction, and improper venue. Trial is scheduled for October 2017. In March 2016, the court entered an order consolidating the Mylan litigation (*C.A. 2:15-cv-01740*) with the Teva litigation (*C.A. 2:15-cv-01471*) matter as the lead case.

On April 1, 2016, Warner Chilcott Company, LLC, Warner Chilcott (US), LLC, Allergan Pharmaceuticals International Ltd., Allergan USA, LLC and Qualicaps Co., Ltd. (collectively, "Plaintiffs") brought an action for infringement of the '180 patent in the United States District Court for the Eastern District of Texas against Zydus International Pvt. Ltd., Zydus Pharmaceuticals (USA) Inc. and Cadila Healthcare Ltd. (collectively, "Zydus"). Zydus notified the Company that it has filed an ANDA with the FDA seeking to obtain approval to market generic versions of Delzicol® before the '180 patent expires. In May 2016, Plaintiffs filed a first amended complaint against Mylan and a first amended and second amended complaint against Teva. In June 2016, Plaintiffs filed a second amended complaint against Mylan and a third amended complaint against Teva. On June 27, 2016, Teva filed an answer and counterclaims and Mylan filed a motion to dismiss the second amended complaint for failure to state a claim, lack of personal jurisdiction, and improper venue. On June 9, 2016, Zydus filed an answer and counterclaims.

On July 21, 2016, the Plaintiffs filed an answer to Teva's counterclaim and to Zydus's counterclaim. On November 28, 2016, Plaintiffs entered into a settlement agreement with Zydus. Under the terms of the settlement agreement, Zydus may launch its generic version of Delzicol® on March 1, 2020, or earlier under certain circumstances. On January 19, 2017, the Magistrate Judge issued a Report and Recommendation denying Mylan's motion to dismiss, which was adopted by the district court on February 14, 2017. On March 31, 2017, Plaintiffs filed a motion to stay the litigation against Teva, and, on April 11, 2017, Plaintiffs filed a motion to dismiss the originally-filed action against Teva for lack of subject matter jurisdiction. On April 21, 2017, Plaintiffs brought an action for infringement of the '180 patent in the United States District Court for the Eastern District of Texas against Teva Pharmaceuticals USA, Inc., which had notified Plaintiffs that, on or before March 9, 2017, it had amended its ANDA seeking to obtain approval to market generic versions of Delzicol®. Teva also notified Plaintiffs that it had submitted to FDA a new paragraph IV certification for the '180 patent in connection with its ANDA.

Delzicol® IPR. On November 4, 2016, Mylan Pharmaceuticals Inc. ("Mylan") filed a petition for *Inter Partes* Review ("IPR") with the USPTO regarding U.S. Patent No. 6,649,180 (the "'180 patent"). Qualicaps Co., Ltd.'s filed a patent owner preliminary response on February 17, 2017.

Latisse® III. In December 2014, Allergan and Duke University filed a complaint for declaratory judgment of infringement of U.S. Patent Nos. 8,906,962 ("'962 Patent") against Apotex. In January 2015, Allergan and Duke subsequently filed an amended complaint against Apotex to assert infringement of U.S. Patent Number 8,926,953 ("'953 Patent"). In March 2015, Allergan and Duke filed a second amended complaint asserting only the '953 Patent. Apotex filed a motion to dismiss for failure to state a claim with respect to the '953 Patent. On August 31, 2015, the court issued an order and judgment dismissing the case with prejudice in favor of Apotex, Sandoz and Akorn on all of Allergan's claims alleging infringement of the '953 patent. In the Sandoz and Akorn matters, the court also declared and adjudged the '953 patent invalid as obvious, and collaterally estopped Allergan from asserting the '953 patent against Sandoz or Akorn or contesting the invalidity of the '953 patent. In late September, the court entered a final judgment that declared and adjudged the claims of the '953 patent invalid as obvious and collaterally estopped Allergan from asserting the claims of the '953 patent against Apotex and Akorn or contesting the invalidity of the claims of the '953 patent. On September 30, 2015, Allergan filed a Notice of Appeal to the Court of Appeals for the Federal Circuit. On October 19, 2015, the U.S. Court of Appeals for the Federal Circuit docketed the appeal filed by Allergan. In March 2016, Allergan filed its opening brief. In June 2016, Akorn, Apotex, Hi-Tech and Sandoz filed their response brief. In July 2016, Allergan filed its reply brief. Sandoz launched "at risk" a generic version of Latisse® in December 2016. Oral argument was held on February 8, 2017. On March 17, 2017, the Federal Circuit

affirmed the district court's opinion on collateral estoppel and invalidity with respect to asserted claims 8, 23 and 26 of the '953 patent as applied to Sandoz, but reversed with respect to unasserted claims 1-7, 9-22, and 24-25 of the '953 patent.

Linzess®. In October 2016, the Company and Ironwood received Paragraph IV certification notice letters from Teva Pharmaceuticals USA, Inc. ("Teva") indicating that it had submitted to FDA an ANDA seeking approval to manufacture and sell a generic version of LINZESS® 145 mcg and 290 mcg capsules ("LINZESS") before the expiration of the nine patents listed in the Orange Book, including U.S. Patent Nos. 7,304,036 (the "'036 Patent"); 7,371,727 (the "'727 Patent"); 7,704,947 (the "'947 Patent"); 7,745,409 (the "'409 Patent"); 8,080,526 (the "'526 Patent"); 8,110,553 (the "'553 Patent"); 8,748,573 (the "'573 Patent"); 8,802,628 (the "'628 Patent"); and 8,933,030 (the "'030 Patent"). In October 2016, the Company and Ironwood also received Paragraph IV certification notice letters from Aurobindo Pharma Ltd. ("Aurobindo") indicating that it had submitted to FDA an ANDA seeking approval to manufacture and sell a generic version of LINZESS before the expiration of the '573, '628 and '030 Patents. (The '727, '947, '409, '526 and '553 Patents expire in January 2024; the '036 Patent expires in August 2026; and the '573, '628 and '030 Patents expire in 2031.) Teva and Aurobindo claim that the patents discussed in their respective notice letters are invalid, unenforceable and/or would not be infringed. On November 30, 2016, Forest Laboratories, LLC, Forest Laboratories Holdings, Ltd., Allergan USA, Inc. and Ironwood Pharmaceuticals, Inc. (collectively, "Plaintiffs"), brought an action for infringement of some or all of the '036, '727, '947, '409, '526, '553, '573, '628 and '030 Patents in the U.S. District Court for the District of Delaware against Teva Pharmaceuticals USA, Inc., Mylan Pharmaceuticals Inc., Sandoz, Inc., Aurobindo Pharma Ltd., and Aurobindo Pharma USA, Inc. This lawsuit triggered an automatic stay of approval of the applicable ANDAs that expires no earlier than February 2020 (unless there is a final court decision adverse to Plaintiffs sooner). Mylan filed its answer on December 22, 2016. Teva and Sandoz filed their respective answers and counterclaims on January 20 and January 30, 2017. Aurobindo filed its answer and counterclaims on April 6, 2017. No schedule has been set.

Namenda XR®. Between January and October 2014, Forest Laboratories, Inc., Forest Laboratories Holdings, Ltd. (collectively, "Forest") and Merz Pharma and Adamas Pharmaceuticals, Forest's licensors for Namenda XR® (all collectively, "Plaintiffs"), brought actions for infringement of some or all of U.S. Patent Nos. 5,061,703 (the "'703 patent"), 8,039,009 (the "'009 patent"), 8,168,209 (the "'209 patent"), 8,173,708 (the "'708 patent"), 8,283,379 (the "'379 patent"), 8,329,752 (the "'752 patent"), 8,362,085 (the "'085 patent"), and 8,598,233 (the "'233 patent") in the U.S. District Court for the District of Delaware against Wockhardt, Teva, Sun, Apotex, Anchen, Zydus, Watson, Par, Mylan, Amneal, Ranbaxy, and Amerigen, and related subsidiaries and affiliates thereof. These companies have notified Plaintiffs that they have filed ANDAs with the FDA seeking to obtain approval to market generic versions of Namenda XR® before these certain patents expire. Including a 6-month pediatric extension of regulatory exclusivity, the '703 patent expires in October 2015, the '009 patent expires in September 2029, and the '209, '708, '379, '752, '085, and '233 patents expire in May 2026. These lawsuits triggered an automatic stay of approval of the applicable ANDAs that expires no earlier than June 2016 (unless there is a final court decision adverse to Plaintiffs sooner). On June 11, 2014, Mylan filed a motion to dismiss for lack of personal jurisdiction, which the district court denied on March 30, 2015. On December 18, 2014, Ranbaxy filed an IPR before the Patent Trial and Appeal Board, U.S. Patent and Trademark Office, with respect to the '085 patent. Adamas filed a preliminary response on April 14, 2015. On May 1, 2015, Forest entered into a settlement agreement with Ranbaxy. On May 15, 2015, the Patent Trial and Appeal Board granted Adamas and Ranbaxy's joint motion to terminate the case. On October 17, 2014, Forest and Actavis Laboratories FL, Inc. (f/k/a Watson Laboratories, Inc. - Florida) filed a stipulation dismissing their respective claims without prejudice. On November 3, 2014, Plaintiffs entered into a settlement agreement with Wockhardt. Under the terms of the settlement agreement, and subject to review of the settlement terms by the U.S. Federal Trade Commission, Plaintiffs will provide a license to Wockhardt that will permit it to launch its generic version of Namenda XR® as of the date that is the later of (a) two (2) calendar months prior to the expiration date of the last to expire of the '703 patent, the '209 patent, the '708 patent, the '379 patent, the '752 patent, the '085 patent, and the '233 patent, including any extensions and/or pediatric exclusivities; or (b) the date that Wockhardt obtains final FDA approval of its ANDA, or earlier in certain circumstances.

On January 13, 2015, Plaintiffs entered into settlement agreements with Anchen and Par. Under the terms of the settlement agreements, and subject to review of the settlement terms by the U.S. Federal Trade Commission, Plaintiffs will provide licenses to Anchen and Par that will permit them to launch their generic versions of Namenda XR® as of the date that is the later of (a) two (2) calendar months prior to the expiration date of the last to expire of the '209 patent, the '708 patent, the '379 patent, the '752 patent, the '085 patent, and the '233 patent, as well as the '009 patent for Par only, including any extensions and/or pediatric exclusivities; or (b) the dates that Anchen and Par obtain final FDA approval of their respective ANDAs, or earlier in certain circumstances. On May 11, 2015, Forest entered into a settlement agreement with Sun. On August 18, 2015, Forest entered into a settlement agreement with Zydus. On September 9, 2015, Forest entered into a settlement agreement with Amneal. Under the terms of the settlement agreement, and subject to review of the settlement terms by the U.S. Federal Trade Commission, Plaintiffs will provide a license to Amneal that will permit it to launch its generic version of Namenda XR® beginning January 31, 2020, following receipt by Amneal of final approval from the FDA on its ANDA for generic Namenda XR®; or (b) under certain circumstances, Amneal has an option to launch an authorized generic version of Namenda XR® beginning on January 31, 2021. The Company entered into a settlement agreement with Amerigen on October 20, 2015. The Company entered into a settlement agreement with Mylan on November 16, 2015. The Company entered into a settlement agreement with Lupin on December 22, 2015. On January 5, 2016, the district court

issued a claim construction ruling that included findings of indefiniteness as to certain claim terms in the asserted patents. On February 11, 2016, the Company settled with Apotex. Trial began on February 16, 2016 with the remaining defendant Teva with respect to the '009 patent. Post-trial briefing concluded on April 29, 2016. The Parties have reached agreement on settlement with Teva subject to Court approval.

In June 2016, after reaching an agreement to settle, the parties filed and the court entered a judgment of infringement in favor of Plaintiffs and against Teva regarding the '009 patent. On July 26, 2016, the court entered a final judgment of invalidity of claim 1 of the '209 patent, claims 1, 6, 10 and 15 of the '708 patent, claim 1 of the '379 patent, claims 1 and 9 of the '752 patent, claims 1 and 7 of the '085 patent and claim 1 of the '233 patent in favor of Teva. On August 23, 2016, the Company filed a Notice of Appeal to the U.S. Court of Appeals for the Federal Circuit in the actions involving Teva with respect to the district court's January 5, 2016 claim construction opinion and order, and the July 26, 2016 final judgment of invalidity. On August 24, 2016, the U.S. Court of Appeals for the Federal Circuit docketed the appeal filed by the Company. The Company filed its opening brief on December 8, 2016. Teva filed its responsive brief on February 1, 2017. The Company filed its reply brief on March 17, 2017. Oral argument has not yet been scheduled. The Company believes that its arguments on appeal are substantial and meritorious. On September 29, 2016, the Company issued a press release following announcement of ANDA approvals, including FDA final approval by Lupin. If the district court ruling is upheld on appeal to the U.S. Court of Appeals for the Federal Circuit, there is a possibility that generic entry for Namenda XR could occur following an adverse decision.

On October 9, 2015, the Company also brought an action for infringement of the '009, '209, '708, '379, '752, '085, and '233 patents in the U.S. District Court for the District of Delaware against Accord Healthcare, Inc. and Intas Pharmaceuticals Limited (collectively, "Accord"). The Accord defendants have notified Plaintiffs that they have filed an ANDA with the FDA seeking to obtain approval to market generic versions of Namenda XR® before these patents expire. On January 14, 2016, Forest entered into a settlement agreement with Accord. On December 8, 2015, the Company also brought an action for infringement of the '209, '708, '379, '752, '085, and '233 patents in the U.S. District Court for the District of Delaware against Panacea Biotec, Ltd. ("Panacea"). Panacea has notified Plaintiffs that it has filed an ANDA with the FDA seeking to obtain approval to market generic versions of Namenda XR® before these patents expire. On May 17, 2016, the Company entered into a settlement agreement with Panacea.

In April 2017, Forest Laboratories, LLC received a Paragraph IV certification notice letter from Macleods Pharmaceuticals, Ltd. ("Macleods") indicating that it had submitted to FDA an ANDA seeking approval to manufacture and sell a generic version of Namenda XR® before the expiration of the '009, '209, '708, '379, '752, '085, and '233 patents. Macleods claims that these patents are invalid, unenforceable and/or would not be infringed. The Company is evaluating a patent infringement action in response to this ANDA filing.

Namzaric®. On August 27, 2015, Forest Laboratories, LLC, Forest Laboratories Holdings, Ltd. and Adamas Pharmaceuticals, Inc. (all collectively, "Plaintiffs"), brought an action for infringement of some or all of U.S. Patent Nos. 8,039,009 (the "'009 patent"), 8,058,291 (the "'291 patent"), 8,168,209 (the "'209 patent"), 8,173,708 (the "'708 patent"), 8,283,379 (the "'379 patent"), 8,293,794 (the "'794 patent"), 8,329,752 (the "'752 patent"), 8,338,485 (the "'485 patent"), 8,338,486 (the "'486 patent"), 8,362,085 (the "'085 patent"), 8,580,858 (the "'858 patent") and 8,598,233 (the "'233 patent") in the U.S. District Court for the District of Delaware against Amneal Pharmaceuticals LLC and Par Pharmaceutical, Inc., and related subsidiaries and affiliates thereof. These companies have notified Plaintiffs that they have filed ANDAs with the FDA seeking to obtain approval to market generic versions of Namzaric® before these certain patents expire. Including a 6-month pediatric extension of regulatory exclusivity, the '009 patent expires in September 2029, and the '209, '708, '379, '752, '085, and '233 patents expire in May 2026. The '291 patent expires in December 2029, and the '794, '485, '486, and '858 patents expire in November 2025. These lawsuits triggered an automatic stay of approval of the applicable ANDAs that expires no earlier than January 2018 (unless there is a final court decision adverse to Plaintiffs sooner). On October 23, 2015, the Company also brought an action for infringement of the '009, '291, '209, '708, '379, '794, '752, '485, '486, '085, '858 and '233 patents in the U.S. District Court for the District of Delaware against Amerigen Pharmaceuticals, Inc. and Amerigen Pharmaceuticals Ltd. (collectively, "Amerigen"). The Amerigen defendants have notified Plaintiffs that they have filed an ANDA with the FDA seeking to obtain approval to market generic versions of Namzaric® before these certain patents expire. On January 5, 2016, the district court in the Namenda XR® patent litigations issued a claim construction ruling that included findings of indefiniteness as to certain claim terms in certain of the patents also asserted in the pending Namzaric® patent litigations. The Company entered into a settlement agreement with Par on April 29, 2016. Under the terms of the settlement agreement, and subject to review of the settlement terms by the U.S. Federal Trade Commission, Plaintiffs will provide a license to Par that will permit it to launch its generic version of Namzaric® as of June 5, 2029, or earlier in certain circumstances. Trial is scheduled for October 2017. In June 2016, Forest filed a motion for leave to file an amended complaint to add the '009 patent against Amneal, which the District Court granted on July 19, 2016. On May 20, 2016, the Company also brought an action for infringement of the '009, '291, '209, '708, '379, '794, '752, '485, '486, '085, '858 and '233 patents in the U.S. District Court for the District of Delaware against Accord Healthcare Inc. USA and Intas Pharmaceuticals Limited (collectively, "Accord"). The Accord defendants have notified Plaintiffs that they have filed an ANDA with the FDA seeking to obtain approval to market generic versions of Namzaric® before these certain patents expire. The Company entered into a settlement agreement with Accord on July 20, 2016. On August 30, 2016, Plaintiffs entered into a settlement agreement with Amneal, who is

believed to be a first applicant with respect to certain dosage strengths (memantine hydrochloride extended-release and donepezil hydrochloride, 14 mg/10 mg and 28 mg/10 mg) of Namzaric®. Under the terms of the agreement, and subject to review of the settlement terms by the U.S. Federal Trade Commission, Plaintiffs will provide a license to Amneal that will permit it to launch its generic version of Namzaric® as of January 1, 2025, or earlier in certain circumstances. Alternatively, under certain circumstances, Amneal has an option to launch an authorized generic version of Namzaric beginning on January 1, 2026. On October 21, 2016, Plaintiffs entered into a settlement agreement with Amerigen, and the case was dismissed.

On November 10, 2016, the Company also brought an action for infringement of the '009, '291, '485, '486, and '858 patents in the U.S. District Court for the District of Delaware against Apotex Corp and Apotex Inc. ("Apotex"). Apotex has notified Plaintiffs that it has filed an ANDA with the FDA seeking to obtain approval to market generic versions of Namzaric® before these patents expire. This lawsuit triggered an automatic stay of approval of Apotex's ANDA that expires no earlier than March 2019 (unless there is a final court decision adverse to Plaintiffs sooner). On April 10, 2017, Plaintiffs entered into a settlement agreement with Apotex, and the case was dismissed.

In April 2017, Forest Laboratories, LLC received a Paragraph IV certification notice letter from Macleods Pharmaceuticals, Ltd. ("Macleods") indicating that it had submitted to FDA an ANDA seeking approval to manufacture and sell generic versions of Namzaric® donepezil and memantine hydrochloride extended release capsules (10 mg/14 mg and 10 mg/28 mg) before the expiration of the '009, '291, '209, '708, '379, '794, '752, '485, '486, '085, '858 and '233 patents. Macleods claims that these patents are invalid, unenforceable and/or would not be infringed. The Company is evaluating a patent infringement action in response to this ANDA filing.

Pylera®. On November 18, 2016, Aptalis Pharma Canada ULC, Forest Laboratories, LLC, and Allergan USA, Inc. (collectively, "Allergan") brought an action for infringement of U.S. Patent No. 6,350,468 (the "'468 patent") in the U.S. District Court for the District of Delaware against Par Pharmaceutical, Inc. ("Par"). Par notified Allergan that it filed an ANDA with the FDA seeking to obtain approval to market a generic version of Pylera® before the '468 patent expires in December 2018. This lawsuit triggered an automatic stay of approval of Par's ANDA until at least the expiration of the '468 patent (unless a court issues a decision adverse to Allergan sooner). On April 17, 2017, Plaintiffs entered into a settlement agreement with Par, and the case was dismissed.

Rapaflo®. On June 17, 2013, Actavis, Inc, now known as Allergan Finance, LLC., Watson Laboratories, Inc., (collectively, "Actavis") and Kissei Pharmaceutical Co., Ltd. ("Kissei") sued Hetero USA Inc., Hetero Labs Limited, and Hetero Labs Limited, Unit 3 (collectively, "Hetero") in the United States District Court for the District of Delaware, alleging that sales of silodosin tablets, a generic version of Actavis' Rapaflo® tablets, would infringe U.S. Patent No. 5,387,603 (the "'603 patent"). On June 17, 2013 Actavis and Kissei sued Sandoz Inc. ("Sandoz") in the United States District Court for the District of Delaware, alleging that sales of Sandoz's generic version of Rapaflo® would infringe the '603 patent. The complaint seeks injunctive relief. On December 22, 2014 the Parties completed a settlement agreement with Hetero. Actavis and Kissei's lawsuit against Sandoz have been consolidated and remain pending. Pursuant to the provisions of the Hatch-Waxman Act, the FDA is precluded from granting final approval to the generic applicants prior to April 8, 2016. On April 13, 2017, the Sandoz action was dismissed pursuant to a settlement agreement.

Restasis®. Between August and September 2015, Allergan brought actions for infringement of U.S. Patent Nos. 8,629,111 (the "'111 patent"), 8,633,162 (the "'162 patent"), 8,642,556 (the "'556 patent"), 8,648,048 (the "'048 patent"), and 8,685,930 (the "'930 patent") in the U.S. District Court for the Eastern District of Texas against Akorn, Inc., Apotex, Inc., Mylan Pharmaceuticals, Inc., Teva Pharmaceuticals USA, Inc., InnoPharma, Inc., and Pfizer, Inc., and related subsidiaries and affiliates thereof. On September 14, 2015, Allergan brought an action for infringement of these patents in the U.S. District Court for the District of Delaware against InnoPharma, Inc. and Pfizer, Inc. These companies have notified Allergan that they have filed ANDAs with the FDA seeking to obtain approval to market generic versions of Restasis® before these patents expire in August 2024. In the Texas actions the District Court granted joint motions to dismiss without prejudice Teva Pharmaceutical Industries Ltd. and Pfizer, Inc., on October 12 and October 22, 2015, respectively. Teva Pharmaceuticals USA, Inc. ("Teva") and InnoPharma, Inc. ("InnoPharma") remain defendants in the respective actions. In October 2015, Mylan Pharmaceuticals, Inc. and Mylan, Inc. ("Mylan") filed a motion to dismiss for lack of personal jurisdiction and improper venue, and for failure to state a claim as to Mylan, Inc.; Teva filed a motion to dismiss for lack of personal jurisdiction and improper venue; Apotex, Inc. and Apotex Corp. ("Apotex") filed an answer, affirmative defenses and counterclaim; Akorn, Inc. ("Akorn") filed an answer and counterclaim; and Teva filed an answer, counterclaim and motion to dismiss. Allergan entered into a settlement agreement with Apotex on December 15, 2015. In December 2015, Allergan and Apotex filed a joint stipulation of dismissal and the U.S. District Court granted the Order with respect to the Apotex defendants. In January 2016, the court scheduled a bench trial for August 28, 2017.

In February 2016, Allergan filed an amended complaint to include U.S. Patent Number 9,248,191 (the "'191 patent"). In February and March 2016, Allergan received Paragraph IV letters from Apotex, Mylan and Teva notifying Allergan that they have filed ANDAs with the FDA seeking to obtain approval to market generic versions of Restasis® before the patents expire in August 2024, contending that the '191 patent is invalid and not infringed by their respective proposed generic products.

On March 1, 2016, Allergan received a Paragraph IV letter from Famy Care Limited ("Famy Care") notifying Allergan that they have filed an ANDA with the FDA seeking to obtain approval to market generic versions of Restasis® before the patents expire in August 2024, contending that the '111 patent, the '162 patent, the '556 patent, the '048 patent, the '930 patent, and the '191 patent are invalid and not infringed by their respective proposed generic products. In March 2016, the court entered an order requesting supplemental briefs on the effect of the Federal Circuit's *Acorda* decision (No. 2014-1456) on Teva's and Mylan's pending motions to dismiss. In their supplemental briefs, Teva acknowledged that, under the *Acorda* decision, it is subject to specific personal jurisdiction in the Eastern District of Texas and that venue is proper, and Mylan requested that the District Court refrain from taking action on its pending motion until after Mylan has sought panel and *en banc* rehearing in the *Acorda* action. In April 2016, the court issued a memorandum and opinion denying Mylan's and Teva's motions to dismiss. On April 12, 2016, Allergan filed a complaint for infringement of the '111 patent, '162 patent, '556 patent, '048 patent, '930 patent, and the '191 patent in the U.S. District Court for the Eastern District of Texas against Famy Care. In March and April 2016, Allergan filed answers to Teva, Akorn and InnoPharma's counterclaims. On June 6, 2016, Famy Care filed an answer, affirmative defenses and counterclaims. In June 2016, Allergan filed a motion for consolidation and the court entered an order consolidating the Famy Care matter, *C.A. 2:16-cv-00401-WCB*, into *C.A. 2:15-cv-01455-WCB,* (the "Lead" case).

On July 20, 2016, Allergan filed a complaint for infringement of the '111 patent, '162 patent, '556 patent, '048 patent, '930 patent, and the '191 patent in the U.S. District Court for the District of Delaware and, on July 21, 2016, a complaint in the U.S. District Court for the Eastern District of Texas against TWi Pharmaceuticals, Inc. and TWi Pharmaceuticals USA, Inc. ("TWi"). TWi notified Allergan that it has filed an ANDA with the FDA seeking to obtain approval to market generic versions of Restasis® before these certain patents expire. Allergan entered into a settlement agreement with TWi on January 11, 2017. On December 22, 2016, Allergan filed a complaint for infringement of the '111 patent, '162 patent, '556 patent, '048 patent, '930 patent, and the '191 patent in the U.S. District Court for the Eastern District of Texas against Deva Holding A.S. ("Deva"). Deva notified Allergan that it has filed an ANDA with the FDA seeking to obtain approval to market generic versions of Restasis® before these certain patents expire.

Restasis® IPR. On June 6, 2016, Allergan, Inc. received notification letters that Inter Partes Review of the USPTO ("IPR") petitions were filed by Mylan Pharmaceuticals Inc. ("Mylan") regarding U.S. Patent Nos. 8,629,111 (the "'111 patent"), 8,633,162 (the "'162 patent"), 8,642,556 (the "'556 patent"), 8,648,048 (the "'048 patent"), 8,685,930 (the "'930 patent"), and 9,248,191 (the "'191 patent"), which patents expire on August 27, 2024. Mylan filed the IPR petition on June 3, 2016. On June 23, 2016, Allergan received a notification letter that a IPR petition and motion for joinder was filed by Argentum Pharmaceuticals LLC ("Argentum") regarding the '111 patent. On December 7, 2016, Allergan entered into a settlement agreement with Argentum and Argentum's petition was withdrawn. On December 8, 2016, the USPTO granted Mylan's petitions to institute IPRs with respect to these patents. A hearing is expected on August 17, 2017. On January 6, 2017 each of Akorn, Famy Care and Teva filed, and on January 9, 2017 the USPTO received, IPR petitions with respect to these patents and motions for joinder with the Mylan IPR. On February 6, 2017, Allergan opposed joinder. On March 20, 2017, Allergan filed patent owner responses. The USPTO granted Teva's and Akorn's joinder motions on March 31, 2017, and denied Famy Care's joinder motion on April 27, 2017.

Saphris®. Between September 2014 and May 2015, Forest Laboratories, LLC, and Forest Laboratories Holdings Ltd. (collectively, "Forest") brought actions for infringement of some or all of U.S. Patent Nos. 5,763,476 (the "'476 patent"), 7,741,358 (the "'358 patent") and 8,022,228 (the "'228 patent") in the U.S. District Court for the District of Delaware against Sigmapharm Laboratories, LLC, Hikma Pharmaceuticals, LLC, Breckenridge Pharmaceutical, Inc., Alembic Pharmaceuticals, Ltd. and Amneal Pharmaceuticals, LLC, and related subsidiaries and affiliates thereof. Including a 6-month pediatric extension of regulatory exclusivity, the '476 patent expires in December 2020, and the '358 and '228 patents expire in October 2026. These lawsuits triggered an automatic stay of approval of the applicable ANDAs that expires no earlier than August 13, 2017 (unless a court issues a decision adverse to Forest sooner). On February 3, 2015, the District Court consolidated the then-pending actions for all purposes. On September 30, 2015, the District Court consolidated all pending actions. On March 28, 2016, the court entered Forest and Hikma's proposed joint stipulation and order of adverse judgment and dismissal of claims related to the '358 and '228 patents. In April 2016, the court granted the proposed consent judgment of non-infringement and order of dismissal of counterclaims related to the '358 and '228 patents, as well as a stipulation and order with respect to infringement of Claims 1, 2, and 6 of the '476 patent, between Plaintiffs and Breckenridge. The Court also granted the proposed stipulation of entry and proposed order of adverse judgment and dismissal of counterclaims related to the '358 and '228 patents between Plaintiffs and Sigmapharm. Trial is scheduled to begin in October 2016 with respect to the '476 patent, the only remaining patent-in-suit. In April, May and July 2016, the court granted the proposed stipulations and orders of infringement of certain claims of the '476 patent as to Hikma, Breckenridge and Alembic. On October 13, 2016, the court stayed trial as to Sigmapharm and extended the 30-month stay as to Sigmapharm. Trial concluded on November 3, 2016. The parties filed their opening post-trial briefs on January 23, 2017 and their responsive briefs on March 17, 2017.

Teflaro®. In January 2015, Forest Laboratories, LLC, Forest Laboratories Holdings Ltd., and Cerexa, Inc. (collectively, "Forest") and Takeda Pharmaceutical Company Limited ("Takeda"), Forest's licensor for Teflaro®, brought an action for infringement of some or all of U.S. Patent Nos. 6,417,175 (the "'175 patent"), 6,906,055 (the "'055 patent"), 7,419,973 (the "'973 patent") and 8,247,400 (the "'400 patent") in the U.S. District Court for the District of Delaware against Apotex and Sandoz, and related subsidiaries and affiliates

thereof. These companies have notified Forest and Takeda that they have filed ANDAs with the FDA seeking to obtain approval to market generic versions of Teflaro® before some or all of the '175, '055, '973 and '400 patents expire. (The '175 patent expires in April 2022, the '055 and '973 patents expire in December 2021, and the '400 patent expires in February 2031.) These lawsuits triggered an automatic stay of approval of the applicable ANDAs until April 29, 2018 (unless a court issues a decision adverse to Forest and Takeda sooner). On June 24, 2015, the District Court issued a scheduling order setting a trial date in June 2017.

In April 2016, Forest filed a complaint for infringement of the '175 patent in the U.S. District Court for the District of Delaware against Apotex. Apotex had notified Forest and Takeda that they have filed an ANDA with the FDA seeking to obtain approval to market generic versions of Teflaro® before the '175 patent expires in April 2022. This lawsuit triggered an automatic stay of approval of the applicable ANDA with respect to the '175 patent until September 8, 2018 (unless a court issues a decision adverse to Forest and Takeda sooner). In May 2016, Apotex filed an answer and counterclaim as to the '175 patent and Forest filed an answer to Apotex's counterclaims. On June 14, 2016, Allergan filed a motion for consolidation and the court entered an order consolidating *C.A. 1:16-cv-00269-GMS*, into *C.A. 1:15-cv-00018-GMS,* (the "Lead" case). On July 27, 2016, Forest and Takeda dismissed the '055 and '973 patents with respect to Sandoz. On August 5, 2016, Forest and Takeda dismissed the '175 patent as to Sandoz, leaving the '400 patent as the only patent asserted against Sandoz. On November 11, 2016, the parties filed a stipulation of dismissal with respect to Sandoz, which the court ordered on November 17, 2016. The '175 patent and the '400 patent continued to be asserted against Apotex. On January 13, 2017, Forest and Takeda entered into a settlement agreement with Apotex. The Apotex matter was dismissed on January 17, 2017.

Viibryd®. In March 2015, Forest Laboratories, LLC, Forest Laboratories Holdings Ltd., (collectively, "Forest") and Merck KGaA and Merck Patent Gesellschaft Mit Beschränkter Haftung (collectively, "Merck"), Forest's licensor for Viibryd, brought actions for infringement of U.S. Patent Nos. 7,834,020 (the "'020 patent"), 8,193,195 (the "'195 patent"), 8,236,804 (the "'804 patent") and 8,673,921 (the "'921 patent") in the U.S. District Court for the District of Delaware against Accord Healthcare Inc. ("Accord"), Alembic Pharmaceuticals, Ltd. ("Alembic"), Apotex, Inc. ("Apotex"), InvaGen Pharmaceuticals, Inc. ("InvaGen"), and Teva Pharmaceuticals USA, Inc. ("Teva"), and related subsidiaries and affiliates thereof. These companies have notified Forest and/or Merck that they have filed ANDAs with the FDA seeking to obtain approval to market generic versions of Viibryd before the '020, '195, '804 and '921 patents expire in June 2022. These lawsuits triggered an automatic stay of approval of the applicable ANDAs until July 21, 2018 (unless a court issues a decision adverse to Forest and Merck sooner). On August 24, 2015, the District Court consolidated the actions for all purposes and issued a scheduling order setting a trial date in January 2018. On November 23, 2015, Forest and Merck brought an action for infringement of the '020, '195, '804 and '921 patents in the U.S. District Court for the District of Delaware against InvaGen, which matter was consolidated with the earlier-filed action against InvaGen. On March 29, 2017, the District Court granted plaintiffs and Teva's joint stipulation to stay the action as to Teva until May 11, 2017, due to the parties' settlement discussions. On April 20, 2017, plaintiffs entered into a settlement agreement with Alembic, and the case was dismissed.

Product Liability Litigation

Actonel® Litigation. Warner Chilcott is a defendant in approximately 163 cases and a potential defendant with respect to approximately 370 unfiled claims involving a total of approximately 542 claimants relating to Warner Chilcott's bisphosphonate prescription drug Actonel®. The claimants allege, among other things, that Actonel® caused them to suffer osteonecrosis of the jaw ("ONJ"), a rare but serious condition that involves severe loss or destruction of the jawbone, and/or atypical fractures of the femur. Warner Chilcott is in the initial stages of discovery in these litigations. All of the filed cases are in either federal or state courts in the United States, with the exception of one purported product liability class action involving a total of two plaintiffs that was brought against Warner Chilcott in a provincial court in Canada. The Canadian action alleges, among other things, that Actonel® caused the plaintiffs and the proposed class members who ingested Actonel® to suffer ONJ or other side effects. It is expected that these plaintiffs will seek class certification. Plaintiffs have typically asked for unspecified monetary and injunctive relief, as well as attorneys' fees. Warner Chilcott is indemnified by Sanofi for certain Actonel claims pursuant to a collaboration agreement relating to the two parties' co-promotion of the product in the United States and other countries. In addition, Warner Chilcott is also partially indemnified by the Procter & Gamble Company ("P&G") for ONJ claims that were pending at the time Warner Chilcott acquired P&G's global pharmaceutical business in October 2009. In May and September 2013, Warner Chilcott entered into two settlement agreements that resolved a majority of the then-existing ONJ-related claims.

AlloDerm Litigation. LifeCell Corporation is named as a defendant in approximately 350 lawsuits alleging that its biologic mesh product AlloDerm did not perform as intended and caused various injuries. Plaintiffs allege the product was defectively designed or manufactured and/or did not have proper warnings. These cases are consolidated in Superior Court of New Jersey, Middlesex County. Prior to the close of its sale to Allergan, LifeCell mediated the New Jersey cases in December 2016 and negotiated a settlement of its pending New Jersey cases, which was paid by LifeCell on April 19, 2017. Approximately 320 of the cases have been dismissed, with the balance anticipated to be dismissed pending estate filings. LifeCell's insurers participated in the settlement. Two other cases are pending in Oklahoma and California and discovery is ongoing.

Benicar® Litigation. Forest is named in approximately 1,759 actions involving allegations that Benicar®, a treatment for hypertension that Forest co-promoted with Daiichi Sankyo between 2002 and 2008, caused certain gastrointestinal injuries. Under Forest's Co-Promotion Agreement, Daiichi Sankyo is defending us in these lawsuits.

Celexa®/Lexapro® Litigation. Certain Forest entities are defendants in approximately 177 actions alleging that Celexa® or Lexapro® caused various birth defects. Several of the cases involve multiple minor-plaintiffs. The majority of these actions have been consolidated in state court in Missouri. The Company has reached an agreement in principle with plaintiffs to settle five of the pending cases. There are birth defect cases pending in other jurisdictions, none of which are set for trial.

RepliForm Litigation. LifeCell Corporation is named as a defendant in approximately 250 cases alleging that its biologic mesh product RepliForm did not perform as intended and caused various injuries. Plaintiffs allege the product was defectively designed or manufactured and/or did not have proper warnings. In all of those cases Boston Scientific Corporation, LifeCell's distributor, has been named as a co-defendant. In addition, a significant portion of those cases also name another manufacturer as a defendant whose product was implanted at the same time. All but a few of the cases have been consolidated for centralized management in the Superior Court of Massachusetts, Middlesex County. The other cases are venued in federal court in West Virginia, and state courts in Delaware and Minnesota. The cases are still in the early stages of pleadings and discovery has not yet begun.

Testosterone Litigation. Beginning in 2014, a number of product liability suits were filed against Actavis, Inc., now known as Allergan Finance, LLC, and one or more of its former subsidiaries as well as other manufacturers and distributors of testosterone products, for personal injuries including but not limited to cardiovascular events allegedly arising out of the use of Androderm® and AndroGel®, a product that a subsidiary of the Company had co-promoted for another pharmaceutical company defendant. There are approximately 578 currently pending actions which have been consolidated in an MDL in federal court in Illinois. The defendants have responded to the plaintiffs' master complaint in the MDL. These cases are in the initial stages and discovery is ongoing. The Company anticipates that additional suits will be filed.

Government Investigations, Government Litigation and Qui Tam Litigation

Forest. Forest received a subpoena, dated April 29, 2015, from the U.S. Department of Health and Human Services, Office of Inspector General ("OIG"). The subpoena requests documents relating to Average Manufacturer ("AMP") and Best Price calculations for several of its products. Subsequently, Forest received a Civil Investigative Demand from the OIG, dated August 16, 2016 primarily related to the calculation of Best Price. The Company is cooperating fully with the OIG's requests.

In April 2014, the federal district court in Massachusetts unsealed a *qui tam* complaint which asserts claims under the False Claims Act and contains allegations regarding off-label promotion of Namenda®. The Company filed a motion to dismiss the relator's Second Amended Complaint and the court granted in part and denied in part Forest's motion, dismissing the False Claims Act conspiracy claim only. While this case is still in its early stages, on October 7, 2016, the Company filed a second motion to dismiss the relator's Second Amended Complaint based on newly discovered evidence. On April 28, 2017, the court issued a decision in which it granted the Company's motion. The U.S. Attorney's Office declined to intervene in this action but has reserved the right to do so at a later date.

Forest and certain of its affiliates are defendants in three state court actions pending in Illinois, Utah and Wisconsin involving *qui tam* actions alleging generally that the plaintiffs (all government agencies) were overcharged for their share of Medicaid drug reimbursement costs. Discovery is ongoing in these actions. Forest and the other defendants filed a motion to dismiss Utah's amended complaint. This motion to dismiss was denied in part, and discovery is proceeding. On February 17, 2014, the Wisconsin state court granted defendants' motion to dismiss plaintiff's Second Amended Complaint. However, the relator filed a separate action making the same basic allegations as in its amended complaint in the original action.

On December 28, 2015, a putative class action complaint was filed in state court in Pennsylvania on behalf of a putative class of private payers. Defendants removed the complaint to the federal court in Pennsylvania. The complaint alleges that manufacturers of generic drugs, including a subsidiary of Forest Laboratories, Inc. that in the past had marketed generic products, caused plaintiffs to overpay for prescription drug products through the use of inflated AWPs. The complaint alleges violations of the Pennsylvania Unfair Trade Practices and Consumer Protection Law, negligent misrepresentation/fraud, unjust enrichment, civil conspiracy and aiding and abetting. Plaintiffs filed an amended complaint on March 29, 2016. On May 3, 2016, the court issued an order staying this action. An additional complaint then was filed in state court in Pennsylvania on behalf an individual indirect purchaser containing similar allegations to the class complaint. On January 18, 2017, defendants filed a motion to dismiss the complaint.

Allergan. In December 2011, the federal district court in Pennsylvania issued an order partially unsealing the second amended *qui tam* complaint, filed by relators Herbert J. Nevyas, M.D. and Anita Nevyas-Wallace, M.D., to be informally provided to Allergan, Inc. The complaint asserts claims under Federal and State False Claims Acts and Federal and State Anti-Kickback Acts. On

December 16, 2013, the court entered an order to unseal this *qui tam* action. On April 1, 2014, Allergan filed a motion to dismiss. On May 26, 2015, the court issued a ruling granting, in part, the motion to dismiss and denying it in part. Allergan filed an answer to the remaining claims on June 25, 2015. In May 2016, the parties reached a settlement, which remains subject to approval by various Federal and State agencies.

On November 25, 2014, prior to the completion of its merger with Actavis plc ("Actavis"), Allergan, Inc. received a request for documents and information from the United States Securities and Exchange Commission ("SEC") related to Actavis or Salix Pharmaceuticals, Inc. ("Salix"). On June 30, 2015, Allergan, Inc. received a subpoena from the SEC requesting documents related to Actavis or Salix. On June 30, 2015, Actavis received a subpoena from the SEC requesting documents related to Allergan. In January 2016, the SEC began meeting with current and former employees of Allergan and Actavis and indicated that its review focused on the content of Allergan, Inc.'s disclosures during the pendency of the tender offer by Valeant Pharmaceuticals International for Allergan, Inc.'s common stock. The Company recently reached an agreement with the SEC to resolve the SEC's review of legacy Allergan's disclosures during the Valeant tender offer period. On January 17, 2017, the SEC issued an order instituting cease-and-desist proceedings, making findings, and imposing a cease-and-desist order.

On April 18, 2017, Allergan received a civil investigative demand ("CID"), dated April 12, 2017, from the Department of Justice. The CID seeks information relating to the Company's sales and marketing practices of Botox to urology practices. The Company is cooperating fully with DOJ requests.

The Company and its affiliates are involved in various other disputes, governmental and/or regulatory inspections, inquires, investigations and proceedings that could result in litigation, and other litigation matters that arise from time to time.

Matters Relating to the Company's Divested Generics Business

The following matters relate to the former generics business of the Company which was sold to Teva effective August 2, 2016, but are included herein because the Company or one of its current subsidiaries have been named as a party in such matter. The Master Purchase Agreement under which the global generics business was sold provides for assumption by Teva of liabilities and claims relating to the generics business and indemnification by Teva for losses imposed on, sustained, incurred or suffered by or asserted against the Company for third party claims relating to the generics business. The Company believes it has substantial and meritorious claims for indemnification by Teva for these matters and failing same, substantial and meritorious defenses with respect to the underlying claims against the Company and/or its current subsidiaries; and in each case the Company intends to assert and/or defends claims vigorously. However, it is impossible to predict with certainty the outcome of any litigation or indemnity claims.

Lidoderm® Litigation. On March 30, 2016, the U.S. Federal Trade Commission filed a lawsuit in federal district court in the Eastern District of Pennsylvania against the Company and one of its global generics business subsidiaries, Watson Laboratories, Inc., Endo Pharmaceuticals Inc. and others arising out of patent settlements relating to Lidoderm and Opana ER. The Lidoderm settlement was reached by Endo Pharmaceuticals Inc. and Watson Laboratories, Inc. in May 2012, prior to it's being affiliated with the Company, and all allegations against the Company and Watson Laboratories, Inc. related to the Lidoderm settlement only. On October 25, 2016, the FTC voluntarily withdrew its complaint in federal court in Pennsylvania. Similar lawsuits filed by private plaintiffs were already pending in the federal district court in California. On January 23, 2017, both the FTC and State of California filed complaints against the Watson Laboratories, Endo Pharmaceuticals as well as the Company and its subsidiary Allergan Finance LLC in the same federal court in California alleging violations of federal and state antitrust laws. The FTC and California complaints contain allegations relating to the Lidoderm settlement only and seek injunctive relief, restitution or disgorgement of profits and, in the California action, statutory penalties. On January 27, 2017, Allergan Finance LLC filed a declaratory judgment action against the FTC in the same federal district court in the Eastern District of Pennsylvania where the FTC's original action had been pending. The court consolidated Allergan Finance's action with declaratory judgment actions that had already been filed by other parties that were named as defendants in the original FTC action in Pennsylvania and the plaintiffs filed a consolidated, amended complaint on February 14, 2017. On March 2, 2017, the FTC filed a motion to dismiss the amended complaint. On May 9, 2017, plaintiffs filed a motion for summary judgment. In April 2017, the FTC and State of California's actions were stayed pending the declaratory judgment action in the Eastern District of Pennsylvania.

Generic Drug Pricing Securities and ERISA Litigation. On November 4, 2016 a class action was filed by a putative class of Allergan shareholders in federal court in California against the Company and certain of its current and former officers alleging that the Company and certain of its current and former officers made materially false and misleading statements. The complaint alleges generally that between February 2014 and November 2016, Allergan and certain of its officers made materially false and misleading statements regarding the Company's internal controls over its financial reporting and failed to disclose that its Actavis generics unit had engaged in illegal, anticompetitive price-fixing with its generic industry peers. The complaint seeks unspecified monetary damages. Additional complaints have been filed in other federal district courts. On February 2, 2017, the actions were consolidated in the federal district court in New Jersey. Plaintiffs filed a consolidated amended complaint on May 1, 2017. On February 14, 2017, a

separate complaint was filed in the federal district court in California that is premised on the same alleged underlying conduct that is at issue in the securities litigation but that asserts claims under the Employee Retirement Income Security Act of 1974 ("ERISA). A similar lawsuit was filed in the federal district court in New Jersey on March 7, 2017. The ERISA complaints assert claims on behalf of a putative class of individuals who participated in the Company's retirement plans and seek an unspecified amount of damages and other injunctive relief.

Hydrocortisone Investigation. On November 10, 2016, the Company received notice from the UK Competition and Markets Authority ("CMA") that it would be included within the scope of the CMA's formal investigation under Section 25 of the Competition Act of 1998 ("CA98") into suspected abuse of dominance by a former generics business subsidiary of the Company in relation to the supply of 10mg and 20mg hydrocortisone tablets. The CMA is investigating whether the conduct infringes the Chapter II prohibition of the CA98 and/or Article 102 of the Treaty on the Functioning of the European Union. The Company intends to cooperate fully with the investigation.

Teva Shareholder Derivative Litigation. On or about February 26, 2017, Allergan plc was named as defendant in a proposed Teva shareholder derivative litigation filed in the Economic Division of the Tel Aviv District Court in Israel. In order to proceed with the lawsuit, plaintiffs have to secure court approval and have filed a motion seeking such approval. The lawsuit contains allegations directed at Teva's board of directors and the approval process needed by Teva to approve the Master Purchase Agreement and also includes claims regarding the amount and form of consideration Teva paid in connection with the Master Purchase Agreement. The Israeli court recently granted a procedural motion to consolidate a separate action that was filed against Teva only with the action that was filed on February 26th. Pursuant to the court's order, plaintiffs will file a consolidated motion seeking approval from the court to commence the shareholder derivative suit.

NOTE 20 — Warner Chilcott Limited ("WCL") Guarantor and Non-Guarantor Condensed Consolidating Financial Information

The following financial information is presented to segregate the financial results of WCL, Allergan Funding SCS (formerly known as Actavis Funding SCS), and Allergan Finance, LLC (the issuers of the long-term notes), the guarantor subsidiaries for the long-term notes and the non-guarantor subsidiaries. The guarantors jointly and severally, and fully and unconditionally, guarantee the Company's obligation under the long-term notes.

The information includes elimination entries necessary to consolidate the guarantor and the non-guarantor subsidiaries. Investments in subsidiaries are accounted for using the equity method of accounting. The principal elimination entries eliminate investments in subsidiaries, equity and intercompany balances and transactions.

WCL, Allergan Capital S.à.r.l. (formerly known as Actavis Capital S.à.r.l.) and Allergan Finance, LLC are guarantors of the long-term notes.

Warner Chilcott Limited has revised its consolidating financial statements as previously presented in Footnote 21 of the March 31, 2016 Quarterly Report on Form 10-Q due to a change in the Company's legal entity structure and other reclassifications that occurred during the year ended December 31, 2016. As a result, prior period information has been recast to conform to the current period presentation.

The following financial information presents the consolidating balance sheets as of March 31, 2017 and December 31, 2016, the related statement of operations for the three months ended March 31, 2017 and 2016, and the statement of cash flows for the three months ended March 31, 2017 and 2016.

Warner Chilcott Limited
Consolidating Balance Sheets
As of March 31, 2017
(Unaudited; in millions)

	Warner Chilcott Limited (Parent Guarantor)	Allergan Capital S.a.r.l. (Guarantor)	Allergan Funding SCS (Issuer)	Allergan Finance, LLC (Issuer and Guarantor)	Non-guarantors	Eliminations	Consolidated Warner Chilcott Limited
Current assets:							
Cash and cash equivalents	$ 0.1	$ 151.6	$ -	$ -	$ 939.2	$ -	$ 1,090.9
Marketable securities	-	2,992.7	-	-	4,865.5	-	7,858.2
Accounts receivable, net	-	-	-	-	2,542.0	-	2,542.0
Receivable from Parents	-	4,064.0	-	-	1,060.8	-	5,124.8
Inventories, net	-	-	-	-	904.7	-	904.7
Intercompany receivables	-	25,825.4	6,904.8	84.7	66,238.9	(99,053.8)	-
Prepaid expenses and other current assets	-	5.0	-	52.6	1,242.1	-	1,299.7
Total current assets	0.1	33,038.7	6,904.8	137.3	77,793.2	(99,053.8)	18,820.3
Property, plant and equipment, net	-	-	-	-	1,659.3	-	1,659.3
Investments and other assets	-	-	-	-	283.2	-	283.2
Investment in subsidiaries	82,829.9	88,112.8	-	73,516.8	-	(244,459.5)	-
Non current intercompany receivables	-	28,400.7	19,051.3	-	9,929.5	(57,381.5)	-
Non current receivables from Parents	-	-	-	-	3,964.0	-	3,964.0
Non current assets held for sale	-	-	-	-	27.0	-	27.0
Deferred tax assets	-	-	-	-	255.3	-	255.3
Product rights and other intangibles	-	-	-	-	62,994.2	-	62,994.2
Goodwill	-	-	-	-	47,917.1	-	47,917.1
Total assets	$ 82,830.0	$149,552.2	$ 25,956.1	$ 73,654.1	$204,822.8	$(400,894.8)	$135,920.4
Current liabilities:							
Accounts payable and accrued expenses	-	-	69.6	-	4,696.4	-	4,766.0
Intercompany payables	-	53,955.4	2,854.9	9,428.6	32,814.9	(99,053.8)	-
Payable to Parents	-	-	-	-	1,481.3	-	1,481.3
Income taxes payable	-	-	-	-	69.8	-	69.8
Current portion of long-term debt and capital leases	-	-	3,973.9	1,194.3	358.2	-	5,526.4
Total current liabilities	-	53,955.4	6,898.4	10,622.9	39,420.6	(99,053.8)	11,843.5
Long-term debt and capital leases	-	-	19,051.3	3,064.2	4,107.5	-	26,223.0
Other long-term liabilities	-	-	-	-	1,060.9	-	1,060.9
Long-term intercompany payables	-	9,780.5	-	149.0	47,452.0	(57,381.5)	-
Other taxes payable	-	-	-	-	914.5	-	914.5
Deferred tax liabilities	-	-	-	-	13,048.5	-	13,048.5
Total liabilities	-	63,735.9	25,949.7	13,836.1	106,004.0	(156,435.3)	53,090.4
Total equity / (deficit)	82,830.0	85,816.3	6.4	59,818.0	98,818.8	(244,459.5)	82,830.0
Total liabilities and equity	$ 82,830.0	$149,552.2	$ 25,956.1	$ 73,654.1	$204,822.8	$(400,894.8)	$135,920.4

Warner Chilcott Limited
Consolidating Balance Sheets
As of December 31, 2016
($ in millions)

Current assets:	Warner Chilcott Limited (Parent Guarantor)	Allergan Capital S.a.r.l. (Guarantor)	Allergan Funding SCS (Issuer)	Allergan Finance, LLC (Issuer and Guarantor)	Non-guarantors	Eliminations	Consolidated Warner Chilcott Limited
Cash and cash equivalents	$ 0.1	$ 513.9	$ -	$ -	$ 1,199.2	$ -	$ 1,713.2
Marketable securities	-	6,351.8	-	-	5,149.7	-	11,501.5
Accounts receivable, net	-	-	-	-	2,531.0	-	2,531.0
Receivable from Parents	-	4,196.9	-	-	5,092.3	-	9,289.2
Inventories	-	-	-	-	718.0	-	718.0
Intercompany receivables	-	24,348.6	3,343.5	81.6	66,840.8	(94,614.5)	-
Prepaid expenses and other current assets	-	14.2	-	42.7	1,325.2	-	1,382.1
Total current assets	0.1	35,425.4	3,343.5	124.3	82,856.2	(94,614.5)	27,135.0
Property, plant and equipment, net	-	-	-	-	1,611.3	-	1,611.3
Investments and other assets	-	-	-	15.8	266.3	-	282.1
Investment in subsidiaries	88,093.4	89,172.0	-	73,659.3	-	(250,924.7)	-
Non current intercompany receivables	-	27,706.6	22,540.1	-	9,686.6	(59,933.3)	-
Non current receivables from Parents	-	-	-	-	3,964.0	-	3,964.0
Non current assets held for sale	-	-	-	-	27.0	-	27.0
Deferred tax assets	-	-	-	-	233.3	-	233.3
Product rights and other intangibles	-	-	-	-	62,618.6	-	62,618.6
Goodwill	-	-	-	-	46,356.1	-	46,356.1
Total assets	$ 88,093.5	$152,304.0	$ 25,883.6	$ 73,799.4	$207,619.4	$(405,472.5)	$142,227.4
Current liabilities:							
Accounts payable and accrued expenses	-	-	208.9	-	4,784.4	-	4,993.3
Intercompany payables	-	55,828.8	1,652.9	9,359.1	27,773.7	(94,614.5)	-
Payable to Parents	-	334.1	-	-	1,038.7	-	1,372.8
Income taxes payable	-	-	-	-	57.8	-	57.8
Current portion of long-term debt and capital leases	-	-	1,478.1	1,197.4	122.4	-	2,797.9
Total current liabilities	-	56,162.9	3,339.9	10,556.5	33,777.0	(94,614.5)	9,221.8
Long-term debt and capital leases	-	-	22,540.1	3,079.0	4,351.7	-	29,970.8
Other long-term liabilities	-	-	-	-	1,086.0	-	1,086.0
Long-term intercompany payables	-	9,537.6	-	149.0	50,246.7	(59,933.3)	-
Other taxes payable	-	-	-	-	886.2	-	886.2
Deferred tax liabilities	-	-	-	-	12,969.1	-	12,969.1
Total liabilities	-	65,700.5	25,880.0	13,784.5	103,316.7	(154,547.8)	54,133.9
Total equity / (deficit)	88,093.5	86,603.5	3.6	60,014.9	104,302.7	(250,924.7)	88,093.5
Total liabilities and equity	$ 88,093.5	$152,304.0	$ 25,883.6	$ 73,799.4	$207,619.4	$(405,472.5)	$142,227.4

Warner Chilcott Limited
Consolidating Statements of Operations
For the Three Months Ended March 31, 2017
(Unaudited; in millions)

	Warner Chilcott Limited (Parent Guarantor)	Allergan Capital S.a.r.l. (Guarantor)	Allergan Funding SCS (Issuer)	Allergan Finance, LLC (Issuer and Guarantor)	Non-guarantors	Eliminations	Consolidated Warner Chilcott Limited
Net revenues	$ -	$ -	$ -	$ -	$ 3,572.9	$ -	$ 3,572.9
Operating expenses:							
Cost of sales (excludes amortization and impairment of acquired intangibles including product rights)	-	-	-	-	450.4	-	450.4
Research and development	-	-	-	-	759.9	-	759.9
Selling and marketing	-	-	-	-	869.1	-	869.1
General and administrative	-	-	-	-	314.3	-	314.3
Amortization	-	-	-	-	1,736.0	-	1,736.0
In-process research and development impairments	-	-	-	-	340.0	-	340.0
Asset sales and impairments, net	-	-	-	-	7.4	-	7.4
Total operating expenses	-	-	-	-	4,477.1	-	4,477.1
Operating (loss)	-	-	-	-	(904.2)	-	(904.2)
Non-operating income (expense):							
Interest income / (expense), net	-	271.8	3.7	(39.6)	(474.2)	-	(238.3)
Other (expense), net	-	-	-	-	(1,922.8)	-	(1,922.8)
Total other income (expense), net	-	271.8	3.7	(39.6)	(2,397.0)	-	(2,161.1)
Income / (loss) before income taxes and noncontrolling interest	-	271.8	3.7	(39.6)	(3,301.2)	-	(3,065.3)
(Benefit) / provision for income taxes	-	(0.2)	0.9	14.9	(547.7)	-	(532.1)
Losses / (earnings) of equity interest subsidiaries	2,537.3	2,818.2	-	17.3	-	(5,372.8)	-
Net (loss) / income from continuing operations, net of tax	$ (2,537.3)	$ (2,546.2)	$ 2.8	$ (71.8)	$ (2,753.5)	$ 5,372.8	$ (2,533.2)
(Loss) from discontinued operations	-	-	-	-	(3.1)	-	(3.1)
Net (loss) / income	$ (2,537.3)	$ (2,546.2)	$ 2.8	$ (71.8)	$ (2,756.6)	$ 5,372.8	$ (2,536.3)
(Income) attributable to noncontrolling interest	-	-	-	-	(1.0)	-	(1.0)
Net (loss) / income attributable to ordinary shareholders	$ (2,537.3)	$ (2,546.2)	$ 2.8	$ (71.8)	$ (2,757.6)	$ 5,372.8	$ (2,537.3)
Other comprehensive income / (loss)	1,760.1	1,759.0	-	(125.2)	1,760.1	(3,393.9)	1,760.1
Comprehensive (loss) / income	$ (777.2)	$ (787.2)	$ 2.8	$ (197.0)	$ (997.5)	$ 1,978.9	$ (777.2)

Warner Chilcott Limited
Consolidating Statements of Operations
For the Three Months Ended March 31, 2016
(Unaudited; in millions)

	Warner Chilcott Limited (Parent Guarantor)	Allergan Capital S.a.r.l. (Guarantor)	Allergan Funding SCS (Issuer)	Allergan Finance, LLC (Issuer and Guarantor)	Non-guarantors	Eliminations	Consolidated Warner Chilcott Limited
Net revenues	$ -	$ -	$ -	$ -	$ 3,399.3	$ -	$ 3,399.3
Operating expenses:							
Cost of sales (excludes amortization and impairment of acquired intangibles including product rights)	-	-	-	-	477.4	-	477.4
Research and development	-	-	-	-	403.1	-	403.1
Selling and marketing	-	-	-	-	766.8	-	766.8
General and administrative	-	0.5	-	8.3	305.5	-	314.3
Amortization	-	-	-	-	1,589.7	-	1,589.7
In process research and development impairments	-	-	-	-	6.0	-	6.0
Asset sales and impairments, net	-	-	-	-	(1.7)	-	(1.7)
Total operating expenses	-	0.5	-	8.3	3,546.8	-	3,555.6
Operating (loss)	-	(0.5)	-	(8.3)	(147.5)	-	(156.3)
Non-operating income (expense):							
Interest income / (expense), net	-	481.5	0.2	(39.1)	(772.5)	-	(329.9)
Other income, net	-	-	-	-	0.5	-	0.5
Total other income (expense), net	-	481.5	0.2	(39.1)	(772.0)	-	(329.4)
Income / (loss) before income taxes and noncontrolling interest	-	481.0	0.2	(47.4)	(919.5)	-	(485.7)
Provision / (benefit) for income taxes	-	-	-	7.3	(416.0)	-	(408.7)
(Earnings) / losses of equity interest subsidiaries	(270.9)	202.0	-	(344.0)	-	412.9	-
Net income / (loss) from continuing operations, net of tax	$ 270.9	$ 279.0	$ 0.2	$ 289.3	$ (503.5)	$ (412.9)	$ (77.0)
Income from discontinued operations	-	-	-	-	348.6	-	348.6
Net income / (loss)	$ 270.9	$ 279.0	$ 0.2	$ 289.3	$ (154.9)	$ (412.9)	$ 271.6
(Income) attributable to noncontrolling interest	-	-	-	-	(0.7)	-	(0.7)
Net income / (loss) attributable to ordinary shareholders	$ 270.9	$ 279.0	$ 0.2	$ 289.3	$ (155.6)	$ (412.9)	$ 270.9
Other comprehensive income / (loss)	522.5	600.9	-	-	522.5	(1,123.4)	522.5
Comprehensive income / (loss)	$ 793.4	$ 879.9	$ 0.2	$ 289.3	$ 366.9	$ (1,536.3)	$ 793.4

Warner Chilcott Limited
Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2017
(Unaudited; in millions)

	Warner Chilcott Limited (Parent Guarantor)	Allergan Capital S.a.r.l. (Guarantor)	Allergan Funding SCS (Issuer)	Allergan Finance, LLC (Issuer and Guarantor)	Non-guarantors	Eliminations	Consolidated Warner Chilcott Limited
Cash Flows From Operating Activities:							
Net (loss) / income	$ (2,537.3)	$ (2,546.2)	$ 2.8	$ (71.8)	$ (2,756.6)	$ 5,372.8	$ (2,536.3)
Reconciliation to net cash provided by operating activities:							
Losses / (earnings) of equity interest subsidiaries	2,537.3	2,818.2	-	17.3	-	(5,372.8)	-
Depreciation	-	-	-	-	41.6	-	41.6
Amortization	-	-	-	-	1,736.0	-	1,736.0
Provision for inventory reserve	-	-	-	-	23.9	-	23.9
Share-based compensation	-	-	-	-	62.7	-	62.7
Deferred income tax benefit	-	-	-	-	(712.8)	-	(712.8)
In-process research and development impairments	-	-	-	-	340.0	-	340.0
Loss on asset sales and impairments, net	-	-	-	-	7.4	-	7.4
Net income impact of other-than-temporary loss on investment in Teva securities	-	-	-	-	1,978.0	-	1,978.0
Amortization of inventory step up	-	-	-	-	27.9	-	27.9
Amortization of deferred financing costs	-	5.7	-	1.0	-	-	6.7
Contingent consideration adjustments, including accretion	-	-	-	-	30.7	-	30.7
Dividends from subsidiaries	305.8	-	-	-	-	(305.8)	-
Other, net	-	(10.0)	-	-	(8.8)	-	(18.8)
Changes in assets and liabilities (net of effects of acquisitions)	-	(2,139.5)	(2.8)	53.5	1,857.0	-	(231.8)
Net cash provided by / (used in) operating activities	305.8	(1,871.8)	-	-	2,627.0	(305.8)	755.2
Cash Flows From Investing Activities:							
Additions to property plant and equipment	-	-	-	-	(33.2)	-	(33.2)
Additions to product rights and other intangibles	-	-	-	-	(346.3)	-	(346.3)
Additions to investments	-	(3,989.6)	-	-	(2,398.3)	-	(6,387.9)
Proceeds from sale of investments and other assets	-	6,499.1	-	-	3,156.2	-	9,655.3
Proceeds from sales of property, plant and equipment	-	-	-	-	0.7	-	0.7
Acquisitions of business, net of cash acquired	-	-	-	-	(2,874.4)	-	(2,874.4)
Net cash provided by / (used in) investing activities	-	2,509.5	-	-	(2,495.3)	-	14.2
Cash Flows From Financing Activities:							
Payments on debt, including capital lease obligations	-	(1,000.0)	-	-	(15.9)	-	(1,015.9)
Payments of contingent consideration	-	-	-	-	(76.3)	-	(76.3)
Dividends to Parent	(305.8)	-	-	-	(305.8)	305.8	(305.8)
Net cash (used in) / provided by financing activities	(305.8)	(1,000.0)	-	-	(398.0)	305.8	(1,398.0)
Effect of currency exchange rate changes on cash and cash equivalents	-	-	-	-	6.3	-	6.3
Net (decrease) in cash and cash equivalents	-	(362.3)	-	-	(260.0)	-	(622.3)
Cash and cash equivalents at beginning of period	0.1	513.9	-	-	1,199.2	-	1,713.2
Cash and cash equivalents at end of period	$ 0.1	$ 151.6	$ -	$ -	$ 939.2	$ -	$ 1,090.9

Warner Chilcott Limited
Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2016
(Unaudited; in millions)

	Warner Chilcott Limited (Parent Guarantor)	Allergan Capital S.a.r.l. (Guarantor)	Allergan Funding SCS (Issuer)	Allergan Finance, LLC (Issuer and Guarantor)	Non-guarantors	Eliminations	Consolidated Warner Chilcott Limited
Cash Flows From Operating Activities:							
Net income / (loss)	$ 270.9	$ 279.0	$ 0.2	$ 289.3	$ (154.9)	$ (412.9)	$ 271.6
Reconciliation to net cash provided by operating activities:							
(Earnings) / losses of equity interest subsidiaries	(270.9)	202.0	-	(344.0)	-	412.9	-
Depreciation	-	-	-	0.5	41.6	-	42.1
Amortization	-	-	-	-	1,592.1	-	1,592.1
Provision for inventory reserve	-	-	-	-	59.2	-	59.2
Share-based compensation	-	-	-	-	99.0	-	99.0
Deferred income tax benefit	-	-	-	-	(519.2)	-	(519.2)
In-process research and development impairments	-	-	-	-	6.0	-	6.0
(Gain) on asset sales and impairments, net		-	-	-	(1.7)		(1.7)
Amortization of inventory step-up	-	-	-	-	42.4	-	42.4
Amortization of deferred financing costs	-	1.8	6.1	-	2.1	-	10.0
Contingent consideration adjustments, including accretion	-	-	-	-	33.6	-	33.6
Dividends from subsidiaries	69.6	-	-	-	-	(69.6)	-
Other, net	-	-	-	-	(9.1)	-	(9.1)
Changes in assets and liabilities (net of effects of acquisitions)	0.1	(834.5)	(6.3)	54.5	476.4	-	(309.8)
Net cash provided by / (used in) operating activities	69.7	(351.7)	-	0.3	1,667.5	(69.6)	1,316.2
Cash Flows From Investing Activities:							
Additions to property plant and equipment	-	-	-	(1.1)	(83.8)	-	(84.9)
Proceeds from sale of investments and other assets	-	-	-	-	19.0	-	19.0
Proceeds from sales of property, plant and equipment	-	-	-	-	12.1	-	12.1
Net cash (used in) investing activities	-	-	-	(1.1)	(52.7)	-	(53.8)
Cash Flows From Financing Activities:							
Proceeds from borrowings on credit facility	-	900.0	-	-	-	-	900.0
Payments on debt, including capital lease obligations	-	(532.0)	-	-	(322.2)	-	(854.2)
Payments of contingent consideration	-	-	-	-	(32.3)	-	(32.3)
Dividends to Parent	(69.6)	-	-	-	(69.6)	69.6	(69.6)
Net cash (used in) / provided by financing activities	(69.6)	368.0	-	-	(424.1)	69.6	(56.1)
Effect of currency exchange rate changes on cash and cash equivalents	-	-	-	-	5.2	-	5.2
Net increase / (decrease) in cash and cash equivalents	0.1	16.3	-	(0.8)	1,195.9	-	1,211.5
Cash and cash equivalents at beginning of period	-	13.5	-	2.0	1,020.7	-	1,036.2
Cash and cash equivalents at end of period	$ 0.1	$ 29.8	$ -	$ 1.2	$ 2,216.6	$ -	$ 2,247.7

NOTE 21 — Subsequent Events

ZELTIQ® Aesthetics, Inc.

On April 28, 2017 the Company completed the acquisition of ZELTIQ® Aesthetics, Inc. ("ZELTIQ") for a price of $56.50 per share, or approximately $2.4 billion. ZELTIQ is focused on developing and commercializing products utilizing its proprietary controlled-cooling technology platform.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and the results of operations should be read in conjunction with the "Consolidated Financial Statements" and notes thereto included elsewhere in this Quarterly Report on Form 10-Q ("Quarterly Report") and our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016 (the "Annual Report"). This discussion contains forward-looking statements that are subject to known and unknown risks, uncertainties and other factors that may cause our actual results to differ materially from those expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, among others, those identified under "Risk Factors" in our Annual Report, and elsewhere in this Quarterly Report.

References throughout to "we," "our," "us," the "Company" or "Allergan" refer to financial information and transactions of Allergan plc. References to "Warner Chilcott Limited" refer to Warner Chilcott Limited, the Company's indirect wholly-owned subsidiary, and, unless the context otherwise requires, its subsidiaries. Warner Chilcott Limited is an indirect wholly-owned subsidiary of Allergan plc, the ultimate parent of the group. The results of Warner Chilcott Limited are consolidated into the results of Allergan plc. Due to the deminimis activity between Allergan plc and Warner Chilcott Limited, references throughout this filing relate to both Allergan plc and Warner Chilcott Limited. Warner Chilcott Limited representations relate only to itself and not to any other company.

Overview

Allergan plc is a global pharmaceutical company and a leader in a new industry model – Growth Pharma. Allergan is focused on developing, manufacturing and commercializing branded pharmaceutical ("brand", "branded" or "specialty brand"), device, biologic, surgical and regenerative medicine products for patients around the world. The Company has operations in more than 100 countries. Warner Chilcott Limited is an indirect wholly-owned subsidiary of Allergan plc and has the same principal business activities.

On August 2, 2016 we completed the divestiture of our global generics business and certain other assets to Teva Pharmaceutical Industries Ltd. ("Teva") (the "Teva Transaction") in exchange for which we received $33.3 billion in cash, net of cash acquired by Teva, which includes estimated working capital and other contractual adjustments, and 100.3 million unregistered Teva ordinary shares (or American Depository Shares with respect thereto), which approximated $5.0 billion in value using the closing date Teva opening stock price discounted at a rate of 5.9 percent due to the lack of marketability.

As part of the Teva Transaction, Teva acquired our global generics business, including the United States ("U.S.") and international generic commercial units, our third-party supplier Medis, our global generic manufacturing operations, our global generic research and development ("R&D") unit, our international over-the-counter ("OTC") commercial unit (excluding OTC eye care products) and certain established international brands.

On October 3, 2016, the Company completed the divestiture of the Anda Distribution business to Teva for $500.0 million. The Anda Distribution business distributes generic, branded, specialty and OTC pharmaceutical products from more than 300 manufacturers to retail independent and chain pharmacies, nursing homes, mail order pharmacies, hospitals, clinics and physician offices across the U.S.

The Company recognized a combined gain on the sale of the Anda Distribution business and the Teva Transaction of $15,932.2 million in the year ended December 31, 2016, as well as deferred liabilities relating to other elements of our arrangements with Teva of $299.2 million.

As a result of the Teva Transaction and the divestiture of the Company's Anda Distribution business, and in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") number 2014-08 "Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity", the financial results of the businesses held for sale have been reclassified to discontinued operations for all periods presented in our consolidated financial statements. The results of our discontinued operations include the results of our generic product development, manufacturing and distribution of off-patent pharmaceutical products, certain established international brands marketed similarly to generic products and out-licensed generic pharmaceutical products primarily in Europe through our Medis third-party business through August 2, 2016, as well as our Anda Distribution business through October 3, 2016.

2017 Transactions

The following are the material transactions that were completed in the three months ended March 31, 2017.

Acquisitions

LifeCell Corporation

On February 1, 2017, the Company completed the acquisition of LifeCell Corporation ("LifeCell"), a regenerative medicine company, for $2,883.1 million in cash (the "LifeCell Acquisition"). The acquisition combined LifeCell's novel, regenerative medicines business, including its high-quality and durable portfolio of dermal matrix products with the Company's leading portfolio of medical aesthetics, breast implants and tissue expanders. The acquisition of LifeCell expanded the Company's portfolio including the promotion of Alloderm® and Strattice®.

Licenses and Other Transactions Accounted for as Asset Acquisitions

Editas Medicine, Inc.

On March 14, 2017, the Company entered into a strategic alliance and option agreement with Editas Medicine, Inc. ("Editas") for access to early stage, first-in-class eye care programs. Pursuant to the agreement, Allergan made an upfront payment of $90.0 million for the right to license up to five of Editas' gene-editing programs in eye care, including its lead program for Leber Congenital Amaurosis ("LCA") currently in pre-clinical development. Under the terms of the agreement, if an option is exercised, Editas is eligible to receive contingent research and development and commercial milestones plus royalties based on net sales. The Company concluded based on the stage of development of the assets, the lack of acquired employees and manufacturing, as well as the lack of certain other inputs and processes, that the transaction did not qualify as a business. The total upfront payment of $90.0 million was expensed as a component of R&D expense. The future option exercise payments, if any, and any future success based milestones relating to the licensed products will be recorded if the corresponding events become probable.

Assembly Biosciences, Inc.

On January 9, 2017 the Company entered into a licensing agreement with Assembly Biosciences, Inc. ("Assembly") for the worldwide rights to Assembly's microbiome gastrointestinal development programs. Under the terms of the agreement, Allergan made an upfront payment to Assembly of $50.0 million for the exclusive, worldwide rights to develop and commercialize certain development compounds. Additionally, Assembly will be eligible to receive success-based development and commercial milestone payments plus royalties based on net sales. Allergan and Assembly will generally share development costs through proof-of-concept ("POC") studies, and Allergan will assume all post-POC development costs. The Company concluded based on the stage of development of the assets, the lack of acquired employees and manufacturing, as well as the lack of certain other inputs and processes, that the transaction did not qualify as a business. The total upfront payment of $50.0 million was expensed as a component of R&D expense and the future success based milestone payments of up to $2,771.0 million will be recorded if the corresponding events become probable.

Lysosomal Therapeutics, Inc.

On January 9, 2017 the Company entered into a definitive agreement for the option to acquire Lysosomal Therapeutics, Inc. ("LTI"). LTI is focused on innovative small-molecule research and development in the field of neurodegeneration, yielding new treatment options for patients with severe neurological diseases. Under the agreement, Allergan acquired an option right directly from LTI shareholders to acquire LTI for $150.0 million plus future milestone payments following completion of a Phase 1b trial for LTI-291 as well as an upfront research and development payment. The Company concluded based on the stage of development of the assets, the lack of acquired employees and manufacturing, as well as the lack of certain other inputs and processes, that the transaction did not qualify as a business. The aggregate payment of $145.0 million was recorded as a component of R&D expense in the three months ended March 31, 2017.

2016 Transactions

The following are the material transactions that were completed in the year ended December 31, 2016.

Acquisitions

Tobira Therapeutics, Inc.

On November 1, 2016, the Company acquired Tobira Therapeutics, Inc. ("Tobira"), a clinical-stage biopharmaceutical company focused on developing and commercializing therapies for non-alcoholic steatohepatitis ("NASH") and other liver diseases, for an acquisition accounting purchase price of $570.1 million, plus contingent consideration of up to $49.84 per share in contingent value rights ("CVR"), or up to $1,101.3 million, that may be payable based on the successful completion of certain development, regulatory and commercial milestones (the "Tobira Acquisition"). The CVR had an acquisition date fair value of $479.0 million. The Tobira Acquisition adds to the Company's pipeline Cenicriviroc and Evogliptin, two differentiated, complementary development programs for the treatment of the multi-factorial elements of NASH, including inflammation, metabolic syndromes and fibrosis.

Vitae Pharmaceuticals, Inc.

On October 25, 2016, the Company acquired Vitae Pharmaceuticals, Inc. ("Vitae"), a clinical-stage biotechnology company, for an acquisition accounting purchase price of $621.4 million (the "Vitae Acquisition"). The Vitae Acquisition strengthens Allergan's dermatology product pipeline with the addition of a Phase II orally active RORyt (retinoic acid receptor-related orphan receptor gamma) inhibitor for the potential treatment of psoriasis and other autoimmune disorders. In addition, as a result of the Vitae Acquisition, the Company expanded its pipeline with the acquisition of a Phase II atopic dermatitis drug candidate.

ForSight VISION5, Inc.

On September 23, 2016, the Company acquired ForSight VISION5, Inc. ("ForSight'), a privately held, clinical-stage biotechnology company focused on eye care, in an all cash transaction of approximately $95.0 million (the "ForSight Acquisition"). Under the terms of the ForSight Acquisition, the Company acquired ForSight for an acquisition accounting purchase price of $74.5 million plus the payment of outstanding indebtedness of $14.8 million and other miscellaneous charges. ForSight shareholders are eligible to receive contingent consideration of up to $125.0 million, which has an initial estimated fair value of $79.8 million, relating to commercialization milestones. The Company acquired ForSight for its lead development program, a peri-ocular ring designed for extended drug delivery and reducing elevated intraocular pressure ("IOP") in glaucoma patients.

Licenses and Asset Acquisitions

In the year ended December 31, 2016, the following transactions, which were entered into and completed, did not qualify as a business. The conclusion for each transaction was determined based on the stage of development of the specific assets acquired, the lack of acquired employees in the individual transactions and the lack of acquired manufacturing processes, as well as the lack of certain other inputs and processes. As a result, the initial consideration in these transactions was included as a component of R&D expenses in the year ended December 31, 2016 as follows ($ in millions):

	Amount
AstraZeneca license agreement in the three months ended December 31, 2016	$ 250.0
Motus Therapeutics, Inc. acquisition in the three months ended December 31, 2016	199.5
Chase Pharmaceuticals Corporation acquisition in the three months ended December 31, 2016	122.9
RetroSense Therapeutics, LLC license agreement in the three months ended September 30, 2016	59.7
Akarna Therapeutics, Ltd acquisition in the three months ended September 30, 2016	48.2
Topokine Therapeutics, Inc. acquisition in the three months ended June 30, 2016	85.8
Heptares Therapeutics Ltd. License agreement in the three months ended June 30, 2016	125.0
Anterios, Inc. acquisition in the three months ended March 31, 2016	89.2

2015 Transactions

The following are the material transactions that were completed in the year ended December 31, 2015.

Allergan, Inc.

On March 17, 2015, the Company completed the acquisition Allergan, Inc. ("Legacy Allergan"). The addition of Legacy Allergan's therapeutic franchises in ophthalmology, neurosciences and medical aesthetics/dermatology/plastic surgery complemented the Company's existing central nervous system, gastroenterology, women's health and urology franchises. The combined company benefited from Legacy Allergan's global brand equity and consumer awareness of key products, including Botox® and Restasis®. The transaction also expanded our presence and market and product reach across many international markets, with strengthened commercial positions across Canada, Europe, Southeast Asia and other high-value growth markets, including China, India, the Middle East and Latin America.

Acquisition-Related Expenses

As a result of the Allergan acquisition, the Company incurred the following transaction and integration costs in the three months ended March 31, 2017 and 2016, respectively ($ in millions):

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Cost of sales		
Stock-based compensation acquired for Legacy Allergan employees	$ 1.6	$ 3.1
Acquisition, integration and restructuring related charges	0.6	3.9
Research and development		
Stock-based compensation acquired for Legacy Allergan employees	7.9	13.9
Acquisition, integration and restructuring related charges	1.0	2.8
Selling and marketing		
Stock-based compensation acquired for Legacy Allergan employees	11.0	20.5
Acquisition, integration and restructuring related charges	(1.0)	5.0
General and administrative		
Stock-based compensation acquired for Legacy Allergan employees	4.3	9.9
Acquisition, integration and restructuring related charges	5.3	39.8
Total transaction and integration costs	**$ 30.7**	**$ 98.9**

Operating results

Segments

The Company's businesses are organized into the following segments: US Specialized Therapeutics, US General Medicine and International. In addition, certain revenues and shared costs, and the results of corporate initiatives, are managed outside of the three segments.

The operating segments are organized as follows:

- The US Specialized Therapeutics segment includes sales and expenses relating to certain branded products within the U.S., including Medical Aesthetics, Medical Dermatology, Eye Care, Neurosciences and Urology therapeutic products.
- The US General Medicine segment includes sales and expenses relating to branded products within the U.S. that do not fall into the US Specialized Therapeutics business units, including Central Nervous System, Gastrointestinal, Women's Health, Anti-Infectives and Diversified Brands.
- The International segment includes sales and expenses relating to products sold outside the U.S.

The Company evaluates segment performance based on segment contribution. Segment contribution for our segments represents net revenues less cost of sales (defined below), selling and marketing expenses, and select general and administrative expenses. Included in segment revenues are product sales that were sold through our former Anda Distribution business once the Anda Distribution business had sold the product to a third party customer. These sales are included in segment results and are reclassified into revenues from discontinued operations through a reduction of Corporate revenues which eliminates the sales made by our Anda Distribution business from results of continuing operations prior to October 3, 2016. Cost of sales for these products

in discontinued operations is equal to our average third party cost of sales for third party branded products distributed by Anda Distribution. The Company does not evaluate the following items at the segment level:

- Revenues and operating expenses within cost of sales, selling and marketing expenses, and general and administrative expenses that result from the impact of corporate initiatives. Corporate initiatives primarily include integration, restructuring, acquisition and other shared costs.
- General and administrative expenses that result from shared infrastructure, including certain expenses located within the United States.
- Total assets including capital expenditures.
- Other select revenues and operating expenses including R&D expenses, amortization, IPR&D impairments and asset sales and impairments, net as not all such information has been accounted for at the segment level, or such information has not been used by all segments.

The Company defines segment net revenues as product sales and other revenue derived from branded products or licensing agreements.

Cost of sales within segment contribution includes standard production and packaging costs for the products we manufacture, third party acquisition costs for products manufactured by others, profit-sharing or royalty payments for products sold pursuant to licensing agreements and finished goods inventory reserve charges. Cost of sales included within segment contribution does not include non-standard production costs, such as non-finished goods inventory obsolescence charges, manufacturing variances and excess capacity utilization charges, where applicable. Cost of sales does not include amortization or impairment costs for acquired product rights or other acquired intangibles.

Selling and marketing expenses consist mainly of personnel-related costs, product promotion costs, distribution costs, professional service costs, insurance, depreciation and travel costs.

General and administrative expenses consist mainly of personnel-related costs, facilities costs, transaction costs, insurance, depreciation, litigation costs and professional services costs which are general in nature and attributable to the segment.

Three Months Ended March 31, 2017 and 2016

Segment net revenues, segment operating expenses and segment contribution information consisted of the following for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31, 2017			
	US Specialized Therapeutics	**US General Medicine**	**International**	**Total**
Net revenues	$ 1,482.0	$ 1,345.8	$ 737.3	$ 3,565.1
Operating expenses:				
Cost of sales[1]	89.2	194.5	100.3	384.0
Selling and marketing	330.4	302.5	209.5	842.4
General and administrative	44.8	40.7	29.9	115.4
Segment Contribution	**$ 1,017.6**	**$ 808.1**	**$ 397.6**	**$ 2,223.3**
Contribution margin	***68.7%***	***60.0%***	***53.9%***	***62.4%***
Corporate				286.0
Research and development				759.9
Amortization				1,736.0
In-process research and development impairments				340.0
Asset sales and impairments, net				7.4
Operating (loss)				$ (906.0)
Operating margin				(25.4)%

(1) Excludes amortization and impairment of acquired intangibles including product rights, as well as indirect cost of sales not attributable to segment results.

	Three Months Ended March 31, 2016			
	US Specialized Therapeutics	US General Medicine	International	Total
Net revenues	$ 1,298.7	$ 1,453.7	$ 673.3	$ 3,425.7
Operating expenses:				
Cost of sales[1]	70.7	219.6	99.2	389.5
Selling and marketing	264.6	277.3	187.3	729.2
General and administrative	39.2	42.2	27.6	109.0
Segment Contribution	**$ 924.2**	**$ 914.6**	**$ 359.2**	**$ 2,198.0**
Contribution margin	***71.2%***	***62.9%***	***53.3%***	***64.2%***
Corporate				372.4
Research and development				403.1
Amortization				1,589.7
In-process research and development impairments				6.0
Asset sales and impairments, net				(1.7)
Operating (loss)				$ (171.5)
Operating margin				(5.0)%

(1) Excludes amortization and impairment of acquired intangibles including product rights, as well as indirect cost of sales not attributable to segment results.

The following is a reconciliation of net revenues for the operating segments to the Company's net revenues for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31,		Change	
	2017	2016	Dollars	%
Segment net revenues	$ 3,565.1	$ 3,425.7	$ 139.4	4.1%
Corporate revenues	7.8	(26.4)	34.2	129.5%
Net revenues	**$ 3,572.9**	**$ 3,399.3**	**$ 173.6**	**5.1%**

No country outside of the United States represents ten percent or more of net revenues. The US Specialized Therapeutics and US General Medicine segments are comprised solely of sales within the United States.

The following table represents global net revenues for the top products for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31, 2017					Three Months Ended March 31, 2016					Total Change	
	US Specialized Therapeutics	US General Medicine	International	Corporate	Total	US Specialized Therapeutics	US General Medicine	International	Corporate	Total	Dollars	Percentage
Botox®	$ 509.4	$ -	$ 204.6	$ -	$ 714.0	$ 455.5	$ -	$ 182.0	$ -	$ 637.5	$ 76.5	12.0%
Restasis®	308.8	-	13.9	-	322.7	298.7	-	15.0	-	313.7	9.0	2.9%
Juvederm Collection **	119.8	-	122.2	-	242.0	102.7	-	100.1	-	202.8	39.2	19.3%
Lumigan®/Ganfort®	74.3	-	85.9	-	160.2	81.5	-	88.1	-	169.6	(9.4)	(5.5)%
Linzess®/Constella®	-	147.6	4.9	-	152.5	-	137.1	3.8	-	140.9	11.6	8.2%
Bystolic® /Byvalson®	-	139.8	0.5	-	140.3	-	163.6	0.4	-	164.0	(23.7)	(14.5)%
Alphagan®/Combigan®	86.4	-	42.3	-	128.7	84.9	-	41.8	-	126.7	2.0	1.6%
Namenda XR®	-	122.0	-	-	122.0	-	173.1	-	-	173.1	(51.1)	(29.5)%
Eye Drops	47.8	-	65.3	-	113.1	40.8	-	67.2	-	108.0	5.1	4.7%
Lo Loestrin®	-	99.8	-	-	99.8	-	89.3	-	-	89.3	10.5	11.8%
Breast Implants	54.3	-	37.6	-	91.9	46.4	-	36.7	-	83.1	8.8	10.6%
Ozurdex ®	22.5	-	51.1	-	73.6	19.4	-	41.1	-	60.5	13.1	21.7%
Estrace® Cream	-	73.4	-	-	73.4	-	80.6	-	-	80.6	(7.2)	(8.9)%
Viibryd®/Fetzima®	-	72.5	0.4	-	72.9	-	83.3	-	-	83.3	(10.4)	(12.5)%
Asacol®/Delzicol®	-	57.6	12.1	-	69.7	-	105.9	15.3	-	121.2	(51.5)	(42.5)%
Carafate ® /Sulcrate ®	-	58.7	0.7	-	59.4	-	61.0	0.5	-	61.5	(2.1)	(3.4)%
Alloderm®	54.1	-	1.2	-	55.3	-	-	-	-	-	55.3	n.a.
Vraylar™	-	53.6	-	-	53.6	-	7.6	-	-	7.6	46.0	n.m.
Zenpep®	-	46.5	-	-	46.5	-	49.6	-	-	49.6	(3.1)	(6.3)%
Canasa®/Salofalk®	-	38.3	4.4	-	42.7	-	41.1	4.0	-	45.1	(2.4)	(5.3)%
Minastrin® 24	-	41.1	-	-	41.1	-	79.6	0.8	-	80.4	(39.3)	(48.9)%
Aczone®	40.6	-	-	-	40.6	33.0	-	-	-	33.0	7.6	23.0%
Saphris®	-	37.3	-	-	37.3	-	41.5	-	-	41.5	(4.2)	(10.1)%
Armour Thyroid	-	37.3	-	-	37.3	-	42.1	-	-	42.1	(4.8)	(11.4)%
Viberzi®	-	31.5	-	-	31.5	-	4.0	-	-	4.0	27.5	n.m.
Teflaro®	-	30.6	-	-	30.6	-	33.4	-	-	33.4	(2.8)	(8.4)%
SkinMedica®	28.0	-	-	-	28.0	26.6	-	-	-	26.6	1.4	5.3%
Rapaflo®	25.9	-	2.0	-	27.9	33.0	-	1.2	-	34.2	(6.3)	(18.4)%
Savella®	-	24.3	-	-	24.3	-	23.7	-	-	23.7	0.6	2.5%
Namzaric®	-	23.6	-	-	23.6	-	10.3	-	-	10.3	13.3	129.1%
Tazorac®	23.4	-	0.2	-	23.6	17.1	-	0.2	-	17.3	6.3	36.4%
Kybella® /Belkyra®	15.1	-	1.5	-	16.6	11.3	-	0.5	-	11.8	4.8	40.7%
Latisse®	13.6	-	1.9	-	15.5	19.8	-	2.1	-	21.9	(6.4)	(29.2)%
Lexapro®	-	13.4	-	-	13.4	-	18.7	-	-	18.7	(5.3)	(28.3)%
Avycaz®	-	11.3	-	-	11.3	-	8.4	-	-	8.4	2.9	34.5%
Dalvance®	-	9.6	-	-	9.6	-	6.2	-	-	6.2	3.4	54.8%
Liletta®	-	7.2	-	-	7.2	-	4.9	-	-	4.9	2.3	46.9%
Enablex®	-	0.9	-	-	0.9	-	12.8	-	-	12.8	(11.9)	(93.0)%
Namenda® IR	-	0.1	-	-	0.1	-	5.8	-	-	5.8	(5.7)	(98.3)%
Other Products Revenues	58.0	167.8	84.6	7.8	318.2	28.0	170.1	72.5	5.5	276.1	42.1	15.2%
Less product sold through our former Anda Distribution business	n.a.	n.a.	n.a.	-	-	n.a.	n.a.	n.a.	(31.9)	(31.9)	31.9	n.a.
Total Net Revenues	**$ 1,482.0**	**$ 1,345.8**	**$ 737.3**	**$ 7.8**	**$ 3,572.9**	**$ 1,298.7**	**$ 1,453.7**	**$ 673.3**	**$ (26.4)**	**$ 3,399.3**	**$ 173.6**	**5.1%**

** Sales of fillers including Juvederm, Voluma and other fillers are referred to herein as the “Juvederm Collection.”

US Specialized Therapeutics Segment

The following table presents top product sales and net contribution for the US Specialized Therapeutics segment for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31,		Change	
	2017	2016 (1)	Dollars	%
Total Eye Care	**$ 553.1**	**$ 533.0**	**$ 20.1**	**3.8%**
Restasis®	308.8	298.7	10.1	3.4%
Alphagan®/Combigan®	86.4	84.9	1.5	1.8%
Lumigan®/Ganfort®	74.3	81.5	(7.2)	(8.8)%
Ozurdex®	22.5	19.4	3.1	16.0%
Eye Drops	47.8	40.8	7.0	17.2%
Other Eye Care	13.3	7.7	5.6	72.7%
Total Medical Aesthetics	**490.1**	**373.9**	**116.2**	**31.1%**
Facial Aesthetics	**318.7**	**279.4**	**39.3**	**14.1%**
Botox® Cosmetics	183.8	165.4	18.4	11.1%
Juvederm Collection	119.8	102.7	17.1	16.7%
Kybella®	15.1	11.3	3.8	33.6%
Plastic Surgery	**54.3**	**48.1**	**6.2**	**12.9%**
Breast Implants	54.3	46.4	7.9	17.0%
Other Plastic Surgery	-	1.7	(1.7)	(100.0)%
Regenerative Medicine	**75.5**	**-**	**75.5**	**n.a.**
Alloderm®	54.1	-	54.1	n.a.
Other Regenerative Medicine	21.4	-	21.4	n.a.
Skin Care	**41.6**	**46.4**	**(4.8)**	**(10.3)%**
SkinMedica®	28.0	26.6	1.4	5.3%
Latisse®	13.6	19.8	(6.2)	(31.3)%
Total Medical Dermatology	**86.6**	**69.0**	**17.6**	**25.5%**
Aczone®	40.6	33.0	7.6	23.0%
Tazorac®	23.4	17.1	6.3	36.8%
Botox® Hyperhidrosis	16.8	16.3	0.5	3.1%
Other Medical Dermatology	5.8	2.6	3.2	123.1%
Total Neuroscience and Urology	**334.7**	**306.8**	**27.9**	**9.1%**
Botox® Therapeutics	308.8	273.8	35.0	12.8%
Rapaflo®	25.9	33.0	(7.1)	(21.5)%
Other Revenues	**17.5**	**16.0**	**1.5**	**9.4%**
Net revenues	**$ 1,482.0**	**$ 1,298.7**	**$ 183.3**	**14.1%**
Operating expenses:				
Cost of sales(2)	89.2	70.7	18.5	26.2%
Selling and marketing	330.4	264.6	65.8	24.9%
General and administrative	44.8	39.2	5.6	14.3%
Segment contribution	**$ 1,017.6**	**$ 924.2**	**$ 93.4**	**10.1%**
Segment margin	68.7%	71.2%		(2.5)%
Segment gross margin(3)	94.0%	94.6%		(0.6)%

(1) Includes revenues earned that were distributed through the Anda Distribution business to third party customers.

(2) Excludes amortization and impairment of acquired intangibles including product rights, as well as indirect cost of sales not attributable to segment results.

(3) Defined as net revenues less segment related cost of sales as a percentage of net revenues.

Net Revenues

The increase in revenues was primarily driven by growth in Botox® Therapeutics, Facial Aesthetics and the LifeCell Acquisition.

Botox® Therapeutics increased $35.0 million, or 12.8%, versus the prior year period driven by demand growth.

The increase in Facial Aesthetics revenues was driven in part by Botox® Cosmetics which increased $18.4 million, or 11.1%, versus the prior year period primarily due to demand growth. Also contributing was an increase in Juvederm Collection revenues of $17.1 million, or 16.7% versus the prior year period driven primarily by demand.

The acquired LifeCell products contributed $75.5 million of revenues in the three months ended March 31, 2017, including $54.1 million and $18.8 million relating to Alloderm® and Strattice®, respectively.

Cost of Sales

The increase in cost of sales was primarily due to the LifeCell Acquisition. Excluding the LifeCell Acquisition, segment gross margin increased to 94.9% in the three months ended March 31, 2017 versus 94.6% in the prior year period due to product mix.

Selling and Marketing Expenses

The increase in selling and marketing expenses primarily relates to the increased costs from the LifeCell Acquisition of approximately $18.0 million as well as increased promotional costs for total Eye Care and launch products including Rhofade® and Kybella®.

General and Administrative Expenses

The increase in general and administrative costs is primarily due to increased personnel costs versus the prior year period.

US General Medicine Segment

The following table presents top product sales and net contribution for the US General Medicine segment for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31,		Change	
	2017	2016 (1)	Dollars	%
Total Central Nervous System (CNS)	**$ 309.1**	**$ 321.6**	**$ (12.5)**	**(3.9)%**
Namenda XR®	122.0	173.1	(51.1)	(29.5)%
Namzaric®	23.6	10.3	13.3	129.1%
Viibryd®/Fetzima®	72.5	83.3	(10.8)	(13.0)%
Vraylar™	53.6	7.6	46.0	n.m.
Saphris®	37.3	41.5	(4.2)	(10.1)%
Namenda® IR	0.1	5.8	(5.7)	(98.3)%
Total Gastrointestinal (GI)	**387.5**	**403.6**	**(16.1)**	**(4.0)%**
Linzess®	147.6	137.1	10.5	7.7%
Asacol®/Delzicol®	57.6	105.9	(48.3)	(45.6)%
Carafate®/Sulcrate®	58.7	61.0	(2.3)	(3.8)%
Zenpep®	46.5	49.6	(3.1)	(6.3)%
Canasa®/Salofalk®	38.3	41.1	(2.8)	(6.8)%
Viberzi®	31.5	4.0	27.5	n.m.
Other GI	7.3	4.9	2.4	49.0%
Total Women's Health	**244.7**	**263.7**	**(19.0)**	**(7.2)%**
Lo Loestrin®	99.8	89.3	10.5	11.8%
Estrace® Cream	73.4	80.6	(7.2)	(8.9)%
Minastrin® 24	41.1	79.6	(38.5)	(48.4)%
Liletta®	7.2	4.9	2.3	46.9%
Other Women's Health	23.2	9.3	13.9	149.5%
Total Anti-Infectives	**55.7**	**51.5**	**4.2**	**8.2%**
Teflaro®	30.6	33.4	(2.8)	(8.4)%
Dalvance®	9.6	6.2	3.4	54.8%
Avycaz®	11.3	8.4	2.9	34.5%
Other Anti-Infectives	4.2	3.5	0.7	20.0%
Diversified Brands	**299.0**	**411.0**	**(112.0)**	**(27.3)%**
Bystolic®// Byvalson®	139.8	163.6	(23.8)	(14.5)%
Armour Thyroid	37.3	42.1	(4.8)	(11.4)%
Savella®	24.3	23.7	0.6	2.5%
Lexapro®	13.4	18.7	(5.3)	(28.3)%
Enablex®	0.9	12.8	(11.9)	(93.0)%
PacPharma	3.0	28.8	(25.8)	(89.6)%
Other Diversified Brands	80.3	121.3	(41.0)	(33.8)%
Other Revenues	**49.8**	**2.3**	**47.5**	**n.m.**
Net revenues	**$ 1,345.8**	**$ 1,453.7**	**$ (107.9)**	**(7.4)%**
Operating expenses:				
Cost of sales(2)	194.5	219.6	(25.1)	(11.4)%
Selling and marketing	302.5	277.3	25.2	9.1%
General and administrative	40.7	42.2	(1.5)	(3.6)%
Segment contribution	**$ 808.1**	**$ 914.6**	**$ (106.5)**	**(11.6)%**
Segment margin	60.0%	62.9%		(2.9)%
Segment gross margin(3)	85.5%	84.9%		0.6%

(1) Includes revenues earned that were distributed through the Anda Distribution business to third party customers.

(2) Excludes amortization and impairment of acquired intangibles including product rights, as well as indirect cost of sales not attributable to segment results.

(3) Defined as net revenues less segment related cost of sales as a percentage of net revenues.

Net Revenues

The decrease in segment revenues is primarily due to a decline in Diversified Brand revenues, Women's Health revenues, Gastrointestinal revenues and Central Nervous System revenues versus the prior year period, offset, in part, by Other Revenues.

Diversified Brand revenues declined $112.0 million, or 27.3% versus the prior year period, due in part to a decline in PacPharma revenues as the Company out licensed these product rights. Included within "Other Revenues" in the three months ended March 31, 2017 is $30.0 million of royalty revenues related to these products. Also contributing to the decline in Diversified Brands is a decline in Bystolic® / Byvalson® revenues of $23.8 million, or 14.5% as a result of decreased demand and differences in trade buying patterns, and the impact of loss of exclusivity on certain products including Enablex®. Other Diversified Brands declined $41 million or 33.8% due to demand declines coupled with unfavorable trade buying patterns.

Women's Health revenues declined $19.0 million, or 7.2%, primarily due to the loss of exclusivity on Minastrin® 24. Offsetting this decline, in part, is revenues on our new product, Taytulla® of $12.0 million and increased sales of Lo Loestrin® of 11.8% due primarily to strong demand growth.

Declines within our Gastrointestinal franchise of $16.1 million, or 4.0%, was primarily driven by a reduction in demand for Asacol® HD following the launch of an authorized generic in August 2016. Offsetting this decline, in part, is royalty revenue of $17.0 million relating to our authorized generic version of Asacol® HD, which is included within "Other Revenues". Further offsetting this decline was growth in Linzess® and newly launched Viberzi®. Linzess® revenues increased $10.5 million, or 7.7%, versus the prior year period primarily due to strong demand growth offset by unfavorable trade buying patterns

The decrease in Central Nervous System revenues of $12.5 million, or 3.9%, was driven by the continued decline in Namenda XR® due to decreased demand and conversion to Namzaric®. Central Nervous System revenue declines were offset, in part, by the launch of Vraylar™ and Namzaric®.

Cost of Sales

The decrease in cost of sales was the result of lower product revenues and the impact of the Company reacquiring rights on select licensed products in the three months ended March 31, 2017. As part of the rights reacquired, the Company is no longer obligated to pay royalties on the specific products, which increases the Company's segment gross margin percentage. In the three months ended March 31, 2016, royalties incurred relating to the reacquired product rights were $15.9 million.

Selling and Marketing Expenses

The increase in selling and marketing expenses relates to promotional spending associated with recently launched products, including Viberzi® and Vraylar™.

General and Administrative Expenses

General and administrative expenses are in line period-over-period.

International Segment

The following table presents top product sales and net contribution for the International segment for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31,		Change					
	2017	2016	$ Overall Change	$ Currency Change	$ Operational Change	% Overall Change	% Currency Change	% Operational Change
Total Eye Care	**$ 299.5**	**$ 291.5**	**$ 8.0**	**$ (2.9)**	**$ 10.9**	**2.7%**	**(1.0)%**	**3.7%**
Lumigan®/Ganfort®	85.9	88.1	(2.2)	(2.0)	(0.2)	(2.5)%	(2.3)%	(0.2)%
Alphagan®/Combigan®	42.3	41.8	0.5	0.2	0.3	1.2%	0.5%	0.7%
Ozurdex®	51.1	41.1	10.0	(1.8)	11.8	24.3%	(4.4)%	28.7%
Optive®	27.5	24.1	3.4	0.2	3.2	14.1%	0.8%	13.3%
Other Eye Drops	37.8	43.1	(5.3)	(0.3)	(5.0)	(12.3)%	(0.7)%	(11.6)%
Restasis®	13.9	15.0	(1.1)	(0.2)	(0.9)	(7.3)%	(1.3)%	(6.0)%
Other Eye Care	41.0	38.3	2.7	1.0	1.7	7.0%	2.6%	4.4%
Total Medical Aesthetics	**288.1**	**244.9**	**43.2**	**(3.1)**	**46.3**	**17.6%**	**(1.3)%**	**18.9%**
Facial Aesthetics	**245.9**	**205.5**	**40.4**	**(2.9)**	**43.3**	**19.7%**	**(1.4)%**	**21.1%**
Botox® Cosmetics	122.2	104.9	17.3	(2.4)	19.7	16.5%	(2.3)%	18.8%
Juvederm Collection	122.2	100.1	22.1	(0.5)	22.6	22.1%	(0.5)%	22.6%
Belkyra® (Kybella®)	1.5	0.5	1.0	-	1.0	200.0%	0.0%	200.0%
Plastic Surgery	**38.0**	**36.8**	**1.2**	**(0.3)**	**1.5**	**3.3%**	**(0.8)%**	**4.1%**
Breast Implants	37.6	36.7	0.9	(0.3)	1.2	2.5%	(0.8)%	3.3%
Earfold™	0.4	0.1	0.3	-	0.3	n.m.	0.0%	n.m.
Regenerative Medicine	**2.0**	**-**	**2.0**	**-**	**2.0**	**n.a.**	**n.a.**	**n.a.**
Alloderm®	1.2	-	1.2	-	1.2	n.a.	n.a.	n.a.
Other Regenerative Medicine	0.8	-	0.8	-	0.8	n.a.	n.a.	n.a.
Skin Care	**2.2**	**2.6**	**(0.4)**	**0.1**	**(0.5)**	**(15.4)%**	**3.8%**	**(19.2)%**
Botox® Therapeutics and Other	**133.9**	**123.3**	**10.6**	**(0.6)**	**11.2**	**8.6%**	**(0.5)%**	**9.1%**
Botox® Therapeutics	82.4	77.1	5.3	(0.1)	5.4	6.9%	(0.1)%	7.0%
Asacol®/Delzicol®	12.1	15.3	(3.2)	(1.1)	(2.1)	(20.9)%	(7.2)%	(13.7)%
Constella®	4.9	3.8	1.1	(0.2)	1.3	28.9%	(5.3)%	34.2%
Other Products	34.5	27.1	7.4	0.8	6.6	27.3%	3.0%	24.4%
Other Revenues	**15.8**	**13.6**	**2.2**	**-**	**2.2**	**16.2%**	**0.0%**	**16.2%**
Net revenues	**$ 737.3**	**$ 673.3**	**$ 64.0**	**$ (6.6)**	**$ 70.6**	**9.5%**	**(1.0)%**	**10.5%**
Operating expenses:								
Cost of sales(1)	100.3	99.2	1.1	(0.5)	1.6	1.1%	(0.5)%	1.6%
Selling and marketing	209.5	187.3	22.2	(1.5)	23.7	11.9%	(0.8)%	12.7%
General and administrative	29.9	27.6	2.3	(0.4)	2.7	8.3%	(1.4)%	9.8%
Segment contribution	**$ 397.6**	**$ 359.2**	**$ 38.4**	**$ (4.2)**	**$ 42.6**	**10.7%**	**(1.2)%**	**11.9%**
Segment margin	53.9%	53.3%				0.6%		
Segment gross margin(2)	86.4%	85.3%				1.1%		

(1) Excludes amortization and impairment of acquired intangibles including product rights, as well as indirect cost of sales not attributable to segment results.

(2) Defined as net revenues less segment related cost of sales as a percentage of net revenues.

Net Revenues

The increase in segment net revenues is primarily due to the operational growth of total Eye Care and Facial Aesthetics. Within total Eye Care, Ozurdex® increased $10.0 million, or 24.3% versus the prior year period, primarily driven by demand growth. Within Facial Aesthetics, Juvederm Collection revenues increased $22.1 million, or 22.1% versus the prior year period, primarily resulting from demand growth. Botox® Cosmetic sales grew 16.5% driven by demand growth. Botox® Therapeutics sales also grew 6.9% driven by demand growth.

In the first quarter of 2017, the Company announced a realignment of its International Commercial organization, which will become effective in the second half of the year. As a result of this realignment, future promotional priorities amongst the International portfolio may shift.

Cost of Sales

The increase in cost of sales was primarily due to the increase in net revenues, offset, in part, by favorable product mix. Segment gross margins improved to 86.4% for the three months ended March 31, 2017 compared to 85.3% for the three months ended March 31, 2017.

Selling and Marketing Expenses

The increase in selling and marketing expenses relates to promotional spending associated with Ozurdex®, Botox® Cosmetic and the Juvederm Collection and recent product launches including Belkyra® and Constella®.

General and Administrative Expenses

General and administrative expenses are in line period-over-period.

Corporate

Corporate represents the results of corporate initiatives as well as the impact of select revenues and shared costs. The following represents the corporate amounts for the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31, 2017					
	Integration and Restructuring	Fair Value Adjustments	Effect of Purchase Accounting	Other	Revenues and Shared Costs	Total
Net Sales	$ -	$ -	$ -	$ -	$ 7.8	$ 7.8
Operating expenses:						
Cost of sales(1)	2.8	(35.5)	28.9	(1.1)	71.3	66.4
Selling and marketing	15.7	-	9.4	0.8	0.8	26.7
General and administrative	49.4	-	6.0	(2.0)	147.3	200.7
Contribution	**$ (67.9)**	**$ 35.5**	**$ (44.3)**	**$ 2.3**	**$ (211.6)**	**$ (286.0)**

(1) Excludes amortization and impairment of acquired intangibles including product rights.

	Three Months Ended March 31, 2016						
	Integration and Restructuring	Fair Value Adjustments	Effect of Purchase Accounting	Reclassification of Sales Distributed Through Anda to Discontinued Operations	Other	Revenues and Shared Costs	Total
Net Sales	$ -	$ -	$ -	$ (31.9)	$ -	$ 5.5	$ (26.4)
Operating expenses:							
Cost of sales(1)	4.7	7.8	45.2	(31.5)	-	61.8	88.0
Selling and marketing	13.4	-	21.1	-	-	2.9	37.4
General and administrative	61.1	0.1	12.3	-	19.4	127.7	220.6
Contribution	**$ (79.2)**	**$ (7.9)**	**$ (78.6)**	**$ (0.4)**	**$ (19.4)**	**$ (186.9)**	**$ (372.4)**

(1) Excludes amortization and impairment of acquired intangibles including product rights.

In the three months ended March 31, 2017, integration and restructuring charges included costs related to the integration of LifeCell as well as the realignment of the Company's international operating structure. In addition, the Company incurred costs associated with the terminated Pfizer, Inc. merger of $18.1 million. In the three months ended March 31, 2017, the Company incurred purchase accounting effects of $27.9 million in cost of sales related to the fair value inventory step-up from the LifeCell Acquisition as products were sold to the Company's third party customers. The Company also incurred charges related to the purchase accounting impact on stock-based compensation related to the Allergan and Forest acquisitions, which increased cost of sales, selling and marketing and general and administrative expenses.

In the three months ended March 31, 2016, integration and restructuring charges primarily related to the integration of the Legacy Allergan business as well as charges incurred in connection with the then pending merger with Pfizer, Inc. of $35.7 million. In the three months ended March 31, 2016, the Company incurred purchase accounting effects of $42.4 million in cost of sales related to the fair value inventory step-up from the Allergan and Forest acquisitions as products were sold to the Company's third party customers. The Company also incurred charges related to the purchase accounting impact on stock-based compensation related the Allergan and Forest acquisitions, which increased cost of sales, selling and marketing and general and administrative expenses.

Shared costs primarily include above site and unallocated costs associated with running our global manufacturing facilities and corporate General & Administrative expenses.

Research and Development Expenses

R&D expenses consist predominantly of personnel-related costs, active pharmaceutical ingredient costs, contract research, license and milestone fees, biostudy and facilities costs associated with product development.

R&D expenses consisted of the following components in the three months ended March 31, 2017 and 2016 ($ in millions):

	Three Months Ended March 31,		Change	
	2017	2016	Dollars	%
Ongoing operating expenses	$ 393.9	$ 276.5	$ 117.4	42.5%
Brand related milestone payments and upfront license payments	291.1	91.0	200.1	n.m.
Acquisition accounting fair market value adjustment to stock-based compensation	5.6	13.6	(8.0)	(58.8)%
Acquisition, integration, and restructuring charges	3.1	(3.9)	7.0	(179.5)%
Contingent consideration adjustments, net	66.2	25.9	40.3	155.6%
Total expenditures	**$ 759.9**	**$ 403.1**	**$ 356.8**	**88.5%**

The increase in ongoing operating expenses in the three months ended March 31, 2017 versus the prior year period is primarily due to increased product development spending primarily in the Central Nervous System and Gastrointestinal therapeutic areas.

The following represents brand related milestone payments and upfront license payments in the three months ended March 31, 2017 and 2016, respectively ($ in millions):

	Three Months Ended March 31,	
($ in millions)	**2017**	**2016**
Lysosomal Therapeutics, Inc. agreement	$ 145.0	$ -
Editas Medicine, Inc. agreement	90.0	-
Assembly Biosciences, Inc. agreement	50.0	-
Anterios, Inc. acquisition	-	89.2
Other	6.1	1.8
	$ 291.1	**$ 91.0**

In the three months ended March 31, 2017, the adjustment to contingent consideration primarily related to the advancement of the Company's True Tear™ product.

Amortization

Amortization in the three months ended March 31, 2017 and 2016 was as follows:

	Three Months Ended March 31,		Change	
($ in millions)	**2017**	**2016**	**Dollars**	**%**
Amortization	$ 1,736.0	$ 1,589.7	$ 146.3	9.2%

Amortization for the three months ended March 31, 2017 increased as compared to the prior period primarily as a result of amortization related to the acquired LifeCell products of $25.8 million as well as amortization from approved products during the year ended December 31, 2016 and the three months ended March 31, 2017.

IPR&D Impairments and Asset Sales and Impairments, Net

IPR&D impairments and Asset sales and impairments, net consisted of the following components in the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31,		Change	
($ in millions)	**2017**	**2016**	**Dollars**	**%**
IPR&D impairments	$ 340.0	$ 6.0	$ 334.0	n.m.
Asset sales and impairments, net	7.4	(1.7)	9.1	(535.3)%

In the three months ended March 31, 2017, the Company notified Serenity Pharmaceuticals, LLC of its intent to terminate the License, Transfer and Development Agreement for SER-120 (nocturia) which resulted in an impairment of $140.0 million. In addition, the Company impaired an IPR&D asset acquired as part of the Warner Chilcott acquisition by $200.0 million as a result of a decline in anticipated market demand.

IPR&D impairments in the three months ended March 31, 2016 include a $6.0 million impairment related to a reduction in cash flows for Women's Healthcare portfolio products.

Interest Income

Interest income in the three months ended March 31, 2017 and 2016 was as follows:

	Three Months Ended March 31,		Change	
($ in millions)	**2017**	**2016**	**Dollars**	**%**
Interest income	$ 25.3	$ 2.9	$ 22.4	772.4%

Interest income in the three months ended March 31, 2017 increased versus the three months ended March 31, 2016 resulting from the investment of proceeds received in the Teva Transaction.

Interest Expense

Interest expense consisted of the following components in the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31,		Change	
($ in millions)	**2017**	**2016**	**Dollars**	**%**
Fixed Rate Notes	$ 282.4	286.5	(4.1)	(1.4)%
Floating Rate Notes	5.7	5.9	(0.2)	(3.4)%
Term loan indebtedness	-	39.1	(39.1)	(100.0)%
Revolving Credit Facility	-	0.2	(0.2)	(100.0)%
Other	1.6	1.1	0.5	45.5%
Interest expense	**$ 289.7**	**$ 332.8**	**$ (43.1)**	**(13.0)%**

Interest expense in the three months ended March 31, 2017 decreased versus the three months ended March 31, 2016 due to the pay down of term loan indebtedness with use of proceeds received in the Teva Transaction as well as scheduled maturities of senior secured notes.

Other (expense) income, net

Other (expense) income, net consisted of the following components in the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31,		Change	
($ in millions)	**2017**	**2016**	**Dollars**	**%**
Net income impact of other-than-temporary loss on investment in Teva securities	$ (1,978.0)	$ -	$ (1,978.0)	n.a.
Dividend income	34.1	-	34.1	n.a.
Naurex recovery	20.0	-	20.0	n.a.
Other income	1.1	0.5	0.6	120.0%
Other (expense) income, net	**$ (1,922.8)**	**$ 0.5**	**$ (1,923.3)**	**n.a.**

Teva Securities

The closing Teva Transaction date opening stock price discounted at a rate of 5.9 percent due to the lack of marketability was used to initially value the shares. During the three months ended March 31, 2017, the Company determined that the decline in value since August 2, 2016 is other-than-temporary. As a result, the Company impaired the value of its investment by $1,978.0 million in the three months ended March 31, 2017 as a component of other (expense) income. The determination was made based on the amount of time that the stock price has been below acquisition date value, intentions of the potential holding periods of the shares and the materiality of the decline in share price.

Dividend income

As a result of the Teva Transaction, the Company acquired 100.3 million Teva ordinary shares. During three months ended March 31, 2017, the Company received dividend income of $34.1 million.

Naurex Recovery

On August 28, 2015, the Company acquired certain products in early stage development of Naurex, Inc. ("Naurex") in an all-cash transaction, which was accounted for as an asset acquisition (the "Naurex Transaction"). The Company received a purchase price reduction of $20.0 million in the three months ended March 31, 2017 based on the settlement of an open contract negotiation.

(Benefit) for Income Taxes

	Three Months Ended March 31,		Change	
($ in millions)	**2017**	**2016**	**Dollars**	**%**
(Benefit) for income taxes	$ (532.1)	$ (408.7)	$ (123.4)	30.2%
Effective tax rate	*17.2%*	*81.6%*		

The Company's effective tax rate for the three months ended March 31, 2017 was 17.2% compared to 81.6% for the three months ended March 31, 2016. The effective tax rate for the three months ended March 31, 2017 was favorably impacted by income earned in jurisdictions with tax rates lower than the Irish statutory rate and U.S. losses tax benefited at rates greater than the Irish statutory rate. This was offset by a pre-tax charge for the impairment of the Company's investment in Teva Shares of $1,978.0 million and the tax impact of amortization of intangible assets, both at rates less than the Irish statutory rate. Additionally, the tax benefit for the three months ended March 31, 2017 included tax benefits of $74.0 million related to the impairment of certain intangible assets and $40.6 million related to the integration of an acquired business.

The effective tax rate for the three months ended March 31, 2016 was impacted by income earned in jurisdictions with tax rates lower than the Irish statutory rate and U.S. losses tax benefited at rates greater than the Irish statutory rate. Additionally, the tax benefit for the three months ended March 31, 2016 included an expense of $124.3 million for the change in a valuation allowance on a portion of U.S. capital loss carryforwards resulting from restructuring associated with the sale of the global generics business and a benefit of $32.2 million for the recognition of previously unrecognized tax benefits.

The decrease in the effective tax rate for the period ended March 31, 2017 as compared to the period ended March 31, 2016 is primarily the result of the Teva Shares' impairment charge for which no tax benefit was recorded.

Discontinued Operations

On July 27, 2015, the Company announced that it entered into the Teva Transaction, which closed on August 2, 2016. On October 3, 2016, the Company completed the divestiture of the Anda Distribution business for $500.0 million.

Financial results of the global generics business and the Anda Distribution business are presented as "(Loss) / Income from discontinued operations, net of tax" on the Consolidated Statements of Operations for the three months ended March 31, 2017 and 2016. The loss from discontinued operations, net of tax of $(3.1) million in the three months ended March 31, 2017, primarily related to continuing involvement for matters relating to the Teva Transaction.

The following table presents key financial results of the businesses included in "(Loss) / Income from discontinued operations" for the three months ended March 31, 2016 ($ in millions):

	Three Months Ended March 31, 2016
Net revenues	$ 1,651.9
Operating expenses:	
Cost of sales (excludes amortization and impairment of acquired intangibles including product rights)	986.3
Research and development	112.3
Selling and marketing	141.0
General and administrative	141.5
Amortization	2.4
Total operating expenses	1,383.5
Operating income	268.4
Other (expense) income, net	0.2
(Benefit) for income taxes	(80.0)
Net income from discontinued operations	**$ 348.6**

Liquidity and Capital Resources

Working Capital Position

Working capital at March 31, 2017 and December 31, 2016 is summarized as follows:

($ in millions):	March 31, 2017	December 31, 2016	Increase (Decrease)
Current Assets:			
Cash and cash equivalents	$ 1,092.9	$ 1,724.0	$ (631.1)
Marketable securities	7,858.2	11,501.5	(3,643.3)
Accounts receivable, net	2,542.0	2,531.0	11.0
Inventories	904.7	718.0	186.7
Prepaid expenses and other current assets	1,302.9	1,383.4	(80.5)
Total current assets	13,700.7	17,857.9	(4,157.2)
Current liabilities:			
Accounts payable and accrued expenses	$ 4,795.4	$ 5,019.0	$ (223.6)
Income taxes payable	69.8	57.8	12.0
Current portion of long-term debt and capital leases	5,526.4	2,797.9	2,728.5
Total current liabilities	10,391.6	7,874.7	2,516.9
Working Capital	$ 3,309.1	$ 9,983.2	$ (6,674.1)
Current Ratio	1.32	2.27	

Working capital decreased $6,674.1 million primarily due to the following uses of working capital:

- The Company acquired LifeCell for $2,874.4 million, net of cash acquired, in the three months ended March 31, 2017;
- The Company repaid $1,000.0 million of indebtedness in the quarter ended March 31, 2017 and reclassified $3,750.0 million of indebtedness from long-term liabilities to current liabilities;
- The Company utilized cash and cash equivalents to pay dividends in the quarter ended March 31, 2017 of $305.8 million and to purchase intangible assets of $346.3 million; and
- A decrease in marketable securities due to a decline in the fair market value of the Teva Shares of $378.6 million.

Cash Flows from Operations

Summarized cash flow from operations is as follows:

	Three Months Ended March 31,	
($ in millions)	**2017**	**2016**
Net cash provided by operating activities	$ 723.3	$ 1,253.1

Cash flows from operations represent net income adjusted for certain non-cash items and changes in assets and liabilities. Cash provided by operating activities decreased $529.8 million in the three months ended March 31, 2017 versus the prior year period, due primarily to a decrease in net income, adjusted for non-cash activity of $651.7 million ($959.1 million and $1,610.8 million of net income / (loss), adjusted for non-cash activities in the three months ended March 31, 2017 and 2016, respectively). The quarter ended March 31, 2016 included the contribution of the former Generics Business and Anda Distribution Business.

Management expects that available cash balances and the remaining 2017 cash flows from operating activities will provide sufficient resources to fund our operating liquidity needs and expected 2017 capital expenditure funding requirements.

Investing Cash Flows

Our cash flows from investing activities are summarized as follows:

	Three Months Ended March 31,	
($ in millions)	**2017**	**2016**
Net cash provided by / (used in) investing activities	$ 14.2	$ (53.8)

Investing cash flows consist primarily of cash used in acquisitions of businesses and intangible assets (primarily product rights), capital expenditures and purchases of investments and marketable securities partially offset by proceeds from the sale of a business, investments and marketable securities. Included in the three months ended March 31, 2017 the net cash provided by the sale of investments of $3,267.4 million offset, in part, by the purchase of LifeCell for $2,874.4 million, net of cash acquired, and the purchase of intangible assets of $346.3 million. Included in the three months ended March 31, 2016 was cash used for capital expenditures of $84.9 million, offset in part, by proceeds from sales of investments and other assets, and property, plant and equipment.

Financing Cash Flows

Our cash flows from financing activities are summarized as follows:

	Three Months Ended March 31,	
($ in millions)	**2017**	**2016**
Net cash (used in) financing activities	$ (1,374.9)	$ (39.7)

Financing cash flows consist primarily of borrowings and repayments of debt, repurchases of ordinary shares and proceeds from the exercise of stock options. Cash used in financing activities in the three months ended March 31, 2017 primarily related to the repayment of indebtedness of $1,015.9 million and the payment of dividends of $305.8 million. Cash used in financing activities in the three months ended March 31, 2016 included payments of debt of $854.2 million, contingent consideration of $32.3 million and dividends of $69.6 million, offset by borrowings under the credit facility of $900.0 million.

Debt and Borrowing Capacity

Total debt and capital leases consisted of the following ($ in millions):

	Balance As of		Fair Market Value As of	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Senior Notes:				
Floating Rate Notes				
$500.0 million floating rate notes due March 12, 2018 *	$ 500.0	$ 500.0	$ 503.2	$ 502.5
$500.0 million floating rate notes due March 12, 2020 **	500.0	500.0	511.0	509.4
	1,000.0	1,000.0	1,014.2	1,011.9
Fixed Rate Notes				
$1,000.0 million 1.850% notes due March 1, 2017	-	1,000.0	-	1,001.1
$500.0 million 1.300% notes due June 15, 2017	500.0	500.0	499.9	499.7
$1,200.0 million 1.875% notes due October 1, 2017	1,200.0	1,200.0	1,201.3	1,202.5
$3,000.0 million 2.350% notes due March 12, 2018	3,000.0	3,000.0	3,014.0	3,018.0
$250.0 million 1.350% notes due March 15, 2018	250.0	250.0	248.8	248.4
$1,050.0 million 4.375% notes due February 1, 2019	1,050.0	1,050.0	1,093.7	1,090.0
$500.0 million 2.450% notes due June 15, 2019	500.0	500.0	502.6	501.2
$400.0 million 6.125% notes due August 14, 2019	400.0	400.0	435.1	437.7
$3,500.0 million 3.000% notes due March 12, 2020	3,500.0	3,500.0	3,555.4	3,541.8
$650.0 million 3.375% notes due September 15, 2020	650.0	650.0	666.8	663.6
$750.0 million 4.875% notes due February 15, 2021	750.0	750.0	804.7	803.3
$1,200.0 million 5.000% notes due December 15, 2021	1,200.0	1,200.0	1,306.1	1,297.7
$3,000.0 million 3.450% notes due March 15, 2022	3,000.0	3,000.0	3,058.7	3,030.7
$1,700.0 million 3.250% notes due October 1, 2022	1,700.0	1,700.0	1,710.9	1,693.1
$350.0 million 2.800% notes due March 15, 2023	350.0	350.0	340.2	335.6
$1,200.0 million 3.850% notes due June 15, 2024	1,200.0	1,200.0	1,222.1	1,211.7
$4,000.0 million 3.800% notes due March 15, 2025	4,000.0	4,000.0	4,036.1	3,995.6
$2,500.0 million 4.550% notes due March 15, 2035	2,500.0	2,500.0	2,512.2	2,458.5
$1,000.0 million 4.625% notes due October 1, 2042	1,000.0	1,000.0	986.0	967.6
$1,500.0 million 4.850% notes due June 15, 2044	1,500.0	1,500.0	1,527.3	1,496.4
$2,500.0 million 4.750% notes due March 15, 2045	2,500.0	2,500.0	2,515.4	2,466.9
	30,750.0	31,750.0	31,237.3	31,961.1
Total Senior Notes Gross	**31,750.0**	**32,750.0**	**32,251.5**	**32,973.0**
Unamortized premium	159.5	171.2	-	-
Unamortized discount	(92.9)	(95.8)	-	-
Total Senior Notes Net	**31,816.6**	**32,825.4**	**32,251.5**	**32,973.0**
Other Indebtedness				
Debt Issuance Costs	(137.8)	(144.6)		
Other	68.2	85.5		
Total Other Borrowings	**(69.6)**	**(59.1)**		
Capital Leases	**2.4**	**2.4**		
Total Indebtedness	**$ 31,749.4**	**$ 32,768.7**		

* Interest on the 2018 floating rate note is three month USD LIBOR plus 1.080% per annum
** Interest on the 2020 floating rate note is three month USD LIBOR plus 1.255% per annum

Fair market value in the table above is determined in accordance with ASC Topic 820 “Fair Value Measurement” (“ASC 820”) under Level 2 based upon quoted prices for similar items in active markets.

Senior Notes

The $500.0 million 2016 floating rate notes were paid in full at maturity on September 1, 2016 and bore interest at the three-month LIBOR plus 0.875%. Interest on the 2018 Floating Rate Notes and the 2020 Floating Rate Notes is payable quarterly on March 12, June 12, September 12 and December 12 of each year, and began on June 12, 2015.

The Company has issued fixed rate notes over multiple issuances for various business needs. Interest on the various notes is generally payable semi-annually with various payment dates.

The $500.0 million 1.300% senior notes due June 15, 2017 were redeemed and paid in full on April 21, 2017.

Credit Facility Indebtedness

On August 2, 2016, the Company repaid the remaining balances of all outstanding term-loan indebtedness and terminated its then existing revolving credit facility with proceeds from the Teva Transaction. The interest expense on the then outstanding indebtedness in the three months ended March 31, 2016 was $39.3 million.

Off-Balance Sheet Arrangements

We do not have any material off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, net revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following discussion provides forward-looking quantitative and qualitative information about our potential exposure to market risk. Market risk represents the potential loss arising from adverse changes in the value of financial instruments. The risk of loss is assessed based on the likelihood of adverse changes in fair values, cash flows or future earnings. We are exposed to market risk for changes in the market values of our investments (Investment Risk), the impact of interest rate changes (Interest Rate Risk) and the impact of foreign currency exchange changes (Foreign Currency Exchange Risk).

We maintain our portfolio of cash equivalents and short-term investments in a variety of securities, including both government and government agency obligations with ratings of A or better and money market funds. Our investments in marketable securities are governed by our investment policy which seeks to preserve the value of our principal, provide liquidity and maximize return on the Company's investment against minimal interest rate risk. Consequently, our interest rate and principal risk are minimal on our non-equity investment portfolio. The quantitative and qualitative disclosures about market risk are set forth below.

Investment Risk

As of March 31, 2017 our total investments in marketable and equity securities of other companies, including equity method investments, but excluding securities considered cash and cash equivalents were $7,954.1 million (included in marketable securities and investments and other assets). The fair values of these investments are subject to significant fluctuations due to volatility of the stock market and changes in general economic conditions.

As of March 31, 2017, the Company owns 100.3 million Teva ordinary shares, which are subject to changes in value based on the price of Teva shares. The Company is subject to lock-up restrictions with the investment in Teva, and as such, is also subject to liquidity risk.

We regularly review the carrying value of our investments and identify and recognize losses, for income statement purposes, when events and circumstances indicate that any declines in the fair values of such investments below our accounting basis are other-than-temporary, including the other-than-temporary impairment of Teva securities in the three months ended March 31, 2017 of $1,978.0 million.

Interest Rate Risk

Our exposure to interest rate risk relates primarily to our non-equity investment portfolio. Our cash is invested in money market securities.

Our portfolio of marketable securities includes highly liquid money market securities classified as available-for-sale securities, with no security having a maturity in excess of one year. These include floating rate securities that are exposed to interest rate fluctuations. Because of the short-term nature of these investments, we are subject to minimal interest rate risk and do not believe that an increase in market rates would have a significant negative impact on the realized value of our portfolio.

Floating Rate Debt

At March 31, 2017, borrowings outstanding under the floating rate notes were $1,000.0 million. Assuming a one percent increase in the applicable interest rate on the Company's floating rates notes, annual interest expense would increase by approximately $10.0 million over the next twelve months.

Fixed Rate Debt

The Company has outstanding borrowings under its fixed rate notes. Changes in market interest rates generally affect the fair value of fixed-rate debt, but do not impact earnings or cash flows.

Foreign Currency Exchange Risk

Overall, we are a net recipient of currencies other than the U.S. dollar and, as such, benefit from a weaker dollar and are adversely affected by a stronger dollar relative to major currencies worldwide. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, may negatively affect our consolidated revenues or operating costs and expenses as expressed in U.S. dollars.

From time to time, we have entered into foreign currency option and forward contracts. Accordingly, we have entered into various contracts which change in value as foreign exchange rates change to allow the Company at its option to economically offset the effect of changes in the value of foreign currency assets and liabilities, commitments and anticipated foreign currency denominated sales and operating expenses. We have entered into foreign currency option and forward contracts in amounts between minimum and maximum anticipated foreign exchange exposures.

From time to time, we have used foreign currency option contracts, which provide for the sale or purchase of foreign currencies, if exercised, to economically hedge the currency exchange risks associated with probable but not firmly committed transactions that arise in the normal course of our business. Probable but not firmly committed transactions are comprised primarily of sales of products and purchases of raw material in currencies other than the U.S. dollar. While these instruments were subject to fluctuations in value, such fluctuations were anticipated to offset changes in the value of the underlying exposures.

Net foreign currency gains and losses did not have a material effect on the Company's results of operations for the three months ended March 31, 2017 and 2016, respectively.

Other

We do not believe that inflation has had a significant impact on our revenues or operations, nor do we have any material commodity price risks.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Allergan plc maintains "disclosure controls and procedures," as such term is defined under Rule 13a-15(e) of the Exchange Act, that are designed to provide reasonable assurance that information required to be disclosed in Allergan plc's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to Allergan plc's management, including its Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective.

As required by SEC Rule 13a-15(b), Allergan plc carried out an evaluation, under the supervision and with the participation of Allergan plc's management, including Allergan's Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of the Allergan plc s disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on this evaluation and because of the material weakness described below Allergan plc's Principal Executive Officer and Principal Financial Officer concluded that Allergan plc's disclosure controls and procedures were not effective as of March 31, 2017.

Warner Chilcott Limited maintains "disclosure controls and procedures," as such term is defined under Rule 13a-15(e) of the Exchange Act, that are designed to provide reasonable assurance that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to Warner Chilcott Limited's management, including its Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective.

As required by SEC Rule 13a-15(b), Warner Chilcott Limited carried out an evaluation, under the supervision and with the participation of Warner Chilcott Limited's management, including Warner Chilcott Limited's Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of Warner Chilcott Limited's disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on this evaluation and because of the material weakness described below Warner Chilcott Limited's Principal Executive Officer and Principal Financial Officer concluded that Warner Chilcott Limited's disclosure controls and procedures were not effective as of March 31, 2017.

Material Weakness and Remediation

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Our internal controls did not operate effectively to appropriately assess the tax implications of certain transactions between our subsidiaries. This control deficiency did not result in the material misstatement of our current or prior period consolidated financial statements. However, this control deficiency could have resulted in a misstatement to the income tax accounts and disclosures, which would have resulted in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, management has concluded that this control deficiency constitutes a material weakness.

Management has begun to take steps to remediate the material weaknesses above including adding resources and reassessing existing controls and income tax reporting policies and procedures.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting, during the fiscal quarter ended March 31, 2017, that have materially affected, or are reasonably likely to materially affect, Allergan plc and Warner Chilcott Limited's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding legal proceedings, refer to "PART I, ITEM 3. LEGAL PROCEEDINGS," of our Annual Report on Form 10-K for the year ended December 31, 2016 and "*Legal Matters*" in "NOTE 19 — Commitments and Contingencies" in the accompanying "Notes to Consolidated Financial Statements" in this Quarterly Report.

ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes in the Company's risk factors from those disclosed in the Company's Form 10-K for the year ended December 31, 2016.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sale of Unregistered Securities; Uses of Proceeds from Registered Securities

None.

Issuer Purchases of Equity Securities

During the quarter ended March 31, 2017, we repurchased 121,429 of our ordinary shares to satisfy tax withholding obligations in connection with the vesting of restricted shares issued to employees.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publically Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program ($ in millions)
January 1 - 31, 2017	3,155	$ 214.49	—	—
February 1 - 28, 2017	30,463	$ 243.63	—	—
March 1 - 31, 2017	87,811	$ 241.73	—	—
January 1 – March 31, 2017	121,429	$ 241.50	—	—

ITEM 6. EXHIBITS

Reference is hereby made to the Exhibit Index on page 88.

SIGNATURES

Pursuant to the requirements 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, on May 9, 2017.

ALLERGAN PLC
WARNER CHILCOTT LIMITED

By:	/s/ Maria Teresa Hilado
Name:	**Maria Teresa Hilado**
Title:	**Chief Financial Officer (Principal Financial Officer)**

By:	/s/ James C. D'Arecca
Name:	**James C. D'Arecca**
Title:	**Chief Accounting Officer (Principal Accounting Officer)**

EXHIBIT INDEX

Exhibit	Description
10.1#*	Form of Performance-Based Restricted Stock Unit Award Grant Agreement for Employees under the Amended and Restated 2013 Incentive Award Plan of Allergan plc.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14a of the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14a of the Securities Exchange Act of 1934.
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. of Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. of the Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Scheme Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Label Definition Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

\# Indicates a management contract or compensatory plan or arrangement.
* Filed herewith.
** Furnished herewith and not “filed” for purposes of Section 18 of the Exchange Act.

Exhibit 10.1

Instructions
Restricted Stock Units
A Long Term Incentive Award

(The Agreement begins after this page)

You will be deemed to have accepted this Restricted Stock Unit award and agreed to be bound by the terms and conditions of the Notice of Grant, the Restricted Stock Unit Agreement and the Plan (as defined in such Notice) unless you inform the Company in writing that you wish to decline the Restricted Stock Unit award.

To decline the Restricted Stock Unit Award, please send written notice of your decision to decline this Restricted Stock Unit award to the Stock Plan Administrator as follows:

- ***via*** e-mail
  - [●]
- ***via*** inter-office mail
  - [●]
- or ***via*** regular mail to

  [Company to provide]

In order to be effective, your written notice to decline the Restricted Stock Unit Award must be received by the Stock Plan Administrator prior to the date that is 30 days immediately following the Date of Grant set forth on the Notice of Grant and Signature Page. The company, including its stock plan administration, will not be responsible for any delivery delay of your notice for any reason.

If you do not decline this Restricted Stock Unit award within 30 days immediately following the Date of Grant, you will be deemed to have accepted this Restricted Stock Unit award. Should you choose to decline this grant; the grant will be updated to reflect your decision.

NOTICE OF GRANT

Congratulations, you ("Holder") have been granted an award of restricted stock units (the "Restricted Stock Units" or "RSUs"). Each Restricted Stock Unit represents the right to receive one share of Common Stock of Allergan plc, a public limited company organized under the laws of Ireland (the "Company"). The Restricted Stock Unit award is subject to the terms and conditions of the Award Agreement and The Amended and Restated 2013 Incentive Award Plan of the Company, as amended from time to time (the "Plan"), which are attached hereto as Exhibits 1-A and 1-B, respectively, and of which this Notice of Grant is a part. By accepting (or being deemed to have accepted) the Restricted Stock Unit award (including, in the case of Holders residing outside the United States ("Foreign Holders"), the Foreign Country Appendix), you represent and warrant to the Company that you have read the Award Agreement (including, in the case of Foreign Holders, the Foreign Country Appendix) and the Plan and agree to be bound by their terms and conditions. Capitalized terms not otherwise defined in this Notice of Grant and Signature Page shall be as defined in the Plan and the Award Agreement.

Subject to the terms and conditions of the Award Agreement (including, in the case of Foreign Holders, the Foreign Country Appendix) and the Plan, the terms and conditions of this Restricted Stock Unit award are set forth below:

Holder's Name:	Target Number of RSUs Granted (the "**Performance Vesting RSUs**" or "**RSUs**"): **[●]**

Date of Grant:

Award Type and Terms. This Restricted Stock Unit award is comprised of RSUs which are subject to performance conditions (as defined below) which shall determine the number of Performance Vesting RSUs eligible for vesting under the terms hereof.

At the conclusion of the Measurement Period, the Committee will determine (a) the level of achievement of each Performance Condition in accordance with the terms stated in this Notice of Grant, and (b) the Holder's total RSUs eligible for vesting in accordance with the Vesting Period section (the "**Total Vesting RSUs**").

Performance-Vesting RSUs. Subject to the terms and restrictions of the Award Agreement and the Plan, the Performance-Vesting RSUs shall be eligible to become Total Vesting RSUs based on the level of achievement of the Performance Conditions during the Measurement Period, as set forth in Appendix 1-A to this Award Agreement. The Total Vesting RSUs shall be determined by multiplying the Target Number of RSUs granted by the Total Vesting Percentage (as defined in Appendix 1-A to this Award Agreement).

For purposes of this Notice:

The "**Measurement Period**" for the Holder's Performance Vesting RSUs will begin on January 1, 2017 (the "**Performance Start Date**"), and end on December 31, 2019 (the "**Performance End Date**"); provided that in the event of a Change in Control, the Measurement Period will be determined as set forth below.

The "**Performance Conditions**" that will determine the number of RSUs that become Total Vesting RSUs are (a) the Company's Relative TSR Percentile Rank, and (b) the annual R&D Metrics for each calendar year of the Measurement Period, in each case, as set forth more fully in Appendix A-1 and measured over the Measurement Period.

The Company's "**Relative TSR Percentile Rank**" means the percentile rank of the Company's TSR

relative to the TSR of the companies in the Peer Group during the Measurement Period, determined by the Compensation Committee as set forth in Appendix 1-A to this Award Agreement.

The "**R&D Metrics**" that will be used to determine the Company's performance are the annual research and development milestones established at the commencement of each calendar year of the Measurement Period and communicated to the Holder by the Company; provided that the R&D Metrics for the 2017 calendar year are set forth in Appendix 1-B to this Award Agreement.

Appendix 1-A to this Award Agreement sets forth more detailed provisions regarding the calculation of the Performance Conditions and the Total Vesting RSUs.

Vesting Period. Subject to the provisions of the Plan and this Award, the Performance-Vesting RSUs that qualify as Total Vesting RSUs shall vest ratably as follows, provided that vesting will cease upon the earlier of (a) a Termination of Employment, except as otherwise expressly stated in this Notice of Grant or the Award Agreement, or (b) Holder's breach of any agreement with the Company: 1/2 of the Total Vesting RSUs shall vest on each of December 31, 2020 and 2021 (each, a "**Vesting Date**", and any RSUs that become vested, a "**Vested RSU**"). For the avoidance of doubt, any RSUs that do not become Total Vesting RSUs at the conclusion of the Measurement Period shall expire as of the conclusion of the Measurement Period without any consideration therefor.

Payment of Shares. Any Vested RSUs will be due and payable as set forth in Section 2.7 of the Award Agreement, in Shares, subject to the provisions of Section 12(a) of the Plan.

Post-Vesting Holding Period. Holder will not Transfer any Shares acquired upon settlement of any RSUs that vest on December 31, 2020 prior to January 1, 2022 (or, if earlier, the Holder's death), other than pursuant to the tax withholding provisions set forth in Section 3.7 of the Award Agreement. "**Transfer**" shall mean any transfer, sale, assignment, gift, testamentary transfer, pledge, hypothecation or other disposition of any interest in the Shares.

Change in Control. Notwithstanding anything else to the contrary in this Notice, any Award Agreement or any annex, exhibit or appendix to the foregoing, in the event of a Change in Control, the Measurement Period shall be deemed to have ended immediately prior to such Change in Control and the Committee shall determine the number of Total Vesting RSUs as of the effective date of such Change in Control as follows: (i) the level of achievement of the R&D Metrics for each calendar year of the Measurement Period that ended prior to the effective date of the Change in Control will be determined based on actual achievement for such calendar year, and the level of achievement of the R&D Metrics for each calendar year of the Measurement Period that has not ended prior to the effective date of the Change in Control will be deemed to have been achieved at target; and (ii) the level of achievement of Relative TSR Percentile Rank will be deemed to be the greater of (A) the Relative TSR Percentile Rank that the Company would have achieved if the Measurement Period ended on the effective date of such Change in Control, using the share price paid per share of the Company in connection with the Change in Control and not a trailing average for the Company, and (B) the Relative TSR Percentile Rank at target. Following the Change in Control, the Total Vesting RSUs will continue to be subject to the time vesting conditions set forth in the Section entitled "Vesting Period" of this Agreement, except that the RSUs shall become immediately vested upon a Qualified Termination of the Holder's employment by the successor employer within the two (2) year period following the date of the Change in Control.

EXHIBIT 1-A

AWARD AGREEMENT

THIS AWARD AGREEMENT, dated as of the Date of Grant appearing on the Notice of Grant hereof, is made by and between Allergan plc, a public limited company organized under the laws of Ireland (the "Company"), and the Employee, Director or Consultant whose name and signature appear on the Notice of Grant hereof ("Holder").

WHEREAS, the Company wishes to grant to Holder an award of restricted stock units (the "Restricted Stock Units" or "RSUs"), pursuant to the terms and conditions and restrictions of the Notice of Grant, this Award Agreement (including, in the case of Foreign Holders, the Foreign Country Appendix) and The Amended and Restated 2013 Incentive Award Plan of the Company, as amended from time to time (the terms of which are hereby incorporated by reference and made a part of this Award Agreement, the "Plan"); and

WHEREAS, it has been determined that it would be to the advantage and best interest of the Company and its shareholders to grant Holder the Restricted Stock Units as an inducement to enter into or remain in the service of the Company or its Subsidiaries and as an incentive for increased efforts during such service.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I
GRANT OF RESTRICTED STOCK UNITS

Section 1.1 – Grant of Restricted Stock Units. In consideration of the recitals, Holder's agreement to remain in the employ or service of the Company or a Subsidiary, and for other good and valuable consideration, the Company grants to Holder an award of Restricted Stock Units as specified in the Notice of Grant upon the terms and conditions set forth in this Award Agreement (including, in the case of Foreign Holders, the Foreign Country Appendix).

Section 1.2 - Consideration to the Company. As partial consideration for the grant of the Restricted Stock Units by the Company, Holder agrees to render faithful and efficient services to the Company or a Subsidiary. Nothing in this Award Agreement or in the Plan shall confer upon Holder any right to continue in the employ or services of the Company or any Subsidiary, or as a director of the Company, or shall interfere with or restrict in any way the rights of the Company and any Subsidiary, which are hereby expressly reserved, to discharge Holder at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written employment or other agreement between Holder and the Company and any Subsidiary.

Section 1.3 - Adjustments in Restricted Stock Units. The Administrator may adjust the Restricted Stock Units in accordance with the provisions of Section 12.3 of the Plan.

ARTICLE II
VESTING AND PAYMENT OF RESTRICTED STOCK UNITS

Section 2.1 – Vesting Schedule. Subject to Section 2.2 hereof and except as may be otherwise provided pursuant to Company policy, a valid employment agreement or otherwise, in each case as and to the extent applicable, the Restricted Stock Units will vest and become nonforfeitable with respect to each portion thereof upon satisfaction of the conditions specified in the applicable vesting schedule set forth on the Notice of Grant, subject to Holder's continued employment or services through the applicable vesting dates, as a condition to the vesting of the applicable installment of the RSUs and the rights and benefits under this Award Agreement, except as otherwise provided in Section 2.3, 2.4 or 2.5, below. For the avoidance of doubt, and except as otherwise provided in the event of a Change in Control, for purposes of determining the vesting date, any performance conditions will be considered to be satisfied (to the extent that they are determined to be satisfied) as of the last day of the applicable performance period. Unless otherwise determined by the Administrator, partial employment or service, even if substantial, during any vesting period will not entitle Holder to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a Termination of Employment, Consultancy or Directorship as provided in Section 2.2 hereof or under the Plan.

Section 2.2 – Forfeiture, Termination and Cancellation upon Termination of Services. Except as may be otherwise provided pursuant to Company policy, a valid employment agreement or otherwise, in each case as and to the extent applicable, in the event of Holder's Termination of Employment, Consultancy or Directorship, all unvested RSUs subject to this Award Agreement as of the date of such Termination shall thereupon be automatically forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and Holder, or Holder's beneficiaries or personal representatives, as the case may be, shall have no further rights hereunder.

Section 2.3 – Disability or Death. Notwithstanding Section 2.2 and pursuant to Section 11.6(k) of the Plan, in the event of a Termination of Employment during the Measurement Period as a result of Disability, or due to the Holder's death, the Total Vesting Stock Units that the Holder would be eligible to vest in will be deemed to be the Target Number of RSUs granted multiplied by a fraction, the numerator of which is the number of days from the beginning date of the Measurement Period through the date of such employment termination and the denominator of which is the total number of days between the grant date and December 31, 2021 ("**Adjusted Vesting RSUs**"). The Adjusted Vesting RSUs shall continue to vest on the Vesting Dates, as provided in the Notice of Grant. In the event of the termination of the Holder's employment as a result of Disability, or due to the Holder's death, subsequent to the end of the Measurement Period, the Total Vesting RSUs that the Holder would be eligible to vest in will be determined by multiplying the Total Vesting RSUs as determined following the Measurement Period pursuant to the Notice of Grant and this Award Agreement by a fraction, the numerator of which is the number of days from the beginning of the Measurement Period through the date of such termination and the denominator of which is the total number of days between the grant date and December 31, 2021.

Section 2.4 Qualified Termination. Notwithstanding Section 2.2 and pursuant to Section 11.6(k) of the Plan, in the event of a Qualified Termination during the Measurement Period, the Total Vesting Stock Units as determined at the conclusion of the Measurement Period in accordance with the Notice of Grant and this Award Agreement, will be multiplied by a fraction, the numerator of which is the number of days from the beginning date of the Measurement Period through the date of such employment termination and the denominator of which is the total number of days between the grant date and December 31, 2021 ("**Adjusted Vesting RSUs**"). The Adjusted Vesting RSUs shall continue to vest on the Vesting Dates, as provided in the Notice of Grant. In the event of the termination of the Holder's employment as a result of a Qualified Termination subsequent to the end of the Measurement Period, the Total Vesting RSUs that the Holder would be eligible to vest in will be determined by multiplying the

Total Vesting RSUs as determined following the Measurement Period pursuant to the Notice of Grant and this Award Agreement by a fraction, the numerator of which is the number of days from the beginning of the Measurement Period through the date of such termination and the denominator of which is the total number of days between the grant date and December 31, 2021. For all purposes hereunder, a "**Qualified Termination**" shall mean a Termination of Service either by the Company without "Cause", or by the Grantee with "Good Reason", as both terms are defined in the Grantee's employment agreement; or, in the absence of any such employment agreement as of the termination date, as those terms are defined in the Plan. Notwithstanding anything contained herein to the contrary, upon the mutual written agreement of the Company and the Holder, Holder's cessation of employment shall not be considered a termination hereto if Holder continues to hold the position of a member of the Board of Directors of the Company as of the termination date, or becomes a member of the Board of Directors as of the termination date. Any reference to termination date hereunder shall thereinafter be the date upon which Holder ceases to be a member of the Board of Directors.

Section 2.5 – Retirement. Notwithstanding Section 2.2 and pursuant to Section 11.6(k) of the Plan, in the event of the termination of the Holder's employment as a result of the Holder's Retirement (as defined below) prior to the Vesting Date of any RSUs granted hereunder, the Holder shall continue to vest in the Total Vesting RSUs as determined at the conclusion of the Measurement Period in accordance with the Notice of Grant and this Award Agreement on the same schedule as if the Holder had remained employed. For purposes of this Award Agreement, "**Retirement**" shall mean, with respect to any Holder, the Holder's Termination (other than for Cause) following either the date that the Holder attains age sixty-five (65) or the date the holder attains age fifty-dive (55) and completes five (5) years of continuous employment or service with the Company or any of its Subsidiaries.

Section 2.6 – Change in Control. Notwithstanding Sections 2.1, 2.2, 2.3, 2.4 and 2.5 and pursuant to Section 12.3(c) of the Plan and the attached Notice of Grant and Signature Page, in the event of a Change in Control, the RSUs shall vest in accordance with the provisions of the "Change in Control" section of the Notice of Grant.

Section 2.7 - Payment Upon Vesting. Subject to Section 3.11 herein, as soon as administratively practicable following the applicable Vesting Date of any of the Restricted Stock Units, but in no event later than seventy-five (75) days after any such Vesting Date, the Company shall deliver to Holder (or any transferee permitted under the Plan) a number of shares of Common Stock equal to the number of Restricted Stock Units that vest on the applicable Vesting Date and an amount of cash with a value equal to the corresponding Dividend Equivalent Amount (as defined below) with respect to such vested Restricted Stock Units, unless such Restricted Stock Units terminate prior to the applicable Vesting Date pursuant to Section 2.2 hereof. Alternatively, in the Company's discretion, the vested Restricted Stock Units may be settled by delivery of: (a) a number of shares of Common Stock equal to the number of Restricted Stock Units and the corresponding Dividend Equivalent Amount that vest on the applicable Vesting Date or (b) an amount of cash with a value equal to the Fair Market Value of a number of shares of Common Stock equal to the number of Restricted Stock Units and the corresponding Dividend Equivalent Amount that vest on the applicable Vesting Date. Notwithstanding the foregoing, in the event shares of Common Stock are otherwise payable pursuant to the preceding sentence but cannot be issued pursuant to Section 3.2 (a), (b), (c) or (d) hereof, then the shares of Common Stock shall be issued pursuant to the preceding sentence as soon as administratively practicable after the Administrator determines that shares of Common Stock can again be issued in accordance with Section 3.2 (a), (b), (c) or (d) hereof; provided, however, that if the Holder is a U.S. federal taxpayer, any such delay shall apply only to the extent permissible under Section 409A of the Code. The Administrator shall determine, in its sole discretion, the method of settlement of any fractional vested Dividend Equivalent.

Section 2.8 - Grant is Not Transferable. Except as provided herein, Holder (and Holder's legal representative) shall not sell, exchange, transfer, alienate, hypothecate, pledge, encumber or assign the Restricted Stock Units subject to this Award Agreement other than by will or the laws of descent and distribution, unless and until the shares of Common Stock underlying the Restricted Stock Units have been issued. Neither the Restricted Stock Units subject to this Award Agreement nor any interest or right therein or part thereof shall be liable for the debts, contracts, or engagements of Holder or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) and any attempted disposition thereof shall be null and void and of no effect; provided, however, that, this Section 2.7 shall not prevent transfers subject to the consent of the Administrator, pursuant to a DRO or an analogous non-United States order or procedure.

Section 2.8 – Dividend Equivalents. Divided Equivalents will accrue on the RSUs in respect of any ordinary dividends with a dividend record date following the Date of Grant that are paid on the Common Stock during the period beginning on the Date of Grant of the RSUs and ending on the settlement date of the RSUs pursuant to Section 2.7 above (the "**Accrual Period**"). The amount so credited shall be termed the "**Dividend Equivalent Amount**." The Administrator will determine, in its discretion, the time and manner in which Dividend Equivalents will be notionally credited to the Holder's bookkeeping account during the Accrual Period and whether the Dividend Equivalent Amount will be paid to the Holder in the form of Common Stock or cash upon the settlement of the corresponding RSUs. The Dividend Equivalent Amount will in all cases be subject to the same terms and conditions, including but not limited to those related to performance, vesting, transferability, and payment, that apply to the corresponding RSUs. For the avoidance of doubt, the final Dividend Equivalent Amount will be adjusted based on the Total Vesting Percentage and any Dividend Equivalent Amount that accrues in respect of an RSU that does not become a Total Vesting RSU will be forfeited.

ARTICLE III

OTHER PROVISIONS

Section 3.1 - Administration. The Administrator shall have the power to interpret the Plan and this Award Agreement, and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith, to interpret, amend or revoke any such rules and to amend this Award Agreement, provided that the rights or obligations of Holder are not affected adversely. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon Holder, the Company and all other interested persons. No member of the Administrator shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Restricted Stock Units.

Section 3.2 - Conditions to Issuance of Stock Certificates. Any Common Stock issuable hereunder may be either previously authorized but unissued shares or issued shares which have then been reacquired by the Company and are held as treasury shares available for re-issue. Such shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any certificate or certificates (or any account or other evidence representing issuance) for shares of Common Stock or other cash, stock or other property pursuant to this Award Agreement prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which such class of stock is then listed, if applicable; and

(b) The completion of any registration or other qualification of such shares under any applicable law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, if applicable, or the receipt of further representations from Holder as to investment intent or completion of other actions necessary to perfect exemptions, as the Administrator shall, in its absolute discretion, deem necessary or advisable; and

(c) The obtaining of any approval or other clearance from any governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The lapse of such reasonable period of time as the Administrator may from time to time establish for reasons of administrative convenience; and

(e) The receipt by the Company of payment of any applicable withholding tax in accordance with Section 3.7.

Section 3.3 - Rights as Shareholder. Holder shall not be, nor have any of the rights or privileges of, a shareholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the Restricted Stock Units or any shares of Common Stock issuable thereunder unless and until any such shares shall have been issued by the Company and held of record by Holder pursuant to Section 2.6. Except as otherwise provided herein, upon the delivery of Common Stock hereunder, Holder shall have all the rights of a shareholder with respect to the Common Stock, including the right to vote the Common Stock and the right to receive all dividends or other distributions paid or made with respect to the Common Stock.

Section 3.4 - Notices. Any notice to be given under the terms of this Award Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to Holder shall be addressed to him at the address given beneath his signature hereto. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to him. Any notice which is required to be given to Holder shall, if Holder is then deceased, be given to Holder's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 3.4. Any notice shall be deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 3.5 - Titles and Construction. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement. This Award Agreement shall be administered, interpreted and enforced under the internal laws of the State of New Jersey, without regard to conflicts of laws thereof.

Section 3.6 - Conformity to Securities Laws. Holder acknowledges that the Plan and this Award Agreement are intended to conform to the extent necessary with all provisions of all applicable laws, rules and regulations (including, but not limited to the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation the applicable exemptive conditions of Rule 16b-3) and to such approvals by any listing, regulatory or other governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Restricted Stock Units granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan, this Award

Agreement and the Restricted Stock Units shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 3.7 - Tax Withholding. In the case of Employees, the Company (or a Subsidiary) shall be entitled to require payment in cash or deduction from any shares of Common Stock or cash payable under this Restricted Stock Unit award or other compensation payable to Holder of any sums required pursuant to applicable tax law to be withheld with respect to the issuance, vesting or payment of this Restricted Stock Unit award (including any Dividend Equivalents) or the shares of Common Stock or cash. In satisfaction of the foregoing requirement, the Company shall withhold shares of Common Stock or cash payable under this Restricted Stock Unit award (including in respect of any Dividend Equivalents) and Holder hereby elects to transfer and deliver to the Company such cash or shares of Common Stock having a Fair Market Value equal to the sums required to be withheld, unless otherwise determined by the Holder and approved by a Committee consisting solely of "non-employee directors" as defined by Rule 16b-3 of the Exchange Act or the Board. Notwithstanding any other provision of the Plan and this Award Agreement, the shares of Common Stock or cash which may be withheld with respect to the issuance, vesting or payment of this Restricted Stock Unit award (including in respect of any Dividend Equivalents) or the shares of Common Stock in order to satisfy Holder's income taxes and payroll tax liabilities and, in the case of Foreign Holders, social insurance, with respect to the issuance, vesting or payment of this Restricted Stock Unit award (including any Dividend Equivalents) or the shares of Common Stock or cash shall be limited to the number of shares which have a Fair Market Value, or cash with a value, on the date of withholding equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for income tax and payroll tax purposes that are applicable to such supplemental taxable income, or such other rate as may be required by applicable law, rule or regulation as determined by the Administrator. If Common Stock is payable under this Restricted Stock Unit Award, the Company shall not be obligated to deliver any new certificate representing shares of Common Stock to Holder or Holder's legal representative or enter such share of Common Stock in book entry form unless and until Holder or Holder's legal representative shall have paid or otherwise satisfied in full the amount of all taxes applicable to the taxable income of Holder resulting from the grant of the Restricted Stock Units or the issuance or vesting of shares of Common Stock. In the case of Directors and Consultants, Holder shall be solely responsible for all applicable income and self-employment taxes and other wage deductions incurred in connection with the issuance, vesting or payment of this Restricted Stock Unit Award (including any Dividend Equivalents) or the shares of Common Stock or cash payable hereunder. Unless required to do by applicable law, the Company shall not pay or withhold any taxes of any kind with respect to Restricted Stock Unit Awards of Directors and Consultants.

Section 3.8 – Authorization to Release Necessary Personal Information.

(a) In the case of Foreign Holders, Holder hereby authorizes and directs Holder's employer or the entity to which Holder provides services to collect, use and transfer in electronic or other form, any personal information (the "Data") regarding Holder's employment or services, the nature and amount of Holder's compensation and the fact and conditions of Holder's participation in the Plan (including, but not limited to, Holder's name, home address, telephone number, date of birth, social security number (or other applicable social or national identification number), salary, nationality, job title, number of shares of Common Stock held and the details of all Restricted Stock Units or any other entitlement to shares of Common Stock awarded, cancelled, exercised, vested, unvested or outstanding) for the purpose of implementing, administering and managing Holder's participation in the Plan. Holder understands that the Data may be transferred to the Company or any of its Subsidiaries, or to any third parties assisting in the implementation, administration and management of the Plan, including any requisite transfer to a broker or other third party assisting with the grant of Restricted Stock Units under the Plan or with whom shares of Common Stock or cash acquired upon settlement of Restricted Stock Units may be deposited. Holder acknowledges that recipients of the Data may be located in different

countries, and those countries may have data privacy laws and protections different from those in the country of Holder's residence. Furthermore, Holder acknowledges and understands that the transfer of the Data to the Company or any of its Subsidiaries, or to any third parties, is necessary for Holder's participation in the Plan.

(b) Holder may at any time withdraw the consents herein, by contacting Holder's local human resources representative in writing. Holder further acknowledges that withdrawal of consent may affect Holder's ability to realize benefits from the Restricted Stock Units, and Holder's ability to participate in the Plan.

Section 3.9 -- No Entitlement or Claims for Compensation.

(a) Holder's rights, if any, in respect of or in connection with Restricted Stock Unit or any other award is derived solely from the discretionary decision of the Company to permit Holder to participate in the Plan and to benefit from a discretionary award. By accepting this Restricted Stock Unit award, Holder expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional awards to Holder. This Restricted Stock Unit award is not intended to be compensation of a continuing or recurring nature, or part of Holder's normal or expected compensation, and in no way represents any portion of Holder's salary, compensation or other remuneration for purposes of pension benefits, severance, redundancy, resignation or any other purpose.

(b) Neither the Plan nor this Restricted Stock Unit award or any other award granted under the Plan shall be deemed to give Holder a right to remain an Employee, Consultant or Director of the Company, a Subsidiary or parent or any other affiliate. The Company and its Subsidiaries, parents and affiliates, as applicable, reserve the right to Terminate the Consultancy, Directorship or Employment of Holder, as applicable, at any time, with or without cause, and for any reason, subject to applicable laws, the Company's Certificate of Incorporation and Bylaws and a written employment or other agreement (if any), and Holder shall be deemed irrevocably to have waived any claim to damages or specific performance for breach of contract or dismissal, compensation for loss of office, tort or otherwise with respect to the Plan, this Restricted Stock Unit award or any outstanding award that is forfeited and/or is terminated by its terms or to any future award.

Section 3.10 - Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Holder's current or future participation in the Plan by electronic means or to request Holder's consent to participate in the Plan by electronic means. Holder hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Section 3.11 - Foreign Country Appendix. In the case of Foreign Holders, notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit award shall be subject to any special terms and conditions set forth in the Foreign Country Appendix to this Award Agreement for Holder's country of residence. Moreover, if Holder relocates to one of the countries included in the Foreign Country Appendix, the special terms and conditions for such country will apply to Holder, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Foreign Country Appendix constitutes part of this Award Agreement.

Section 3.12 – Section 409A. It is intended that any amounts payable under this Award Agreement and the Administrator's and Holder's exercise of authority or discretion hereunder shall be exempt from or comply with Section 409A of the Code (including the Treasury Regulations and other

published guidance relating thereto) and this Award Agreement shall incorporate the terms and conditions required by Section 409A of the Code and Article X of the Plan. In furtherance of this intent, (a) if this award constitutes or provides for a deferral of compensation subject to Section 409A of the Code, in the case of a Holder who is a specified employee, any distributions with respect to amounts payable under this Award Agreement may not be made before the date which is six months after the Holder's Termination (or, if earlier, the date of the Holder's death) and (b) each payment which is to be paid during a designated period that begins in a first taxable year and ends in a second taxable year shall be paid in the second taxable year. For purposes of this Section 3.12, a Holder shall be a specified employee if such Holder is a key employee (as defined in Section 416(i) of the Code without regard to paragraph (5) thereof) of a corporation any stock of which is publicly traded on an established securities market or otherwise, as determined under Section 409A(a)(2)(B)(i) of the Code and the Treasury Regulations thereunder.

Section 3.13 – Tax Reporting Information for U.S. Taxpayers. Holder acknowledges that under the Foreign Account Tax Compliance Act ("FATCA"), Holder may be subject to certain filing requirements with his annual tax return if he is a U.S. taxpayer and the aggregate value of this holdings, which may include shares of Common Stock or rights to acquire shares (*i.e.*, the Restricted Stock Unit award), exceeds certain thresholds (depending on his filing status). Holder further acknowledges that he may be subject to certain additional reporting obligations under the Foreign Bank and Financial Account (FBAR) requirements if he is a U.S. taxpayer and holds assets, such as shares of Common Stock, outside the U.S. Holder understands that significant penalties apply in the event of noncompliance with the FATCA or FBAR reporting requirements. Holder should consult his personal tax advisor to determine whether these FATCA or FBAR reporting requirements apply to him as a result of the grant of Restricted Stock Units or the shares of Common Stock.

Section 3.14 – Agreement Not to Solicit. In consideration for this award, Holder agrees that, during Holder's employment with the Company and for one year following Holder's Termination of Service for any reason (the "Restricted Period"), Holder will not directly or indirectly, (i) solicit any individual who is, on the Holder's termination date (or was, during the six (6) month period prior to such date), employed by the Company or any of its affiliates to terminate or refrain from renewing or extending such employment or to become employed by or become a consultant to any other individual or entity other than the Company or one of its affiliates, (ii) initiate discussions with any such employee or former employee for any such purpose or authorize or knowingly cooperate with the taking of any such actions by any other individual or entity, or (iii) induce or attempt to induce any then current customer, any person or entity as to which Holder was personally involved, during the six (6) month period prior to the Holder's termination date, in the Company's efforts to secure such person or entity as a customer, or any supplier, licensee, or other business associate of the Company or any its affiliates to cease doing business with the Company or such an affiliate, or to interfere with the relationship between any such customer, person or entity, supplier, licensee, or business associate, on the one hand, and the Company or any of its affiliates, on the other hand.

ARTICLE V
DEFINITIONS

All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Plan. The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934

I, Brenton L. Saunders, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Allergan 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 the registrant's board of directors (or persons performing the equivalent function):

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.

Date: May 9, 2017

By: **/s/ BRENTON L. SAUNDERS**
Brenton L. Saunders
President and Chief Executive Officer
(Principal Executive Officer)

Certification of Chief Executive Officer
Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934

I, Brenton L. Saunders, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Warner Chilcott Limited;

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 the registrant's board of directors (or persons performing the equivalent function):

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.

Date: May 9, 2017

By: **/s/ BRENTON L. SAUNDERS**
Brenton L. Saunders
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934

I, Maria Teresa Hilado, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Allergan 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 the registrant's board of directors (or persons performing the equivalent function):

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.

Date: May 9, 2017

By: **/s/ MARIA TERESA HILADO**
Maria Teresa Hilado
Chief Financial Officer
(Principal Financial Officer)

Certification of Chief Financial Officer
Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934

I, Maria Teresa Hilado, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Warner Chilcott Limited;

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 the registrant's board of directors (or persons performing the equivalent function):

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.

Date: May 9, 2017

By: **/s/ MARIA TERESA HILADO**
Maria Teresa Hilado
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. of Section 1350, as Adopted by
Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned officer of Allergan plc (the "Company"), hereby certifies, to such officer's knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Allergan plc.

Date: May 9, 2017

By: **/s/ BRENTON L. SAUNDERS**
Brenton L. Saunders
President and Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. of Section 1350, as Adopted by
Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned officer of Warner Chilcott Limited (the "Company"), hereby certifies, to such officer's knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Warner Chilcott Limited.

Date: May 9, 2017

By: **/s/ BRENTON L. SAUNDERS**
Brenton L. Saunders
President and Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. of Section 1350, as Adopted by
Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned officer of Allergan plc (the "Company"), hereby certifies, to such officer's knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Allergan plc.

Date: May 9, 2017

By: **/s/ MARIA TERESA HILADO**
Maria Teresa Hilado
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. of Section 1350, as Adopted by
Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned officer of Warner Chilcott Limited (the "Company"), hereby certifies, to such officer's knowledge, that:

(i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Warner Chilcott Limited.

Date: May 9, 2017

By: **/s/ MARIA TERESA HILADO**
Maria Teresa Hilado
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.