



# Perrigo Fiscal 2012 First Quarter Conference Call

*October 27, 2011*

**Perrigo™**

Quality, Affordable Healthcare Products



# Forward-Looking Statements

Certain statements in this presentation are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. These statements relate to future events or the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or other comparable terminology. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control. These and other important factors, including those discussed under "Risk Factors" in the Company's Form 10-K for the year ended June 25, 2011, as well as the Company's subsequent filings with the Securities and Exchange Commission, may cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements in this presentation are made only as of the date hereof, and unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



# Perrigo Consolidated – GAAP Financials

From Continuing Operations

(\$ in millions, except per share amounts)

	Q1 2012	Q1 2011	% Change Y/Y
<b>Net Sales</b>	\$ 725	\$ 641	13%
<b>Cost of Sales</b>	498	427	16%
<b>Gross Profit</b>	228	214	6%
<i>Distribution</i>	10	8	23%
<i>R&amp;D</i>	20	18	11%
<i>SG&amp;A</i>	96	76	26%
<b>Operating Income</b>	102	112	(9%)
<b>Income from Continuing Ops</b>	\$ 70	\$ 74	(4%)
<b>Diluted EPS from Continuing Ops</b>	\$ 0.75	\$ 0.79	(5%)

Gross Margin		
Q1 2012	Q1 2011	Change
31.4%	33.4%	(200) bps
Operating Margin		
Q1 2012	Q1 2011	Change
14.0%	17.4%	(340) bps



# Perrigo Consolidated – Q1 FY 2012 Adjusted Financials\*

From Continuing Operations

(\$ in millions, except per share amounts)	Q1 2012	Q1 2011	% Change Y/Y	Change as a % to sales
<b>Net Sales</b>	\$ 725	\$ 641	13%	
<b>Adjusted Cost of Sales</b>	455	420	8%	
<b>Adjusted Gross Profit</b>	270	221	22%	270 bps
<b>Distribution</b>	10	8	23%	
<b>Adjusted R&amp;D</b>	23	18	31%	
<b>Adjusted SG&amp;A</b>	83	72	15%	
<b>Adjusted Operating Income</b>	\$ 154	\$ 123	25%	200 bps
<b>Adjusted Income from Continuing Ops</b>	\$ 103	\$ 81	27%	150 bps
<b>Adjusted Diluted EPS from Continuing Ops</b>	\$ 1.10	\$ 0.87	26%	

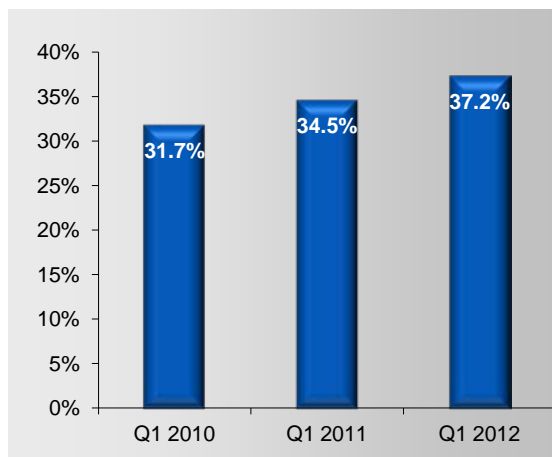
## Adjusted Gross Margin

Q1 2012	Q1 2011	Change
37.2%	34.5%	270 bps

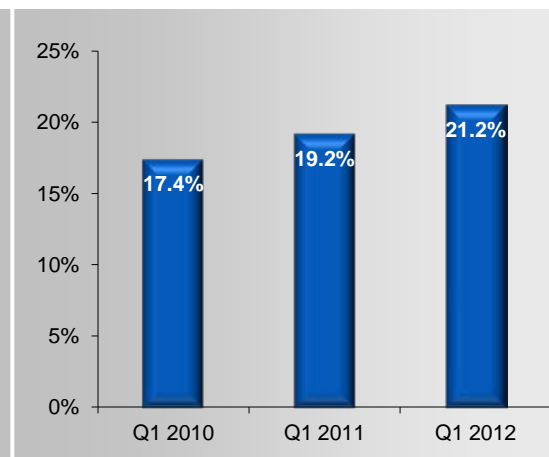
## Adjusted Operating Margin

Q1 2012	Q1 2011	Change
21.2%	19.2%	200 bps

## Adj. Gr. Margin Q1'10-Q1'12



## Adj. Op. Margin Q1'10-Q1'12





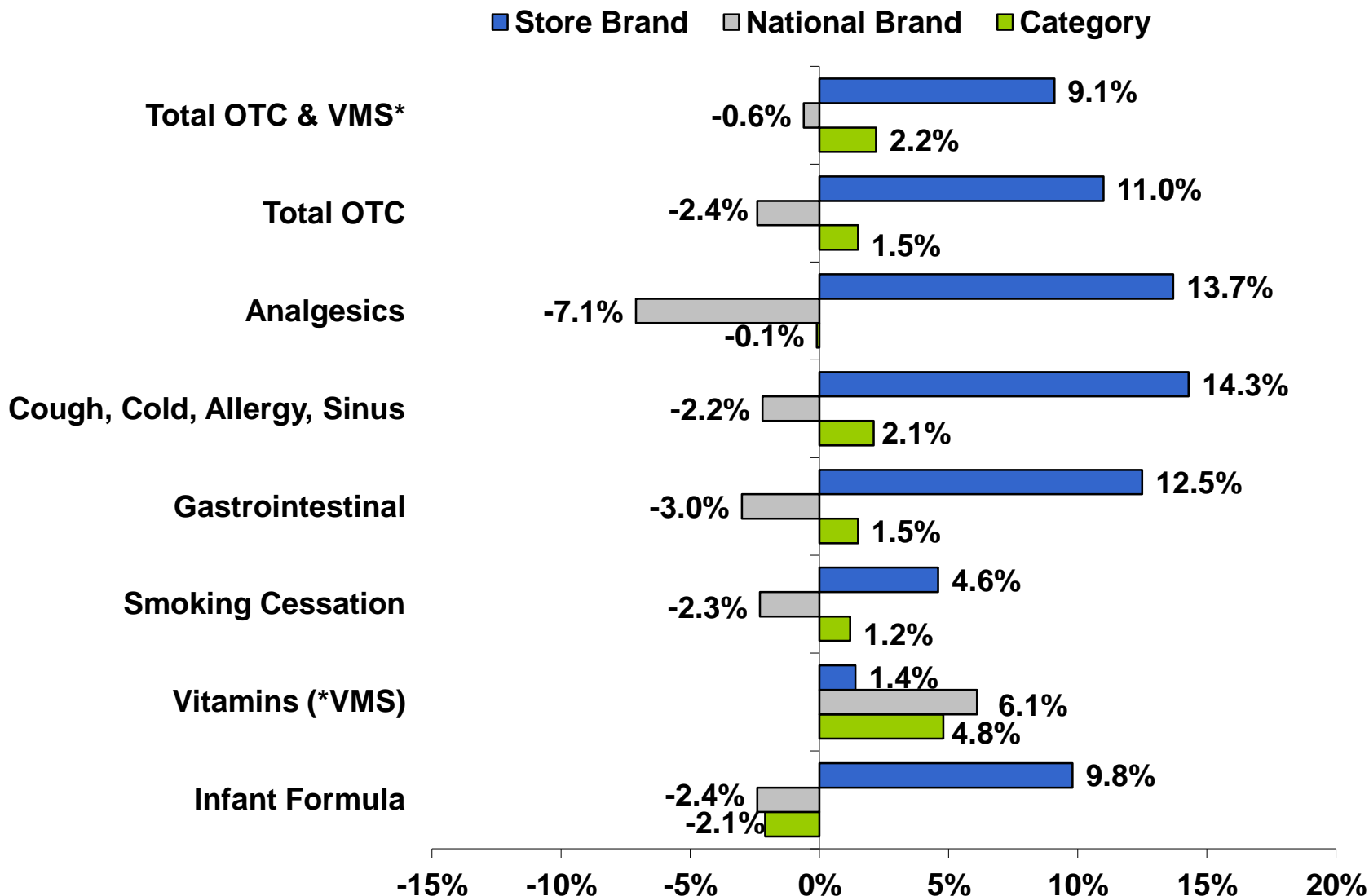
# Net Sales Performance by Segment – Adjusted Financials\*

From Continuing Operations

(\$in millions)	Q1 2012	Q1 2011	% Change Y/Y
<b>Consolidated Perrigo</b> <i>Adjusted Operating Income</i>	\$ 725 154	\$ 641 123	13% 25%
<b>Consumer Healthcare</b> <i>Adjusted Operating Income</i>	412 67	396 73	4% (9%)
<b>Nutritionals</b> <i>Adjusted Operating Income</i>	120 19	123 24	(2%) (22%)
<b>Rx Pharmaceuticals</b> <i>Adjusted Operating Income</i>	128 61	69 20	84% 202%
<b>API</b> <i>Adjusted Operating Income</i>	48 15	37 11	28% 40%



# All Category Update – 52 Weeks



\*Vitamins, Minerals, and Supplements

Source: IRI 52 Week Data Ending September 25, 2011; FDM



# Consumer Healthcare Segment – Adjusted Financials\*

From Continuing Operations

(\$ in millions)	Q1 2012	Q1 2011	% Change Y/Y	Change as a % to sales
Net Sales	\$ 412	\$ 396	4%	
Adjusted Cost of Sales	284	270	5%	
Adjusted Gross Profit	128	126	1%	(90) bps
Adjusted Operating Expenses	61	53	15%	
Adjusted Operating Income	\$ 67	\$ 73	(9%)	(230) bps

Adjusted Gross Margin		
Q1 2012	Q1 2011	Change
31.0%	31.9%	(90) bps
Adjusted Operating Margin		
Q1 2012	Q1 2011	Change
16.2%	18.5%	(230) bps

## Positive Impacts

- Volume increases
- Fairly stable pricing in most products



## Negative Offsets

- Competitive pressures on certain products
- Pre-launch investments
- R&D developmental materials; marketing and infrastructure spend





# Nutritionals Segment – Adjusted Financials\*

From Continuing Operations

(\$ in millions)	Q1 2012	Q1 2011	% Change Y/Y	Change as a % to sales
Net Sales	\$ 120	\$ 123	(2%)	
Adjusted Cost of Sales	83	81	3%	
Adjusted Gross Profit	36	41	(12%)	(330) bps
Adjusted Operating Expenses	18	18	2%	
Adjusted Operating Income	\$ 19	\$ 24	(22%)	(400) bps

Adjusted Gross Margin		
Q1 2012	Q1 2011	Change
30.4%	33.7%	(330) bps

Adjusted Operating Margin		
Q1 2012	Q1 2011	Change
15.5%	19.5%	(400) bps

## Positive Impacts

- Gaining market share in declining market
- Flat to favorable pricing in most products
- Continued SG&A optimization



## Negative Offsets

- Increased cost of raw materials
- Overall product mix
- R&D investment in infant formula







# Rx Segment – Adjusted Financials\*

From Continuing Operations





(\$ in millions)	Q1 2012	Q1 2011	% Change Y/Y	Change as a % to sales
Net Sales	\$ 128	\$ 69	84%	
Adjusted Cost of Sales	50	39	29%	
Adjusted Gross Profit	77	30	156%	1,700 bps
Adjusted Operating Expenses	16	10	63%	
Adjusted Operating Income	\$ 61	\$ 20	202%	1,860 bps

Adjusted Gross Margin		
Q1 2012	Q1 2011	Change
60.6%	43.6%	1,700 bps

Adjusted Operating Margin		
Q1 2012	Q1 2011	Change
47.8%	29.2%	1,860 bps

### Positive Impacts

- Favorable pricing on select products 
- Paddock Labs 
- Production cost leverage 
- SG&A leverage on increased product sales 



# API Segment – Adjusted Financials\*

From Continuing Operations

(\$ in millions)	Q1 2012	Q1 2011	% Change Y/Y	Change as a % to sales
Net Sales	\$ 48	\$ 37	28%	
Adjusted Cost of Sales	25	20	26%	
Adjusted Gross Profit	22	17	30%	80 bps
Operating Expenses	7	6	13%	
Adjusted Operating Income	\$ 15	\$ 11	40%	280 bps

Adjusted Gross Margin		
Q1 2012	Q1 2011	Change
47.0%	46.2%	80 bps

Adjusted Operating Margin		
Q1 2012	Q1 2011	Change
31.7%	28.9%	280 bps

## Positive Impacts

- Strong product sales
- FX impact
- Favorable product mix



- SG&A leverage on increased product sales



## Negative Offsets

- R&D investment in future products





# Perrigo Updated FY12 Guidance by Segment\*

## From Continuing Operations

	FY 2012 Guidance 8/16/11 Conference Call	Updated FY 2012 Guidance 10/27/11 Conference Call
<b>CONSUMER HEALTHCARE</b>		
Revenue Growth Y/Y	12% - 14%	12% - 14%
Adjusted Gross Margin %	32% - 33%	32% - 33%
Adjusted Operating Margin %	18% - 19%	18% - 19%
<b>NUTRITIONALS</b>		
Revenue Growth Y/Y	5% - 7%	3% - 5%
Adjusted Gross Margin %	33% - 35%	31% - 33%
Adjusted Operating Margin %	17% - 19%	15% - 17%
<b>RX</b>		
Revenue Growth Y/Y	55% - 57%	69% - 71%
Adjusted Gross Margin %	53% - 55%	55% - 57%
Adjusted Operating Margin %	38% - 40%	41% - 43%
<b>API</b>		
Revenue Growth Y/Y	9% - 11%	9% - 11%
Adjusted Gross Margin %	45% - 48%	45% - 48%
Adjusted Operating Margin %	25% - 27%	25% - 27%

**Legend:**

Y/Y = Year over Year



# Perrigo Consolidated Updated FY12 Guidance\*

From Continuing Operations

	FY 2012 Guidance 8/16/11 Conference Call	Updated FY 2012 Guidance 10/27/11 Conference Call
<b>CONSOLIDATED PERRIGO</b>		
Revenue Growth Y/Y	15% - 18%	17% - 20%
Adjusted Gross Margin %	35% - 38%	35% - 38%
Adjusted R&D as % to Sales	Approximately 3.5%	Approximately 3.5%
Adjusted DSG&A as % to Sales	12.5%	12.5%
Adjusted Operating Margin %	20% - 22%	20% - 22%
Effective Tax Rate	29% - 31%	27% - 29%
Adjusted Diluted EPS	\$4.50 - \$4.65	\$4.65 - \$4.80
Operating Cash Flow	\$470M - \$500M	\$500M - \$530M
CAPEX	\$95M - \$105M	\$90M - \$110M
New Products (consolidated)	>\$190M	>\$190M
Timing over course of year	2nd half weighted	2nd half weighted

**Legend:**

Y/Y = Year over Year

R&D = Research & Development Expense

DSG&A = Distribution, Sales, General & Administrative Expense

CAPEX = Capital Expenditures



# New Product Innovation – FY2012 Pipeline

Publicly disclosed products

## Potential Rx to OTC switches

- \$5B in branded sales potential over the next 3 years
- \$10B in branded sales potential over the next 5 years

Expect to launch >45 new products, resulting in >\$190M of revenue in FY 2012



<u>OTC Pipeline Highlights</u>	<u>Branded Sales (\$M)</u>
Generic version of Mucinex®	\$142
Generic version of Prevacid®	\$223
Generic version of Zantac® Cool Mint	\$36
Cinnamon Flavor Nicotine Gum	\$41
Generic version of Claritin® D	\$100
Generic version of Rogaine® Foam	\$59





# New Product Innovation – FY2012 Pipeline

Publicly disclosed products

## Potential Rx to OTC switches

- \$5B in branded sales potential over the next 3 years
- \$10B in branded sales potential over the next 5 years

Expect to launch >45 new products, resulting in >\$190M of revenue in FY 2012



<u>Nutritionals Pipeline Highlights</u>	<u>Branded Sales (\$M)</u>
Generic version of Gerber Gentle	\$55

<u>Rx Pipeline Highlights</u>	<u>Branded Sales (\$M)</u>
Generic version of Xyzal® Solution	\$245
Generic version of Duac® Gel	\$141
Generic version of Cenestin®	\$30
Generic version of Clobex® Lotion	\$70



# China Premium Infant Formula Partnership

## *Founder Pharma Agreement*

**Chinese infant formula market ~\$5BN**

**Non-exclusive supply agreement with sales in U.S. dollars**

- Sales at higher gross and operating margins than corporate average
- Sales recognition at U.S. port
- Sales expected to ramp up over next 2 quarters

**Founder Pharma responsible for sales, marketing, and distribution in China; initial focus on Chongqing Province**

- New “Founder Pharma” brand to be sold in premium segment
- Chongqing is where Founder Pharma’s parent, Southwest Synthetic’s, headquarters is located
- Chongqing city population >40 million
- Affiliate is building the largest hospital in China (Beijing), scheduled to be completed in 2012; currently owns 5 upper-first class hospitals
- Hospital Channel – have coverage in 60% of the 900 upper first-class hospitals in China



# Appendix





# Table I

## PERRIGO COMPANY RECONCILIATION OF NON-GAAP MEASURES

(in thousands, except per share amounts)

(unaudited)

Consolidated	Three Months Ended						% Change	
	September 24, 2011			September 25, 2010				
	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	As Adj.
Net sales	\$ 725,295	\$ -	\$ 725,295	\$ 641,322	\$ -	\$ 641,322	13%	13%
Cost of sales	497,716	42,362 <sup>(a,b)</sup>	455,354	427,368	7,174 <sup>(a)</sup>	420,194	16%	8%
Gross profit	227,579	42,362	269,941	213,954	7,174	221,128	6%	22%
Operating expenses								
Distribution	10,264	-	10,264	8,333	-	8,333	23%	23%
Research and development	19,638	(3,500) <sup>(c)</sup>	23,138	17,727	-	17,727	11%	31%
Selling and administration	96,125	13,620 <sup>(a,d)</sup>	82,505	76,127	4,113 <sup>(a)</sup>	72,014	26%	15%
Total	126,027	10,120	115,907	102,187	4,113	98,074		
Operating income	101,552	52,482	154,034	111,767	11,287	123,054	-9%	25%
Interest, net	12,570	-	12,570	10,087	-	10,087	25%	25%
Other expense (income), net	229	-	229	(559)	-	(559)	-	-
Pre-tax income from cont. ops.	88,753	52,482	141,235	102,239	11,287	113,526	-13%	24%
Income tax expense	18,295	19,620 <sup>(e)</sup>	37,915	28,561	3,615 <sup>(e)</sup>	32,176	-36%	18%
Income from continuing operations	\$ 70,458	\$ 32,862	\$ 103,320	\$ 73,678	\$ 7,672	\$ 81,350	-4%	27%
Diluted EPS from cont. ops.	\$ 0.75		\$ 1.10	\$ 0.79		\$ 0.87	-5%	26%
Diluted weighted average shares outstanding	93,953		93,953	93,269		93,269		
Gross margin	31.4%		37.2%	33.4%		34.5%		
Operating margin	14.0%		21.2%	17.4%		19.2%		

(a) Deal-related amortization

(b) Inventory step-up of \$27,179

(c) Proceeds from sale of pipeline R&D projects

(d) Acquisition-related costs of \$8,782

(e) Total tax effect for non-GAAP pre-tax adjustments



# Table II

## PERRIGO COMPANY REPORTABLE SEGMENTS RECONCILIATION OF NON-GAAP MEASURES

(in thousands)  
(unaudited)

Consumer Healthcare	Three Months Ended						% Change	
	September 24, 2011			September 25, 2010				
	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	As Adj.
Net sales	\$ 411,681	\$ -	\$ 411,681	\$ 396,104	\$ -	\$ 396,104	4%	4%
Cost of sales	285,107	1,022 <sup>(a)</sup>	284,085	270,512	802 <sup>(a)</sup>	269,710	5%	5%
Gross profit	126,574	1,022	127,596	125,592	802	126,394	1%	1%
Operating expenses	62,091	1,222 <sup>(a)</sup>	60,869	54,273	1,312 <sup>(a)</sup>	52,961	14%	15%
Operating income	<u>\$ 64,483</u>	<u>\$ 2,244</u>	<u>\$ 66,727</u>	<u>\$ 71,319</u>	<u>\$ 2,114</u>	<u>\$ 73,433</u>	-10%	-9%
<i>Gross margin</i>	30.7%		31.0%	31.7%		31.9%		
<i>Operating margin</i>	15.7%		16.2%	18.0%		18.5%		

Nutritionals	Three Months Ended						% Change	
	September 24, 2011			September 25, 2010				
	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	As Adj.
Net sales	\$ 119,861	\$ -	\$ 119,861	\$ 122,684	\$ -	\$ 122,684	-2%	-2%
Cost of sales	89,238	5,850 <sup>(a)</sup>	83,388	84,294	3,000 <sup>(a)</sup>	81,294	6%	3%
Gross profit	30,623	5,850	36,473	38,390	3,000	41,390	-20%	-12%
Operating expenses	21,558	3,615 <sup>(a)</sup>	17,943	20,311	2,801 <sup>(a)</sup>	17,510	6%	2%
Operating income	<u>\$ 9,065</u>	<u>\$ 9,465</u>	<u>\$ 18,530</u>	<u>\$ 18,079</u>	<u>\$ 5,801</u>	<u>\$ 23,880</u>	-50%	-22%
<i>Gross margin</i>	25.5%		30.4%	31.3%		33.7%		
<i>Operating margin</i>	7.6%		15.5%	14.7%		19.5%		

(a) Deal-related amortization

(b) Inventory step-up of \$27,179

(c) Proceeds of \$3,500 from sale of pipeline R&D projects

(d) Acquisition-related costs of \$3,156



# Table II (Continued)

**PERRIGO COMPANY**  
**REPORTABLE SEGMENTS**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(in thousands)  
(unaudited)

Rx Pharmaceuticals	Three Months Ended						% Change	
	September 24, 2011			September 25, 2010				
	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	As Adj.
Net sales	\$ 127,627	\$ -	\$ 127,627	\$ 69,333	\$ -	\$ 69,333	84%	84%
Cost of sales	84,791	34,532 <sup>(a,b)</sup>	50,259	41,561	2,459 <sup>(a)</sup>	39,102	104%	29%
Gross profit	42,836	34,532	77,368	27,772	2,459	30,231	54%	156%
Operating expenses	15,993	(344) <sup>(c,d)</sup>	16,337	10,017	-	10,017	60%	63%
Operating income	\$ 26,843	\$ 34,188	\$ 61,031	\$ 17,755	\$ 2,459	\$ 20,214	51%	202%
<i>Gross margin</i>	33.6%		60.6%	40.1%		43.6%		
<i>Operating margin</i>	21.0%		47.8%	25.6%		29.2%		

API	Three Months Ended						% Change	
	September 24, 2011			September 25, 2010				
	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	Non-GAAP Adjustments	As Adjusted	GAAP	As Adj.
Net sales	\$ 47,644	\$ -	\$ 47,644	\$ 37,361	\$ -	\$ 37,361	28%	28%
Cost of sales	25,791	521 <sup>(a)</sup>	25,270	20,580	492 <sup>(a)</sup>	20,088	25%	26%
Gross profit	21,853	521	22,374	16,781	492	17,273	30%	30%
Operating expenses	7,275	-	7,275	6,458	-	6,458	13%	13%
Operating income	\$ 14,578	\$ 521	\$ 15,099	\$ 10,323	\$ 492	\$ 10,815	41%	40%
<i>Gross margin</i>	45.9%		47.0%	44.9%		46.2%		
<i>Operating margin</i>	30.6%		31.7%	27.6%		28.9%		

(a) Deal-related amortization

(b) Inventory step-up of \$27,179

(c) Proceeds of \$3,500 from sale of pipeline R&D projects

(d) Acquisition-related costs of \$3,156



# Table III

## PERRIGO COMPANY FY 2012 GUIDANCE AND FY 2011 EPS RECONCILIATION OF NON-GAAP MEASURES (unaudited)

	<b>Full Year Fiscal 2012 Guidance*</b>
FY12 reported diluted EPS from continuing operations range	\$3.92 - \$4.07
Deal-related amortization <sup>(1)</sup>	0.52
Charge associated with inventory step-up	0.18
Charges associated with acquisition-related costs	0.06
Earnings associated with sale of pipeline R&D projects	(0.03)
FY12 adjusted diluted EPS from continuing operations range	<u>\$4.65 - \$4.80</u>
	<b>Fiscal 2011*</b>
FY11 reported diluted EPS from continuing operations	\$3.64
Deal-related amortization <sup>(1)</sup>	0.34
Charges associated with acquisition-related costs	0.02
Charges associated with restructuring	0.01
FY11 adjusted diluted EPS from continuing operations	<u>\$4.01</u>

(1) Amortization of acquired intangible assets related to business combinations and asset acquisitions

*\*All information based on continuing operations.*



# Table IV

**PERRIGO COMPANY**  
**FY 2012 GUIDANCE**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(unaudited)

	<b>Full Year Fiscal 2012 Guidance</b>
<b>Consolidated</b>	
Reported consolidated gross margin range	32.5% - 35.5%
Deal-related amortization <sup>(1)</sup>	1.7%
Inventory step-up	0.8%
Adjusted consolidated gross margin range	<u>35% - 38%</u>
Reported research and development expense as % of net sales	3.4%
Pipeline R&D projects	0.1%
Adjusted research and development expense as % of net sales	<u>3.5%</u>
Reported distribution, sales, general and administrative expense as % of net sales	13.4%
Deal-related amortization <sup>(1)</sup>	-0.6%
Acquisition-related costs	-0.3%
Adjusted distribution, sales, general and administrative expense as % of net sales	<u>12.5%</u>
Reported consolidated operating margin range	16.7% - 18.7%
Deal-related amortization <sup>(1)</sup>	2.3%
Inventory step-up	0.8%
Pipeline R&D projects	-0.1%
Acquisition-related costs	0.3%
Adjusted consolidated operating margin range	<u>20% - 22%</u>
<b>Consumer Healthcare</b>	
Reported gross margin range	31.8% - 32.8%
Deal-related amortization <sup>(1)</sup>	0.2%
Adjusted gross margin range	<u>32% - 33%</u>
Reported operating margin range	17.5% - 18.5%
Deal-related amortization <sup>(1)</sup>	0.5%
Adjusted operating margin range	<u>18% - 19%</u>

(1) Amortization of acquired intangible assets related to business combinations and asset acquisitions



# Table IV (continued)

PERRIGO COMPANY  
 FY 2012 GUIDANCE  
 RECONCILIATION OF NON-GAAP MEASURES  
 (unaudited)

	<b>Full Year Fiscal 2012 Guidance</b>
<b>Nutritionals</b>	
Reported gross margin range	28.1% - 30.1%
Deal-related amortization <sup>(1)</sup>	2.9%
Adjusted gross margin range	<u>31% - 33%</u>
Reported operating margin range	9.4% - 11.4%
Deal-related amortization <sup>(1)</sup>	5.6%
Adjusted operating margin range	<u>15% - 17%</u>
<b>Rx Pharmaceuticals</b>	
Reported gross margin range	44.7% - 46.7%
Deal-related amortization <sup>(1)</sup>	5.7%
Inventory step-up	4.6%
Adjusted gross margin range	<u>55% - 57%</u>
Reported operating margin range	30.8% - 32.8%
Deal-related amortization <sup>(1)</sup>	5.7%
Inventory step-up	4.6%
Pipeline R&D projects	-0.6%
Acquisition-related charges	0.5%
Adjusted operating margin range	<u>41% - 43%</u>
<b>API</b>	
Reported gross margin range	43.8% - 46.8%
Deal-related amortization <sup>(1)</sup>	1.2%
Adjusted gross margin range	<u>45% - 48%</u>
Reported operating margin range	23.8% - 25.8%
Deal-related amortization <sup>(1)</sup>	1.2%
Adjusted operating margin range	<u>25% - 27%</u>

(1) Amortization of acquired intangible assets related to business combinations and asset acquisitions



# Table V

## PERRIGO COMPANY RECONCILIATION OF NON-GAAP MEASURES

(in thousands)  
(unaudited)

	<u>9/24/2011</u>
Total debt	\$1,199,537
Less: Cash and cash equivalents	(116,615)
Total net debt	<u>1,082,922</u>
Total shareholders' equity	<u>1,544,441</u>
Total capital	<u><u>\$2,627,363</u></u>
 Net debt to total capital ratio	 41.2%
 <b>Consolidated</b>	 <b><u>Q1 FY10</u></b>
Net sales	\$ 528,333
 Reported gross profit	 \$ 163,212
Deal-related amortization <sup>(1)</sup>	4,157
Inventory step-up	320
Adjusted gross profit	<u>\$ 167,689</u>
Adjusted gross margin	<u>31.7%</u>
 Reported operating income	 \$ 72,129
Deal-related amortization <sup>(1)</sup>	5,292
Inventory step-up	320
Write-off of in-process R&D	14,000
Adjusted operating income	<u>\$ 91,741</u>
Adjusted operating margin	<u>17.4%</u>

*(1) Amortization of acquired intangible assets related to business combinations and asset acquisitions*



## Table VI

### PERRIGO COMPANY RECONCILIATION OF NON-GAAP MEASURES

(in thousands)  
(unaudited)

	Net Sales for the Three Months Ended		<u>% Change</u>
	<u>September 24, 2011</u>	<u>September 25, 2010</u>	
<b>Consolidated</b>			
Net sales, as reported	\$ 725,295	\$ 641,322	13%
Less: Paddock acquisition	(38,900)	-	
Net sales, organic	<u>\$ 686,395</u>	<u>\$ 641,322</u>	<u>7%</u>
	Three Months Ended		
	<u>September 24, 2011</u>	<u>September 25, 2010</u>	<u>% Change</u>
<b>Rx Pharmaceuticals</b>			
Net sales, as reported	\$ 127,627	\$ 69,333	84%
Less: Paddock acquisition	(38,900)	-	
Net sales, organic	<u>\$ 88,727</u>	<u>\$ 69,333</u>	<u>28%</u>