ONCOSEC MEDICAL Inc
Form S-1/A
September 06, 2011
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As filed with the Securities and Exchange Commission on September 6, 2011

No. 333-175779

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-1/A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ONCOSEC MEDICAL INCORPORATED

(Exact name of registrant as specified in its charter)

Nevada	**3841**	**98-0573252**

(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

4690 Executive Drive, Suite 250

San Diego, CA 92121

(855) 662-6732

(Address, including zip code, and telephone number, including

area code, of registrant s principal executive offices)

Punit Dhillon

President and Chief Executive Officer

4690 Executive Drive, Suite 250

San Diego, CA 92121

(855) 662-6732

(Name, address, including zip code, and telephone number, including

area code, of agent for service)

With Copies to:

Steven G. Rowles, Esq.

Jeannette V. Filippone, Esq.

Morrison & Foerster LLP

12531 High Bluff Drive, Suite 100

San Diego, California 92130

(858) 720-5100

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

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

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The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. The selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 6, 2011

ONCOSEC MEDICAL INCORPORATED

PROSPECTUS

Up to 16,440,000 Shares of Common Stock

This prospectus relates to the offering by the selling stockholders of OncoSec Medical Incorporated of up to 16,440,000 shares of common stock, par value $0.0001 per share. These shares include 4,000,000 issued and outstanding shares of common stock, 4,000,000 shares of common stock underlying Series A warrants, 4,000,000 shares of common stock underlying Series B warrants and 4,000,000 shares of common stock underlying Series C warrants, all issued to certain of the selling stockholders in connection with a private placement offering completed in June 2011 (the June Private Placement . In addition, we are registering 240,000 shares of common stock underlying options issued to the co-placement agents in the June Private Placement, and 200,000 shares of common stock issued to a consulting firm in connection with its performance of consulting services unrelated to the June Private Placement. The common stock sold in the June Private Placement was sold at a purchase price of $0.75 per share and the related warrants authorize the holders thereof to purchase shares of common stock at an exercise price of $1.20 per share for the Series A and C Warrants and $0.75 per share for the Series B Warrants, as further described in this prospectus.

The selling stockholders have advised us that they will sell the shares of common stock from time to time in the open market, on the OTC Bulletin Board, in privately negotiated transactions or a combination of these methods, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices.

We will not receive any proceeds from the sale of common stock by the selling stockholders.

Our common stock is traded on the OTC Bulletin Board under the symbol ONCS.OB . On July 22, 2011, the closing price of our common stock was $0.98 per share.

Investing in our common stock involves a high degree of risk. Before making any investment in our common stock, you should read and carefully consider the risks described in this prospectus under Risk Factors beginning on page 4 of this prospectus.

You should rely only on the information contained in this prospectus or any prospectus supplement or amendment thereto. We have not authorized anyone to provide you with different information.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated , 2011

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SUMMARY

This summary does not contain all of the information that should be considered before investing in our common stock. Investors should read the entire prospectus carefully, including the more detailed information regarding our business, the risks of purchasing our common stock discussed in this prospectus under Risk Factors beginning on page 4 of this prospectus and our financial statements and the accompanying notes beginning on page F-1 of this prospectus.

As used in this prospectus, unless the context requires otherwise, the Company , we , us , and our refer to OncoSec Medical Incorporated, a Nevada corporation, and its consolidated subsidiary.

Our Company

We are an emerging drug-medical device company focused on designing, developing and commercializing innovative and proprietary medical approaches for the treatment of solid cancers that have unmet medical needs or where currently approved therapies are inadequate based on their efficacy or side-effects. We were incorporated under the laws of Nevada on February 8, 2008 as Netventory Solutions Inc. Initially, we provided online inventory services to small and medium sized companies. In March 2011, we acquired from Inovio Pharmaceuticals, Inc. (Inovio) certain assets related to the use of drug-medical device combination products for the treatment of different cancers. With this acquisition, we have abandoned our efforts in the online inventory services industry and are focusing our efforts in the biomedical industry.

The assets we acquired from Inovio include intellectual property relating to selective tumor ablation technologies, which we now refer to as the OncoSec Medical System (OMS), a therapeutic approach which is based on the use of an electroporation delivery device in combination with an approved chemotherapeutic drug or a DNA-based cytokine for immunotherapy to treat solid tumors. OMS consists of an electrical pulse generator console and various disposable applicators specific to the individual tumor size, type and location and is designed to increase the permeability of cancer cell membranes and, as a result, increases the intracellular delivery of selected therapeutic agents. Our electroporation platform for the delivery of therapeutic agents specifically and effectively targets the killing of cancerous cells and not healthy normal tissues. Our mission is to enable people with cancer to live longer with a better quality of life than otherwise possible or available with existing therapies.

Our OMS business is composed of two different therapeutic modalities: OMS ElectroImmunotherapy and OMS ElectroChemotherapy. Our OMS ElectroImmunotherapy approach is based on the use of electroporation to enhance the local delivery of DNA-based cytokines as immunotherapy agents that produce both a local and systemic immune response for the treatment of various cancers. A Phase I clinical trial using our OMS ElectroImmunotherapy approach has been completed and a Phase II clinical trial is expected to begin before the end of 2011. OMS ElectroChemotherapy utilizes our electroporation technologies for the local delivery of the chemotherapeutic drug bleomycin to treat solid tumors. The OMS ElectroChemotherapy approach has been developed up to Phase III clinical trials in the United States for the treatment of recurrent head and neck cancer and Phase I/II for the treatment of recurrent breast cancer and has suggested safety and efficacy in a wide range of solid tumors including basal cell, squamous carcinomas, melanoma, breast, prostate, and pancreatic. In addition, Phase IV pre-marketing studies to support the commercialization of the OMS ElectroChemotherapy in Europe were also performed for the treatment of primary and recurrent head and neck cancers and cutaneous skin cancers.

The primary front line treatment of solid tumors involves surgical resection and/or radiation to eliminate or debulk tumor growth prior to initiating systemic therapy with chemotherapeutic agents. Because of the difficulty of determining the border, or margins, between healthy and diseased tissue, surgeons will often remove or resect an area outside of the obvious tumor mass to ensure that they have excised all of the cancerous tissue. This treatment can result in the loss of function and appearance of the surrounding tissues, significantly reducing the patient s quality of life. Although there have been recent advances in non-surgical forms of tumor ablation, such as cryoablation, microwave and high frequency radio ablation therapy, we believe they fail to fully satisfy the clinical need to preserve normal healthy tissue. Given the desire for improved outcomes in the surgical resection of solid tumors, we believe that there will be significant demand for our OMS technology from patients, dermatologists and surgical oncologists.

Our business model is based on a commercialization strategy that leverages previous in-depth clinical experiences (primarily at Inovio), previous approvals for the electroporation-based devices and late stage clinical studies in the United States (Phase III) and Europe (Phase IV). We plan to seek regulatory approvals to initiate specific studies in target markets to collect clinical, reimbursement, and pharmacoeconomic data in order to advance our commercialization strategy. Our strategy includes seeking approval from the FDA to initiate pivotal registration studies in the United States for select rare cancers that have limited, adverse or no therapeutic alternatives. Our strategy also includes expanding the addressable markets for the OMS therapies through the addition of relevant indications and partnering and/or co-developing OMS ElectroOncology in developing geographic locations, such as Eastern Europe and Asia, where local resources are best leveraged and appropriate collaborators can be secured.

For more information regarding our business, see Management s Discussion and Analysis of Financial Condition and Results of Operations and Business, included elsewhere in this prospectus.

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The June Private Placement

On June 21, 2011, we entered into a Securities Purchase Agreement (the Securities Purchase Agreement), with certain institutional investors providing for the issuance and sale of an aggregate of 4,000,000 shares of our common stock, Series A Warrants to purchase an aggregate of 4,000,000 shares of our common stock, Series B Warrants to purchase an aggregate of 4,000,000 shares of our common stock and Series C Warrants to purchase an aggregate of 4,000,000 shares of our common stock, for proceeds to us of $3.0 million (the June Private Placement). The June Private Placement closed on June 24, 2011. After deducting for fees and expenses, the aggregate net proceeds from the June Private Placement were approximately $2.79 million.

Pursuant to the terms of the Securities Purchase Agreement, each purchaser was issued a Series A Warrant, a Series B Warrant and a Series C Warrant, each to purchase up to a number of shares of our common stock equal to 100% of the shares issued to such purchaser pursuant to the Securities Purchase Agreement. The Series A Warrants have an exercise price of $1.20 per share, are exercisable immediately upon issuance and have a term of exercise of five years. The Series B Warrants have an exercise price of $0.75 per share, are exercisable immediately upon issuance and have a term of exercise equal to the earlier of (a) the later of (i) eight months following the closing of the June Private Placement and (ii) four months following the earliest date that the shares underlying such warrants have been sold or may be freely sold, whether pursuant to a registration statement, Rule 144 or an exemption from registration under Section 4(1) of the Securities Act, and (b) sixteen months from the closing of the June Private Placement (unless extended three additional months upon the occurrence of a single issuance by us of our common stock or warrants to purchase our common stock that meets certain criteria specified in the warrants). The Series C Warrants have an exercise price of $1.20 per share, vest and are exercisable ratably in proportion to each holder s exercise of the Series B Warrants held by such holder and have a term of exercise equal to five years.

On June 24, 2011, we entered into a Registration Rights Agreement (the Registration Rights Agreement), with the purchasers in the June Private Placement. Under the Registration Rights Agreement, we are required to file a registration statement within 30 days following the closing of the June Private Placement to register the resale of the shares of common stock issued in the June Private Placement and the shares of common stock underlying the Series A, Series B and Series C Warrants. Our failure to meet the filing deadlines and other requirements set forth in the Registration Rights Agreement may subject us to the payment of substantial financial penalties. The shares of common stock to be registered on the registration statement of which this prospectus forms a part include all of the shares issued in the private placement and the shares underlying the issued warrants.

Rodman & Renshaw, LLC (Rodman) acted as the lead placement agent for the June Private Placement. Pursuant to the terms of a Placement Agent Agreement entered into on June 1, 2011 and amended on June 21, 2011, we agreed to pay to Rodman and the co-placement agent fees equal to 6% of the aggregate gross proceeds raised in the private placement, to issue to Rodman and the co-placement agent warrants to purchase an aggregate of 240,000 shares of our common stock, and reimburse Rodman for certain expenses. The shares of common stock underlying the warrants issued to the placement agents are included in the registration statement of which this prospectus forms a part.

The shares of common stock to be registered on the registration statement of which this prospectus forms a part also include 200,000 shares of common stock that were issued to a consulting firm in connection with its performance of consulting services for us that are unrelated to the June Private Placement.

The issuances of securities in the June Private Placement described above were issued under an exemption from the registration requirements of the Securities Act of 1933, as amended (the Securities Act), pursuant to Section 4(2) thereof and Rule 506 of Regulation D promulgated thereunder.

Corporate Information

We were incorporated under the laws of the State of Nevada on February 8, 2008 under the name Netventory Solutions Inc. to pursue the business of inventory management solutions. Effective March 1, 2011, we completed a merger with our subsidiary, OncoSec Medical Incorporated, a Nevada corporation which was incorporated solely to effect a change in our name. As a result, we have changed our name from Netventory Solutions Inc. to OncoSec Medical Incorporated . Our principal executive offices are located at 4690 Executive Drive, Suite #250, San Diego, CA 92121. The telephone number at our principal executive office is (855) 662-6732. Our website address is www.oncosec.com. Information contained on our website is not deemed part of this prospectus.

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The Offering

This prospectus relates to the resale from time to time by the selling stockholders identified in this prospectus of up to 16,440,000 shares of our common stock. The majority of the common stock, together with related warrants to purchase our common stock, was purchased by certain of the selling stockholders in the June Private Placement. No shares are being offered for sale by us.

Common stock outstanding prior to offering	56,856,000(1)
Common stock offered by the selling stockholders	16,440,000(2)
Common stock to be outstanding after the offering	69,096,000(3)
Use of Proceeds	We will not receive any proceeds from the sale of common stock offered by the selling stockholders under this prospectus.
OTC Bulletin Board Symbol	ONCS.OB

(1) As of August 31, 2011. Includes 4,000,000 shares of our common stock issued to certain selling stockholders in connection with the June Private Placement and 200,000 shares of our common stock issued to a certain selling stockholder in connection with its performance of consulting services unrelated to the June Private Placement.

(2) Includes 4,000,000 shares of common stock offered by the selling stockholders issuable upon exercise of each of the Series A, Series B and Series C Warrants and 240,0000 shares of common stock issuable to the co-placement agents upon exercise of their warrants (collectively, the Warrants).

(3) Assumes the full exercise of the warrants held by the selling stockholders to acquire 12,240,000 shares of common stock.

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RISK FACTORS

The following risk factors should be considered carefully in addition to the other information contained in this prospectus. This prospectus contains forward-looking statements. Our business, financial condition, results of operations and stock price could be materially adversely effected by any of these risks. Additional risks not presently known to us or that we currently deem immaterial may also impair our business financial condition, results of operations and stock price.

We must raise additional capital in order to continue operating our business, and such additional funds may not be available on acceptable terms or at all.

We do not generate any cash from operations and must raise additional funds in order to continue operating our business. Since inception we have funded our operations primarily through equity and debt financings and we expect to continue to do so in the future. As further described elsewhere in this prospectus, on June 24, 2011, we issued 4 million shares of common stock and three series of warrants to purchase an aggregate of 12 million shares of our common stock to two institutional investors for proceeds of $3.0 million (the June Private Placement). However, we will require additional financing to fund our planned operations, including developing and commercializing the assets obtained under the Asset Purchase Agreement dated March 14, 2011, that we entered into with Inovio (the Asset Purchase Agreement), seeking to license or acquire new assets, researching and developing any potential patents, related compounds and other intellectual property, funding potential acquisitions, and supporting clinical trials and seeking regulatory approval relating to our assets and any assets we may acquire in the future. Additional financing may not be available to us when needed or, if available, may not be available on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we may be forced to delay or scale down some or all of our development activities or perhaps even cease the operation of our business. If we issue equity or convertible debt securities to raise additional funds, our existing stockholders may experience substantial dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we incur additional debt, it may increase our leverage relative to our earnings or to our equity capitalization, requiring us to pay additional interest expenses. Obtaining commercial loans, assuming those loans would be available, would increase our liabilities and future cash commitments.

We may not be able to obtain additional financing if the volatile conditions in the capital and financial markets, and more particularly the market for early development stage biomedical company stocks, persist. Weak economic and capital markets conditions could result in increased difficulties in raising capital for our operations. We may not be able to raise money through the sale of our equity securities or through borrowing funds on terms we find acceptable. If we cannot raise the funds that we need, we will be unable to continue our operations, and our stockholders could lose their entire investment in our company.

We have never generated revenue from our operations and our independent auditors have expressed substantial doubt about our ability to continue as a going concern.

We have not generated any revenue from operations since our incorporation. During the fiscal year ended July 31, 2010, we incurred a net loss of $36,158 and during the nine month period ended April 30, 2011, we incurred a net loss of $506,205. From inception through April 30, 2011, we incurred an aggregate loss of $583,264. We expect that our operating expenses will increase substantially over the next 12 months as we ramp-up our business. We estimate our average monthly expenses over the next 12 months to be approximately $458,000, including general and administrative expenses but excluding future acquisition costs and the cost of any future development activities. As of April 30, 2011, we had cash and cash equivalents of $542,896.

Although we have obtained some of the funds we expect to require in the June Private Placement, after deducting for fees and expenses, our aggregate net proceeds from the June Private Placement was approximately $2.79 million. We will not receive proceeds for any of the sales of common stock made pursuant to this prospectus. In order to fund our anticipated budget for the next 12 months, including acquisition costs, we believe that we will need to raise approximately $2.9 million in additional funds. This amount could increase if we encounter unanticipated difficulties. In addition, our estimates of the amount of cash necessary to fund our business and development and commercialization activities may prove to be wrong, and we could spend our available financial resources much faster than we currently expect. If we cannot raise the money that we need in order to continue to develop our business, we will be forced to delay, scale back or eliminate some or all of our proposed operations. If any of these were to occur, there is a substantial risk that our business would fail.

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These circumstances raise substantial doubt about our ability to continue as a going concern, as described in the explanatory paragraph to our independent auditors report on our financial statements for the year ended July 31, 2010, which are included in our annual report on Form 10-K for the fiscal year ended July 31, 2010, filed with the Securities and Exchange Commission (the SEC) on November 15, 2010. Although our financial statements raise substantial doubt about our ability to continue as a going concern, they do not reflect any adjustments that might result if we are unable to continue our business. Our financial statements contain additional note disclosure describing the circumstances that lead to this disclosure by our independent auditors.

We are an early-stage company with a limited operating history, which may hinder our ability to successfully meet our objectives.

We are an early-stage company with only a limited operating history upon which to base an evaluation of our current business and future prospects and how we will respond to competitive, financial or technological challenges. Only recently have we explored opportunities in the biomedical industry. As a result, the revenue and income potential of our business is unproven. In addition, because of our limited operating history, we have limited insight into trends that may emerge and affect our business. Errors may be made in predicting and reacting to relevant business trends and we will be subject to the risks, uncertainties and difficulties frequently encountered by early-stage companies in evolving markets. We may not be able to successfully address any or all of these risks and uncertainties. Failure to adequately do so could cause our business, results of operations and financial condition to suffer or fail.

We have not yet commercialized any of our potential product candidates and we cannot predict if or when we will become profitable.

We have not yet commercialized any product candidate relating to our current assets in the biomedical industry. Our ability to generate revenues from any of our product candidates will depend on a number of factors, including our ability to successfully complete clinical trials, obtain necessary regulatory approvals and negotiate arrangements with third parties to help finance the development of, and market and distribute, any product candidate that receives regulatory approval. In addition, we will be subject to the risk that the marketplace will not accept our products.

Because of the numerous risks and uncertainties associated with our product development and commercialization efforts, we are unable to predict the extent of our future losses or when or if we will become profitable, and it is possible we will never commercialize any of our product candidates or become profitable. Our failure to obtain regulatory approval and successfully commercialize any of our product candidates would have a material adverse effect on our business, results of operations, financial condition and prospects and could result in our inability to continue operations.

If we are unable to successfully recruit and retain qualified personnel, we may not be able to continue our operations.

In order to successfully implement and manage our business plan, we will depend upon, among other things, successfully recruiting and retaining qualified personnel having experience in the biomedical industry. Competition for qualified individuals is intense. If we are not able to find, attract and retain qualified personnel on acceptable terms, our business operations could suffer.

Additionally, although we have employment agreements with each of our executive officers, these agreements are terminable by them at will and we may not be able to retain their services. The loss of the services of any members of our senior management team could delay or prevent the development and commercialization of any other product candidates and our business could be harmed to the extent that we are not able to find suitable replacements.

Future growth could strain our resources, and if we are unable to manage our growth, we may not be able to successfully implement our business plan.

We hope to experience rapid growth in our operations, which will place a significant strain on our management, administrative, operational and financial infrastructure. Our future success will depend in part upon the ability of our executive officers to manage growth effectively. This will require that we hire and train additional personnel to manage our expanding operations. In addition, we must continue to improve our operational, financial and management controls and our reporting systems and procedures. If we fail to successfully manage our growth, we may be unable to execute upon our business plan.

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We may be unable to successfully develop and commercialize the assets we recently acquired, or acquire, or develop and commercialize new assets and product candidates.

Our future results of operations will depend to a significant extent upon our ability to successfully develop and commercialize in a timely manner the assets we recently acquired from Inovio related to certain non-DNA vaccine technology and intellectual property relating to selective electrochemical tumor ablation, which we now refer to as the OncoSec Medical System (OMS). In addition, we may acquire new assets or product candidates in the future. There are numerous difficulties inherent in acquiring, developing and commercializing new products and product candidates, including difficulties related to:

- successfully identifying potential product candidates;
- developing potential product candidates;
- difficulties in conducting or completing clinical trials, including receiving incomplete, unconvincing or equivocal clinical trials data;
- obtaining requisite regulatory approvals for such products in a timely manner or at all;
- acquiring, developing, testing and manufacturing products in compliance with regulatory standards in a timely manner or at all;
- being subject to legal actions brought by our competitors, which may delay or prevent the development and commercialization of new products;
- delays or unanticipated costs; and
- significant and unpredictable changes in the payer landscape, coverage and reimbursement for any products we develop.

As a result of these and other difficulties, we may be unable to develop potential product candidates using our intellectual property, and potential products in development by us may not receive timely regulatory approvals, or approvals at all, necessary for marketing by us or our third-party partners. If we do not acquire or develop product candidates, any of our product candidates are not approved in a timely fashion or at all or, when acquired or developed and approved, cannot be successfully manufactured and commercialized, our operating results would be adversely

affected. In addition, we may not recoup our investment in developing products, even if we are successful in commercializing those products. Our business expenditures may not result in the successful acquisition, development or commercialization of products that will prove to be commercially successful or result in the long-term profitability of our business.

Regulatory authorities may not approve our product candidates or the approvals may be too limited for us to earn sufficient revenues.

The United States Food and Drug Administration (the FDA) and other foreign regulatory agencies can delay approval of or refuse to approve our product candidates for a variety of reasons, including failure to meet safety and efficacy endpoints in our clinical trials. Our product candidates may not be approved even if they achieve their endpoints in clinical trials. Regulatory agencies, including the FDA, may disagree with our trial design and our interpretations of data from preclinical studies and clinical trials. Clinical trials of our product candidates may not demonstrate that they are safe and effective to the extent necessary to obtain regulatory approvals. We recently announced the planned initiation of three Phase II clinical trials to assess our ElectroImmunotherapy technology in patients with metastatic melanoma, Merkel cell carcinoma and cutaneous T-cell lymphoma. If we cannot adequately demonstrate through the clinical trial process that a therapeutic product we are developing is safe and effective, regulatory approval of that product would be delayed or prevented, which would impair our reputation, increase our costs and prevent us from earning revenues. Even if a product candidate is approved, it may be approved for fewer or more limited indications than requested or the approval may be subject to the performance of significant post-marketing studies. In addition, regulatory agencies may not approve the labeling claims that are necessary or desirable for the successful commercialization of our product candidates. Any limitation, condition or denial of approval would have an adverse affect on our business, reputation and results of operations.

We acquired our OMS technology from Inovio in March 2011. In 2007, Inovio had been enrolling patients in two Phase III clinical studies designed to evaluate the use of the OMS technology as a treatment for resectable recurrent and second primary squamous cell carcinomas of the head and neck. The studies were accruing North American and European patients with tumors in the anterior and posterior areas of the oral cavity. The primary endpoint of these two Phase III trials was preservation of function status at four and eight months as measured by the Performance Status Scale (which assesses the ability of a patient to eat normal foods, speak understandably and eat in public). On June 5, 2007, Inovio announced that it had stopped enrollment of these studies based on a recommendation from the trial s independent data safety monitoring board (DSMB). The DSMB expressed concern about the efficacy and serious adverse events, including higher mortality rates on the OMS technology arm of the study than on the surgery arm. In the DSMB s opinion, although no single parameter was sufficient to warrant recommending a review of the trial, the totality of data

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for this recurrent head and neck cancer study suggested an unfavorable benefit-to-risk profile for the OMS arm relative to the surgery arm. The DSMB also noted that slow enrollment presented a possible challenge in meeting the patient enrollment goals of each of these two trials, but that, if timely enrollment could allow reaching the target of 400 patients in the combined trials, this would provide enhanced insights regarding the benefit-to-risk profile of the OMS treatment. Without conducting further analysis, Inovio stopped enrollment and conducted its own interim analysis of the unaudited and unblended data on the 212 patients enrolled to date. These clinical trials were never reinitiated. If we are unable to initiate or complete new Phase III or pivotal clinical studies, we will be unable to commercialize the OMS technology.

Delays in the commencement or completion of clinical testing for product candidates based on the OMS technology could result in increased costs to us and delay or limit our ability to pursue regulatory approval or generate revenues.

Clinical trials are very expensive, time consuming and difficult to design and implement. Even if the results of our proposed clinical trials are favorable, clinical trials for product candidates based on the OMS technology will continue for several years and may take significantly longer than expected to complete. Delays in the commencement or completion of clinical testing could significantly affect our product development costs and business plan. We do not know whether our planned Phase II clinical trials will be initiated or completed on schedule, if at all. In addition, we do not know whether any other pre-clinical or clinical trials will begin on time or be completed on schedule, if at all. The commencement and completion of clinical trials can be delayed for a number of reasons, including delays related to:

- obtaining regulatory authorization to commence a clinical trial;
- reaching agreement on acceptable terms with prospective clinical research organizations, or CROs, clinical investigators and trial sites;
- obtaining institutional review board, or IRB, approval to initiate and conduct a clinical trial at a prospective site;
- identifying, recruiting and training suitable clinical investigators;
- identifying, recruiting and enrolling subjects to participate in clinical trials for a variety of reasons, including competition from other clinical trial programs for similar indications; and
- retaining patients who have initiated a clinical trial but may be prone to withdraw due to side effects from the therapy, lack of efficacy, personal issues, or for any other reason they choose, or who are lost to further follow-up.

We believe that we have planned and designed an adequate clinical trial program for our product candidates based on our OMS technology. However, the FDA could determine that it is not satisfied with our plan or the details of our pivotal clinical trial protocols and designs.

Additionally, changes in applicable regulatory requirements and guidance may occur and we may need to amend clinical trial protocols to reflect these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs for reexamination, which may impact the costs, timing or successful completion of a clinical trial. If we experience delays in completion of, or if we terminate, any of our clinical trials, the commercial prospects for our product candidates may be harmed, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

We expect to rely on third parties to conduct our clinical trials. If these third parties do not successfully carry out their duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.

We expect to enter into agreements with third-party CROs to conduct our planned clinical trials and anticipate that we may enter into other such agreements in the future regarding any future product candidates. We rely heavily on these parties for the execution of our clinical and pre-clinical studies, and control only certain aspects of their activities. We and our CROs are required to comply with current good clinical practices, or GCPs. The FDA enforces these GCP regulations through periodic inspections of trial sponsors, principal investigators and trial sites. If we or our CROs fail to comply with applicable GCP regulations, the data generated in our clinical trials may be deemed unreliable and the FDA may require us to perform additional clinical trials before approving our marketing applications. Upon inspection, the FDA and similar foreign regulators may determine that our clinical trials are not compliant with GCP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

If any of our relationships with third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs on commercially reasonable terms, or at all. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. As a result, our results of operations and the commercial prospects for our product candidates could be harmed, our costs could increase and our ability to generate additional revenues could be delayed.

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We may incur liability if our promotions of product candidates are determined, or are perceived, to be inconsistent with regulatory guidelines.

The FDA provides guidelines with respect to appropriate product promotion and continuing medical and health education activities. Although we endeavor to follow these guidelines, the FDA or the Office of the Inspector General: U.S. Department of Health and Human Services may disagree, and we may be subject to significant liability, including civil and administrative remedies as well as criminal sanctions. In addition, management s attention could be diverted and our reputation could be damaged.

We have limited experience in manufacturing our product candidates in quantities required to conduct our clinical trials, and if our products are eventually approved for sale by the FDA, for commercial quantities. We may not be able to comply with applicable manufacturing regulations or produce sufficient product for contract, clinical trial or commercial purposes.

The commercial manufacturing of DNA based cytokines and other biological products is a time-consuming and complex process, which must be performed in compliance with the FDA s current Good Manufacturing Practices, or cGMP, regulations. We may not be able to comply with the cGMP regulations, and our manufacturing process may be subject to delays, disruptions or quality control problems. In addition, we may need to complete the installation and validation of additional large-scale fermentation and related purification equipment to produce the quantities of product expected to be required for clinical trials, and if our products are eventually approved for sale by the FDA, for commercial purposes. We have limited experience in manufacturing at this scale. Noncompliance with the cGMP regulations, the inability to complete the installation or validation of additional large-scale equipment, or other problems with our manufacturing process may limit or delay the development or commercialization of our product candidates, and cause us to breach our contract manufacturing service arrangements.

If any product candidate for which we receive regulatory approval does not achieve broad market acceptance or coverage by third-party payors, the revenues that we generate may be limited.

The commercial success of any potential product candidates for which we obtain marketing approval from the FDA or other regulatory authorities will depend upon the acceptance of these products by physicians, patients, healthcare payors and the medical community. Coverage and reimbursement of our approved product by third-party payors is also necessary for commercial success. The degree of market acceptance of any potential product candidates for which we may receive regulatory approval will depend on a number of factors, including:

- our ability to provide acceptable evidence of safety and efficacy;
- acceptance by physicians and patients of the product as a safe and effective treatment;
- the prevalence and severity of adverse side effects;

- limitations or warnings contained in a product s FDA-approved labeling;
- the clinical indications for which the product is approved;
- availability and perceived advantages of alternative treatments;
- any negative publicity related to our or our competitors products;
- the effectiveness of our or any current or future collaborators sales, marketing and distribution strategies;
- pricing and cost effectiveness;
- our ability to obtain sufficient third-party payor coverage or reimbursement; and
- the willingness of patients to pay out of pocket in the absence of third-party payor coverage.

Our efforts to educate the medical community and third-party payors on the benefits of any of our potential product candidates for which we obtain marketing approval from the FDA or other regulatory authorities may require significant resources and may never be successful. If our potential products do not achieve an adequate level of acceptance by physicians, third-party payors and patients, we may not generate sufficient revenue from these products to become or remain profitable.

We may not be successful in executing our strategy for the commercialization of our product candidates. If we are unable to successfully execute our commercialization strategy, we may not be able to generate significant revenue.

We intend to advance a commercialization strategy that leverages previous in-depth clinical experiences, previous CE (Conformité Européene) approvals for the electroporation-based devices and late stage clinical studies in the United States (Phase III) and Europe (Phase IV). This strategy includes seeking approval from the FDA to initiate pivotal registration studies in the United States for select rare cancers that have limited, adverse or no therapeutic alternatives. This strategy also includes expanding the addressable markets for the OMS therapies through the addition of relevant indications. Our commercialization plan also includes partnering and/or co-developing OMS in developing geographic locations, such as Eastern Europe and Asia, where local resources are best leveraged and appropriate collaborators can be secured.

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We may not be able to implement our commercialization strategy as we have planned. Further, we have little experience and have not proven our ability to succeed in the biomedical industry and are not certain that our implementation strategy, if implemented correctly, would lead to significant revenue. If we are unable to successfully implement our commercialization plans and drive adoption by patients and physicians of our potential future products through our sales, marketing and commercialization efforts, then we will not be able to generate significant revenue which will have a material adverse effect on our business, results of operations, financial condition and prospects.

In order to market our proprietary products, we may choose to establish our own sales, marketing and distribution capabilities. We have no experience in these areas, and if we have problems establishing these capabilities, the commercialization of our products would be impaired.

We may choose to establish our own sales, marketing and distribution capabilities to market products to our target markets. We have no experience in these areas, and developing these capabilities will require significant expenditures on personnel and infrastructure. While we intend to market products that are aimed at a small patient population, we may not be able to create an effective sales force around even a niche market. In addition, some of our product candidates may require a large sales force to call on, educate and support physicians and patients. We may desire in the future to enter into collaborations with one or more pharmaceutical companies to sell, market and distribute such products, but we may not be able to enter into any such arrangement on acceptable terms, if at all. Any collaboration we do enter into may not be effective in generating meaningful product royalties or other revenues for us.

Our success depends in part on our ability to protect our intellectual property. Because of the difficulties of protecting our proprietary rights and technology, we may not be able to ensure their protection.

Our commercial success will depend in large part on obtaining and maintaining patent, trademark and trade secret protection of our product candidates and their respective components, formulations, manufacturing methods and methods of treatment, as well as successfully defending these patents against third-party challenges. Our ability to stop third parties from making, using, selling, offering to sell or importing our product candidates is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities.

The coverage claimed in a patent application typically is significantly reduced before a patent is issued, either in the United States or abroad. Consequently, any of our pending or future patent applications may not result in the issuance of patents and any patents issued may be subjected to further proceedings limiting their scope and may in any event not contain claims broad enough to provide meaningful protection. Any patents that are issued to us or our future collaborators may not provide significant proprietary protection or competitive advantage, and may be circumvented or invalidated. In addition, unpatented proprietary rights, including trade secrets and know-how, can be difficult to protect and may lose their value if they are independently developed by a third party or if their secrecy is lost. Further, because development and commercialization of our potential product candidates can be subject to substantial delays, our patents may expire and provide only a short period of protection, if any, following any future commercialization of products. Moreover, obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by government patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements. If any of our patents are found to be invalid or unenforceable, or if we are otherwise unable to adequately protect our rights, it could have a material adverse impact on our business and our ability to commercialize or license our technology and products.

We may incur substantial costs as a result of litigation or other proceedings relating to protection of our patent and other intellectual property rights, and we may be unable to successfully protect our rights to our potential products and technology.

If we choose to go to court to stop a third party from using the inventions claimed by our patents, that third party may ask the court to rule that the patents are invalid and/or should not be enforced. These lawsuits are expensive and could consume time and other resources even if we were successful in stopping the infringing activity. In addition, the court could decide that our patents are not valid and that we do not have the right to stop others from using the inventions claimed by the patents.

Additionally, even if the validity of these patents is upheld, the court could refuse to stop a third party s infringing activity on the ground that such activities do not infringe our patents. The U.S. Supreme Court has recently revised certain tests regarding granting patents and assessing the validity of patents to make it more difficult to obtain patents. As a consequence, issued patents may be found to contain invalid claims according to the newly revised standards. Some of our patents may be subject to challenge and subsequent invalidation or significant narrowing of claim scope in a reexamination proceeding, or during litigation, under the revised criteria.

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Third parties may claim that we infringe their proprietary rights and may prevent us from manufacturing and selling some of our products.

The manufacture, use and sale of new products that are the subject of conflicting patent rights have been the subject of substantial litigation in the biomedical industry. These lawsuits relate to the validity and infringement of patents or proprietary rights of third parties. Litigation may be costly and time-consuming, and could divert the attention of our management and technical personnel. In addition, if we infringe on the rights of others, we could lose our right to develop, manufacture or market products or could be required to pay monetary damages or royalties to license proprietary rights from third parties. Although the parties to patent and intellectual property disputes in the biomedical industry have often settled their disputes through licensing or similar arrangements, the costs associated with these arrangements may be substantial and could include ongoing royalties. Furthermore, we cannot be certain that the necessary licenses would be available to us on commercially reasonable terms or at all. As a result, an adverse determination in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent us from manufacturing and selling our products, and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Extensive industry regulation has had, and will continue to have, a significant impact on our business, especially our product development, manufacturing and distribution capabilities.

All biomedical companies are subject to extensive, complex, costly and evolving government regulation. For the U.S., these regulations are principally administered by the FDA and to a lesser extent by the United Stated Drug Enforcement Agency (the DEA) and state government agencies, as well as by various regulatory agencies in foreign countries where products or product candidates are being manufactured and/or marketed. The Federal Food, Drug and Cosmetic Act, the Controlled Substances Act and other federal statutes and regulations, and similar foreign statutes and regulations, govern or influence the testing, manufacturing, packing, labeling, storing, record keeping, safety, approval, advertising, promotion, sale and distribution of our products. Under these regulations, we may become subject to periodic inspection of our facilities, procedures and operations and/or the testing of our product candidates and products by the FDA, the DEA and other authorities, which conduct periodic inspections to confirm that we are in compliance with all applicable regulations. In addition, the FDA and foreign regulatory agencies conduct pre-approval and post-approval reviews and plant inspections to determine whether our systems and processes are in compliance with cGMP and other regulations. Following such inspections, the FDA or other agency may issue observations, notices, citations and/or warning letters that could cause us to modify certain activities identified during the inspection. To the extent that we successfully commercialize any product, we may also be subject to ongoing FDA obligations and continued regulatory review with respect to manufacturing, processing, labeling, packaging, distribution, storage, advertising, promotion and recordkeeping for the product. Additionally, we may be required to conduct potentially costly post-approval studies and report adverse events associated with our products to FDA and other regulatory authorities. Unexpected or serious health or safety concerns would result in labeling changes, recalls, market withdrawals or other regulatory actions.

The range of possible sanctions includes, among others, FDA issuance of adverse publicity, product recalls or seizures, fines, total or partial suspension of production and/or distribution, suspension of the FDA s review of product applications, enforcement actions, injunctions, and civil or criminal prosecution. Any such sanctions, if imposed, could have a material adverse effect on our business, operating results, financial condition and cash flows. Under certain circumstances, the FDA also has the authority to revoke previously granted drug approvals. Similar sanctions as detailed above may be available to the FDA under a consent decree, depending upon the actual terms of such decree. If internal compliance programs do not meet regulatory agency standards or if compliance is deemed deficient in any significant way, it could materially harm our business.

Moreover, the regulations, policies or guidance of the FDA or other regulatory agencies may change and new or additional statutes or government regulations may be enacted that could prevent or delay regulatory approval of our product candidates or further restrict or regulate post-approval activities. If we are not able to achieve and maintain regulatory compliance, we may not be permitted to market our potential

product candidates, which would adversely affect our ability to generate revenue and achieve or maintain profitability.

We face potential product liability exposure and if successful claims are brought against us, we may incur substantial liability.

The clinical use of our product candidates exposes us to the risk of product liability claims. Any side effects, manufacturing defects, misuse or abuse associated with our product candidates could result in injury to a patient or even death. In addition, a liability claim may be brought against us even if our product candidates merely appear to have caused an injury. Product liability claims may be brought against us by consumers, healthcare providers, pharmaceutical companies or others coming into contact with our product candidates, among others.

Regardless of merit or potential outcome, product liability claims against us may result in, among other effects, the inability to commercialize our product candidates, impairment of our business reputation, withdrawal of clinical trial participants and distraction of management s attention from our primary business. If we cannot successfully defend ourselves against product liability claims we could incur substantial liabilities.

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The biomedical industry is highly competitive.

The biomedical industry has an intensely competitive environment that will require an ongoing, extensive search for technological innovations and the ability to market products effectively, including the ability to communicate the effectiveness, safety and value of products to healthcare professionals in private practice, group practices and payers in managed care organizations, group purchasing organizations and Medicare & Medicaid services. We face competition from a number of sources, including large pharmaceutical companies, biotechnology companies, academic institutions, government agencies and private and public research institutions. We are smaller than almost all of our competitors. Most of our competitors have been in business for a longer period of time than us, have a greater number of products on the market and have greater financial and other resources than we do. Furthermore, recent trends in this industry are that large drug companies are consolidating into a smaller number of very large entities, which further concentrates financial, technical and market strength and increases competitive pressure in the industry. If we directly compete with these very large entities for the same markets and/or products, their financial strength could prevent us from capturing a share of those markets. It is possible that developments by our competitors will make any products or technologies that we acquire noncompetitive or obsolete.

If our competitors market and/or develop competing product candidates that are marketed more effectively, approved more quickly or demonstrated to be safer or more effective than our product candidates, then our commercial opportunities may be reduced or eliminated.

The pharmaceutical industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary therapeutics. If we are able to obtain regulatory approval of our product candidates related to our OMS technology or any assets we may acquire in the future, we will face competition from products currently marketed by companies much larger than us that address our targeted indications.

In addition to already marketed products, we also face competition from product candidates that are or could be under development. We expect our product candidates, if approved and commercialized, to compete on the basis of, among other things, product efficacy and safety, time to market, price, patient reimbursement by third-party payors, extent of adverse side effects and convenience of treatment procedures. We may not be able to effectively compete in one or more of these areas. We also may not be able to differentiate any products that we are able to market from those of our competitors or successfully develop or introduce new products that are less costly or offer better results than those of our competitors.

Additionally, our competitors may obtain regulatory approval of their products more rapidly than we are able to or may obtain patent protection or other intellectual property rights that limit or block us from developing or commercializing our product candidates. Our competitors may also develop products that are more effective, more useful, better tolerated, subject to fewer or less severe side effects, more widely prescribed or accepted or less costly than ours and may also be more successful than us in manufacturing and marketing their products. If we are unable to compete effectively with the marketed therapeutics of our competitors or if such competitors are successful in developing products that compete with our potential product candidates that are approved, our business, results of operations, financial condition and prospects may be materially adversely affected.

If we fail to comply with federal and state healthcare laws, including fraud and abuse and health information privacy and security laws, we could face substantial penalties and our business, results of operations, financial condition and prospects could be adversely affected.

Even though we do not and will not control referrals of healthcare services or bill directly to third-party payors, certain federal and state healthcare laws and regulations pertaining to fraud and abuse and patients rights may be applicable to our business. We could be subject to healthcare fraud and abuse and patient privacy regulation by both the federal government and the states in which we conduct our business. To the extent that any product we make is sold in a foreign country, we also may be subject to foreign laws and regulations. If we or our operations are found to be in violation of any of these laws or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion from participation in U.S. federal or state health care programs, and the curtailment or restructuring of our operations. Any penalties, damages, fines, curtailment or restructuring of our operations could materially adversely affect our ability to operate our business and our financial results. Further, any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management s attention from the operation of our business. Moreover, achieving and sustaining compliance with applicable federal and state privacy, security and fraud laws may prove costly.

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We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management.

From time to time we may consider engaging in strategic transactions, such as acquisitions of companies, asset purchases and out-licensing or in-licensing of products, product candidates or technologies. Any such transaction may require us to incur non-recurring or other charges, may increase our near and long-term expenditures and may pose significant integration challenges or disrupt our management or business, which could adversely affect our operations and financial results. For example, these transactions may entail numerous operational and financial risks, including, among others, exposure to unknown liabilities, disruption of our business and diversion of our management s time and attention in order to develop acquired products, product candidates or technologies, difficulty and cost in combining the operations and personnel of any acquired businesses with our operations and personnel, and inability to retain key employees of any acquired businesses. Accordingly, although we may not choose to undertake or may not be able to successfully complete any transactions of the nature described above, any transactions that we do complete could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business and operations would suffer in the event of system failures.

Despite the implementation of security measures, our internal computer systems and those of our current and any future partners, contractors and consultants are vulnerable to damage from cyber-attacks, computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. System failures, accidents or security breaches could cause interruptions in our operations, and could result in a material disruption of our commercialization activities, development programs and our business operations, in addition to possibly requiring substantial expenditures of resources to remedy. The loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the commercialization of any potential product candidate could be delayed.

We may invest or spend our cash in ways with which you may not agree or in ways which may not yield a significant return.

Our management has considerable discretion in the use of our cash. Our cash may be used for purposes that do not increase our operating results or market value. Until the cash is used, it may be placed in investments that do not produce significant income or that may lose value. The failure of our management to invest or spend our cash effectively could result in unfavorable returns and uncertainty about our prospects, each of which could cause the price of our common stock to decline.

We have never paid dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future.

The continued operation and expansion of our business will require substantial funding. Investors seeking cash dividends in the foreseeable future should not purchase our common stock. We have paid no cash dividends on any of our capital stock to date and we currently intend to retain our available cash to fund the development and growth of our business. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our Board of Directors deems relevant. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any return to stockholders will therefore be limited to the appreciation of their stock, which may never occur.

If we issue additional shares in the future, our existing shareholders will be diluted.

Our articles of incorporation authorize the issuance of up to 3,200,000,000 shares of common stock with a par value of $0.0001 per share. Our Board of Directors may choose to issue some or all of such shares to acquire one or more companies or products and to fund our overhead and general operating requirements. The issuance of any such shares will reduce the book value per share and may contribute to a reduction in the market price of the outstanding shares of our common stock. If we issue any such additional shares, such issuance will reduce the proportionate ownership and voting power of all current shareholders. Further, such issuance may result in a change of control of our corporation.

Sales of substantial amounts of our shares could adversely affect the market price of our common stock.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to raise additional capital through the sale of equity securities on commercially reasonable terms.

As of August 31, 2011, we have 56,856,000 outstanding shares of common stock, of which 4,200,000 are included in the registration statement of which this prospectus forms a part, all of which will be freely transferable without restriction under the Securities Act after the effective date of the registration statement. If the warrants issued in the June Private Placement are exercised, based on the number of shares outstanding on August 31, 2011, we would have 69,096,000 outstanding shares of common stock, all of which would be freely transferable without restriction under the Securities Act. These warrant holders may exercise their warrants at their own discretion and at any time in accordance with the terms of such warrants until their expiration. The holders of shares of our common stock that are freely transferable, including the selling stockholders identified in this prospectus after the effective date of this registration statement, have the right to sell their shares at their own discretion and at any time and such sales are outside of our control. If such stockholders choose to sell substantial amounts of our common stock within a short period of time, the market price of our common stock could be adversely affected.

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We have identified material weaknesses in our internal control over financial reporting. If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.

As described in our periodic reports filed with the SEC, including Item 4 of Part I of the Quarterly Report on Form 10-Q for the quarter ended April 30, 2011 and our Annual Report on Form 10-K for the fiscal year ended July 31, 2010, we have identified material weaknesses in our internal controls and procedures. As a result, we have concluded that our disclosure controls and procedures were not effective as of the end of the period covered by those reports. We have implemented, and continue to implement, actions to address these weaknesses and to enhance the reliability and effectiveness of our internal controls and operations; however, the measures we have taken to date and any future measures may not remediate the material weaknesses discussed in our periodic reports.

In addition, we may not be able to maintain adequate controls over our financial processes and reporting in the future. We may discover additional material weaknesses, which we may not successfully remediate on a timely basis or at all. Any failure to remediate any material weaknesses identified by us or to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative impact on the trading price of our stock. Moreover, we will be required to expend significant resources to design, implement and maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. The costs associated with external consultants, as well as internal resources are significant and difficult to predict. As a result of these matters, our business, results of operations, financial condition and cash flows could be adversely affected.

Trading of our stock is restricted by the SEC s penny stock regulations and certain FINRA rules, which may limit a stockholder s ability to buy and sell our common stock.

Our securities are covered by certain penny stock rules, which impose additional sales practice requirements on broker-dealers who sell low-priced securities to persons other than established customers and accredited investors. For transactions covered by these rules, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser s written consent to the transaction prior to sale, among other things. These rules may affect the ability of broker-dealers and holders to sell our common stock and may negatively impact the level of trading activity for our common stock. To the extent our common stock remains subject to the penny stock regulations, such regulations may discourage investor interest in and adversely affect the market liquidity of our common stock.

The Financial Industry Regulatory Authority (known as FINRA) has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer s financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Our common stock is illiquid and the price of our common stock may be negatively impacted by factors which are unrelated to our operations.

Our common stock only recently began trading on the OTC Bulletin Board (OTCBB), and has a limited trading history on that market. Trading on the OTCBB is frequently highly volatile, with low trading volume. Since our common stock began trading on the OTCBB in March 2011, we have experienced significant fluctuations in the stock price and trading volume of our common stock. There is no assurance that a sufficient market will develop in our stock, in which case it could be difficult for stockholders to sell their stock. The market price of our common stock could continue to fluctuate substantially.

Factors affecting the trading price of our common stock may include:

- adverse research and development or clinical trial results;

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- our inability to obtain additional capital;

- announcement that the FDA denied our request to approve our products for commercialization in the United States, or similar denial by other regulatory bodies which make independent decisions outside the United States;

- potential negative market reaction to the terms or volume of any issuance of shares of our stock to new investors or service providers;

- sales of substantial amounts of our common stock, or the perception that substantial amounts of our common stock will be sold, by our stockholders in the public market;

- declining working capital to fund operations, or other signs of apparent financial uncertainty;

- significant advances made by competitors that adversely affect our potential market position; and

- the loss of key personnel and the inability to attract and retain additional highly-skilled personnel.

Additionally, our clinical trials will be open-ended and, therefore, there is the possibility that information regarding the success (or setbacks) of our clinical trials may be obtained by the public prior to a formal announcement by us.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information contained in this prospectus may contain forward-looking statements. Except for the historical information contained in this discussion of the business and the discussion and analysis of financial condition and results of operations, the matters discussed herein are forward looking statements. This information may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words may, will, should, expect, anticipate, estimate, believe, intend or proje negative of these words or other variations on these words or comparable terminology. In addition to the risks and uncertainties described in Risk Factors above and elsewhere in this prospectus, these risks and uncertainties may include consumer trends, business cycles, scientific developments, changes in governmental policy and regulation, and general economic developments. Forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that any projections or other expectations included in any forward-looking statements will come to pass. Our actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, we undertake no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

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SELLING STOCKHOLDERS

This prospectus covers the resale from time to time by the selling stockholders identified in the table below of:

- Up to 4,000,000 issued and outstanding shares of our common stock sold to investors in the June Private Placement;

- Up to 4,000,000 shares of our common stock issuable upon exercise of Series A warrants sold to investors in the June Private Placement;

- Up to 4,000,000 shares of our common stock issuable upon exercise of Series B warrants sold to investors in the June Private Placement;

- Up to 4,000,000 shares of common stock issuable upon exercise of Series C warrants sold to investors in the June Private Placement;

- Up to 240,000 shares of our common stock issuable upon exercise of warrants issued to the co-placement agents or their respective designees for services rendered in connection with the June Private Placement; and

- Up to 200,000 issued and outstanding shares of our common stock issued to a consulting firm in connection with its performance of consulting services.

Pursuant to the Registration Rights Agreement executed in connection with the June Private Placement, we have filed with the Securities and Exchange Commission a registration statement on Form S-1, of which this prospectus forms a part, under the Securities Act to register these resales. We have also agreed to cause such registration statement to become effective, and to keep such registration statement effective. Our failure to satisfy the deadlines set forth in the Registration Rights Agreement may subject us to payment of certain monetary penalties pursuant to the terms of the Registration Rights Agreement.

The selling stockholders identified in the table below may from time to time offer and sell under this prospectus any or all of the shares of common stock described under the column Shares of Common Stock Being Offered in this Offering in the table below. The table below has been prepared based upon the information furnished to us by the selling stockholders. The selling stockholders identified below may have sold, transferred or otherwise disposed of some or all of their shares since the date on which the information in the following table is presented in transactions exempt from or not subject to the registration requirements of the Securities Act. Information concerning the selling stockholders may change from time to time and, if necessary, we will amend or supplement this prospectus accordingly. The selling stockholders have not had any material relationship with us except for their ownership of our common stock.

We have been advised, as noted in the footnotes in the table below, that two of the selling stockholders are broker-dealers and/or underwriters and that certain of the selling stockholders are affiliates of a broker-dealer and/or underwriter. We have been advised that each of these selling stockholders acquired our warrants in the ordinary course of business, not for resale, and that none of these selling stockholders had, at the time of purchase, any agreements or understandings, directly or indirectly, with any person to distribute the related common stock.

The following table sets forth the name of each selling stockholder, the nature of any position, office or other material relationship, if any, which the selling stockholder has had, within the past three years, with us or with any of our predecessors or affiliates, and the number of shares of our common stock beneficially owned by the stockholder before this offering. The number of shares owned are those beneficially owned, as determined under the rules of the Securities and Exchange Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares of common stock as to which a person has sole or shared voting power or investment power and any shares of common stock which the person has the right to acquire within 60 days through the exercise of any option, warrant or right, through conversion of any security or pursuant to the automatic termination of a power of attorney or revocation of a trust, discretionary account or similar arrangement. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, we believe that each of the selling stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned.

We have assumed all shares of common stock reflected on the table will be sold from time to time in the offering covered by this prospectus. We cannot provide an estimate as to the number of shares of common stock that will be held by the selling stockholders upon termination of the offering covered by this prospectus because the selling stockholders may offer some or all of their shares of common stock under this prospectus.

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Selling Stockholder	Shares of Common Stock Owned Before this Offering §	Shares of Common Stock Underlying Warrants Owned Before this Offering	Shares of Common Stock Being Offered in this Offering	Shares of Common Stock Owned Upon Completion of this Offering (a) §	Percentage of Common Stock Outstanding Upon Completion of this Offering (b) §
Capital Ventures International (1)	2,000,000	6,000,000	8,000,000		
Hudson Bay Master Fund Ltd. (2)	2,000,000	6,000,000	8,000,000		
Rodman & Renshaw, LLC (3)(6)	0	108,000	108,000		
Noam Rubinstein (3)	0	14,400	14,400		
Kira Sheinerman (3)	0	21,600	21,600		
Roth Capital Partners, LLC (3)(5)	0	96,000	96,000		
Vista Partners LLC (4)	200,000	0	200,000		

The selling stockholder is a broker-dealer.

The selling stockholder is an affiliate of a broker-dealer.

§ To our knowledge, the selling stockholders that participated in the June Private Placement own no securities of the Company other than those acquired in connection with such private placement and (ii) Vista Partners LLC owns no securities of the Company other than those issued by us pursuant to the terms of the consulting agreement.

(a) Assumes all of the shares of common stock to be registered on the registration statement of which this prospectus is a part, including all shares of common stock underlying warrants held by the selling stockholders, are sold in the offering, and that the selling stockholders do not acquire additional shares of our common stock after the date of this prospectus and prior to completion of the offering.

(b) Applicable percentage ownership is based on the sum of (i) 56,856,000 shares of common stock outstanding as of August 31, 2011, and (ii) 12,240,000 shares of common stock issuable upon exercise of all of the outstanding warrants to purchase common stock issued in connection with the June Private Placement.

(1) Includes 2,000,000 shares of common stock issuable upon exercise of each of the Series A, B and C warrants, all of which were issued in connection with the June Private Placement. Heights Capital Management, Inc., the authorized agent of Capital Ventures International, has discretionary authority to vote and dispose of the shares held by Capital Ventures International and may be deemed to be the beneficial owner of these shares. Martin Kobinger, in his capacity as Investment Manager of Heights Capital Management, Inc., may also be deemed to have investment discretion and voting power over the shares held by Capital Ventures International. Mr. Kobinger disclaims any such beneficial ownership of the shares.

(2) Includes 2,000,000 shares of common stock issuable upon exercise of each of the Series A, B and C warrants, all of which were issued in connection with the June Private Placement. Hudson Bay Capital Management LP, the investment manager of Hudson Bay Master Fund Ltd., has voting and investment power over the securities help by Hudson Bay Master Fund Ltd. Sander Gerber is the managing member of Hudson Bay Capital GP LLC, which is the general partner of Hudson Bay Capital Management LP. Sander Gerber disclaims beneficial ownership over these securities.

(3) Pursuant to the terms of the Placement Agent Agreement (the Placement Agent Agreement) entered into with Rodman & Renshaw, LLC (Rodman), Rodman received warrants to purchase 144,000 shares of common stock and Roth Capital Partners, LLC (Roth) received warrants to purchase 96,000 shares of common stock for financial advisory services provided in connection with the June Private Placement. Rodman designated warrants to purchase 14,400 shares of common stock to Noam Rubinstein and 21,600 shares of common stock to Kira Sheinerman, such that Rodman now holds warrants to purchase 108,000 shares of our common stock. Each of the warrants has an exercise price of $1.20 per share.

(4) Includes 200,000 shares of our common stock issued to Vista Partners LLC pursuant to our consulting agreement with Vista Partners LLC. Vista Partner LLC did not participate in the June Private Placement. Vista Partners LLC has discretionary authority to vote and dispose of the shares held by Vista Partners LLC and may be deemed to be the beneficial owner of these shares. Ross Silver, in his capacity as managing director of Vista Partners LLC, may also be deemed to have investment discretion and voting power over the shares held by Vista Partners LLC. Mr. Silver disclaims any such beneficial ownership over these securities.

(5) Each of Bryon Roth and Gordon Roth has voting and investment control over the securities beneficially owned by Roth.

(6) John J. Borer is the Senior Managing Director of Rodman and has voting and dispositive control over the shares beneficially owned by Rodman.

DETERMINATION OF OFFERING PRICE

The selling stockholders will determine at what price they may sell the shares of common stock offered by this prospectus, and such sales may be made at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices.

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PLAN OF DISTRIBUTION

Each selling stockholder of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the OTC Bulletin Board or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A selling stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker dealer solicits purchasers;
- block trades in which the broker dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker dealer as principal and resale by the broker dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- in transactions through broker dealers that agree with the selling stockholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or

- any other method permitted pursuant to applicable law.

The selling stockholders may also sell securities under Rule 144 under the Securities Act, if available, rather than under this prospectus.

Broker dealers engaged by the selling stockholders may arrange for other broker dealers to participate in sales. Broker dealers may receive commissions or discounts from the selling stockholders (or, if any broker dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The selling stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The selling stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be underwriters within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each selling stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent (8%).

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the securities. The Company has agreed to indemnify the selling stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because selling stockholders may be deemed to be underwriters within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. The selling stockholders have advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the resale securities by the selling stockholders.

(0.4
)
Net increase in cash and cash equivalents
36.7

29.5

Cash and cash equivalents, beginning of period
779.9

602.5

Cash and cash equivalents, end of period
$
816.6

$
632.0

Supplemental Disclosures of Cash Flow Information

Cash paid/received during the period for:

Interest paid
$
1.7

$
2.1

Interest received
$
0.2

$
1.3

Income taxes paid
$
22.1

$
20.5

Income taxes refunded	$ 0.8	
		$ 0.5

See accompanying notes to condensed consolidated financial statements.

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PERRIGO COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 28, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

From its beginnings as a packager of home remedies in 1887, Perrigo Company (the "Company"), based in Allegan, Michigan, has grown to become a leading global provider of over-the-counter ("OTC") and generic prescription ("Rx") pharmaceuticals, nutritional products and active pharmaceutical ingredients ("API"). The Company's mission is to offer "Quality, Affordable Healthcare Products™", and it does so across a wide variety of product categories primarily in the United States ("U.S."), United Kingdom ("U.K."), Mexico, Israel and Australia, and distributes into dozens of other markets around the world, including Canada, China and Latin America.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals and other adjustments) considered necessary for a fair presentation have been included.

The Company's sales of OTC pharmaceutical products are subject to the seasonal demands for cough/cold/flu and allergy products. In addition, the Company's animal health products are subject to the seasonal demand for flea and tick products, which typically peaks during the warmer weather months. Accordingly, operating results for the three months ended September 28, 2013 are not necessarily indicative of the results that may be expected for a full fiscal year. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended June 29, 2013.

The Company has four reportable segments, aligned primarily by type of product: Consumer Healthcare, Nutritionals, Rx Pharmaceuticals and API. In addition, the Company has an Other category that consists of the Israel Pharmaceutical and Diagnostic Products operating segment, which does not individually meet the quantitative thresholds required to be a separately reportable segment. This segment structure is consistent with the way management makes operating decisions, allocates resources and manages the growth and profitability of the Company's business.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company, all majority-owned subsidiaries and variable-interest entities ("VIE"). Activities related to VIEs are immaterial. All intercompany transactions and balances have been eliminated in consolidation.

Recently Adopted Accounting Standards

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income" ("ASU 2013-02").

Under ASU 2013-02, an entity is required to provide information about the amounts reclassified out of Accumulated Other Comprehensive Income ("AOCI") by component. In addition, an entity is required to present, either on the face of the financial statements or in the notes, significant amounts reclassified out of AOCI by the respective line items of net income, but only if the amount reclassified is required to be reclassified in its entirety in the same reporting period. For amounts that are not required to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures that provide additional details about those amounts. ASU 2013-02 does not change the current requirements for reporting net income or other comprehensive income in the financial statements. ASU 2013-02 was effective for the Company in the first quarter of fiscal 2014. The additional disclosures required by this ASU have been included in Note 11. Because this standard only impacts presentation and disclosure requirements, its adoption did not impact the Company's consolidated results of operations or financial condition.

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In July 2012, the FASB issued ASU 2012-02, "Intangibles-Goodwill and Other (ASC Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment." This amendment was made to simplify the asset impairment test. It allows an organization the option to first assess the qualitative factors to determine whether it is necessary to perform the quantitative impairment test. An organization that elects to perform a qualitative assessment is no longer required to calculate the fair value of an indefinite-lived intangible asset unless the organization determines, based on a qualitative assessment, that it is “more likely than not” that the asset is impaired. This ASU is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, although early adoption is also permitted. This guidance was effective for the Company in the first quarter of fiscal 2014 and did not have any effect on the Company's consolidated results of operations or financial condition.

In December 2011, the FASB issued ASU 2011-11 “Disclosures about Offsetting Assets and Liabilities” ("ASU 2011-11"), as clarified with ASU 2013-01 “Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities” ("ASU 2013-01") issued in January 2013. These common disclosure requirements are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a portfolio’s financial position. They also improve transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. In addition, ASU 2011-11 facilitates comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of International Financial Reporting Standards. ASU 2011-11 requires entities to disclose both gross and net information about both instruments and transactions eligible for offset in the statement of financial position, and disclose instruments and transactions subject to an agreement similar to a master netting agreement. Both ASU 2011-11 and ASU 2013-01 were effective for the Company in the first quarter of fiscal 2014. Because this standard only impacts presentation and disclosure requirements, its adoption did not impact the Company's consolidated results of operations or financial condition.

NOTE 2 – BUSINESS ACQUISITIONS

Fiscal 2014
Pending Business Acquisitions
Vedants Drug & Fine Chemicals Private Limited - To further improve the long-term cost position of its API business, on August 6, 2009, the Company acquired an 85% stake in Vedants Drug & Fine Chemicals Private Limited ("Vedants"), an API manufacturing facility in India, for $11.5 million in cash. In the fourth quarter of fiscal 2013, the Company signed a definitive agreement to purchase the remaining 15% stake in Vedants for approximately $7.2 million, subject to foreign currency fluctuations between the Indian rupee and the U.S. dollar. The purchase is expected to close in the second quarter of fiscal 2014. Operations related to the noncontrolling interest are currently immaterial.

Elan Corporation plc - On July 28, 2013, the Company entered into a Transaction Agreement (the "Transaction Agreement") between Elan Corporation plc ("Elan"), Perrigo Company Limited (formerly known as Blisfont Limited), a company organized under the laws of Ireland (“Holdco”), Habsont Limited, a company organized under the laws of Ireland and a wholly-owned subsidiary of Holdco (“Foreign Holdco”), and Leopard Company, a Delaware Corporation and a wholly-owned subsidiary of Foreign Holdco (“MergerSub”). Under the terms of the Transaction Agreement, (a) Holdco will acquire Elan (the “Acquisition”) pursuant to a scheme of arrangement under Section 201, and a capital reduction under Sections 72 and 74, of the Irish Companies Act of 1963 - 2012 (the “Scheme”) and (b) MergerSub will merge with and into the Company, with the Company continuing as the surviving corporation of the merger (the “Merger” and, together with the Acquisition, the “Transactions”). As a result of the Transactions, both the Company and Elan will become wholly-owned, indirect subsidiaries of Holdco. Prior to the closing of the Transactions, Holdco will re-register, pursuant to the Irish Companies Act 1963 - 2012, as a public limited company, the ordinary shares of which are expected to be listed on the New York Stock Exchange and the Tel Aviv Stock

Exchange. Under the terms of the Transaction Agreement, (i) at the effective time of the Scheme (the “Effective Time”), Elan shareholders will be entitled to receive $6.25 in cash and 0.07636 of a newly issued Holdco ordinary share in exchange for each Elan ordinary share held by such shareholders and (ii) at the effective time of the Merger, each share of the Company's common stock will be converted into the right to receive one Holdco ordinary share and $0.01 in cash. As a result of the Transactions, former Elan shareholders are expected to hold approximately 29% of the Holdco shares and former Company shareholders are expected to hold approximately 71% of the Holdco shares.

The conditions to the implementation of the Transactions are set forth in Part A of Appendix I to the announcement (the “Rule 2.5 Announcement”) issued by Elan and the Company pursuant to Rule 2.5 of the Irish Takeover Panel Act, 1997, Takeover Rules 2007, as amended (the “Irish Takeover Rules”) on July 29, 2013 (the “Conditions Appendix”). The Rule 2.5 Announcement was furnished as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on July 29, 2013, and the

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Conditions Appendix is incorporated herein by reference as Exhibit 2.2. The implementation of the Transactions is conditioned on, among other things:

- the adoption and approval of the Transaction Agreement by the Company's shareholders as required by the Michigan Business Corporation Act, as amended;
- the approval of the Scheme by a majority in number of the Elan shareholders, representing 75% or more in value of the Elan ordinary shares held by such holders, present and voting either in person or by proxy, at a special meeting of Elan shareholders, and the approval by Elan shareholders of certain other resolutions relating to the Scheme at an extraordinary general meeting of Elan shareholders, and the sanction by the Irish High Court of the Scheme;
- the approval by the New York Stock Exchange and the Tel Aviv Stock Exchange for listing (subject to the satisfaction of any conditions to which such approval is expressed to be subject) of the Holdco shares to be issued in the Acquisition and the Merger;
- receipt of all required regulatory clearances under applicable antitrust, competition or foreign investment laws;
- no third party having decided to take any action which would (i) make the transactions contemplated by the Transaction Agreement void or unenforceable, (ii) require the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Perrigo group or the Elan group of all or any part of their respective businesses, assets or properties, or (iii) impose any other material limitation on, or result in a material delay in, the ability of any member of the wider Company group to consummate the transactions contemplated by the Transaction Agreement;
- the absence of any law or injunction that restrains, enjoins or otherwise prohibits consummation of the Acquisition, the Scheme, the Merger or the other transactions contemplated by the Transaction Agreement; and
- the Registration Statement on Form S-4 to be filed by Holdco in connection with the Transactions having become effective under the Securities Act of 1933 and not being the subject of any stop order or proceedings seeking any stop order.

In addition, subject in certain instances to the approval of the Irish Takeover Panel, each party's obligation to effect the Acquisition is conditional, among other things, upon:

- the accuracy of the other party's representations and warranties in the Transaction Agreement, subject to specified materiality standards; and
- the performance by the other party of its obligations under the Transaction Agreement in all material respects.

Subject to any changes as may be agreed between the parties, pursuant to the Transaction Agreement, the Company and its board of directors and Holdco and its board of directors will take all actions necessary so that, effective as of the Effective Time, the directors that comprise the full Holdco board of directors will be the Company's current Board of Directors.

At the Effective Time, Elan equity awards will, pursuant to the terms of the Transaction Agreement and the applicable Elan equity incentive plan, be treated such that each Elan option and share-based award that is outstanding will fully vest and be cancelled and, in exchange, the holder thereof will receive in respect of each Elan share underlying such award, (i) in the case of options, an amount in cash determined by multiplying (x) the number of Elan shares subject to the option immediately prior to the Effective Time by (y) the excess, if any, of the Per Share Option Consideration less the applicable exercise price under the relevant option agreement and (ii) in the case of Elan share-based awards, an amount in cash determined by multiplying (x) the number of Elan shares subject to the share-based award immediately prior to the Effective Time by (y) the Per Share Option Consideration.

The “Per Share Option Consideration” is the sum of (i) $6.25 plus (ii) the product of (x) 0.07636 and (y) the average closing sale price of a Company common share for the five trading days preceding the day on which the Effective Time occurs.

Further, at the effective time of the Merger, Company equity awards will, pursuant to the terms of the Transaction Agreement and the applicable Company equity incentive plan, be treated such that each Company option and

share-based award that is outstanding will be assumed by Holdco and converted into a Holdco award with the same terms and conditions, provided that the number of Holdco shares subject to such Holdco award will be determined by multiplying the number of Company shares subject to the Company award immediately prior to the effective time of the Merger by the Conversion Ratio. After this conversion, the exercise price per share of any Holdco option converted from a Company option will equal the exercise price per share of such Company option immediately prior to the effective time of the Merger divided by the Conversion Ratio.

The “Conversion Ratio” is the sum of (i) 1 plus (ii) the quotient obtained by dividing (x) $0.01 by (y) the average closing sale price of a Company common share for the five trading days preceding the day on which the Effective Time occurs.

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The Transaction Agreement contains customary representations, warranties and covenants by the Company and Elan. Each of Elan and the Company has agreed, among other things, subject to certain exceptions, not to solicit any offer or proposal for specified alternative transactions, or to participate in discussions regarding such an offer or proposal with, or furnish any nonpublic information regarding such an offer or proposal to, any person that has made or, to its knowledge, is considering making such an offer or proposal. In addition, certain covenants require each of the parties to use, subject to the terms and conditions of the Transaction Agreement, all reasonable endeavors to cause the Transactions to be consummated.

Subject to certain exceptions, the Transaction Agreement also requires each of the Company and Elan to call and hold shareholders' meetings and requires the boards of directors of the Company and Elan to recommend approval of the Transactions.

In connection with the Transactions, Holdco filed a registration statement on Form S-4, which was declared effective on October 9, 2013. The definitive joint proxy statement of the Company and Elan, which also serves as a prospectus of Holdco and forms a part of the Form S-4, was filed by each of the Company, Elan and Holdco on October 15, 2013. This joint proxy statement/prospectus, which has been mailed to the shareholders of the Company and Elan, disclosed, among other things, that on November 18, 2013, the Company and Elan would each hold a special meeting of shareholders in connection with the Transactions.

The Transaction Agreement contains certain customary termination rights, including, among others, (a) the right of either Elan or the Company to terminate the agreement if either party's shareholders fail to approve the Transactions, (b) the right of either Elan or the Company to terminate the Transaction Agreement if the board of directors of the other party changes its recommendation to approve the Transactions, (c) the right of Elan to terminate the Transaction Agreement to enter into an agreement providing for a “Superior Proposal” as defined in the Transaction Agreement, (d) the right of either Elan or the Company to terminate the Transaction Agreement if the Scheme has not become effective by April 29, 2014 (the “End Date”), subject to certain conditions, provided that the End Date will be July 29, 2014 in certain circumstances and (e) the right of either Elan or the Company to terminate the Transaction Agreement due to a material breach by the other party of any of its representations, warranties or covenants, subject to certain conditions. The Transaction Agreement also provides that if the Transaction Agreement is terminated in certain specified circumstances, then the Company will pay to Elan approximately $168.9 million.

In addition, on July 28, 2013, the Company and Elan entered into an Expenses Reimbursement Agreement (“ERA”), the terms of which have been approved by the Irish Takeover Panel. Under the ERA, Elan has agreed to pay to the Company the documented, specific and quantifiable third party costs and expenses incurred by the Company in connection with the Acquisition upon the termination of the Transaction Agreement in certain specified circumstances. The maximum amount payable by Elan to the Company pursuant to the ERA is approximately $84.4 million, being one percent of the aggregate value of the issued share capital of Elan as ascribed by the terms of the Acquisition.

Bridge Credit Agreements

On July 28, 2013, Holdco entered into (i) a 364-day debt bridge loan credit agreement (the “Debt Bridge Credit Agreement”) among Holdco, the lenders from time to time party thereto, HSBC Bank USA, N.A., as Syndication Agent, and Barclays Bank plc, as Administrative Agent, and (ii) a 60-day cash bridge loan credit agreement (the “Cash Bridge Credit Agreement” and, together with the Debt Bridge Credit Agreement, the “Bridge Credit Agreements”) among Holdco, the lenders from time to time party thereto, HSBC Bank USA, N.A., as Syndication Agent, and Barclays Bank plc, as Administrative Agent. Under the Debt Bridge Credit Agreement and the Cash Bridge Credit Agreement, Barclays Bank plc and HSBC Bank USA, N.A. agreed to provide Holdco, respectively, with senior unsecured debt financing in an aggregate principal amount of up to $2.65 billion and senior unsecured cash financing in an aggregate principal amount of up to $1.7 billion in each case to finance, in part, the cash component of the Acquisition consideration, the repayment of certain existing indebtedness of the Company and the payment of certain transaction expenses (including in connection with hedging obligations) in connection with the Transactions. Certain domestic subsidiaries of the Company shall accede to the Bridge Credit Agreements as guarantors simultaneously with the consummation of the Transactions and within 60 days of the Acquisition, Elan and certain of its subsidiaries

shall accede to the Bridge Credit Agreements as guarantors.

Effective September 6, 2013, Holdco terminated the $1.0 billion tranche 2 commitments under the Debt Bridge Credit Agreement. The $1.65 billion tranche 1 commitments under the Debt Bridge Credit Agreement remain outstanding.

The closing date of the Bridge Credit Agreements (the “Closing Date”) is conditioned on, among other things, the consummation of the Transactions, accession of certain subsidiaries of the Company as guarantors, and absence of certain events of defaults under the Bridge Credit Agreements. The commitments automatically terminate on the earlier of (a) the

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funding and disbursement of the loans to the borrower on the Closing Date, (b) April 29, 2014 (or if all but certain regulatory conditions under the Transaction Agreement have been completed, July 29, 2014) or (c) certain other events.

Amounts outstanding under each of the Bridge Credit Agreements will bear interest, at the borrower's option, either (a) at the alternate base rate (defined as the highest of (1) Administrative Agent's prime rate, (2) the federal funds rate plus 0.50% and (3) the applicable interest rate for a eurodollar loan with a one month interest period beginning on such day plus 1.00% (“eurodollar rate”)) or (b) at the eurodollar rate plus, in each case, an applicable margin which shall range depending on the debt rating of Holdco and, in the case of the Debt Bridge Credit Agreement, the number of days which the loans remain outstanding from the date of funding. In addition, Holdco has agreed to pay a non-refundable ticking interest in an amount equal to (a) until the receipt of a publicly issued senior unsecured debt rating for Holdco by the rating agencies, 0.175% of the amount of the aggregate commitments in effect from July 28, 2013 (with respect to commitments under the Cash Bridge Credit Agreement) and, August 27, 2013 (with respect to commitments under the Debt Bridge Credit Agreement) through the termination of the aggregate commitments in their entirety or when commitments are otherwise reduced to zero, and (b) after receipt of the credit ratings, the applicable ticking interest rate per annum through the termination of the aggregate commitments entirely or when commitments are otherwise reduced to zero. Holdco will also pay funding interest equal to 0.50% of (a) the aggregate amount of loans under the Debt Bridge Credit Agreement made on the Closing Date and (b) the aggregate amount of loans outstanding under the Cash Bridge Credit Agreement on the date that is 30 days after the closing date thereof. Lastly, with respect to the Debt Bridge Credit Agreement, Holdco has also agreed to pay non-refundable duration interest on the 90th, 180th and 270th day after the Closing Date in an amount equal to the applicable duration fee percentage (ranging from 0.50% 90 days after the Closing Date to 1.00% 270 days after the Closing Date) of the aggregate principal amount of the loans outstanding under the Debt Bridge Credit Agreement on such day.

Holdco may voluntarily prepay the loans and terminate commitments under the Bridge Credit Agreements at any time without premium or penalty. The Bridge Credit Agreements require mandatory prepayments with the net cash proceeds of certain asset sales or debt or equity issuances subject to customary exceptions, reinvestment rights and minimums. In addition to the mandatory prepayments described above, the Cash Bridge Credit Agreement also requires mandatory prepayments with cash and cash equivalents of Elan and its subsidiaries to the extent the Transactions have been consummated and to the extent permitted by applicable law. The Bridge Credit Agreements also contains customary events of default, upon the occurrence of which, and so long as such event of default is continuing, the amounts outstanding will accrue interest at an increased rate and payments of such outstanding amounts could be accelerated by the lenders. In addition, the loan parties will be subject to certain affirmative and negative covenants under the Bridge Credit Agreements.

Permanent Credit Agreements

On September 6, 2013, Holdco entered into (i) a term loan credit agreement (the “Term Loan Credit Agreement”) among Holdco, the lenders from time to time party thereto, Barclays Bank plc, as Administrative Agent, HSBC Bank USA, N.A., as Syndication Agent and the other agents party thereto from time to time and (ii) a revolving credit agreement (the “Revolving Credit Agreement” and, together with the Term Loan Credit Agreement, the “Permanent Credit Agreements") among Holdco, the lenders and issuing banks from time to time party thereto, Barclays Bank plc, as Administrative Agent, HSBC Bank USA, N.A., as Syndication Agent, and the other agents party thereto from time to time. Under the Term Loan Credit Agreement, the lenders will provide Holdco with senior unsecured cash financing in two tranches. The tranche 1 loans are in the aggregate principal amount of up to $300.0 million and the tranche 2 loans are in the aggregate principal amount of up to $700.0 million. The tranche 1 loans under the Term Loan Credit Agreement mature on the second anniversary of the Transactions and the tranche 2 loans under the Term Loan Credit Agreement mature on the fifth anniversary of the Transactions. Beginning with the first full fiscal quarter after the consummation of the Transactions and each fiscal quarter thereafter, Holdco is required to repay an amount equal to 5% of the principal amount of the tranche 2 loans made on the Closing Date, with the unpaid principal amount of the tranche 2 loans outstanding due upon maturity. The Revolving Credit Agreement provides for

borrowings thereunder up to $600.0 million, including subfacilities for letters of credit and swing line facilities. The obligations of the lenders under the Revolving Credit Agreement to extend loans and letters of credit mature on the fifth anniversary of the Transactions.

The Company and certain domestic subsidiaries of the Company shall accede to the Permanent Credit Agreements as guarantors simultaneously with the consummation of the Transactions and within sixty days of the Acquisition, Elan and certain of its subsidiaries shall accede to the Permanent Credit Agreements as guarantors.

The Permanent Credit Agreements include uncommitted incremental facilities, which, subject to certain conditions, provide for additional term loans and/or revolving loans in an aggregate amount not to exceed the sum of $350.0 million.

Holdco will use the proceeds from the borrowings under the Permanent Credit Agreements to (a) repay existing

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indebtedness of the Company on or prior to 60 days following the consummation of the Transactions, (b) to finance in part the Transactions and to pay fees and expenses in connection therewith (including in connection with hedging obligations), (c) general corporate purposes and working capital, and (d) additional acquisitions.

The Closing Date of the Permanent Credit Agreements is conditioned on, among other things, the consummation of the Transactions, accession of the Company and certain subsidiaries of the Company as guarantors, and absence of certain events of defaults under the Permanent Credit Agreements. The commitments under the Term Loan Credit Agreement automatically terminate on the earlier of (a) the funding and disbursement of the loans to Holdco on the Closing Date, (b) April 29, 2014 (or if all but certain regulatory conditions under the Transaction Agreement have been completed, July 29, 2014) or (c) certain other events.

Amounts outstanding under each Permanent Credit Agreement will bear interest, at Holdco's option, either (a) at the alternate base rate (defined as the highest of (1) Administrative Agent's prime rate, (2) the federal funds rate plus 0.50% and (3) the applicable interest rate for a eurodollar loan with a one month interest period beginning on such day plus 1.00% ("eurodollar rate")) or (b) at the eurodollar rate plus, in each case, an applicable margin which shall range depending on the debt rating of Holdco. In addition, Holdco has agreed to pay a non-refundable ticking interest in an amount equal to (a) until the receipt of a publicly issued senior unsecured debt rating for Holdco by the rating agencies, 0.175% of the amount of the aggregate commitments in effect from the effective date of the Term Loan Credit Agreement, through the termination of the aggregate commitments entirely or when commitments are otherwise reduced to zero, and (b) after receipt of the credit ratings, the applicable ticking interest rate per annum through the termination of the aggregate commitments entirely or when commitments are otherwise reduced to zero. In addition to paying interest on outstanding principal under the Permanent Credit Agreements, Holdco will be required to pay a commitment fee in respect of the unutilized commitments under the Revolving Credit Agreement which shall range depending on the debt rating of Holdco. Upon the issuance of letters of credit under the Revolving Credit Agreement, Holdco will be required to pay a fronting fee, customary issuance and administrative fees and a letter of credit fee equal to the applicable margin for LIBOR borrowings under the Revolving Credit Agreement. Holdco may voluntarily prepay the loans and terminate commitments under the Permanent Credit Agreements at any time without premium or penalty.

The lenders under the Bridge Credit Agreements or the Permanent Credit Agreements or their affiliates have in the past engaged, and may in the future engage, in transactions with and perform services, including commercial banking, financial advisory and investment banking services, for Holdco, the Company and their respective affiliates in the ordinary course of business for which they have received or will receive customary fees and expenses. In addition, affiliates of certain of the lenders are providing advisory services to the Company in connection with the Merger.

The descriptions of the Transaction Agreement, the Conditions Appendix, the ERA and the Bridge Credit Agreements in this report have been included to provide information regarding their terms, do not purport to be complete and are subject to, and qualified in their entirety by reference to, the full text of the documents, which are attached hereto as Exhibits 2.1, 2.2, 2.3, 10.1 and 10.2 and are incorporated herein by reference. The Transaction Agreement, the Bridge Credit Agreements, and the Permanent Credit Agreements contain representations and warranties made by and to the parties thereto as of specific dates. The statements embodied in those representations and warranties were made only for purposes of the relevant contract between the parties thereto, were made solely for the benefit of such parties, are subject to qualifications and limitations agreement by such parties in connection with negotiating the terms of such contract, and in some cases were qualified by confidential disclosures made by such parties, which disclosures are not reflected in the relevant contract. In addition, certain representations and warranties may have been used for the purpose of allocating risk among the relevant parties rather than establishing matters as facts. None of the shareholders of the Company or Elan or any other third party should rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or conditions of the Company, Elan, Holdco or any of their respective affiliates.

During the first quarter of fiscal 2014, the Company expensed approximately $14.5 million of acquisition costs for advisory, legal and other costs in connection with the pending Elan transaction, and capitalized $32.1 million of fees related primarily to the aforementioned financing agreements.

Fiscal 2013

Fera Pharmaceuticals, LLC – On June 17, 2013, the Company acquired an ophthalmic sterile ointment and solution product portfolio from Fera Pharmaceuticals, LLC ("Fera"), a privately-held specialty pharmaceutical company, for an up-front

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cash payment of $88.4 million plus potential future contingent consideration of up to approximately $22.2 million. See Note 4 regarding the valuation of the contingent consideration. During fiscal 2013, the Company incurred $0.1 million of acquisition costs, which were expensed in operations in the fourth quarter of fiscal 2013. The acquisition of this product portfolio expanded the Company's ophthalmic offerings and position within the Rx extended topical space.

The acquisition was accounted for under the acquisition method of accounting, and the related assets acquired and liabilities assumed were recorded at fair value. The operating results for Fera were included in the Rx Pharmaceuticals segment of the Company's consolidated results of operations beginning June 17, 2013.

The preliminary allocation of the purchase price through September 28, 2013 was (in millions):

Inventory	$1.3
Goodwill	2.8
Other intangible assets - Developed product technology	107.0
Total assets acquired	111.1
Accrued customer programs	0.5
Total liabilities assumed	0.5
Net assets acquired	$110.6

The allocation of the purchase price above is considered preliminary and was based on valuation information, estimates and assumptions available at September 28, 2013. Management is still in the process of verifying data and finalizing information related to the valuation and recording of deferred income taxes and the resulting effects on the value of goodwill. As the values of certain assets and liabilities are preliminary in nature, they are subject to adjustment as additional information is obtained. The Company expects to finalize these matters within the measurement period.

Management assigned fair values to the developed product technology intangible assets through the relief from royalty method. The developed product technology assets are based on a 15-year useful life and amortized on a straight-line basis.

Velcera, Inc. – On April 1, 2013, the Company completed the acquisition of 100% of the shares of privately-held Velcera, Inc. ("Velcera") for $156.2 million, net of cash acquired. Velcera, through its FidoPharm subsidiary, is a leading companion pet health product company committed to providing consumers with best-in-class companion pet health products that contain the same active ingredients as branded veterinary products, but at a significantly lower cost. FidoPharm products, including the PetArmor® flea and tick products, are available at major retailers nationwide, offering consumers the benefits of convenience and cost savings to ensure the highest quality care for their pets. The acquisition complemented the Sergeant's business acquisition and further expanded the Company's Consumer Healthcare animal health category.

The acquisition was accounted for under the acquisition method of accounting, and the related assets acquired and liabilities assumed were recorded at fair value. During fiscal 2013, the Company had incurred $1.1 million of acquisition costs, the majority of which were expensed in operations in the third quarter of fiscal 2013. In addition, in conjunction with the acquisition, the Company incurred one-time restructuring and integration-related costs of $2.9 million and $2.7 million, respectively, both of which were expensed in operations in the fourth quarter of fiscal 2013. The Company incurred an additional $0.7 million of restructuring costs in the first quarter of fiscal 2014. See Note 15 for more information on the restructuring costs. The operating results for Velcera were included in the Consumer Healthcare segment of the Company's consolidated results of operations beginning April 1, 2013.

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During the first quarter of fiscal 2014, the Company finalized the valuation of identified intangible assets, which resulted in a $3.0 million increase in other intangible assets and a corresponding decrease in goodwill. The measurement period adjustments did not have a material impact on the Company's consolidated statements of operations, balance sheets or cash flows, and, therefore the Company has not retrospectively adjusted its financial statements. The preliminary allocation of the purchase price through September 28, 2013 was (in millions):

Cash	$18.9
Accounts receivable	6.3
Inventory	9.7
Property and equipment	0.6
Deferred income tax assets	7.9
Goodwill	62.5
Other intangible assets	135.3
Other assets	0.4
Total assets acquired	241.6
Accounts payable	6.5
Accrued expenses	4.8
Deferred income tax liabilities	48.2
Other long-term liabilities	7.0
Total liabilities assumed	66.5
Net assets acquired	$175.1

The allocation of the purchase price above is considered preliminary and was based on valuation information, estimates and assumptions available at September 28, 2013. Management is still in the process of verifying data and finalizing information related to the valuation and recording of deferred income taxes and the resulting effects on the value of goodwill. As the values of certain assets and liabilities are preliminary in nature, they are subject to adjustment as additional information is obtained. The Company expects to finalize these matters within the measurement period.

The $62.5 million of goodwill was assigned to the Consumer Healthcare segment at the time of acquisition. The purchase price in excess of the value of Velcera's net assets reflects the strategic value the Company placed on the business. Similar to the Sergeant's acquisition below, the Company believes it will benefit from the development of the animal health store brand category, an adjacent category to the Company's retail customers of its existing store brand products. Goodwill is not amortized for financial reporting or tax purposes. See Note 6 regarding the timing of the Company’s annual goodwill impairment testing.

Other intangible assets acquired in the acquisition were valued as follows (in millions):

Distribution and license agreement	$116.0
Customer relationships	8.7
Trade name and trademarks	7.6
Non-compete agreements	3.0
Total intangible assets acquired	$135.3

Management assigned fair values to the identifiable intangible assets through a combination of the excess earnings method, the relief from royalty method and the lost income method. The distribution and license agreement is based on a 10-year useful life and amortized on a proportionate basis consistent with the economic benefits derived therefrom. Customer relationships are based on a 20-year useful life and amortized on a straight-line basis. Trade name and trademarks are based on a 25-year useful life and amortized on a straight-line basis. There are three non-compete agreements, each based on a 3-year useful life and amortized on a straight-line basis.

Rosemont Pharmaceuticals Ltd. – On February 11, 2013, the Company acquired 100% of the shares of privately-held Rosemont Pharmaceuticals Ltd. ("Rosemont") for approximately $282.9 million in cash. Based in Leeds, U.K., Rosemont is a specialty and generic prescription pharmaceutical company focused on the manufacturing and marketing of oral liquid formulations. The acquisition expanded the global presence of the Company's Rx product offering into the U.K. and Europe.

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During fiscal 2013, the Company had incurred $2.0 million of acquisition costs, the majority of which were expensed in operations in the third quarter of fiscal 2013.

The acquisition was accounted for under the acquisition method of accounting, and the related assets acquired and liabilities assumed were recorded at fair value. The operating results for Rosemont were included in the Rx Pharmaceuticals segment of the Company's consolidated results of operations beginning February 11, 2013.

The preliminary allocation of the purchase price through September 28, 2013 was (in millions):

Cash	$2.1
Accounts receivable	10.6
Inventory	9.6
Property and equipment	13.1
Deferred income tax assets	0.2
Goodwill	145.9
Other intangible assets	148.2
Other assets	0.8
Total assets acquired	330.5
Accounts payable	2.6
Accrued expenses	6.5
Deferred tax liabilities	36.0
Other long-term liabilities	2.5
Total liabilities assumed	47.6
Net assets acquired	$282.9

The allocation of the purchase price above is considered preliminary and was based on valuation information, estimates and assumptions available at September 28, 2013. Management is still in the process of verifying data and finalizing information related to the valuation and recording of deferred income taxes and the resulting effects on the value of goodwill. As the values of certain assets and liabilities are preliminary in nature, they are subject to adjustment as additional information is obtained. The Company expects to finalize these matters within the measurement period.

The $145.9 million of goodwill was assigned to the Rx Pharmaceuticals segment at the time of acquisition. The purchase price in excess of the value of Rosemont's net assets reflects the strategic value the Company placed on the business. The Company believes it will benefit from the development of Rosemont's Rx product offering in the U.K. and Europe. Goodwill is not amortized for financial reporting or tax purposes. See Note 6 regarding the timing of the Company’s annual goodwill impairment testing.

Other intangible assets acquired in the acquisition were valued as follows (in millions):

Developed product technology	$114.6
In-process research and development ("IPR&D")	11.2
Trade name and trademarks	17.3
Distribution and license agreements	3.6
Non-compete agreements	1.5
Total intangible assets acquired	$148.2

Management assigned fair values to the identifiable intangible assets through a combination of the excess earnings method, the relief from royalty method and the lost income method. The developed product technology assets are based on a 7-year useful life and amortized on a straight-line basis. IPR&D assets initially recognized at fair value will

be classified as indefinite-lived assets until the successful completion or abandonment of the associated research and development efforts. An IPR&D asset is tested for impairment during the period it is considered an indefinite-lived asset. As of September 28, 2013, the IPR&D assets acquired in the acquisition have not progressed to the point of establishing developed technologies. For the trade name and trademarks, the Company concluded that there is no foreseeable limit to the period over which they would be expected to contribute to the entity's cash flows; therefore, they are considered to have an indefinite life. The distribution and license agreements are based on a 14-year useful life and amortized on a proportionate basis consistent with the economic

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benefits derived therefrom. There is one non-compete agreement based on a 3-year useful life, which is amortized on a straight-line basis.

At the time of the acquisition, a step-up in the value of inventory of $3.2 million was recorded in the opening balance sheet as assets acquired and was based on valuation estimates. The step-up in inventory value was charged to cost of sales as the acquired inventory was sold during the third and fourth quarters of fiscal 2013. In addition, fixed assets were written up by $4.9 million to their estimated fair market value based on a valuation method that included both the cost and market approaches. This additional step-up in value is being depreciated over the estimated remaining useful lives of the assets

Cobrek Pharmaceuticals, Inc. – On December 28, 2012, the Company acquired the remaining 81.5% interest of Cobrek Pharmaceuticals, Inc. ("Cobrek"), a privately-held drug development company, for $42.0 million in cash. In May 2008, the Company acquired an 18.5% minority stake in Cobrek for $12.6 million in conjunction with entering into a product development collaborative partnership agreement focused on generic pharmaceutical foam dosage form products. As of the acquisition date, the partnership had successfully yielded two commercialized foam-based products and had an additional two U.S. Food and Drug Administration ("FDA") approved foam-based products, both of which were launched in the Company's third quarter of fiscal 2013. Cobrek derives its earnings stream primarily from exclusive technology agreements. The acquisition of Cobrek further strengthened the Company's position in foam-based technologies for existing and future U.S. Rx products.

In conjunction with the acquisition, the Company adjusted the fair value of its 18.5% noncontrolling interest, which was valued at $9.5 million, and recognized a loss of $3.0 million in other expense during the second quarter of fiscal 2013. Also in conjunction with the acquisition, the Company incurred $1.5 million of severance costs in the second quarter of fiscal 2013.

During the measurement period, which ended March 30, 2013, the Company finalized deferred income taxes, which resulted in a $3.6 million increase in deferred tax assets and a corresponding decrease in goodwill. The measurement period adjustments did not have a material impact on the Company's consolidated statements of operations, balance sheets or cash flows, and, therefore the Company has not retrospectively adjusted its financial statements. The following table summarizes the final fair values of the assets acquired and liabilities assumed related to the Cobrek acquisition (in millions):

	Final Valuation
Other assets	$0.3
Deferred income tax assets	3.6
Goodwill	15.3
Other intangible assets - Exclusive technology agreements	51.1
Deferred tax liabilities	(18.8)
Total purchase price	$51.5

The total purchase price above consists of the $42.0 million cash purchase price and the $9.5 million adjusted basis of the Company's existing investment in Cobrek. The $15.3 million of goodwill was assigned to the Rx Pharmaceuticals segment at the time of acquisition. Goodwill is not amortized for financial reporting or tax purposes.

Management assigned fair values to the identifiable intangible assets by estimating the discounted forecasted cash flows related to the technology agreements. The estimated useful lives of the agreements are 12 years, and they are amortized on a proportionate basis consistent with the economic benefits derived therefrom.

Sergeant's Pet Care Products, Inc. – On October 1, 2012, the Company completed the acquisition of substantially all of the assets of privately-held Sergeant's Pet Care Products, Inc. ("Sergeant's") for $285.0 million in cash. Headquartered

in Omaha, Nebraska, Sergeant's is a leading supplier of animal health products, including flea and tick remedies, health and well-being products, natural and formulated treats, and consumable products. The acquisition expanded the Company's Consumer Healthcare product portfolio into the animal health category. During fiscal 2013, the Company had incurred approximately $2.0 million of acquisition costs, the majority of which were expensed in the first quarter of fiscal 2013.

The acquisition was accounted for under the acquisition method of accounting, and the related assets acquired and liabilities assumed were recorded at fair value. The operating results for Sergeant's were included in the Consumer Healthcare segment of the Company's consolidated results of operations beginning October 1, 2012.

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During the measurement period, which ended March 30, 2013, the Company finalized the valuation of identified intangible assets, which resulted in a $12.0 million decrease in other intangible assets and a corresponding increase in goodwill. The measurement period adjustments did not have a material impact on the Company's consolidated statements of operations, balance sheets or cash flows, and, therefore the Company has not retrospectively adjusted its financial statements. The following table summarizes the final fair values of the assets acquired and liabilities assumed related to the Sergeant's acquisition (in millions):

	Final Valuation
Accounts receivable	$19.7
Inventory	37.7
Property and equipment	25.4
Deferred income tax assets	1.5
Goodwill	80.2
Other intangible assets	135.4
Other assets	3.0
Total assets acquired	302.9
Accounts payable	13.7
Accrued expenses	4.2
Total liabilities assumed	17.9
Net assets acquired	$285.0

The $80.2 million of goodwill was assigned to the Consumer Healthcare segment at the time of acquisition. The purchase price in excess of the value of Sergeant's net assets reflects the strategic value the Company placed on the business. The Company believes it will benefit from the development of the animal health store brand category, an adjacent category to the Company's retail customers of its existing store brand products. Goodwill is not amortized for financial reporting purposes, but is amortized for tax purposes. See Note 6 regarding the timing of the Company’s annual goodwill impairment testing.

Other intangible assets acquired in the acquisition were valued as follows (in millions):

Developed product technology	$66.1
Trade name and trademarks	33.0
Favorable supply agreement	25.0
Customer relationships	10.0
Non-compete agreements	1.3
Total intangible assets acquired	$135.4

Management assigned fair values to the identifiable intangible assets through a combination of the relief from royalty method, the excess earnings method, the with or without approach and the lost income method. The developed product technology assets are based on a 10-year useful life and amortized on a straight-line basis. For the trade name and trademarks, the Company concluded that there is no foreseeable limit to the period over which they would be expected to contribute to the entity's cash flows; therefore, they are considered to have an indefinite life. The favorable supply agreement and customer relationships are based on a 7- and 20-year useful life, respectively, and amortized on a proportionate basis consistent with the economic benefits derived therefrom. There are nine non-compete agreements, eight based on a 12-month useful life and one based on a 3-year useful life, and all are amortized on a straight-line basis.

At the time of the acquisition, a step-up in the value of inventory of $7.7 million was recorded in the opening balance sheet as assets acquired and was based on valuation estimates, all of which was charged to cost of sales in the second quarter of fiscal 2013 as the acquired inventory was sold. In addition, fixed assets were written up by $6.1 million to

their estimated fair market value based on a valuation method that included both the cost and market approaches. This additional step-up in value is being depreciated over the estimated remaining useful lives of the assets.

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NOTE 3 – EARNINGS PER SHARE

A reconciliation of the numerators and denominators used in the basic and diluted earnings per share ("EPS") calculation is as follows (in millions):

	Three Months Ended	
	September 28, 2013	September 29, 2012
Numerator:		
Net income	$111.4	$105.6
Denominator:		
Weighted average shares outstanding for basic EPS	94.2	93.6
Dilutive effect of share-based awards	0.5	0.7
Weighted average shares outstanding for diluted EPS	94.7	94.3

Share-based awards outstanding that were anti-dilutive were 69 thousand and 112 thousand for the first quarter of fiscal 2014 and 2013, respectively. These share-based awards were excluded from the diluted EPS calculation.

NOTE 4 – FAIR VALUE MEASUREMENTS

Accounting Standards Codification ("ASC") Topic 820 provides a consistent definition of fair value, which focuses on exit price, prioritizes the use of market-based inputs over entity-specific inputs for measuring fair value and establishes a three-level hierarchy for fair value measurements. ASC Topic 820 requires fair value measurements to be classified and disclosed in one of the following three categories:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Either direct or indirect inputs, other than quoted prices included within Level 1, which are observable for similar assets or liabilities.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The following tables summarize the valuation of the Company’s financial instruments by the above pricing categories as of September 28, 2013, June 29, 2013, and September 29, 2012 (in millions):

	Fair Value Measurements as of September 28, 2013 Using:			
	Total as of September 28, 2013	Quoted Prices In Active Markets (Level 1)	Prices With Other Observable Inputs (Level 2)	Prices With Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$710.3	$710.3	$—	$—
Foreign currency forward contracts	7.5	—	7.5	—
Interest rate swap agreements	6.7	—	6.7	—
Funds associated with Israeli post employment benefits	17.7	—	17.7	—
Total	$742.2	$710.3	$31.9	$—

Liabilities:				
Contingent consideration	$22.2	$—	$—	$22.2
Foreign currency forward contracts	0.2	—	0.2	—
Interest rate swap agreements	26.5	—	26.5	—
Total	$48.9	$—	$26.7	$22.2

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	Fair Value Measurements as of June 29, 2013 Using:			
	Total as of June 29, 2013	Quoted Prices In Active Markets (Level 1)	Prices With Other Observable Inputs (Level 2)	Prices With Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$697.7	$697.7	$—	$—
Funds associated with Israeli post employment benefits	16.1	—	16.1	—
Foreign currency forward contracts, net	7.6	—	7.6	—
Total	$721.4	$697.7	$23.7	$—
Liabilities:				
Contingent consideration	$22.2	$—	$—	$22.2
Interest rate swap agreements	10.8	—	10.8	—
Total	$33.0	$—	$10.8	$22.2

	Fair Value Measurements as of September 29, 2012 Using:			
	Total as of September 29, 2012	Quoted Prices In Active Markets (Level 1)	Prices With Other Observable Inputs (Level 2)	Prices With Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$260.5	$260.5	$—	$—
Investment securities	6.5	—	—	6.5
Funds associated with Israeli post employment benefits	15.2	—	15.2	—
Total	$282.2	$260.5	$15.2	$6.5
Liabilities:				
Contingent consideration	$0.9	$—	$—	$0.9
Foreign currency forward contracts, net	1.5	—	1.5	—
Interest rate swap agreements	15.1	—	15.1	—
Total	$17.5	$—	$16.6	$0.9

The carrying amounts of the Company's financial instruments, consisting of cash and cash equivalents, accounts receivable, accounts payable, short-term debt and variable rate long-term debt, approximate their fair value. As of September 28, 2013, the carrying value and fair value of the Company's fixed rate long-term debt were $1,562.0 million and $1,559.0 million, respectively. As of June 29, 2013, the carrying value and fair value of the Company's fixed rate long-term debt were $1,561.9 million and $1,541.8 million, respectively. As of September 29, 2012, the carrying value and fair value of the Company's fixed rate long-term debt were $965.0 million and $1,049.0 million, respectively. Fair values were calculated by discounting the future cash flows of the financial instruments to their present value, using interest rates currently offered for borrowings and deposits of similar nature and remaining maturities. There were no transfers between Level 1 and Level 2 during the three months ended September 28, 2013. The Company's policy regarding the recording of transfers between levels is to record any such transfers at the end of the reporting period.

As of September 28, 2013, the Company had $17.7 million deposited in funds managed by financial institutions that are designated by management to cover post employment benefits for its Israeli employees. Israeli law generally requires payment of severance upon dismissal of an employee or upon termination of employment in certain other circumstances. These funds are included in the Company's long-term investments reported in other non-current assets.

The Company’s Level 2 securities values are determined using prices for recently traded financial instruments with similar underlying terms, as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

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As a result of the acquisition of Fera completed on June 17, 2013, the Company recorded a contingent consideration liability of $22.2 million on the acquisition date based upon the estimated fair value of contingent payments to the seller. These estimates include $18.0 million associated with certain contingencies on one product within the portfolio acquired, along with $4.2 million related to a 15-month indemnification period. The fair value measurements for this liability were valued using Level 3 inputs, which included estimates around probability-weighted outcomes and discount rates. During the first quarter of fiscal 2014, the Company updated the estimated fair value of the contingent consideration and determined there was no change to the initial value.

The following table presents a rollforward of the assets and liabilities measured at fair value using unobservable inputs (Level 3) at September 28, 2013 (in millions):

	Investment Securities (Level 3)	Contingent Consideration (Level 3)
Balance as of September 29, 2012	$6.5	$0.9
Unrealized gain on auction rate securities	2.1	—
Sale of auction rate securities	(8.6)	—
New Level 3 item - Fera	—	22.2
Write-off of CanAm contingent consideration	—	(0.9)
Balance as of June 29, 2013	—	22.2
Payments	—	—
Balance as of September 28, 2013	$—	$22.2

NOTE 5 – INVENTORIES

Inventories are stated at the lower of cost or market and are summarized as follows (in millions):

	September 28, 2013	June 29, 2013	September 29, 2012
Finished goods	$352.3	$333.9	$255.9
Work in process	175.7	182.4	178.2
Raw materials	193.4	187.6	164.7
Total inventories	$721.4	$703.9	$598.8

NOTE 6 – GOODWILL AND OTHER INTANGIBLE ASSETS

The Company performs its annual testing for goodwill and indefinite-lived intangible asset impairment at the beginning of the fourth fiscal quarter for all reporting units. Changes in the carrying amount of goodwill, by reportable segment, were as follows (in millions):

	Consumer Healthcare	Nutritionals	Rx Pharmaceuticals	API	Total
Balance as of September 29, 2012	$141.3	$331.7	$220.5	$86.3	$779.8
Business acquisitions	144.7	—	163.9	—	308.6
Currency translation adjustment	(6.1)	—	1.1	5.9	0.9
Balance as of June 29, 2013	279.9	331.7	385.5	92.2	1,089.3
Purchase accounting adjustments	(1.9)	—	0.1	—	(1.8)

Currency translation adjustment	3.9	—	10.4	1.8	16.1
Balance as of September 28, 2013	$281.9	$331.7	$396.0	$94.0	$1,103.6

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

	September 28, 2013		June 29, 2013		September 29, 2012	
	Gross	Accumulated Amortization	Gross	Accumulated Amortization	Gross	Accumulated Amortization
Amortizable intangibles:						
Developed product technology/formulation and product rights	$905.6	$226.6	$896.8	$204.6	$542.2	$152.6
Customer relationships	360.2	79.0	358.2	72.4	342.4	56.3
Distribution, license and supply agreements	196.2	31.1	192.7	28.9	52.6	24.9
Non-compete agreements	13.4	6.9	13.3	6.0	7.9	4.3
Trademarks	12.8	4.5	12.7	4.2	4.8	0.7
Total	1,488.2	348.1	1,473.7	316.1	949.9	238.8
Non-amortizable intangibles:						
In-process research and development	28.5	—	27.8	—	35.0	—
Trade names and trademarks	58.2	—	57.0	—	7.5	—
Total other intangible assets	$1,574.9	$348.1	$1,558.5	$316.1	$992.4	$238.8

Certain intangible assets are denominated in currencies other than the U.S. dollar; therefore, their gross and net carrying values are subject to foreign currency movements.

The Company recorded amortization expense of $29.8 million and $18.8 million for the first quarter of fiscal 2014 and 2013, respectively, for intangible assets subject to amortization. The increase in amortization expense was due primarily to the incremental amortization expense incurred on the amortizable intangible assets acquired as part of the Rosemont, Sergeant's, Cobrek and Velcera acquisitions.

Estimated future amortization expense includes the additional amortization related to recently acquired intangible assets subject to amortization. No estimate of future amortization expense related to the Elan transaction has been included in the table below (see Note 2). The estimated amortization expense for each of the following five years is as follows (in millions):

Fiscal Year	Amount
2014[(1)]	$89.9
2015	130.2
2016	140.5
2017	136.9
2018	130.0

[(1)] Reflects remaining nine months of fiscal 2014.

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NOTE 7 – INDEBTEDNESS

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

	September 28, 2013	June 29, 2013	September 29, 2012
Short-term debt:			
Foreign line of credit	$6.1	$5.0	$1.6
Current portion of long-term debt:			
Term loans	40.0	40.0	40.0
Other	1.2	1.2	—
Total	47.3	46.2	41.6
Long-term debt, less current portion:			
Term loans	360.0	360.0	360.0
Public bond	597.0	596.9	—
Senior notes	973.4	965.0	965.0
Other	5.6	5.9	4.8
Total	1,936.0	1,927.8	1,329.8
Total debt	$1,983.3	$1,974.0	$1,371.4

On October 26, 2011, the Company and certain of its subsidiaries entered into a Credit Agreement with JPMorgan Chase Bank, N.A., as Administrative Agent; Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as Syndication Agents; and certain other participant banks (the "2011 Credit Agreement"). The 2011 Credit Agreement provides for revolving loan and term loan commitments of $400.0 million each, subject to increase or decrease as specified in the 2011 Credit Agreement. The term loan commitment was funded in full on November 3, 2011 and remains outstanding as of September 28, 2013. No revolving loans were outstanding as of September 28, 2013. Revolving and term loans bear interest, at the election of the Company, at either (i) the Adjusted LIBO Rate plus the Applicable Margin or (ii) the Alternate Base Rate plus the Applicable Margin, as specified and defined in the 2011 Credit Agreement. In each case the Applicable Margin is based on the Company's Leverage Ratio from time to time, as defined in the 2011 Credit Agreement. At September 28, 2013, the weighted average interest rate of the term loan was 1.5625%. The maturity date of the term loan and the final maturity date of any revolving loan was initially November 3, 2016, subject to mandatory partial repayments of the term loan in the amount of $40.0 million on each of the first four annual anniversary dates of the funding. Such maturity dates and partial payment dates each were extended for one year pursuant to an amendment dated November 20, 2012, which is described below. The obligations under the 2011 Credit Agreement initially were guaranteed by certain subsidiaries of the Company and by a pledge of partial equity interests of certain foreign subsidiaries. In the fourth quarter of fiscal 2013, such guaranties and equity pledges subsequently were eliminated pursuant to the November 20, 2012 amendment. On November 5, 2012, the Company made a $40.0 million scheduled repayment of the term loan commitment. Subsequently, in conjunction with the November 20, 2012 amendment, the aggregate term loan commitment was restored to the original $400.0 million. Upon the occurrences of certain specified events of default, the principal amount of the term loan and any revolving loans then outstanding may be declared due and payable, together with accrued interest. The 2011 Credit Agreement contains affirmative and negative covenants that the Company believes are normal and customary for transactions of this type. The 2011 Credit Agreement has been amended three times as follows:

- On July 24, 2012, the 2011 Credit Agreement was amended to provide flexibility to the Company in managing the capital structures of certain immaterial subsidiaries. This amendment did not change the interest rate, term or amount of the revolving loan and term loan commitments.
- On November 20, 2012, the 2011 Credit Agreement was further amended to: (i) provide for the release of guaranties and collateral required by the lenders upon the Company attaining index debt ratings of BBB- from Standard and Poor's and Baa3 from Moody's, or higher ("investment grade ratings"), such ratings having subsequently been attained

on May 9, 2013, and to provide for the contingent reinstatement of such guaranties and collateral upon the Company receiving index debt ratings that are below investment grade ratings, (ii) extend the final maturity date of the term loan and any revolving loans under the 2011 Credit Agreement from November 3, 2016, to November 3, 2017, with no changes to loan pricing or other terms and conditions except the triggering events for release and reinstatement of guaranties and collateral as described above; and (iii) restore the aggregate term loan commitments to the original $400.0 million.

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- On May 6, 2013, the 2011 Credit Agreement was further amended to: (i) enhance flexibility in managing subsidiary and intercompany debt positions; (ii) eliminate the provision in the November 20, 2012 amendment for reinstatement of guaranties and collateral; and (iii) make other modifications that are normal and customary in credit agreements of companies having investment grade ratings.

The Company's India subsidiary has a term loan agreement with The Hong Kong and Shanghai Banking Corporation Ltd. ("HSBC") with a maximum limit of approximately $5.1 million, subject to foreign currency fluctuations between the Indian rupee and the U.S. dollar. The interest rate on this facility was 11.5% as of September 28, 2013, June 29, 2013 and September 29, 2012. The Company had $4.4 million, $4.6 million and $4.8 million outstanding on this line as of September 28, 2013, June 29, 2013, and September 29, 2012, respectively.

On July 3, 2013, the Company’s India subsidiary amended its short-term credit line with HSBC to increase the aggregate amount to approximately $7.7 million, subject to foreign currency fluctuations between the Indian rupee and the U.S. dollar. The interest rate on this facility was 11.7% as of September 28, 2013, and 11.5% as of both June 29, 2013 and September 29, 2012. The credit line expires after 180 days but can be extended by mutual agreement of the parties. The Company’s India subsidiary had $6.1 million, $5.0 million and $1.6 million outstanding on this line of credit as of September 28, 2013, June 29, 2013 and September 29, 2012, respectively.

As of September 28, 2013, the Company also had certain capital lease obligations totaling $2.3 million.

On May 29, 2008, the Company entered into a Master Note Purchase Agreement (“Note Agreement”) with various institutional investors providing for the issuance of senior notes by private placement on that date of 1) $75 million 5.97% Senior Notes due May 29, 2015 and 2) $125.0 million 6.37% Senior Notes due May 29, 2016 (collectively, “Series A Notes"). On April 30, 2010, the Company entered into a First Supplement to the Note Agreement (“First Supplement”) with various institutional investors providing for the issuance of senior notes by private placement on that date of 1) $115 million 4.91% Senior Notes due April 30, 2017, 2) $150 million 5.45% Senior Notes due April 30, 2020 and 3) $150 million 5.55% Senior notes dues April 30, 2022 (collectively, “Series B Notes”). On September 1, 2011, the Company entered into a Second Supplement to the Note Agreement (“Second Supplement”) with various institutional investors providing for the issuance of senior notes by private placement on September 30, 2011 of 1) $75.0 million 4.27% Senior Notes due September 30, 2021 and 2) $100.0 million 4.67% Senior Notes due September 30, 2026, and the issuance of senior notes by private placement on December 15, 2011 of $175.0 million 4.52% Senior Notes due December 15, 2023 (collectively, “Series C Notes"). The Series A Notes, Series B Notes and Series C Notes (collectively, “Senior Notes”) are subject to restrictive covenants applying to, among other things, minimum interest coverage ratio, maximum debt-to-EBITDA ratio and limitations on liens, mergers or consolidations and sales of assets. The obligations under the Senior Notes are guaranteed and secured ratably with the 2011 Credit Agreement. The Company may at any time prepay, together with applicable make-whole premiums, all or any part of the Senior Notes subject to the terms specified in the Note Agreement and must offer to prepay the Senior Notes upon a change of control (as defined in the Note Agreement). On August 30, 2013, in conjunction with the expected completion of the previously announced Elan acquisition, the Company entered into a Second Amendment and Waiver to Master Note Purchase Agreement with all institutional investors then party to the Note Agreement, the First Supplement or the Second Supplement granting the Company a limited waiver of certain provisions in the Note Agreement that could potentially be breached upon the closing of the Elan acquisition, provided the Company agreed to repay the Senior Notes in full at a make-whole premium contemporaneously with the closing of the Elan acquisition. Also, in anticipation of the acquisition of Elan, during the first quarter of fiscal 2014, the Company entered into three pay-floating interest rate swaps with a total notional amount of $425 million that hedge a portion of the Company's Senior Notes. These swaps have been designated as fair value hedges as described in Note 9. As of September 28, 2013, the Company had recorded an $8.4 million loss as an increase to the Company's Senior Notes as a result of adjusting the underlying debt to market value. See Note 9 for additional details.

On May 9, 2013, the Company completed a public offering of $600.0 million aggregate principal amount of 2.95% senior unsecured notes that will mature on May 15, 2023 (the "Bonds") with an effective yield to maturity of 3.01%.

Interest on the Bonds is payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2013. The Bonds are governed by a Base Indenture and a First Supplemental Indenture between the Company and Wells Fargo Bank, National Association, as trustee. The Bonds are the Company's unsecured and unsubordinated obligations, ranking equally in right of payment to all of the Company's existing and future unsecured and unsubordinated indebtedness. The Company received net proceeds of $593.0 million from issuance of the Bonds on May 16, 2013, after deduction of issuance costs of $3.9 million and a market discount of $3.1 million. The debt issuance costs are recorded in Other Assets and are being amortized to interest expense over the life of the Bonds using the effective interest method. The discount is being amortized to interest expense over the life of the Bonds, resulting in an effective interest rate of 3.01%. Net proceeds of the Bonds are available for general corporate purposes. The Bonds are not entitled to mandatory redemption or sinking fund payments. The Company may

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redeem the Bonds, in whole or in part, at any time and from time to time for cash at the redemption prices described in the Indenture.

Elan Financings

On July 28, 2013, Holdco, the holding company that will become the ultimate parent company of the Company and Elan as a result of the Transactions, entered into the Bridge Credit Agreements (as described in Note 2 above). The Bridge Credit Agreements provide senior unsecured financing in aggregate principal amounts up to $2.65 billion under the Debt Bridge Credit Agreement (such commitment having been reduced to $1.65 billion upon completion of the Term Loan Credit Agreement on September 6, 2013, as described below) and up to $1.7 billion under the Cash Bridge Credit Agreement. The Company and certain domestic subsidiaries shall accede to the Bridge Credit Agreements as guarantors simultaneously with the consummation of the Bridge Credit Agreements and, within 60 days of the Acquisition, Elan and certain of its subsidiaries shall accede to the Bridge Credit Agreement as guarantors. Commitments under the Bridge Credit Agreements will terminate automatically on the earlier of a) the funding and disbursement of the loans to Holdco on the Closing Date, b) April 29, 2014 (or, if all but certain regulatory conditions in the Acquisition have been completed, July 29, 2014) or c) certain other events. Amounts outstanding under each of the Bridge Credit Agreements will bear interest at Holdco’s option (a) at the alternative base rate or (b) the eurodollar rate plus, in either case, applicable margins as set forth in the Bridge Credit Agreements. Holdco also will pay a non-refundable ticking interest from July 28, 2013 in the case of the Cash Bridge Credit Agreement and from August 27, 2013 in the case of the Debt Bridge Credit Agreement, as described in the Bridge Credit Agreements. Repayment of the loans will be due 60 days after the Closing Date in the case of the Cash Bridge Credit Agreement and 360 days after the Closing Date in the case of the Debt Bridge Credit Agreement. As of September 28, 2013, no loans were outstanding under the Bridge Credit Agreements.

On September 6, 2013, Holdco entered into the Permanent Credit Agreements (as described in Note 2 above). The Permanent Credit Agreements provide senior unsecured financing in aggregate principal amounts of $1.0 billion under the Term Loan Credit Agreement (provided through tranche 1 in the amount of $300.0 million maturing as of the second anniversary of the Acquisition Closing Date and tranche 2 in the amount of $700.0 million maturing as of the fifth anniversary of the Acquisition Closing Date) and up to $600.0 million under the Revolving Credit Agreement that will expire on the fifth anniversary of the Acquisition Closing Date. Obligations of Holdco under the Permanent Credit Agreements are guaranteed by the Company, certain domestic subsidiaries of the Company and, following completion of the Elan acquisition, by Elan and certain subsidiaries of Elan. Both tranches of the Term Loan Credit Agreement will be funded as of the Acquisition Closing Date, and funding under the Revolving Credit Agreement will become available as of the the Acquisition Closing Date. Amounts outstanding under each of the Permanent Credit Agreements will bear interest at Holdco’s option (a) at the alternative base rate or (b) the eurodollar rate plus, in either case, applicable margins as set forth in the Permanent Credit Agreements. As of September 28, 2013, no loans were outstanding under the Permanent Credit Agreements.

In addition to the Company’s cash on hand, in each case, the Bridge Credit Agreements and the Term Loan Credit Agreement will be available to Holdco to finance the cash portion of the Transactions, pay fees and expenses related to the Transactions and refinance the Company’s existing indebtedness including the Bonds, the 2011 Credit Agreement and the Senior Notes.

NOTE 8 – ACCOUNTS RECEIVABLE SECURITIZATION

On July 23, 2009, the Company entered into an accounts receivable securitization program (the "Securitization Program") with several of its wholly owned subsidiaries and Bank of America Securities, LLC ("Bank of America"). The Company renewed the Securitization Program most recently on June 13, 2011, with Bank of America, as Agent, and Wells Fargo Bank, National Association ("Wells Fargo") and PNC Bank, National Association ("PNC") as Managing Agents (together, the "Committed Investors").

The Securitization Program is a three-year program, expiring June 13, 2014. During the second quarter of fiscal 2013, the Company amended the terms of the Securitization Program effectively increasing the amount the Company can borrow to $200.0 million. Under the terms of the Securitization Program, the subsidiaries sell certain eligible trade accounts receivables to a wholly owned bankruptcy remote special purpose entity ("SPE"), Perrigo Receivables, LLC. The Company has retained servicing responsibility for those receivables. The SPE will then transfer an interest in the receivables to the Committed Investors. Under the terms of the Securitization Program, Bank of America, Wells Fargo and PNC have committed $110.0 million, $60.0 million and $30.0 million, respectively, effectively allowing the Company to borrow up to a total amount of $200.0 million, subject to a Maximum Net Investment calculation as defined in the agreement. At September 28, 2013, $200.0 million was available under this calculation. The interest rate on any borrowings is based on a 30-day LIBOR plus 0.45%. In

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addition, a facility fee of 0.45% is applied to the $200.0 million commitment whether borrowed or undrawn. Under the terms of the Securitization Program, the Company may elect to have the entire amount or any portion of the facility unutilized.

Any borrowing made pursuant to the Securitization Program will be classified as debt in the Company’s condensed consolidated balance sheet. The amount of the eligible receivables will vary during the year based on seasonality of the business and could, at times, limit the amount available to the Company from the sale of these interests. The Company had no borrowings outstanding under the Securitization Program as of September 28, 2013, June 29, 2013, or September 29, 2012.

NOTE 9 – DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company utilizes derivative financial instruments to manage exposure to certain risks related to the Company's ongoing operations. The primary risks managed through the use of derivative instruments include interest rate risk and foreign currency exchange risk. The Company recognizes derivative instruments as either assets or liabilities and measures those instruments at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. For a derivative instrument designated as a fair value hedge, the gain or loss is recognized in earnings in the period of change together with the offsetting gain or loss on the hedged item attributed to the risk being hedged. For a derivative instrument designated as a cash flow hedge, the effective portion of the derivative’s gain or loss is initially reported as a component of AOCI and subsequently reclassified into earnings when the hedged exposure affects earnings. Any ineffective portion of the change in fair value is immediately recognized in earnings. For derivative instruments that are not designated as accounting hedges, changes in fair value are recognized in earnings in the period of change.

All derivative instruments are managed on a consolidated basis to efficiently net exposures and thus take advantage of any natural offsets. The absolute value of the notional amounts of derivative contracts for the Company approximated $1,679.6 million, $494.9 million and $450.7 million at September 28, 2013, June 29, 2013, and September 29, 2012, respectively. Gains and losses related to the derivative instruments are expected to be largely offset by gains and losses on the original underlying asset or liability. The Company does not use derivative financial instruments for speculative purposes.

The Company is exposed to credit loss in the event of nonperformance by the counterparties on derivative contracts. It is the Company’s policy to manage its credit risk on these transactions by dealing only with financial institutions having a long-term credit rating of “A” or better and by distributing the contracts among several financial institutions to diversify credit concentration risk. Should a counterparty default, the Company's maximum exposure to loss is the asset balance of the instrument.

Interest Rate Risk Management - The Company is exposed to the impact of interest rate changes. The Company's objective is to manage the impact of interest rate changes on cash flows and the market value of the Company's borrowings. The Company utilizes a mix of debt maturities along with both fixed-rate and variable-rate debt to manage changes in interest rates. In addition, the Company may enter into treasury-lock agreements ("T-Locks") and interest rate swap agreements on certain investing and borrowing transactions to manage its interest rate changes and to reduce its overall cost of borrowing.

Foreign Currency Exchange Risk Management - The Company conducts business in several major international currencies and is subject to risks associated with changing foreign exchange rates. The Company's objective is to reduce cash flow volatility associated with foreign exchange rate changes to allow management to focus its attention on business operations. Accordingly, the Company enters into various contracts that change in value as foreign exchange rates change to protect the value of existing foreign currency assets and liabilities, commitments and

anticipated foreign currency revenue and expenses.

Fair Value Hedges

In anticipation of the acquisition of Elan, during the first quarter of fiscal 2014, the Company entered into three pay-floating interest rate swaps with a total notional amount of $425 million that hedge a portion of the Company's Senior Notes. These swaps have been designated as fair value hedges of the Company's fixed rate debt. At September 28, 2013, the interest rate swaps and underlying fixed-rate debt were adjusted to market value, resulting in the Company recording a net hedge ineffectiveness loss of $1.7 million in other expense (income), net for the first quarter of fiscal 2014.

The Company entered into the pay-floating interest swaps to hedge the changes in the fair value of fixed-rate debt resulting from fluctuations in interest rates. These contracts are designated and qualify as fair value hedges. Accordingly, the gain or loss recorded on the pay-floating interest rate swaps is directly offset by the change in fair value of the underlying debt. Both the derivative instrument and the underlying debt are adjusted to market value at the end of each period with any resulting

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gain or loss recorded in other (income) expense, net. Any ineffective portion of the change in fair value is immediately recognized in earnings.

Cash Flow Hedges

The Company enters into derivative instruments to hedge its exposure to changes in cash flows attributable to interest rate and foreign currency fluctuations associated with certain forecasted transactions. These derivative instruments are designated and qualify as cash flow hedges. Accordingly, the effective portion of the gain or loss on the derivative instrument is reported as a component of OCI and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period during which the hedged transaction affects earnings. Any ineffective portion of the change in fair value is immediately recognized in earnings.

The Company enters into forward interest rate swaps to manage variability of expected future cash flows from changing interest rates. During the first quarter of fiscal 2014, the Company entered into forward interest rate swap agreements to hedge against changes in interest rates that could impact the Company's expected future financing of the acquisition of Elan. These swaps are designated as cash flow hedges of expected future debt issuances with a notional amount totaling $725 million. These agreements hedge the variability in future probable interest payments due to changes in the benchmark interest rate between the date the swap agreements were entered into and the expected date of future debt issuances in fiscal 2014, at which time these agreements are intended to be settled.

The Company’s foreign currency hedging program includes cash flow hedges. The Company enters into foreign currency forward contracts in order to hedge the impact of fluctuations of foreign exchange on expected future purchases and related payables denominated in a foreign currency. These forward contracts have a maximum maturity date of 15 months. In addition, the Company enters into foreign currency forward contracts in order to hedge the impact of fluctuations of foreign exchange on expected future sales and related receivables denominated in a foreign currency. These forward contracts also have a maximum maturity date of 15 months. The Company did not have any foreign currency put or call contracts as of September 28, 2013.

Economic (Non-Designated) Hedges

The Company enters into foreign currency contracts to manage its foreign exchange exposure related to intercompany financing transactions and other balance sheet items subject to revaluation that do not meet the requirements for hedge accounting treatment. Accordingly, these derivative instruments are adjusted to current market value at the end of each period through earnings. The gain or loss on these instruments is substantially offset by the remeasurement adjustment on the foreign currency denominated asset or liability. The settlement of the derivative instrument and the remeasurement adjustment on the foreign currency denominated asset or liability are both recorded in other income (expense), net at the end of each period.

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The effects of all derivative instruments on the Company's condensed consolidated balance sheets as of September 28, 2013, June 29, 2013, and September 29, 2012, and on the Company's income and OCI for the three months ended September 28, 2013, and September 29, 2012, were as follows (amounts presented exclude any income tax effects) (in millions):

Fair Values of Derivative Instruments in Condensed Consolidated Balance Sheet
(Designated as (non)hedging instruments)

	Asset Derivatives Balance Sheet Presentation	Fair Value September 28, 2013	June 29, 2013	September 29, 2012
Hedging derivatives:				
Foreign currency forward contracts	Other current assets	$6.9	$7.2	$1.6
Interest rate swap agreements	Other non-current assets	6.7	—	—
Total hedging derivatives		$13.6	$7.2	$1.6
Non-hedging derivatives:				
Foreign currency forward contracts	Other current assets	$0.6	$0.8	$0.6
Total non-hedging derivatives		$0.6	$0.8	$0.6

	Liability Derivatives Balance Sheet Presentation	Fair Value September 28, 2013	June 29, 2013	September 29, 2012
Hedging derivatives:				
Foreign currency forward contracts	Accrued liabilities	$—	$0.2	$3.5
Interest rate swap agreements	Other non-current liabilities	26.5	10.8	15.1
Total hedging derivatives		$26.5	$11.0	$18.6
Non-hedging derivatives:				
Foreign currency forward contracts	Accrued liabilities	$0.2	$0.2	$0.2
Total non-hedging derivatives		$0.2	$0.2	$0.2

Effects of Derivative Instruments on Income and OCI for the three months ended September 28, 2013, and September 29, 2012

Derivatives in Fair Value Hedge Relationships	Location and Amount of Gain/(Loss) Recognized into Income			Hedged Item in Fair Value Hedge Relationship	Location and Amount of Gain/(Loss) Recognized in Income on Related Hedged Item		
		September 28, 2013	September 29, 2012			September 28, 2013	September 29, 2012
Interest rate swap agreements	Other income (expense), net	$ 6.7	$ —	Fixed-rate debt	Other income (expense), net	$ (8.4)	$ —

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Derivatives in Cash Flow Hedging Relationships	Amount of Gain/(Loss) Recognized in OCI on Derivative (Effective Portion)		Location and Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			Location and Amount of Gain/(Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)		
	September 28, 2013	September 29, 2012		September 28, 2013	September 29, 2012		September 28, 2013	September 29, 2012
T-Locks	$—	$ —	Interest, net	$ 0.1	$ 0.1	Interest, net	$ —	$ —
Interest rate swap agreements	(15.7)	(0.4)	Interest, net	(1.3)	(1.2)	Interest, net	—	—
Foreign currency forward contracts	2.7	(0.1)	Net sales	0.7	(0.1)	Net sales	—	—
			Cost of sales	(1.0)	(1.7)	Cost of sales	(0.4)	—
			Interest, net	0.1	—			
			Other income (expense), net	1.0	(0.5)			
Total	$(13.0)	$ (0.5)		$ (0.4)	$ (3.4)		$ (0.4)	$ —

The Company also has forward foreign currency contracts that are not designated as hedging instruments and recognizes the gain/(loss) associated with these contracts in other income (expense), net. For the three months ended September 28, 2013, and September 29, 2012, the Company recorded a loss of $1.5 million and $0.2 million, respectively, related to these contracts. The net hedge result offsets the revaluation of the underlying balance sheet exposure, which is also recorded in other income (expense), net.

NOTE 10 – SHAREHOLDERS’ EQUITY

The Company issued 264 thousand and 466 thousand shares related to the exercise and vesting of share-based compensation during the first quarter of fiscal 2014 and 2013, respectively.

The Company does not currently have a common stock repurchase program, but does repurchase shares in private party transactions from time to time. Private party transactions are shares repurchased in connection with the vesting of restricted stock awards to satisfy employees' minimum statutory tax withholding obligations. During the three months ended September 28, 2013, the Company repurchased 61 thousand shares of its common stock for $7.3 million in private party transactions. During the three months ended September 29, 2012, the Company repurchased 110 thousand shares of its common stock for $12.2 million in private party transactions. All common stock repurchased by the Company becomes authorized but unissued stock and is available for reissuance in the future for general corporate purposes.

NOTE 11 – ACCUMULATED OTHER COMPREHENSIVE INCOME

Changes in the Company's AOCI balances, net of tax, for the three months ended September 28, 2013 were as follows (in millions):

	Fair value of derivative financial instruments,	Foreign currency translation adjustments	Post-retirement liability adjustments,	Total AOCI

	net of tax		net of tax	
Balance as of June 29, 2013	$(4.5)	$80.6	$0.9	$77.0
OCI before reclassifications	(10.9)	36.6	—	25.7
Amounts reclassified from AOCI	1.7	—	(0.1)	1.6
Net current-period OCI	(9.2)	36.6	(0.1)	27.3
Balance as of September 28, 2013	$(13.7)	$117.2	$0.8	$104.3

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The following table provides details about reclassifications out of AOCI for the three months ended September 28, 2013 (in millions):

Detail of AOCI Components	Amount Reclassified from AOCI	Affected Line Item in the Consolidated Statements of Income
Cash Flow Hedges (Note 9):		
T-Locks	$(0.1)	Interest, net
Interest rate swap agreements	1.3	Interest, net
Foreign currency forward contracts	(0.7)	Net sales
Foreign currency forward contracts	1.0	Cost of sales
Foreign currency forward contracts	(0.1)	Interest, net
Foreign currency forward contracts	(1.0)	Other expense (income), net
Total before tax	0.4	
Tax effect	(1.3)	Income tax expense
Net of tax	$1.7	

NOTE 12 – INCOME TAXES

The effective tax rate on income was 29.2% and 25.0% for the first quarter of fiscal 2014 and 2013, respectively. The effective tax rate for the first quarter of fiscal 2014 was unfavorably impacted by Israel tax rate changes in the amount of $1.8 million and favorably impacted by United Kingdom tax rate changes in the amount of $4.7 million as discussed further below. The effective tax rate for the first quarter of fiscal 2013 was favorably affected by a reduction in the reserves for uncertain tax liabilities, recorded in accordance with ASC Topic 740 "Income Taxes", in the amount of $7.5 million, related to various audit resolutions and statute expirations.

Foreign source income before tax for the first quarter of fiscal 2014 was 36% of pre-tax earnings, down from 41% in the same period of fiscal 2013.

In fiscal 2011, Israel enacted new tax legislation that reduced the effective tax rate to 10% for 2011 and 2012, 7% for 2013 and 2014, and 6% thereafter for certain qualifying entities that elect to be taxed under the new legislation. This legislation was rescinded as announced in the Official Gazette on August 5, 2013. The new legislation enacted a 9% rate for certain qualifying entities that elect to be taxed under the new legislation. The Company has two entities that had previously elected the new tax legislation for years after fiscal 2011. For all other entities that do not qualify for this reduced rate, the tax rate has been increased from 25% to 26.5%. These rates are applicable to the Company as of the first quarter of fiscal 2014 and have unfavorably impacted the effective tax rate in the amount of $1.8 million.

In July 2013, the United Kingdom passed legislation reducing the statutory rate to 21% and 20% effective April 1, 2014 and April 1, 2015, respectively. These rates are applicable to the Company as of the first quarter of fiscal 2014 and have favorably impacted the effective tax rate in the amount of $4.7 million.

The Company's tax rate is subject to adjustment over the balance of the fiscal year due to, among other things, income tax rate changes by governments; the jurisdictions in which the Company's profits are determined to be earned and taxed; changes in the valuation of the Company's deferred tax assets and liabilities; adjustments to estimated taxes upon finalization of various tax returns; adjustments to the Company's interpretation of transfer pricing standards, changes in available tax credits, grants and other incentives; changes in stock-based compensation expense; changes in tax laws or the interpretation of such tax laws (for example, proposals for fundamental U.S. international tax reform); changes in U.S. generally accepted accounting principles; expiration or the inability to renew tax rulings or tax holiday incentives; and the repatriation of non-U.S. earnings with respect to which the Company has not previously provided for U.S. taxes.

The total amount of unrecognized tax benefits was $129.7 million and $122.3 million as of September 28, 2013 and June 29, 2013, respectively.

The total amount accrued for interest and penalties in the liability for uncertain tax positions was $26.4 million and $24.3 million as of September 28, 2013 and June 29, 2013, respectively.

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NOTE 13 – COMMITMENTS AND CONTINGENCIES

In addition to the discussions below, the Company has pending certain other legal actions and claims incurred in the normal course of business. The Company records accruals for such contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. As of September 28, 2013, the Company has determined that the liabilities associated with certain litigation matters are probable and can be reasonably estimated. The Company has accrued for these matters and will continue to monitor each related legal issue and adjust accruals for new information and further development in accordance with ASC 450-20-25. Other than what is disclosed below, the Company considers the remainder of litigation matters to be immaterial individually and in aggregate.

Eltroxin

During October and November 2011, nine applications to certify a class action lawsuit were filed in various courts in Israel related to Eltroxin, a prescription thyroid medication manufactured by a third party and distributed in Israel by Perrigo Israel Agencies Ltd. The respondents include Perrigo Israel Pharmaceuticals Ltd. and/or Perrigo Israel Agencies Ltd., the manufacturers of the product, and various health care providers who provide health care services as part of the compulsory health care system in Israel.

The nine applications arose from the 2011 launch of a reformulated version of Eltroxin in Israel. The applications generally alleged that the respondents (a) failed to timely inform patients, pharmacists and physicians about the change in the formulation; and (b) failed to inform physicians about the need to monitor patients taking the new formulation in order to confirm patients were receiving the appropriate dose of the drug. As a result, claimants allege they incurred the following damages: (a) purchases of product that otherwise would not have been made by patients had they been aware of the reformulation; (b) adverse events to some patients resulting from an imbalance of thyroid functions that could have been avoided; and (c) harm resulting from the patients' lack of informed consent prior to the use of the reformulation.

All nine applications were transferred to one court in order to determine whether to consolidate any of the nine applications. On July 19, 2012, the court dismissed one of the applications and ordered that the remaining eight applications be consolidated into one application. On September 19, 2012, a consolidated motion to certify the eight individual motions was filed by lead counsel for the claimants. Generally, the allegations in the consolidated motion are the same as those set forth in the individual motions; however, the consolidated motion excluded the manufacturer of the reformulated Eltroxin as a respondent. Several hearing dates on whether or not to certify the consolidated application are scheduled for December 2013. As this matter is in its early stages, the Company cannot reasonably predict at this time the outcome or the liability, if any, associated with these claims.

Ramat Hovav

In March and June of 2007, lawsuits were filed by three separate groups against both the State of Israel and the Council of Ramat Hovav in connection with waste disposal and pollution from several companies, including the Company, that have operations in the Ramat Hovav region of Israel. These lawsuits were subsequently consolidated into a single proceeding in the District Court of Beer-Sheva. The Council of Ramat Hovav, in June 2008, and the State of Israel, in November 2008, asserted third party claims against several companies, including the Company. The pleadings allege a variety of personal injuries arising out of the alleged environmental pollution. Neither the plaintiffs nor the third-party claimants were required to specify a maximum amount of damages, but the pleadings allege damages in excess of $72.5 million, subject to foreign currency fluctuations between the Israeli shekel and the U.S. dollar. On January 9, 2013, the District Court of Beer-Sheva ruled in favor of the Company. On February 20, 2013, the plaintiffs filed an appeal to the Supreme Court, which has scheduled a hearing on this matter on March 26, 2014. While the Company intends to vigorously defend against these claims, the Company cannot reasonably predict at this

time the outcome or the liability, if any, associated with these claims.

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NOTE 14 – SEGMENT INFORMATION

The Company has four reportable segments, aligned primarily by type of product: Consumer Healthcare, Nutritionals, Rx Pharmaceuticals and API, along with an Other category. The accounting policies of each segment are the same as those described in the summary of significant accounting policies set forth in Note 1. The majority of corporate expenses, which generally represent shared services, are charged to operating segments as part of a corporate allocation. Unallocated expenses relate to certain corporate services that are not allocated to the segments.

	Consumer Healthcare	Nutritionals	Rx Pharmaceuticals	API	Other	Unallocated expenses	Total[(1)]
Three Months Ended September 28, 2013							
Net sales	$538.5	$129.0	$203.6	$43.2	$19.1	$—	$933.4
Operating income	$89.9	$7.7	$83.1	$22.4	$1.2	$(24.6)	$179.7
Amortization of intangibles	$5.3	$7.4	$16.2	$0.5	$0.4	$—	$29.8
Total assets	$2,508.6	$930.7	$1,669.0	$295.2	$105.3	$—	$5,508.8
Three Months Ended September 29, 2012							
Net sales	$450.4	$103.4	$162.9	$36.4	$16.6	$—	$769.8
Operating income	$79.3	$3.9	$68.5	$13.3	$0.4	$(8.8)	$156.6
Amortization of intangibles	$2.2	$7.3	$8.4	$0.5	$0.4	$—	$18.8
Total assets	$1,701.2	$959.7	$1,097.2	$267.0	$92.3	$—	$4,117.4

(1) Amounts may not cross-foot due to rounding.

NOTE 15 – RESTRUCTURING

Minnesota

During the first quarter of fiscal 2014, the Company made the decision to restructure its workforce at its Minnesota location in an effort to consolidate specific global administrative functions. As a result of this plan, the Company incurred restructuring costs of approximately $1.4 million in its Rx Pharmaceuticals segment during the first quarter of fiscal 2014 related to employee termination benefits for approximately 40 employees at its Minnesota location. The charge for employee termination benefits was included in the restructuring line of the consolidated statement of income for the first quarter of fiscal 2014. The Company expects to pay out these termination benefits during fiscal 2014. Additional restructuring costs are not expected to be material.

Velcera

In connection with the Velcera acquisition, the Company incurred restructuring costs of $2.9 million in its Consumer Healthcare segment during the fourth quarter of fiscal 2013 related to employee termination benefits for 22 employees. During the first quarter of fiscal 2014, the Company incurred additional restructuring costs of $0.7 million related to employee termination benefits. The charge for employee termination benefits was included in the restructuring line of the consolidated statement of income for the first quarter of fiscal 2014. The Company expects to pay out the remaining termination benefits in the second quarter of fiscal 2014. Additional restructuring costs are not expected to be material.

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Item 2.
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FIRST QUARTER OF FISCAL YEARS 2014 AND 2013

EXECUTIVE OVERVIEW

Perrigo Company (the "Company") traces its history back to 1887. What was started as a small local proprietor selling medicinals to regional grocers has evolved into a leading global pharmaceutical company that manufactures and distributes more than 47 billion oral solid doses and more than two billion liquid doses, as well as dozens of other product forms, each year. The Company's mission is to offer "Quality, Affordable Healthcare Products™", and it does so across a wide variety of product categories primarily in the United States ("U.S."), United Kingdom ("U.K."), Mexico, Israel and Australia, and distributes into dozens of other markets around the world, including Canada, China and Latin America.

Segments – The Company has four reportable segments, aligned primarily by type of product: Consumer Healthcare, Nutritionals, Rx Pharmaceuticals and API. In addition, the Company has an Other category that consists of the Israel Pharmaceutical and Diagnostic Products operating segment, which does not individually meet the quantitative thresholds required to be a separately reportable segment.

- The Consumer Healthcare ("CHC") segment is the world's largest store brand manufacturer of over-the-counter ("OTC") pharmaceutical products. Major product categories include analgesics, cough/cold/allergy/sinus, gastrointestinal, smoking cessation, animal health, and secondary product categories include feminine hygiene, diabetes care and dermatological care.

The CHC business markets products that are comparable in quality and effectiveness to national brand products.The cost to the retailer of a store brand product is significantly lower than that of a comparable nationally advertised brand-name product. Generally, the retailers' dollar profit per unit of store brand product is greater than the dollar profit per unit of the comparable national brand product. The retailer, therefore, can price a store brand product below the competing national brand product and realize a greater profit margin. The consumer benefits by receiving a high quality product at a price below the comparable national brand product. Therefore, the Company's business model saves consumers on their healthcare spending. The Company, one of the original architects of private label pharmaceuticals, is the market leader for consumer healthcare products in many of the geographies where it currently competes – the U.S., U.K., and Mexico – and is developing its position in Australia. The Company's market share of OTC store brand products has grown in recent years as new products, retailer efforts to increase consumer education and awareness, and economic conditions have directed consumers to the value of store brand product offerings.

- The Nutritionals segment develops, manufactures, markets and distributes store brand infant and toddler formula products, infant and toddler foods, vitamin, mineral and dietary supplement ("VMS") products, and oral electrolyte solution ("OES") products to retailers, distributors and consumers primarily in the U.S., Canada, Mexico and China. Similar to the Consumer Healthcare segment, this business markets store brand products that are comparable in quality and formulation to the national brand products. The cost to the retailer of a store brand product is significantly lower than that of a comparable nationally advertised brand-name product. The retailer, therefore, can price a store brand product below the competing national brand product yet realize a greater profit margin. All infant formulas sold in the U.S. are subject to the same regulations governing manufacturing and ingredients under the Infant Formula Act of 1980, as amended. Store brands, which offer substantial savings to consumers, must meet the same U.S. Food and Drug Administration ("FDA") requirements as the national brands. Substantially all products are developed using ingredients and

formulas comparable to those of national brand products. In most instances, packaging is designed to increase visibility of store brand products and to invite and reinforce comparison to national brand products in order to communicate store brand value to the consumer.

The Rx Pharmaceuticals segment develops, manufactures and markets a portfolio of generic prescription ("Rx") drugs primarily for the U.S. market. The Company defines this portfolio as predominantly “extended topical” and "specialty" as it encompasses a broad array of topical dosage forms such as creams, ointments, lotions, gels, shampoos, foams, suppositories, sprays, liquids, suspensions, solutions and powders. The portfolio also includes select controlled substances, injectables, hormones, oral solid dosage forms and oral liquid formulations. The strategy in the Rx Pharmaceuticals segment is to be the first to market with those new products that are exposed to less competition because they have formulations that are more difficult and costly to develop and launch (e.g., extended topicals,

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specialty solutions or products containing controlled substances). In addition, the Rx Pharmaceuticals segment offers OTC products through the prescription channel (referred to as “ORx®” marketing). ORx® products are OTC products that are available for pharmacy fulfillment and healthcare reimbursement when prescribed by a physician. The Company offers over 100 ORx® products that are reimbursable through many health plans and Medicaid and Medicare programs.

The API segment develops, manufactures and markets active pharmaceutical ingredients ("API") used worldwide by the generic drug industry and branded pharmaceutical companies. The API business identifies APIs that will be critical to its pharmaceutical customers’ future product launches and then works closely with these customers on the development processes. API development is focused on the synthesis of less common molecules for the U.S., European and other international markets. The Company is also focusing development activities on the synthesis of molecules for use in its own OTC and Rx pipeline products. This segment is undergoing a strategic platform transformation, moving certain production from Israel to the acquired API manufacturing facility in India to allow for lower cost production and to create space for other, more complex production in Israel.

In addition to general management and strategic leadership, each business segment has its own sales and marketing teams focused on servicing the specific requirements of its customer base. Each of these business segments share Research & Development, Supply Chain, Information Technology, Finance, Human Resources, Legal and Quality services, all of which are directed out of the Company’s headquarters in Allegan, Michigan.

Principles of Consolidation – The condensed consolidated financial statements include the accounts of the Company, all majority-owned subsidiaries and variable-interest entities ("VIE"). Activities related to VIEs are immaterial. All intercompany transactions and balances have been eliminated in consolidation.

Seasonality – The Company’s sales of OTC pharmaceutical products are subject to the seasonal demands for cough/cold/flu and allergy products. In addition, the Company's animal health products are subject to the seasonal demand for flea and tick products, which typically peaks during the warmer weather months. Accordingly, operating results for the three months ended September 28, 2013, are not necessarily indicative of the results that may be expected for a full fiscal year.

Consolidated Results

($ in millions)	Three Months Ended September 28, 2013		September 29, 2012		Increase/(Decrease)	% Change	
Net sales	$933.4		$769.8		$ 163.6	21	%
Gross profit	$356.3		$285.3		$ 71.0	25	%
Gross profit %	38.2	%	37.1	%	110 bps		
Operating expenses	$176.6		$128.7		$ 47.9	37	%
Operating expenses %	18.9	%	16.7	%	220 bps		
Operating income	$179.7		$156.6		$ 23.1	15	%
Operating income %	19.3	%	20.3	%	-100 bps		
Interest and other, net	$22.4		$15.8		$ 6.6	42	%
Income taxes	$45.9		$35.2		$ 10.7	30	%
Net income	$111.4		$105.6		$ 5.8	5	%

Current Quarter Results – The increase in net sales for the first quarter of fiscal 2014 was driven primarily by $64.4 million of incremental net sales attributable to acquisitions of Sergeant's, Rosemont, Fera and Velcera (the "fiscal 2013 acquisitions"), new product sales of $54 million, and an increase in sales volumes of existing products in almost all segments. First quarter fiscal 2014 gross profit also increased in line with the increase in net sales, and operating expenses included incremental expenses attributable to the fiscal 2013 acquisitions.

Further details related to current year results, including results by segment, are included below under Results of Operations.

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Elan

On July 28, 2013, the Company entered into the Transaction Agreement, under the terms of which Perrigo Company Limited (formerly known as Blisfont Limited), a company organized under the laws of Ireland (“Holdco”) will acquire Elan pursuant to the Scheme and MergerSub will merge with and into the Company, with the Company continuing as the surviving corporation of the Merger. The Transactions are subject to the satisfaction of various closing conditions, including the adoption and approval of the Transaction Agreement by the Company’s shareholders. For additional details on the Transaction Agreement and the Transactions, see the section titled “Elan Corporation plc” in Item 1 “Financial Statements” - Note 2 “Business Acquisitions” above.

On July 28, 2013, Holdco entered into the Bridge Credit Agreements, under the terms of which the lenders will provide Holdco with senior unsecured debt financing in an aggregate principal amount of up to $2.65 billion and senior unsecured cash financing in an aggregate principal amount of up to $1.7 billion. Effective September 6, 2013, Holdco terminated the $1.0 billion tranche 2 commitments under the Debt Bridge Credit Agreement. The $1.65 billion tranche 1 commitments under the Debt Bridge Credit Agreement remain outstanding.

On September 6, 2013, Holdco entered into (i) the Term Loan Credit Agreement and (ii) the Revolving Credit Agreement. Under the Term Loan Credit Agreement, the lenders will provide Holdco with senior unsecured cash financing in two tranches. The tranche 1 loans are in the aggregate principal amount of up to $300.0 million and the tranche 2 loans are in the aggregate principal amount of up to $700.0 million. The Revolving Credit Agreement provides for borrowings thereunder up to $600.0 million, including subfacilities for letters of credit and swing line facilities.

For additional details on the Bridge Credit Agreements, see the sections titled “Bridge Credit Agreements” and “Permanent Credit Agreements” in Item 1 “Financial Statements” - Note 2 above.

Events Impacting Future Results

In January 2012, a branded competitor in the OTC market began to experience certain quality issues at one of its facilities, causing it to temporarily shut down the facility. Due to this situation, the Company experienced an increase in demand for its OTC products during the second half of fiscal 2012 and full year fiscal 2013, which had a positive impact on the Consumer Healthcare segment's net sales and results of operations. At this time, the branded competitor is in the process of returning to the market with certain products. The impact on the Company's future results will largely be determined by the branded competitor's strategies regarding supply chain, manufacturing and marketing as well as the pace at which they are able to regain distribution and consumer market share, each of which may have an impact on the sales for OTC products.

Beginning in the third quarter of fiscal 2010, a branded competitor in the OTC market began to experience periodic interruptions of distribution of certain of its products in the adult and pediatric analgesic categories. These interruptions have included periods of time where supply of certain products has been suspended altogether. Due to this situation, which continued through fiscal 2013, the Company experienced an increase in demand for certain adult and pediatric analgesic products. This increased demand has generally had a positive impact on the Consumer Healthcare segment’s net sales. At this time, the branded competitor is in the process of returning to the market. The Company is considering this year-over-year impact in its forward-looking sales forecast, but cannot fully predict the extent of consumers' reacceptance of the branded products or the extent of the branded competitor's marketing activities.

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RESULTS OF OPERATIONS

Consumer Healthcare

($ in millions)	Three Months Ended September 28, 2013		September 29, 2012		Increase/(Decrease)	% Change	
Net sales	$538.5		$450.4		$ 88.1	20	%
Gross profit	$176.9		$145.8		$ 31.1	21	%
Gross profit %	32.9	%	32.4	%	50 bps		
Operating expenses	$87.0		$66.5		$ 20.5	31	%
Operating expenses %	16.2	%	14.8	%	140 bps		
Operating income	$89.9		$79.3		$ 10.6	13	%
Operating income %	16.7	%	17.6	%	-90 bps		

First quarter net sales for fiscal 2014 increased due primarily to $41.8 million of incremental sales attributable to the Sergeant's and Velcera acquisitions, an increase in sales volumes of existing products of $40.3 million, primarily in the analgesics and cough/cold categories, and new product sales of $17.2 million. Existing product sales increased due primarily to expanded distribution of existing products and strong promotional activities as compared to the prior year. These increases were partially offset by a decline of $7.1 million in sales of existing products, primarily in the contract manufacturing category, along with $2.6 million in discontinued products.

First quarter gross profit for fiscal 2014 increased due primarily to incremental gross profit attributable to the Sergeant's and Velcera acquisitions, gross profit attributable to the net increase in sales of existing products and contribution from new product sales. The first quarter fiscal 2014 gross profit percentage increased due primarily to the Sergeant's and Velcera acquisitions.

First quarter operating expenses for fiscal 2014 increased due primarily to $16.6 million of incremental operating expenses from the Sergeant's and Velcera acquisitions. In addition, administrative expenses increased due primarily to the absence of a $2.5 million indemnification settlement payment the Company received in the first quarter of fiscal 2013 in relation to its acquisition of Orion Laboratories Pty Ltd. in March 2010.

Nutritionals

($ in millions)	Three Months Ended September 28, 2013		September 29, 2012		Increase/(Decrease)	% Change	
Net sales	$129.0		$103.4		$ 25.6	25	%
Gross profit	$30.8		$25.8		$ 5.0	19	%
Gross profit %	23.9	%	25.0	%	-110 bps		
Operating expenses	$23.1		$21.9		$ 1.2	5	%
Operating expenses %	17.9	%	21.2	%	-330 bps		
Operating income	$7.7		$3.9		$ 3.8	98	%
Operating income %	6.0	%	3.8	%	220 bps		

First quarter net sales for fiscal 2014 increased due primarily to an increase in sales of existing products of $20.7 million, across all product categories, along with new product sales of $4.9 million. Existing product sales in the VMS

category increased due primarily to new customers, while sales in the infant nutritionals category increased due primarily to higher sales of infant formulas as compared to last year. First quarter fiscal 2013's existing product net sales for infant formulas were negatively impacted by a production conversion and ramp up at the Company's Vermont manufacturing facility following the installation of a new plastic container powder infant formula packaging line. As of June 2013, the Company had successfully transitioned 100% of its core items at U.S. retailer customers to the new plastic container.

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First quarter gross profit for fiscal 2014 increased due primarily to gross profit attributable to the increase in sales of existing products and contribution from new product sales. The first quarter fiscal 2014 gross profit percentage decreased due primarily to higher production variances.

First quarter operating expenses for fiscal 2014 increased due primarily to higher distribution and selling expenses as a result of the higher sales volume.

Rx Pharmaceuticals

($ in millions)	Three Months Ended September 28, 2013		September 29, 2012		Increase/(Decrease)	% Change	
Net sales	$203.6		$162.9		$ 40.7	25	%
Gross profit	$112.5		$86.7		$ 25.8	30	%
Gross profit %	55.2	%	53.2	%	200 bps		
Operating expenses	$29.4		$18.2		$ 11.2	62	%
Operating expenses %	14.4	%	11.2	%	320 bps		
Operating income	$83.1		$68.5		$ 14.6	21	%
Operating income %	40.8	%	42.0	%	-120 bps		

First quarter net sales for fiscal 2014 increased due primarily to $22.6 million of net sales from the acquisitions of Rosemont and Fera, new product sales of $14.5 million and improved pricing on select products as compared to the prior year.

First quarter gross profit for fiscal 2014 increased due primarily to incremental gross profit attributable to the Rosemont and Fera acquisitions, gross profit contribution from new products and favorable pricing dynamics on select products as compared to the prior year. The first quarter fiscal 2014 gross profit percentage increased due primarily to the Rosemont and Fera acquisitions and favorable pricing dynamics.

First quarter operating expenses for fiscal 2014 increased due primarily to $4.5 million of incremental operating expenses from the Rosemont and Fera acquisitions, a $2.5 million litigation settlement and the absence of a $2.5 million contract termination payment from a customer the Company received in the first quarter of fiscal 2013.

API

($ in millions)	Three Months Ended September 28, 2013		September 29, 2012		Increase/(Decrease)	% Change	
Net sales	$43.2		$36.4		$ 6.7	18	%
Gross profit	$29.8		$21.4		$ 8.5	40	%
Gross profit %	69.1	%	58.7	%	1,040 bps		
Operating expenses	$7.4		$8.1		$ (0.6)	(8	)%
Operating expenses %	17.1	%	22.1	%	-500 bps		
Operating income	$22.4		$13.3		$ 9.1	68	%
Operating income %	52.0	%	36.6	%	1,540 bps		

First quarter net sales for fiscal 2014 increased due primarily to $16.7 million of new product sales, which primarily relates to the U.S. launch of temozolomide as further described below, partially offset by a decrease in sales of existing products of $11.0 million. The decrease in existing product sales was due primarily to lower sales related to the post-exclusivity status of a long-standing commercial agreement (the "API Agreement") that the Company has with a customer to supply an API for use in a generic finished dosage pharmaceutical product. The Company's customer launched its product with 180-day exclusivity status in the fourth quarter of fiscal 2012. The net sales of API are highly dependent on the level of competition in the marketplace for a specific material and the ordering patterns of customers on a quarter-over-quarter basis.

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On August 12, 2013, the generic version of Temodar® (temozolomide) was launched in the U.S. market. The Company has a partnership agreement by which API will be exclusively supplied to Teva Pharmaceuticals Ltd. (“Teva”) and Teva will manufacture, market and distribute the product in the U.S. The Company and Teva share equally in the profitably of the product sold in the U.S. market. The temozolmide product was launched with 180-day exclusivity status. On or about the same date Teva launched its generic product, the brand, through Sandoz, launched an authorized generic version of Temodar®.

First quarter gross profit and gross profit percentage for fiscal 2014 increased due primarily to the U.S. launch of temozolomide discussed above. The increase in gross profit was partially offset by the lower sales contribution from the API Agreement.

First quarter operating expenses for fiscal 2014 decreased due primarily to lower administrative costs driven by lower employee-related expenses.

The Company is in the process of fine tuning its long-term strategy for its API business from primarily third party to one more focused on vertical integration of high value and more difficult-to-manufacture inputs to the Consumer Healthcare and Rx businesses in an effort to gain efficiencies and lower costs, thus increasing margins. With limited new product introductions to third party customers, the API segment revenues may decrease in the future while increasing as vertical integration sales (which will be eliminated in consolidation) will be an important component of the Company's API strategic focus. The Company will continue to seek and execute upon niche, complex differentiated new product APIs opportunistically for its overall portfolio, as well as strive to develop unique collaborations and profit share agreements between the Company's API business and pharmaceutical companies globally.

Other

The Other category consists of the Company’s Israel Pharmaceutical and Diagnostic Products operating segment, which does not individually meet the quantitative thresholds required to be a reportable segment.

	Three Months Ended			
($ in millions)	September 28, 2013	September 29, 2012	Increase/(Decrease)	% Change
Net sales	$19.1	$16.6	$ 2.5	15 %
Gross profit	$6.3	$5.5	$ 0.6	12 %
Gross profit %	32.4 %	33.4 %	-100 bps	
Operating expenses	$5.0	$5.1	$ (0.1)	(2)%
Operating expenses %	26.2 %	30.9 %	-470 bps	
Operating income	$1.2	$0.4	$ 0.8	178 %
Operating income %	6.2 %	2.6 %	360 bps	

First quarter net sales for fiscal 2014 increased due primarily to an increase in sales of existing products of $1.1 million and from favorable changes in foreign currency exchange rates of $1.1 million. First quarter gross profit for fiscal 2014 increased in line with the net sales increase. First quarter operating expenses for fiscal 2014 decreased due primarily to lower advertising expenses.

Unallocated Expenses

Unallocated expenses were comprised of certain corporate services that were not allocated to the segments. Unallocated expenses were $24.6 million for the first quarter of fiscal 2014 compared to $8.8 million for the first quarter of fiscal 2013, an increase of 178% or $15.8 million due primarily to acquisition costs incurred in connection

with the pending Elan transaction.

Interest and Other (Consolidated)

Interest expense for the first quarter was $22.1 million for fiscal 2014 and $17.2 million for fiscal 2013. Interest income was $0.7 million and $1.3 million for the first quarter of fiscal 2014 and 2013, respectively. Interest expense increased due primarily to increased borrowings related to the issuance of a $600 million public debt offering, which was completed during the fourth quarter of fiscal 2013.

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Income Taxes (Consolidated)

The effective tax rate on income was 29.2% and 25.0% for the first quarter of fiscal 2014 and 2013, respectively. The effective tax rate for the first quarter of fiscal 2014 was unfavorably impacted by Israel tax rate changes in the amount of $1.8 million and favorably impacted by United Kingdom tax rate changes in the amount of $4.7 million as discussed further below. The effective tax rate for the first quarter of fiscal 2013 was favorably affected by a reduction in the reserves for uncertain tax liabilities, recorded in accordance with ASC Topic 740 "Income Taxes", in the amount of $7.5 million, related to various audit resolutions and statute expirations.

Foreign source income before tax for the first quarter of fiscal 2014 was 36% of pre-tax earnings, down from 41% in the same period of fiscal 2013.

In fiscal 2011, Israel enacted new tax legislation that reduced the effective tax rate to 10% for 2011 and 2012, 7% for 2013 and 2014, and 6% thereafter for certain qualifying entities that elect to be taxed under the new legislation. This legislation was rescinded as announced in the Official Gazette on August 5, 2013. The new legislation enacted a 9% rate for certain qualifying entities that elect to be taxed under the new legislation. The Company has two entities that had previously elected the new tax legislation for years after fiscal 2011. For all other entities that do not qualify for this reduced rate, the tax rate has been increased from 25% to 26.5%. These rates are applicable to the Company as of the first quarter of fiscal 2014 and have unfavorably impacted the effective tax rate in the amount of $1.8 million.

In July 2013, the United Kingdom passed legislation reducing the statutory rate to 21% and 20% effective April 1, 2014 and April 1, 2015, respectively. These rates are applicable to the Company as of the first quarter of fiscal 2014 and have favorably impacted the effective tax rate in the amount of $4.7 million.

The Company's tax rate is subject to adjustment over the balance of the fiscal year due to, among other things, income tax rate changes by governments; the jurisdictions in which the Company's profits are determined to be earned and taxed; changes in the valuation of the Company's deferred tax assets and liabilities; adjustments to estimated taxes upon finalization of various tax returns; adjustments to the Company's interpretation of transfer pricing standards, changes in available tax credits, grants and other incentives; changes in stock-based compensation expense; changes in tax laws or the interpretation of such tax laws (for example, proposals for fundamental U.S. international tax reform); changes in U.S. generally accepted accounting principles; expiration or the inability to renew tax rulings or tax holiday incentives; and the repatriation of non-U.S. earnings with respect to which the Company has not previously provided for U.S. taxes.

The total amount of unrecognized tax benefits was $129.7 million and $122.3 million as of September 28, 2013 and June 29, 2013, respectively.

The total amount accrued for interest and penalties in the liability for uncertain tax positions was $26.4 million and $24.3 million as of September 28, 2013 and June 29, 2013, respectively.

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Financial Condition, Liquidity and Capital Resources

Cash and cash equivalents increased $184.6 million to $816.6 million at September 28, 2013, from $632.0 million at September 29, 2012. Working capital, including cash, increased $352.9 million to $1,623.7 million at September 28, 2013, from $1,270.8 million at September 29, 2012 due primarily to additional working capital from the Sergeant's, Rosemont and Velcera acquisitions and timing of accounts payable payments in the first quarter of fiscal 2013.
Cash and cash equivalents increased $36.7 million to $816.6 million at September 28, 2013, from $779.9 million at June 29, 2013. Working capital, including cash, increased $136.2 million to $1,623.7 million at September 28, 2013, from $1,487.5 million at June 29, 2013.
In addition to the cash and cash equivalents balance of $816.6 million at September 28, 2013, the Company had approximately $398.0 million available under its 2011 Credit Agreement revolving loan commitment and $200.0 million available under its accounts receivable securitization program described below, as well as approximately $2.3 million available under its Indian credit facilities. In connection with the Elan acquisition, on July 28, 2013, Holdco entered into the Bridge Credit Agreements, under the terms of which the lenders will provide Holdco with senior unsecured debt financing in an aggregate principal amount of up to $2.65 billion and senior unsecured cash financing in an aggregate principal amount of up to $1.7 billion. Effective September 6, 2013, Holdco terminated the $1.0 billion tranche 2 commitments under the Debt Bridge Credit Agreement. The $1.65 billion tranche 1 commitments under the Debt Bridge Credit Agreement remain outstanding. On September 6, 2013, Holdco entered into (i) the Term Loan Credit Agreement and (ii) the Revolving Credit Agreement. Under the Term Loan Credit Agreement, the lenders will provide Holdco with senior unsecured cash financing in two tranches. The tranche 1 loans are in the aggregate principal amount of up to $300.0 million and the tranche 2 loans are in the aggregate principal amount of up to $700.0 million. The Revolving Credit Agreement provides for borrowings thereunder up to $600.0 million, including subfacilities for letters of credit and swing line facilities. The Company expects Holdco to refinance and repay the bridge borrowings through new debt issuances and the use of Elan's cash on hand. In addition to the Company’s cash on hand, in each case, the Bridge Credit Agreements and the Term Loan Credit Agreement will be available to Holdco to finance the cash portion of the Transactions, pay fees and expenses related to the Transactions and refinance the Company’s existing indebtedness including the Bonds, the 2011 Credit Agreement and the Senior Notes (as defined below). In conjunction with the anticipated repayment of the Senior Notes and the Bonds, the Company expects to make contractually make-whole payments in the range of $150 million to $160 million, assuming benchmark interest rates as of September 28, 2013. These payments may materially vary due to fluctuations in market conditions up until the time the Senior Notes and Bonds are repaid. In total, after the completion of the Transactions the Company expects Holdco to have approximately $3.3 billion of new permanent debt financing in place which is expected to have a weighted average contractual interest expense of $95 million to $105 million. The contractual interest rate may materially vary due to market conditions and final permanent financing to replace the Bridge Loan Credit Agreement. Cash, cash equivalents, cash flows from operations and borrowings available under the Company’s credit facilities discussed above are expected to be sufficient to finance the known and/or foreseeable liquidity, capital expenditures, dividends, acquisitions and, to the extent authorized, share repurchases of the Company. Although the Company’s lenders have made commitments to make funds available to it in a timely fashion, if economic conditions worsen or new information becomes publicly available impacting the institutions’ credit rating or capital ratios, these lenders may be unable or unwilling to lend money pursuant to the Company’s existing credit facilities.

	Three Months Ended	
(in millions)	September 28, 2013	September 29, 2012
Net cash from operating activities	$98.7	$44.9
Net cash for investing activities	$(35.8)	$(14.8)
Net cash for financing activities	$(28.8)	$(0.2)

Year-to-date net cash provided from operating activities increased by $53.8 million due primarily to changes in working capital as compared to last year.
Year-to-date net cash used for investing activities increased by $21.0 million due primarily to higher property and equipment additions in the first quarter of fiscal 2014 compared to last year.

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Capital expenditures for facilities and equipment for fiscal 2014 were for manufacturing productivity and capacity projects and investments at newly acquired entities. Capital expenditures for fiscal 2014 are anticipated to be between $150 million to $185 million related primarily to manufacturing productivity and capacity projects and investments at newly acquired entities. The Company expects to fund these estimated capital expenditures with funds from operational cash flows or revolving credit facilities.

Year-to-date net cash used for financing activities increased $28.6 million due primarily to cash paid for deferred financing fees related to the bridge financing associated with the agreement to acquire Elan. For additional information, see the section titled “Bridge Credit Agreements” in Note 2 of of the Notes to Condensed Consolidated Financial Statements.

The Company does not currently have a common stock repurchase program, but does repurchase shares in private party transactions from time to time. Private party transactions are shares repurchased in connection with the vesting of restricted stock awards to satisfy employees' minimum statutory tax withholding obligations. During the three months ended September 28, 2013, the Company repurchased 61 thousand shares of its common stock for $7.3 million in private party transactions. During the three months ended September 29, 2012, the Company repurchased 110 thousand shares of its common stock for $12.2 million in private party transactions. All common stock repurchased by the Company becomes authorized but unissued stock and is available for reissuance in the future for general corporate purposes.

The Company paid quarterly dividends totaling $8.5 million and $7.5 million, or $0.09 and $0.08 per share, for the first quarter of fiscal 2014 and 2013, respectively. The declaration and payment of dividends, if any, is subject to the discretion of the Board of Directors and will depend on the earnings, financial condition and capital and surplus requirements of the Company and other factors the Board of Directors may consider relevant.

Accounts Receivable Securitization

On July 23, 2009, the Company entered into an accounts receivable securitization program (the "Securitization Program") with several of its wholly owned subsidiaries and Bank of America Securities, LLC ("Bank of America"). The Company renewed the Securitization Program most recently on June 13, 2011, with Bank of America, as Agent, and Wells Fargo Bank, National Association ("Wells Fargo") and PNC Bank, National Association ("PNC") as Managing Agents (together, the "Committed Investors").

The Securitization Program is a three-year program, expiring June 13, 2014. During the second quarter of fiscal 2013, the Company amended the terms of the Securitization Program effectively increasing the amount the Company can borrow to $200.0 million. Under the terms of the Securitization Program, the subsidiaries sell certain eligible trade accounts receivables to a wholly owned bankruptcy remote special purpose entity ("SPE"), Perrigo Receivables, LLC. The Company has retained servicing responsibility for those receivables. The SPE will then transfer an interest in the receivables to the Committed Investors. Under the terms of the Securitization Program, Bank of America, Wells Fargo and PNC have committed $110.0 million, $60.0 million and $30.0 million, respectively, effectively allowing the Company to borrow up to a total amount of $200.0 million, subject to a Maximum Net Investment calculation as defined in the agreement. At September 28, 2013, $200.0 million was available under this calculation. The interest rate on any borrowings is based on a 30-day LIBOR plus 0.45%. In addition, a facility fee of 0.45% is applied to the $200.0 million commitment whether borrowed or undrawn. Under the terms of the Securitization Program, the Company may elect to have the entire amount or any portion of the facility unutilized.

Any borrowing made pursuant to the Securitization Program may be classified as debt in the Company’s condensed consolidated balance sheet. The amount of the eligible receivables will vary during the year based on seasonality of the business and could, at times, limit the amount available to the Company from the sale of these interests. The Company had no borrowings outstanding under the Securitization Program as of September 28, 2013, June 29, 2013, or September 29, 2012.

Credit Facilities

On October 26, 2011, the Company and certain of its subsidiaries entered into a Credit Agreement with JPMorgan Chase Bank, N.A., as Administrative Agent; Bank of America, N.A. and Morgan Stanley Senior Funding, Inc., as Syndication Agents; and certain other participant banks (the "2011 Credit Agreement"). The 2011 Credit Agreement provides for revolving loan and term loan commitments of $400.0 million each, subject to increase or decrease as specified in the 2011 Credit Agreement. The term loan commitment was funded in full on November 3, 2011 and remains outstanding as of September 28, 2013. No revolving loans were outstanding as of September 28, 2013. Revolving and term loans bear interest, at the election of the Company, at either (i) the Adjusted LIBO Rate plus the Applicable Margin or (ii) the Alternate Base Rate plus the Applicable Margin, as specified and defined in the 2011 Credit Agreement. In each case the Applicable Margin is based on the Company's Leverage Ratio from time to time, as defined in the 2011 Credit Agreement. At September 28, 2013, the weighted average interest rate of the term loan was 1.5625%. The maturity date of the term loan and the final maturity date of any

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revolving loan was initially November 3, 2016, subject to mandatory partial repayments of the term loan in the amount of $40.0 million on each of the first four annual anniversary dates of the funding. Such maturity dates and partial payment dates each were extended for one year pursuant to an amendment dated November 20, 2012 which is described below. The obligations under the 2011 Credit Agreement initially were guaranteed by certain subsidiaries of the Company and by a pledge of partial equity interests of certain foreign subsidiaries. In the fourth quarter of fiscal 2013, such guaranties and equity pledges subsequently were eliminated pursuant to the November 20, 2012 amendment. On November 5, 2012, the Company made a $40.0 million scheduled repayment of the term loan commitment. Subsequently, in conjunction with the November 20, 2012 amendment, the aggregate term loan commitment was restored to the original $400.0 million. Upon the occurrences of certain specified events of default, the principal amount of the term loan and any revolving loans then outstanding may be declared due and payable, together with accrued interest. The 2011 Credit Agreement contains affirmative and negative covenants that the Company believes are normal and customary for transactions of this type. The 2011 Credit Agreement has been amended three times as follows:

- On July 24, 2012, the 2011 Credit Agreement was amended to provide flexibility to the Company in managing the capital structures of certain immaterial subsidiaries. This amendment did not change the interest rate, term or amount of the revolving loan and term loan commitments.
- On November 20, 2012, the 2011 Credit Agreement was further amended to: (i) provide for the release of guaranties and collateral required by the lenders upon the Company attaining index debt ratings of BBB- from Standard and Poor's and Baa3 from Moody's, or higher ("investment grade ratings"), such ratings having subsequently been attained on May 9, 2013, and to provide for the contingent reinstatement of such guaranties and collateral upon the Company receiving index debt ratings that are below investment grade ratings, (ii) extend the final maturity date of the term loan and any revolving loans under the 2011 Credit Agreement from November 3, 2016, to November 3, 2017, with no changes to loan pricing or other terms and conditions except the triggering events for release and reinstatement of guaranties and collateral as described above; and (iii) restore the aggregate term loan commitments to the original $400.0 million.
- On May 6, 2013, the 2011 Credit Agreement was further amended to: (i) enhance flexibility in managing subsidiary and intercompany debt positions; (ii) eliminate the provision in the November 20, 2012 amendment for reinstatement of guaranties and collateral; and (iii) make other modifications that are normal and customary in credit agreements of companies having investment grade ratings.

On May 29, 2008, the Company entered into a Master Note Purchase Agreement (“Note Agreement”) with various institutional investors providing for the issuance of senior notes by private placement on that date of 1) $75 million 5.97% Senior Notes due May 29, 2015 and 2) $125 million 6.37% Senior Notes due May 29, 2016 (collectively, “Series A Notes"). On April 30, 2010, the Company entered into a First Supplement to the Note Agreement (“First Supplement”) with various institutional investors providing for the issuance of senior notes by private placement on that date of 1) $115 million 4.91% Senior Notes due April 30, 2017, 2) $150 million 5.45% Senior Notes due April 30, 2020 and 3) $150 million 5.55% Senior notes dues April 30, 2022 (collectively, “Series B Notes”). On September 1, 2011, the Company entered into a Second Supplement to the Note Agreement (“Second Supplement”) with various institutional investors providing for the issuance of senior notes by private placement on September 30, 2011 of 1) $75 million 4.27% Senior Notes due September 30, 2021 and 2) $100 million 4.67% Senior Notes due September 30, 2026, and the issuance of senior notes by private placement on December 15, 2011 of $175 million 4.52% Senior Notes due December 15, 2023 (collectively, “Series C Notes"). The Series A Notes, Series B Notes and Series C Notes (collectively, “Senior Notes”) are subject to restrictive covenants applying to, among other things, minimum interest coverage ratio, maximum debt-to-EBITDA ratio and limitations on liens, mergers or consolidations and sales of assets. The obligations under the Senior Notes are guaranteed and secured ratably with the 2011 Credit Agreement. The Company may at any time prepay, together with applicable make-whole premiums, all or any part of the Senior Notes subject to the terms specified in the Note Agreement and must offer to prepay the Senior Notes upon a change of control (as defined in the Note Agreement). On August 30, 2013, in conjunction with the expected completion of the Transactions, the Company entered into a Second Amendment and Waiver to Master Note Purchase Agreement with all institutional investors then party to the Note Agreement, the First Supplement or the Second Supplement

granting the Company a limited waiver of certain provisions in the Note Agreement that could potentially be breached upon the closing of the Transactions, provided the Company agreed to repay the Senior Notes in full at a make-whole premium contemporaneously with the closing of the Transactions.

The Company's India subsidiary has a term loan agreement with The Hong Kong and Shanghai Banking Corporation Ltd. ("HSBC") with a maximum limit of approximately $5.1 million, subject to foreign currency fluctuations between the Indian rupee and the U.S. dollar. The interest rate on this facility was 11.5% as of September 28, 2013, June 29, 2013 and September 29, 2012. The Company had $4.4 million, $4.6 million and $4.8 million, outstanding on this line as of September 28, 2013, June 29, 2013, and September 29, 2012, respectively.

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On July 3, 2013, the Company's India subsidiary amended its short-term credit line with HSBC to increase the aggregate amount to approximately $7.7 million, subject to foreign currency fluctuations between the Indian rupee and the U.S. dollar. The interest rate on this facility was 11.7% as of September 28, 2013, and 11.5% as of both June 29, 2013 and September 29, 2012. The credit line expires after 180 days but can be extended by mutual agreement of the parties. The Company's India subsidiary had $6.1 million, $5.0 million and $1.6 million outstanding on this line of credit as of September 28, 2013, June 29, 2013 and September 29, 2012, respectively.

Bonds

On May 9, 2013, the Company completed a public offering of $600.0 million aggregate principal amount of 2.95% senior unsecured notes that will mature on May 15, 2023 (the "Bonds") with an effective yield to maturity of 3.01%. Interest on the Bonds is payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2013. The Bonds are governed by a Base Indenture and a First Supplemental Indenture between the Company and Wells Fargo Bank, National Association, as trustee. The Bonds are the Company's unsecured and unsubordinated obligations, ranking equally in right of payment to all of the Company's existing and future unsecured and unsubordinated indebtedness. The Company received net proceeds of $593.0 million from issuance of the Bonds on May 16, 2013, after deduction of issuance costs of $3.9 million and a market discount of $3.1 million. The debt issuance costs are recorded in Other Assets and are being amortized to interest expense over the life of the Bonds using the effective interest method. The discount is being amortized to interest expense over the life of the Bonds, resulting in an effective interest rate of 3.01%. Net proceeds of the Bonds are available for general corporate purposes. The Bonds are not entitled to mandatory redemption or sinking fund payments. The Company may redeem the Bonds, in whole or in part, at any time and from time to time for cash at the redemption prices described in the Indenture.

Elan Financings

On July 28, 2013, Holdco entered into the Bridge Credit Agreements, under the terms of which the lenders will provide Holdco with senior unsecured debt financing in an aggregate principal amount of up to $2.65 billion and senior unsecured cash financing in an aggregate principal amount of up to $1.7 billion. Effective September 6, 2013, Holdco terminated the $1.0 billion tranche 2 commitments under the Debt Bridge Credit Agreement. The $1.65 billion tranche 1 commitments under the Debt Bridge Credit Agreement remain outstanding.

On September 6, 2013, Holdco entered into (i) the Term Loan Credit Agreement and (ii) the Revolving Credit Agreement. Under the Term Loan Credit Agreement, the lenders will provide Holdco with senior unsecured cash financing in two tranches. The tranche 1 loans are in the aggregate principal amount of up to $300.0 million and the tranche 2 loans are in the aggregate principal amount of up to $700.0 million. The Revolving Credit Agreement provides for borrowings thereunder up to $600.0 million, including subfacilities for letters of credit and swing line facilities.

For additional details on the Bridge Credit Agreements, see the sections titled "Bridge Credit Agreements" and "Permanent Credit Agreements" in Item 1 "Financial Statements" - Note 2 above.

In addition to the Company's cash on hand, in each case, the Bridge Credit Agreements and the Term Loan Credit Agreement will be available to Holdco to finance the cash portion of the Transactions, pay fees and expenses related to the Transactions and refinance the Company's existing indebtedness including the Bonds, the 2011 Credit Agreement and the Senior Notes.

Credit Ratings

The Company's credit ratings on September 28, 2013 were Baa3 (stable) and BBB (negative) by Moody's Investor Service and Standard and Poor's Rating Services, respectively.

Credit rating agencies review their ratings periodically and, therefore, the credit rating assigned to the Company by each agency may be subject to revision at any time. Accordingly, the Company is not able to predict whether current credit ratings will remain as disclosed above. Factors that can affect the Company's credit ratings include changes in

operating performance, the economic environment, the Company's financial position, and changes in business strategy. If further changes in the Company's credit ratings were to occur, they could impact, among other things, future borrowing costs, access to capital markets, and vendor financing terms.

Interest Rate Swaps

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In anticipation of the acquisition of Elan, during the first quarter of fiscal 2014, the Company entered into three pay-floating interest rate swaps with a total notional amount of $425 million that hedge a portion of the Company's Senior Notes. These swaps have been designated as fair value hedges of the Company's fixed rate debt. At September 28, 2013, the interest rate swaps and underlying fixed-rate debt were adjusted to market value, resulting in the Company recording a net hedge ineffectiveness loss of $1.7 million in other expense (income), net for the first quarter of fiscal 2014.

Also during the first quarter of fiscal 2014, the Company entered into forward interest rate swap agreements to hedge against changes in interest rates that could impact the Company's expected future financing of the acquisition of Elan. These swaps are designated as cash flow hedges of expected future debt issuances with a notional amount totaling $725 million. These agreements hedge the variability in future probable interest payments due to changes in the benchmark interest rate between the date the swap agreements were entered into and the expected date of future debt issuances in fiscal 2014, at which time these agreements are intended to be settled.

Contractual Obligations

Other than the obligations related to the Elan transaction as disclosed in Note 2 of the Notes to Condensed Consolidated Financial Statements, there were no material changes in contractual obligations during the first quarter of fiscal 2014.

Critical Accounting Estimates

Determination of certain amounts in the Company’s financial statements requires the use of estimates. These estimates are based upon the Company’s historical experiences combined with management’s understanding of current facts and circumstances, and they are reviewed by the Audit Committee. Although the estimates are considered reasonable, actual results could differ from the estimates. A summary of the accounting estimates considered by management to require the most judgment and are critical in the preparation of the financial statements is provided in the Company's Annual Report on Form 10-K for the year ended June 29, 2013. During the first quarter of fiscal 2014, there have been no material changes in the accounting estimates previously disclosed.

Recently Issued Accounting Standards

See Note 1 of the Notes to Condensed Consolidated Financial Statements for information regarding recently issued accounting standards.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risk due to changes in interest rates and currency exchange rates.

Interest Rate Risk - The Company is exposed to interest rate changes primarily as a result of interest income earned on its investment of cash on hand and interest expense on borrowings used to finance acquisitions and working capital requirements.

The Company enters into certain derivative financial instruments, when available on a cost-effective basis, to hedge its underlying economic exposure related to the management of interest rate risk. See Note 9 of the Notes to Condensed Consolidated Financial Statements for further information regarding the Company’s derivative and hedging activities. Because of the use of certain derivative financial instruments and the significant amount of fixed rate debt (other than the financing agreements related to the Elan transaction), the Company believes that a fluctuation in interest rates in the near future will not have a material impact on the Company’s consolidated financial statements. These instruments are managed on a consolidated basis to efficiently net exposures and thus take advantage of any natural offsets. Derivative financial instruments are not used for speculative purposes. Gains and losses on hedging transactions are offset by gains and losses on the underlying exposures being hedged.

Foreign Exchange Risk - The Company has operations in the U.K., Israel, Mexico and Australia. These operations transact business in their local currency and foreign currencies, thereby creating exposures to changes in exchange rates. A large portion of the sales of the Company’s Israeli operations is in foreign currencies, primarily U.S. dollars and euros, while these operations incur costs in their local currency. In addition, the Company’s U.S. operations continue to expand the Company's export business, primarily in Canada, China and Europe, which is subject to fluctuations in the respective currency exchange rates relative to the U.S. dollar. Due to sales and cost structures, certain segments experience a negative impact as a result of the changes in exchange rates, while other segments experience a positive impact related to foreign currency exchange.

In addition, the Company enters into certain purchase commitments for materials which, although denominated in U.S. dollars, are linked to foreign currency valuations. These commitments generally contain a range for which the price of materials may fluctuate over time given the value of a foreign currency.

The Company monitors and strives to manage risk related to changes in foreign currency exchange rates. Exposures that cannot be naturally offset within a local entity to an immaterial amount are often hedged with foreign currency derivatives or netted with offsetting exposures at other entities. See Note 9 of the Notes to Condensed Consolidated Financial Statements for further information regarding the Company’s derivative and hedging activities. The Company cannot predict future changes in foreign currency exposure. Unfavorable fluctuations could adversely impact earnings.

See Item 7A. “Quantitative and Qualitative Disclosures about Market Risk” in the Company’s Form 10-K for the year ended June 29, 2013, for additional information regarding market risks.

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Item 4. Controls and Procedures

As of September 28, 2013, the Company's management, including its Chief Executive Officer and its Chief Financial Officer, has performed an interim review of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934. Based on that review, the Chief Executive Officer and Chief Financial Officer have concluded the Company's disclosure controls and procedures are effective in ensuring that all material information relating to the Company and its consolidated subsidiaries required to be included in the Company's periodic SEC filings would be made known to them by others within those entities in a timely manner and that no changes are required at this time.

In connection with the interim evaluation by the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the Company's internal control over financial reporting pursuant to Rule 13a-15(d) of the Securities Exchange Act of 1934, no changes during the quarter ended September 28, 2013, were identified that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

In the second, third and fourth quarters of fiscal 2013, the Company acquired Sergeant's Pet Care Products, Inc. ("Sergeant's"), Rosemont Pharmaceuticals Ltd. ("Rosemont") and Velcera, Inc. ("Velcera"), respectively (see Note 2 - Business Acquisitions for additional information). As permitted by Securities and Exchange Commission Staff interpretive guidance for newly acquired businesses, management excluded Sergeant's, Rosemont and Velcera from its interim evaluation of internal control over financial reporting as of September 28, 2013. The Company is in the process of documenting and testing these acquired businesses' internal controls over financial reporting. The Company will incorporate Sergeant's, Rosemont and Velcera into its annual report on internal control over financial reporting for its fiscal year-end 2014. As of September 28, 2013, Sergeant's, Rosemont and Velcera's total assets together represented approximately 15% of the Company's consolidated total assets. Sergeant's, Rosemont and Velcera's net sales together represented approximately 6% of the Company's consolidated net sales for the three months ended September 28, 2013.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Refer to Note 13 of the Notes to Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

The Company's Annual Report on Form 10-K filed for the fiscal year ended June 29, 2013 includes a detailed discussion of the Company's risk factors. Other than the item noted below, there have been no material changes during the first quarter of fiscal 2014 to the risk factors that were included in the Form 10-K.

Delay in Congressional passage of the fiscal year 2014 Federal Budget may delay FDA's ability to accept, review and complete its review of drug product applications, drug product submission amendments and infant formula notifications.

If the federal government is unable to approve the 2014 Federal Budget by January 15, 2014, FDA may be unable to accept, review and complete its review of drug product applications, drug product submission amendments and infant formula notifications. FDA's delayed acceptance and review of product-related submissions could have a material adverse effect on the Company's business, impeding the Company's ability to launch new products or implement changes to existing products. The Company may not go to market until the FDA has completed its review of these documents.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds (in thousands, except per share amounts)

The Company does not currently have a common stock repurchase program, but does repurchase shares in private party transactions from time to time. Private party transactions are shares repurchased in connection with the vesting of restricted stock awards to satisfy employees' minimum statutory tax withholding obligations. All common stock repurchased by the Company becomes authorized but unissued stock and is available for reissuance in the future for general corporate purposes.

The table below lists the Company's repurchases of shares of common stock during its most recently completed quarter:

Fiscal 2014	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Value of Shares Available for Purchase
				$—
June 30 to August 3	2	$128.29	—	$—
August 4 to August 31	59	$119.04	—	$—
September 1 to September 28	—	$—	—	$—
Total	61		—	

(1) Private party transactions accounted for all purchases from June 30 to August 31.

Item 4. Mine Safety Disclosures.

Not applicable.

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Item 6. Exhibits

Exhibit Number	Description
2.1	Transaction Agreement, dated as of July 28, 2013, among Perrigo, Elan, Blisfont Limited, Habsont Limited and Leopard Company, incorporated by reference from Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on July 29, 2013.
2.2	Part A of Appendix I to Rule 2.5 Announcement (Conditions to the Implementation of the Scheme and the Acquisition), incorporated by reference from Exhibit 2.2 to the Registrant's Current Report on Form 8-K filed on July 29, 2013.
2.3	Expenses Reimbursement Agreement, dated as of July 28, 2013, between Perrigo and Elan, incorporated by reference from Exhibit 2.3 to the Registrant's Current Report on Form 8-K filed on July 29, 2013.
10.1	Debt Bridge Credit Agreement, dated as of July 28, 2013, among Blisfont Limited, the lenders from time to time party thereto, HSBC Bank USA, N.A., as Syndication Agent, and Barclays Bank plc, as Administrative Agent, incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 29, 2013.
10.2	Cash Bridge Credit Agreement, dated as of July 28, 2013, by and among Blisfont Limited, the lenders from time to time party thereto, HSBC Bank USA, N.A., as Syndication Agent, and Barclays Bank plc, as Administrative Agent, incorporated by reference from Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on July 29, 2013.
31	Rule 13a-14(a) Certifications.
32	Section 1350 Certifications.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

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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.

	PERRIGO COMPANY (Registrant)
Date: November 4, 2013	By: /s/ Joseph C. Papa Joseph C. Papa Chairman, President and Chief Executive Officer
Date: November 4, 2013	By: /s/ Judy L. Brown Judy L. Brown Executive Vice President and Chief Financial Officer (Principal Accounting and Financial Officer)

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