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Filing under Rule 425 under the Securities Act
of 1933 and deemed filed under Rule 14a-12 of
the Securities Exchange Act of 1934

Filed by: Pershing Square Capital Management, L.P.
Subject Company: Valeant Pharmaceuticals International, Inc.
SEC File No. of Valeant Pharmaceuticals International, Inc.: 001-14956

The Outsider

Perspectives from Allergan's Largest Shareholder

Pershing Square Capital Management, L.P.

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Disclaimer

ADDITIONAL INFORMATION

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities. This communication relates to a proposal which Valeant Pharmaceuticals International, Inc. ("Valeant") has made for a business combination transaction with Allergan, Inc. ("Allergan"). In furtherance of this proposal and subject to future developments, Pershing Square Capital Management, L.P. ("Pershing Square") and Valeant (and, if a negotiated transaction is agreed, Allergan) may file one or more registration statements, proxy statements or other documents with the U.S. Securities and Exchange Commission (the "SEC"). This communication is not a substitute for any proxy statement, registration statement, prospectus or other document Pershing Square, Valeant and/or Allergan may file with the SEC in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS OF VALEANT AND ALLERGAN ARE URGED TO READ THE PROXY STATEMENT(S), REGISTRATION STATEMENT, PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Any definitive proxy statement(s) (if and when available) will be mailed to stockholders of Allergan and/or Valeant, as applicable. Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC by Pershing Square and/or Valeant through the web site maintained by the SEC at http://www.sec.gov.

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This presentation contains forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding Valeant's offer to acquire Allergan, Valeant's financing of the proposed transaction, Valeant's or Allergan's expected future value and performance (including expected results of operations and financial guidance), and the combined company's future financial condition, operation results, strategy and plans. Forward-looking statements may be identified by the use of the words "anticipates," "expects," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," "target," "opportunity," "tentative," "positioning," "designed," "create," "predict," "project," "seek," "ongoing," "upside," "increases" or "continue" and variations or similar expressions and include but are not limited to beliefs expressed regarding future performance. These statements are based upon the current expectations and beliefs of Pershing Square and are subject to numerous assumptions, risks and uncertainties that change over time and could cause actual results to differ materially from those described in the forward-looking statements. These assumptions, risks and uncertainties include, but are not limited to, assumptions, risks and uncertainties discussed in Valeant's and/or Allergan's most recent annual or quarterly reports filed with the SEC and the Canadian Securities Administrators (the "CSA") and assumptions, risks and uncertainties relating to the proposed merger, as detailed from time to time in Valeant's filings with the SEC and the CSA. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this presentation are set forth in other reports or documents that Valeant and/or Allergan file from time to time with the SEC or the CSA, and include, but are not limited to:

- the ultimate outcome of any possible transaction between Valeant and Allergan, including the possibilities that Valeant will not pursue a transaction with Allergan and that Allergan will reject a transaction with Valeant;
- if a transaction between Valeant and Allergan were to occur, the ultimate outcome and results of integrating the operations of Valeant and Allergan, the ultimate outcome of Valeant's pricing and operating strategy applied to Allergan and the ultimate ability to realize synergies;
- the effects of the business combination of Valeant and Allergan, including the combined company's future financial condition, operating results, strategy and plans
- the effects of governmental regulation on Valeant's and Allergan's business or potential business combination transaction;
- ability to obtain regulatory approvals and meet other closing conditions to the transaction, including all necessary stockholder approvals, on a timely basis;
- Valeant's and Allergan's ability to sustain and grow revenues and cash flow from operations in their respective markets and to maintain and grow their respective customer bases, the need for innovation and the related capital expenditures and the unpredictable economic conditions in the United States and other markets;
- the impact of competition from other market participants;
- the development and commercialization of new products;
- the availability and access, in general, of funds to meet Valeant's and Allergan's debt obligations prior to or when they become due and to fund their operations and necessary capital expenditures, either through (i) cash on hand, (ii) free cash flow, or (iii) access to the capital or credit markets;
- Valeant's and Allergan's ability to comply with all covenants in their respective indentures and credit facilities any violation of which, if not cured in a timely manner, could trigger a default of their respective other obligations under cross-default provisions; and
- the risks and uncertainties detailed by Valeant and Allergan with respect to their respective businesses as described in their respective reports and documents filed with the SEC.

All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. Readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak only as of the date hereof. None of Pershing Square or any of its affiliates or associates, or any of their respective directors, officers, employees, agents, shareholders or advisors undertakes any obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes.

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Platform Value

In this presentation, we have attempted to value an asset of Val-gan, which we refer to as its “Platform Value”. Considerations in valuating this asset include management’s ability to (1) identify new acquisitions, (2) execute those acquisitions on reasonable terms, and (3) integrate them effectively.

There is always a risk that acquisitions may be too difficult to accomplish or otherwise be unsuccessful

We are not aware of any recognized authority for valuing Platform Value, but we believe that the market should assign value to Platform Value. It is possible that the market will not assign any Platform Value to Valeant or Val-gan. And if so, the estimates and projections of Platform Value we provide will be inapplicable.

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Introduction to Pershing Square

- Pershing Square manages approximately $13 billion in capital
  - Concentrated, research-intensive, value investor
  - We seek to own high-quality businesses, often with a catalyst to unlock value
  - Pershing Square has a track record as an active, long-term, value-creating shareholder
    - Our target holding period for our active investments is generally four to six years
  - Pershing Square owns a 9.7% stake in Allergan

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Pershing Square Investment Criteria

Pershing Square likes businesses with the following qualities:

- ✓ Durable products/brands
- ✓ Predictable financial results
- ✓ Superior long-term growth in free cash flow per share
- ✓ Shareholder-friendly capital allocation

Representative Holdings

P&G
BURGER KING
KRAFT
CANADIAN PACIFIC
Beam
GGP

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We Have Not Previously Invested in a Pharmaceutical Company

The traditional pharmaceutical company's products are not durable, and growth is not predictable

- × Patent cliffs for major products
- × Huge investments in high-risk, low-return R&D to replace off-patent drugs
- × Price pressure in many segments
- × Bloated overhead and cost structures
- × Value-destroying acquisitions

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Why Valeant is Unique

Valeant is a specialty pharmaceutical company that fits our investment criteria

- ✓ Durable products/brands
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- ✓ Culture of cost discipline and operational excellence
- ✓ Shareholder-friendly capital allocation

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Why Valeant is Unique
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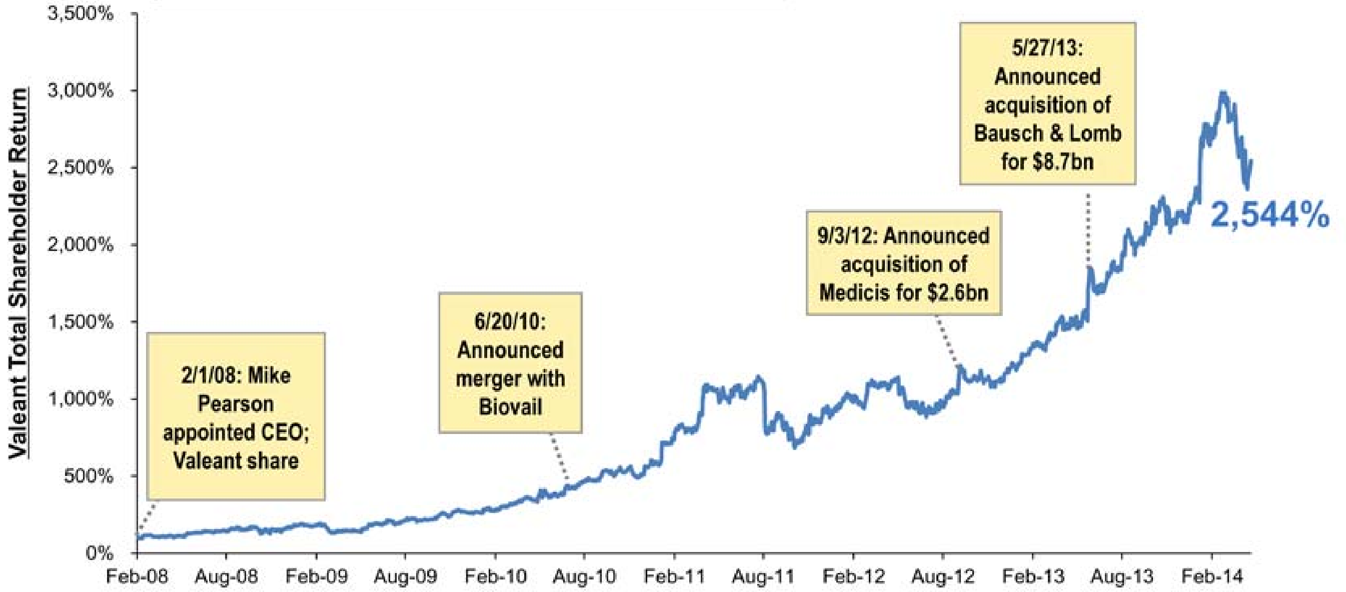
Valeant TSR Under Mike Pearson's Leadership

An investment in Valeant shares on the day Mike Pearson became CEO has appreciated 25x in six years including dividend reinvestment

Valeant total shareholder return from 2/1/2008 to 4/21/2014



Note: Chart shows the total shareholder return for an investment in Valeant Pharmaceuticals International, the entity that merged into Biovail Corporation on September 28, 2010. Subsequent to this transaction, Biovail Corporation changed its name to Valeant Pharmaceuticals International, Inc. Chart assumes that the special dividend of $16.77 paid to legacy Valeant shareholders at closing of the merger and the special dividend of $1.00 paid to new Valeant shareholders on December 22, 2010 were both immediately reinvested in new Valeant (fka Biovail) common stock.

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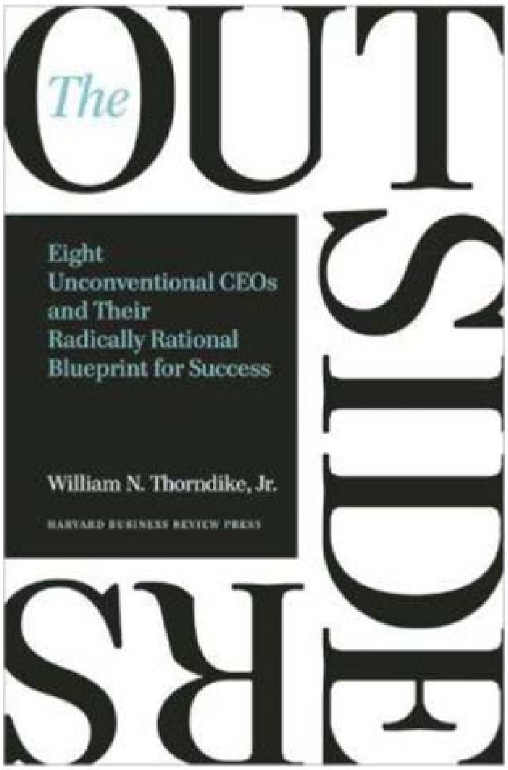
The Outsiders:
Eight Unconventional CEOs and Their Radically Rational Blueprint for Success



- **Warren Buffett, *Berkshire Hathaway***
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The Outsiders' Principles remind us of Valeant

- "Capital allocation is a CEO's most important job"
- "What counts in the long run is the increase in per-share value, not overall growth or size"
- "Cash flow, not reported earnings, is what determines long-term value"
- "Decentralized organizations release entrepreneurial energy and keep both costs and 'rancor' down"
- "Independent thinking is essential to long-term success, and interactions with outside advisers (Wall Street, the press, etc.) can be distracting and time-consuming"
- "Sometimes, the best investment opportunity is your own stock"
- "With acquisitions, patience is a virtue… as is occasional boldness"

The CEOs chronicled in *The Outsiders* produced returns of over 20x the S&P 500 and over 7x their respective peer groups

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Mike Pearson is an Outsider CEO

"These eight CEOs were not charismatic visionaries, nor were they drawn to grandiose strategic pronouncements. They were practical and agnostic in temperament, and they systematically tuned out the noise of conventional wisdom by fostering a certain simplicity of focus, a certain asperity in their cultures and their communications."

"Each ran a highly decentralized organization; made at least one very large acquisition; developed unusual, cash flow-based metrics; and bought back a significant amount of stock. None paid meaningful dividends… All received the same combination of derision, wonder, and skepticism from their peers and the business press. All also enjoyed eye-popping, credulity-straining performance over very long tenures…"

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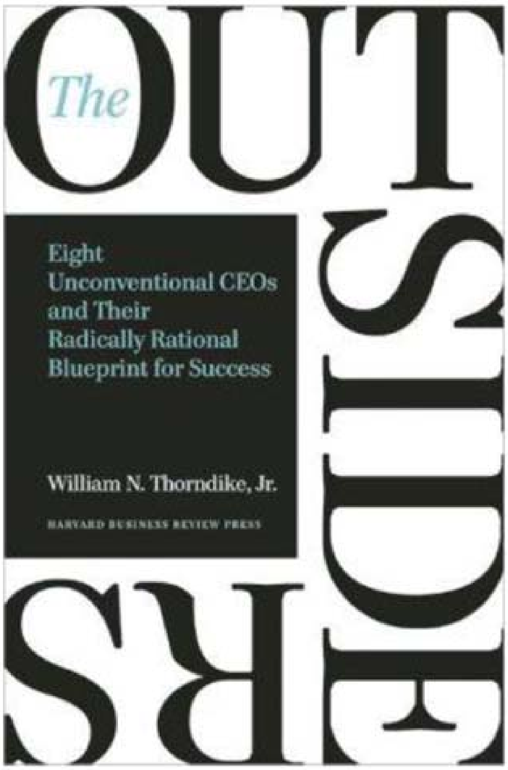

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Presentation Summary

I. Why We Like Valeant's Business Model

- ✓ Durable Products and Cash Flows
- ✓ Growing Markets & Categories
- ✓ R&D and Acquisition Strategy
- ✓ Superior Operating Model
- ✓ Organic Growth
- ✓ Shareholder-Oriented Culture and Incentive Structure

II. Accounting Considerations

III. How We Evaluate the Transaction

- ✓ Valuing "Val-gan"
- ✓ Platform Value

IV. Summary

V. Appendix

I. Why We Like Valeant's Business Model

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Pershing Square Due Diligence on Valeant

In the four months since our initial contact with Valeant, we have performed significant due diligence on the company

- **Reviewed public company information for Valeant and Allergan**
- **On February 9th, 2014 we executed a confidentiality agreement with Valeant, which allowed us to conduct substantial due diligence**
  - In-person meeting with board of directors
  - Extensive management interviews
  - Selective local due diligence at the country level
  - Review of parent and regional business plans
  - Review of historical and projected organic growth by business unit and region
  - Review of business development pipeline
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Why We Like Valeant

Durable Products and Cash Flows	Growth	Shareholder-Friendly Capital Allocation
✓ Low % of products with patent cliffs	✓ High-growth categories	✓ Lower-risk, higher-return R&D
✓ Low product concentration risk	✓ High-growth geographies	✓ Platform for accretive acquisitions
✓ Lower price and reimbursement risk	✓ New products	✓ Share buybacks

Superior Operating Model

- ✓ **Highly decentralized**
  - Local managers determine product mix, pricing & distribution strategy
  - Culture of cost efficiency
- ✓ **Management incentives aligned with shareholders**

Management is focused on creating shareholder value

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William F. Doyle

Senior Advisor, Pershing Square Capital Management, L.P.

- Massachusetts Institute of Technology; SB Engineering, 1984
- Harvard Business School; MBA, 1992 – Section H with Bill Ackman
- McKinsey & Company; 1992-1995 – Worked with Mike Pearson
  - *Global Healthcare Group*
- Johnson & Johnson; 1995-2000 – Retained Mike Pearson
  - *Group Operating Committee, OTC Pharmaceutical & Medical Device Group*
  - *V.P. for licensing & acquisitions and medical device R&D*
  - *Board of Directors, Johnson & Johnson Development Corp.*
- WFD Ventures LLC; 2002-present
  - *Managing Director*
  - *Venture capital investments in medical device and specialty pharmaceutical sectors*

Durable Products and Cash Flows

21 Durable Products and Cash Flows

“Patent Cliff” vs. “Durable” Drugs/Medical Devices

- **Patent Cliff Products**
  - A patent provides a legal monopoly to the inventor of a drug or medical device for a limited period of time
  - During the period of patent exclusivity (usually 20 years from the filing of the patent application), superior profit margins are possible (and necessary to recoup the cost of developing the drug/device)
  - On the day the patent expires (the “patent cliff”), low-cost, generic products can enter the market. If generics enter, sales of more expensive, previously patented products usually decline substantially
- **Durable Products**
  - Do not depend on the legal monopoly afforded by patents for their market position
  - Similar to consumer packaged goods

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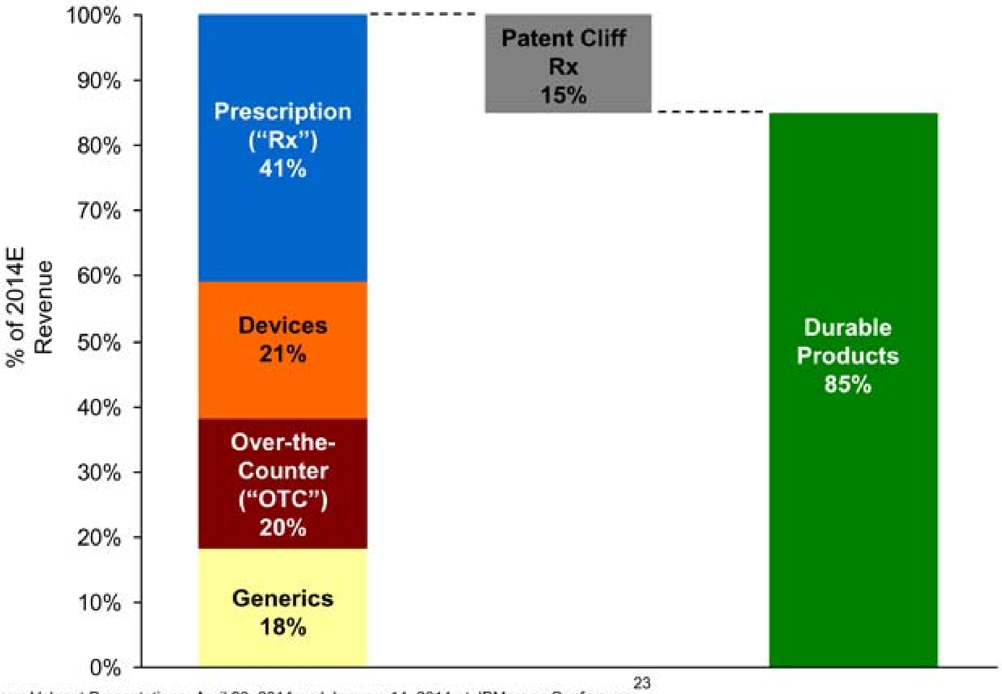
“Patent Cliff” vs. “Durable” Drugs/Medical Devices

The Vast Majority of Valeant's Revenue is Durable

Durable healthcare products are more comparable to high-margin consumer products than to traditional, patented pharma products



Source: Valeant Presentations, April 22, 2014 and January 14, 2014 at JPMorgan Conference

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0%10%20%30%40%50%60%70%80%90%100%
The Vast Majority of Valeant's Revenue is Durable
% of 2014E Revenue
Over-the-Counter ("OTC") 20%
Devices 21%
Generics 18%
Prescription ("Rx") 41%
Patent Cliff Rx 15%
Durable Products 85%
23
Durable healthcare products are more comparable to high-margin consumer products than to traditional, patented pharma products

The Majority of Prescription Drug Revenue is Durable

- **Prescription (“Rx”) revenues are expected to be 41% of total 2014 revenues**
- **~60% of Rx revenues (~26% of total) are durable:**
  - Already off-patent
    - *Example: Efudex*
  - Too small to attract generic entrants
    - *Example: Tetrix*
  - Difficult to manufacture
    - *Example: Retisert*
  - Generics not physiologically equivalent
    - *Example: Wellbutrin XL*
  - Strong brands with patient/doctor loyalty
    - *Example: Obagi Hydroquinone*

Source: Company Presentation, April 22, 2014.

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Prescription (“Rx”) revenues are expected to be 41% of total 2014 revenues
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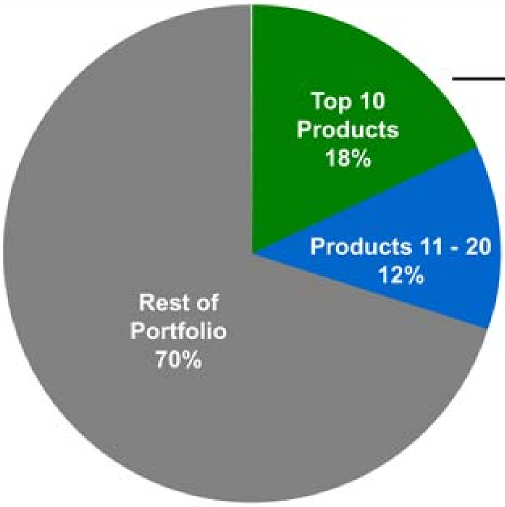
Example: Wellbutrin XL
Strong brands with patient/doctor loyalty
Example: Obagi Hydroquinone
The Majority of Prescription Drug Revenue is Durable
Source: Company Presentation, April 22, 2014.

Valeant has Low Product Concentration Risk

Unlike most traditional pharmaceutical companies, Valeant has a highly diversified product portfolio minimizing product concentration risk

Revenue Contribution by Products 2014E



The top 10 products of Merck and Pfizer represent ~50% of revenues

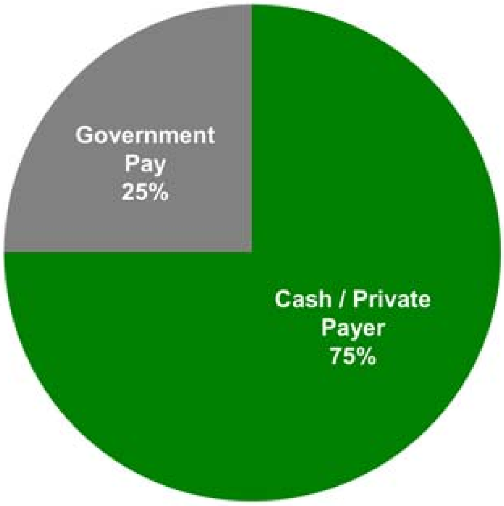
Source: Company presentation January 14, 2014 at JPMorgan Conference 25

Valeant has Low Product Concentration Risk
Unlike most traditional pharmaceutical companies, Valeant has a highly diversified product portfolio minimizing product concentration risk
Top 10 Products 18%
Products 11 - 20 12%
Rest of Portfolio 70%
Revenue Contribution by Products 2014E
The top 10 products of Merck and Pfizer represent ~50% of revenues
Source: Company presentation January 14, 2014 at JPMorgan Conference

Valeant has Lower Price and Reimbursement Risk

Valeant's products are predominantly cash-pay or reimbursed by private insurers

Revenue Contribution by Payer 2014E



Source: Company presentation January 14, 2014 at JPMorgan Conference

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26
Valeant has Lower Price and Reimbursement Risk
Valeant's products are predominantly cash-pay or reimbursed by private insurers
Cash / Private Payer
Government Pay 25%
Revenue Contribution by Payer 2014E
Source: Company presentation January 14, 2014 at JPMorgan Conference

Growing Markets & Categories

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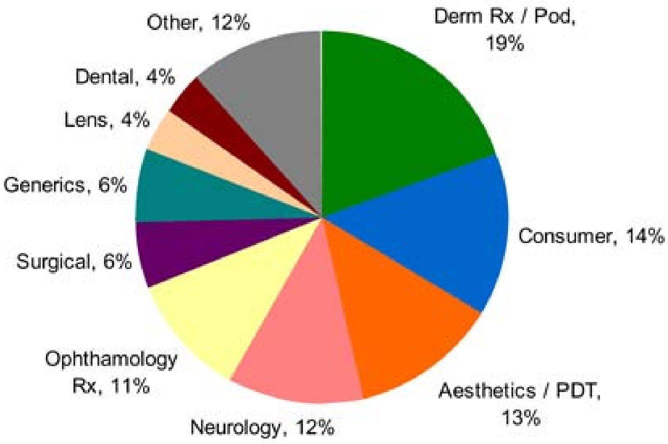
Growing Markets & Categories

Categories with Attractive Growth Drivers

Valeant U.S. Category Mix (2014E)



- **Growing faster than global pharma market**
- **Doctors or patients make product choices**
- **Receptive to new products and line extensions**
- **Cash-pay or reimbursed through private insurance**

Source: Valeant Internal Documents. Management Interviews

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Derm Rx / Pod, 19%Consumer, 14%Aesthetics / PDT, 13%Neurology, 12%Ophthamology Rx, 11%Surgical, 6%Generics, 6%Lens, 4%Dental, 4%Other, 12%
Categories with Attractive Growth Drivers
Source: Valeant Internal Documents. Management Interviews

International, Not Global

Valeant executes product mix, distribution, and promotional strategies to drive growth in attractive geographies

	U.S./ Canada	Western Europe	Japan	Eastern Europe	Latin America	China	Emerging Asia	India
Patented Prescription	●			●			●	
Durable Prescription	●	●		●	●		●	
Over-the-Counter	●	●	●	●	●	●	●	●
Branded Generic	●			●	●	●	●	
Generic	●				●			
Devices	●	●	●	●	●	●	●	●

~30% of 2014 estimated sales are in emerging markets

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Source: Company Presentation, April 22, 2014. Management interviews.

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International, Not Global
U.S./Canada
Western Europe
Japan
Eastern Europe
Latin America
China
Emerging Asia
India
Patented Prescription
Durable Prescription
Over-the-Counter
Branded Generic
Generic
Devices
Valeant executes product mix, distribution, and promotional strategies to drive growth in attractive geographies
~30% of 2014 estimated sales are in emerging markets
Source: Company Presentation, April 22, 2014. Management interviews.

Industry-Leading New Product Launch Program

- **United States**
  - 19 planned product launches in 2014
  - Estimated new-product peak sales of $1.3bn to $2.3bn
- **Emerging Markets**
  - More than 300 product launches planned in 2014

Source: Company Presentation, April 22, 2014.

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Emerging Markets
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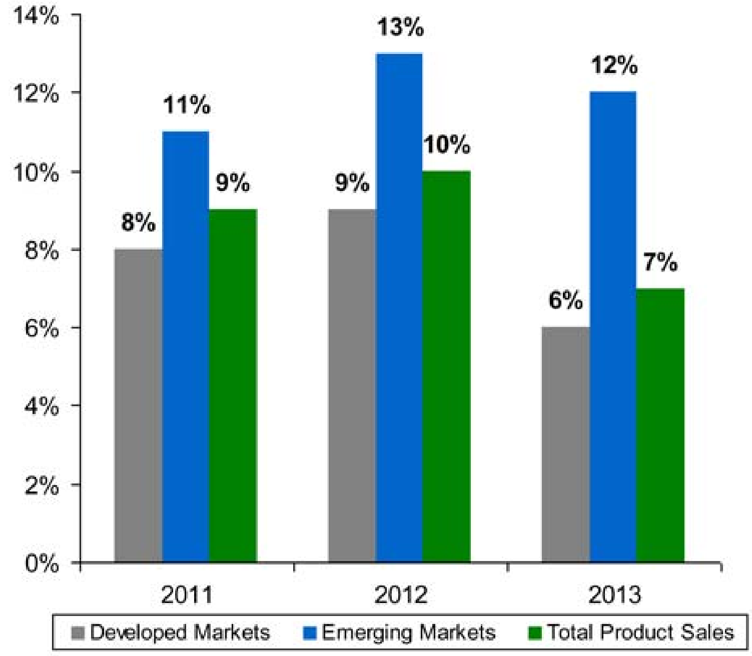
Durable Franchise with Attractive Growth

Organic growth has consistently been mid to high single-digit

Pro-Forma Organic Growth

Excluding the impact of generic entry, FX adjusted



Valeant's pro-forma organic growth, excluding the impact of generic entry, highlights the ongoing growth potential of the durable business (~85% of total)

31

Source: 2011, 2012, 2013 Year End Earnings Press Release

8%9%6%11%13%12%9%10%7%0%2%4%6%8%10%12%14%201120122013Developed MarketsEmerging MarketsTotal Product Sales
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Pro-Forma Organic Growth
Excluding the impact of generic entry, FX adjusted
Source: 2011, 2012, 2013 Year End Earnings Press Release

R&D and Acquisition Strategy

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32 R&D and Acquisition Strategy

Traditional Pharma R&D Model is Broken

High-risk, low-return

- **The Traditional model**
  - Large, fixed-cost R&D organization
  - Discovery ➡ Formulation ➡ Pre-clinical trials ➡ Scale-up ➡ Clinical trials
- **High-Risk**
  - Only 4% of pre-clinical compounds become approved medications[(1)]
- **Low-Return**
  - Total cost per drug $1.3bn, up 10x since 1975[(2)]
  - A 10- to 15-year investment to develop a novel drug[(2)]
  - 4.8% industry average ROI on R&D investment[(3)]

(1) "Getting Pharmaceutical R&D Back on Target"; Mark E. Bunnage; *Nature America, Inc.*
(2) "The Pharmaceutical Industry and Global Health Facts and Figures 2012"; *IFPMA.*
(3) "Measuring the Return from Pharmaceutical Innovation in 2013"; *Deloitte / Thomson Reuters.*

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Traditional Pharma R&D Model is Broken
High-risk, low-return
The Traditional model
Large, fixed-cost R&D organization
Discovery Formulation Pre-clinical trials Scale-up Clinical trials
High-Risk
Only 4% of pre-clinical compounds become approved medications(1)
Low-Return
Total cost per drug $1.3bn, up 10x since 1975(2)
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High Risk "Traditional" R&D Model

Market Cap Decline Day of Announcement

The New York Times
December 4, 2006
"End of Drug Trial Is a Big Loss for Pfizer"

-$21bn

THE WALL STREET JOURNAL.
July 30, 2008
"Elan, Wyeth tumble on Alzheimer's study"

-$14bn

Bloomberg
May 7, 2012
"Roche Drops After Halting Cholesterol Drug Development"

-$5bn

34

Source: Bloomberg Market Data

High Risk "Traditional" R&D Model December 4, 2006 "End of Drug Trial Is a Big Loss for Pfizer" May 7, 2012 "Roche Drops After Halting Cholesterol Drug Development" July 30, 2008 "Elan, Wyeth tumble on Alzheimer's study" 34 Market Cap Decline Day of Announcement -$21bn -$14bn -$5bn Source: Bloomberg Market Data

Valeant: Lower-Risk, Higher-Productivity R&D

- **Focused on lower-risk, higher-reward programs**
  - Line extensions and re-formulations
  - New indications and strengths for existing drugs
  - New branded generics
  - Prescription to OTC switches
  - High-probability development programs (Phase IIIs)
- **No high-risk discovery R&D**
- **No pre-set R&D spend as a percentage of revenue**
- **Low, fixed-cost R&D Infrastructure**
  - Outsource non-core R&D functions

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Track Record of R&D Productivity

- **Line extensions and re-formulations**
  - *Example: Acanya*
- **New indications and strengths for existing drugs**
  - *Example: Retin-A Micro .08%*
- **New branded generics**
  - *Example: 300 new product launches expected in 2014*
- **Prescription to OTC switches**
  - *Example: Bedoyecta*
- **High-probability development programs (Phase IIIs)**
  - *Example: Luzu*
- **Low-risk New Chemical Entities (NCE's)**
  - *Example: Jublia*

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Line extensions and re-formulations
Example: Acanya
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Track Record of R&D Productivity

Track Record of R&D Productivity

Valeant's superior R&D productivity is indicative of its investment discipline and cost-focused culture

- **19 planned launches in 2014**
  - Peak sales potential: $1.3 - 2.3 billion
- **7 late-stage pipeline projects**
  - Peak sales potential: $1.4 - 3.4 billion
- **Valeant standalone estimated 2015 R&D spend: ~$200 million**
  - ~2% of revenue
  - Industry-leading productivity

Source: Company public presentation April 22, 2014. Pershing Square estimate of 2015 R&D spending is based off of Valeant's ~$200mm run-rate end of 2014 spending rate

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37
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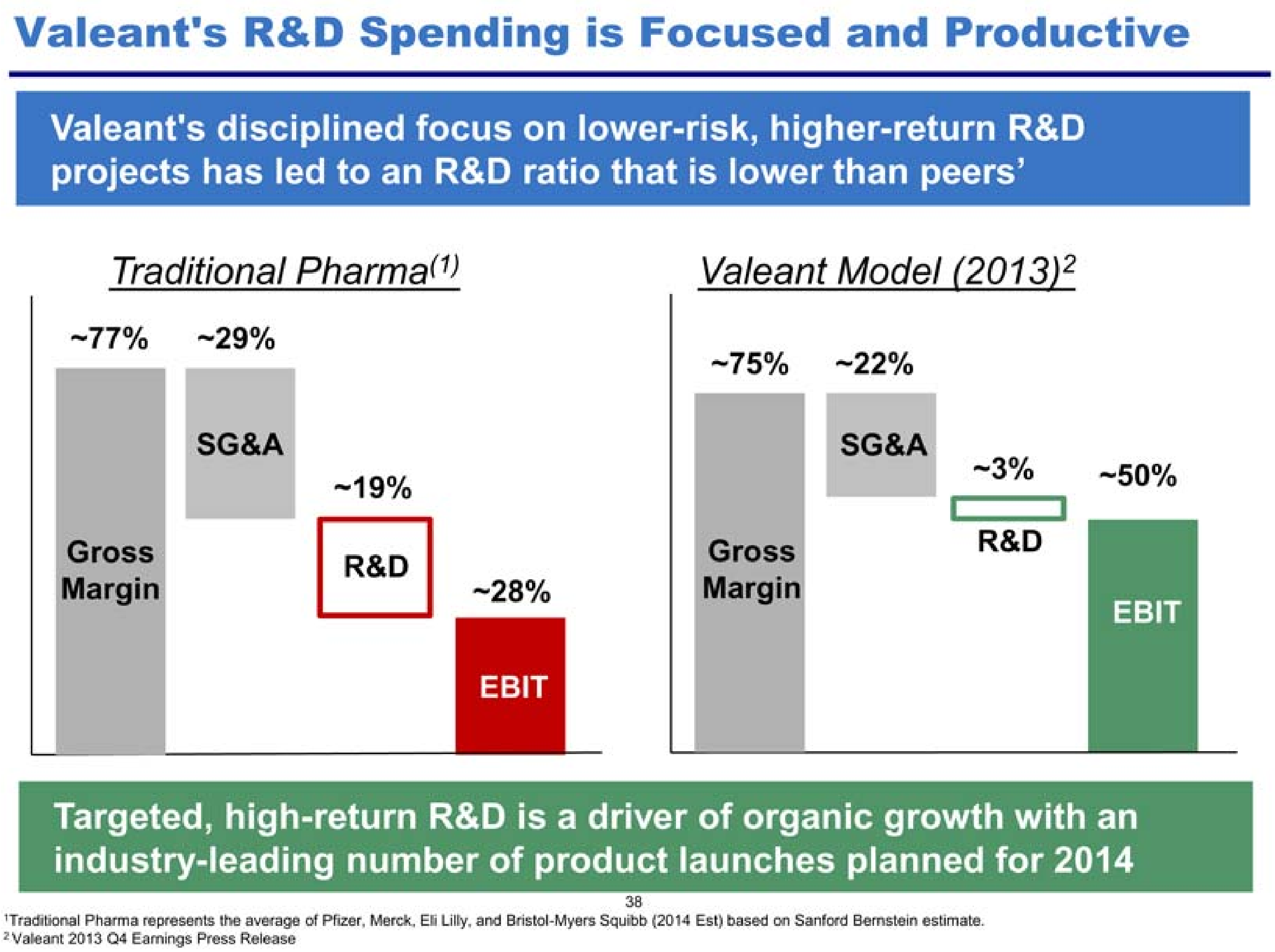

Valeant's R&D Spending is Focused and Productive
Valeant's disciplined focus on lower-risk, higher-return R&D projects has led to an R&D ratio that is lower than peers
Traditional Pharma(1)
Gross Margin
Targeted, high-return R&D is a driver of organic growth with an industry-leading number of product launches planned for 2014
1 Traditional Pharma represents the average of Pfizer, Merck, Eli Lilly, and Bristol-Myers Squibb (2014 Est) based on Sanford Bernstein estimate. 2 Valeant 2013 Q4 Earnings Press Release

Core Competency in Licensing & Acquisitions

Valeant is a nimble acquirer of attractive businesses, large and small

- **Larger acquisitions of traditional pharma / device companies with bloated cost structures and unproductive R&D spending**
- **Smaller, bolt-on acquisitions of products easily integrated into Valeant's efficient, international distribution infrastructure**
  - In-licenses from one-product companies
  - Acquisitions of sub-scale companies without adequate distribution
  - Declining products neglected by other companies that can return to growth with promotion
- **Effective acquisition and integration process**
  - CEO Mike Pearson is personally involved in evaluation, negotiation and execution of transactions

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Licensing & Acquisition Track Record

Licenses & Acquisitions

- Management has completed 100+ acquisitions and licenses, investing $19bn+ since 2008
- Acquisitions have been highly accretive
- Collectively, since 2008, Valeant has earned a >20% unlevered return (before tax efficiencies) on its acquisitions
- Valeant management expects the majority of the company's future free cash flow will be allocated to its value-creating acquisition strategy

Source: Management interviews

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Superior Operating Model

41 Superior Operating Model

"[Henry] Singleton [the CEO of Teledyne] believed in an extreme form of organizational decentralization with a wafer-thin corporate staff at headquarters and operational responsibility and authority concentrated in the general managers of the business units. This was very different from the approach of his peers, who typically had elaborate headquarters staffs replete with vice presidents and MBAs."

"Singleton was an iconoclast and the idiosyncratic path he chose to follow caused much comment and consternation on Wall Street and in the business press. It turned out that he was right to ignore the skeptics."

\- **William N. Thorndike, Jr., *The Outsiders***

42 William N. Thorndike, Jr., The Outsiders "[Henry] Singleton [the CEO of Teledyne] believed in an extreme form of organizational decentralization with a wafer-thin corporate staff at headquarters and operational responsibility and authority concentrated in the general managers of the business units. This was very different from the approach of his peers, who typically had elaborate headquarters staffs replete with vice presidents and MBAs." "Singleton was an iconoclast and the idiosyncratic path he chose to follow caused much comment and consternation on Wall Street and in the business press. It turned out that he was right to ignore the skeptics."

Highly Decentralized Operations

- **Product mix, price, and distribution optimized for each region**
  - Not all products in all markets
  - Partner locally where it makes sense
- **SG&A zero-based for products and region**
  - No pre-set percentages of revenue for sales & marketing expense
- **Country / business unit managers' compensation aligned with local business performance**

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Product mix, price, and distribution optimized for each region
Not all products in all markets
Partner locally where it makes sense
SG&A zero-based for products and region
No pre-set percentages of revenue for sales & marketing expense
Country / business unit managers' compensation aligned with local business performance
Highly Decentralized Operations

Valeant has a Culture of Cost Efficiency

"We will operate a low-cost operating model in all that we do. In essence, we will continue to apply a low-margin operating mindset to a high-margin business. We will take pride in our frugality, our ability to make quick decisions based on internal resources, our willingness to all wear different hats at different times."

- Mike Pearson, 2010 Chairman's Letter

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44 We will operate a low-cost operating model in all that we do. In essence, we will continue to apply a low-margin operating mindset to a high-margin business. We will take pride in our frugality, our ability to make quick decisions based on internal resources, our willingness to all wear different hats at different times. Mike Pearson, 2010 Chairman's Letter Valeant has a Culture of Cost Efficiency

Culture of Cost Control and Productivity

- **Small corporate function / extremely limited overhead**
  - Manage strategy, capital allocation, legal and financial controls
- **Zero-base all SG&A categories**
  - No pre-set percentages of revenue or annual budgets
- **Expect industry-leading employee productivity**
- **Low gross-margin mindset in a high gross-margin business**

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Small corporate function / extremely limited overhead
Manage strategy, capital allocation, legal and financial controls
Zero-base all SG&A categories
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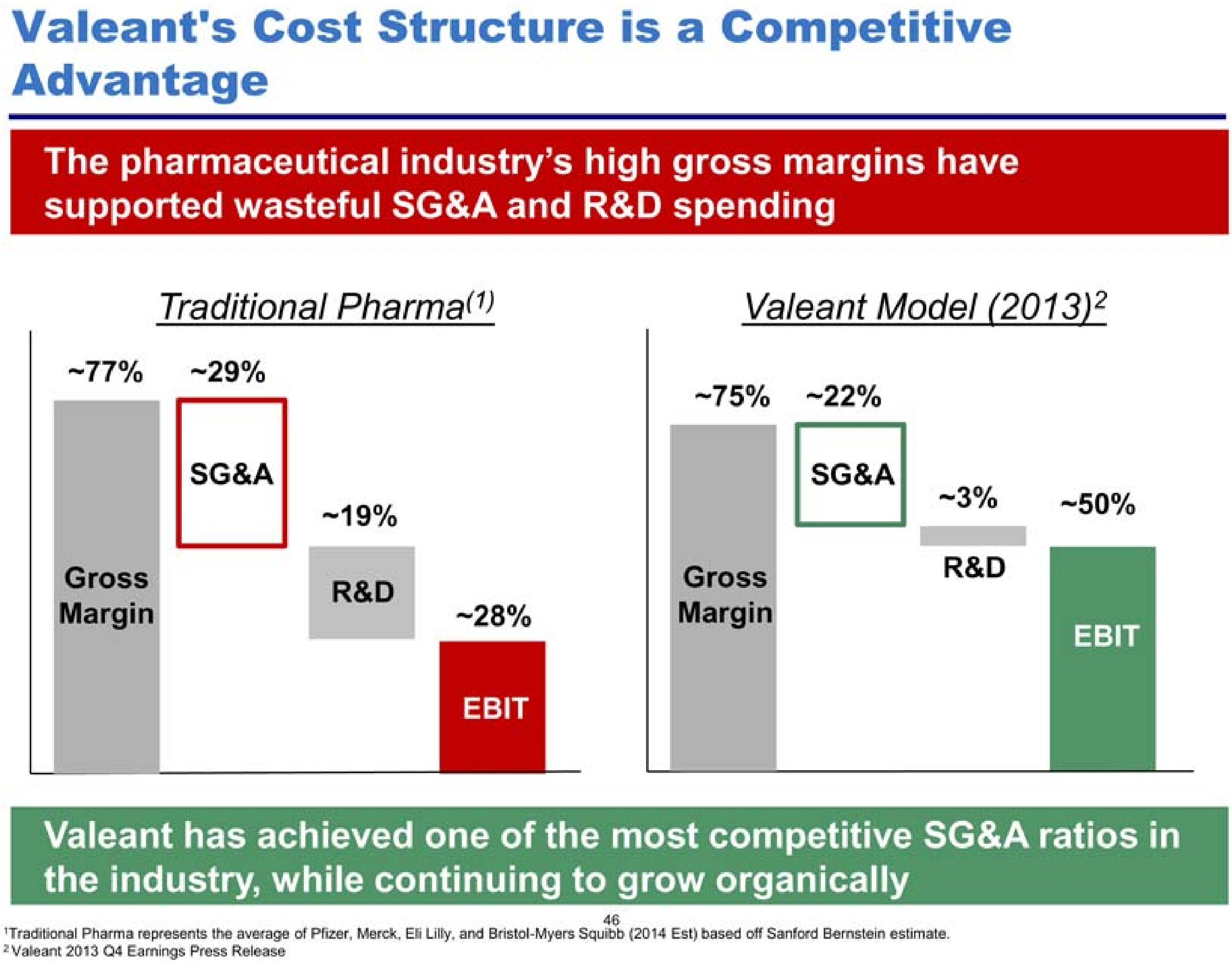
Culture of Cost Control and Productivity



1Traditional Pharma represents the average of Pfizer, Merck, Eli Lilly, and Bristol-Myers Squibb (2014 Est) based off Sanford Bernstein estimate. 2 Valeant 2013 Q4 Earnings Press Release
Valeant's Cost Structure is a Competitive Advantage
The pharmaceutical industry's high gross margins have supported wasteful SG&A and R&D spending
Valeant has achieved one of the most competitive SG&A ratios in the industry, while continuing to grow organically
Traditional Pharma(1)
Gross Margin
SG&A

Organic Growth

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Organic Growth

Why Detailed Growth Disclosure is Important

The market does not do a good job valuing a business comprised of segments with materially different growth prospects

- **Consider a company with the following growth characteristics**
  - 75% of revenue grew at 10%
  - 25% of revenue grew at -30%
  - Consolidated revenue growth = 0%
- **Analysts would likely assign a multiple to the this business based on its 0% consolidated growth rate**

We believe valuing this business as a 0% grower is wrong

- **As the negative growth business shrinks, consolidated growth will increase to the growth rate of the growing business**

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Why Detailed Growth Disclosure is Important
Consider a company with the following growth characteristics
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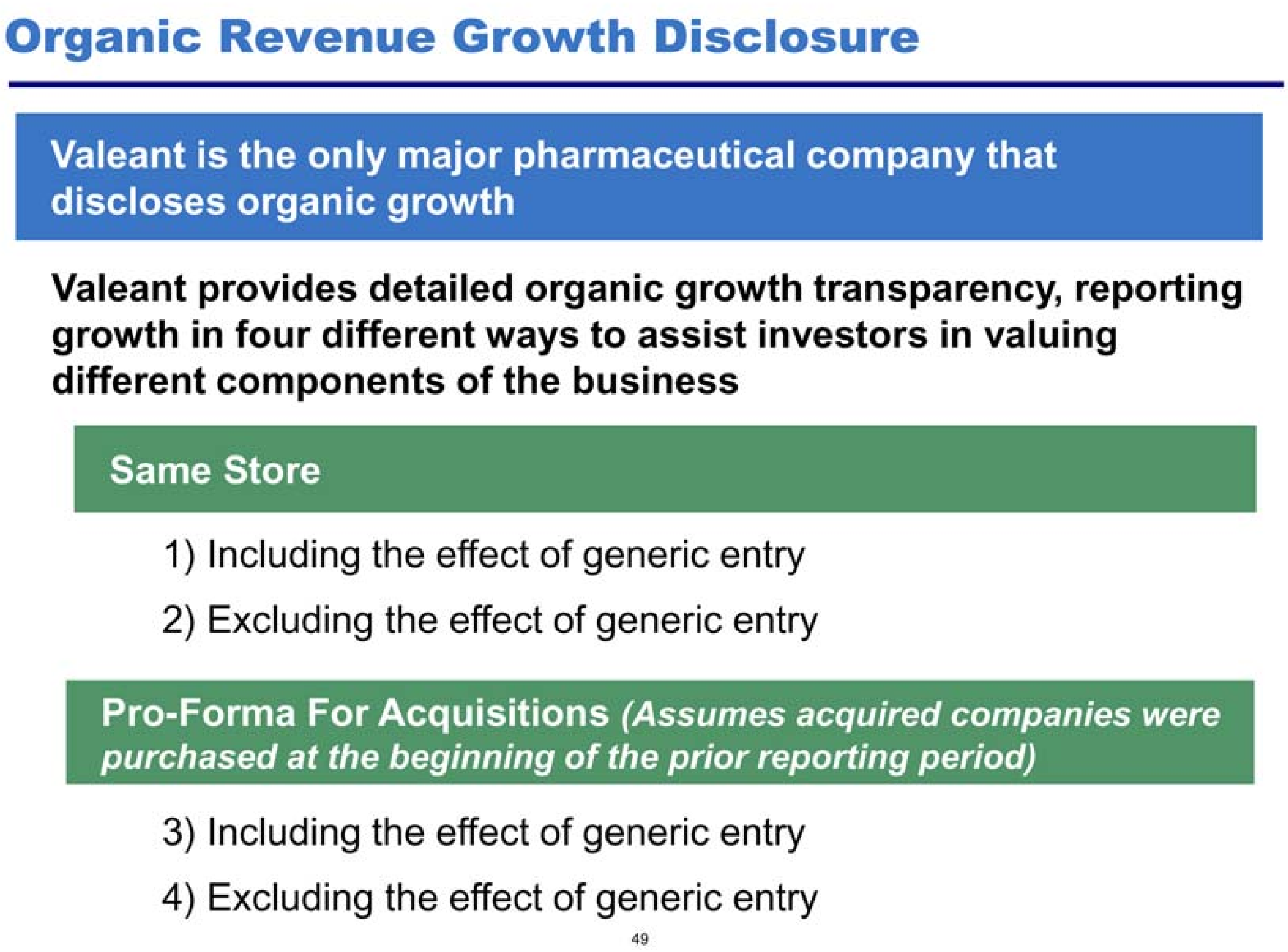
Organic Revenue Growth Disclosure
Valeant is the only major pharmaceutical company that discloses organic growth
Valeant provides detailed organic growth transparency, reporting growth in four different ways to assist investors in valuing different components of the business
Same Store
1) Including the effect of generic entry
2) Excluding the effect of generic entry
Pro-Forma For Acquisitions (Assumes acquired companies were purchased at the beginning of the prior reporting period)
3) Including the effect of generic entry
4) Excluding the effect of generic entry
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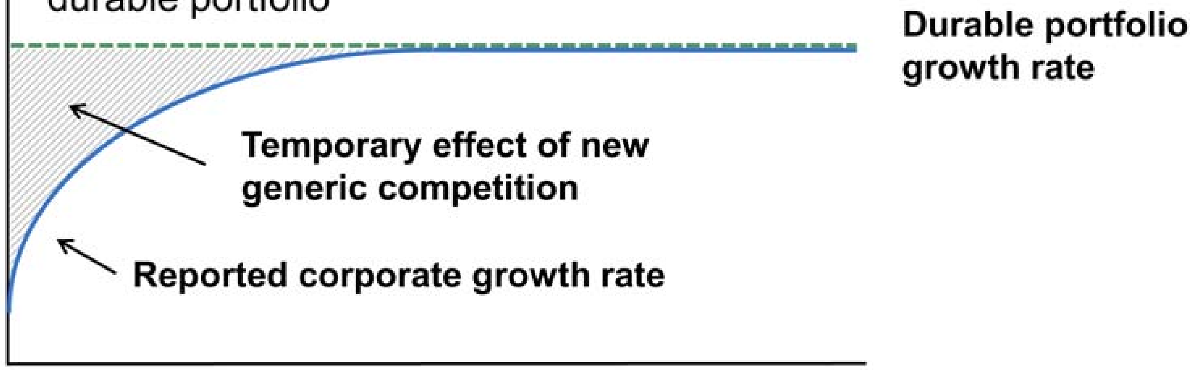
Organic Growth
Measuring Underlying Growth at Valeant

Investors who do not adjust for the impact of new generic competition will underestimate the growth rate of the durable portfolio

- As the portfolio subject to new generic competition winds down, reported corporate growth will approach the growth rate of the durable portfolio



Only ~7% of Valeant's revenue (~1/2 of the total patent cliff revenue) will face new generic competition by 2016, and thereafter a relatively small percentage of the business is at risk in any year[1]

(1) Valeant Public Presentation January 14, 2014 at JPMorgan Conference

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Organic Growth Measuring Underlying Growth at Valeant
Durable portfolio growth rate
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Only ~7% of Valeant's revenue (~1/2 of the total patent cliff revenue) will face new generic competition by 2016, and thereafter a relatively small percentage of the business is at risk in any year1
Temporary effect of new generic competition
Reported corporate growth rate
(1)Valeant Public Presentation January 14, 2014 at JPMorgan Conference

Organic Growth
Measuring Underlying Growth

Organic growth, excluding the impact of new generic competition, has been consistently mid to high single-digit

Pro-Forma Organic Growth
Excluding the impact of generic entry, FX-adjusted

	2011	2012	2013	2013 Q1	2013 Q2	2013 Q3	2013 Q4
Developed Markets	8%	9%	6%	1%	3%	4%	10%
Emerging Markets	11%	13%	12%	11%	12%	13%	13%
Total Product Sales	**9%**	**10%**	**7%**	**4%**	**6%**	**6%**	**11%**

Note: 2011 and 2012 organic growth rates are not adjusted to exclude the impact of generic entry. The impact of generic entry was immaterial in 2011 and 2012. Growth rates for all periods are pro forma for acquisitions completed during the period but not for acquisitions completed in future periods (e.g. 2011 is not pro forma for 2013 acquisitions).

Source: 2011, 2012, Q1-Q4 2013 Valeant Earnings Press Release

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Shareholder-Oriented Performance Culture and Incentive Structure

52 Shareholder-Oriented Performance Culture and Incentive Structure

“[T]he outsiders (who often had complicated balance sheets, active acquisition programs, and high debt levels) believed the key to long-term value creation was to optimize free cash flow, and this emphasis on cash informed all aspects of how they ran their companies – from the way they paid for acquisitions and managed their balance sheets to their accounting policies and compensation systems.”

\- **William N. Thorndike, Jr., *The Outsiders***

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Capital Allocation at Valeant

Valeant's capital allocation strategy reflects management's focus on creating shareholder value

- **Acquisitions**
  - Management has completed 100+ acquisitions and licenses, investing $19bn+ since 2008
  - These acquisitions have been highly accretive due to superior cost structure and operating model
  - Valeant management expects the majority of the company's future free cash flow will be allocated to its value-creating acquisition strategy
- **Share Repurchases**
  - Valeant has been an aggressive buyer of its stock
  - Between 2008 and 2012, Valeant repurchased $2.5bn of stock and convertible bonds

Source: Management Interviews

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Source: Management Interviews

Management Is Incentivized To Create Shareholder Value

CEO Mike Pearson and his senior team have the potential to be richly rewarded for outstanding long-term share price performance

- **Annual Cash Incentive Compensation**
  - Up to 200% of base salary possible if goals are achieved
- **Long-Term Incentive Compensation**
  - 50% time-vested stock options
  - 50% performance share units; three-year annualized Total Shareholder Return (TSR) vesting

Michael Pearson & Howard Schiller

Annualized TSR (IRR)	% of PSUs vesting
<15%	0%
15%	100%
30%	200%
45%	300%
60%	400%

Mike Pearson and his team own significant stock in Valeant, further aligning management with shareholders. Pearson owns ~10.6mm shares (or ~$1.3 billion) which he is restricted from selling until 2017

Source: Valeant 2014 Schedule 14A

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three-year annualized Total Shareholder Return (TSR) vesting
Michael Pearson & Howard Schiller

Valeant's Culture and Execution Reminds Us of 3G

3G has achieved extraordinary success in various businesses by implementing a culture of efficiency, cost discipline, zero-based budgeting, and shareholder-oriented capital allocation

- **3G Case Studies**
  - ABI: $175bn market cap, 511% TSR last decade (20% p.a.)
  - BKW: bought in Oct. 2010, TEV from $4bn to $11bn in 3.5 years
  - HNZ: bought Feb. 2013, EBITDA margins are already up ~300-400bps to ~29%[1]
- **Efficient operators and capital allocators enjoy unique, enduring advantages within an industry**
- **Superior capital allocation and operational efficiency allow Outsider CEOs to take advantage of opportunities others cannot profitably pursue**
  - Revenue and market development opportunities
  - Investments for growth
  - Acquisitions

(1) Deutsche Bank estimate, April 8, 2014.

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II. Accounting Considerations

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“In another departure from conventional wisdom, Singleton eschewed reported earnings, the key metric on Wall Street at the time, running his company instead to optimize free cash flow.”

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Understanding Valeant's Financials

We believe GAAP accounting does a poor job tracking the economic performance of platform businesses like Valeant

To evaluate Valeant's business performance, we believe one first needs to translate GAAP earnings into economic earnings

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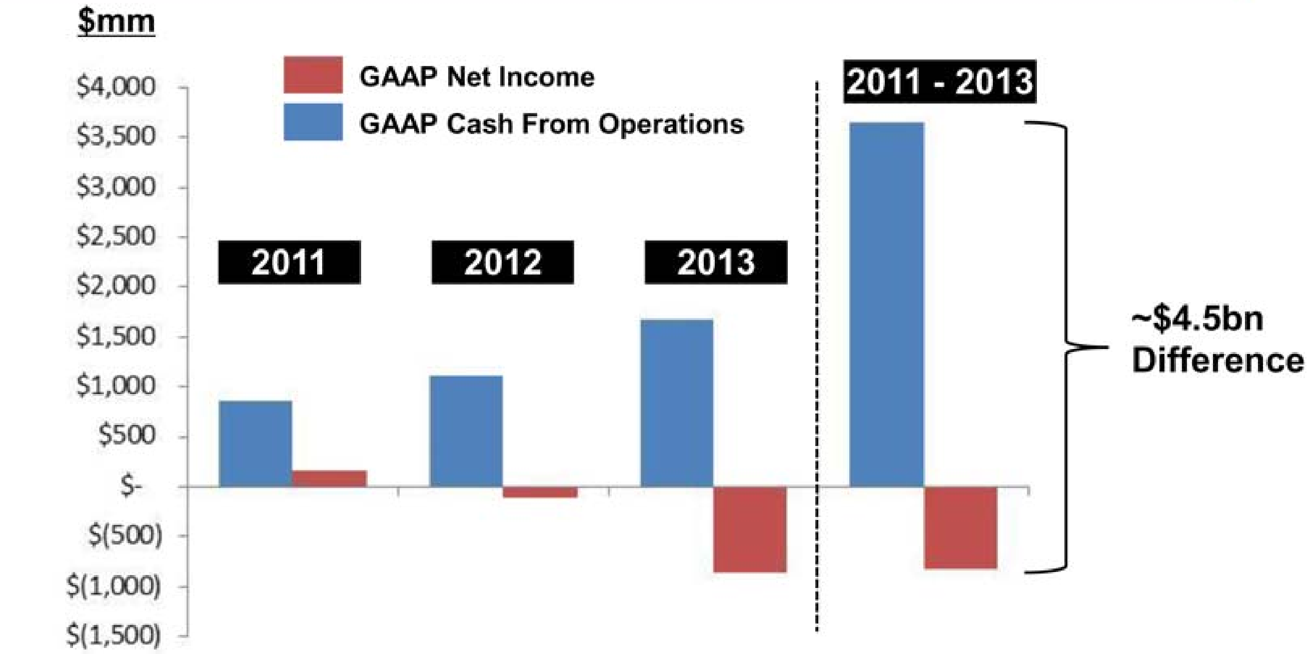
Valeant's GAAP Net Income Does Not Track Cash Flow

GAAP Net Income has not been a good proxy for Valeant's free cash flow



Source: 2011, 2012, 2013 Valeant Form 10-k.

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Source: 2011, 2012, 2013 Valeant Form 10-k
Valeant's GAAP Net Income Does Not Track Cash Flow
GAAP Net Income has not been a good proxy for Valeant's free cash flow
2011 – 2013
~$4.5bn Difference
GAAP Net Income
GAAP Cash From Operations

Valeant's Definition of Cash Net Income

GAAP Net Income

+ Inventory Step-Up Reversal (COGS)
+ Acquired In-Process R&D Impairment
+ Restructuring & Integration Acquisition Costs
+ Amortization of Intangible Assets
+ Asset Impairments
+ Change in Fair Value of Contingent Consideration
+ Debt Extinguishment Loss (Gain)
+ Non-Cash Interest Expenses
+ Non-Cash Taxes
+ Other (Acq.-Related Litigation Settlements, Gain/Loss on Sale)

Cash Net Income

Valeant does not add back stock-based compensation, depreciation, or ordinary-course legal expense

Source: Valeant Q4 2013 Earnings Press Release

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Valeant's Definition of Cash Net Income
GAAP Net Income
+ Inventory Step-Up Reversal (COGS)
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+ Other (Acq.-Related Litigation Settlements, Gain/Loss on Sale)
Cash Net Income
Valeant does not add back stock-based compensation, depreciation, or ordinary-course legal expense
Source: Valeant Q4 2013 Earnings Press Release

Reconciliation of Valeant 2013 GAAP Net Income to "Cash Net Income"

	GAAP Earnings	Adj.	Non-GAAP Cash Earnings
Total Revenue	**5,770**	**-**	**5,770**
Cost of Goods Sold (Ex- Int. Ammo)	**1,905**	**(436)**	**1,469**
% Gross Margin	67%		75%
SG&A	**1,305**	**(22)**	**1,283**
% of Sales	23%		22%
R&D	**157**	**-**	**157**
% of Sales	3%		3%
Contingent Consideration FV Adj.	(29)	29	-
Acquired In-Process R&D Impairment	154	(154)	-
Restructuring & Acq. Costs	551	(551)	-
Amortization of Intangible Assets	1,902	(1,902)	-
Other Expense/(Income)	234	(234)	-
Operating Income	**(410)**	**3,270**	**2,860**
% of Sales	-7%		50%
Interest Expense	836	(89)	747
Other Income/(expense)	(69)	66	(3)
Pre-Tax Income	**(1,314)**	**3,425**	**2,111**
Tax Provision/(Recovery)	(451)	516	65
% Tax Rate	34%		3%
Net Income (Loss)	**$ (864)**	**$ 2,909**	**$ 2,046**
Net Income Attributable to Noncontrolling Int.	2	-	2
Net Income	**$ (866)**	**$ 2,909**	**$ 2,043**

These adjustments are required to translate GAAP earnings to economic earnings

Source: Valeant Q4 2013 Earnings Press Release

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Cash Net Income Reconciliation:
Major Adjustments

Four large adjustments comprise ~90% of Valeant's pre-tax income adjustments

Major Adjustments:		Amount
Non-Cash Expenses		
Amortization of Intangible Assets	$	1,902
Inventory Step-Up Reversal (COGS)		436
Acquired In-Process R&D Impairment		154
Cash Expenses		
Restructuring & Acq. Costs	$	551
Total "Major Adjustments"	**$**	**3,043**
Other Adjustments		382
Total Operating Inc. Adjustments	**$**	**3,425**

These non-cash charges are required by GAAP purchase accounting, but do not reflect a loss of economic value for Valeant

A one-time cash charge that economically should be capitalized as purchase consideration rather than expensed in the income statement

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Source: Valeant Q4 2013 Earnings Press Release

Cash Net Income Reconciliation: Major Adjustments

III. How We Evaluate the Transaction

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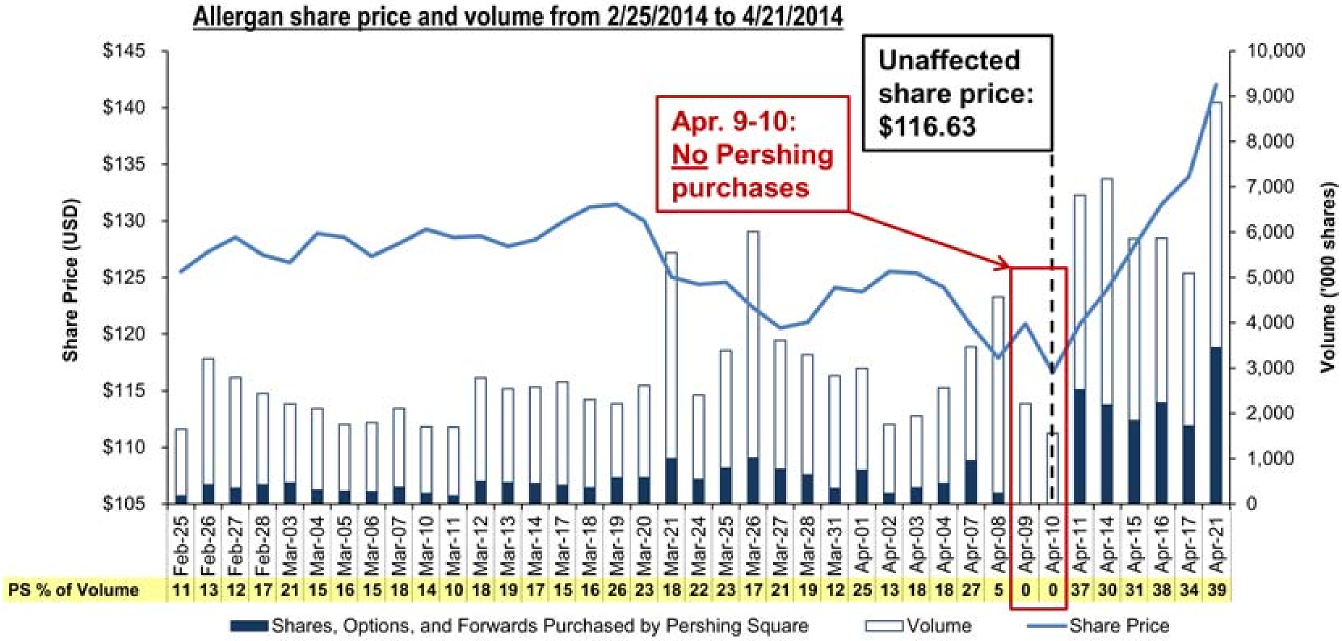
III. How We Evaluate the Transaction

Allergan Unaffected Share Price

Allergan's unaffected share price is $116.63, the closing price on April 10, the day before Pershing Square began its rapid accumulation program



Note: Chart shows Allergan's share price, volume, and the number of shares, delta-one options, and forwards purchased by Pershing Square from February 25, 2014, the day Pershing Square began its purchases, to April 21, 2014. Share price and volume data are as per Capital IQ.

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Apr. 9-10: No Pershing purchases

Allergan Unaffected Share Price (Cont.)

- During the 31-day trading period from February 25th through April 8th, Pershing Square through its derivative counterparty accumulated a 4.99% economic stake[1] in Allergan
- During this period, Pershing Square's notional shares underlying its options accounted for ~17% of Allergan's average daily volume
- Volume during this period averaged 2.8mm shares
- After reaching a 4.99% economic stake on the morning of April 8th, Pershing Square stopped trading
- On April 9th and 10th Pershing Square did not trade Allergan stock or derivatives
- During this period, average volume in Allergan shares declined to 1.9mm
- With Pershing Square out of the market, Allergan settled to its unaffected price of $116.63 on the close of trading April 10th

[1]Economic stake includes: Allergan common shares; 1% strike, deep in-the money Allergan call options; and Allergan forward contracts on common stock

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Pershing Square's Rapid Accumulation Program

Beginning on the morning of April 11th and lasting through the close of trading on April 21st, Pershing Square engaged in a rapid accumulation program

- **During these six trading days, volume averaged 6.6mm shares and Pershing Square's notional shares underlying its derivative contracts represented 35% of the average daily volume**
- **During these six trading days, Pershing Square acquired 14.0mm deep in the money Allergan call options and Allergan forward contracts representing 4.7% of Allergan shares outstanding**

During the period of Pershing Square's rapid accumulation program, Allergan's stock price rose from an unaffected price of $116.63 to $142.00, a 22% increase

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Pershing Square's Rapid Accumulation Program
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Allergan shares outstanding
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The Transaction

Summary Terms:

- **Cash Component:**
  - $15bn; $48.30 per share (based on fully diluted share count)
  - Barclays and RBC Capital Markets financing commitment for 100% of cash component
- **Stock Component:**
  - Allergan shareholders will own ~43% of the pro-forma company
  - Exchange ratio: 0.83 Valeant shares for every 1 Allergan share
- **Pershing Square Will Elect To Receive 100% Stock**

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The Transaction
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Exchange ratio: 0.83 Valeant shares for every 1 Allergan share
Pershing Square Will Elect To Receive 100% Stock

Allergan Shareholders Will Participate in Ongoing Value Creation

- The Transaction gives Allergan shareholders ~43% ownership of Val-gan
- We believe the combination of Valeant and Allergan will create enormous shareholder value
- Between now and the close of the Transaction, Allergan shareholders will participate in any increase in Valeant's share price
- Over the short, intermediate, and long-term, we expect the Transaction will generate significant shareholder value

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Valuing Val-gan

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Valuing Val-gan

Sum of the Parts (SOTP) Valuation:
Two Types of Cash Flow

Durable Products

Products: ~74% (of 2014E Sales)

- Durable Rx
- Branded Generics
- OTC
- Durable Devices

Valuation Methodology

- Multiple of after-tax profits

Patent Cliff Products

Products: ~26% (of 2014E Sales)

- Patent Cliff Rx

Valuation Methodology

- Discounted cash flow analysis

Source: Valeant Public Presentation April 22, 2014

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Sum of the Parts (SOTP) Valuation: Two Types of Cash Flow
Durable Rx
Branded Generics
Durable Devices
Durable Products
Patent Cliff Rx
Patent Cliff Products
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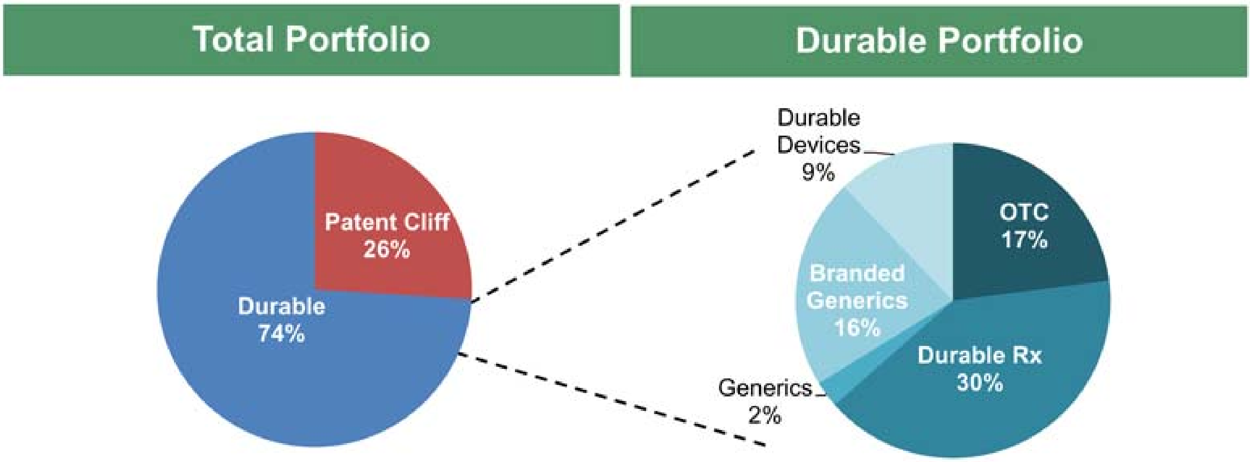
Discounted cash flow analysis
Source: Valeant Public Presentation April 22, 2014

Val-gan's Durable Portfolio

~74% of Val-gan's pro-forma 2014E sales will come from durable, growing cash flows



Source: Valeant Public Presentation April 22, 2014

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Val-gan's Durable Portfolio
~74% of Val-gan's pro-forma 2014E sales will come from durable, growing cash flows
Total Portfolio
Durable Portfolio
Source: Valeant Public Presentation April 22, 2014
Patent Cliff26%Durable74%OTC17%Durable Rx30%Generics2%Branded Generics16%Durable Devices9%

Durable Portfolio:
Participation in Fast Growing Categories

Based on management estimates and our independent research and analysis, we estimate 6% to 8% long-term revenue growth. Our estimate is a slight discount to Valeant management estimates

Legacy Allergan Durable	2014E % of Total Sales	Est. Long-Term Growth Base	Est. Long-Term Growth High
Botox	19.7%	8%	10%
Facial Aesthetics	4.9%	10%	12%
Breast Aesthetics	3.7%	3%	5%
Other	5.2%	2%	3%
Sub-Total	**33.4%**	**7%**	**9%**
Legacy Valeant Durable			
US	29.8%	4%	6%
Emerging Markets	22.0%	8%	12%
Non-US Developed Markets	14.8%	2%	4%
Sub-Total	**66.6%**	**5%**	**8%**
Total	**100.0%**	**6%**	**8%**

The estimated long-term growth rates set forth above are derived from, among other sources, Company management statements regarding estimated future revenue growth. Those statements are subject to numerous assumptions, risks and uncertainties that may change over time and could cause actual results to differ materially. Valeant Public Presentation April 22, 2014: Valeant believes Val-gan can achieve "[h]igh single-digit organic revenue growth for the foreseeable future" across the entire business, including both the cliff and durable portfolio.

Based on management estimates and our independent research and analysis, we estimate 6% to 8% long-term revenue growth. Our estimate is a slight discount to Valeant management estimates

Durable Portfolio:
Few Healthcare Trading Comparables

Val-gan's durable business would have few peers among publicly traded pharmaceutical companies

- **Big Pharma**
  - Few durable assets
  - High exposure to competitive, low-growth categories
- **Biotech**
  - High product concentration
  - Large R&D investment
- **Specialty Pharmaceuticals**
  - High product concentration
  - Few durable assets
- **Generic Pharmaceuticals**
  - Focused on commodity categories
  - Low secular growth

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Durable Portfolio: Few Healthcare Trading Comparables
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Few durable assets
High exposure to competitive, low-growth categories
Biotech
High product concentration
Large R&D investment
Specialty Pharmaceuticals
High product concentration
Few durable assets
Generic Pharmaceuticals
Focused on commodity categories
Low secular growth

Durable Portfolio:
Healthcare Trading Comparables

Only a handful of public healthcare companies have durability similar to Val-gan's product portfolio

- **Perrigo Co.**
  - ~78%[1] durable – assumes its large biologic drug is a patent cliff asset
  - Major businesses: Private label OTC; hard-to-manufacture generics
  - Lower gross margin than Val-gan: 2014E Gross Margin = 42%[1] vs. ~80%[3]
  - Trading multiple: 21x 2014 EPS[2]
- **Zoetis Inc.**
  - >80%[4] durable – ~80% of revenues are unpatented or existing patent does not provide market exclusivity; animal health pharmaceuticals face lower generic substitution risk than human pharma
  - Major business: Companion and livestock animal health pharmaceuticals
  - Trading multiple: 19x 2014 EPS[2]

[1]RBC Capital Markets Analyst Report, January 6, 2014
[2]Based on the closing share prices and Bloomberg consensus EPS estimates as of April 21, 2014
[3]Valeant Public Presentation, April 22, 2014
[4]ISI Group Analyst Report, January 31, 2013

Durable Portfolio:
Healthcare Transaction Comparables

Several large portfolios of durable OTC products have been sold in the last ten years

Announced Date	Asset	Buyer	Price ($bn)	xForward Net Income Reported	xForward Net Income Adj. for 25% Premium[1]
10/07/05	Boots Healthcare Int'l	Reckitt Benckiser	$3.4	26x	20x
06/26/06	Pfizer Consumer Health	Johnson & Johnson	16.6	36x	29x
12/10/07	Adams Respiratory	Reckitt Benckiser	2.3	29x	23x
07/21/10	SSL International	Reckitt Benckiser	4.2	25x	20x
11/15/12	Schiff Nutrition	Reckitt Benckiser	1.5	26x	21x
			Average	**28x**	**23x**

Source: Capital IQ and Wall Street research. Net Income multiples represent multiples of tax-effected EBIT excluding synergies.
(1) Multiples adjusted downward for a hypothetical 25% control premium.

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Durable Portfolio: Healthcare Transaction Comparables
Several large portfolios of durable OTC products have been sold in the last ten years
Source: Capital IQ and Wall Street research. Net Income multiples represent multiples of tax-effected EBIT excluding synergies.

Durable Portfolio:
Trading Comparables Outside of Healthcare

We believe there are many similarities between the Global Beauty industry and Val-gan's durable portfolio

Industry	High Gross Margins	Strong Organic Growth	Brand Loyalty	Product Diversity
Global Beauty	>70%[1]	5-7%	Efficacy Brand Prestige	100s of products per company
Merged Company's Durable Pharma	>70%	6-8%*	Efficacy Safety Brand Prestige	1,000s of products

Significant opportunity for low-risk, high-return innovation

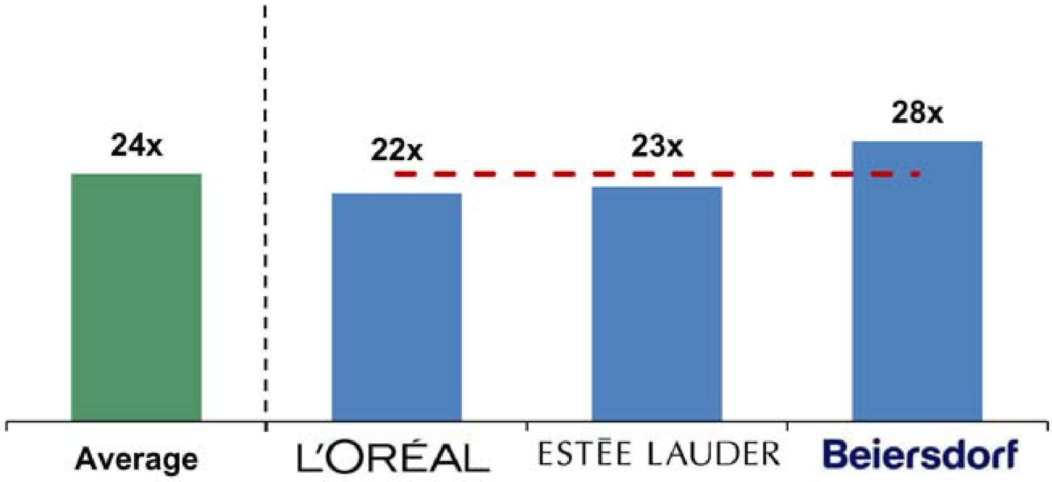
(1) Based on the average calendar 2013 gross margin for L'Oreal, Estee-Lauder, and Beiersdorf of 71.6%.

*Erratum: Original presentation referred to "5-7%"

Durable Portfolio:
Trading Comparables Outside of Healthcare

The global beauty P/E average is 24x projected 2014 earnings

Global Beauty – 2014 P/E



Note: All multiples are based on Bloomberg consensus estimates as of 4/21/2014.

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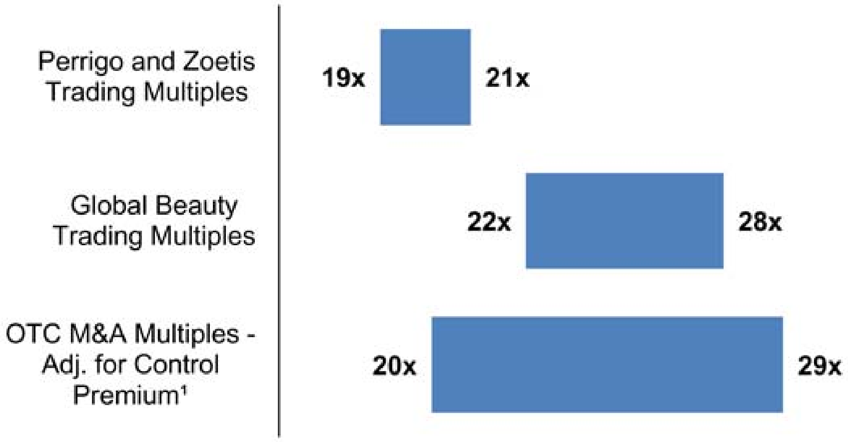
78 Global Beauty – 2014 P/E Note: All multiples are based on Bloomberg consensus estimates as of 4/21/2014. Durable Portfolio: Trading Comparables Outside of Healthcare 24x22x23x28xAverage

Durable Portfolio
Comparables Range: 19x - 29x 2014 EPS

If Val-gan's durable portfolio were valued similar to businesses that we believe to be comparable, then its resulting range of multiples could be as follows:

Comparables Range



There is no assurance that Val-gan's durable portfolio would trade within this range

(1) Multiples adjusted downward for a hypothetical 25% control premium.

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Patent Cliff Portfolio

We use a discounted cash flow analysis to value the cliff portfolio

Assumptions:

- **No Life-Cycle Management**
  - Assumes management is not able to extend patent exclusivity beyond the original expiration
- **Revenues after patent cliff are zero**
  - Assumes that the merged company's market share drops to zero immediately after the patent expires
  - Assumes the merged company will not enter the generic market
- **Costs are variable**
  - Assumes the merged company is able to reduce SG&A and R&D costs proportionate to the revenue lost from patent cliffs

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Assumptions:

Patent Cliff Portfolio (Cont.)

We use a discounted cash flow analysis to value the cliff portfolio

Methodology:

- **10% Discount Rate**
- **Based on our analysis of Val-gan's patent cliff portfolio, we believe the portfolio has an average remaining life of ten years**
- **We sensitize our DCF analysis to annual growth rates of 0% to 5% until the patent cliff, after which cash flows fall to zero**

Years of Cash Flow Remaining	10yrs	10yrs	10yrs
Annual Growth Until Patent Cliff	0.0%	2.5%	5.0%
DCF Value As a Multiple of 2014E Cash Flow	**6.1x**	**6.8x**	**7.4x**

Assumption: We assume generic Restasis competition in 2024 based on Allergan's recent patent filings.
See appendix for model

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Patent Cliff Portfolio (Cont.)
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Years of Cash Flow Remaining10yrs10yrs10yrsAnnual Growth Until Patent Cliff0.0%2.5%5.0%DCF Value As a Multiple of 2014E Cash Flow6.1x6.8x7.4x

Illustrative Valuation Excluding Platform Value

If Val-gan's durable portfolio were valued within the range of multiples of businesses that we believe to be comparable, and the cliff portfolio were valued on the DCF analysis presented, then Val-gan's multiple would be as follows:

Portfolio	% Earnings Contribution	2014 Earnings Multiple		
Durable	74%	20.0x	22.0x	24.0x
Cliff	26%	6.1x	6.8x	7.4x
Base Business	**100%**	**16x**	**18x**	**20x**

This analysis excludes Platform Value, the pipeline value of the merged company, revenue synergies, and life cycle management opportunities

There is no assurance that Val-gan would trade at these multiples

Assumption: We assume the durable and cliff portfolios have earnings contributions equal to their sales contribution

Platform Value

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Platform Value

Platform Businesses Can Be Incredibly Valuable

Businesses that execute value-enhancing acquisitions with shareholder-focused capital allocation deserve significant Platform Value

DANAHER

Liberty Media

ABInBev

JARDEN corporation

These companies' stock prices have dramatically outperformed their competition because traditional multiple-of-earnings or cash-flow based valuations do not properly reflect Platform Value

84

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84
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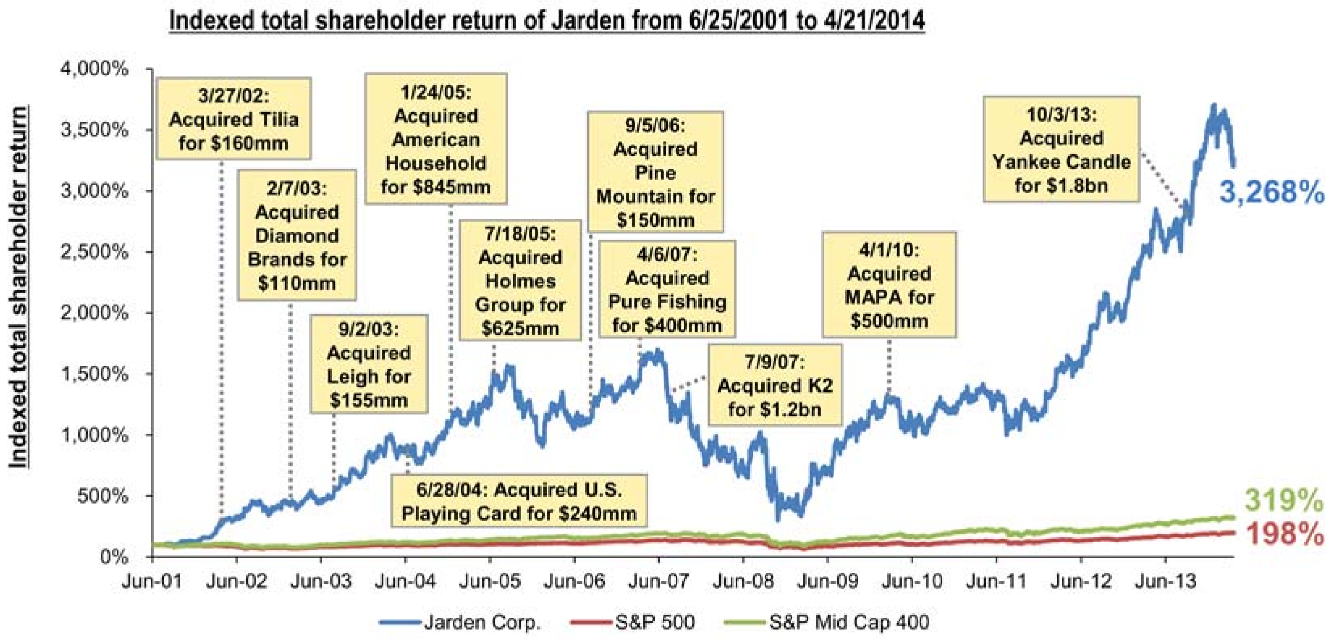
Liberty Media

Jarden Has Been A Successful Platform

Since Martin Franklin joined Jarden in 2001, the company has achieved success as a consumer products platform, generating a ~33x total shareholder return to-date



Note: Total shareholder returns are calculated per Bloomberg from June 25, 2001 to April 21, 2014 with all starting values indexed to 100%.

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Jarden's Platform Strategy

Franklin has successfully implemented *The Outsiders* principles at Jarden

"Capital allocation is a CEO's most important job" – *The Outsiders*

- **Value-creating acquisition and capital allocation strategy**
  - Maintains high standards for quality and valuation of acquired businesses
  - Focus on shareholder value creation not reported GAAP earnings
  - Intelligent use of debt and equity to finance acquisitions
  - Capital allocation and acquisitions are a core competency and a significant focus of senior management and the board

"Decentralized organizations release entrepreneurial energy and keep both costs and 'rancor' down" – *The Outsiders*

- **Small corporate staff; business unit managers are given autonomy**
- **Budgeting process and performance reviews ensure business units are setting and achieving strong goals**
- **Compensation program rewards strong business unit performance**

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Martin Franklin's Next Platform

Platform Specialty Products (NYSE: PAH)

- Martin Franklin, Chairman of Jarden, co-founded PAH in 2013
- In May 2013, PAH raised ~$881mm[1] and began trading at a valuation close to this cash balance
- Pershing Square invested $250mm[2] in PAH and owns 27%[3] of the company[2]
- In October 2013, PAH announced the acquisition of MacDermid Inc., for $1.8bn cash and equity, a specialty chemical company with significant platform potential

(1) http://ir.platformspecialtyproducts.com/faq.cfm
(2) TR-1 Notification of Major Interest in Shares filed May 29, 2013 and Pershing Square investment information.
(3) Ownership calculated based on PAH shares outstanding as of April 10, 2014.

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Martin Franklin, Chairman of Jarden, co-founded PAH in 2013
In May 2013, PAH raised ~$881mm1 and began trading at a valuation close to this cash balance
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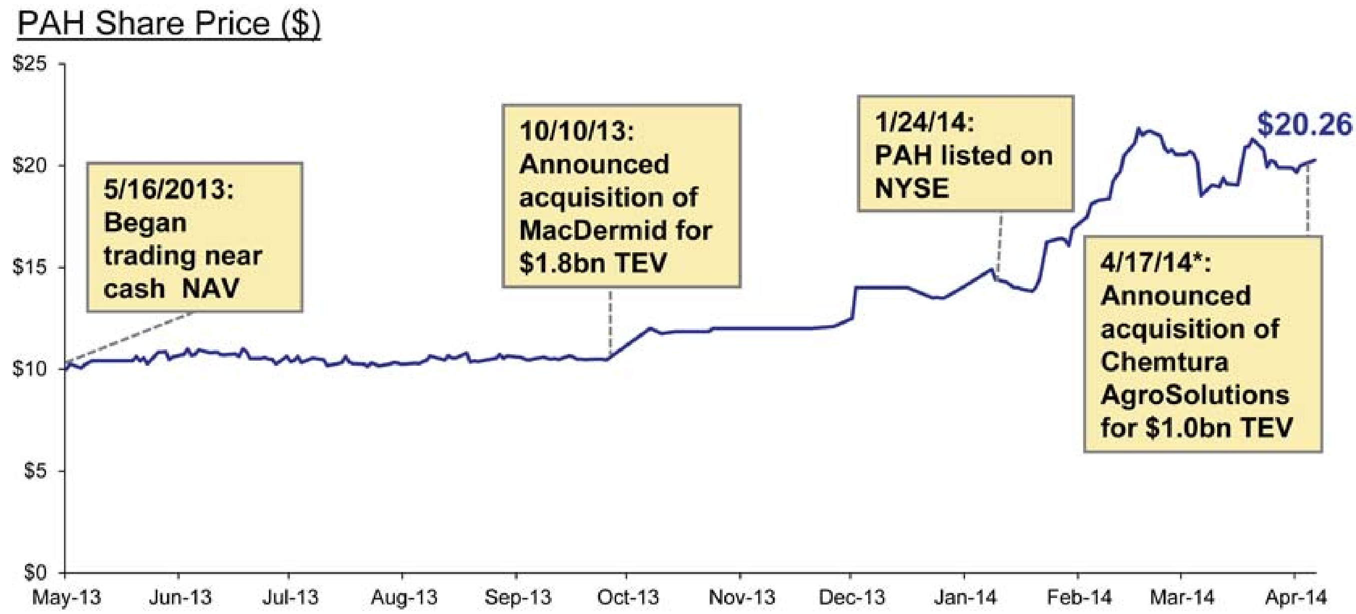
Platform Specialty Products (NYSE:PAH)

PAH has increased in value by ~100% in the six months since the announcement of the MacDermid acquisition



Source: Bloomberg.
*Erratum: Original presentation referred to "4/17/13"

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Platform Specialty Products (NYSE:PAH)

PAH's share price has nearly doubled in the six months since the MacDermid acquisition was announced

What are the possible explanations for this value creation?

- ✗ **Did PAH purchase MacDermid at materially less than its fair value?**
  - ✗ PAH paid ~10x LTM EBITDA
  - ✗ The seller was a private equity firm with no urgency to sell

OR

- ✓ **Did Investors begin to ascribe Platform Value to PAH?**
  - ✓ Investors recognize the Platform Value of PAH
  - ✓ PAH's stock price move implies a 100% platform premium

89

89
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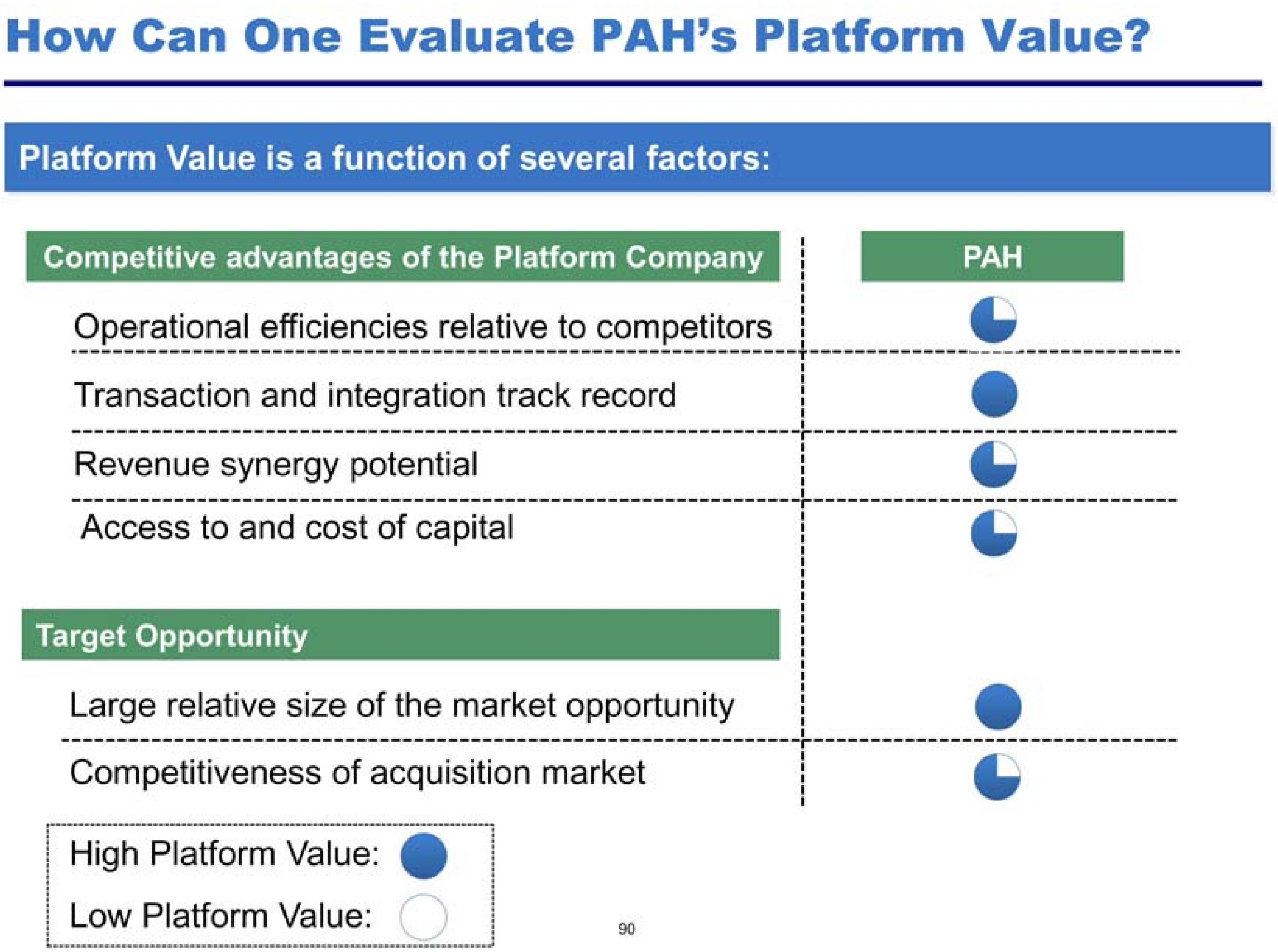
OR


How Can One Evaluate PAH's Platform Value?
Platform Value is a function of several factors:
Competitive advantages of the Platform Company
PAH
Operational efficiencies relative to competitors
Transaction and integration track record
Revenue synergy potential
Access to and cost of capital
Target Opportunity
Large relative size of the market opportunity
Competitiveness of acquisition market
High Platform Value:
Low Platform Value:
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Bad "Platforms"

There are numerous examples of acquisition-intensive companies that have not succeeded

- **These failures can be distinguished from the Outsider model in the following ways**
  - They lacked a competitive advantage in cost structure or strategy
  - They overpaid for acquisitions to generate growth
  - They relied on overvalued equity as an acquisition currency
  - They failed to integrate and achieve cost synergies
  - They focused on growing reported GAAP earnings rather than economic earnings per share

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91
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These failures can be distinguished from the Outsider model in the following ways
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They failed to integrate and achieve cost synergies
They focused on growing reported GAAP earnings rather than economic earnings per share

Valeant's Acquisitions Have Created Value

We believe that Valeant's track record of value-creating acquisitions is a sustainable competitive advantage that should be reflected in the company's market value

- **Conservatively underwrite attractive returns**
  - Target 20% unlevered IRR, before tax synergies (est. 30% after-tax)
  - Target < 6-year payback
  - Pipeline value of acquisition target assigned zero value
- **Rapid integration with synergies at or exceeding budget**
  - Have met or exceeded synergy budget on all announced acquisitions
  - Typically, ~80% of synergies achieved within first year

Source: Management interviews

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Conservatively underwrite attractive returns
Target 20% unlevered IRR, before tax synergies (est. 30% after-tax)
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Valeant s Acquisitions Have Created Value
Source: Management interviews

Valeant's Proven Integration Track Record

	Synergies Announced	Synergies Realized
BIOVAIL	*"…The second year after close, we expect to achieve at* ***minimum $175 million in cost synergies****."*	*"By the end of the fourth quarter [of 2011] we expect to achieve* ***approximately $350 million synergy run rate*** *for the Company."*
MEDICIS	*"…We expect to realize annual run rate constant synergies* ***of greater than $225 million."***	*"We now expect to achieve* ***greater than $300 million in run rate synergies*** *by the end of the year [2013]."*
BAUSCH + LOMB	*"…We expect to achieve* ***at least $800 million in annual cost savings****."*	*"We have now identified* ***greater than $900 million in synergies"***

Source: Company data

Large Universe of Public and Private Targets

Large universe of public targets for Val-gan with a market cap of at least $10 billion

- 58 pharmaceutical and medical device companies with a combined market cap of $3.2 trillion

Rank	Company Name	Market Cap ($bn)
1	Johnson & Johnson	$282.8
2	Roche Holding AG	245.5
3	Novartis AG	205.2
4	Pfizer Inc.	197.0
5	Merck & Co. Inc.	167.7
6	Sanofi	138.1
7	GlaxoSmithKline plc	127.4
8	Novo Nordisk A/S	110.4
9	Gilead Sciences Inc.	110.1
10	Bayer AG	107.6
11	Amgen Inc.	88.5
12	Bristol-Myers Squibb	83.7
13	AstraZeneca PLC	80.2
14	AbbVie Inc.	78.9
15	Biogen Idec Inc.	70.4
16	Eli Lilly and Company	64.9
17	Abbott Laboratories	59.7
18	Medtronic, Inc.	59.0

Rank	Company Name	Market Cap ($bn)
19	Celgene Corporation	$58.4
20	Thermo Fisher Scientific	47.6
21	Teva Pharmaceutical Industries	43.0
22	Baxter International	39.6
23	Actavis plc	35.4
24	Takeda Pharmaceutical Company	34.8
25	Merck KGaA	34.6
26	Covidien plc	31.8
27	CSL Ltd.	30.3
28	Regeneron Pharmaceuticals	30.2
29	Alexion Pharmaceuticals	30.1
30	Stryker Corporation	30.1
31	Shire plc	29.0
32	Forest Laboratories	24.7
33	Astellas Pharma	24.7
34	Becton, Dickinson and Company	22.0
35	Sun Pharmaceutical Industries	21.3
36	Essilor International SA	21.0

Note: Market caps are as of 4/21/2014 per Capital IQ. Table excludes Valeant and Allergan.

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- 58 pharmaceutical and medical device companies with a combined market cap of $3.2 trillion

Rank	Company Name	Market Cap ($bn)	Rank	Company Name	Market Cap ($bn)
37	UCB SA	$20.5	48	Vertex Pharmaceuticals Inc.	$15.5
38	Perrigo Company plc	19.4	49	Otsuka Holdings Co., Ltd.	15.4
39	Agilent Technologies Inc.	18.2	50	Zoetis Inc.	14.5
40	Boston Scientific Corporation	18.2	51	Chugai Pharmaceutical Co. Ltd.	13.4
41	Illumina Inc.	18.1	52	Smith & Nephew plc	13.0
42	Mylan, Inc.	18.0	53	Aspen Pharmacare Holdings	12.1
43	St. Jude Medical Inc.	17.8	54	Daiichi Sankyo Company, Limited	11.9
44	Coloplast A/S	16.3	55	Eisai Co., Ltd.	10.9
45	Grifols, S.A.	15.9	56	CR Bard Inc.	10.9
46	Intuitive Surgical, Inc.	15.8	57	Actelion Ltd.	10.8
47	Zimmer Holdings, Inc.	15.5	58	Olympus Corporation	10.0

In addition, we estimate that there are ~$3 trillion of privately owned targets in the pharmaceutical and medical device industry[1]

[1] We estimate that total pharmaceutical and medical device industry sales are approximately $2tn. Valued at 3x sales, the total industry value is $6tn.

Market caps are as of 4/21/2014 per Capital IQ.

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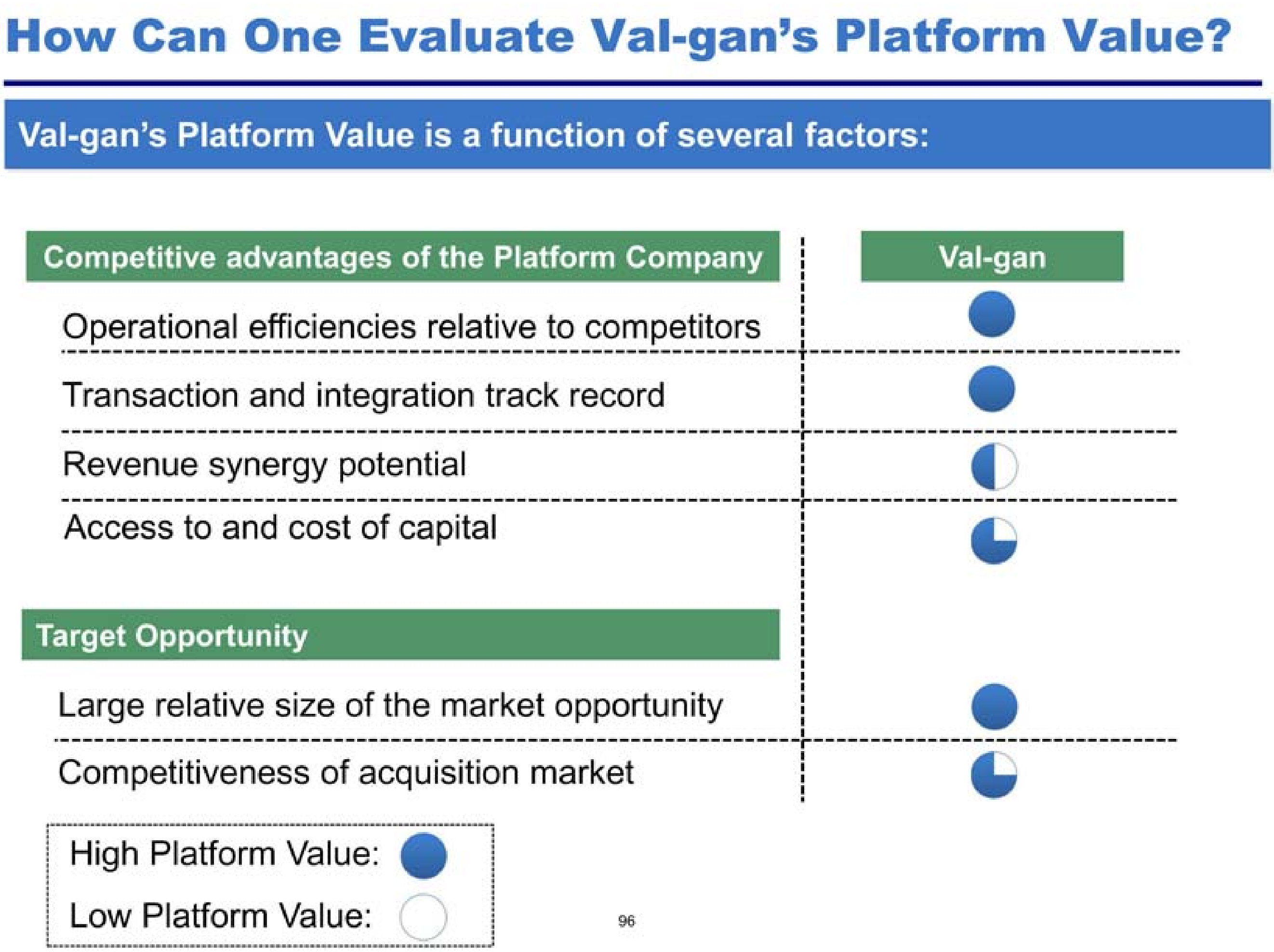
How Can One Evaluate Val-gan's Platform Value?
Val-gan's Platform Value is a function of several factors:
Competitive advantages of the Platform Company
Val-gan
Operational efficiencies relative to competitors
Transaction and integration track record
Revenue synergy potential
Access to and cost of capital
Target Opportunity
Large relative size of the market opportunity
Competitiveness of acquisition market
High Platform Value:
Low Platform Value:
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Illustrative Valeant Transaction: 98% Value Creation, Unlevered

	Stand Alone Financials	Pro Forma
Sales	**$100**	**$100**
Gross Profit	**$75**	**$75**
% Margin	75%	75%
SG&A	30	22
% Margin	30%	22%
R&D	20	3
% Margin	20%	3%
EBIT	**$25**	**$50**
% Margin	*25%*	*50%*
Taxes	$8	$5
% Tax Rate	*30%*	*10%*
Net Income	**$18**	**$45**
Intrinsic Value:		
Earnings Multiple	16x	16x
Value	**$280**	**$720**
% Acquisition Premium	*25%*	
% Restructuring Costs	*4%*	
Purchase Price	**$363**	

Consistent with synergies achieved historically

Year 1, 12% Unlevered yield

$45 / $363 = 12%

(Pro Forma Net Income/Purchase Price)

98% Value creation

$720 / $363 = 98%

(Pro-Forma Value/Purchase Price)

Source: Company data. Management Interviews

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Platform Valuation Illustration

Val-gan would only have to acquire ~$20bn of assets to justify a 26% platform premium

Acquired Assets ($bn)	$ 10bn	$ 20bn	$ 30bn	$ 40bn
Consideration: 100% cash, unlevered				
(a) Value Creation ($bn)	10	20	30	40
(b) Pro-Forma Market Cap ($bn) *At Current Valeant Share Price*	78	78	78	78
% Sharholder Value Creation: (a/b)	**13%**	**26%**	**38%**	**51%**

Assumes 100% increase in value of acquired assets[1]

Assumes acquisitions are 100% cash. No equity consideration

We believe the $6tn scale of the healthcare product market and Val-gan's extraordinary financial capacity could allow it to acquire substantially more assets than the table above illustrates

Pro-Forma Market Cap Assumptions: Valeant pro-forma share count of ~600mm and a share price of $126.00 (closing price April 21, 2014)

[1]This illustrative example does not take into account present value analysis of the acquisition program

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We Believe Valeant's Platform has Been Continually Undervalued

In 2008, investors could have purchased Valeant's shares at ~0.5x 2014 EPS

Valeant's Historical Share Price as a Multiple of 2014E Earnings (2/1/2008 to 4/21/2014)

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Source: Bloomberg. Stock price adjusted assuming reinvestment of dividends.

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Source: Bloomberg. Stock price adjusted assuming reinvestment of dividends.
P/E Multiple
0x2x4x6x8x10x12x14x16x18xFeb-08Aug-08Feb-09Aug-09Feb-10Aug-10Feb-11Aug-11Feb-12Aug-12Feb-13Aug-13Feb-14P/E Multiple of 2014E Earnings

If Val-gan can grow organically at a high single-digit rate as Valeant management projects, and management can invest the company’s free cash flow in new acquisition targets at historical rates of return, then we believe management can achieve its goal of 15%-20% annual EPS growth[1]

[1]Valeant Presentation April 22, 2014

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If Val-gan can grow organically at a high single-digit rate as Valeant management projects, and management can invest the company s free cash flow in new acquisition targets at historical rates of return, then we believe management can achieve its goal of 15%-20% annual EPS growth1
1Valeant Presentation April 22, 2014

IV. Summary

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Standalone Allergan vs. Val-gan

Allergan "Standalone" Sources of Incremental Value

- M&A
- R&D Success
- Cost Savings

Mixed track record

Transaction Sources of Value

- Cost Synergies
- Organic Growth

Valeant has achieved announced cost synergies in all announced transactions

- Business Development → **Upside**

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Large Margin of Safety

Val-gan would need to trade at only 7.4x 2014 Pro-Forma Cash EPS[1] in order for the Transaction value to exceed Allergan's unaffected price

P/E Ratio:		**7.4x**
2014 Pro-Forma EPS	$	11.08
Earnings Multuple		7.4x
Valeant* Stock Price	**$**	**82**
x (Exchange Ratio)		0.83
+ Stock Value	**$**	**68**
+ Cash Value/Share	**$**	**48**
= Total Value (Stock + Cash)	**$**	**116**
% Change vs. Unaffected Price		**0%**

[1]Source: Valeant Presentation April 22, 2014 2014 Pro-Forma Cash EPS Mid-Point

*Erratum: Original presentation referred to "Venus"

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2014 Pro-Forma EPS11.08$ Earnings Multuple7.4xValent* Stock Price82$ x (Exchange Ratio)0.83 + Stock Value68$ + Cash Value/Share48$ = Total Value (Stock + Cash)116$ % Change vs. Unaffected Price0%
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Val-Gan

"It is impossible to produce superior performance unless you do something different."

\- **John Templeton**

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"It is impossible to produce superior performance unless you do something different."
Val-Gan

V. Appendix

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Cash Net Income Reconciliation: Major Non-Cash Expense Adjustments

Valeant removes certain non-cash expenses to better match Net Income with recurring Free Cash Flow

- **Amortization of Intangible Assets ($1.9bn charge, 2013)**
  - GAAP requires companies to amortize the accounting value of acquired assets
  - This amortization is purely a GAAP accounting convention and is unrelated to the economic value of the asset
- **Acquired In-Process R&D Impairments ($154mm charge, 2013)**
  - These are impairments of pipeline assets that Valeant is required to capitalize under GAAP purchase accounting rules
  - These impairments do not impact the company's free cash flow in the reporting period or management's expectation of future free cash flow
  - Valeant underwrites all of its acquisitions assuming the value of the target's pipeline is zero

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Cash Net Income Reconciliation:
Major Non-Cash Expense Adjustments

Valeant removes certain non-cash expenses to better match Net Income with recurring Free Cash Flow

- **Inventory Step-Up ($436mm adjustment, 2013)**
  - GAAP requires purchasers to write-up the value of an acquired company's inventory to estimated fair value
  - For Valeant, this write-up is often large because Valeant tends to acquire very high gross margin companies
  - Large inventory write-ups significantly reduce the GAAP gross margin Valeant reports when the written-up inventory is sold
  - We believe that removing the effect of this write up provides a better measure of recurring gross profits

Non-Cash expenses Valeant does not remove

- Unlike many companies that report Non-GAAP financials, Valeant does not add back Stock-Based Compensation

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Cash Net Income Reconciliation: Restructuring Costs ($551mm, 2013)

Valeant removes restructuring charges to better match Net Income with recurring Free Cash Flow

- Valeant's restructuring charges are cash and non-cash expenses incurred in connection with corporate restructurings
- The vast majority of these restructurings relate to realizing synergies at newly acquired companies
- We believe that if acquisitions were to stop today, restructuring charges would drop to zero

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Cash Net Income Reconciliation:
Cash Taxes

Valeant's adjusted tax rate is a more accurate measure of the company's annual cash tax expense

- For GAAP purposes, Valeant reports an effective tax rate of 34%
- Adjusting this rate to reflect the cash taxes that Valeant actually pays is a more accurate measure of Valeant's annual tax expense

Valeant's cash tax rate is sustainably low

- Valeant's cash tax rate in 2013 was 3% of Adjusted Pre-Tax Profits
- We believe that Valeant, on a standalone basis, can continue to achieve a mid-single digit tax rate for the foreseeable future

Source: Management Interviews

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Patent Cliff Discounted Cash Flow Analysis

Discounted Cash Flow model detail

Undiscounted Cash Flows

Case	% Annual Growth	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Low	0.0%	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Base	2.5%	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2
High	5.0%	1.0	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.5	1.6

Discounted Cash Flows

Case	% Annual Growth	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total/Sum
Low	0.0%	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.4	0.4	**6.1x**
Base	2.5%	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.6	0.5	0.5	**6.8x**
High	5.0%	0.9	0.9	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	**7.4x**

Discount Rate 10%

6.1x to 7.4x Year 1 Cash Flow

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Patent Cliff Discounted Cash Flow Analysis
Discounted Cash Flow model detail
6.1x to 7.4x Year 1 Cash Flow