Dutch statutory board report and financial statements of Mylan N.V.
for the fiscal year ended 31 December 2017

Mylan N.V.
Dutch Statutory Board Report
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1. INTRODUCTION

In this report, the terms "Mylan", "we", "us", "our" and "the Company" refer to Mylan N.V. and, where appropriate, its subsidiaries. Unless stated otherwise, information presented in this report is as at 31 December 2017.

1.1 Preparation

This report has been prepared by Mylan's management and has been approved by Mylan's board of directors (the "Board") pursuant to Section 2:391 of the Dutch Civil Code ("DCC"). It contains (i) Mylan's Dutch statutory annual accounts as defined in Section 2:361(1) DCC and (ii) the information to be added pursuant to Section 2:392 DCC (to the extent relevant). The report of Mylan's independent auditor, Deloitte Accountants B.V., is included in section 11.1.

1.2 Forward-looking statements

This report contains "forward-looking statements." These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, statements about Mylan's future operations, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competition and other expectations and targets for future periods. These may often be identified by the use of words such as "will," "may," "could," "should," "would," "project," "believe," "anticipate," "expect," "plan," "estimate," "forecast," "potential," "pipeline," "intend," "continue," "target" and variations of these words or comparable words. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: actions and decisions of healthcare and pharmaceutical regulators; failure to achieve expected or targeted future financial and operating performance and results; uncertainties regarding future demand, pricing and reimbursement for our products; any regulatory, legal, or other impediments to Mylan's ability to bring new products to market, including, but not limited to, where Mylan uses its business judgment and decides to manufacture, market, and/or sell products, directly or through third parties, notwithstanding the fact that allegations of patent infringement(s) have not been finally resolved by the courts (i.e., an "at-risk launch"); success of clinical trials and Mylan's ability to execute on new product opportunities; any changes in or difficulties with our manufacturing facilities, supply chain or inventory or our ability to meet anticipated demand; the scope, timing and outcome of any ongoing legal proceedings, including government investigations, and the impact of any such proceedings on our financial condition, results of operations and/or cash flows; the ability to meet expectations regarding the accounting and tax treatments of acquisitions, including Mylan's acquisition (the "EPD Transaction") of Mylan Inc. and Abbott Laboratories' ("Abbott") non-U.S. developed markets specialty and branded generics business (the "EPD Business"); changes in relevant tax and other laws, including but not limited to changes in the U.S. tax code and healthcare and pharmaceutical laws and regulations in the U.S. and abroad; any significant breach of data security or data privacy or disruptions to our information technology systems; the ability to protect intellectual property and preserve intellectual property rights; the effect of any changes in customer and supplier relationships and customer purchasing patterns; the ability to attract and retain key personnel; the impact of competition; identifying, acquiring and integrating complementary or strategic acquisitions of other companies, products, or assets being more difficult, time-consuming or costly than anticipated; the possibility that Mylan may be unable to achieve expected synergies and operating efficiencies in connection with strategic acquisitions or restructuring programs within the expected time-frames or at all; uncertainties and matters beyond the control of management, including but not limited to general political and economic conditions and global exchange rates; and inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements, and the providing of estimates of financial measures, in accordance with International Financial Reporting Standards, as adopted by the European Commission ("EU IFRS") and related standards or on an adjusted basis. For more detailed information on the risks and uncertainties associated with Mylan's business activities, see the risks described in section 4 of this report and our other filings with the SEC. You can access Mylan's filings with the United States Securities and Exchange Commission ("SEC") through the SEC website at www.sec.gov or through our website, and Mylan strongly encourages you to do so. Mylan routinely posts information that may be important to investors on our website at investor.mylan.com, and we use this website address as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC's Regulation Fair Disclosure (Reg FD). The contents of our website are not incorporated by reference in this report and shall not be deemed "filed" under the Securities Exchange Act of 1934, as amended. Mylan undertakes no obligation to update any statements herein for revisions or changes after the filing date of this report.

2. COMPANY AND BUSINESS OVERVIEW

2.1 Business

Mylan N.V., along with its subsidiaries (collectively, the "Company," "Mylan," "our" or "we"), is a leading global pharmaceutical company, which develops, licenses, manufactures, markets and distributes generics, branded generics, brand name and over-the-counter ("OTC") products in a variety of dosage forms and therapeutic categories. Mylan is committed to setting new standards in healthcare by creating better health for a better world, and our mission is to provide the world's 7 billion people access to high quality medicine. To do so, we innovate to satisfy unmet needs; make reliability and service excellence a habit; do what's right, not what's easy; and impact the future through passionate global leadership. We believe access to healthcare should be a right, not a privilege. That makes our mission very personal. While a great deal of progress has been made over the years to expand access to healthcare, there's still much to be done. With our strong foundation in pharmaceuticals and long track record of doing good, Mylan is uniquely positioned to address the world's most pressing health concerns.

Mylan offers one of the industry's broadest product portfolios, including more than 7,500 marketed products around the world, to customers in more than 165 countries and territories. We operate a global, high quality, vertically-integrated manufacturing platform around the world and one of the world's largest active pharmaceutical ingredient ("API") operations. We also operate a strong and innovative research and development ("R&D") network that has consistently delivered a robust product pipeline including a variety of dosage forms, therapeutic categories and biosimilars.

2.1.1 Overview

Throughout its history, Mylan has been recognized as a leader in the United States ("U.S.") generic pharmaceutical industry. Our leadership position is the result of, among other factors, our ability to efficiently obtain Abbreviated New Drug Application ("ANDA") approvals and our reliable high quality supply chain. Mylan is one of the largest pharmaceutical companies in the world today in terms of revenue and is recognized as an industry leader because of our organic growth and transformative acquisitions beginning in 2007.

Our most recent significant acquisitions include the June 2016 acquisition of the non-sterile, topicals-focused business (the "Topicals Business") of Renaissance Acquisition Holdings, LLC ("Renaissance") for approximately $1.01 billion in cash at closing, including amounts that were deposited into escrow for potential contingent payments. The Topicals Business provided the Company with a complementary portfolio of commercial and pipeline products, and an established U.S. sales and marketing infrastructure targeting dermatologists. The Topicals Business also provided an integrated manufacturing and development platform.

Also, in August 2016, we acquired Meda AB (publ.) ("Meda") for a total purchase price of approximately $6.92 billion, net of cash acquired. Meda provided a diversified and expansive portfolio of branded and generic medicines along with a strong and growing portfolio of OTC products. The combined company has a balanced global footprint with significant scale in key geographic markets, particularly the U.S. and Europe. The acquisition of Meda also expanded our presence in key emerging markets, including, China, Russia, Turkey, and Mexico, and in countries in South East Asia, and the Middle East, which complemented Mylan's existing presence in India, Brazil and Africa (including South Africa).

2.1.2 One Mylan

Through our recent significant transactions, along with our previous transformative acquisitions of Mylan Inc. the EPD Business, Agila Specialties ("Agila"), Matrix Laboratories Limited (now known as Mylan Laboratories Limited or "Mylan India"), Merck KGaA's generics and specialty pharmaceutical business, Bioniche Pharma Holdings Limited ("Bioniche") and Pfizer Inc.'s ("Pfizer") respiratory delivery platform (the "respiratory delivery platform"), we have created a horizontally and vertically integrated platform with global scale, augmented our diversified product portfolio and further expanded our range of capabilities, all of which we believe position us well for the future.

Today, Mylan has a robust worldwide commercial presence, including leadership positions in the U.S., Australia and France as well as other markets around the world. Mylan's global portfolio of more than 7,500 marketed generic and branded generic, brand name, and OTC products around the world covers a vast array of therapeutic categories. We offer an extensive range of dosage forms and delivery systems, including oral solids, topicals, liquids and semisolids while focusing on those products that are difficult to formulate and manufacture, and typically have longer life cycles than traditional generic pharmaceuticals, including transdermal patches, high potency formulations, injectables, controlled-release and respiratory products. OTC products are key complements to prescribed drugs because they are easily accessible, save patients' time and reduce cost pressures on healthcare systems. Mylan also operates one of the largest API manufacturers, supplying low cost, high quality API for our own products and pipeline, as well as for a number of third parties.

We believe that the breadth and depth of our business and platform provide certain competitive advantages in major markets in which we operate, including less dependency on any single market or product. As a result, we are better able to successfully compete on a global basis than many of our competitors.

2.1.3 Strategy

As a Dutch company, Mylan focuses on the interests of all corporate stakeholders, and believes its most important objectives are to position the organization to deliver sustainable long-term value to shareholders while also serving the interests of its other stakeholders.

The Board oversees and empowers Mylan's talented management team to execute on these objectives through the Company's clear, consistent and differentiated strategy.

As you read this report, consider the extraordinary result of that strategy to date: it has produced a sustainable company that is making great strides in its mission of delivering better health for a better world by providing 7 billion people access to high quality medicine.

That mission to provide **access** is grounded in our belief that every person in this world matters and that the opportunity to live the healthiest life is one that should be attainable by all.

To provide access, we must be able to satisfy the needs of an incredibly **diverse** global marketplace with economic and political systems, approaches to delivering and paying for healthcare, languages and traditions, and customer and patient requirements that vary by location and over time.

It is with these considerations in mind that we built and scaled our commercial, operational and scientific platforms to meet the evolving needs of customers in ways that are globally consistent and locally sensitive. As a result, Mylan now reaches patients in more than 165 countries with a tremendous range of brand-name, generic and over-the-counter products.

As important, with each additional patient we reach, our diversification grows, further reinforcing our business model's **durability**.

Durability allows Mylan to withstand and overcome competitive pressures while innovating to expand the world's access to medicine. In addition, durability means that Mylan's shareholders and other stakeholders can expect us to continue to "do good" by expanding access to medicine and "do well" by generating consistent financial results, including reliable cash flows capable of supporting ongoing investments in long-term growth. These efforts differentiate and underscore the strength of Mylan's business model.

Mylan's mission and strategy distinguish us from all other pharmaceutical companies. It is with this backdrop that we invite you to carefully review the rest of the materials in this report, including, without limitation, the contributions that were made in the fiscal year ended December 31, 2017 towards achieving our strategy.

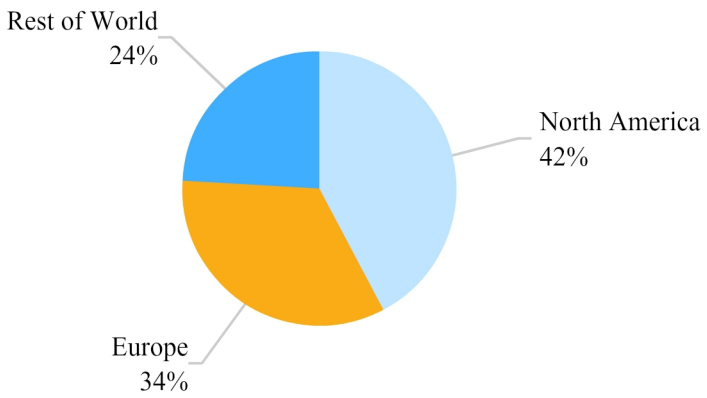
2.1.4 Our operations

Mylan N.V. was originally incorporated as a private limited liability company, New Moon B.V., in the Netherlands in 2014. Mylan became a public limited liability company in the Netherlands through its acquisition of the EPD Business on 27 February 2015. Mylan's corporate seat is located in Amsterdam, the Netherlands, its principal executive offices are located in Hatfield, Hertfordshire, England and Mylan N.V. group's global headquarters are located in Canonsburg, Pennsylvania.

The Company has made a number of significant acquisitions since 2015, and as part of the holistic, global integration of these acquisitions, the Company is focused on how to best optimize and maximize all of its assets across the organization and across all geographies. On 5 December 2016, the Company announced restructuring programs in certain locations representing initial steps in a series of actions that are anticipated to further streamline its operations globally. The Company continues to develop the details of the cost reduction initiatives, including workforce actions and other potential restructuring activities beyond the programs already announced, including potential shutdown or consolidation of certain operations. The continued restructuring actions are expected to be implemented through fiscal year 2018. Refer to Note 26 *Restructuring* included in section 9 of this report for additional information related to our restructuring initiatives.

We report our results in three segments on a geographic basis as follows: North America, Europe and Rest of World. The operations in each of our segments is described in more detail below.

The chart below reflects third party net sales by reportable segment for the year ended 31 December 2017.



Our third party net sales are derived primarily from the sale of generic and branded generic pharmaceuticals, branded pharmaceuticals, OTC products and API. Our API business is conducted through Mylan India, which is included within our Rest of World segment. Refer to Note 23 *Segment Information* included in section 9 of this report for additional information related to our reportable segments.

Our global operational footprint, including the locations of our manufacturing, packaging and R&D facilities and capabilities, along with the individual site's primary activities, are detailed on the map below.

Our global manufacturing platform is an important component of our business model. We own twelve manufacturing and distribution facilities in the U.S. including Puerto Rico, with significant sites in Morgantown, West Virginia; San Antonio, Texas; St. Albans, Vermont; Caguas, Puerto Rico; and Greensboro, North Carolina. Outside the U.S. and Puerto Rico, we utilize production and distribution facilities in eleven countries, including key facilities in India, Australia, Japan, Ireland, Hungary and France. Our manufacturing facilities, which operate around the globe, are capable of producing approximately 80 billion oral solid doses, 4,800 kiloliters of APIs, 500 million injectable units, and 1.5 billion complex products (transdermals, dermals, topicals, respiratory, oral films, and other specialty items) per year.

The Company also leases manufacturing, warehousing, distribution and administrative facilities in numerous locations, both within and outside of the U.S., including properties in New York, Canada, France, India, Ireland and the United Kingdom (the "U.K."). All of the facilities listed above are included in our reportable segments primarily based on the location of the facility. Our global R&D centers of excellence are located in Morgantown, West Virginia and Hyderabad, India. We also have specific technology focused development sites in Texas, Vermont, Canada, Ireland, Germany, Italy, the U.K., India and Japan. In addition, under our collaboration agreements with Biocon Limited ("Biocon") for the development of biosimilar compounds

and insulin analog products, certain state of the art manufacturing facilities owned by Biocon in India and Malaysia are to be used for the manufacture of products developed under the agreements, which are excluded from the chart above.

We believe that all of our facilities are in good operating condition, the machinery and equipment are well-maintained, the facilities are suitable for their intended purposes and they have capacities adequate for the current operations.

Unless otherwise indicated, industry data included in Item 1 is sourced from IQVIA Holdings Inc. ("IQVIA") and is for the twelve months ended November 2017.

North America Segment

Our North America segment primarily develops, manufactures, sells and distributes pharmaceutical products in tablet, capsule, injectable, transdermal patch, gel, nebulized and cream or ointment form. For the year ended 31 December 2017, North America segment third party net sales were $4.97 billion. Our North America segment includes our operations in the U.S. and Canada, each of which is discussed further below.

The **U.S.** generics market is the largest in the world, in terms of value, with generic prescription sales of approximately $60.0 billion for the twelve months ended November 2017 and approximately 90% of all pharmaceutical products sold in the U.S. were generic products, which demonstrates the high level of generic penetration in this market. Mylan holds a top two ranking within the U.S. generics prescription market in terms of both sales and prescriptions dispensed. Approximately one in every 14 prescriptions dispensed in the U.S. is a Mylan product. Our sales of products in the U.S. are derived primarily from the sale of oral solid dosages, injectables, transdermal patches, gels, creams, ointments and unit dose offerings. In the U.S., we have one of the largest product portfolios among all generic pharmaceutical companies. With the acquisition of the Topicals Business, we gained a complementary portfolio of branded and generic topical products, including an active pipeline of products in development as well as an established U.S. sales and marketing infrastructure targeting dermatologists. The Topicals Business added to Mylan an integrated manufacturing and development platform along with a leading topicals-focused contract development and manufacturing organization.

In addition, we manufacture and sell a diverse portfolio of injectable products across several key therapeutic areas, including respiratory and allergy, infectious disease, cardiovascular, oncology and central nervous system and anesthesia. Mylan's injectable manufacturing capabilities include vials, prefilled syringes, ampoules and lyophilization with a focus on oncology, penems, penicillins, ophthalmics and peptides.

Our unit dose business focuses on providing one of the largest product portfolios along with innovative packaging and barcoding that supports bedside verification throughout the U.S. and Canada for hospitals, group purchasing organizations ("GPOs"), long term care facilities, wholesalers, surgical services, home infusion service providers, correctional facilities, specialty pharmacies and retail outlets.

In October 2017, Mylan launched in the U.S. the first Glatiramer Acetate Injection 40 mg/mL for 3-times-a-week injection that is an AP-rated substitutable generic version of Copaxone® 40 mg/mL, as well as Glatiramer Acetate Injection 20 mg/mL for once-daily injection, an AP-rated, substitutable generic version of Copaxone® 20 mg/mL. These products are indicated for the treatment of patients with relapsing forms of multiple sclerosis, a chronic inflammatory disease of the central nervous system.

The EpiPen® Auto-Injector, which is used in the treatment of severe allergic reactions, is an epinephrine auto-injector that has been sold in the U.S. and internationally since the mid-1980s. Mylan markets the EpiPen® Auto-Injector, which is supplied to Mylan by a wholly owned subsidiary of Pfizer. Anaphylaxis is a severe allergic reaction that is rapid in onset and may cause death, either through swelling that shuts off airways or through a significant drop in blood pressure. In December 2010, the National Institute of Allergy and Infectious Diseases, a division of the National Institutes of Health, introduced the "Guidelines for the Diagnosis and Management of Food Allergy in the United States." These guidelines state that epinephrine is the first line treatment for anaphylaxis. The EpiPen® Auto-Injector is the number one dispensed epinephrine auto-injector. On 16 December 2016, Mylan launched the first authorized generic for the EpiPen® Auto-Injector, which has the same drug formulation and device functionality as the branded product.

Perforomist® Inhalation Solution, Mylan's Formoterol Fumarate Inhalation Solution, was launched in October 2007. Perforomist® Inhalation Solution is a long-acting beta2-adrenergic agonist indicated for long-term, twice-daily administration in the maintenance treatment of bronchoconstriction in chronic obstructive pulmonary disorder ("COPD") patients, including those with chronic bronchitis and emphysema. Mylan holds several U.S. and international patents protecting Perforomist® Inhalation Solution.

With the acquisition of Meda, we acquired certain key branded products, including Dymista® which is used for the treatment of seasonal allergic rhinitis and was launched in the U.S. in 2012. We also market several OTC products including Cold-EEZE, Midnite, and Vivarin.

We believe that the breadth and quality of our product offerings help us to successfully meet our customers' needs and to better compete in the generics industry over the long-term. The future growth of our U.S. generics business is partially dependent upon continued acceptance of generic products as affordable alternatives to branded pharmaceuticals, a trend which is largely outside of our control. However, we believe that we can maximize the value of our generic product opportunities by continuing our proven track record of bringing to market high quality products that are difficult to formulate or manufacture. Throughout Mylan's history, we have successfully introduced many generic products that are difficult to formulate or manufacture and continue to be meaningful contributors to our business several years after their initial launch. Additionally, we expect to achieve growth in our U.S. business by launching new products for which we may attain U.S. Food and Drug Administration ("FDA") first-to-file status with Paragraph IV certification. As described further in the "Product Development and Government Regulation" discussion below, a first-filed ANDA with a Paragraph IV certification qualifies the product approval holder for a period of generic marketing and distribution exclusivity.

In **Canada**, we have successfully leveraged the acquired EPD Business to further broaden our presence in this market. We currently rank sixth in terms of market share in the generic prescription market. As in the U.S., growth in Canada will be dependent upon acceptance of generic products as affordable alternatives to branded pharmaceuticals. Further, we plan to leverage the strength and reliability of the collective Mylan brand to foster continued brand awareness and growth throughout the region.

Europe Segment

Our European operations are conducted through our wholly owned subsidiaries in 35 countries across the region, including France, Italy, Germany, the U.K. and Spain. For the year ended 31 December 2017, Europe segment third party net sales were $3.96 billion. The types of markets within Europe vary from country to country; however, when combined, the European market is the second largest generic pharmaceutical market in the world in terms of value. Within Europe, by value, the generic prescription market in Germany is the largest, followed by the U.K., France, Spain and Italy, respectively.

In Europe, the manner in which products are marketed varies by country. In addition to selling pharmaceuticals under their International Nonproprietary Name ("INN") (i.e., API), in certain European countries, branded generic pharmaceutical products are given a unique brand name, as these markets tend to be more responsive to the promotion efforts generally used to promote brand products.

The European generic prescription market also varies significantly by country in terms of the extent of generic penetration, the key decision maker in terms of drug choice and other important aspects. Some countries, including Germany, the U.K., the Netherlands, Denmark and Poland, are characterized by relatively high generic penetration, ranging between 70% and 75% of total prescription market sales in the twelve months ended November 2017, based on volume. Conversely, other major European markets, including France, Italy and Spain, are characterized by much lower generic penetration, ranging between 22% and 44% of total prescription sales in the twelve months ended November 2017, based on volume. However, actions taken by governments, particularly in these latter under-penetrated countries, to reduce healthcare costs could encourage further use of generic pharmaceutical products. In some of these underpenetrated markets, in addition to growth from new product launches, we expect our future growth to be driven by increased generic utilization and penetration.

As a result of the acquisitions of Meda and the EPD Business, our product portfolio has been diversified with OTC products and additional branded and branded generic products in Europe. In addition, Mylan has significantly expanded and strengthened its presence in Europe. In particular, we have grown our presence in several markets in Central and Eastern Europe, including Poland, Greece, the Czech Republic and Slovakia and gained access into new markets, such as Romania and Bulgaria. As a result of these acquisitions, our revenues in Europe are now significantly diversified across our generics, branded and branded generic portfolios.

Our branded products include Creon, Influvac, EpiPen®, Dymista, Betadine and Elidel. Our OTC products include Dona, Saugella, CB12, Brufen, Endwarts, and Armolipid.

In October 2017, the Company announced that its partner, Synthon, received marketing authorization approval in Europe for Glatiramer Acetate Injection 40 mg/mL. Mylan is partnered with Synthon, the developer and supplier of its European Glatiramer Acetate Injection products, and has exclusive distribution and supply rights in certain key European markets. We have launched the product in several countries in 2018.

Of the top ten generic prescription markets in Europe, we hold leadership positions in several of the markets, including the number one market share position in France and the number two market share position in Italy. In **France**, we believe the generic market is underpenetrated. Our growth in the French market is expected to come from brand leadership, new product launches, and increased generic utilization and penetration through government initiatives, such as a communication plan to promote generics in France. The acquisition of the EPD Business in 2015 followed by the acquisition of Meda in 2016 strengthened Mylan's position as a major participant across the healthcare system covering prescribers, hospitals and pharmacists and provided growth opportunities and synergies throughout the market.

In **Italy**, we have the second highest market share in the generic prescription market in terms of volume and value. We believe that the Italian generic market is still under-penetrated, with generics representing approximately 22% of the Italian pharmaceutical market, based on volume. The Italian government has put forth only limited measures aimed at encouraging generic use, and as a result, generic substitution is still in its early stages. As leaders of the generic market, we can benefit from increased generic utilization.

In addition to France and Italy, we have grown our presence in several European markets including Germany, the U.K., Spain and markets in Eastern Europe. In the **U.K.**, Mylan is ranked third in the U.K. generic prescription market, in terms of value. Mylan is well positioned in the U.K. as a preferred supplier to wholesalers and is also focused on areas such as retail pharmacy chains and hospitals. The acquisition of the EPD and Meda businesses in the U.K. has provided us with an additional branded market presence, particularly in the areas of pancreatic enzyme replacement, hormone replacement therapy, anaphylaxis and allergy.

In **Spain**, we have the ninth highest market share in the generic prescription market based on volume. The generic market comprised approximately 35% of the total Spanish pharmaceutical market by volume for the twelve months ended November 2017. Our portfolio and depth in this market were further expanded with the acquisitions of the EPD Business and Meda by adding branded and OTC products. As a result of these acquisitions, we have diversified our product offerings in Spain and generic prescription products now account for less than a quarter of our sales in Spain. New product introductions in all of our categories will be the drivers of our growth in Spain.

As a result of the acquisitions of Meda and the EPD Business, we have strengthened and expanded our presence in **Germany** and have diversified our portfolio to reduce our reliance on the tender system. A tender system is part of the market in Germany, and as a result, health insurers play a major role. Under a tender system, health insurers invite manufacturers to submit bids that establish prices for generic pharmaceuticals.

In the **Nordic** region, which we define as Sweden, Norway, Denmark, Finland and Iceland, our presence has expanded significantly as a result of our recent acquisitions. For instance, we now have the fourth highest market share in Sweden, in terms of volume and value, and the fifth highest market share in Norway, based on volume.

We also have a notable presence in other European generic prescription markets, including Portugal and Belgium, where we hold the third and fifth highest market share, respectively, in terms of volume. In the Netherlands, we have the third highest market share in the generic prescription market, which is characterized by relatively high generic penetration.

Rest of World Segment

We market pharmaceuticals in Rest of World primarily through our sales forces in approximately 30 countries and through partners and distributors in approximately 90 additional emerging markets. Our key Rest of World markets include Japan, Australia, China, Brazil, Russia, India, South Africa, and certain markets in the Middle-East and South East Asia. Additionally, through Mylan India, we market API to third parties and also supply other Mylan subsidiaries. For the year ended 31 December 2017, Rest of World segment third party net sales were $2.83 billion.

The Indian generics market is the largest in the world, in terms of volume. We operate our API business out of Mylan **India**. We are also one of the world's largest API manufacturers as measured by the number of drug master files ("DMFs") filed with regulatory agencies. Mylan India's manufacturing capabilities include a range of dosage forms, such as tablets, capsules and injectables, in a wide variety of therapeutic categories. Mylan India has ten API and intermediate manufacturing facilities and a total of fifteen finished dosage form ("FDF") facilities, which includes eight oral solid dose facilities and seven injectable facilities, all located in India. Our presence in India goes beyond manufacturing, sales and marketing. With a global R&D center of excellence in Hyderabad, India and technology driven R&D sites in Bangalore, India, we are able to create unique and efficient R&D capabilities.

Mylan India markets API to third parties around the world and produces anti-retroviral therapy ("ARV") products for people living with HIV/AIDS. Mylan India has a growing commercial presence, with its Hepatitis C products representing approximately 20% of the Hepatitis C market share in India. In addition, our current areas of focus include Critical Care, Hepato Care, HIV Care, Onco Care and Women's Care. We continue to expand our products in the therapeutic categories such as hepatology, oncology and critical care. In November 2015, we completed our acquisition of certain women's healthcare businesses from Famy Care Limited (such businesses "Jai Pharma Limited"), which significantly broadened our women's care portfolio and strengthened our technical capabilities in terms of dedicated hormone manufacturing.

Through Mylan India, we have long been a champion for those living with or at risk for infection of HIV/AIDS. It is part of our belief that access to high quality medicine is a right, not a privilege. Mylan offers a wide range of ARVs, and close to 50% of patients being treated for HIV/AIDS in the developing world depend on our ARVs. Mylan is unique among western pharmaceutical companies in its commitment to providing access to high quality medicines to millions of patients in developing countries. We have invested more than $250 million to expand our ARV production capacity and we now manufacture more than 4 billion ARV tablets and capsules each year. Eight years ago, Mylan was the first company to launch a single pill, once-a-day regimen called TLE. In March 2017, we were the first - and to date, the only - company to launch a lower-cost, reduced-dose version of this treatment. Today, over half of the Company's API manufacturing capacity is devoted to the production of ARVs. In September 2017 at the United Nations, Mylan announced its most recent step in the fight against the HIV epidemic. In partnership with institutions such as the Clinton Health Access Initiative, UNAIDS, the Bill & Melinda Gates Foundation and the U.K.'s Department for International Development, Mylan entered into a unique public/private partnership to accelerate the availability of a next-generation antiretroviral treatment called TLD to patients in more than 90 low and middle income countries. As part of this alliance, Mylan has committed to selling this product (a combination tablet, taken once daily, of the three molecules Dolutegravir, Lamivudine and Tenofovir Disoproxil Fumarate) to public-sector purchasers in countries such as South Africa and Kenya at a cost of approximately $75 per person per year.

In **Australia**, we have the highest market share in the generic pharmaceutical market by volume. Mylan is the number one supplier by volume to Australia's national pharmaceuticals program. The generic pharmaceutical market in Australia had sales of approximately $1.30 billion during the twelve months ended November 2017. The acquired EPD Business and Meda businesses have enabled Mylan to broaden its product portfolio of branded and OTC products. Today Mylan Australia has a diverse platform and sales infrastructure capable of targeting most major market segments.

In **Japan,** we have a strong generics business which has been among the fastest growing companies in the market over the past several years. The acquisition of the EPD Business has provided us with additional branded market presence and commercial reach. We also maintain manufacturing capabilities in Japan, which play a key role in supplying our businesses throughout the country. Currently, the market in Japan is largely composed of hospitals and clinics, but pharmacies are playing a greater role as generic substitution, aided by recent pro-generics government action, becomes more prevalent. Japan is the third largest single pharmaceutical market in the world by value, behind the U.S. and China, and the fifth largest generic prescription market worldwide by volume, with sales of approximately $8.0 billion during the twelve months ended November 2017. According to the Japan Generic Medicines Association, the generic penetration rate reached approximately 69% as of the quarter ended September 2017, up from approximately 65% in the comparable 2016 period. Beginning in 2013, we established an exclusive long-term strategic collaboration with Pfizer Japan Inc. ("Pfizer Japan") to develop, manufacture, distribute and market generic drugs in Japan. Under the agreement, both parties operate separate legal entities in Japan and collaborate on current and future generic products, sharing the costs and profits resulting from such collaboration. Mylan's responsibilities, under the agreement, primarily consist of managing operations, including R&D and manufacturing. Pfizer Japan's responsibilities primarily consist of the commercialization of the combined generics portfolio and managing the marketing and sales effort. The acquired EPD Business, with its portfolio of branded products, is being promoted by our own sales force, and is run independently from our strategic collaboration with Pfizer Japan.

In **Brazil**, we operate a commercial business focused on providing high quality generic and branded injectable products to the Brazilian hospital segment. Our sales in this market segment are made through distributors, tenders, and more recently, direct sales to private hospitals. Brazil is the fourth largest generic pharmaceutical market in the world, behind the U.S., the combined European market and China, in terms of value. In the coming years, the Brazilian generic and branded generic pharmaceutical markets are expected to continue their growth trajectory primarily because of the increase of off patent reference drugs, the growth of biosimilars and the overall growth of the market. Our goal is to continue to build upon this local platform in order to further access the $13.0 billion Brazilian generic pharmaceutical market.

With the acquisition of Meda, we have grown our presence in other markets, such as China which is the third largest generic market in the world by value behind the U.S. and combined European market, with generic market sales of approximately $28.0 billion for the twelve months ended November 2017. We also gained access to other markets including Russia, Turkey, and Mexico, and countries in South East Asia, and the Middle East. Our portfolio in these markets includes branded prescription,

non-prescription and OTC products, and we now have the opportunity to reach these markets through an organized sales forces and direct access to the healthcare providers, as well as through distributor relationships.

Within the Rest of World region our key products include Amitiza in Japan, Dona, Elidel and our ARV products, Tenofovir, Lamivudine and Efavirenz ("TLE") and Tenofovir, Emtricitabine and Efavirenz ("TEE").

2.1.5 Product development and government regulation

North America

U.S.

Prescription pharmaceutical products in the U.S. are generally marketed as either brand or generic drugs, while generic biologics are referred to as biosimilars. Brand products are usually marketed under brand names through marketing programs that are designed to generate physician and consumer loyalty. Brand products are generally patent protected, which provides a period of market exclusivity during which time they are sold with little or no competition, although there are typically other participants in the therapeutic area. Additionally, brand products may benefit from other periods of nonpatent market exclusivity.

Generic pharmaceutical products are the pharmaceutical and therapeutic equivalents of an approved brand drug, known as the reference listed drug ("RLD") that is listed in the FDA publication entitled *Approved Drug Products with Therapeutic Equivalence Evaluations*, popularly known as the "Orange Book." The Drug Price Competition and Patent Term Restoration Act of 1984 (the "Hatch-Waxman Act") provides that generic drugs may enter the market after the approval of an ANDA, which generally requires that similarity to an RLD, including bioequivalence, be demonstrated, any patents on the RLD have expired or been found to be invalid or not infringed, and any market exclusivity periods related to the RLD have ended. Because approved generic drugs have been found to be the same as their respective RLDs, they can be expected to have the same safety and effectiveness profile as the RLD. Accordingly, generic products provide a safe, effective and cost-efficient alternative to users of these reference brand products. Branded generic pharmaceutical products are generic products that are more responsive to the promotion efforts generally used to promote brand products. Growth in the generic pharmaceutical industry has been, and will continue to be, driven by the increased market acceptance of generic drugs and biosimilars, as well as the number of brand drugs for which patent terms and/or other market exclusivities have expired.

We obtain new generic products primarily through internal product development. Additionally, we increasingly collaborate with other companies by entering into licensing or co-development agreements, including R&D partnerships for biosimilars. All applications for FDA approval must contain information relating to product formulation, raw material suppliers, stability, manufacturing processes, packaging, labeling and quality control. Information to support the bioequivalence of generic drug products or the safety and effectiveness of new drug products for their intended use is also required to be submitted. There are generally four types of applications used for obtaining FDA approval of new products:

> *New Drug Application ("NDA") —* An NDA is filed when approval is sought to market a newly developed branded product and, in certain instances, for a new dosage form, a new delivery system or a new indication for a previously approved drug.
>
> *ANDA —* An ANDA is filed when approval is sought to market a generic equivalent of a drug product previously approved under an NDA and listed in the FDA's Orange Book or for a new dosage strength for a drug previously approved under an ANDA.
>
> *Biologics License Application ("BLA") —* A BLA is similar to an NDA, but is submitted to seek approval to market a drug product that is a biologic, which generally is a product derived from a living organism.
>
> *Biosimilars Application —* This is an abbreviated approval pathway for a biologic product that is "highly similar" to a product previously approved under a BLA.

The ANDA development process is generally less time-consuming and complex than the NDA development process. It typically does not require new preclinical and clinical studies, because it relies on the studies establishing safety and efficacy conducted for the RLD previously approved through the NDA process. The ANDA process, however, does typically require one or more bioequivalence studies to show that the ANDA drug is bioequivalent to the previously approved reference listed brand drug. Bioequivalence studies compare the bioavailability of the proposed drug product with that of the RLD product containing the same active ingredient. Bioavailability is a measure of the rate and extent to which the active ingredient or active moiety is absorbed from a drug product and becomes available at the site of action. Thus, a demonstration of bioequivalence confirms the absence of a significant difference between the proposed product and the reference listed brand drug in terms of the rate and

extent to which the active ingredient or active moiety becomes available at the site of drug action when administered at the same molar dose under similar conditions. An ANDA also typically must show that the proposed generic product is the same as the RLD in terms of active ingredient(s), strength, dosage form, route of administration and labeling.

Generic products are generally introduced to the marketplace at the expiration of patent protection for the brand product or at the end of a period of non-patent market exclusivity. However, if an ANDA applicant files an ANDA containing a certification of invalidity, non-infringement or unenforceability related to a patent listed in the Orange Book with respect to a reference drug product, the applicant may be able to market the generic equivalent prior to the expiration of patent protection for the brand product. Such patent certification is commonly referred to as a Paragraph IV certification. Generally, if the patent owner brings an infringement action within 45 days from receiving notification by the applicant, the FDA may not approve the ANDA application until the earlier of the rendering of a court decision favorable to the ANDA applicant or the expiration of 30 months. An ANDA applicant that is first to file a substantially complete ANDA containing a Paragraph IV certification is eligible for a period of generic marketing exclusivity. This exclusivity, which under certain circumstances may be required to be shared with other applicable ANDA sponsors with Paragraph IV certifications, lasts for 180 days, during which the FDA cannot grant final approval to other ANDA sponsors holding applications for a generic equivalent to the same reference drug.

In addition to patent exclusivity, the holder of the NDA for the listed drug may be entitled to a period of non-patent market exclusivity, during which the FDA cannot approve (or in some cases, accept for review) an application for a generic version product. If the reference drug is a new chemical entity (which generally means the active moiety has not previously been approved), the FDA may not accept an ANDA for a generic product for up to five years following approval of the NDA for the new chemical entity. If it is not a new chemical entity, but the holder of the NDA conducted clinical trials essential to approval of the NDA or a supplement thereto, the FDA may not approve an ANDA for the reference NDA product before the expiration of three years from the date of approval of the NDA or supplement. Certain other periods of exclusivity may be available if the RLD is indicated for treatment of a rare disease or the sponsor conducts pediatric studies in accordance with FDA requirements.

Supplemental ANDAs are required for approval of various types of changes to an approved application and these supplements may be under review for six months or more. In addition, certain types of changes may only be approved once new bioequivalence studies are conducted or other requirements are satisfied.

A number of branded pharmaceutical patent expirations are expected over the next several years. These patent expirations should provide additional generic product opportunities. We intend to concentrate our generic product development activities on branded products with significant sales in specialized or growing markets or in areas that offer significant opportunities and other competitive advantages. In addition, we intend to continue to focus our development efforts on technically difficult-to-formulate products or products that require advanced manufacturing technology.

The Biologics Price Competition and Innovation Act ("BPCIA") authorizes the FDA to license a biological product that is a "biosimilar" to an FDA-licensed biologic through an abbreviated pathway. The BPCIA establishes criteria for determining that a product is biosimilar to an already licensed biologic, known as the "reference product," and establishes a process by which an abbreviated BLA for a biosimilar product is submitted, reviewed and approved. This abbreviated approval pathway is intended to permit a biosimilar product to come to market more quickly and less expensively than if a full BLA were submitted, by relying to some extent on FDA's previous review and approval of the reference product. Generally, a biosimilar must be shown to be highly similar to, and have no clinically meaningful differences in safety, purity or potency from, the reference product. The BPCIA provides periods of exclusivity that protect a reference product from biosimilars competition. Under the BPCIA, the FDA may not accept a biosimilar application for review until four years after the date of first licensure of the reference product, and the biosimilar may not be licensed until twelve years after the reference product's approval. Additionally, the BPCIA establishes procedures by which the biosimilar applicant must provide information about its application and product to the reference product sponsor, and by which information about potentially relevant patents is shared and litigation over patents may proceed in advance of approval. The BPCIA also provides a period of exclusivity for the first biosimilar to be determined by the FDA to be interchangeable with the reference product.

We anticipate that the BPCIA will continue to evolve as the statute is implemented over a period of years. This likely will be accomplished by a variety of means, including FDA issuance of guidance documents, proposed regulations, and decisions in the course of considering specific applications. In that regard, the FDA has to date issued various guidance documents and other materials providing indications of the agency's thinking regarding any number of issues implicated by the BPCIA. Additionally, as the FDA continues to approve biosimilar applications, the agency's approach to certain issues will continue to be defined.

An additional requirement for FDA approval of NDAs and ANDAs is that our manufacturing procedures and operations conform to FDA requirements and guidelines, generally referred to as current Good Manufacturing Practices ("cGMP"). The

requirements for FDA approval encompass all aspects of the production process, including validation and recordkeeping, the standards around which are continuously changing and evolving.

Facilities, procedures, operations and/or testing of products are subject to periodic inspection by the FDA, the Drug Enforcement Administration ("DEA") and other authorities. In addition, the FDA conducts pre-approval and post-approval reviews and plant inspections to determine whether our systems and processes are in compliance with cGMP and other FDA regulations. Our suppliers are subject to similar regulations and periodic inspections.

In 2012, the Food and Drug Administration Safety and Innovation Act ("FDASIA") was enacted into law. FDASIA is intended to enhance the safety and security of the U.S. drug supply chain by holding all drug manufacturers supplying products to the U.S. to the same FDA inspection standards. Specifically, prior to the passage of FDASIA, U.S. law required U.S. based manufacturers to be inspected by FDA every two years but remained silent with respect to foreign manufacturers, causing some foreign manufacturers to go as many as nine years without a routine FDA cGMP inspection, according to the Government Accountability Office.

FDASIA also includes the Generic Drug User Fee Agreement ("GDUFA"), a novel user fee program to provide funding to the FDA that focused on three key aims:

> *Safety* – Ensure that industry participants, foreign or domestic, are held to consistent quality standards and are inspected with foreign and domestic parity using a risk-based approach.
>
> *Access* – Expedite the availability of generic drugs by bringing greater predictability to the review times for ANDAs, amendments and supplements and improving timeliness in the review process.
>
> *Transparency* – Enhance FDA's visibility into the complex global supply environment by requiring the identification of facilities involved in the manufacture of drugs and associated APIs, and improve FDA's communications and feedback with industry.

In August 2017, the Food and Drug Administration Reauthorization Act reauthorized the generic drug user fee program, which provides for an updated fee structure through September 2022 ("GDUFA II"). Under GDUFA II, approximately 27% of the total fees paid to FDA are derived from facility fees paid by FDF manufacturers, API facilities, and contract manufacturers listed or referenced in pending or approved generic drug applications while approximately 35% derive from newly-implemented, tiered program fees based on the size of a company's ANDA product portfolio. The remaining approximately 38% of the total fees derive from application fees, including generic drug application fees and DMF fees. The objective of GDUFA II is to continue to ensure patients have access to safe, high-quality, and affordable generic medicines.

The process required by the FDA before a pharmaceutical product with active ingredients that have not been previously approved may be marketed in the U.S. generally involves the following:

- laboratory and preclinical tests;
- submission of an Investigational New Drug ("IND") application, which must become effective before clinical studies may begin;
- adequate and well-controlled human clinical studies to establish the safety and efficacy of the proposed product for its intended use;
- submission of an NDA or BLA containing the results of the preclinical tests and clinical studies establishing the safety and efficacy of the proposed product for its intended use, as well as extensive data addressing matters such as manufacturing and quality assurance;
- scale-up to commercial manufacturing; and
- FDA approval of an NDA or BLA.

Preclinical tests include laboratory evaluation of the product and its chemistry, formulation and stability, as well as toxicology and pharmacology studies to help define the pharmacological profile of the drug and assess the potential safety and efficacy of the product. The results of these studies are submitted to the FDA as part of the IND. They must demonstrate that the product delivers sufficient quantities of the drug to the bloodstream or intended site of action to produce the desired therapeutic results before human clinical trials may begin. These studies must also provide the appropriate supportive safety information necessary for the FDA to determine whether the clinical studies proposed to be conducted under the IND can safely proceed. The IND automatically becomes effective 30 days after receipt by the FDA unless the FDA, during that 30-day period, raises concerns or questions about the conduct of the proposed trials, as outlined in the IND. In such cases, the IND sponsor and the FDA must

resolve any outstanding concerns before clinical trials may begin. In addition, an independent institutional review board must review and approve any clinical study prior to initiation.

Human clinical studies are typically conducted in three sequential phases, which may overlap:

- *Phase I* – The drug is initially introduced into a relatively small number of healthy human subjects or patients and is tested for safety, dosage tolerance, mechanism of action, absorption, metabolism, distribution and excretion.
- *Phase II* – Studies are performed with a limited patient population to identify possible adverse effects and safety risks, to assess the efficacy of the product for specific targeted diseases or conditions, and to determine dosage tolerance and optimal dosage.
- *Phase III* – When Phase II evaluations demonstrate that a dosage range of the product is effective and has an acceptable safety profile, Phase III trials are undertaken to evaluate further dosage and clinical efficacy and to test further for safety in an expanded patient population at geographically dispersed clinical study sites.

The results of the product development, preclinical studies and clinical studies are then submitted to the FDA as part of the NDA or BLA. The NDA/BLA drug development and approval process could take from three to more than ten years.

Canada

In Canada, the approval process for innovative ("brand") pharmaceuticals is governed by Health Canada, the agency responsible for national public health, to ensure that the quality, safety and efficacy of the product have been established. A brand company may seek approval to sell an innovative product by submitting a new drug submission ("NDS") to Health Canada. The NDS will contain quality, safety and efficacy data from clinical trials of the drug in relevant patient populations. If Health Canada is satisfied with the quality, safety and efficacy described in the NDS, it issues a Notice of Compliance ("NOC") for that product. Once a NOC is obtained, the owner or exclusive licensee of patents relating to the brand drug may list patents relating to the medicinal ingredient, formulation, dosage form or the use of the drug on the Patent Register, which links the patent system to the generic regulatory approval process (discussed below).

The approval process for generic pharmaceuticals has two tracks that may proceed in parallel. The first track involves an examination of the product by Health Canada. Second persons (i.e., generic companies) may seek approval to sell a product by submitting an abbreviated new drug submission ("ANDS") to Health Canada to demonstrate that its product is bioequivalent to the brand reference product already marketed in Canada under an NOC. When Health Canada is satisfied with the quality, safety and efficacy described in the ANDS, it issues a NOC for that product, subject to any brand patents in the second track of the approval process.

The second track of the approval process is governed by the Patented Medicines NOC Regulations. Where a generic applicant makes direct or indirect reference in its ANDS to a brand product for which there are patents listed on the Patent Register, the generic must make at least one of the statutory allegations with respect to each patent listed (e.g., that the generic will await patent expiry, or the patent is invalid and/or would not be infringed). If the generic challenges the listed patent, it is required to serve the originator with a Notice of Allegation ("NOA"), which gives a detailed statement of the factual and legal basis for its allegations. If the brand wishes to seek an order prohibiting the issuance of the NOC to the generic, it must commence a court action within 45 days after it has been served with the NOA. The brand may elect whether to take advantage of a 24-month stay of the issuance of the NOC to the generic during the pendency of the PM (NOC) litigation. If an action is commenced and the brand elects to stay, Health Canada may not issue a NOC until the earlier of the determination of the proceeding by the court, or the expiration of 24 months. To obtain a prohibition order / declaration of infringement, the brand must satisfy the court that the generics' allegations of invalidity and/or non-infringement are not justified.

Section C.08.004.1 of the Canadian Food and Drug Regulations is the so-called data protection provision. A generic applicant does not need to perform duplicate clinical trials similar to those conducted by the first NOC holder (i.e., the brand), but is permitted to demonstrate safety and efficacy by submitting data demonstrating that its formulation is bioequivalent to the approved brand formulation. The first party to obtain an NOC for a drug in Canada will have an eight-year period of exclusivity starting from the date it received its NOC based on that clinical data. A subsequent applicant who seeks to establish safety and efficacy by comparing its product to the product that received the first NOC will not be able to file its own application until six years after the issuance of the first NOC, and cannot receive ultimate approval for an additional two years. If the first NOC holder also conducts clinical trials in pediatric populations, it will be entitled to an extra six months of data protection. A drug is only entitled to data protection so long as it is being marketed in Canada.

Facilities, procedures, operations and/or testing of products are subject to periodic inspection by Health Canada and the Health Products and Food Branch Inspectorate. In addition, Health Canada conducts reviews and plant inspections to determine whether our systems are in compliance with the good manufacturing practices in Canada, Drug Establishment Licensing ("EL") requirements and other provisions of the Regulations. Competitors are subject to similar regulations and inspections.

Europe

The European Union ("EU") presents complex challenges from a regulatory perspective. There is over-arching legislation which is then implemented at a local level by the 28 individual member states, Iceland, Liechtenstein and Norway. Between 1995 and 1998, the legislation was revised in an attempt to simplify and harmonize product registration. This revised legislation introduced the mutual recognition ("MR") procedure, whereby after submission and approval by the authorities of the so-called reference member state ("RMS"), further applications can be submitted into the other chosen member states (known as concerned member states). Theoretically, the authorization of the RMS should be mutually recognized by the concerned member states. More typically, however, a degree of re-evaluation is carried out by the concerned member states. In November 2005, this legislation was further revised. In addition to the MR procedure, the decentralized procedure ("DCP") was introduced. The DCP is also led by the RMS, but applications are simultaneously submitted to all selected countries, provided that no national marketing authorization has been granted yet for the medicinal product in question. From 2005, the centralized procedure operated by the European Medicines Agency ("EMA") became available for generic versions of innovator products approved through the centralized authorization procedure. The centralized procedure results in a single marketing authorization (in addition to separate marketing authorizations for Iceland, Lichtenstein and Norway) which, once granted, can be used by the marketing-authorization holder to file for individual country reimbursement and make the medicine available in all of the EU countries listed on the application.

In the EU, the manufacture and sale of pharmaceutical products is regulated in a manner substantially similar to that of the U.S. requirements, which generally prohibit the handling, manufacture, marketing and importation of any pharmaceutical product unless it is properly registered in accordance with applicable law. The registration file relating to any particular product must contain medical data related to product efficacy and safety, including results of clinical testing and references to medical publications, as well as detailed information regarding production methods and quality control. Health ministries are authorized to cancel the registration of a product if it is found to be harmful or ineffective or if it is manufactured or marketed other than in accordance with registration conditions.

Pursuant to the MR procedure, a marketing authorization is first sought in one member state from the national regulatory agency. The RMS makes its assessment report on the quality, efficacy and safety of the medicinal product available to the other concerned member states where marketing authorizations are also sought under the MR procedure.

The DCP is based on the same fundamental idea as the MR procedure. In contrast to the MR procedure, however, the DCP requires that no national marketing authorization has yet been granted for the medicinal product. The pharmaceutical company applies for marketing authorization simultaneously in all the member states of the EU in which it wants to market the product. After consultation with the pharmaceutical company, one of the member states concerned in the DCP will become the RMS. The competent agency of the RMS undertakes the scientific evaluation of the medicinal product on behalf of the other concerned member states and coordinates the procedure. If all the member states involved (both RMSs and concerned member states) agree to grant marketing authorizations, this decision forms the basis for the granting of the national marketing authorizations in the respective member states.

Neither the MR nor DCPs result in automatic approval in all member states. If any member state has objections, particularly in relation to potential serious risk to public health, which cannot be resolved within the procedure scope and timelines, they will be referred to the coordination group for MR and DCPs and reviewed in a 60-day procedure. If this 60-day procedure does not result in a consensus by all member states, the product can be marketed in the countries whose health authorities agree that the product can be licensed. The issue raised will then enter a second referral procedure.

As with the MR procedure, the advantage of the DCP is that the pharmaceutical company receives identical marketing authorizations for its medicinal product in all the member states of the EU in which it wants to market the product. This leads to considerable streamlining of all regulatory activities in regard to the product. Variations, line extensions, renewals, and more are also handled in a coordinated manner with the RMS leading the activity.

Once a DCP has been completed, the pharmaceutical company can subsequently apply for marketing authorizations for the medicinal product in additional EU member states by means of the MR procedure.

All products, whether centrally authorized or authorized by the MR or DCP, may only be sold in other member states if the product information is in the official language of the state in which the product will be sold, which effectively requires specific packaging and labeling of the product.

Before a generic pharmaceutical product can be marketed in the EU, a marketing authorization must be obtained. If a generic pharmaceutical product is shown to be essentially the same as, or bioequivalent to, one that is already on the market and which has been authorized in the EU for a specified number of years, as explained in the section on data exclusivity below, no further preclinical or clinical trials are required for that new generic pharmaceutical product to be authorized. The generic applicant can file an abridged application for marketing authorization, but in order to take advantage of the abridged procedure, the generic manufacturer must demonstrate specific similarities, including bioequivalence, to the already authorized product. Access to clinical data of the reference drug is governed by the European laws relating to data exclusivity, which are outlined below. Other products, such as new dosages of established products, must be subjected to further testing, and "bridging data" in respect of these further tests must be submitted along with the abridged application.

An applicant for a generic marketing authorization currently cannot avail itself of the abridged procedure in the EU by relying on the originator pharmaceutical company's data until expiry of the relevant period of exclusivity given to that data. Since 30 October 2015, EU directive (2004/27/EC) provides for an eight-year data exclusivity period commencing from the grant of first marketing authorization. After the eight-year period has expired, a generic applicant can refer to the data of the originator pharmaceutical company in order to file an abridged application for approval of its generic equivalent product. Yet, conducting the necessary studies and trials for an abridged application, within the data exclusivity period, is not regarded as contrary to patent rights or to supplementary protection certificates for medicinal products. However, the applicant will not be able to launch its product for an additional two years. This ten-year total period may be extended to 11 years if the original marketing authorization holder obtains, within those initial eight years, a further authorization for a new therapeutic use of the product which is shown to be of significant clinical benefit. Further, specific data exclusivity for one year may be obtained for a new indication for a well-established substance, provided that significant preclinical or clinical studies were carried out in relation to the new indication.

Under the national procedure, a company applies for a marketing authorization in one member state. The national procedure can now only be used if the pharmaceutical company does not seek authorization in more than one member state. If it does seek wider marketing authorizations, it must use the MR or DCP.

In addition to obtaining approval for each product, in most EU countries the pharmaceutical product manufacturer's facilities must obtain approval from the national supervisory authority. The EU has a code of good manufacturing practice, with which the marketing authorization holder must comply. Regulatory authorities in the EU may conduct inspections of the manufacturing facilities to review procedures, operating systems and personnel qualifications.

In order to control expenditures on pharmaceuticals, most member states in the EU regulate the pricing and reimbursement of products and in some cases limit the range of different forms of drugs available for prescription by national health services. These controls can result in considerable price differences between member states. In addition, in past years, as part of overall programs to reduce healthcare costs, certain European governments have prohibited price increases and have introduced various systems designed to lower prices. Some European governments have also set minimum targets for generics prescribing.

Certain European markets in which Mylan does business have recently undergone, some for the first time, or will soon undergo, government-imposed price reductions or similar pricing pressures on pharmaceutical products. In addition, a number of markets in which we operate have implemented or may implement tender, or tender-like, systems for generic pharmaceuticals in an effort to lower prices. Under tender systems, health insurers invite manufacturers to submit bids that establish prices for generic pharmaceuticals. Upon winning the tender, the winning company may receive a preferential reimbursement for a period of time. Such measures are likely to have a negative impact on sales and gross profit in these markets. However, some pro-generic government initiatives in certain markets could help to offset some of this unfavorable effect by potentially increasing generic utilization.

Rest of World

Australia

The pharmaceutical industry is one of the most highly regulated industries in Australia. The Australian government is heavily involved in the operation of the industry, through the registration of medicines and licensing of manufacturing facilities, as well as subsidizing patient cost of most prescription medicines sold in Australia. The Australian government authority, the Therapeutic Goods Administration (the "TGA"), regulates the quality, safety and efficacy of therapeutic goods and is responsible for granting authorization to market pharmaceutical products in Australia and for inspecting and approving manufacturing facilities.

The TGA operates according to the Commonwealth of Australia's Therapeutic Goods Act 1989 (Cth) (the "Act"). Specifically, the Act regulates the registration, listing, quality, safety, efficacy, promotion and sale of therapeutic goods, including pharmaceuticals, supplied in Australia. The TGA carries out a range of assessment and monitoring activities to ensure that therapeutic goods available in Australia are of an acceptable standard with a goal of ensuring that the Australian community has access within a reasonable time to therapeutic advances. Australian manufacturers of all medicines must be licensed under Part 3-3 of the Act and their manufacturing processes must comply with the principles of good manufacturing practices in Australia. Similar standards and audits apply for both domestic and foreign manufactured products.

Generic medicines are subject to an abbreviated review process by the TGA, if the product can demonstrate essential similarity to the originator brand. Essential similarity means the same active ingredient in the same dose form, delivering the active ingredient to the patient at the same rate and extent, compared to the original brand. If proven, safety and efficacy is assumed to be the same.

All therapeutic goods manufactured for supply in Australia must be listed or registered in the Australian Register of Therapeutic Goods (the "ARTG") before they can be promoted or supplied for use and/or sale in Australia. The ARTG is a database kept for the purpose of compiling information in relation to therapeutic goods for use in humans and lists therapeutic goods which are approved for supply in Australia.

Medicines assessed as having a higher level of risk must be registered, while those with a lower level of risk can be listed. The majority of listed medicines are self-selected by consumers and used for self-treatment. In assessing the level of risk, factors such as the strength of a product, side effects, potential harm through prolonged use, toxicity and the seriousness of the medical condition for which the product is intended to be used are taken into account.

Labeling, packaging and advertising of pharmaceutical products are also regulated by the Act and other relevant statutes including fair trading laws and pharmaceutical industry codes.

Australia has a five-year data exclusivity period, whereby any data relating to a pharmaceutical product cannot be referred to or used in the examination by the TGA of another company's dossier, until five years after the original product was approved.

The Pharmaceutical Benefits Scheme (the "PBS"), which has been in place since 1948, subsidizes the cost to consumers of medicines listed on the PBS, if the medicines have demonstrated acceptable clinical need, cost and effectiveness. The goal of the PBS is to make medicines available at the lowest cost compatible with reliable supply and to base access on medical need rather than ability to pay.

The government exerts a significant degree of control over the pharmaceuticals market through the PBS. More than 80% of all prescription medicine sold in Australia is reimbursed by the PBS. The PBS is operated under the Commonwealth of Australia's National Health Act 1953. This statute governs matters such as who may sell pharmaceutical products, the prices at which pharmaceutical products may be sold to consumers and the prices government pays manufacturers, wholesalers and pharmacists for subsidized medicines.

If a new medicine is to be considered for listing on the PBS, the price is determined through a full health economic analysis submitted to the government's advisory committee, the Pharmaceutical Benefits Advisory Committee (the "PBAC"), based on incremental benefit to health outcome. If the incremental benefit justifies the price requested, the PBAC then makes a recommendation to the government to consider listing the product on the PBS. In May 2014, as part of a government reform program in Australia, the Pharmaceutical Benefits Pricing Authority was abolished and the Minister for Health ("Minister"), or delegate, considers pricing matters for approximately five to six weeks following PBAC meetings. Factors contributing to pricing decisions include items such as information on the claims made in a submission, advice from the PBAC, information about the proposed price, the price and use of comparative medicines and the cost of producing the medicine, although with

additional associated costs. The Minister may recommend that the proposed price is accepted; further negotiations take place for a lower price or prices within a specific range; or for some products, risk sharing arrangements to be developed and agreed upon. The Australian government's purchasing power is used to obtain lower prices as a means of controlling the cost of the program. The PBS also stipulates the wholesaler margin for drugs listed on the PBS. Wholesalers therefore have little pricing power over the majority of their product range and as a result are unable to increase profitability by increasing prices.

Following entry of the first generic product(s) onto the market, the PBS price reimbursed to pharmacies decreases by 16% for both the originator product and generic products with a brand equivalence indicator permitting substitution at the pharmacy level. Thereafter, both the originator and generic suppliers are required to disclose pricing information relating to the sale of medicines to the Price Disclosure Data Administrator, and twelve months after initial generic entry, there is a further PBS price reduction based on the weighted average disclosed price if the weighted average disclosed price is 10% or more below the existing PBS price. Ongoing price disclosure cycles and calculation of the weighted average disclosed price occur every six months, and further reductions are made to the PBS price whenever the weighted average disclosed price is 10% or more below the existing PBS price. Effective from April 2016 to April 2020, the government introduced an annual 5% statutory price reduction for medicines in the F1 (originator) formulary. In addition, during 2017, the government proposed additional measures including an extension of the price reductions to 2022 and additional one-time statutory price reductions. The legislation for these proposals was passed by the Australian Parliament in February 2018. The price disclosure system has had, and will continue to have, a negative impact on sales and gross profit in this market.

Japan

In Japan, we are governed by various laws and regulations, including the Pharmaceutical Affairs Law (Law No. 145, 1960), as amended by the Pharmaceuticals and Medical Devices Law (“PMDL”), and the Products Liability Law (Law No. 85, 1994). The PMDL was amended in November 2014 to establish a fast-track authorization process for regenerative medicine products, restructure medical device regulation and establish reporting obligations for package inserts for drugs and medical devices. Regenerative medicine products are newly defined under the amended PMDL as a product for medical use in humans to reconstruct, restore, or form the structure or function of a human body, in which cells of humans are cultured or otherwise processed.

Under the amended PMDL, there are two routes to obtain authorization to manufacture and market a medicine product. The first route is the standard authorization system for drugs in which the efficacy and safety of the product must be shown in order to obtain authorization. The standard authorization procedure may take a significant amount of time to launch a regenerative medicine product because the quality of regenerative medicine products is heterogeneous by nature and therefore it is difficult to collect the data necessary to evaluate and demonstrate the efficacy. As such, the amended PMDL instituted the second route as follows: if the regenerative medicine product is heterogeneous, the efficacy of the regenerative medicine product is assumed. Thus, if the safety of the regenerative medicine product is demonstrated through clinical trials, the Minister of the Ministry of Health, Labor and Welfare (“MHLW”) may authorize the applicant to manufacture and market the regenerative medicine product with certain conditions for a fixed term after receiving an expert opinion from the Pharmaceutical Affairs and Food Sanitation Council.

The amended PMDL also restructured medical device regulations including expanding the scope for certification in accordance with the classifications agreed upon by the Global Harmonization Task Force, new regulations on medical device software in which software may be authorized as a medical device independent of the medical device hardware into which it is incorporated, system change for medical device manufacturing so that a company may manufacture a medical device when the company registers such medical device and streamlined Quality Management Service Inspection such that the inspection is performed for each category of medical products.

In addition, under the amended PMDL, the holder of a business license for the manufacture and marketing of regenerative medicine products or medical devices must notify the MHLW of the contents of the package insert, including any cautionary statements necessary to use and deal with the products, before it manufactures and markets them. The license holder must also publish the contents of the package inserts on the website of the Pharmaceuticals and Medical Devices Agency.

Under the amended PMDL, the retailing or supply of a pharmaceutical that a person has manufactured (including manufacturing under license) or imported is defined as “marketing,” and in order to market pharmaceuticals, one has to obtain a license, which we refer to herein as a Marketing License, from the MHLW. The authority to grant the “Marketing License” is delegated to prefectural governors; therefore, the relevant application must be filed with the relevant prefectural governor. A Marketing License will not be granted if the quality control system for the pharmaceutical for which the Marketing License has been applied or the post-marketing safety management system for the relevant pharmaceutical does not comply with the standards specified by the relevant Ministerial Ordinance made under the amended PMDL.

In addition to the Marketing License, a person intending to market a pharmaceutical must, for each product, obtain marketing approval from the MHLW with respect to such marketing, which we refer to herein as "Marketing Approval." Marketing Approval is granted subject to examination of the name, ingredients, quantities, structure, administration and dosage, method of use, indications and effects, performance and adverse reactions, and the quality, efficacy and safety of the pharmaceutical. A person intending to obtain Marketing Approval must attach materials, such as data related to the results of clinical trials (including a bioequivalence study, in the case of generic pharmaceuticals) or conditions of usage in foreign countries. Japan provides for market exclusivity through a reexamination system, which prevents the entry of generic pharmaceuticals until the end of the re-examination period, which can be up to eight years, and ten years in the case of drugs used to treat rare diseases ("orphan drugs").

The authority to grant Marketing Approval in relation to pharmaceuticals for certain specified purposes (e.g., cold medicines and decongestants) is delegated to the prefectural governors by the MHLW, and applications in relation to such pharmaceuticals must be filed with the governor of the relevant prefecture where the relevant company's head office is located. Applications for pharmaceuticals for which the authority to grant the Marketing Approval remains with the MHLW must be filed with the Pharmaceuticals and Medical Devices Agency. When an application is submitted for a pharmaceutical whose active ingredients, quantities, administration and dosage, method of use, indications and effects are distinctly different from those of pharmaceuticals which have already been approved, the MHLW must seek the opinion of the Pharmaceutical Affairs and Food Sanitation Council.

The amended PMDL provides that when (a) the pharmaceutical that is the subject of an application is shown not to result in the indicated effects or performance indicated in the application, (b) the pharmaceutical is found to have no value as a pharmaceutical because it has harmful effects outweighing its indicated effects or performance, or (c) in addition to (a) and (b) above, when the pharmaceutical falls within the category designated by the relevant Ministerial Ordinance as not being appropriate as a pharmaceutical, Marketing Approval shall not be granted.

The MHLW must cancel a Marketing Approval, after hearing the opinion of the Pharmaceutical Affairs and Food Sanitation Council, when the MHLW finds that the relevant pharmaceutical falls under any of (a) through (c) above. In addition, the MHLW can order the amendment of a Marketing Approval when it is necessary to do so from the viewpoint of public health and hygiene. Moreover, the MHLW can order the cancellation or amendment of a Marketing Approval when (1) the necessary materials for re-examination or re-evaluation, which the MHLW has ordered considering the character of pharmaceuticals, have not been submitted, false materials have been submitted or the materials submitted do not comply with the criteria specified by the MHLW, (2) the relevant company's Marketing License has expired or has been cancelled (a Marketing License needs to be renewed every five years), (3) the regulations regarding investigations of facilities in relation to manufacturing management standards or quality control have been violated, (4) the conditions set in relation to the Marketing Approval have been violated, or (5) the relevant pharmaceutical has not been marketed for three consecutive years without a due reason.

Doctors and pharmacists providing medical services pursuant to national health insurance (the "NHI") are prohibited from using pharmaceuticals other than those specified by the MHLW. The MHLW also specifies the standards of pharmaceutical prices, which we refer to herein as NHI Drug Price Standards. The NHI Drug Price Standards are used as the basis of the calculation of the price paid by medical insurance for pharmaceuticals. The governmental policy relating to medical services and the health insurance system, as well as the NHI Drug Price Standards, is revised every two years. At the end of 2017, the Council on Economic and Fiscal Policy, announced changes to various aspects of its drug pricing policies, including among others, a move from biannual drug pricing revisions to annual revisions.

Brazil

In Brazil, pharmaceutical manufacturers and all products and services that affect the health of the population are regulated by the National Agency of Sanitary Surveillance ("ANVISA"), created by Law No. 9,782, of 26 January 1999. ANVISA is a governmental body directly linked to the Ministry of Health and is part of the Unified Health System, responsible for the sanitary control of production, storage, distribution, importation and marketing of products and services subject to sanitary surveillance. ANVISA is also responsible for registering drugs and supervising quality control, as well as issuing licenses to companies for the manufacturing, handling, packaging, distribution, advertising, importation and exportation of pharmaceutical products. ANVISA regularly monitors the market's economic regulations and is responsible for the price control of pharmaceutical drugs.

Active Pharmaceutical Ingredients

The primary regulatory oversight of API manufacturers is through inspection of the manufacturing facility in which APIs are produced, as well as the manufacturing processes and standards employed in the facility. The regulatory process by which API manufacturers generally register their products for commercial sale in the U.S. and other similarly regulated countries is via the filing of a DMF. DMFs are confidential documents containing information on the manufacturing facility and processes used in the manufacture, characterization, quality control, packaging and storage of an API. The DMF is reviewed for completeness by the FDA, or other similar regulatory agencies in other countries, in conjunction with applications filed by FDF manufacturers, requesting approval to use the given API in the production of their drug products.

Over-the-Counter Drug Products

A nonprescription, or OTC product, is a product that is sold directly to a consumer without a prescription from a healthcare professional, as compared to a prescription product, which may be sold only to consumers possessing a valid prescription. In many countries, OTC products are generally marketed with some type of safety and effectiveness review by a regulatory agency to ensure that they contain ingredients that are safe and effective when used as labeled without a physician's care. Like prescription products, an OTC product is also subjected to other general regulatory requirements, including those applicable to manufacturing practices and product advertising and promotion.

With the acquisition of Meda, the Company significantly enhanced its OTC product portfolio. The demand for OTC products is driven in part by government and healthcare provider cost pressures. The top OTC markets include developed markets like the U.S. and Europe as well as developing markets like China, Brazil and India, with the developing markets experiencing higher growth rates. In developed markets, the switch from prescription to OTC products in categories such as respiratory and gastrointestinal health has expanded access to treatments while reducing the cost for the healthcare systems.

2.1.6 Research and development

R&D efforts are conducted on a global basis, primarily to enable us to develop, manufacture and market approved pharmaceutical products in accordance with applicable government regulations. Through various acquisitions, we have significantly bolstered our global R&D capabilities over the past several years, particularly in injectables and respiratory therapies. In the U.S., our largest market, the FDA is the principal regulatory body with respect to pharmaceutical products. Each of our other markets have separate pharmaceutical regulatory bodies, including, but not limited to, the National Agency for Medicines and Health Products in France, Health Canada, the Medicines and Healthcare Products Regulatory Agency in the U.K., the EMA (a decentralized body of the EU), the Federal Institute for Drugs and Medical Devices in Germany, the Health Products Regulatory Agency in Ireland, the Italian Medicines Agency, the Spanish Agency of Medicines and Medical Devices, the TGA in Australia, the MHLW in Japan, Drug Controller General of India, ANVISA in Brazil and the World Health Organization, the regulatory body of the United Nations.

Our global R&D strategy emphasizes the following areas:

- development of branded, generic and biosimilar finished dose products for the global marketplace;
- development of pharmaceutical products that are technically difficult to formulate or manufacture because of either unusual factors that affect their stability or bioequivalence or unusually stringent regulatory requirements;
- development of novel controlled-release technologies and the application of these technologies to reference products;
- development of drugs that target smaller, specialized or underserved markets;
- development of generic drugs that represent first-to-file opportunities in the U.S. market;
- expansion of the existing oral solid dosage product portfolio, including with respect to additional dosage strengths;
- development of injectable products;
- development of unit dose oral inhalation products for nebulization;
- development of APIs;
- development of compounds using a dry powder inhaler and/or metered-dose inhaler for the treatment of asthma, COPD and other respiratory therapies;

- development of monoclonal anti-bodies (which are regulated as biologics);
- development of products as a result of changes in product status from prescription only to OTC;
- completion of additional preclinical and clinical studies for approved NDA products required by the FDA, known as post-approval (Phase IV) commitments; and
- conducting life-cycle management studies intended to further define the profile of products subject to pending or approved NDAs.

The success of biosimilars in the marketplace and our ability to be successful in this emerging market will depend on the regulators' implementation of balanced scientific standards for approval, while not imposing excessive clinical testing demands or other hurdles for well-established products. Furthermore, an efficient patent resolution mechanism and a well-defined mechanism to grant interchangeability after the establishment of biosimilarity with the reference biological product will be key elements determining our future success in this area.

We have a robust pipeline. As of 31 December 2017, we had approximately 2,733 marketing license approvals pending. During 2017, we completed 1,240 global country level product submissions, which included 51 in North America, 519 in Europe and 670 in Rest of World. These submissions included those for existing products in new markets as well as products new to the Mylan portfolio.

During the year ended 31 December 2017, we received 822 individual country product approvals globally, which was equal to 1,126 approved new marketing licenses. Of those total individual country product approvals globally, there were 82 approvals in North America, including 68 in the U.S.; 474 approvals in Europe; and 266 approvals in Rest of World, of which 23 approvals were for ARV products. The 68 approvals in the U.S. consisted of 56 final ANDA approvals and twelve tentative ANDA approvals. The 474 approvals in Europe covered 93 different products resulting in a total of 778 product marketing licenses. The 266 approvals in Rest of World included 226 approvals from emerging markets which represented 83 products in 49 countries.

As of 31 December 2017, in the U.S. we had 211 ANDAs pending FDA approval, representing approximately $93.4 billion in annual sales for the brand name equivalents of these products for the year ended 31 December 2017. Of those pending product applications, 46 were first-to-file Paragraph IV ANDA patent challenges, representing approximately $42.1 billion in annual brand sales for the year ended 31 December 2017. The historic branded drug sales are not indicative of future generic sales, but are included to illustrate the size of the branded product market. Our R&D spending totaled approximately $783.3 million and $826.8 million for the years ended 31 December 2017 and 2016, respectively.

Collaboration and Licensing Agreements

We periodically enter into collaboration and licensing agreements with other pharmaceutical companies for the development, manufacture, marketing and/or sale of pharmaceutical products. Our significant collaboration agreements are focused on the development, manufacture, supply and commercialization of multiple, high-value biosimilar compounds, insulin analog products and respiratory products. Under these agreements, we have future potential milestone payments and co-development expenses payable to third parties as part of our licensing, development and co-development programs. Payments under these agreements generally become due and are payable upon the satisfaction or achievement of certain developmental, regulatory or commercial milestones or as development expenses are incurred on defined projects. Milestone payment obligations are uncertain, including the prediction of timing and the occurrence of events triggering a future obligation. These agreements may also include potential sales-based milestones and call for us to pay a percentage of amounts earned from the sale of the product as a royalty or a profit share. These sales-based milestones or royalty obligations may be significant depending upon the level of commercial sales for each product. The Company's significant collaboration and licensing agreements include agreements with Pfizer, Momenta Pharmaceuticals, Inc. ("Momenta"), Theravance Biopharma, Inc. ("Theravance Biopharma"), and Biocon Ltd. ("Biocon"). Refer to Note 27 *Joint Operations and Licensing Agreements* included in section 9 of this report for additional information related to our collaborations.

2.1.7 Patents, trademarks and licenses

We own or license a number of patents in the U.S. and other countries covering certain products and have also developed brand names and trademarks for other products. Generally, the branded pharmaceutical business relies upon patent protection to ensure market exclusivity for the life of the patent. We consider the overall protection of our patents, trademarks and license rights to be of significant value and act to protect these rights from infringement.

In the branded pharmaceutical industry, the majority of an innovative product's commercial value is usually realized during the period in which the product has market exclusivity. In the U.S. and some other countries, when market exclusivity expires and generic versions of a product are approved and marketed, there can often be very substantial and rapid declines in the branded product's sales. The rate of this decline varies by country and by therapeutic category; however, following patent expiration, branded products often continue to have market viability based upon the goodwill of the product name, which typically benefits from trademark protection.

An innovator product's market exclusivity is generally determined by two forms of intellectual property: patent rights held by the innovator company and any regulatory forms of exclusivity to which the innovator is entitled.

Patents are a key determinant of market exclusivity for most branded pharmaceuticals. Patents provide the innovator with the right to lawfully exclude others from practicing an invention related to the medicine. Patents may cover, among other things, the active ingredient(s), various uses of a drug product, pharmaceutical formulations, drug delivery mechanisms and processes for (or intermediates useful in) the manufacture of products. Protection for individual products extends for varying periods in accordance with the expiration dates of patents in the various countries. The protection afforded, which may also vary from country to country, depends upon the type of patent, its scope of coverage and the availability of meaningful legal remedies in the country.

Market exclusivity is also sometimes influenced by regulatory intellectual property rights. Many developed countries provide certain non-patent incentives for the development of medicines. For example, the U.S., the EU and Japan each provide for a minimum period of time after the approval of a new drug during which the regulatory agency may not rely upon the innovator's data to approve a competitor's generic copy. Regulatory intellectual property rights are also available in certain markets as incentives for research on new indications, on orphan drugs and on medicines useful in treating pediatric patients. Regulatory intellectual property rights are independent of any patent rights and can be particularly important when a drug lacks broad patent protection. However, most regulatory forms of exclusivity do not prevent a competitor from gaining regulatory approval prior to the expiration of regulatory data exclusivity on the basis of the competitor's own safety and efficacy data on its drug, even when that drug is identical to that marketed by the innovator.

We estimate the likely market exclusivity period for each of our branded products on a case-by-case basis. It is not possible to predict the length of market exclusivity for any of our branded products with certainty because of the complex interaction between patent and regulatory forms of exclusivity and inherent uncertainties concerning patent litigation. There can be no assurance that a particular product will enjoy market exclusivity for the full period of time that we currently estimate or that the exclusivity will be limited to the estimate.

In addition to patents and regulatory forms of exclusivity, we also market products with trademarks. Trademarks have no effect on market exclusivity for a product, but are considered to have marketing value. Trademark protection continues in some countries as long as used; in other countries, as long as registered. Registration is for fixed terms and may be renewed indefinitely.

2.1.8 Customers and marketing

In North America, we market products directly to wholesalers, distributors, retail pharmacy chains, long-term care facilities and mail order pharmacies. We also market our generic products indirectly to independent pharmacies, managed care organizations, hospitals, nursing homes, pharmacy benefit managers, GPOs and government entities. These customers, called "indirect customers," purchase our products primarily through our wholesale customers. In North America, wholesalers, retail drug chains, managed care organizations and payers have undergone, and are continuing to undergo, significant consolidation, which may result in these groups gaining additional purchasing leverage. Mylan markets its branded products to a number of different customer audiences in the U.S., including healthcare practitioners, wholesalers, pharmacists and pharmacy chains, hospitals, payers, pharmacy benefit managers, health maintenance organizations ("HMOs"), home healthcare, long-term care and patients. We reach these customers through our field-based sales force and National Accounts team, to increase our customers' understanding of the unique clinical characteristics and benefits of our branded products. Additionally, Mylan supports educational programs to consumers, physicians and patients.

In Europe and Rest of World, pharmaceuticals are sold to wholesalers, distributors, independent pharmacies and, in certain countries, directly to hospitals. Through a broad network of sales representatives, we adapt our marketing strategy to the different markets as dictated by their respective regulatory and competitive landscapes. Our API is sold primarily to pharmaceutical companies throughout the world, as well as to other Mylan subsidiaries.

The market for OTC products is growing and products are primarily marketed directly to consumers through a variety of media channels with an emphasis on developing and positioning the brands in a retail environment. The percentage of OTC products is generally higher in growth markets than in mature markets, often due to the fact that consumers in those markets have less access to advanced healthcare and reimbursement systems. In these circumstances, OTC products may replace prescription drugs. In more developed markets, demand for OTC products is driven by a growing interest in self-healing, wellness and improved quality of life. OTC products are commonly sold via retail channels such as pharmacies, drugstores or supermarkets directly to consumers. This makes it comparable to regular retail business with broad advertising and trade channel promotions. Consumers are often very loyal to well-known brands and as such, recommendation and reputation are very important in this market and it takes time and promotional effort to build strong brand names.

Major Customers

The following table represents the percentage of consolidated third party net sales to Mylan's major customers during the years ended 31 December 2017 and 2016:

	2017	2016
McKesson Corporation	13%	16%
AmerisourceBergen Corporation	8%	14%
Cardinal Health, Inc.	10%	11%

Consistent with industry practice, we have a return policy that allows our customers to return product within a specified period prior to and subsequent to the expiration date. See the *Application of Critical Accounting Policies* section of our "Management's Discussion and Analysis of Results of Operations and Financial Condition" for a discussion of our more significant revenue recognition provisions.

2.1.9 Competition

Our primary competitors include other generic companies (both major multinational generic drug companies and various local generic drug companies) and branded drug companies that continue to sell or license branded pharmaceutical products after patent expirations and other statutory expirations. In the branded space, key competitors are generally other branded drug companies that compete based on their clinical characteristics and benefits. Our OTC products face competition from other major pharmaceutical companies and retailers who carry their own private label brands. Our ability to compete in the various OTC markets is affected by several factors, including customer acceptance, reputation, product quality, pricing and the effectiveness of our promotional activities. OTC markets are highly fragmented in terms of product categories and geographic market coverage.

Competitive factors in the major markets in which we participate can be summarized as follows:

North America

The **U.S.** pharmaceutical industry is very competitive. Our competitors vary depending upon therapeutic areas and product categories. Primary competitors include the major manufacturers of brand name, OTC and generic pharmaceuticals. The primary means of competition are innovation and development, timely FDA approval, manufacturing capabilities, product quality, marketing, portfolio size, customer service, reputation and price. The environment of the U.S. pharmaceutical marketplace is highly sensitive to price. To compete effectively, we rely on cost-effective manufacturing processes to meet the rapidly changing needs of our customers around a reliable, high quality supply of generic pharmaceutical products.

Our competitors include other generic manufacturers, as well as branded companies, including those who license their products to generic manufacturers prior to patent expiration or as relevant patents expire, or who enact pricing strategies for their brands in order to compete directly with generics. Further regulatory approval is not required for a branded manufacturer to sell its pharmaceutical products directly or through a third-party to the generic market, nor do such manufacturers face any other significant barriers to entry into such market. Our competitors for certain branded products include branded manufacturers who offer products for the treatment of COPD and severe allergies, as well as brand companies that license their products to generic manufacturers prior to patent expiration.

The U.S. pharmaceutical market is undergoing, and is expected to continue to undergo, rapid and significant technological changes, and we expect competition to intensify as technological advances are made. We intend to compete in this marketplace by (1) developing therapeutic equivalents to branded products and biosimilars that offer unique marketing opportunities, are

difficult to formulate and/or have significant market size, (2) developing or licensing brand pharmaceutical products that are either patented or proprietary and (3) developing or licensing pharmaceutical products that are primarily for indications having relatively large patient populations or that have limited or inadequate treatments available, among other strategies.

Our sales can be impacted by new studies that indicate that a competitor's product has greater efficacy for treating a disease or particular form of a disease than one of our products. Sales of some of our products can also be impacted by additional labelling requirements relating to safety or convenience that may be imposed on our products by the FDA or by similar regulatory agencies. If competitors introduce new products and processes with therapeutic or cost advantages, our products can be subject to progressive price reductions and/or decreased volume of sales.

Medicaid, a U.S. federal healthcare program, requires pharmaceutical manufacturers to pay rebates to state Medicaid agencies. The rebates are based on the volume of drugs that are reimbursed by the states for Medicaid beneficiaries. Sales of Medicaid-reimbursed non-innovator products require manufacturers to rebate 13% of the average manufacturer's price and, effective beginning in 2017, adjusted by the Consumer Price Index-Urban (the "CPI-U") based on certain data. Sales of the Medicaid-reimbursed innovator or single-source products require manufacturers to rebate the greater of approximately 23% of the average manufacturer's price or the difference between the average manufacturer's price and the best price adjusted by the CPI-U based on certain data. We believe that federal or state governments will continue to enact measures aimed at reducing the cost of drugs to the public.

Under Part D of the Medicare Modernization Act, Medicare beneficiaries are eligible to obtain discounted prescription drug coverage from private sector providers. As a result, usage of pharmaceuticals has increased, which is a trend that we believe will continue to benefit the generic pharmaceutical industry. However, such potential sales increases may be offset by increased pricing pressures, due to the enhanced purchasing power of the private sector providers that are negotiating on behalf of Medicare beneficiaries.

Canada is a well-established generics market characterized by a number of local and multinational competitors. The individual Canadian provinces control pharmaceutical pricing and reimbursement. We expect to see a reduction in the list price on a number of products across multiple provinces in 2018.

Europe

The European markets continues to be highly competitive, especially in terms of pricing, quality standards, service levels and product portfolio. Many governments in Europe provide healthcare at low direct cost to consumers and regulate pharmaceutical prices or patient reimbursement levels to control costs for the government-sponsored healthcare system. A variety of cost-containment measures are utilized, including price cuts, mandatory rebates, value-based pricing, and international reference pricing, which is the practice of many countries linking their regulated medicine prices to those of other countries. Our leadership position in a number of countries provides us a platform to fulfil the needs of patients, physicians, pharmacies, customers and payors.

In **France**, generic penetration is relatively low compared to other large pharmaceutical markets, with low prices resulting from government initiatives. The government has indicated its support for the development of generics and biosimilars to generate savings for the healthcare system. In this context, pharmacists remain the primary customers in this market and the need for established relationships, driven by breadth of portfolio, and effective supply chain management is a key competitive advantage.

In **Italy**, the generic product penetration is relatively small due to few incentives for market stakeholders and in part to low prices on available brand name drugs. Additionally, the generic market in Italy has experienced a delay in product launches as compared to other European countries due to extended patent protection. The Italian government has put forth only limited measures aimed at increasing generic usage, and as such generic substitution is still in its early stages.

The **U.K.** is one of the most competitive off-patent markets, with low barriers to entry and a high degree of fragmentation. Competition among manufacturers, along with indirect control of pricing by the government, has led to strong downward pricing pressure. Companies in the U.K. will continue to compete on price, with consistent supply chain and breadth of product portfolio also coming into play.

Spain is a highly fragmented generic market with many participants. Growth in the Spanish generic market has slowed as compared to previous years and is now declining due to an unfavorable environment in spite of the INN prescribing implemented in many regions. Within the last few years, the Andalusia region, representing approximately 21% of the total retail market, has evolved into a tender market, which favors cost competitiveness. In other regions of Spain, companies are

competing based on being first to market, offering a wide portfolio, building strong relationships with customers and providing a consistent supply of quality products.

The markets in the Netherlands and Germany have become highly competitive as a result of a large number of generic participants, both having one of the highest generic penetration rates in Europe and the continued use of tender systems. Under a tender system, health insurers are entitled to issue invitations to tender products. Pricing pressures resulting from an effort to win the tender will drive increased competition. Mylan is able to play a role in tenders but also has non-tendered sales, which provide further opportunities for growth.

Rest of World

Certain markets outside the U.S. and Europe are attractive because of the growing middle class within these countries combined with an increase in the demand for pharmaceutical products. In addition to the highly competitive environment in many emerging markets, governments in many of these markets are focused on constraining healthcare costs and have enacted price controls and other related measures. Beyond pricing and market access challenges, other conditions in emerging market countries can affect our efforts to continue to grow in these markets, including potential political instability, significant currency fluctuations and limited or changing availability of funding for healthcare. Significant countries within our Rest of World segment include the following.

In **India**, the commercial pharmaceutical market is a rapidly growing, highly fragmented generic market with a significant number of participants. Companies compete in India based on price, product portfolio and the ability to provide a consistent supply of quality products. Within the API market, intense competition by other API suppliers has, in recent years, led to increased pressure on prices. We expect that the exports of API and generic FDF products from India to developed markets will continue to increase. The success of Indian pharmaceutical companies is attributable to established development expertise in chemical synthesis and process engineering, development of FDF, availability of highly skilled labor and the low cost manufacturing base.

In **Australia**, the generic market is small by international standards, in terms of volume, value and the number of active participants. Generic penetration rates, however, continue to increase as government polices continue to drive volume growth.

In **Japan**, government initiatives have historically kept all drug prices low, resulting in little incentive for generic usage. More recent pro-generic actions by the government have led to growth in the generics market in recent years.

The Brazilian pharmaceutical market is the largest in South America. Since the entry into force of generic drug laws in **Brazil**, the generic segment of the pharmaceutical market has grown rapidly. The industry is highly competitive with a broad presence of multinational and national competitors.

2.1.10 Product liability

Global product liability litigation represents an inherent risk to firms in the pharmaceutical industry. We utilize a combination of self-insurance (including through our wholly owned captive insurance subsidiary) and traditional third-party insurance policies with regard to our product liability claims. Our insurance coverage at any given time reflects market conditions, including cost and availability, existing at the time the policy was written and our decision to obtain commercial insurance coverage or to self-insure varies accordingly.

2.1.11 Raw materials

Mylan utilizes a global approach to managing relationships with its suppliers. The APIs and other materials and supplies used in our pharmaceutical manufacturing operations are generally available and purchased from many different U.S. and non-U.S. suppliers, including Mylan India. However, in some cases, the raw materials used to manufacture pharmaceutical products are available only from a single supplier. Even when more than one supplier exists, we may choose, and in some cases have chosen, only to list one supplier in our applications submitted to the various regulatory agencies. Any change in a supplier not previously approved must then be submitted through a formal approval process.

2.1.12 Seasonality

Certain parts of our business are affected by seasonality, including products for asthma and allergy therapies which historically tend to have higher sales during the second and third quarters. In addition, the timing and severity of the cough, cold and flu season can cause variability in sales trends for certain of our prescription and OTC products. The seasonal impact of these particular products may affect a quarterly comparison within any fiscal year; however, this impact is generally not material to our annual consolidated results.

2.1.13 Environment

We strive to comply in all material respects with applicable laws and regulations concerning the environment. While it is impossible to predict accurately the future costs associated with environmental compliance and potential remediation activities, compliance with environmental laws is not expected to require significant capital expenditures and has not had, and is not expected to have, a material adverse effect on our operations or competitive position.

2.1.14 Employees

As of 31 December 2017, Mylan's global workforce totaled approximately 35,000 employees and external contractors. Certain production and maintenance employees at our manufacturing facility in Morgantown, West Virginia, are represented by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and its Local Union 8-957 AFL-CIO. The current collective bargaining agreement for this union expires on 17 March 2023. In addition, there are non-U.S. Mylan locations that have employees who are unionized or part of works councils or trade unions.

2.1.15 Legal proceedings

For information regarding legal proceedings, refer to Note 24 *Litigation* included in section 9 of this report.

2.1.16 Global Social Responsibility

Mylan's mission, fundamental values and business practices are aligned with the sound management of environmental, social and governance ("ESG") issues. Global social responsibility is intrinsically woven into Mylan's commitment to achieve our mission and deliver better health for a better world. It is what drives our enduring passion to improve access and serve unmet needs across all geographies, while respecting our environment and positively impacting our stakeholders.

Our organization has grown significantly over the past few years. Acquisitions have transformed the company from a U.S.-based generics firm to a global pharmaceutical company with a commercial presence in more than 165 countries and territories. As a natural consequence of our expansion, we have a larger and more diverse organization, operations in more countries and more stakeholders with different expectations.

We are committed to our work to better understand and monitor the potential impact of our growing global operations. We also recognize the changing societal expectations of our stakeholders, including the evolving perspectives and focus related to social responsibility. We are aware of the role we can play and the voice we can have in the global community to help solve some of today's most pressing challenges. We will strive to do so in ways that continue to build trust and loyalty and deliver value.

In 2018, we are continuing work begun in 2017 to analyze our relevant ESG practices and data, as well as to better understand the context of our stakeholders' evolving expectations about a broad range of ESG topics.

To harness this knowledge and incorporate it into the capabilities and insights of our global organization, we have created an executive role of Head of Global Sustainability, along with a cross-functional team. This role is part of our CEO's Executive Governance Team. Our efforts are designed not only to establish and drive our goals and objectives, but also to serve as an additional channel for engaging with our stakeholders.

Throughout 2018 and 2019 our Head of Global Sustainability will lead our efforts to:

- Identify and prioritize the most relevant ESG topics for our business, including identifying their potential impact on stakeholders;
- Conduct an analysis of relevant policies and activities throughout the organization to identify opportunities to improve our processes, performance and communication related to the ESG topics most relevant to Mylan and its key stakeholders. This analysis will help determine a performance baseline and inform the establishment of relevant ESG goals, key performance indicators and metrics;

- Engage with a cross-section of stakeholders to understand expectations regarding Mylan and applicable ESG topics; and
- Expand our ESG disclosures around topics of highest overall relevance as well as those of interest to the investment community and other stakeholder groups.

We are committed to working across our company's global landscape to clearly identify relevant ESG considerations and fully incorporate them into our operations to advance Mylan's mission and aspiration to deliver better health for a better world.

2.1.17 Corporate Culture

Mylan's culture unites our employees around the world in what they recognize as an important and noble cause. As such, when creative solutions and tough decisions are called for, they rise to the occasion. When the way forward is unclear, they figure it out. When challenges arise, they don't blink; they simply remain focused on executing to deliver on Mylan's commitments. After all, our employees know that 7 billion people are depending on them to fulfill our mission.

- **Passionate**: We're constantly sparked by the urge to make a difference.
- **Committed**: We do what's right, not what's easy.
- **Relentless**: We'll each do our part every day to provide 7 billion people access to the medicine they deserve.
- **Unconventional**: In a world full of watchers, we're doers. And together we can do anything.

Compliance with our Code of Business Conduct and Ethics, and applicable law, by all Mylan personnel and contractors is mandatory and violations can result in disciplinary action, up to and including termination of employment or engagement. The Board believes that our Code of Business Conduct and Ethics has operated effectively in the year under review.

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

Financial Summary

The table below is a summary of the Company's financial results for the year ended 31 December 2017 compared to the prior year period:

	Year Ended 31 December			
(In millions, except per share amounts)	2017	2016	Change	% Change
Total revenues	$ 11,907.7	$ 11,076.9	$ 830.8	8 %
Gross profit	4,783.1	4,697.0	86.1	2 %
Earnings from operations	1,429.1	695.8	733.3	105 %
Net earnings	662.6	717.5	(54.9)	(8)%
Diluted earnings per ordinary share	$ 1.23	$ 0.93	$ 0.30	32 %

Results of Operations

Total Revenues

For the year ended 31 December 2017, Mylan reported total revenues of $11.91 billion, compared to $11.08 billion for the comparable prior year period, representing an increase of $830.8 million, or 8%. Total revenues include both net sales and other revenues from third parties. Third party net sales for the year ended 31 December 2017 were $11.76 billion, compared to $10.97 billion for the comparable prior year period, representing an increase of $792.9 million, or 7%. Other third party revenues for the year ended 31 December 2017 were $147.7 million, compared to $109.8 million for the comparable prior year period, an increase of $37.9 million. The increase in other third party revenues was principally the result of an incremental increase in royalty income from arrangements acquired in the Meda acquisition.

The increase in total revenues included third party net sales growth in the Europe segment of 34%, and in the Rest of World segment of 19%. Third party net sales declined in the North America segment by 12%. Contributing to the overall increase in total revenues were the incremental net sales from the acquisitions of Meda and the Topicals Business of approximately $1.41 billion. This increase was partially offset by a net decrease in net sales from existing products and lower new product introductions of

approximately $764.1 million. The decrease from existing products was due primarily to lower pricing and, to a lesser extent, lower volumes in the current period. Mylan's total revenues were favorably impacted by the effect of foreign currency translation, primarily reflecting changes in the U.S. Dollar as compared to the currencies of Mylan's subsidiaries in the European Union, India, and Australia, which was partially offset by the unfavorable impact from changes in the Japanese Yen and the Pound Sterling. The favorable impact of foreign currency translation on current year total revenues was approximately $149.5 million resulting in an increase in constant currency total revenues of approximately $681.3 million, or 6%.

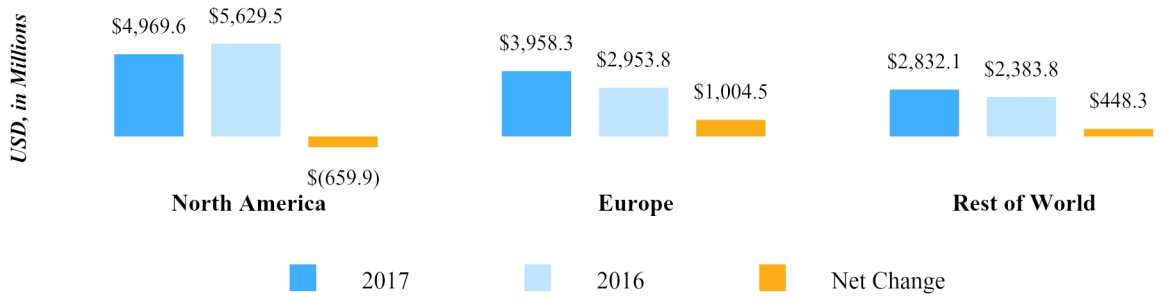
In arriving at net sales, gross sales are reduced by provisions for estimates, including discounts, rebates, promotions, price adjustments, returns and chargebacks. For 2017, the most significant amounts charged against gross sales were $4.24 billion related to chargebacks and $4.19 billion related to incentives offered to our customers, such as volume related incentives and promotions. For 2016, the most significant amounts charged against gross sales were for chargebacks in the amount of $4.33 billion and incentives offered to our customers in the amount of $3.93 billion.

We have not made and do not anticipate making any significant changes to the methodologies that we use to measure sales provisions; however, the balances within these reserves can fluctuate significantly through the consistent application of our methodologies. Historically, we have not recorded in any current period any material amounts related to adjustments made to prior period reserves. The following is a rollforward of the most significant provisions for estimated sales allowances during 2017:

(In millions)	Balance at 31 December 2016	Current Provision Related to Sales Made in Current Period	Checks/ Credits Issued to Third Parties	Effects of Foreign Exchange	Balance at 31 December 2017
Incentives offered to customers	$ 1,229.0	4,194.2	(4,203.0)	11.5	1,231.7
Chargebacks	$ 610.5	4,239.5	(4,277.5)	1.8	574.3
Returns	$ 470.7	390.7	(390.0)	1.1	472.5

Segment Third Party Net Sales

Third party net sales are derived from our three geographic reporting segments: North America, Europe and Rest of World. The graph below shows third party net sales by segment for the years ended 31 December 2017 and 2016 and the net change period over period.



North America Segment

Third party net sales from North America decreased by $659.9 million or 12% during the year ended 31 December 2017 when compared to the prior year. Net sales of existing products decreased principally due to lower pricing and, to a lesser extent, lower volume. This was partially offset by the incremental net sales from the acquisitions of Meda and the Topicals Business, totalling approximately $340.0 million. For the year ended 31 December 2017, as anticipated, the U.S. generics products experienced price erosion in the high-single-digits, which includes the impact of the loss of exclusivity of armodafinil, olmesartan and olmesartan HCTZ during 2017. Sales of the EpiPen® Auto-Injector declined approximately $655.4 million from the prior year as a result of the impact of the launch of the authorized generic, higher governmental rebates as a result of the Medicaid Drug Rebate Program Settlement, and increased competition. Excluding the negative impact of the lower sales of the EpiPen® Auto-Injector, overall third-party sales in North America were unchanged in 2017 compared with 2016. The impact of foreign currency translation on current period third party net sales was insignificant within North America.

Europe Segment

Third party net sales from Europe increased by $1.00 billion or 34% during the year ended 31 December 2017 when compared to the prior year. This increase was primarily the result of incremental net sales from the acquisition of Meda of approximately $833.2 million during the year ended 31 December 2017. Net sales of existing products increased primarily as a result of sales of new products and favorable pricing and volume. The favorable impact of foreign currency translation on current period third party net sales was $89.7 million, or 3% within Europe. Constant currency third party net sales increased by approximately $914.8 million, or 31% when compared to the prior year.

Rest of World Segment

Third party net sales from Rest of World increased by $448.3 million or 19% during the year ended 31 December 2017 when compared to the prior year. This increase was primarily the result of incremental net sales from the acquisition of Meda totaling approximately $229.2 million. In addition, net sales from existing products increased principally as a result of higher volume, particularly from our ARV franchise, and to a lesser extent Australia and the emerging markets. Throughout the segment, higher volumes and sales of new products more than offset lower pricing. The favorable impact of foreign currency translation was $52.2 million, or 2%. Constant currency third party net sales increased by approximately $396.1 million, or 17%.

Cost of Sales and Gross Profit

Cost of sales increased from $6.38 billion for the year ended 31 December 2016 to $7.12 billion for the year ended 31 December 2017. Cost of sales was primarily impacted by purchase accounting related amortization of acquired intangible assets, acquisition related costs, restructuring, and other special items. Gross profit for the year ended 31 December 2017 was $4.78 billion and gross margins were 40%. For the year ended 31 December 2016, gross profit was $4.70 billion and gross margins were 42%. Gross margins were negatively impacted in the current period by incremental amortization expense as a result of the acquisitions of Meda and the Topicals Business by approximately 110 basis points, lower gross profit from the sales of existing products in North America, including the EpiPen® Auto-Injector, by approximately 275 basis points, partially offset by the contributions from the acquired businesses.

Operating Expenses

Research & Development Expense

R&D expense for the year ended 31 December 2017 was $783.3 million, compared to $826.8 million for the prior year, a decrease of $43.5 million. The decrease was due to lower spending when compared to the prior year as a result of the Company's reprioritization of global programs. Partially offsetting this decrease was the impact from incremental R&D expense related to the acquisitions of Meda and the Topicals Business of approximately $45.4 million in the current year as well as an increase in restructuring costs included in R&D from $7.7 million in 2016 to $8.4 million in 2017.

Additionally, during the year ended 31 December 2017, the Company entered into a joint development and marketing agreement for a respiratory product resulting in approximately $50 million in R&D expense. The Company also incurred R&D expense in 2017 of $31.9 million related to the collaboration agreement with Momenta. In the prior year, the Company made an upfront payment of $45.0 million and incurred additional R&D expense of $29.2 million, both related to the Company's collaboration agreement with Momenta which was entered into on 08 January 2016.

Selling, General & Administrative Expense

Selling, general and administrative expense ("SG&A") for the year ended 31 December 2017 was $2.58 billion, compared to $2.50 billion for the prior year, an increase of $81.9 million. The increase is due primarily to additional incremental expense related to the acquisitions of Meda and the Topicals Business which increased SG&A by approximately $213.1 million. Restructuring charges recorded in SG&A were $133.6 million and $113.1 million, respectively, for the years ended 31 December 2017 and 31 December 2016. Partially offsetting these increases were acquisition related costs which were $110.8 million lower than the prior year as well as the year over year benefit of integration activities.

Litigation Settlements and Other Contingencies, Net

During the year ended 31 December 2017, the Company recorded net gains of $13.1 million for litigation settlements and other contingencies, net, compared to a net charge of $672.5 million in the prior year.

The following table includes the (gains)/losses recognized in litigation settlements and other contingencies, net during the year ended 31 December 2017:

(In millions of USD)	**Loss/(gain)**
Respiratory Delivery Platform contingent consideration adjustment	$ (93.5)
Litigation settlements [(1)]	51.1
Topicals Business contingent consideration adjustment	23.5
Jai Pharma Limited contingent consideration adjustment	9.8
Apicore contingent consideration adjustment	(4.0)
Total litigation settlements and other contingencies, net	$ (13.1)

(1) Refer to Note 24 *Litigation* included in section 9 of this report for additional information related to litigation matters.

The following table includes the (gains)/losses recognized in litigation settlements and other contingencies, net during the year ended 31 December 2016:

(In millions of USD)	**Loss/(gain)**
Medicaid Drug Rebate Program Settlement	$ 465.0
Modafinil antitrust litigation settlement	165.0
Strides Settlement	90.0
Respiratory Delivery Platform contingent consideration adjustment	(68.5)
Jai Pharma Limited contingent consideration adjustment	12.6
Other litigation settlements	8.4
Total litigation settlements and other contingencies, net	$ 672.5

Interest Expense

Interest expense for the year ended 31 December 2017 totaled $534.6 million, compared to $454.8 million for the year ended 31 December 2016, an increase of $79.8 million. The increase in the current year is primarily due to the incremental impact of the issuance of the senior notes in June 2016 and, the Euro senior notes issued in November 2016 and May 2017. This increase was partially offset by the impact of the repayment of the 1.800% Senior Notes due 2016 and the 1.350% Senior Notes due 2016 in June and November of 2016, respectively, as well as the repayment of the Meda Term Loan and the partial repayment of the Mylan NV Term Loan.

Other (Income) Expense, Net

Other expense, net was $9.5 million in 2017, compared to $135.1 million in the prior year. Other expense, net was comprised of the following for the year ended 31 December 2017 and 2016, respectively:

(In millions of USD)	2017	2016
Losses from equity affiliates, primarily clean energy investments	$ 100.2	$ 112.8
Clean energy investment adjustment, net gain	(42.2)	—
Foreign exchange gains, net	(48.1)	(0.5)
Mark-to-market on fair value interest rate swap	10.0	10.0
Interest income	(6.2)	(12.3)
Write off of deferred financing fees	3.2	34.8
Other gains, net	(7.4)	(9.7)
Other expense, net	$ 9.5	$ 135.1

During the current year, as a result of a decline in current and expected future production levels at certain of the clean energy facilities the Company impaired its investment balance and other assets by approximately $47 million and reduced the related long-term obligations for these investments by approximately $89 million resulting in a net gain of $42 million which was recognized as a component of the net loss of the equity method investments. In the prior year, other (income) expense, net included a foreign exchange net gain of $0.5 million, which included $128.6 million of losses related to the Company's SEK non-designated foreign currency contracts that were entered into to economically hedge the foreign currency exposure associated with the expected payment of the Swedish krona-denominated cash portion of the purchase price of the offer to the shareholders of Meda to acquire all of the outstanding shares of Meda. This loss was offset by foreign exchange gains of approximately $30.5 million related to the mark-to-market impact for the November 2016 settlement of a portion of outstanding Meda shares and the remaining obligation on non-tendered Meda shares. In addition, the loss was offset by foreign exchange gains related to the mark-to-market on Euro denominated notes of approximately $32.0 million and additional net gains as a result of the Company's foreign currency exchange risk management program.

Income Tax Provision (Benefit)

For the year ended 31 December 2017, the Company recognized an income tax provision of $222.4 million, compared to an income tax benefit of $381.0 million for the comparable prior year. On 22 December 2017, the Tax Act was signed into law making significant changes to the Code. Changes include, but are not limited to, a U.S. federal corporate income tax rate decrease from 35% to 21% effective for tax years beginning after 31 December 2017, and a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings of non-U.S. corporate subsidiaries of large U.S. shareholders as of 31 December 2017. The Company has calculated its best estimate of the impact of the Tax Act in the 2017 income tax provision in accordance with our understanding of the Tax Act and available guidance and has recorded a provisional net tax charge of $143.6 million related to the Tax Act in the year ended 31 December 2017. In addition, the income tax provision for the year ended 31 December 2017 versus the prior year was impacted by the changing mix of income earned in jurisdictions with differing tax rates, statutory releases of certain tax uncertainties, increases in valuation allowances on certain carryforward tax attributes, the non-recurring nature of tax benefits obtained by the 2016 mergers of certain foreign subsidiaries, and the revaluation of deferred tax assets and liabilities in countries that changed their statutory corporate tax rate.

4. RISK MANAGEMENT AND RISK FACTORS

4.1 Risk management and control systems

Mylan operates in a complex and rapidly changing environment that involves many risks. In addition to general market and economic risks, the Company faces risks related to its industry; information technology and cybersecurity; data privacy; financial controls and reporting; legal, regulatory and compliance; finances and taxation; global operations; environment and social responsibility; and product portfolio and commercialization. As a company committed to operating ethically and with integrity, we proactively manage and, where possible, mitigate risks to help ensure compliance with applicable rules and regulations, maintain integrity and continuity in our operations and business and to protect our assets and reputation. Risk management is an enterprise-wide objective subject to oversight by the Board and its committees.

It is the responsibility of Mylan's management and employees to implement and administer risk-management processes to identify material risks to our business. In addition, management must assess, manage and monitor those risks, all while maintaining flexibility in how we operate. To further embed risk management and compliance into our culture, Mylan implements appropriate policies

and procedures and trains employees on how to comply with them.

The Board, in turn, directly or through its committees, oversees management's implementation of risk management. We have approved a robust Code of Business Conduct and Ethics and other related policies, and the Board and its committees rigorously review with management key actual and potential significant risks at least quarterly. Consistent with our proactive approach to risk management, the Board recently formed a Risk Oversight Committee to assist in its oversight of our enterprise risk management framework, in coordination with the respective oversight responsibilities of other Board committees.

Board Committees' Role in Risk Oversight:

- ***The Risk Oversight Committee*** recently was formed to assist the Board in its oversight of Mylan's enterprise risk management framework. The Committee reviews the enterprise risk framework, infrastructure and control implemented by management to help identify, assess, manage and monitor material risks; reviews management's exercise of its responsibility to identify, assess and manage material risks not allocated to the Board or another committee; and reviews Mylan's efforts to foster a culture of risk-adjusted decision-making without constraining reasonable risk-taking and innovation.

- ***The Audit Committee*** focuses on financial and disclosure controls and reporting risks as well as oversight of Mylan's internal audit function. The Committee oversees, among other matters, Mylan's processes and procedures relating to risk assessment and risk management and the quality and adequacy of the Company's internal control over financial reporting. Mylan's internal audit function meets with the Committee at least quarterly to discuss potential risk or control issues. The Committee also meets quarterly with Mylan's global independent auditor and Dutch independent auditor.

- ***The Compensation Committee*** focuses on compensation-related risks that may be inherent in our business and the design of compensation-related plans and programs, and receives reports from management and/or outside advisors and experts regarding various related matters on at least a quarterly basis.

- ***The Compliance Committee*** is responsible for overseeing the Chief Compliance Officer's implementation of Mylan's Corporate Compliance Program and related policies and procedures. The Committee appoints and replaces this individual, and reviews his or her performance, responsibilities, plans and resources. The Committee makes recommendations with respect to the Corporate Compliance Program and Code of Business Conduct and Ethics, including monitoring and evaluating significant reports of actual or alleged violations by employees and executive officers and third-party risks. The Committee also considers and evaluates significant global compliance related policies, including policies related to pricing and/or commercialization of Company products and services. The Committee receives reports from various levels of management and outside advisors and meets on at least a quarterly basis.

- ***The Finance Committee*** is responsible for reviewing and providing advice to the Board with respect to the Company's capital structure, capital management, financing and material business transactions and the risks related to such activities.

- ***The Governance and Nominating Committee*** is responsible for identifying, recruiting and nominating qualified individuals to become members of the Board, recommending committee assignments, overseeing the Board's annual evaluation of the independence of directors and other risks related to corporate governance.

Based on its oversight activities, reports from management and third parties, and extensive discussions and analyses, the Board believes that (i) the Company's internal risk management and control systems provide reasonable assurance that the Company's financial reporting does not contain any errors of material importance, (ii) based on the current state of affairs, it is justified that the Company's financial reporting is prepared on a going concern basis and (iii) this report states material risks and uncertainties relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of this report. The Board has no reason to believe that there are material shortcomings associated with the Company's internal risk management and control systems that would otherwise have to be disclosed in this this report. Consequently, those systems have not been materially revised during the fiscal year to which this report pertains and no material improvements thereto are scheduled. The Company's internal risk management and control systems have been discussed with the Audit Committee and the non-executive directors.

See Note 11 *Financial instruments and risk management* included in section 9 of this report for Mylan's use of derivative instruments in managing financial risks.

4.2 Risk factors

4.2.1 General

We operate in a complex and rapidly changing environment that involves risks, many of which are beyond our control. Any of the risks described in section 4.2 of this report, if they occur, could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or share price. These risks should be read in conjunction with the other information in this report and our filings with the SEC.

4.2.2 Summary of key risk factors

Some but not all of the key risks related to Mylan and its business include the following. See section 4.2.3 of this report for additional detail and other risks. We urge shareholders to review all of section 4.2 for a complete understanding of all applicable risk factors.

- Our prior acquisitions and potential future acquisitions may not achieve all intended benefits or may disrupt our plans and operations.

- We expect to be treated as a non-U.S. corporation for U.S. federal income tax purposes. Any changes to the tax laws or changes in other laws (including under applicable income tax treaties), regulations, rules, or interpretations thereof applicable to inverted companies and their affiliates, whether enacted before or after the EPD Transaction, may materially adversely affect us.

- We may be adversely affected by increased scrutiny from third parties, including governments, or negative publicity with respect to matters relating to our products, pricing practices and other matters.

- We have and may continue to experience pressure on the pricing of and reimbursements for certain of our products due to consolidation among purchasers or social and political pressure to lower the cost of drugs, which could impact our financial condition or results of operations.

- Current and changing economic conditions may adversely affect our industry, business, partners and suppliers, financial condition, results of operations, cash flows, and/or ordinary share price.

- The pharmaceutical industry is heavily regulated and we face significant costs and uncertainties associated with our efforts to comply with applicable laws and regulations.

- The use of legal, regulatory, and legislative strategies by both brand and generic competitors, including but not limited to "authorized generics" and regulatory petitions, as well as the potential impact of proposed and newly enacted legislation, may increase costs associated with the introduction or marketing of our generic products, could delay or prevent such introduction, and could significantly reduce our revenue and profit.

- If we are unable to successfully introduce new products in a timely manner, our future revenue and profitability may be adversely affected.

- We expend a significant amount of resources on R&D efforts that may not lead to successful product introductions.

- The development, approval process, manufacture and commercialization of biosimilar products involve unique challenges and uncertainties, and our failure to successfully introduce biosimilar products could have a negative impact on our business and future operating results.

- Our business is highly dependent upon market perceptions of us, our brands, and the safety and quality of our products, and may be adversely impacted by negative publicity or findings.

- Our competitors, including branded pharmaceutical companies, and/or other third parties, may allege that we and/or our suppliers are infringing upon their intellectual property, including in an "at risk launch" situation, which could result in substantial penalties, impact our ability to launch a product and/or our ability to continue marketing a product, and/or force us to expend substantial resources in resulting litigation, the outcome of which is uncertain.

- If we or any partner or supplier fail to obtain or adequately protect or enforce our intellectual property rights, then we could lose revenue under our licensing agreements or lose sales to generic copies of our branded products.

- A relatively small group of products may represent a significant portion of our revenues, gross profit, net sales, or net earnings from time to time.

- A significant portion of our revenues is derived from sales to a limited number of customers.

- We have a limited number of manufacturing facilities and certain third party suppliers produce a substantial portion of our API and products, some of which require a highly exacting and complex manufacturing process.

- We are involved in various legal proceedings and certain government inquiries and may experience unfavourable outcomes of such proceedings or inquiries.

- If we fail to comply with our Corporate Integrity Agreement, we could be subject to substantial penalties and exclusion from participation in federal healthcare programs.

- There are inherent uncertainties involved in estimates, judgments and assumptions used in the preparation of financial statements in accordance with EU IFRS and U.S. GAAP. Any future changes in estimates, judgments and assumptions used or necessary revisions to prior estimates, judgments or assumptions or changes in accounting standards could lead to a restatement or revision to previously issued financial statements.

- We are increasingly dependent on information technology and our systems and infrastructure face certain risks, including cybersecurity and data leakage risks.

4.2.3 Risk factors

We operate in a complex and rapidly changing environment that involves risks, many of which are beyond our control. Any of the following risks, if they occur, could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or share price. These risks should be read in conjunction with the other information in this report.

PROVISIONS IN OUR GOVERNANCE ARRANGEMENTS OR THAT ARE OTHERWISE AVAILABLE UNDER DUTCH LAW COULD DISCOURAGE, DELAY, OR PREVENT A CHANGE IN CONTROL OF US AND MAY AFFECT THE MARKET PRICE OF OUR ORDINARY SHARES.

Some provisions of our governance arrangements that are available under Dutch law, such as our grant to a Dutch foundation (*stichting*) of a call option to acquire preferred shares to safeguard the interests of the Company, its businesses and its stakeholders against threats to our strategy, mission, independence, continuity and/or identity, may discourage, delay, or prevent a change in control of us, even if such a change in control is sought by our shareholders.

WE DO NOT ANTICIPATE PAYING DIVIDENDS FOR THE FORESEEABLE FUTURE, AND OUR SHAREHOLDERS MUST RELY ON INCREASES IN THE TRADING PRICE OF OUR ORDINARY SHARES TO OBTAIN A RETURN ON THEIR INVESTMENT.

Mylan N.V. does not anticipate paying dividends in the immediate future. We anticipate that we will retain all earnings, if any, to support our operations and to opportunistically pursue additional transactions to deliver additional shareholder value. Any future determination as to the payment of dividends will, subject to Dutch law requirements, be at the sole discretion of our board of directors and will depend on our financial position, results of operations, capital requirements, and other factors our board of directors deems relevant at that time. Holders of Mylan N.V.'s ordinary shares must rely on increases in the trading price of their shares to obtain a return on their investment in the foreseeable future.

THE MARKET PRICE OF OUR ORDINARY SHARES MAY BE VOLATILE, AND THE VALUE OF YOUR INVESTMENT COULD MATERIALLY DECLINE.

Investors who hold Mylan N.V.'s ordinary shares may not be able to sell their shares at or above the price at which they purchased such shares. The share price of Mylan N.V.'s ordinary shares fluctuates materially from time to time, and we cannot predict the price of the ordinary shares at any given time. The risk factors described herein could cause the price of the ordinary shares to fluctuate materially. In addition, the stock market in general, including the market for pharmaceutical companies, has experienced price and volume fluctuations. These broad market and industry factors may materially harm the market price of the ordinary shares, regardless of our operating performance. In addition, the price of the ordinary shares may be affected by the valuations and recommendations of the analysts who cover us, and if our results do not meet the analysts' forecasts and expectations, the price of the ordinary shares could decline as a result of analysts lowering their valuations and recommendations or otherwise. In the past, following periods of volatility in the market and/or in the price of a company's stock, securities class-action litigation has been instituted against us and other companies. Such litigation could result in substantial costs and diversion of management's attention and resources, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price. We or our shareholders also may offer or sell our ordinary shares or securities convertible into or exchangeable or exercisable for ordinary shares. An increase in the number of the ordinary shares issued and outstanding and the possibility of sales of ordinary shares or securities convertible into or exchangeable or exercisable for ordinary shares may depress the future trading price of the ordinary shares. In addition, if additional offerings occur, the voting power of our then existing shareholders may be diluted.

OUR PRIOR ACQUISITIONS AND POTENTIAL FUTURE ACQUISITIONS MAY NOT ACHIEVE ALL INTENDED BENEFITS OR MAY DISRUPT OUR PLANS AND OPERATIONS.

There can be no assurance that we will be able to successfully complete the integration of acquired businesses or assets with Mylan, or otherwise fully realize the expected benefits of such transactions. We have grown very rapidly over the past several years as a result of increasing sales and several acquisitions and other transactions, and in the future may opportunistically pursue additional acquisition opportunities that make financial and strategic sense for us. We evaluate various strategic transactions and business arrangements, including acquisitions, asset purchases, partnerships, joint ventures, restructurings, divestitures and investments, on an ongoing basis. These transactions and arrangements may be material both from a strategic and financial perspective. Our growth has, and will continue to, put demands on our processes, systems, and employees. Furthermore, although our expectation is to engage in asset sales only if they advance or otherwise support our overall strategy, any such sale could reduce the size or scope of our business, our market share in particular markets or our opportunities with respect to certain markets, products or therapeutic categories.

In addition, the expected synergies and operating efficiencies of any transaction may not be fully realized within the expected timeframe or at all. Many of the factors that drive such expected synergies and operating efficiencies are outside of our control and the overall integration of a business or asset may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and diversion of management's attention, among other potential adverse consequences. The difficulties of integrating the operations of a business or asset with Mylan include the matters discussed above and, among others:

- the diversion of management's attention to integration matters, including restructuring activities;
- difficulties in achieving anticipated synergies, operating efficiencies, business opportunities, and growth prospects from combining an acquired business or asset with Mylan;
- difficulties in the integration of operations and information technology ("IT") applications, including enterprise resource planning ("ERP") systems;
- difficulties in the integration of employees;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- challenges in keeping existing customers and obtaining new customers;
- challenges in reducing reliance on transition services prior to the expiration of any period in which such services are provided by a transaction counterparty;
- operational or financial difficulties that would not have occurred if acquired companies, businesses, or assets continued operating in their former structures;
- challenges in attracting and retaining key personnel; and

- with respect to the EPD Business, the complexities of managing the ongoing relationship with Abbott, and certain of its business partners, including agreements providing for certain services, development and manufacturing relationships, and license arrangements.

Any one or more of these matters could result in increased costs, decreases in the amount of expected revenues, and diversion of management's time and energy, and have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE EXPECT TO BE TREATED AS A NON-U.S. CORPORATION FOR U.S. FEDERAL INCOME TAX PURPOSES. ANY CHANGES TO THE TAX LAWS OR CHANGES IN OTHER LAWS (INCLUDING UNDER APPLICABLE INCOME TAX TREATIES), REGULATIONS, RULES, OR INTERPRETATIONS THEREOF APPLICABLE TO INVERTED COMPANIES AND THEIR AFFILIATES, WHETHER ENACTED BEFORE OR AFTER THE EPD TRANSACTION, MAY MATERIALLY ADVERSELY AFFECT US.

Under current U.S. law, we believe that we should not be treated as a U.S. corporation for U.S. federal income tax purposes as a result of Mylan's acquisition of Mylan Inc. and the EPD Business (the "EPD Transaction"). Changes to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or to the U.S. Treasury Regulations promulgated thereunder, or interpretations thereof, or to other relevant tax laws (including applicable income tax treaties), could affect our status as a non-U.S. corporation for U.S. federal income tax purposes and the tax consequences to us and our affiliates. Any such changes could have prospective or retroactive application, and may apply even if enacted or promulgated now that the EPD Transaction has closed. If we were to be treated as a U.S. corporation for U.S. federal income tax purposes, or if the relevant tax laws (including applicable income tax treaties) change, we would likely be subject to significantly greater U.S. tax liability than currently contemplated as a non-U.S. corporation or if the relevant tax laws (including applicable income tax treaties) had not changed.

On 04 April 2016, the U.S. Treasury Department and the U.S. Internal Revenue Service ("IRS") issued proposed and temporary regulations interpreting multiple sections of the Code (which were partially finalized on 18 January 2017), including Section 7874, to address inversion transactions and transactions that Treasury and the IRS characterize as "post-inversion tax avoidance transactions." Such regulations generally apply to transactions completed on or after 22 September 2014, although in some cases they have a later effective date of 04 April 2016. The regulations expand the set of circumstances under which Section 7874 applies to cause the foreign acquirer of a U.S. corporation to be treated as a U.S. corporation for U.S. federal income tax purposes. Such regulations also impose additional U.S. taxes on certain transactions involving the acquired U.S. corporation's controlled foreign corporations. The regulations do not affect our belief that we expect to be treated as a non-U.S. corporation for U.S. federal income tax purposes.

However, if ultimately upheld by a reviewing court, the regulations limit our ability to engage in various intercompany transactions involving non-U.S. subsidiaries. In addition, the U.S. Treasury Department and the IRS issued final and temporary regulations on 13 October 2016, which might limit our ability to deduct interest expense on certain intercompany debt for U.S. federal income tax purposes.

THE IRS MAY NOT AGREE THAT WE SHOULD BE TREATED AS A NON-U.S. CORPORATION FOR U.S. FEDERAL INCOME TAX PURPOSES.

The IRS may not agree that we should be treated as a non-U.S. corporation for U.S. federal income tax purposes. Although we are not incorporated in the U.S. and expect to be treated as a non-U.S. corporation for U.S. federal income tax purposes, the IRS may assert that we should be treated as a U.S. corporation for U.S. federal income tax purposes. If we were to be treated as a U.S. corporation for U.S. federal income tax purposes, we would likely be subject to significantly greater U.S. tax liability than currently contemplated as a non-U.S. corporation.

IF THE INTERCOMPANY TERMS OF CROSS BORDER ARRANGEMENTS THAT WE HAVE AMONG OUR SUBSIDIARIES ARE DETERMINED TO BE INAPPROPRIATE OR INEFFECTIVE, OUR TAX LIABILITY MAY INCREASE.

We have potential tax exposures resulting from the varying application of statutes, regulations, and interpretations which include exposures on intercompany terms of cross-border arrangements among our subsidiaries (including intercompany loans, sales, and services agreements) in relation to various aspects of our business, including manufacturing, marketing, sales, and delivery functions. Although we believe our cross-border arrangements among our subsidiaries are based upon internationally

accepted standards and applicable law, tax authorities in various jurisdictions may disagree with and subsequently challenge the amount of profits taxed in their country, which may result in increased tax liability, including accrued interest and penalties, which would cause our tax expense to increase and could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE MAY NOT BE ABLE TO MAINTAIN COMPETITIVE FINANCIAL FLEXIBILITY AND OUR CORPORATE TAX RATE, AND NEW U.S. TAX LEGISLATION COULD ADVERSELY AFFECT US AND OUR SHAREHOLDERS.

We believe that our structure and operations give us the ability to achieve competitive financial flexibility and a competitive worldwide effective corporate tax rate. The material assumptions underlying our expected tax rates include the fact that we expect certain of our businesses will be operated outside of the U.S. and, as such, will be subject to a lower tax rate than operations in the U.S., which will result in a lower blended worldwide tax rate than we were previously able to achieve. We must also make assumptions regarding the effect of certain internal reorganization transactions, including various intercompany transactions. We cannot give any assurance as to what our effective tax rate will be, however, because of, among other reasons, uncertainty regarding the tax policies of the jurisdictions where we operate, potential changes of laws and interpretations thereof, and the potential for tax audits or challenges. Our actual effective tax rate may vary from our expectation and that variance may be material. Additionally, the tax laws of the U.K., the Netherlands and other jurisdictions could change in the future, and such changes could cause a material change in our effective tax rate.

On 22 December 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the Code, including, but not limited to, reducing the U.S. federal corporate income tax rate from 35% to 21% effective for tax years beginning after 31 December 2017 and requiring a one-time transition tax on certain unrepatriated earnings of non-U.S. corporate subsidiaries of large U.S. shareholders that may electively be paid over eight years. The Tax Act also puts in place new tax laws that will impact our taxable income beginning in 2018, which include, but are not limited to (1) creating a Base Erosion Anti-Abuse Tax, which is a new minimum tax, (2) generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries, (3) a new provision designed to tax currently global intangible low-taxed income ("GILTI") earned by non-U.S. corporate subsidiaries of large U.S. shareholders, which allows for the possibility of utilizing foreign tax credits (foreign tax credits are limited to 80% of foreign taxes paid that are properly attributable to GILTI and are segregated into a separate basket, with no carryforward or carryback permitted for excess foreign tax credits) and a deduction generally equal to 50% of GILTI (37.5% for tax years beginning after 31 December 2025) to offset the income tax liability, (4) a provision limiting the amount of deductible interest expense in the U.S., (5) the repeal of the domestic manufacturing deduction, (6) limitations on the deductibility of certain executive compensation, and (7) limitations on the utilization of foreign tax credits to reduce the U.S. income tax liability. We are currently evaluating the impact of the Tax Act on our business and our effective tax rate, and we cannot yet be certain what the effect will be.

Any of the factors discussed above could materially increase our overall effective income tax rate and income tax expense and could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

UNANTICIPATED CHANGES IN OUR TAX PROVISIONS OR EXPOSURE TO ADDITIONAL INCOME TAX LIABILITIES AND CHANGES IN INCOME TAX LAWS AND TAX RULINGS MAY HAVE A SIGNIFICANT ADVERSE IMPACT ON OUR EFFECTIVE TAX RATE AND INCOME TAX EXPENSE.

We are subject to income taxes in many jurisdictions. Significant analysis and judgment are required in determining our worldwide provision for income taxes. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The final determination of any tax audits or related litigation could be materially different from our income tax provisions and accruals.

Additionally, changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in our overall profitability, changes in the valuation of deferred tax assets and liabilities, the results of audits and the examination of previously filed tax returns by taxing authorities, and continuing assessments of our tax exposures could impact our tax liabilities and affect our income tax expense, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE MAY BECOME TAXABLE IN A JURISDICTION OTHER THAN THE U.K. AND THIS MAY INCREASE THE AGGREGATE TAX BURDEN ON US.

Based on our current management structure and current tax laws of the U.S., the U.K., and the Netherlands, as well as applicable income tax treaties, and current interpretations thereof, the U.K. and the Netherlands competent authorities have determined that we are tax resident solely in the U.K. for the purposes of the Netherlands-U.K. tax treaty. We have received a binding ruling from the competent authorities in the U.K. and in the Netherlands confirming this treatment. We will therefore be tax resident solely in the U.K. so long as the facts and circumstances set forth in the relevant application letters sent to those authorities remain accurate. Even though we received a binding ruling, the applicable tax laws or interpretations thereof may change, or the assumptions on which such rulings were based may differ from the facts. As a consequence, we may become a tax resident of a jurisdiction other than the U.K. As a consequence, our overall effective income tax rate and income tax expense could materially increase, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE MAY BE ADVERSELY AFFECTED BY INCREASED SCRUTINY FROM THIRD PARTIES, INCLUDING GOVERNMENTS, OR NEGATIVE PUBLICITY WITH RESPECT TO MATTERS RELATING TO OUR PRODUCTS, PRICING PRACTICES AND OTHER MATTERS.

There has been increased press coverage and increased scrutiny from third parties, including regulators, legislative bodies and enforcement agencies, with respect to matters relating to the Company's business and pricing practices, and other matters related to the Company. This increased press coverage and public scrutiny, including protests by some consumers, have included assertions of wrongdoing by the Company which, regardless of the factual or legal basis for such assertions, have resulted in, and may continue to result in, investigations, and calls for investigations, by governmental agencies at both the federal and state levels and have resulted in, and may continue to result in, claims brought against the Company by governmental agencies or by private parties or by regulators taking other measures that could have a negative effect on the Company's business. For example, both the U.S. House of Representatives and the U.S. Senate have conducted numerous hearings with respect to pharmaceutical drug pricing practices, including in connection with the investigation of specific price increases by several pharmaceutical companies, including Mylan. It is not possible to predict the ultimate outcome of any such investigations or claims or what other investigations or lawsuits or regulatory responses may result from such assertions, or their impact on the Company's business, financial condition, results of operations, cash flows, and/or ordinary share price. Any such investigation or claim could also result in reputational harm and reduced market acceptance and demand for our products, could harm our ability to market our products in the future, could cause us to incur significant expense, could cause our senior management to be distracted from execution of our business strategy, and could have a material adverse effect on our business, financial condition, results of operations, cash flows and/or ordinary share price.

There has also recently been intense publicity regarding the pricing of pharmaceuticals more generally, including publicity and pressure resulting from prices charged by competitors and peer companies for new products as well as price increases by competitors and peer companies on older products that the public has deemed excessive. We have experienced and may continue to experience downward pricing pressure on the price of certain of our products due to social or political pressure to lower the cost of drugs, which could reduce our revenue and future profitability.

WE HAVE AND MAY CONTINUE TO EXPERIENCE PRESSURE ON THE PRICING OF AND REIMBURSEMENTS FOR CERTAIN OF OUR PRODUCTS DUE TO CONSOLIDATION AMONG PURCHASERS OR SOCIAL AND POLITICAL PRESSURE TO LOWER THE COST OF DRUGS, WHICH COULD IMPACT OUR FINANCIAL CONDITION OR RESULTS OF OPERATIONS.

We operate in a challenging environment, with significant pressures on the pricing of our products and on our ability to obtain and maintain satisfactory rates of reimbursement for our products by governments, insurers and other payors. The growth of overall healthcare costs has led governments and payors to implement new measures to control healthcare spending. As a result, we face numerous cost-containment measures by governments and other payors, including government-imposed industry-wide price reductions, mandatory pricing systems, reference pricing systems, tender systems, shifting of the payment burden to patients through higher co-payments, and requirements for increased transparency on pricing. In the U.S., these pressures are further compounded by increasing consolidation among wholesalers, retailer drug chains, pharmacy benefit managers, private insurers, managed care organizations and other private payors, which can increase their negotiating power, particularly with respect to our generic drugs. Refer to "*A SIGNIFICANT PORTION OF OUR REVENUES IS DERIVED FROM SALES TO A LIMITED NUMBER OF CUSTOMERS.*"

There has also been increasing U.S. federal and state legislative and enforcement interest with respect to drug pricing. In particular, U.S. federal prosecutors have issued subpoenas to pharmaceutical companies, including Mylan, seeking information

about their drug pricing practices, among other issues, and members of the Congress have sought information from certain pharmaceutical companies, including Mylan, relating to drug-price increases.

In addition, there has been legislation and legislative proposals concerning drug prices and related issues, including the perceived need to bring more transparency to drug pricing, reviewing the relationship between pricing and manufacturer patient programs, and reforming government program reimbursement methodologies for drugs. For example, in October 2017, the State of Maryland enacted legislation prohibiting pharmaceutical manufacturers from selling certain off-patent or generic drugs with purported "unconscionable" price increases. This type of legislation, at the federal or state level, could affect demand for, or pricing of, our products and we cannot predict what, if any, additional legislative developments may transpire or what the ultimate impact may be.

Any of the events or developments described above could have a material adverse impact on our business, financial condition or results of operations, cash flows and/or ordinary share price, as well as on our reputation.

CURRENT AND CHANGING ECONOMIC CONDITIONS MAY ADVERSELY AFFECT OUR INDUSTRY, BUSINESS, PARTNERS AND SUPPLIERS, FINANCIAL CONDITION, RESULTS OF OPERATIONS, CASH FLOWS, AND/OR ORDINARY SHARE PRICE.

The global economy continues to experience significant volatility, and the economic environment may continue to be, or become, less favorable than that of past years. Economic volatility, governmental financial restructuring efforts and/or evolving deficit and spending reduction programs could negatively impact the global economy and/or the pharmaceutical industry. This has led, and/or could lead, to reduced consumer and customer spending and/or reduced or eliminated governmental or third party payor coverage or reimbursement in the foreseeable future, and this may include reduced spending on healthcare, including but not limited to pharmaceutical products. While generic drugs present an alternative to higher-priced branded products, our sales could be negatively impacted if patients forego obtaining healthcare, patients and customers reduce spending or purchases, and/or if governments and/or third-party payors reduce or eliminate coverage or reimbursement amounts for pharmaceuticals and/or impose price or other controls adversely impacting the price or availability of pharmaceuticals. In addition, reduced consumer and customer spending, and/or reduced government and/or third-party payor coverage or reimbursement, and/or new government controls, may drive us and our competitors to decrease prices and/or may reduce the ability of customers to pay and/or may result in reduced demand for our products. The occurrence of any of these risks could have a material adverse effect on our industry, business, financial condition, results of operations, cash flows, and/or ordinary share price.

OUR BUSINESS, FINANCIAL CONDITION, AND RESULTS OF OPERATIONS ARE SUBJECT TO RISKS ARISING FROM THE INTERNATIONAL SCOPE OF OUR OPERATIONS.

Our operations extend to numerous countries outside the U.S., including our significant operations in India, and are subject to the risks inherent in conducting business globally and under the laws, regulations, and customs of various jurisdictions. These risks include, but are not limited to:

- compliance with a variety of national and local laws of countries in which we do business, including, but not limited to, data privacy and security, restrictions on the import and export of certain intermediates, drugs, and technologies, as well as compliance with multiple regulatory regimes, differing data protection requirements and differing degrees of protection for intellectual property;

- less established legal and regulatory regimes in certain jurisdictions;

- compliance with a variety of U.S. laws including, but not limited to, the Iran Threat Reduction and Syria Human Rights Act of 2012 and rules relating to the use of certain "conflict minerals" under Section 1502 of the Dodd-Frank Wall Street Reform and the Consumer Protection Act;

- changes in policies designed to promote foreign investment, including significant tax incentives, liberalized import and export duties, and preferential rules on foreign investment and repatriation;

- changes in laws, regulations, and practices affecting the pharmaceutical industry and the healthcare system, including but not limited to imports, exports, manufacturing, quality, cost, pricing, reimbursement, approval, inspection, and delivery of healthcare;

- differing local product preferences and product requirements;
- adverse changes in the economies in which we or our partners and suppliers operate as a result of a slowdown in overall growth, a change in government or economic policies, or financial, political, or social change or instability in such countries that affects the markets in which we operate, particularly emerging markets;
- changes in employment laws, wage increases, or rising inflation in the countries in which we or our partners and suppliers operate;
- supply disruptions and increases in energy and transportation costs;
- natural disasters, including droughts, floods, and earthquakes in the countries in which we operate;
- local disturbances, terrorist attacks, riots, social disruption, wars, or regional hostilities in the countries in which we or our partners and suppliers operate and that could affect the economy, our operations and employees by disrupting operations and communications, making travel and the conduct of our business more difficult, and/or causing our customers to be concerned about our ability to meet their needs; and
- government uncertainty, including as a result of new or changed laws and regulations.

We also face the risk that some of our competitors have more experience with operations in such countries or with international operations generally and may be able to manage unexpected crises more easily. Moreover, the internal political stability of, or the relationship between, any country or countries where we conduct business operations may deteriorate. Changes in a country's political stability or the state of relations between any such countries are difficult to predict and the political or social stability in and/or diplomatic relations between any countries in which we or our partners and suppliers do business could meaningfully deteriorate.

The occurrence of any one or more of the above risks could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE ARE SUBJECT TO THE U.S. FOREIGN CORRUPT PRACTICES ACT, THE U.K. BRIBERY ACT, AND SIMILAR WORLDWIDE ANTI-CORRUPTION LAWS, WHICH IMPOSE RESTRICTIONS ON CERTAIN CONDUCT AND MAY CARRY SUBSTANTIAL FINES AND PENALTIES.

We are subject to the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-corruption laws in other jurisdictions. These laws generally prohibit companies and their intermediaries from engaging in bribery or making other prohibited payments to government officials for the purpose of obtaining or retaining business, and some have record keeping requirements. The failure to comply with these laws could result in substantial criminal and/or monetary penalties. We operate in jurisdictions that have experienced corruption, bribery, pay-offs and other similar practices from time-to-time and, in certain circumstances, such practices may be local custom. We have implemented internal control policies and procedures that mandate compliance with these anti-corruption laws. However, we cannot be certain that these policies and procedures will protect us against liability. There can be no assurance that our employees or other agents will not engage in such conduct for which we might be held responsible. If our employees or agents are found to have engaged in such practices, we could suffer severe criminal or civil penalties and other consequences that could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

OUR FAILURE TO COMPLY WITH APPLICABLE ENVIRONMENTAL AND OCCUPATIONAL HEALTH AND SAFETY LAWS AND REGULATIONS WORLDWIDE COULD ADVERSELY IMPACT OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS, CASH FLOWS, AND/OR ORDINARY SHARE PRICE.

We are subject to various U.S. federal, state, and local and non-U.S. laws and regulations concerning, among other things, the environment, climate change, regulation of chemicals, employee safety and product safety. These requirements include regulation of the handling, manufacture, transportation, storage, use and disposal of materials, including the discharge of hazardous materials and pollutants into the environment. In the normal course of our business, we are exposed to risks relating to possible releases of hazardous substances into the environment, which could cause environmental or property damage or personal injuries, and which could result in (i) our noncompliance with such environmental and occupational health and safety laws and regulations and (ii) regulatory enforcement actions or claims for personal injury and property damage against us. If an unapproved or illegal

environmental discharge occurs, or if we discover contamination caused by prior operations, including by prior owners and operators of properties we acquire, we could be liable for cleanup obligations, damages and fines. The substantial unexpected costs we may incur could have a material and adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price. In addition, our environmental capital expenditures and costs for environmental compliance may increase substantially in the future as a result of changes in environmental laws and regulations, the development and manufacturing of a new product or increased development or manufacturing activities at any of our facilities. We may be required to expend significant funds and our manufacturing activities could be delayed or suspended, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

CURRENCY FLUCTUATIONS AND CHANGES IN EXCHANGE RATES COULD ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS, CASH FLOWS, AND/OR ORDINARY SHARE PRICE.

Although we report our financial results in U.S. Dollars, a significant portion of our revenues, indebtedness and other liabilities and our costs are denominated in non-U.S. currencies, including among others the Euro, Swedish Krona, Indian Rupee, Japanese Yen, Australian Dollar, Canadian Dollar, British Pound Sterling and Brazilian Real. Our results of operations and, in some cases, cash flows, have in the past been and may in the future be adversely affected by certain movements in currency exchange rates. Defaults or restructurings in other countries could have a similar adverse impact. From time to time, we may implement currency hedges intended to reduce our exposure to changes in foreign currency exchange rates. However, our hedging strategies may not be successful, and any of our unhedged foreign exchange exposures will continue to be subject to market fluctuations. The occurrence of any of the above risks could cause a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

AN INABILITY TO EFFECTIVELY DEAL WITH AND RESPOND TO UNSOLICITED BUSINESS PROPOSALS COULD LIMIT OUR FUTURE GROWTH AND HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS, CASH FLOWS, AND/OR ORDINARY SHARE PRICE.

We have in the past and may in the future receive proposals to acquire all of our outstanding shares or similar unsolicited business proposals. Such unsolicited business proposals may not be consistent with or enhancing to our financial, operational, or market strategies and may not further the interests of our shareholders and other stakeholders, including employees, creditors, customers, suppliers, relevant patient populations and communities in which Mylan operates and may jeopardize the sustainable success of Mylan's business. However, the evaluation of and response to such unsolicited business proposals may nevertheless distract management and/or disrupt our ongoing businesses, which may adversely affect our relationships with customers, employees, partners, suppliers, regulators, and others with whom we have business or other dealings.

CHARGES TO EARNINGS RESULTING FROM ACQUISITIONS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS, CASH FLOWS AND/OR ORDINARY SHARE PRICE.

Under EU IFRS business acquisition accounting standards, we recognize the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in acquired companies generally at their acquisition date fair values and, in each case, separately from goodwill. Goodwill as of the acquisition date is measured as the excess amount of consideration transferred, which is also generally measured at fair value, and the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. Our estimates of fair value are based upon assumptions believed to be reasonable but which are inherently uncertain. After we complete an acquisition, the following factors could result in material charges and adversely affect our operating results and may adversely affect our cash flows:

- costs incurred to combine the operations of companies we acquire, such as transitional employee expenses and employee retention, redeployment or relocation expenses;
- impairment of goodwill or intangible assets, including acquired in-process research and development;
- amortization of intangible assets acquired;
- a reduction in the useful lives of intangible assets acquired;

- identification of or changes to assumed contingent liabilities, including, but not limited to, contingent purchase price consideration including fair value adjustments, income tax contingencies and other non-income tax contingencies, after our final determination of the amounts for these contingencies or the conclusion of the measurement period (generally up to one year from the acquisition date), whichever comes first;

- charges to our operating results to eliminate certain duplicative pre-acquisition activities, to restructure our operations or to reduce our cost structure; and

- charges to our operating results resulting from expenses incurred to effect the acquisition.

A significant portion of these adjustments could be accounted for as expenses that will decrease our net income and earnings per share for the periods in which those costs are incurred. Such charges could cause a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

THE SIGNIFICANT AND INCREASING AMOUNT OF INTANGIBLE ASSETS AND GOODWILL RECORDED ON OUR BALANCE SHEET, MAINLY RELATED TO ACQUISITIONS, MAY LEAD TO SIGNIFICANT IMPAIRMENT CHARGES IN THE FUTURE WHICH COULD LEAD US TO HAVE TO TAKE SIGNIFICANT CHARGES AGAINST EARNINGS.

We regularly review our long-lived assets, including identifiable intangible assets and goodwill, for impairment. Goodwill and indefinite-lived intangible assets are subject to impairment assessment at least annually. Other long-lived assets are reviewed when there is an indication that an impairment may have occurred. The amount of goodwill and identifiable intangible assets on our consolidated balance sheets has increased significantly as a result of our acquisitions and other transactions, including Meda, and may increase further following future potential acquisitions. In addition, we may from time to time sell assets that we determine are not critical to our strategy or execution. Future events or decisions may lead to asset impairments and/or related charges. Certain non-cash impairments may result from a change in our strategic goals, business direction or other factors relating to the overall business environment. Any impairment of the value of goodwill or other intangible assets will result in a charge against earnings, which could have a material adverse effect on our business, financial condition, results of operations, shareholder's equity, and/or ordinary share price.

THE PHARMACEUTICAL INDUSTRY IS HEAVILY REGULATED AND WE FACE SIGNIFICANT COSTS AND UNCERTAINTIES ASSOCIATED WITH OUR EFFORTS TO COMPLY WITH APPLICABLE LAWS AND REGULATIONS.

The pharmaceutical industry is subject to regulation by various governmental authorities. For instance, we must comply with applicable laws and requirements of the FDA and other regulatory agencies, including foreign authorities, in our other markets with respect to the research, development, manufacture, quality, safety, effectiveness, approval, labeling, tracking, tracing, authentication, storage, record-keeping, reporting, pharmacovigilance, sale, distribution, import, export, marketing, advertising, and promotion of pharmaceutical products. Failure to comply with regulations of the FDA and other U.S. and foreign regulators could result in a range of consequences, including, but not limited to, fines, penalties, disgorgement, unanticipated compliance expenditures, suspension of review of applications or other submissions, rejection or delay in approval of applications, recall or seizure of products, total or partial suspension of production and/or distribution, our inability to sell products, the return by customers of our products, injunctions, and/or criminal prosecution. Under certain circumstances, a regulator may also have the authority to revoke or vary previously granted drug approvals.

The safety profile of any product will continue to be closely monitored by the FDA and comparable foreign regulatory authorities after approval. If the FDA or comparable foreign regulatory authorities become aware of new safety information about any of our marketed or investigational products, those authorities may require labeling changes, establishment of a risk evaluation and mitigation strategy or similar strategy, restrictions on a product's indicated uses or marketing, or post-approval studies or post-market surveillance. In addition, we are subject to regulations in various jurisdictions, including the Federal Drug Supply Chain Security Act in the U.S., the Falsified Medicines Directive in the EU and a dozen other such regulations in other countries that require us to develop electronic systems to serialize, track, trace and authenticate units of our products through the supply chain and distribution system. Compliance with these regulations may result in increased expenses for us or impose greater administrative burdens on our organization, and failure to meet these requirements could result in fines or other penalties.

The FDA and comparable regulatory authorities also regulate the facilities and operational procedures that we use to manufacture our products. We must register our facilities with the FDA and similar regulators in other countries. Products must be manufactured in our facilities in accordance with cGMP or similar standards in each territory in which we manufacture. Compliance with such regulations requires substantial expenditures of time, money, and effort in multiple areas, including training

of personnel, record-keeping, production, and quality control and quality assurance. The FDA and other regulatory authorities, including foreign authorities, periodically inspect our manufacturing facilities for compliance with cGMP or similar standards in the applicable territory. Regulatory approval to manufacture a drug is granted on a site-specific basis. Failure to comply with cGMP and other regulatory standards at one of our or our partners' or suppliers' manufacturing facilities could result in an adverse action brought by the FDA or other regulatory authorities, which could result in a receipt of an untitled or warning letter, fines, penalties, disgorgement, unanticipated compliance expenditures, rejection or delay in approval of applications, suspension of review of applications or other submissions, suspension of ongoing clinical trials, recall or seizure of products, total or partial suspension of production and/or distribution, our inability to sell products, the return by customers of our products, orders to suspend, vary, or withdraw marketing authorizations, injunctions, consent decrees, requirements to modify promotional materials or issue corrective information to healthcare practitioners, refusal to permit import or export, criminal prosecution and/or other adverse actions.

If any regulatory body were to delay, withhold, or withdraw approval of an application; require a recall or other adverse product action; require one of our manufacturing facilities to cease or limit production; or suspend, vary, or withdraw related marketing authorization, our business could be adversely affected. Delay and cost in obtaining FDA or other regulatory approval to manufacture at a different facility also could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

Although we have established internal regulatory compliance programs and policies, there is no guarantee that these programs and policies, as currently designed, will meet regulatory agency standards in the future or will prevent instances of non-compliance with applicable laws and regulations. Additionally, despite efforts at compliance, from time to time we or our partners receive notices of manufacturing and quality-related observations following inspections by regulatory authorities around the world, as well as official agency correspondence regarding compliance. We or our partners may receive similar observations and correspondence in the future. If we are unable to resolve these observations and address regulator's concerns in a timely fashion, our business, financial condition, results of operations, cash flows, and/or ordinary share price could be materially affected.

We utilize controlled substances in certain of our current products and products in development, and therefore must meet the requirements of the Controlled Substances Act of 1970 and the related regulations administered by the DEA in the U.S., as well as those of similar laws in other countries where we operate. These laws relate to the manufacture, shipment, storage, sale, and use of controlled substances. The DEA and other regulatory agencies limit the availability of the controlled substances used in certain of our current products and products in development and, as a result, our procurement quota of these active ingredients may not be sufficient to meet commercial demand or complete clinical trials. We must annually apply to the DEA and similar regulatory agencies for procurement quotas in order to obtain these substances. Any delay or refusal by the DEA or such similar agencies in establishing our procurement quota for controlled substances could delay or stop our clinical trials or product launches, or could cause trade inventory disruptions for those products that have already been launched, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

THE USE OF LEGAL, REGULATORY, AND LEGISLATIVE STRATEGIES BY BOTH BRAND AND GENERIC COMPETITORS, INCLUDING BUT NOT LIMITED TO "AUTHORIZED GENERICS" AND REGULATORY PETITIONS, AS WELL AS THE POTENTIAL IMPACT OF PROPOSED AND NEWLY ENACTED LEGISLATION, MAY INCREASE COSTS ASSOCIATED WITH THE INTRODUCTION OR MARKETING OF OUR GENERIC PRODUCTS, COULD DELAY OR PREVENT SUCH INTRODUCTION, AND COULD SIGNIFICANTLY REDUCE OUR REVENUE AND PROFIT.

Our competitors, both branded and generic, often pursue strategies to prevent, delay, or eliminate competition from generic alternatives to branded products. These strategies include, but are not limited to:

- entering into agreements whereby other generic companies will begin to market an authorized generic, a generic equivalent of a branded product, at the same time or after generic competition initially enters the market;
- launching a generic version of their own branded product prior to or at the same time or after generic competition initially enters the market or pricing the branded product at a discount equivalent to generic pricing;
- filing petitions with the FDA or other regulatory bodies seeking to prevent or delay approvals, including timing the filings so as to thwart generic competition by causing delays of our product approvals;
- seeking to establish regulatory and legal obstacles that would make it more difficult to demonstrate bioequivalence or to meet other requirements for approval, and/or to prevent regulatory agency review of applications, such as

through the establishment of patent linkage (laws and regulations barring the issuance of regulatory approvals prior to patent expiration);

- initiating legislative or other efforts to limit the substitution of generic versions of brand pharmaceuticals;
- filing suits for patent infringement and other claims that may delay or prevent regulatory approval, manufacture, and/or sale of generic products;
- introducing "next-generation" products prior to the expiration of market exclusivity for the reference product, which often materially reduces the demand for the generic or the reference product for which we seek regulatory approval;
- persuading regulatory bodies to withdraw the approval of brand name drugs for which the patents are about to expire and converting the market to another product of the brand company on which longer patent protection exists;
- obtaining extensions of market exclusivity by conducting clinical trials of brand drugs in pediatric populations or by other methods; and
- seeking to obtain new patents on drugs for which patent protection is about to expire.

In the U.S., some companies have lobbied Congress for amendments to the Hatch-Waxman Act that would give them additional advantages over generic competitors. For example, although the term of a company's drug patent can be extended to reflect a portion of the time an NDA is under regulatory review, some companies have proposed extending the patent term by a full year for each year spent in clinical trials rather than the one-half year that is currently permitted.

If proposals like these in the U.S., Europe, or in other countries where we or our partners and suppliers operate were to become effective, or if any other actions by our competitors and other third parties to prevent or delay activities necessary to the approval, manufacture, or distribution of our products are successful, our entry into the market and our ability to generate revenues associated with new products may be delayed, reduced, or eliminated, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

IF WE ARE UNABLE TO SUCCESSFULLY INTRODUCE NEW PRODUCTS IN A TIMELY MANNER, OUR FUTURE REVENUE AND PROFITABILITY MAY BE ADVERSELY AFFECTED.

Our future revenues and profitability will depend, in part, upon our ability to successfully and timely develop, license, or otherwise acquire and commercialize new generic products as well as branded pharmaceutical products protected by patent or statutory authority. Product development is inherently risky, especially for new drugs for which safety and efficacy have not been established and/or the market is not yet proven as well as for complex generic drugs and biosimilars. Likewise, product licensing involves inherent risks, including, among others, uncertainties due to matters that may affect the achievement of milestones, as well as the possibility of contractual disagreements with regard to whether the supply of product meets certain specifications or terms such as license scope or termination rights. The development and commercialization process, particularly with regard to new and complex drugs, also requires substantial time, effort and financial resources. We, or a partner, may not be successful in commercializing any of such products on a timely basis, or at all, which could adversely affect our business, financial condition, results of operations, cash flows, and/or ordinary share price.

Before any prescription drug product, including generic drug products, can be marketed, marketing authorization approval is required by the relevant regulatory authorities and/or national regulatory agencies (for example, the FDA in the U.S. and the EMA in the EU). The process of obtaining regulatory approval to manufacture and market new branded and generic pharmaceutical products is rigorous, time consuming, costly, and inherently unpredictable. The EU has decided to move the headquarters of the EMA from the UK to the Netherlands by March 2019, which raises the possibility that any existing and/or new regulatory approval applications, whether for existing or new drug products, in the EU could be delayed as a result. A delay in regulatory approval could impact the commercial or financial success of a product.

Outside the U.S., the approval process may be more or less rigorous, depending on the country, and the time required for approval may be longer or shorter than that required in the U.S. Bioequivalence, clinical, or other studies conducted in one country may not be accepted in other countries, the requirements for approval may differ among countries, and the approval of a

pharmaceutical product in one country does not necessarily mean that the product will be approved in another country. We, or a partner or supplier, may be unable to obtain requisite approvals on a timely basis, or at all, for new products that we may develop, license or otherwise acquire. Moreover, if we obtain regulatory approval for a drug, it may be limited, for example, with respect to the indicated uses and delivery methods for which the drug may be marketed, or may include warnings, precautions or contraindications in the labeling, which could restrict our potential market for the drug. A regulatory approval may also include post-approval study or risk management requirements that may substantially increase the resources required to market the drug. Also, for products pending approval, we may obtain raw materials or produce batches of inventory to be used in efficacy and bioequivalence testing, as well as in anticipation of the product's launch. In the event that regulatory approval is denied or delayed, we could be exposed to the risk of this inventory becoming obsolete.

The approval process for generic pharmaceutical products often results in the relevant regulatory agency granting final approval to a number of generic pharmaceutical products at the time a patent claim for a corresponding branded product or other market exclusivity expires. This often forces us to face immediate competition when we introduce a generic product into the market. Additionally, further generic approvals often continue to be granted for a given product subsequent to the initial launch of the generic product. These circumstances generally result in significantly lower prices, as well as reduced margins, for generic products compared to branded products. New generic market entrants generally cause continued price, margin, and sales erosion over the generic product life cycle.

In the U.S., the Hatch-Waxman Act provides for a period of 180 days of generic marketing exclusivity for a "first applicant," that is the first submitted ANDA containing a certification of invalidity, non-infringement or unenforceability related to a patent listed with the ANDA's reference drug product, commonly referred to as a Paragraph IV certification. During this exclusivity period, which under certain circumstances may be shared with other ANDAs filed on the same day, the FDA cannot grant final approval to later-submitted ANDAs for the same generic equivalent. If an ANDA is awarded 180-day exclusivity, the applicant generally enjoys higher market share, net revenues, and gross margin for that generic product. However, our ability to obtain 180 days of generic marketing exclusivity may be dependent upon our ability to obtain FDA approval or tentative approval within an applicable time period of the FDA's acceptance of our ANDA. If we are unable to obtain approval or tentative approval within that time period, we may risk forfeiture of such marketing exclusivity. By contrast, if we are not a "first applicant" to challenge a listed patent for such a product, we may lose significant advantages to a competitor with 180-day exclusivity, even if we obtain FDA approval for our generic drug product. The same would be true in situations where we are required to share our exclusivity period with other ANDA sponsors with Paragraph IV certifications.

In the EU and other countries and regions, there is no exclusivity period for the first generic product. The European Commission or national regulatory agencies may grant marketing authorizations to any number of generics.

If we are unable to navigate our products through the approval process in a timely manner, there could be an adverse effect on our product introduction plans, business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE EXPEND A SIGNIFICANT AMOUNT OF RESOURCES ON R&D EFFORTS THAT MAY NOT LEAD TO SUCCESSFUL PRODUCT INTRODUCTIONS.

Much of our development effort is focused on technically difficult-to-formulate products and/or products that require advanced manufacturing technology, including our biosimilars program and respiratory platform. We conduct R&D primarily to enable us to gain approval for, manufacture, and market pharmaceuticals in accordance with applicable laws and regulations. We also partner with third parties to develop products. Typically, research expenses related to the development of innovative or complex compounds and the filing of marketing authorization applications for innovative and complex compounds (such as NDAs and biosimilar applications in the U.S.) are significantly greater than those expenses associated with the development of and filing of marketing authorization applications for most generic products (such as ANDAs in the U.S. and abridged applications in Europe). As we and our partners continue to develop new and/or complex products, our research expenses will likely increase. Because of the inherent risk associated with R&D efforts in our industry, including the high cost and uncertainty of conducting clinical trials (where required) particularly with respect to new and/or complex drugs, our, or a partner's, research and development expenditures may not result in the successful introduction of new pharmaceutical products approved by the relevant regulatory bodies. Also, after we submit a marketing authorization application for a new compound or generic product, the relevant regulatory authority may change standards and/or request that we conduct additional studies or evaluations and, as a result, we may incur approval delays as well as R&D costs in excess of what we anticipated.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. We or our partners may experience delays in our ongoing or future clinical trials,

and we do not know whether planned clinical trials will begin or enroll subjects on time, need to be redesigned, or be completed on schedule, if at all.

Clinical trials may be delayed, suspended or prematurely terminated for a variety of reasons. If we experience delays in the completion of, or the termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process, and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

Finally, we cannot be certain that any investment made in developing products will be recovered, even if we are successful in commercialization. To the extent that we expend significant resources on R&D efforts and are not able, ultimately, to introduce successful new and/or complex products as a result of those efforts, there could be a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

EVEN IF OUR PRODUCTS IN DEVELOPMENT RECEIVE REGULATORY APPROVAL, SUCH PRODUCTS MAY NOT ACHIEVE EXPECTED LEVELS OF MARKET ACCEPTANCE.

Even if we are able to obtain regulatory approvals for our new generic or branded pharmaceutical products, the success of those products is dependent upon market acceptance. Levels of market acceptance for our products could be impacted by several factors, including but not limited to:

- the availability, perceived advantages, and relative safety and efficacy of alternative products from our competitors;
- the degree to which the approved labeling supports promotional initiatives for commercial success;
- the prices of our products relative to those of our competitors;
- the timing of our market entry; and
- the effectiveness of our marketing, sales, and distribution strategy and operations; and other competitor actions.

Additionally, studies of the proper utilization, safety, and efficacy of pharmaceutical products are being conducted by the industry, government agencies, and others. Such studies, which increasingly employ sophisticated methods and techniques, can call into question the utilization, safety, and efficacy of previously marketed as well as future products. In some cases, such studies have resulted, and may in the future result, in the discontinuation or variation of product marketing authorizations or requirements for risk management programs, such as a patient registry. Any of these events could adversely affect our profitability, business, financial condition, results of operations, cash flows, and/or ordinary share price.

THE DEVELOPMENT, APPROVAL PROCESS, MANUFACTURE AND COMMERCIALIZATION OF BIOSIMILAR PRODUCTS INVOLVE UNIQUE CHALLENGES AND UNCERTAINTIES, AND OUR FAILURE TO SUCCESSFULLY INTRODUCE BIOSIMILAR PRODUCTS COULD HAVE A NEGATIVE IMPACT ON OUR BUSINESS AND FUTURE OPERATING RESULTS.

We and our partners and suppliers are actively working to develop and commercialize biosimilar products - that is, a biological product that is highly similar to an already approved reference biological product, and for which there are no clinically meaningful differences between the biosimilar and the reference biological product in terms of safety, purity and potency. Although the Biologics Price Competition and Innovation Act of 2009 established a framework for the review and approval of biosimilar products and the FDA has begun to review and approve biosimilar product applications, there continues to be significant uncertainty regarding the regulatory pathway in the U.S. and in other countries to obtain approval for biosimilar products. There is also uncertainty regarding the commercial pathway to successfully market and sell such products.

Moreover, biosimilar products will likely be subject to extensive patent clearances and patent infringement litigation, which could delay or prevent the commercial launch of a biosimilar product for many years. If we are unable to obtain FDA or other non-U.S. regulatory authority approval for our products, we will be unable to market them. Even if our biosimilar products are

approved for marketing, the products may not be commercially successful and may not generate profits in amounts that are sufficient to offset the amount invested to obtain such approvals. Market success of biosimilar products will depend on demonstrating to regulators, patients, physicians and payors (such as insurance companies) that such products are safe and effective yet offer a more competitive price or other benefit over existing therapies. In addition, the development and manufacture of biosimilars pose unique challenges related to the supply of the materials needed to manufacture biosimilars. Access to and the supply of necessary biological materials may be limited, and government regulations restrict access to and regulate the transport and use of such materials. We may not be able to generate future sales of biosimilar products in certain jurisdictions and may not realize the anticipated benefits of our investments in the development, manufacture and sale of such products. If our development efforts do not result in the development and timely approval of biosimilar products or if such products, once developed and approved, are not commercially successful, or upon the occurrence of any of the above risks, our business, financial condition, results of operations, cash flows, and/or ordinary share price could be materially adversely affected.

OUR BUSINESS IS HIGHLY DEPENDENT UPON MARKET PERCEPTIONS OF US, OUR BRANDS, AND THE SAFETY AND QUALITY OF OUR PRODUCTS, AND MAY BE ADVERSELY IMPACTED BY NEGATIVE PUBLICITY OR FINDINGS.

Market perceptions of us are very important to our business, especially market perceptions of our company and brands and the safety and quality of our products. If we, our partners and suppliers, or our brands suffer from negative publicity, or if any of our products or similar products which other companies distribute are subject to market withdrawal or recall or are proven to be, or are claimed to be, ineffective or harmful to consumers, then this could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price. Also, because we are dependent on market perceptions, negative publicity associated with product quality, patient illness, or other adverse effects resulting from, or perceived to be resulting from, our products, or our partners' and suppliers' manufacturing facilities, could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

THE ILLEGAL DISTRIBUTION AND SALE BY THIRD PARTIES OF COUNTERFEIT VERSIONS OF OUR PRODUCTS OR OF DIVERTED OR STOLEN PRODUCTS COULD HAVE A NEGATIVE IMPACT ON OUR REPUTATION AND OUR BUSINESS.

The pharmaceutical drug supply has been increasingly challenged by the vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit products in a growing number of markets and over the Internet.

Third parties may illegally distribute and sell counterfeit versions of our products that do not meet the rigorous manufacturing and testing standards that our products undergo. Counterfeit products are frequently unsafe or ineffective, and can be potentially life-threatening. Counterfeit medicines may contain harmful substances, the wrong dose of API or no API at all. However, to distributors and users, counterfeit products may be visually indistinguishable from the authentic version.

Reports of adverse reactions to counterfeit drugs or increased levels of counterfeiting could materially affect patient confidence in the authentic product. It is possible that adverse events caused by unsafe counterfeit products will mistakenly be attributed to the authentic product. In addition, unauthorized diversions of products or thefts of inventory at warehouses, plants, or while in-transit, which are not properly stored and which are sold through unauthorized channels, could adversely impact patient safety, our reputation, and our business.

Public loss of confidence in the integrity of pharmaceutical products as a result of counterfeiting, diversion, or theft could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

OUR COMPETITORS, INCLUDING BRANDED PHARMACEUTICAL COMPANIES, AND/OR OTHER THIRD PARTIES, MAY ALLEGE THAT WE AND/OR OUR SUPPLIERS ARE INFRINGING UPON THEIR INTELLECTUAL PROPERTY, INCLUDING IN AN "AT RISK LAUNCH" SITUATION, WHICH COULD RESULT IN SUBSTANTIAL PENALTIES, IMPACT OUR ABILITY TO LAUNCH A PRODUCT AND/OR OUR ABILITY TO CONTINUE MARKETING A PRODUCT, AND/OR FORCE US TO EXPEND SUBSTANTIAL RESOURCES IN RESULTING LITIGATION, THE OUTCOME OF WHICH IS UNCERTAIN.

Companies that produce branded pharmaceutical products and other patent holders routinely bring litigation against entities selling or seeking regulatory approval to manufacture and market generic forms of their branded products, as well as other entities involved in the manufacture, supply, and other aspects relating to active pharmaceutical ingredients and finished pharmaceutical

products. These companies and other patent holders may allege patent infringement or other violations of intellectual property rights as the basis for filing suit against an applicant for a generic product as well as others who may be involved in some aspect of the research, production, distribution, or testing process. Litigation often involves significant expense and can delay or prevent introduction or sale of our generic products. If patents are held valid and infringed by our products in a particular jurisdiction, we and/or our supplier(s) or partner(s) may, unless we or the supplier(s) or partner(s) could obtain a license from the patent holder, need to cease manufacturing and other activities, including but not limited to selling in that jurisdiction. We may also need to pay damages, surrender or withdraw the product, or destroy existing stock in that jurisdiction.

There also may be situations, including, for example, the decision to launch our 40mg/mL glatiramer acetate product, where we use our business judgment and decide to manufacture, market, and/or sell products, directly or through third parties, notwithstanding the fact that allegations of patent infringement(s) and other third party rights have not been finally resolved by the courts (i.e., an "at-risk launch"). The risk involved in doing so can be substantial because the remedies available to the owner of a patent for infringement may include, among other things, a reasonable royalty on sales, damages measured by the profits lost by the patent holder, or by profits earned by the infringer. If there is a finding by a court of willful infringement, the definition of which is subjective, such damages may be increased by up to three times. Moreover, because of the discount pricing typically involved with bioequivalent products, patented branded products generally realize a substantially higher profit margin than bioequivalent products. An adverse decision in a case such as this, or a judicial order preventing us or our suppliers and partners from manufacturing, marketing, selling, and/or other activities necessary to the manufacture and distribution of our products, could result in substantial penalties, and/or have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

IF WE OR ANY PARTNER OR SUPPLIER FAIL TO OBTAIN OR ADEQUATELY PROTECT OR ENFORCE OUR INTELLECTUAL PROPERTY RIGHTS, THEN WE COULD LOSE REVENUE UNDER OUR LICENSING AGREEMENTS OR LOSE SALES TO GENERIC COPIES OF OUR BRANDED PRODUCTS.

Our success depends in part on our or any partner's or supplier's ability to obtain, maintain and enforce patents, and protect trademarks, trade secrets, know-how, and other intellectual property and proprietary information. Our ability to commercialize any branded product successfully will largely depend upon our or any partner's or supplier's ability to obtain and maintain patents and trademarks of sufficient scope to lawfully prevent third-parties from developing and/or marketing infringing products. In the absence of intellectual property or other protection, competitors may adversely affect our branded products business by independently developing and/or marketing substantially equivalent products. It is also possible that we could incur substantial costs if we are required to initiate litigation against others to protect or enforce our intellectual property rights.

We have filed patent applications covering the composition of, methods of making, and/or methods of using, our branded products and branded product candidates. We may not be issued patents based on patent applications already filed or that we file in the future. Further, due to other factors that affect patentability, and if patents are issued, they may be insufficient in scope to cover or otherwise protect our branded products. Patents are national in scope and therefore the issuance of a patent in one country does not ensure the issuance of a patent in any other country. Furthermore, the patent position of companies in the pharmaceutical industry generally involves complex legal and factual questions and has been and remains the subject of significant litigation. Legal standards relating to scope and validity of patent claims are evolving and may differ in various countries. Any patents we have obtained, or obtain in the future, may be challenged, invalidated or circumvented. Moreover, the U.S. Patent and Trademark Office or any other governmental agency may commence opposition or interference proceedings involving, or consider other challenges to, our patents or patent applications. In addition, branded products often have market viability based upon the goodwill of the product name, which typically benefits from trademark protection. Our branded products may therefore also be subject to risks related to the loss of trademark or patent protection or to competition from generic or other branded products. Challenges can come from other businesses or governments, and governments could require compulsory licensing of this intellectual property.

Any challenge to, or invalidation or circumvention of, our intellectual property (including patents or patent applications and trademark protection) would be costly, would require significant time and attention of our management, and could cause a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE FACE VIGOROUS COMPETITION THAT THREATENS THE COMMERCIAL ACCEPTANCE AND PRICING OF OUR PRODUCTS.

The pharmaceutical industry is highly competitive. We face competition from other pharmaceutical manufacturers globally, some of whom are significantly larger than we are. Our competitors may be able to develop products and processes competitive with or superior to our own for many reasons, including but not limited to the possibility that they may have:

- proprietary processes or delivery systems;
- larger or more productive R&D and marketing staff;
- larger or more efficient production capabilities in a particular therapeutic area;
- more experience in preclinical testing and human clinical trials;
- more products; or
- more experience in developing new drugs and greater financial resources, particularly with regard to manufacturers of branded products.

The occurrence of any of the above risks could have an adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

We also face increasing competition from lower-cost generic products and other branded products. Certain of our products are not protected by patent rights or have limited patent life and will soon lose patent protection. Loss of patent protection for a product typically is followed promptly by the introduction of generic substitutes. As a result, sales of many of these products may decline or stop growing over time. Various factors may result in the sales of certain of our products, particularly those acquired in the Meda transaction and the EPD Transaction, declining faster than has been projected, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price. In addition, legislative proposals emerge from time to time in various jurisdictions to further encourage the early and rapid approval of generic drugs. Any such proposal that is enacted into law could increase competition and worsen this negative effect on our sales and, potentially, our business, financial condition, results of operations, cash flows and/or ordinary share price.

Competitors' products may also be safer, more effective, more effectively marketed or sold, or have lower prices or better performance features than ours. We cannot predict with certainty the timing or impact of competitors' products. In addition, our sales may suffer as a result of changes in consumer demand for our products, including those related to fluctuations in consumer buying patterns tied to seasonality, importation by consumers or the introduction of new products by competitors, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

A RELATIVELY SMALL GROUP OF PRODUCTS MAY REPRESENT A SIGNIFICANT PORTION OF OUR REVENUES, GROSS PROFIT, NET SALES, OR NET EARNINGS FROM TIME TO TIME.

Sales of a limited number of our products from time to time represent a significant portion of our revenues, gross profit, and net earnings. For the years ended 31 December 2017 and 2016, Mylan's top ten products in terms of sales, in the aggregate, represented approximately 21% and 27%, respectively, of the Company's third party net sales. If the volume or pricing of our largest selling products declines in the future, our business, financial condition, results of operations, cash flows, and/or ordinary share price could be materially adversely affected.

A SIGNIFICANT PORTION OF OUR REVENUES IS DERIVED FROM SALES TO A LIMITED NUMBER OF CUSTOMERS.

A significant portion of our revenues is derived from sales to a limited number of customers. If we were to experience a significant reduction in or loss of business with one or more such customers, or if one or more such customers were to experience difficulty in paying us on a timely basis, our business, financial condition, results of operations, cash flows, and/or ordinary share price could be materially adversely affected.

In addition, a significant amount of our sales are to a relatively small number of drug wholesalers and retail drug chains. These customers represent an essential part of the distribution chain of generic pharmaceutical products. Drug wholesalers and retail drug chains have undergone, and are continuing to undergo, significant consolidation. This consolidation has resulted in these groups gaining additional purchasing leverage and, consequently, increasing the product pricing pressures facing our business. We expect this trend of increased pricing pressures to continue. Additionally, the emergence of large buying groups representing independent retail pharmacies and the prevalence and influence of managed care organizations and similar institutions increases the negotiating power of these groups, enabling them to attempt to extract price discounts, rebates, and other restrictive pricing terms on our products. These factors could have a material adverse effect on our business, financial condition, results of operations,

cash flows, and/or ordinary share price. During the years ended 31 December 2017 and 2016, Mylan's consolidated third party net sales to Cardinal Health, Inc. were approximately 10% and 11%, respectively; Mylan's consolidated third party net sales to McKesson Corporation were approximately 13% and 16%, respectively; and Mylan's consolidated third party net sales to AmeriSourceBergen Corporation were approximately 8% and 14%, respectively, of consolidated third party net sales.

OUR BUSINESS COULD BE NEGATIVELY AFFECTED BY THE PERFORMANCE OF OUR THIRD_PARTY COLLABORATION PARTNERS.

We have entered into strategic alliances with partners to develop, manufacture, market and/or distribute certain products, and/or certain components of our products, in various markets. We commit substantial effort, funds and other resources to these various collaborations. There is a risk that the investments made by us in these collaborative arrangements will not generate financial returns. While we believe our relationships with our partners generally are successful, disputes or conflicting priorities and regulatory or legal intervention could be a source of delay or uncertainty as to the expected benefits of the collaboration. A failure or inability of our partners to fulfil their collaboration obligations, or the occurrence of any of the risks above, could have an adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

THE SUPPLY OF API INTO EUROPE MAY BE NEGATIVELY AFFECTED BY RECENT REGULATIONS PROMULGATED BY THE EU.

All API imported into the EU has needed to be certified as complying with the good manufacturing practice standards established by the EU laws and guidance, as stipulated by the International Conference for Harmonization. These regulations place the certification requirement on the regulatory bodies of the exporting countries. Accordingly, the national regulatory authorities of each exporting country must: (i) ensure that all manufacturing plants within their borders that export API into the EU comply with EU manufacturing standards and (ii) for each API exported, present a written document confirming that the exporting plant conforms to EU manufacturing standards. The imposition of this responsibility on the governments of the nations exporting an API may cause delays in delivery or shortages of an API necessary to manufacture our products, as certain governments may not be willing or able to comply with the regulation in a timely fashion, or at all. A shortage in API may prevent us from manufacturing, or cause us to have to cease manufacture of, certain products, or to incur costs and delays to qualify other suppliers to substitute for those API manufacturers unable to export. The occurrence of any of the above risks could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE HAVE A LIMITED NUMBER OF MANUFACTURING FACILITIES AND CERTAIN THIRD PARTY SUPPLIERS PRODUCE A SUBSTANTIAL PORTION OF OUR API AND PRODUCTS, SOME OF WHICH REQUIRE A HIGHLY EXACTING AND COMPLEX MANUFACTURING PROCESS.

A substantial portion of our capacity, as well as our current production, is attributable to a limited number of manufacturing facilities and certain third-party suppliers. A significant disruption at any one of such facilities within our internal or third party supply chain, even on a short-term basis, whether due to the failure of a third-party supplier to fulfil the terms of their agreement with us, labor disruption, adverse quality or compliance observation, other regulatory action, infringement of intellectual property rights, act of God, civil or political unrest, export or import restrictions, or other events could impair our ability to produce and ship products to the market on a timely basis and could, among other consequences, subject us to exposure to claims from customers. Any of these events could have a material adverse effect on our reputation, business, financial condition, results of operations, cash flows, and/or ordinary share price.

We purchase certain API and other materials and supplies that we use in our manufacturing operations, as well as certain finished products, from many different foreign and domestic suppliers. The price of API and other materials and supplies is subject to volatility, and in certain cases, we have listed only one supplier in our applications with regulatory agencies. There is no guarantee that we will always have timely, sufficient or affordable access to critical raw materials or finished product supplied by third parties, even when we have more than one supplier. An increase in the price, or an interruption in the supply, of a single-sourced or any other raw material, including the relevant API, or in the supply of finished product, could cause our business, financial condition, results of operations, cash flows, and/or ordinary share price to be materially adversely affected. Our manufacturing and supply capabilities could be adversely impacted by quality deficiencies in the products which our suppliers provide, or at their manufacturing facilities.

In addition, the manufacture of some of our products is a highly exacting and complex process, due in part to strict regulatory requirements. Problems may arise during manufacturing at our or our third party suppliers facilities for a variety of reasons, including, among others, equipment malfunction, failure to follow specific protocols and procedures, problems with raw

materials, natural disasters, power outages, labor unrest, and environmental factors. If problems arise during the production of a batch of product, that batch of product may have to be discarded. This could, among other things, lead to increased costs, lost revenue, damage to customer relations, time and expense spent investigating the cause, and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the product is released to the market, recall and product liability costs may also be incurred. If we or one of our suppliers experience any of the problems described above, such problems could have a material adverse effect on our reputation, business, financial condition, results of operations, cash flows, and/or ordinary share price.

OUR REPORTING AND PAYMENT OBLIGATIONS RELATED TO OUR PARTICIPATION IN U.S. FEDERAL HEALTHCARE PROGRAMS, INCLUDING MEDICARE, MEDICAID AND THE DEPARTMENT OF VETERANS AFFAIRS (THE "VA"), ARE COMPLEX AND OFTEN INVOLVE SUBJECTIVE DECISIONS THAT COULD CHANGE AS A RESULT OF NEW BUSINESS CIRCUMSTANCES, NEW REGULATIONS OR AGENCY GUIDANCE, OR ADVICE OF LEGAL COUNSEL. ANY FAILURE TO COMPLY WITH THOSE OBLIGATIONS COULD SUBJECT US TO INVESTIGATION, PENALTIES, AND SANCTIONS.

Federal laws regarding reporting and payment obligations with respect to a pharmaceutical company's participation in federal healthcare programs, including Medicare, Medicaid and the VA, are complex. Because our processes for calculating applicable government prices and the judgments involved in making these calculations involve subjective decisions and complex methodologies, these calculations are subject to risk of errors and differing interpretations. In addition, they are subject to review and challenge by the applicable governmental agencies, and it is possible that such reviews could result in changes that may have material adverse legal, regulatory, or economic consequences.

Pharmaceutical manufacturers that participate in the Medicaid Drug Rebate Program, such as Mylan, are required to report certain pricing data to the Centers for Medicare & Medicaid Services ("CMS"), the federal agency that administers the Medicare and Medicaid programs. This data includes the Average Manufacturer Price ("AMP") for each of the manufacturer's covered outpatient drugs. CMS calculates a type of U.S. federal ceiling on reimbursement rates to pharmacies for multiple source drugs under the Medicaid program, known as the federal upper limit ("FUL"). Since April 2016, CMS is required to use the weighted average AMP for pharmaceutically and therapeutically equivalent multiple source drugs to calculate FULs, instead of the other pricing data CMS previously used. Although weighted average AMP-based FULs do not reveal Mylan's individual AMP, publishing a weighted average AMP available to customers and the public at large could negatively affect our commercial price negotiations.

In addition, a number of state and federal government agencies are conducting investigations of manufacturers' reporting practices with respect to Average Wholesale Prices ("AWP"). The government has alleged that reporting of inflated AWP has led to excessive payments for prescription drugs, and we may be named as a defendant in actions relating to pharmaceutical pricing issues and whether allegedly improper actions by pharmaceutical manufacturers led to excessive payments by Medicare, Medicaid and/or the VA.

Any governmental agencies or authorities that have commenced, or may commence, an investigation of us relating to the sales, marketing, pricing, quality, or manufacturing of pharmaceutical products could seek to impose, based on a claim of violation of anti-fraud and false claims laws or otherwise, civil and/or criminal sanctions, including fines, penalties, and possible exclusion from federal healthcare programs, including Medicare, Medicaid and/or the VA. Some of the applicable laws may impose liability even in the absence of specific intent to defraud. Furthermore, should there be ambiguity with regard to how to properly calculate and report payments - and even in the absence of any such ambiguity - a governmental authority may take a position contrary to a position we have taken, and may impose or pursue civil and/or criminal sanctions. Governmental agencies may also make changes in program interpretations, requirements or conditions of participation, some of which may have implications for amounts previously estimated or paid. We cannot assure you that our submissions will not be found by CMS or the VA to be incomplete or incorrect. Any failure to comply with the above laws and regulations, and any such penalties or sanctions could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE MAY EXPERIENCE REDUCTIONS IN THE LEVELS OF REIMBURSEMENT FOR PHARMACEUTICAL PRODUCTS BY GOVERNMENTAL AUTHORITIES, HMOS, OR OTHER THIRD-PARTY PAYORS. IN ADDITION, THE USE OF TENDER SYSTEMS AND OTHER FORMS OF PRICE CONTROL, INCLUDING LEGISLATIVE OR REGULATORY PROGRAMS IMPACTING PHARMACEUTICAL PRICES, COULD REDUCE PRICES FOR OUR PRODUCTS OR REDUCE OUR MARKET OPPORTUNITIES.

Various governmental authorities (including, among others, the U.K. National Health Service and the German statutory health insurance scheme) and private health insurers and other organizations, such as HMOs in the U.S., provide reimbursements

or subsidies to consumers for the cost of certain pharmaceutical products. Demand for our products depends in part on the extent to which such reimbursement is available. In the U.S., third-party payors increasingly challenge the pricing of pharmaceutical products. These trends and other trends toward the growth of HMOs, managed healthcare, and legislative healthcare reform create significant uncertainties regarding the future levels of reimbursement for pharmaceutical products. Further, any reimbursement may be reduced in the future to the point that market demand for our products and/or our profitability declines. Such a decline could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

In addition, current or future U.S. federal, U.S. state or other countries' laws and regulations may influence the prices of drugs and, therefore, could adversely affect the payments we receive for our products. For example, existing programs in certain states in the U.S. seek to broadly set prices within those states through the regulation and administration of the sale of prescription drugs. Expansion of these programs, and, in particular, changes to state Medicare and/or Medicaid programs, or changes required in the way in which Medicare payment rates are set and/or the way Medicaid rebates are calculated, could adversely affect the payment we receive for our products. In order to control expenditure on pharmaceuticals, most member states in the EU regulate the pricing of products and, in some cases, limit the range of different forms of pharmaceuticals available for prescription by national health services. These controls can result in considerable price differences between member states.

Several countries in which we operate have implemented, or plan to or may implement, government mandated price reductions and/or other controls. When such price controls occur, pharmaceutical companies have generally experienced significant declines in revenues and profitability and uncertainties continue to exist within the market after the price decrease. Such price reductions or controls could have an adverse effect on our business, and as uncertainties are resolved or if other countries in which we operate enact similar measures, they could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

A number of markets in which we operate have also implemented or may implement tender systems for generic pharmaceuticals in an effort to lower prices. Under such tender systems, manufacturers submit bids which establish prices for generic pharmaceutical products. Upon winning the tender, the winning company will receive a preferential reimbursement for a period of time. The tender system often results in companies underbidding one another by proposing low pricing in order to win the tender. Certain other countries may consider the implementation of a tender system or other forms of price controls. Even if a tender system is ultimately not implemented, the anticipation of such could result in price reductions.

Failing to win tenders, or the implementation of similar systems or other forms of price controls in other markets leading to further price declines, could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

HEALTHCARE REFORM LEGISLATION COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS.

In recent years, there have been numerous initiatives on the federal and state levels for comprehensive reforms affecting the payment for, the availability of and reimbursement for, healthcare services in the U.S., and it is likely that Congress and state legislatures and health agencies will continue to focus on healthcare reform in the future. The PPACA and The Health Care and Education and Reconciliation Act of 2010 (H.R. 4872), which amends the PPACA (collectively, the "Health Reform Laws"), were signed into law in March 2010. While the Health Reform Laws may increase the number of patients who have insurance coverage for our products, they also include provisions such as the assessment of a pharmaceutical manufacturer fee and an increase in the amount of rebates that manufacturers pay for coverage of their drugs by Medicaid programs.

We are unable to predict the future course of federal or state healthcare legislation. The Health Reform Laws and further changes in the law or regulatory framework that reduce our revenues or increase our costs could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

Additionally, we encounter similar regulatory and legislative issues in most other countries. In the EU and some other international markets, the government provides healthcare at low cost to consumers and regulates pharmaceutical prices, patient eligibility and/or reimbursement levels to control costs for the government-sponsored healthcare system. These systems of price regulations may lead to inconsistent and lower prices. Within the EU and in other countries, the availability of our products in some markets at lower prices undermines our sales in other markets with higher prices. Additionally, certain countries set prices by reference to the prices in other countries where our products are marketed. Thus, our inability to secure adequate prices in a particular country may also impair our ability to obtain acceptable prices in existing and potential new markets, and may create the opportunity for third party cross border trade.

Significant additional reforms to the U.S. healthcare system, or to the healthcare systems of other markets in which we operate, could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE ARE INVOLVED IN VARIOUS LEGAL PROCEEDINGS AND CERTAIN GOVERNMENT INQUIRIES AND MAY EXPERIENCE UNFAVORABLE OUTCOMES OF SUCH PROCEEDINGS OR INQUIRIES.

We are or may be involved in various legal proceedings and certain government inquiries or investigations, including, but not limited to, patent infringement, product liability, antitrust matters, breach of contract, and claims involving Medicare, Medicaid and/or VA reimbursements, or laws relating to sales, marketing, and pricing practices, some of which are described in our periodic reports, that involve claims for, or the possibility of, fines and penalties involving substantial amounts of money or other relief, including but not limited to civil or criminal fines and penalties and exclusion from participation in various government healthcare-related programs. With respect to government antitrust enforcement and private plaintiff litigation of so-called "pay for delay" patent settlements, large verdicts, settlements or government fines are possible, especially in the U.S. and EU. If any of these legal proceedings or inquiries were to result in an adverse outcome, the impact could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

With respect to product liability, we maintain a combination of self-insurance (including through our wholly owned captive insurance subsidiary) and commercial insurance to protect against and manage a portion of the risks involved in conducting our business. Although we carry insurance, we believe that no reasonable amount of insurance can fully protect against all such risks because of the potential liability inherent in the business of producing pharmaceuticals for human consumption. Emerging developments in the U.S. legal landscape relative to the liability of generic pharmaceutical manufacturers for certain product liabilities claims could increase our exposure litigation costs and damages. To the extent that a loss occurs, depending on the nature of the loss and the level of insurance coverage maintained, it could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

In addition, in limited circumstances, entities that we have acquired are party to litigation in matters under which we are, or may be, entitled to indemnification by the previous owners. Even in the case of indemnification, there are risks inherent in such indemnities and, accordingly, there can be no assurance that we will receive the full benefits of such indemnification, or that we will not experience an adverse result in a matter that is not indemnified, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

IF WE FAIL TO COMPLY WITH OUR CORPORATE INTEGRITY AGREEMENT, WE COULD BE SUBJECT TO SUBSTANTIAL PENALTIES AND EXCLUSION FROM PARTICIPATION IN FEDERAL HEALTHCARE PROGRAMS.

In August 2017, Mylan Inc. and Mylan Specialty L.P. entered into a Corporate Integrity Agreement (the "CIA") with the Office of Inspector General of the Department of Health and Human Services ("OIG-HHS"). The CIA has a five-year term and requires, among other things, enhancements to our compliance program, fulfilment of reporting and monitoring obligations, management certifications and resolutions from Mylan Inc.'s board, as well as that an independent review organization annually review various matters relating to the Medicaid Drug Rebate Program, among other things. If we fail to comply with the CIA, the OIG-HHS may impose substantial monetary penalties or exclude us from federal healthcare programs, including Medicare, Medicaid or the VA, which could have a material adverse effect on our business, financial condition and results of operations.

WE HAVE A NUMBER OF CLEAN ENERGY INVESTMENTS WHICH ARE SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES.

We have invested in clean energy operations capable of producing refined coal that we believe qualify for tax credits under Section 45 of the Code. Our ability to claim tax credits under Section 45 of the Code depends upon the operations in which we have invested satisfying certain ongoing conditions set forth in Section 45 of the Code. These include, among others, the emissions reduction, "qualifying technology", and "placed-in-service" requirements of Section 45 of the Code, as well as the requirement that at least one of the operations' owners qualifies as a "producer" of refined coal. While we have received some degree of confirmation from the IRS relating to our ability to claim these tax credits, the IRS could ultimately determine that the operations have not satisfied, or have not continued to satisfy, the conditions set forth in Section 45 of the Code.

In addition, the implementation of the Tax Act could limit Mylan's ability to realize the benefit of these investments, or Congress could modify or repeal Section 45 of the Code and remove the tax credits retroactively. In addition, Section 45 of the

Code contains phase out provisions based upon the market price of coal, such that, if the price of coal rises to specified levels, we could lose some or all of the tax credits we expect to receive from these investments. Finally, when the price of natural gas or oil declines relative to that of coal, some utilities may choose to burn natural gas or oil instead of coal. Market demand for coal may also decline as a result of an economic slowdown and a corresponding decline in the use of electricity. If utilities burn less coal, eliminate coal in the production of electricity or are otherwise unable to operate for an extended period of time, the availability of the tax credits would also be reduced. During 2017, as a result of a decline in current and expected future production levels at certain of our clean energy facilities, the Company impaired its investment balance and other assets. Additional impairments could occur in the future.

The occurrence of any of the above risks could limit the value of our investment, result in increased costs, materially increase our tax burden or adversely affect our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE HAVE SIGNIFICANT INDEBTEDNESS, WHICH COULD LEAD TO ADVERSE CONSEQUENCES OR ADVERSELY AFFECT OUR FINANCIAL POSITION AND PREVENT US FROM FULFILLING OUR OBLIGATIONS UNDER SUCH INDEBTEDNESS, AND ANY REFINANCING OF THIS DEBT COULD BE AT SIGNIFICANTLY HIGHER INTEREST RATES.

Our level of indebtedness could have important consequences, including but not limited to:

- increasing our vulnerability to general adverse economic and industry conditions;
- requiring us to dedicate a substantial portion of our cash flow from operations to make debt service payments, thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, challenges and opportunities, and changes in our businesses and the markets in which we operate;
- limiting our ability to obtain additional financing to fund our working capital, capital expenditures, acquisitions and debt service requirements and other financing needs;
- increasing our vulnerability to increases in interest rates in general because a substantial portion of our indebtedness bears interest at floating rates; and
- placing us at a competitive disadvantage to our competitors that have less debt.

Our ability to service our indebtedness will depend on our future operating performance and financial results, which will be subject, in part, to factors beyond our control, including interest rates and general economic, financial and business conditions. If we do not have sufficient cash flow to service our indebtedness, we may need to refinance all or part of our existing indebtedness, borrow more money or sell securities or assets, some or all of which may not be available to us at acceptable terms or at all. In addition, we may need to incur additional indebtedness in the future in the ordinary course of business. Although the terms of our credit agreements and our bond indentures allow us to incur additional debt, this is subject to certain limitations which may preclude us from incurring the amount of indebtedness we otherwise desire.

In addition, although Mylan expects to maintain an investment grade credit rating, a downgrade in the credit rating of Mylan or any indebtedness of Mylan or its subsidiaries could increase the cost of further borrowings or refinancings of such indebtedness, limit access to sources of financing in the future or lead to other adverse consequences.

In addition, if we incur additional debt, the risks described above could intensify. If global credit markets contract, future debt financing may not be available to us when required or may not be available on acceptable terms or at all, and as a result we may be unable to grow our business, take advantage of business opportunities, respond to competitive pressures or satisfy our obligations under our indebtedness. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

Our credit facilities, senior unsecured notes, other outstanding indebtedness and any additional indebtedness we incur in the future impose, or may impose, significant operating and financial restrictions on us. These restrictions limit our ability to, among other things, incur additional indebtedness, make investments, pay certain dividends, prepay other indebtedness, sell assets,

incur certain liens, enter into agreements with our affiliates or restricting our subsidiaries' ability to pay dividends, merge or consolidate. In addition, our credit facilities require us to maintain specified financial ratios. A breach of any of these covenants or our inability to maintain the required financial ratios could result in a default under the related indebtedness. If a default occurs, the relevant lenders could elect to declare our indebtedness, together with accrued interest and other fees, to be immediately due and payable. These factors could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE ENTER INTO VARIOUS AGREEMENTS IN THE NORMAL COURSE OF BUSINESS THAT PERIODICALLY INCORPORATE PROVISIONS WHEREBY WE INDEMNIFY THE OTHER PARTY TO THE AGREEMENT.

In the normal course of business, we periodically enter into commercial, employment, legal settlement, and other agreements that incorporate indemnification provisions. In some, but not all, cases, we maintain insurance coverage that we believe will effectively mitigate our obligations under certain of these indemnification provisions. However, should our obligation under an indemnification provision exceed any applicable coverage or should coverage be denied, our business, financial condition, results of operations, cash flows, and/or ordinary share price could be materially adversely affected.

THERE ARE INHERENT UNCERTAINTIES INVOLVED IN ESTIMATES, JUDGMENTS AND ASSUMPTIONS USED IN THE PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH EU IFRS AND U.S. GAAP. ANY FUTURE CHANGES IN ESTIMATES, JUDGMENTS AND ASSUMPTIONS USED OR NECESSARY REVISIONS TO PRIOR ESTIMATES, JUDGMENTS OR ASSUMPTIONS OR CHANGES IN ACCOUNTING STANDARDS COULD LEAD TO A RESTATEMENT OR REVISION TO PREVIOUSLY ISSUED FINANCIAL STATEMENTS.

The Consolidated and Condensed Consolidated Financial Statements included in the periodic reports we file with the SEC are prepared in accordance with U.S. GAAP. The preparation of financial statements in accordance with EU IFRS and U.S. GAAP involves making estimates, judgments and assumptions that affect reported amounts of assets, liabilities, revenues, expenses and income. Estimates, judgments and assumptions are inherently subject to change in the future and any necessary revisions to prior estimates, judgments or assumptions could lead to a restatement. Furthermore, although we have recorded reserves for litigation related contingencies based on estimates of probable future costs, such litigation related contingencies could result in substantial further costs. Also, any new or revised accounting standards may require adjustments to previously issued financial statements. Any such changes could result in corresponding changes to the amounts of liabilities, revenues, expenses and income.

On 17 August 2017, the Company announced that its subsidiaries, Mylan Inc. and Mylan Specialty L.P., signed an agreement with the U.S. Department of Justice ("DOJ") and two relators finalizing the $465 million settlement, plus interest, with the DOJ and other government agencies related to the classification of the EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program that Mylan had agreed to the terms of on 07 October 2016 (the "Medicaid Drug Rebate Program Settlement"). On 25 April 2017, Mylan received a comment letter from the staff of the SEC's Division of Corporation Finance ("Corporation Finance") with respect to Mylan's Annual Report on Form 10-K for the year ended 31 December 2016, requesting information regarding Mylan's accounting treatment of the $465 million Medicaid Drug Rebate Program Settlement with the DOJ, including with respect to the determinations that the settlement amount should be recorded as a charge against earnings in the third quarter of 2016 rather than against any earlier periods, and that the settlement amount should be classified as an expense rather than a reduction of revenue.

Any of the changes discussed above could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE MUST MAINTAIN ADEQUATE INTERNAL CONTROLS AND BE ABLE TO PROVIDE AN ASSERTION AS TO THE EFFECTIVENESS OF SUCH CONTROLS ON AN ANNUAL BASIS.

Effective internal controls are necessary for us to provide reasonable assurance with respect to our financial reports. We spend a substantial amount of management and other employee time and resources to comply with laws, regulations and standards relating to corporate governance and public disclosure. In the U.S., such regulations include the Sarbanes-Oxley Act of 2002, SEC regulations and the NASDAQ listing standards. In particular, Section 404 of the Sarbanes-Oxley Act of 2002 requires management's annual review and evaluation of our internal control over financial reporting and attestation as to the effectiveness of these controls by our independent registered public accounting firm. If we fail to maintain the adequacy of our internal controls, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting. Additionally, internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition,

projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, this could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

OUR FUTURE SUCCESS IS HIGHLY DEPENDENT ON OUR CONTINUED ABILITY TO ATTRACT AND RETAIN KEY PERSONNEL. LOSS OF KEY PERSONNEL COULD LEAD TO LOSS OF CUSTOMERS, BUSINESS DISRUPTION, AND A DECLINE IN REVENUES, ADVERSELY AFFECT THE PROGRESS OF PIPELINE PRODUCTS, OR OTHERWISE ADVERSELY AFFECT OUR OPERATIONS.

It is important that we attract and retain qualified personnel in order to develop and commercialize new products, manage our business, and compete effectively. Competition for qualified personnel in the pharmaceutical industry is very intense. If we fail to attract and retain key scientific, technical, commercial, or management personnel, our business could be affected adversely. Additionally, while we have employment agreements with certain key employees in place, their employment for the duration of the agreement is not guaranteed. Current and prospective employees might also experience uncertainty about their future roles with us following the consummation and integration of our recent transactions, including the EPD Transaction and the Meda transaction, and potential future transactions, which might adversely affect our ability to retain key managers and other employees. If we are unsuccessful in retaining our key employees or enforcing certain post-employment contractual provisions such as confidentiality or non-competition provisions, it could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

OUR ACTUAL FINANCIAL POSITION AND RESULTS OF OPERATIONS MAY DIFFER MATERIALLY FROM THE UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN THIS ANNUAL REPORT.

The unaudited pro forma financial information contained in this report may not be indicative of what our financial position or results of operations would have been had the Meda transaction and the EPD Transaction been completed on the dates indicated, nor are they indicative of the future operating results of Mylan N.V. The unaudited pro forma financial information has been derived from the historical consolidated financial statements of Mylan N.V., Mylan Inc., Meda, and the combined financial statements of the EPD Business and reflects certain adjustments related to past operating performance and acquisition accounting adjustments, such as increased amortization expense based on the fair value of assets acquired, the impact of transaction costs, and the related income tax effects. The information upon which these adjustments have been made is subjective, and these types of adjustments are difficult to make with complete accuracy. Accordingly, the actual financial position and results of our operations following the Meda transaction and the EPD Transaction may not be consistent with, or evident from, this unaudited pro forma financial information and other factors may affect our business, financial condition, results of operations, cash flows, and/or ordinary share price, including, among others, those described herein.

WE ARE IN THE PROCESS OF ENHANCING AND FURTHER DEVELOPING OUR GLOBAL ERP SYSTEMS AND ASSOCIATED BUSINESS APPLICATIONS, WHICH COULD RESULT IN BUSINESS INTERRUPTIONS IF WE ENCOUNTER DIFFICULTIES.

We are enhancing and further developing our global ERP and other business critical IT infrastructure systems and associated applications to provide more operating efficiencies and effective management of our business and financial operations. Such changes to ERP systems and related software, and other IT infrastructure carry risks such as cost overruns, project delays and business interruptions and delays. If we experience a material business interruption as a result of our ERP enhancements, it could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE ARE INCREASINGLY DEPENDENT ON INFORMATION TECHNOLOGY AND OUR SYSTEMS AND INFRASTRUCTURE FACE CERTAIN RISKS, INCLUDING CYBERSECURITY AND DATA LEAKAGE RISKS.

Significant disruptions to our information technology systems or breaches of information security could adversely affect our business. We are increasingly dependent on sophisticated information technology systems and infrastructure to operate our business. We also have outsourced significant elements of our operations to third parties, some of which are outside the U.S., including significant elements of our information technology infrastructure, and as a result we are managing many independent vendor relationships with third parties who may or could have access to our confidential information. The size and complexity of our information technology systems, and those of our third-party vendors with whom we contract, make such systems potentially vulnerable to service interruptions. In addition, we and our vendors could be susceptible to third party attacks on our information

technology systems. Such attacks are increasingly sophisticated and are made by groups and individuals with a wide range of motives and expertise, including state and quasi-state actors, criminal groups, "hackers" and others. Any security breach or other disruption to our or our vendors' information technology infrastructure could also interfere with or disrupt our business operations, including our manufacturing, distribution, R&D, sales and/or marketing activities.

In the ordinary course of business, we and our vendors collect, store and transmit large amounts of confidential information (including trade secrets or other intellectual property, proprietary business information and personal information), and it is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. The size and complexity of our and our vendors' systems and the large amounts of confidential information that is present on them also makes them potentially vulnerable to security breaches from inadvertent or intentional actions by our employees, partners or vendors, or from attacks by malicious third parties. Maintaining the security, confidentiality and integrity of this confidential information (including trade secrets or other intellectual property, proprietary, business information and personal information) is important to our competitive business position. However, such information can be difficult to protect. While we have taken steps to protect such information, and to ensure that the third-party vendors' on which we rely have taken adequate steps to protect such information, there can be no assurance that our or our vendors' efforts will prevent service interruptions or security breaches in our systems or the unauthorized or inadvertent wrongful use or disclosure of confidential information that could adversely affect our business operations or result in the loss, misappropriation, and/or unauthorized access, use or disclosure of, or the prevention of access to, confidential information. A breach of our or our vendors' security measures or the accidental loss, inadvertent disclosure, unapproved dissemination, misappropriation or misuse of trade secrets, proprietary information, or other confidential information, whether as a result of theft, hacking, fraud, trickery or other forms of deception, or for any other cause, could enable others to produce competing products, use our proprietary technology or information, and/or adversely affect our business position. Further, any such interruption, security breach, or loss, misappropriation, and/or unauthorized access, use or disclosure of confidential information, including personal information regarding our patients and employees, could result in financial, legal, business, and reputational harm to us and could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

WE ARE SUBJECT TO DATA PRIVACY AND SECURITY LAWS AND REGULATIONS IN MANY DIFFERENT JURISDICTIONS AND COUNTRIES WHERE WE DO BUSINESS, AND OUR OR OUR VENDORS' FAILURE TO COMPLY COULD RESULT IN FINES, PENALTIES, REPUTATIONAL DAMAGE, AND COULD IMPACT THE WAY WE OPERATE OUR BUSINESS.

We are subject to laws and regulations governing the collection, use and transmission of personal information, including health information. As the legislative and regulatory landscape for data privacy and protection continues to evolve around the world, there has been an increasing focus on privacy and data protection issues that may affect our business, including the U.S.'s federal Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), the EU's General Data Protection Regulation ("GDPR"), and other laws and regulations described below.

In the U.S., we may be subject to state security breach notification laws, state health information privacy laws and federal and state consumer protections laws which impose requirements for the collection, use, disclosure and transmission of personal information. Each of these laws are subject to varying interpretations by courts and government agencies, creating complex compliance issues for us. If we, or the third-party vendors' on which we reply, fail to comply with applicable laws and regulations we could be subject to fines, penalties or sanctions, including criminal penalties if we knowingly obtain individually identifiable health information from a covered entity in a manner that is not authorized or permitted by HIPAA or for aiding and abetting the violation of HIPAA.

In addition, EU member states and other jurisdictions have adopted data protection laws and regulations that impose significant compliance obligations. The EC's adoption of the 1995 EU Data Protection Directive imposed significant compliance obligations. As implemented into national laws by the EU member states, the Data Protection Directive imposes strict obligations and restrictions on the ability to collect, analyze, and transfer personal data, including health data from clinical trials and adverse event reporting. Data protection authorities from different EU member states have interpreted the privacy laws differently, adding to the complexity of processing personal data in the EU, and guidance on implementation and compliance practices are often updated or otherwise revised. Any failure to comply with the rules arising from the EU Data Protection Directive and related national laws of EU member states could lead to government enforcement actions and significant penalties against us, and adversely impact our operating results.

In 2016, the EU formally adopted GDPR, which will directly apply to and bind all EU member states from 25 May 2018 and will replace the current EU Data Protection Directive on that date. The regulation introduces new data protection requirements

in the EU and establishes a framework to govern data sharing and collection and related consumer privacy rights. Compared to the current Directive, the GDPR may result in greater compliance obligations, including the implementation of a number of processes and policies around our data collection and use. In addition, the GDPR includes significant new penalties for non-compliance, with fines up to the higher of €20 million or 4% of total annual worldwide revenue. In general, GDPR, and other local privacy laws, could also lead to adaptation of our technologies or practices to satisfy local privacy requirements and standards that may be more stringent than in the U.S.

Other countries in which we do business have, or are developing, laws governing the collection, use and transmission of personal information as well that may affect our business or require us to adapt our technologies or practices. These include Canada and several Latin American and Asian countries, which have constitutional protections for, or have adopted legislation protecting, individuals' personal information. Other countries, including Australia and Japan, have established specific legal requirements for cross-border transfers of personal information. Some countries, including India, are considering legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements.

These and similar initiatives could increase the cost of developing, implementing or maintaining our IT systems, require us to allocate more resources to compliance initiatives or increase our costs. In addition, a failure by us, or our third-party vendors, to comply with applicable data privacy and security laws could result in financial, legal, business, and reputational harm to us and could have a material adverse effect on the way we operate our business, our financial condition, results of operations, cash flows, and/or ordinary share price.

THE EXPANSION OF SOCIAL MEDIA PLATFORMS PRESENTS NEW RISKS AND CHALLENGES.

The inappropriate use of certain social media vehicles could cause brand damage or information leakage or could lead to legal implications from the improper collection and/or dissemination of personally identifiable information or the improper dissemination of material non-public information. In addition, negative posts or comments about us on any social networking web site could seriously damage our reputation. Further, the disclosure of non-public company sensitive information through external media channels could lead to information loss as there might not be structured processes in place to secure and protect information. If our non-public sensitive information is disclosed or if our reputation is seriously damaged through social media, it could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or ordinary share price.

5. CORPORATE GOVERNANCE

5.1 Dutch Corporate Governance Code

Mylan is committed to good corporate governance and has implemented a robust governance structure that the Board believes is most appropriate for the Company. For the fiscal year ended 31 December 2017, the Dutch Corporate Governance Code 2016 (the "DCGC") applies to Mylan. The text of the DCGC is publicly available on the website of the Dutch Corporate Governance Code Monitoring Committee: http://www.mccg.nl.

As Mylan's ordinary shares are traded on NASDAQ, Mylan complies with the applicable listing standards of NASDAQ and other U.S. securities laws that apply to it. In addition, Mylan complies with the relevant principles and best practice provisions of the DCGC (which are not binding, but based on a "comply or explain" principle), except for the following:

Audit Committee's role (best practice provision 1.5.1)

Although the Audit Committee considers aspects of Mylan's financing transactions, Mylan's Finance Committee has been designated by the Board with responsibility, as requested by Mylan's chairman (the "Chairman") or the Board, for reviewing, recommending, and/or overseeing approved or potential material business transactions, including but not limited to sources of potential financing and the implementation of such financing (consistent with common practice in the U.S.). Certain members of Mylan's Audit Committee also are members of the Finance Committee.

Diversity policy (best practice provision 2.1.5)

The Board considers aspects of diversity relevant to the Company. Although the Governance and Nominating Committee has not set specific targets with respect to diversity, the Governance and Nominating Committee and the Board as a whole believe that it is important for Board members to represent diverse viewpoints. In addition, we are confident that the personal backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and

abilities. The Board also seeks to combine the skills and experience of its long-standing members with the fresh perspectives, insights, skills and experiences of new ones. These elements of diversity are captured in Mylan's Corporate Governance Principles.

In April 2018, the Board has adopted a diversity policy with respect to Board composition, considering characteristics such as nationality, age, gender, education and professional background, among others.

Director terms (best practice provisions 2.2.2 and 2.2.4)

Consistent with corporate practice in the U.S., the trading jurisdiction of our ordinary shares, all Board members are re-elected annually. Therefore, there is no need for a retirement schedule.

On the same basis, as well as for the broader interests of the Company and its stakeholders, the Board does not believe that directors should be subject to term limits. The Board values the increasing insight and experience which a director is able to develop over a period of time, enabling an increasing contribution to the Board and the interests of our stakeholders. However, re-nomination to the Board is based on each director's performance and contribution and is not automatic.

The Board has continued to refresh itself over the past decade, adding seven of its current eleven directors during that timeframe, including four in the past five years and one last year.

Remuneration (best practice provisions 3.1.2, 3.2.3, 3.3.2 and 3.3.3)

Consistent with Mylan's historical practices and market practice in the U.S., the trading jurisdiction of our ordinary shares, and in order to further support Mylan's ability to attract and retain the right highly qualified candidates for a Board position:

- Options awarded to Mylan's executive directors as part of their remuneration are subject to time-based vesting, and vest in three equal annual instalments beginning on the first anniversary of the date of granting, subject to accelerated vesting at any time in connection with certain terminations of the executive director's employment with Mylan. Mylan's executive directors are, however, subject to stock ownership requirements, expressed as a multiple of base salary, which we believe meets the underlying principle of the relevant best practice provision of the DCGC and further aligns the interests of our executive directors with those of shareholders. Currently, Mylan's Chief Executive Officer is required to hold stock with a value of six times her annual base salary, and Mylan's other executive director is required to hold stock with a value of four times his annual base salary. Shares owned (including shares held in Mylan's 401(k) and Profit Sharing Plan), as well as unvested restricted stock units ("RSUs") and performance-based RSUs, but not stock options, count toward compliance with these requirements.
- There is a vesting period and a minimum retention level for shares awarded to Mylan's executive directors. Apart from this level, Mylan's executive directors generally may sell their vested shares at any time, subject to Company policy and applicable security regulations. As noted above, Mylan's executive directors are subject to stock ownership requirements, and both substantially exceed these requirements.
- Mylan's non-executive directors are granted remuneration in the form of fees for their directorship and committee membership as well as shares and/or options. Mylan's non-executive directors also are subject to stock ownership requirements, which we believe meets the underlying principle of further aligning the interests of our non-executive directors with those of shareholders. Currently, each of Mylan's non-executive directors is required to hold stock with a value of three times his or her base annual retainer (based on shares owned outright as well as unvested RSUs, but not stock options). Non-executive directors serving on the Board (including its predecessor entity, Mylan Inc.) as of 01 January 2013 had until 01 January 2018 to meet the requirement, and each new non-executive director will have five years from the date of his or her appointment to meet the requirement.
- Pursuant to contracts executed in prior years and publicly disclosed, Mylan's executive directors may be entitled to a severance payment in excess of their annual salary, which and also serves as recognition of the long-term involvement, expertise, leadership and success of our executive directors.

For a detailed description of the implementation of our remuneration policy, including pay-ratio disclosure required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules promulgated thereunder and as recommended by the DCGC, see Note 28 *Remuneration* included in section 9 of this report.

Dividend and reservation policy (best practice provision 4.1.3)

As of the fiscal year ended 31 December 2017, Mylan did not intend to distribute dividends in the near future and does not have a formal dividend and reservation policy. Any decision whether or not to propose the distribution of a dividend would be taken by the Board by reference to the facts and circumstances at hand at that time. For those reasons, Mylan did not include the discussion of such a dividend and reservation policy on the agenda for Mylan's annual general meeting of shareholders held on 22 June 2017.

Analyst meetings, presentations and press conferences (best practice provision 4.2.3)

Mylan does not control the logistics of all analyst meetings, presentations and press conferences and, therefore, Mylan cannot ensure that all such meetings, presentations and press conferences will be followed in real time by the general public. However, Mylan is subject to, and complies with, the provisions of Regulation Fair Disclosure promulgated by the SEC and does announce in advance quarterly earnings and certain other presentations.

Majority requirements for dismissal and setting-aside binding nominations (best practice provision 4.3.3)

Consistent with established Dutch law and the Company's articles of association, executive directors and non-executive directors are appointed by the General Meeting from a binding nomination proposed by the Board. The proposed candidate specified in a binding nomination shall be appointed, provided that the requisite quorum is present or represented at the General Meeting, unless the nomination is overruled by the General Meeting (which would result if a majority of at least two-thirds of the votes cast, representing more than half of the issued share capital, vote "against" the appointment of such director, with abstentions, "blank votes" and invalid votes not considered votes cast), in which case he or she will not be appointed. In such event, the Board may propose a new binding nomination to be submitted at a subsequent General Meeting.

Mylan's articles of association also provide that a resolution of the General Meeting to suspend or remove a director pursuant to and in accordance with a proposal by the Board may be passed with an absolute majority of the votes cast. A resolution of the General Meeting to suspend or remove a director other than pursuant to and in accordance with a proposal by the Board will require a two-thirds majority of the votes cast, representing more than half of the issued share capital.

Consistent with the governance practices of many other listed Dutch companies, we believe that these provisions support the continuity and sustainability of Mylan's business and achievement of our mission to provide the world's 7 billion people access to high quality medicine while delivering long-term shareholder value and safeguarding the interests of other stakeholders. The Board and the Governance and Nominating Committee (as defined below) have carefully considered multiple factors, which may include, without limitation, the structure, culture, operation, interactions, collaboration, and performance of the current Board; the talents, expertise and contributions of individual directors; the massive growth and creation of shareholder and other stakeholder value under the current Board's leadership; the continued outstanding performance of the Company; the anticipated future challenges and opportunities facing the Company; and the Board's ongoing commitment to ensuring sustainable long-term value creation for the benefit of our shareholders, while also serving the interests of our other stakeholders. Nominations for Board seats are made after a careful and thorough process and are based, among others, on the foregoing considerations.

Independence (best practice provision 5.1.3)

All non-executive directors of the Board are independent within the meaning of the DCGC, except for the Chairman. The Board believes that the current Chairman is the best person to lead the Board and provide the overall strategic leadership for the Company based on, among other considerations, demonstrated outstanding business acumen and judgment.

5.2 Other codes of conduct or corporate governance practices

In addition to the DCGC, Mylan is subject to and complies with its Code of Business Conduct and Ethics and its Corporate Governance Principles. The texts of Mylan's Code of Business Conduct and Ethics and its Corporate Governance Principles are publicly available on our website: http://www.mylan.com/en/company/corporate-governance.

5.3 General meeting of shareholders

The Company's general meeting of shareholders (the "General Meeting") may be held in Amsterdam, Rotterdam, Bunschoten-Spakenburg, The Hague, Haarlemmermeer (Schiphol), Schiermonnikoog, Groningen or Leeuwarden, the Netherlands.

The Company must hold at least one General Meeting each year, to be held within six months after the end of our fiscal year. This annual General Meeting shall be called by the chairman of the Board or by the Board in accordance with applicable law. In addition, a General Meeting must also be held within three months if the Board has determined it to be likely that the Company's equity has decreased to an amount equal to or lower than half of its paid up and called up capital.

The Board may convene extraordinary General Meetings whenever our Board so decides. One or more shareholders and/or others entitled to attend General Meetings, alone or jointly representing at least 10% of our issued share capital, may request authorization from the Dutch court to convene a General Meeting. The Dutch court will disallow the request if it does not appear that the applicants have previously requested that the Board convene a General Meeting and (assuming the request was made in a proper manner) the Board has not taken the necessary steps so that such General Meeting could be held within six weeks after the request.

General Meetings are convened in the manner and with reference to applicable law and stock exchange requirements, with due observance of a convening notice of at least 15 days, by a notice which includes (i) the subjects to be discussed, (ii) the place and time of the General Meeting, (iii) the procedures for participation in the General Meeting and the exercise of voting rights in person or by proxy, and (iv) such other items as must be included in the notice pursuant to applicable law and stock exchange rules. One or more shareholders and/or others entitled to attend General Meetings, alone or jointly representing at least 3% of the issued share capital, have the right to request the inclusion of additional items on the agenda of General Meetings. Such requests must be made in writing, substantiated and received by us no later than on the 60th day before the day of the relevant General Meeting. No resolutions are to be adopted on items other than those which have been included on the agenda.

Under the DCGC, shareholders and others entitled to attend General Meetings who wish to exercise their rights to request the convening of a General Meeting or to put matters on the agenda, as discussed above, should first consult the Board. Without prejudice to limitations under applicable law, if the envisaged exercise of such rights might result in a change to the Company's strategy, the DCGC allows the Board to invoke a reasonable response period of up to 180 days. The response period may be invoked only once for any given General Meeting and shall not apply (i) in respect of a matter for which a response period has been previously invoked, or (ii) if a shareholder holds at least 75% of the Company's issued share capital as a consequence of a successful public bid.

Shareholders as well as others entitled to attend General Meetings, are entitled, in person or by proxy, to address the General Meeting and, to the extent that they have such right, to vote at such General Meeting, in each case provided that such shareholder or other person has notified the Company of his or her intention to attend the General Meeting in writing at the address and by the date specified in the notice of the General Meeting, which day cannot be earlier than seven days before the day it is held.

Unless otherwise provided for by the Board or applicable law, and regardless of who would be entitled to attend the General Meeting in the absence of a record date as set forth in the applicable provisions of the Dutch Civil Code, persons entitled to attend the General Meeting are those who, on the record date (if determined by the Board), have voting rights and/or meeting rights with respect to a class of shares of the Company and have been registered as such in a register designated by the Board for that purpose. The record date (if determined by the Board) must be the 28th day prior to that of the General Meeting concerned.

Admission to the General Meeting shall be given to the persons whose attendance there is approved by the chairman or the secretary of the General Meeting or any other person designated by the chairman or secretary. At the request of the chairman or secretary of the General Meeting or his or her designee, each person who wishes to attend the General Meeting must sign the attendance list and set forth in writing his name and, to the extent applicable, the number of votes to which he is entitled.

The Company's articles of association (the "Articles") do not attribute specific powers to the General Meeting in addition to those which follow from Dutch law.

5.4 Board of Directors

The Board currently consists of 11 directors, each of whom is either an executive director or a non-executive director pursuant to applicable Dutch law. On 29 April 2018, the Board voted to increase the size of the Board to 12 directors, effective after the annual General Meeting to be held on 29 June 2018.

Executive directors are responsible for the daily management and operation of the Company, and non-executive directors are responsible for overseeing and monitoring the performance of the executive directors.

Consistent with established Dutch law and the Company's Articles of Association, executive directors and non-executive directors are appointed by the general meeting from a binding nomination proposed by the Board.

Heather Bresch

Director since 2011

Age: 48

Nationality: American
Board Committees: Science and Technology

Other Public Company Boards:
None

Executive Director

Ms. Bresch has served as Mylan's CEO since January 1, 2012. Throughout her 26-year career with Mylan, Ms. Bresch has held roles of increasing responsibility in more than 15 functional areas. Prior to becoming CEO, Ms. Bresch served as the Company's President, where she was responsible for its day-to-day operations. Before that, she served as Chief Operating Officer and Chief Integration Officer, leading the successful integration of two international acquisitions – Matrix Laboratories and Merck KGaA's generics business – which more than doubled Mylan's size and transformed it from a purely U.S. company to a global one.

As CEO, Ms. Bresch has been leading the next chapter of Mylan's growth and performance, pursuing a strategy that already has produced a sustainable organization that is making great strides in its mission of delivering better health for a better world by providing 7 billion people access to high quality medicine. In continuing to execute on this strategy, Ms. Bresch is focused on further diversifying the Company in terms of products, markets and channels, a process proven to expand access and generate durable cash flows that can be reinvested to further differentiate Mylan and position it to support the transformation of outdated healthcare systems.

To achieve Mylan's goals, Ms. Bresch emphasizes a collaborative company culture focused on leading, learning, teaching and performing to inspire innovation and help set new standards in healthcare. She also remains a vocal champion of initiatives and policy changes aimed at removing access barriers. Among her policy priorities is increasing generic utilization, driving biosimilars interchangeability, stemming the tide of HIV/AIDS, ensuring a fair and a level competitive playing field, and strengthening the global supply chain to make it safer.

Ms. Bresch served as chair of the U.S. Generic Pharmaceutical Association's board of directors in 2016, 2005, and 2004, and as vice chair in 2003 and 2006. She is a frequent speaker on issues such as affordable healthcare and global competitiveness, and has testified before the U.S. Congress and FDA on issues related to access to medicine. Ms. Bresch is the pharmaceutical industry's first female CEO of a Fortune 500 company and has been named by Fortune magazine as one of its "50 Most Powerful Women." Ms. Bresch's qualifications to serve on the Board, include, among others, her leadership and unique and deep knowledge of the Company, its businesses, markets and strategies, as well as its global research, supply chain, manufacturing and commercial platforms; her knowledge and experience regarding issues, risks and opportunities in the global healthcare industry; and her knowledge and expertise regarding political and public policy healthcare-related matters, public company management and leadership and international business transactions and integration.

Hon. Robert J. Cindrich

Director since 2011

Age: 74

Nationality: American

Board Committees:
Compliance; Governance and Nominating; Risk Oversight (Chair); Science and Technology

Other Public Company Boards:
Alllscripts Healthcare Solutions, Inc.

Non-Executive Director

Since February 2011, Judge Cindrich has been serving as president of Cindrich Consulting, LLC, a business and healthcare consulting company that advises clients on corporate governance, compliance and business strategies. From October 1, 2013, through January 31, 2014, he served as interim general counsel for United States Steel Corporation ("U.S. Steel") (NYSE: X), an integrated steel producer of flat-rolled and tubular products. Judge Cindrich joined Schnader Harrison Segal & Lewis ("Schnader"), a law firm, as legal counsel in April 2013 and took a temporary leave of absence on October 1, 2013, to join U.S. Steel as interim general counsel, returning to Schnader after his time there and remaining until December 2017. In May 2012, he joined the board of directors of Allscripts Healthcare Solutions, Inc. (NASDAQ: MDRX), which provides healthcare information technology solutions, where he served until April 2015. From 2011 through 2012, Judge Cindrich served as a senior advisor to the Office of the President of the University of Pittsburgh Medical Center ("UPMC"), an integrated global health enterprise. From 2004 through 2010, Judge Cindrich was a senior vice president and the chief legal officer of UPMC. From 1994 through January 2004, Judge Cindrich served as a judge on the U.S. District Court for the Western District of Pennsylvania. Prior to that appointment, he was active as an attorney in government and private practice, including positions as the U.S. Attorney for the Western District of Pennsylvania and as the Allegheny County Assistant Public Defender and Assistant District Attorney. Judge Cindrich's qualifications to serve on the Board include, among others, his knowledge and expertise regarding legal and regulatory matters, compliance, corporate governance, issues affecting the healthcare industry and public company risk management oversight and strategy.

Robert J. Coury

Chairman

Director since 2002

Age: 57

Nationality: American

Board Committees:
Executive (Chair)

Other Public Company Boards:
None

Non-Executive Director

Robert J. Coury is the Chairman of Mylan N.V. Under his continuing visionary leadership and strategic direction, Mylan has transformed from the third largest generics pharmaceutical company in the U.S. into one of the largest pharmaceutical companies in the world in terms of revenue, earning spots on both the S&P 500 and, prior to the Company's reincorporation outside of the U.S. in 2015, the Fortune 500. Mr. Coury first was elected to Mylan's Board in February 2002, having served since 1995 as a strategic advisor to the Company. He became the Board's Vice Chairman shortly after his election and served as CEO from September 2002 until January 2012. He served as Executive Chairman from 2012 until June 2016, when he ceased to be an employee and became Chairman.

Since 2007, Mr. Coury has led Mylan through a series of transactions totaling approximately $25 billion, which transformed Mylan into a global powerhouse within the highly competitive pharmaceutical industry, with a global workforce of approximately 35,000 and products sold in more than 165 countries. In 2007, Mylan purchased India-based Matrix Laboratories Limited, a major producer of active pharmaceutical ingredients, and the generics and specialty pharmaceuticals business of Europe-based Merck KGaA. Subsequent acquisitions under Mr. Coury's leadership further expanded Mylan into new therapeutic categories and greatly enhanced its geographic and commercial footprint. In 2010, Mylan acquired Bioniche, a global injectables business in Ireland; in 2013, Mylan acquired India-based Agila Specialties, a global injectables company; and in 2015, Mylan acquired the EPD Business and Famy Care Ltd.'s women's healthcare businesses. More recently, Mylan acquired Meda, a leading international specialty pharmaceutical company that sells prescription and over-the-counter products and the non-sterile, topicals-focused business of Renaissance Acquisition Holdings, LLC.

During this period of expansion, Mr. Coury's vision and leadership led to the building of an unmatched, high quality foundation for the future, supporting Mylan's mission of providing the world's 7 billion people with access to high quality medicine and benefiting investors, patients, customers and other stakeholders. Before becoming Executive Chairman, Mr. Coury also executed a successful executive leadership transition after cultivating and developing a powerful leadership team. Grooming executive talent from within and recruiting dynamic leaders from outside Mylan both were key components of the Company's past, current and future growth strategies.

Mr. Coury's qualifications to serve on the Board include, among others, demonstrated outstanding business acumen and judgment.

JoEllen Lyons Dillon

Director since 2014

Age: 54

Nationality: American

Board Committees:
Audit; Compensation; Executive; Governance and Nominating (Chair)

Other Public Company Boards:
None

Non-Executive Director

Ms. Dillon served most recently as chief legal officer and corporate secretary of The ExOne Company ("ExOne") (NASDAQ: XONE), a global provider of three-dimensional printing machines, from March 2013 to August 2017, and as executive vice president from December 2014 to August 2017. Previously, she was a legal consultant on ExOne's initial public offering. Prior to that, Ms. Dillon was a partner with Reed Smith LLP, a law firm, from 2002 until 2011. She previously had been at the law firm Buchanan Ingersoll & Rooney PC from 1988 until 2002, where she became a partner in 1997. Ms. Dillon is a member of the board of trustees of the Allegheny District chapter of the National Multiple Sclerosis Society and has previously served as chair and audit committee chair. Ms. Dillon's qualifications to serve on the Board include, among others, her knowledge and expertise regarding legal and regulatory matters, financial matters, compliance, corporate governance, public company oversight and international business and strategy.

Neil Dimick, C.P.A.*

Director since 2005

Age: 67

Nationality: American

Board Committees:
Audit (Chair); Executive; Finance; Risk Oversight

Other Public Company Boards:
Resources Connection, Inc.

Non-Executive Director

Currently retired, Mr. Dimick previously served as executive vice president and chief financial officer of AmerisourceBergen Corporation (NYSE: ABC), a wholesale distributor of pharmaceuticals, from 2001 to 2002. From 1992 to 2001, he was senior executive vice president and chief financial officer of Bergen Brunswig Corporation, a wholesale drug distributor. Prior to that, Mr. Dimick served as a partner with Deloitte & Touche LLP ("Deloitte") for eight years. Mr. Dimick also serves on the board of directors of Resources Connection, Inc. (NASDAQ: RECN). Mr. Dimick also served on the boards of directors of WebMD Health Corp. from 2005 to September 2017, at which time it was purchased by Internet Brands, a portfolio company of investment funds affiliated with Kohlberg Kravis Roberts & Co., LP; Alliance HealthCare Services, Inc. from 2002 to August 2017, at which time it was purchased by Tahoe Investment Group Co., Ltd.; and Thoratec Corporation from 2003 to October 2015, at which time it was purchased by St. Jude Medical, Inc. Mr. Dimick's qualifications to serve on the Board include, among others, his experience and expertise regarding accounting, finance, the healthcare industry, international business, corporate governance, public company management, oversight and strategy, and international business transactions.

* *C.P.A. distinction refers to "inactive" status.*

Melina Higgins

Director since 2013

Age: 50

Nationality: American

Board Committees:
Audit; Compensation; Finance (Chair)

Other Public Company Boards:
Genworth Financial Inc.

Non-Executive Director

Currently retired, Ms. Higgins held senior roles of increasing responsibility at The Goldman Sachs Group, Inc. (NYSE: GS), a global investment banking, securities and investment management firm, including partner and managing director, during her nearly 20-year career at the firm from 1989 to 1992 and 1994 to 2010. During her tenure there, Ms. Higgins served as a member of the Investment Committee of the Principal Investment Area, which oversaw and approved global private equity and private debt investments and was one of the largest alternative asset managers in the world. She also served as head of the Americas and as co-chairperson of the Investment Advisory Committee for GS Mezzanine Partners funds, which managed over $30 billion of assets and were global leaders in their industry. Ms. Higgins also is a member of the Women's Leadership Board of Harvard University's John F. Kennedy School of Government. In September 2013, Ms. Higgins joined the board of directors of Genworth Financial Inc. (NYSE: GNW), an insurance company. In January 2016, Ms. Higgins became non-executive chairman of Antares Midco Inc., a private company that provides financing solutions for middle-market, private equity-backed transactions. Ms. Higgins' qualifications to serve on the Board include, among others, her experience and expertise in finance, capital markets, international business and strategy, and international business transactions.

Rajiv Malik

Director since 2013

Age: 57

Nationality: Indian

Board Committees:
Science and Technology

Other Public Company Boards:
None

Executive Director

Mr. Malik has served as Mylan's President since January 1, 2012 and has more than 35 years of experience in the pharmaceutical industry. Previously, Mr. Malik held various senior roles at Mylan, including Executive Vice President and Chief Operating Officer from July 2009 to December 2012, and Head of Global Technical Operations from January 2007 to July 2009. Mr. Malik has been integral in developing the strategies for the company's acquisitions and more importantly, in the execution and integration of acquisitions, specifically the generics business of Merck KgaA; the injectables business of Bioniche; Agila Specialties, a global injectables company; the EPD Business; Famy Care Ltd.'s women's healthcare businesses; Meda, a leading international specialty pharmaceutical company that sells prescription and over-the-counter products; and most recently, the non-sterile, topicals-focused business of Renaissance Acquisition Holdings, LLC.

Mr. Malik oversees the day-to-day operations of the Company which includes commercial, scientific affairs, manufacturing, supply chain and quality as well as business development and information technology. Mr. Malik has been instrumental in expanding and optimizing Mylan's product portfolio, leveraging Mylan's global research and development capabilities and expanding Mylan's presence in emerging markets. Previously, he served as chief executive officer of Matrix Laboratories Limited (n/k/a Mylan Laboratories Limited) from July 2005 to June 2008. Prior to joining Matrix, he served as head of global development and registrations for Sandoz GmbH from September 2003 to July 2005. Prior to joining Sandoz GmbH, Mr. Malik was head of global regulatory affairs and head of pharma research for Ranbaxy from October 1999 to September 2003. Mr. Malik's qualifications to serve on the Board include, among others, his leadership and unique and deep knowledge of the Company, its businesses, markets and strategies, as well as its global research, supply chain, manufacturing and commercial platforms; his knowledge and experience regarding issues, risks and opportunities in the global healthcare industry; and his knowledge and expertise regarding global regulatory matters, public company management and leadership, and international business transactions and integration.

Mark W. Parrish

Vice Chairman and Lead Independent Director

Director since 2009

Age: 62

Nationality: American

Board Committees:
Audit; Compliance (Chair); Executive; Risk Oversight

Other Public Company Boards:
Omnicell, Inc.

Non-Executive Director

Mr. Parrish has served as the Lead Independent Director and Vice Chairman of the Board since August 2017. He has served as chief executive officer of TridentUSA Health Services, a provider of mobile X-ray and laboratory services to the long-term care industry, since 2008 and served as chairman from 2008 to 2013. Since January 2013, Mr. Parrish also has served on the board of directors of Omnicell, Inc. (NASDAQ: OMCL), a company that specializes in healthcare technology. Mr. Parrish also serves on the boards of directors of Silvergate Pharmaceuticals, a private company that develops and commercializes pediatric medications, and GSMS, a private company that specializes in meeting unique labeling and sizing needs for its customers and pharmaceutical packaging, serialization and distribution. From 2001 to 2007, Mr. Parrish held management roles of increasing responsibility with Cardinal Health Inc. (NYSE: CAH) and its affiliates, including chief executive officer of Healthcare Supply Chain Services for Cardinal from 2006 to 2007. Mr. Parrish also serves as president of the International Federation of Pharmaceutical Wholesalers, an association of pharmaceutical wholesalers and pharmaceutical supply chain service companies, and as senior adviser to Frazier Healthcare Ventures, a healthcare oriented growth equity firm. Mr. Parrish's qualifications to serve on the Board include, among others, his experience as a chief executive officer; his knowledge and experience regarding issues, risks and opportunities in the global healthcare industry; and his knowledge and expertise regarding compliance, corporate governance, risk management oversight, supply chain, the healthcare industry and technology, public company management and strategy, and international business transactions.

Randall L. (Pete) Vanderveen, Ph.D.

Director since 2002

Age: 67

Nationality: American

Board Committees:
Compliance; Science and Technology (Chair)

Other Public Company Boards:
None

Non-Executive Director

Currently retired, Dr. Vanderveen most recently was Professor of Pharmaceutical Policy and Economics, Senior Adviser to the Leonard D. Schaeffer Center of Health Policy and Economics, Director of the Margaret and John Biles Center for Leadership, and Senior Adviser to the Dean for Advancement at the School of Pharmacy, University of Southern California in Los Angeles, California from 2015 to August 2017. Dr. Vanderveen previously served as Dean, Professor and John Stauffer Decanal Chair of the USC School of Pharmacy from 2005 to 2015, where he was named "Outstanding Pharmacy Dean in the Nation" in 2013 by the American Pharmacist Association. From 1998 to 2005, he served as Dean and Professor of Pharmacy of the School of Pharmacy and the Graduate School of Pharmaceutical Sciences at Duquesne University, before which he was Assistant Dean at Oregon State University from 1988 to 1998. Dr. Vanderveen has an extensive pharmaceutical and academic background. In addition, Dr. Vanderveen has invaluable experience and knowledge regarding the business, platforms, strategies, challenges, opportunities and management of Mylan, among other matters. Dr. Vanderveen's qualifications to serve on the Board include, among others, his experience and expertise regarding the healthcare industry, pharmaceuticals and pharmacy practice, public healthcare policy and economics, and scientific matters.

Sjoerd S. Vollebregt

Director since 2017

Age: 63

Nationality: Dutch

Board Committees:
Compliance; Finance; Governance and Nominating

Other Public Company Boards:
Heijmans N.V.;
TNT Express N.V.

Non-Executive Director

Mr. Vollebregt has been chairman of the Supervisory Board of Heijmans N.V., a Euronext Amsterdam listed company that operates in property development, residential building, non-residential building, roads and civil engineering, since 2015; chairman of the Advisory Board of Airbus Defence and Space Netherlands B.V., a subsidiary of Airbus SE, a Euronext Paris listed company, that develops solar arrays, satellite instruments and structures for launchers, since 2015; and chairman of the Economic Development Board Drecht Cities, a strategic collaboration between business, education and government in Drecht Cities, Netherlands, since December 2016. Mr. Vollebregt had served as chairman of the Executive Board of Stork B.V. and its predecessor from 2002 to 2014, which was an Amsterdam Stock Exchange-listed industrial group until 2008, consisting of a global provider of knowledge-based maintenance, modification and asset integrity products and services, food and textile equipment manufacturer and chief executive officer of Fokker Technologies Group B.V., an aerospace company and a Stork B.V. subsidiary from 2010 to 2014. Previously, Mr. Vollebregt served as a member of the Supervisory Board of TNT Express N.V., an international courier delivery services company, from 2013 to 2016, and has held various other senior positions at Excel plc, Ocean plc, Intexo Holding and Royal Van Ommeren. Mr. Vollebregt's qualifications to serve on the Board include, among others, his experience as a chief executive officer; his experience and expertise in public company management outside of the U.S. and strategy; his experience and expertise in manufacturing, supply chain, and technology, as well as international business transactions; and his governance and oversight experience with respect to Dutch companies.

Each director listed above, other than Mr. Vollebregt, was a director of Mylan Inc. on 27 February 2015, the date on which Mylan N.V. completed the acquisition of EPD Transaction, and became a director of Mylan N.V. on such date in connection with the EPD Transaction. All ages as of 30 May 2018.

The Board met four times in 2017. In addition to meetings of the Board, directors attended meetings of individual Board committees of which they were members. Each of the directors attended at least 75% of the aggregate of the Board meetings and meetings of committees of which they were a member during the periods for which they served in 2017. Directors are expected to attend the annual general meeting of shareholders of Mylan where practicable. All current members of the Board attended Mylan's annual general meeting of shareholders held on 22 June 2017 (the "2017 AGM") as did Joseph C. Maroon, M.D., who was not nominated for re-election at the 2017 AGM and retired from the Board effective 22 June 2017.

As noted, Mark W. Parrish has served as Vice Chairman and Lead Independent Director of the Board since August 2017. Mylan's Corporate Governance Principles require the independent directors of the Board to meet in executive session from time to time, and at least twice annually, without any members of management present. During 2017, non-management members of the Board met in executive session four times. Mr. Parrish presided at such executive sessions after his election as Lead Independent Director. Prior to Mr. Parrish's election, Rodney L. Piatt, a former director and the Lead Independent Director prior to Mr. Parrish, presided at such sessions during his term as a director, while Mr. Dimick presided at an executive session prior to Mr. Parrish's election as Lead Independent Director.

5.5 Activities of and evaluation by the non-executive directors

Throughout the fiscal year to which this report pertains, the non‑executive directors have overseen management and the functioning of the Board, and provided advice to our executive directors and senior management, including overseeing the executive directors in their execution of Mylan's strategy and monitoring the general affairs of the Company and the business connected with it as described in the Company's relevant governance documents. The independent directors on the Board and its committees receive extensive information and input from multiple layers of management and external advisors, engage in detailed and robust discussion and analysis regarding matters brought before them (including in executive session) and consistently and actively engage in the development and approval of significant corporate strategies.

All non-executive directors regularly attended Board meetings and meetings of the group of non-executive directors held during the fiscal year to which this report pertains.

The non-executive directors have discussed at least once during the fiscal year to which this report pertains:

a. without the executive directors being present, (i) their own functioning, the functioning of the Board committees and the individual members thereof, and the conclusions that may be drawn on the basis thereof, (ii) the desired profile, composition and competence of the Board, and (iii) the functioning of the Board and the performance by the individual directors of their duties, and the conclusions that may be drawn on the basis thereof; and

b. the Company's strategy and the main risks associated with its business, the results of the evaluation by the Board of the design and effectiveness of the internal risk management and control systems, as well as any significant changes thereto.

The Board and each committee conduct an annual self-evaluation by their respective members. These evaluations are intended to facilitate an examination and discussion by the entire Board and each committee of its effectiveness as a group in fulfilling its Charter requirements and other responsibilities, its performance, and areas for improvement. The Governance and Nominating committee supervises the format for each annual self-evaluation and, as appropriate, may use evaluation results in assessing and recommending the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations with respect to assignments of its members to various committees.

The evaluation described under a. above takes place based on the aforementioned self-evaluation as well as in separate meetings of the non-executive directors.

The Board has discussed the conclusions from the evaluation described above. The main conclusion was that, overall, our directors are satisfied with the functioning of, and their respective memberships of, the Board and, where relevant, its committees. The evaluation included a review and subsequent revision of charters of the standing Board committees and certain of our other governance-related documents.

The Board or individual members participate at least annually in director educational seminars, conferences and other director education programs presented by external and internal resources, on matters that may relate to, among other topics, compensation, governance, risk oversight, business, industry, audit and accounting, credit and financial, regulatory and other current issues confronting boards of directors of public companies. Directors may also elect to attend additional third-party educational events in their discretion. The Company reimburses the directors for costs associated with any seminars and conferences, including travel expenses.

5.6 Committees

5.6.1 Introduction

The standing committees of the Board are the Audit Committee, the Compensation Committee, the Compliance Committee, the Executive Committee, the Finance Committee, the Governance and Nominating Committee, the Risk Oversight Committee and the Science and Technology Committee. Each committee operates under a written charter, a current copy of which, along with our Articles of Association, Rules for the Board of Directors and Corporate Governance Principles, are available on Mylan's website at http://www.mylan.com/en/company/corporate-governance.

5.6.2 Audit Committee

AUDIT COMMITTEE

Members
Mr. Dimick (Chair)
Ms. Dillon
Ms. Higgins
Mr. Parrish

Number of meetings during FY2017:
4

KEY OVERSIGHT RESPONSIBILITIES INCLUDE, BUT ARE NOT LIMITED TO

- Integrity of the Company's financial statements and its accounting and financial reporting processes
- The effectiveness of the Company's internal control over financial reporting
- Compliance with applicable legal and regulatory requirements
- The qualifications, independence and performance of the independent registered public accounting firm for U.S. public reporting purposes and the Company's external auditor for purposes of Dutch law
- The Internal Audit group
- The Company's processes and procedures related to risk assessment and risk management
- Related party transactions

During the fiscal year to which this report pertains, the Audit Committee met four times and discussed matters relating to the following topics, among others: the engagement (appointment, compensation, retention, oversight and plan) of the Company's independent auditor and auditor of the Dutch statutory accounts; Mylan's quarterly financial reports on Form 10-Q; Mylan's annual report on Form 10-K; Mylan's amended annual report on Form 10-K/A; Mylan's accounting, legal, and tax matters; Mylan's Proxy Statement and the Audit Committee Report included therein; Mylan's related party transactions policy and certain related party transactions; Mylan's policy for hiring employees or former employees of the Company's independent registered public accounting firm; the appointment of the Head of Internal Audit; Mylan's business strategy and risks associated with its business; our internal risk management and control systems; cybersecurity; and the Audit Committee's self-assessment and amendment of the Audit Committee Charter.

5.6.3 Compensation Committee

COMPENSATION COMMITTEE

Members
Ms. Cameron (Chair)*
Ms. Dillon
Ms. Higgins

Number of meetings during FY2017:
4

KEY OVERSIGHT RESPONSIBILITIES INCLUDE, BUT ARE NOT LIMITED TO

- CEO and senior management compensation, including the corporate goals and objectives relevant to such compensation and evaluating performance in light of those goals and objectives
- Board and committee compensation
- Relationship between the Company's compensation policies and practices and risk management
- Compensation and benefits-related disclosures
- Equity compensation plans in which executives participate

* As noted above, Ms. Cameron will retire from the Board effective June 29, 2018 and therefore has not been nominated for re-election

During the fiscal year to which this report pertains, the Compensation Committee met four times and discussed matters relating to the following topics, among others: review and approval or recommendation to the Board with respect to the compensation of the Chief Executive Officer, President and other executive officers; executive officer cash and equity compensation; Mylan's compensation program as compared to those of the Company's peers; pay ratio disclosure; matters relating to certain of the Company's cash and equity incentive plans; director remuneration policy; recommendation with respect to non-executive director compensation; the Compensation Committee Report and the Compensation Disclosure and Analysis included in Mylan's amended annual report on Form 10-K/A and Proxy Statement; non-employee director equity awards and cash retainers; executive performance; employment agreements; the independence of the Compensation Committee's outside advisors; the results of the 2017 AGM; and the Compensation Committee's self-assessment and amendment of its Charter.

5.6.4 Compliance Committee

COMPLIANCE COMMITTEE

Members
Mr. Parrish (Chair)
Mr. Cindrich
Dr. Vanderveen
Mr. Vollebregt

Number of meetings during FY2017:
4

KEY OVERSIGHT RESPONSIBILITIES INCLUDE, BUT ARE NOT LIMITED TO

- Chief Compliance Officer's implementation of Mylan's corporate compliance program
- Considering or evaluating significant global compliance-related policies, including with respect to pricing and/or commercialization of Company products
- Making recommendations to the Board with respect to the formulation, implementation, maintenance and monitoring of Mylan's corporate compliance program and Code of Business Conduct and Ethics

During the fiscal year to which this report pertains, the Compliance Committee met four times and discussed matters relating to the following topics, among others: the status of the compliance program and related reports; Compliance Group resources; updates to Mylan's Code of Business Conduct and Ethics; relevant legal and regulatory developments; cybersecurity; company security; political contributions reports; the entry by certain of the Company's subsidiaries into a Corporate Integrity Agreement; and the Compliance Committee's self-assessment and amendment of its Charter.

5.6.5 Executive Committee

EXECUTIVE COMMITTEE

Members
Mr. Coury (Chair)
Ms. Dillon
Mr. Dimick
Mr. Parrish

Number of meetings during FY2017:
3

KEY OVERSIGHT RESPONSIBILITIES INCLUDE, BUT ARE NOT LIMITED TO

- Assisting the Board in fulfilling its fiduciary responsibilities by exercising those powers of the Board not otherwise limited by a resolution of the Board or by law
- Strategic planning and additional oversight of strategy implementation

During the fiscal year to which this report pertains, the Executive Committee met three times and discussed, among other matters, Mylan's recent business performance; potential director candidates; results of the 2017 annual general meeting; shareholder engagement; succession planning; recent business related developments; strategic considerations; recent developments in the healthcare industry and corporate governance practice; and the Executive Committee's self-assessment and updates to its Charter.

5.6.6 Finance Committee

FINANCE COMMITTEE

Members
Ms. Higgins (Chair)
Mr. Dimick
Mr. Vollebregt

Number of meetings during FY2017:
2

KEY OVERSIGHT RESPONSIBILITIES INCLUDE, BUT ARE NOT LIMITED TO

- Material mergers, acquisitions and combinations with other companies
- Swaps and derivatives transactions
- Establishment of credit facilities
- Financings with commercial lenders
- Issuance and repurchase of the Company's debt, equity, hybrid or other securities

During the fiscal year to which this report pertains, the Finance Committee met two times and discussed matters relating to the following topics, among others: capital planning; Mylan debt and financing (including issuance and repurchase of Company equity and debt, incurrence and repayment of credit facilities, and transactions involving hedging and derivative instruments); and the Finance Committee's self-assessment and amendment of its Charter.

5.6.7 Governance and Nominating Committee

GOVERNANCE AND NOMINATING COMMITTEE

Members
Ms. Dillon (Chair)
Mr. Cindrich
Mr. Vollebregt

Number of meetings during FY2017:
4

KEY OVERSIGHT RESPONSIBILITIES INCLUDE, BUT ARE NOT LIMITED TO

- Corporate governance matters
- Nomination or re-nomination of director candidates
- The Board's review and consideration of shareholder recommendations for director candidates
- The annual self-evaluation of the Board and its committees

During the fiscal year to which this report pertains, the Governance and Nominating Committee met four times and discussed matters relating to the following topics, among others: Board composition and size; director nominations and potential new director candidates; director and committee member independence and other committee-specific requirements; Board committee memberships and chairs; Board and committee self-assessment process; Mylan's governing documents; updates to the Company's Rules for the Board of Directors, Corporate Governance Principles and committee charters; Board education; communications from shareholders; and the Governance and Nominating Committee's self-assessment and amendment of its Charter.

5.6.8 Science and Technology Committee

SCIENCE AND TECHNOLOGY COMMITTEE

Members
Dr. Vanderveen (Chair)
Ms. Bresch
Mr. Cindrich
Mr. Malik

Number of meetings during FY2017:
2

KEY OVERSIGHT RESPONSIBILITIES INCLUDE, BUT ARE NOT LIMITED TO

- R&D strategy and portfolio from a scientific and technological perspective
- Significant emerging scientific and technological developments relevant to Mylan

During the fiscal year to which this report pertains, the Science and Technology Committee met two times and discussed matters relating to the following topics, among others: research and technology developments; work that the committee members had done with the Company's management; and the Science and Technology Committee's self-assessment and amendment of its Charter.

5.6.9 Risk Oversight Committee

RISK OVERSIGHT COMMITTEE

Members
Robert J. Cindrich (Chair)
Neil Dimmick
Mark W. Parrish

Newly Formed in February 2018

KEY OVERSIGHT RESPONSIBILITIES INCLUDE, BUT ARE NOT LIMITED TO

- Mylan's enterprise risk framework
- Material enterprise risks not allocated to the Board or another committee

During the fiscal year to which this report pertains, the Risk Oversight Committee had not yet been formed.

6. REMUNERATION

6.1 Remuneration policy

Pursuant to Section 2:135(1) DCC, our General Meeting has adopted a remuneration policy for our Board members (the "Remuneration Policy"). A copy of the Remuneration Policy is available on our website: https://www.mylan.com/-/media/mylancom/files/company/corporate-governance/director-remuneration-policy.pdf

Information on our website is not incorporated into, and does not form a part of, this report.

The Remuneration Policy is designed to attract and retain highly qualified individuals, incentivize performance and shareholder value creation, and align compensation with performance and the interests of shareholders and other stakeholders. We believe that this approach and philosophy and the implementation thereof benefits the realization of Mylan's long-term objectives while staying consistent with the Company's risk profile.

The Board is currently not contemplating to propose any change to the Remuneration Policy or the implementation thereof in the upcoming fiscal years.

6.2 Remuneration of directors

See Note 28 *Remuneration* included in section 9 of this report.

7. RELATED PARTY DISCLOSURES

For information on related party transactions, see Note 29 *Related party disclosures* included in section 9 of this report. Where applicable, best practice provisions 2.7.3, 2.7.4 and 2.7.5 of the DCGC, have been observed.

8. PROTECTIVE MEASURES

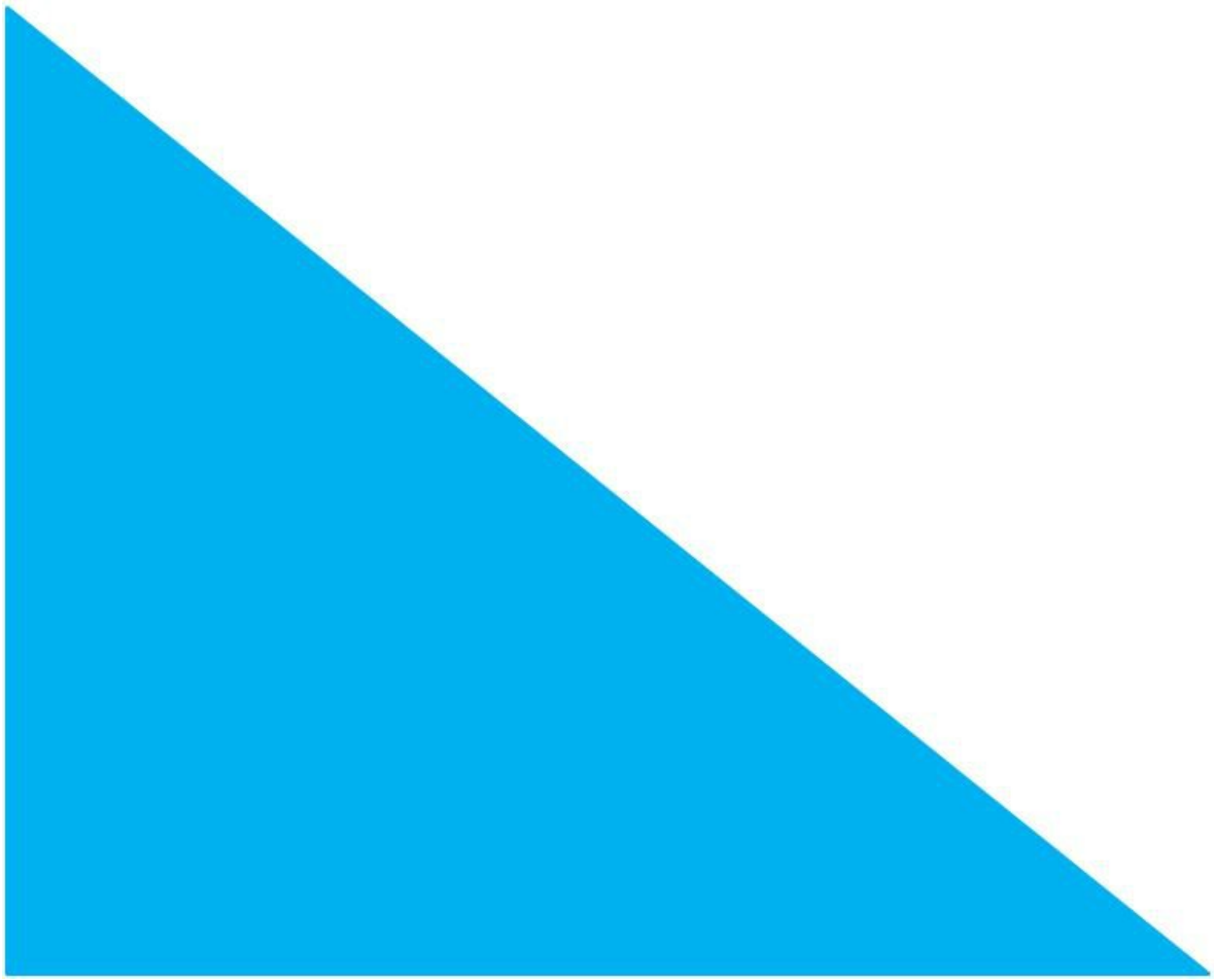
Established Dutch law allows Dutch companies to have certain protective measures in place, to safeguard the interests of a company, its business and its stakeholders. Mylan's Articles allow for (i) the issuance of preferred shares, which facilitates the protective measure described below, and (ii) in the event that all directors on the Board are absent or unable to act, the most recent chairman of the Board (and/or such person(s) appointed by him/her) to temporarily perform the tasks and duties of the non-executive directors and to temporarily entrust the tasks and duties of the executive directors to one or more other persons.

Consistent with established Dutch law and practice, Mylan entered into a call option agreement with Stichting Preferred Shares Mylan (the "Foundation"), pursuant to which the Company granted the Foundation a continuous and repeatedly exercisable call option, the exercise of which allows the Foundation to acquire up to 50% of the voting shares in the General Meeting from time to time in the event the Foundation's independent board of directors is of the opinion that the interest of the Company, its business and its stakeholders is or might be adversely affected or threatened.

Mylan N.V.

Consolidated Financial Statements

31 December 2017



Mylan N.V.
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Consolidated Financial Statements

Consolidated Income Statements

(In millions of U.S. Dollars, except per share amounts)
for the year ended 31 December

	Note	2017	2016
Revenues:			
Net sales		$ 11,760.0	$ 10,967.1
Other revenues	2	147.7	109.8
Total revenues		11,907.7	11,076.9
Cost of sales	20	7,124.6	6,379.9
Gross profit		4,783.1	4,697.0
Operating expenses:			
Research and development	20	783.3	826.8
Selling, general and administrative	20	2,583.8	2,501.9
Litigation settlements and other contingencies, net	19	(13.1)	672.5
Total operating expenses		3,354.0	4,001.2
Earnings from operations		1,429.1	695.8
Gain on fair value adjustment for equity warrants	11	—	(230.6)
Interest expense		534.6	454.8
Other expense, net	19	9.5	135.1
Earnings before income taxes and noncontrolling interest		885.0	336.5
Income tax provision (benefit)	16	222.4	(381.0)
Net earnings attributable to Mylan N.V. ordinary shareholders		$ 662.6	$ 717.5
Earnings per ordinary share attributable to Mylan N.V. ordinary shareholders			
Basic	21	$ 1.24	$ 1.40
Diluted	21	$ 1.23	$ 0.93

Consolidated Financial Statements

Consolidated Statements of Comprehensive Earnings (Loss)

(In millions of U.S. Dollars)

for the year ended 31 December

	Note	2017	2016
Net earnings		$ 662.6	$ 717.5
Other comprehensive (loss) earnings			
Other comprehensive (loss) earnings that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation adjustment	15	2,109.6	(509.1)
Net unrecognized gain (loss) on derivatives in cash flow hedging relationships	15	52.7	(31.2)
Net unrecognized loss on derivatives in net investment hedging relationships	15	(238.4)	(1.8)
Net unrealized (loss) gain on marketable securities	15	(6.7)	24.6
Net other comprehensive earnings (loss) that may be reclassified to profit or loss in subsequent periods		1,917.2	(517.5)
Other comprehensive earnings not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains on defined benefit pension plans	15	6.9	29.5
Net other comprehensive earnings		6.9	29.5
Other comprehensive earnings (loss) for the year, before tax	15	1,924.1	(488.0)
Income tax provision	15	19.2	8.4
Other comprehensive earnings (loss), net of tax		1,904.9	(496.4)
Comprehensive earnings attributable to Mylan N.V. ordinary shareholders		$ 2,567.5	$ 221.1

Consolidated Financial Statements

Consolidated Balance Sheets

(In millions of U.S. Dollars)

	Note	As at 31 December 2017	As at 31 December 2016
Assets			
Current assets:			
Cash and cash equivalents		$ 292.1	$ 998.8
Accounts receivable, net	5	3,612.4	3,310.9
Inventories	6	2,542.7	2,456.4
Prepaid and other current assets	7	683.1	664.5
Total current assets		7,130.3	7,430.6
Non-current assets:			
Property, plant and equipment, net	8	2,349.5	2,332.5
Intangible assets, net	9	15,245.8	14,447.8
Goodwill	9	10,205.7	9,231.9
Deferred income tax benefit	16	549.9	716.0
Other assets	7	295.9	558.8
Total non-current assets		28,646.8	27,287.0
Total assets		$ 35,777.1	$ 34,717.6
Liabilities and Equity			
Current liabilities:			
Trade accounts payable	13	$ 1,452.5	$ 1,348.1
Short-term borrowings	14	46.5	46.4
Income taxes payable	16	112.9	97.7
Current portion of long-term debt and other long-term obligations	14	1,808.9	290.0
Other current liabilities	7	2,964.5	3,243.3
Total current liabilities		6,385.3	5,025.5
Non-current liabilities:			
Long-term debt	14	12,849.1	15,176.6
Other long-term obligations	7	1,235.7	1,358.6
Deferred income tax liability	16	1,946.6	1,952.0
Total non-current liabilities		16,031.4	18,487.2
Total liabilities		22,416.7	23,512.7
Equity			
Ordinary shares		6.0	6.0
Additional paid-in capital		9,524.2	9,435.1
Retained earnings		4,447.0	3,779.7
Accumulated other comprehensive loss	15	(49.1)	(1,949.8)
		13,928.1	11,271.0
Noncontrolling interest		—	1.4
Less: Treasury stock — at cost	22	567.7	67.5
Total equity		13,360.4	11,204.9
Total liabilities and equity		$ 35,777.1	$ 34,717.6

Consolidated Financial Statements

Consolidated Statements of Equity

(In millions of U.S. Dollars)

	Ordinary shares	Additional paid in capital	Treasury stock	Retained earnings	Accumulated other comprehensive earnings (loss)	Total	Noncontrolling interest	Total
Balance as at 31 December 2015	$ 5.5	$ 7,248.7	$ (67.5)	$ 3,043.1	$ (1,434.3)	$ 8,795.5	$ 1.4	$ 8,796.9
Net earnings	—	—	—	717.5	—	717.5	—	717.5
Other comprehensive loss, net of tax	—	—	—	—	(496.4)	(496.4)	—	(496.4)
Stock options exercised, net of shares tendered for payment	—	13.6	—	—	—	13.6	—	13.6
Share-based compensation expense	—	88.9	—	—	—	88.9	—	88.9
Issuance of restricted stock, net of shares withheld	—	(14.2)	—	—	—	(14.2)	—	(14.2)
Tax benefit of stock option plans	—	(13.1)	—	—	—	(13.1)	—	(13.1)
Shares issued for warrant settlement	0.2	829.8	—	—	—	830.0	—	830.0
Issuance of ordinary shares to purchase Meda	0.3	1,281.4	—	—	—	1,281.7	—	1,281.7
Reclassification of actuarial gains on defined benefit pension plans, net of tax	—	—	—	19.1	(19.1)	—	—	—
Balance as at 31 December 2016	$ 6.0	$ 9,435.1	$ (67.5)	$ 3,779.7	$ (1,949.8)	$ 11,203.5	$ 1.4	$ 11,204.9
Net earnings	—	—	—	662.6	—	662.6	—	662.6
Other comprehensive earnings, net of tax	—	—	—	—	1,904.9	1,904.9	—	1,904.9
Ordinary share repurchase	—	—	(500.2)	—	—	(500.2)	—	(500.2)
Stock options exercised, net of shares tendered for payment	—	17.8	—	—	—	17.8	—	17.8
Share-based compensation expense	—	75.7	—	—	—	75.7	—	75.7
Issuance of restricted stock, net of shares withheld	—	(5.8)	—	—	—	(5.8)	—	(5.8)
Tax benefit of stock option plans	—	1.4	—	—	—	1.4	—	1.4
Reclassification of actuarial gains on defined benefit pension plans, net of tax	—	—	—	4.2	(4.2)	—	—	—
Other	—	—	—	0.5	—	0.5	(1.4)	(0.9)
Balance as at 31 December 2017	$ 6.0	$ 9,524.2	$ (567.7)	$ 4,447.0	$ (49.1)	$ 13,360.4	$ —	$ 13,360.4

Consolidated Financial Statements

Consolidated Statements of Cash Flows

(In millions of U.S. Dollars)

for the year ended 31 December

	Note	2017	2016
Cash flows from operating activities:			
Earnings before income taxes and noncontrolling interest		$ 885.0	$ 336.5
Adjustments to reconcile earnings before income taxes and noncontrolling interest to net cash provided by operating activities:			
Depreciation and amortization	20	1,805.8	1,523.0
Litigation settlements and other contingencies, net		(40.1)	597.7
Unrealized losses on acquisition-related foreign currency derivatives	11	—	128.6
Loss from equity method investments	19	58.0	112.8
Share-based compensation expense	20	75.7	91.2
Gain on fair value adjustment for equity warrants	11	—	(230.6)
Financing fees	14	3.2	35.8
Other non-cash items		271.0	509.4
Changes in operating assets and liabilities:			
Accounts receivable		(162.2)	(131.8)
Inventories		(129.5)	(279.3)
Trade accounts payable		14.4	87.7
Income taxes		(295.8)	(264.2)
Other operating assets and liabilities, net		(420.7)	(469.6)
Net cash provided by operating activities		2,064.8	2,047.2
Cash flows from investing activities:			
Cash paid for acquisitions, net		(167.0)	(6,481.9)
Capital expenditures		(275.9)	(390.4)
Payments for product rights and other, net		(620.3)	(360.2)
Cash paid for Meda's unconditional deferred payment		—	(308.0)
Proceeds from sale of assets and subsidiaries		86.7	—
Settlement of acquisition-related foreign currency derivatives		—	(128.6)
Purchase of marketable securities		(96.5)	(30.2)
Change in restricted cash		71.0	57.1
Proceeds from the sale of marketable securities		96.6	21.5
Net cash used in investing activities		(905.4)	(7,620.7)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt		876.1	11,752.2
Payments of long-term debt		(2,232.7)	(6,296.3)
Payments of financing fees		(10.1)	(112.6)
Change in short-term borrowings, net		(2.9)	40.8
Purchase of ordinary shares	22	(500.2)	—
Proceeds from exercise of stock options		17.8	13.8
Taxes paid related to net share settlement of equity awards		(7.4)	(17.5)
Contingent consideration payments		(26.1)	(35.5)
Acquisition of noncontrolling interest		(7.5)	(1.1)
Other items, net		(0.1)	0.8
Net cash (used in) provided by financing activities		(1,893.1)	5,344.6
Effect on cash of changes in exchange rates		27.0	(8.3)
Net (decrease) increase in cash and cash equivalents		(706.7)	(237.2)
Cash and cash equivalents — beginning of period		998.8	1,236.0
Cash and cash equivalents — end of period		$ 292.1	$ 998.8
Cash paid during the period for:			
Income taxes		$ 285.7	$ 285.6
Interest [1]		$ 474.0	$ 357.2

[1] Interest payments are included in other operating assets and liabilities, net within cash flows from operating activities.

1 Nature of operations

Mylan N.V. (the "Company," "Mylan," "our" or "we", each of which is, depending on the context, also used to refer to the group of which Mylan N.V. is the parent company) is engaged in the global development, licensing, manufacture, marketing and distribution of generic, branded generics, brand name and over-the-counter ("OTC") pharmaceutical products for resale by others and active pharmaceutical ingredients ("API") through three reportable segments on a geographic basis, North America, Europe and Rest of World. Our North America segment is primarily made up of our operations in the United States ("U.S.") and Canada, and also includes the operations of our specialty pharmaceuticals business. Our Europe segment is made up of operations in 35 countries within the region, including France, Italy, Germany, the U.K. and Spain. Our Rest of World segment is made up of our activities in over 120 countries, including our operations in Japan, Australia, China, Brazil, Russia, India, South Africa, and certain markets in the Middle-East and South East Asia. Our API business is conducted through Mylan Laboratories Limited ("Mylan India"), which is included within our Rest of World segment.

Mylan N.V. was originally incorporated as a private limited liability company, New Moon B.V., in the Netherlands in 2014. Mylan became a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands through its acquisition of Abbott Laboratories non-U.S. developed markets specialty and branded generics business (the "EPD Business", and such acquisition, together with Mylan N.V.'s acquisition of Mylan Inc., the "EPD Transaction") on 27 February 2015. Mylan's corporate seat is located in Amsterdam, the Netherlands, its registered office is located in the United Kingdom and Mylan N.V. group's global headquarters are located in Canonsburg, Pennsylvania. Mylan N.V.'s shares are publicly traded on the NASDAQ Global Select Stock Market ("NASDAQ") in the U.S. under the symbol "MYL". Our ordinary shares were also traded on the Tel Aviv Stock Exchange ("TASE") in Israel. On 10 November 2017, however, the Company announced that is was voluntarily delisting the Company's ordinary shares from trading on the TASE and the TASE delisting became effective on 12 February 2018.

The Consolidated Financial Statements of the Company for the year ended 31 December 2017 were authorized for issuance in accordance with a resolution of the Board of Directors (the "Board") of Mylan N.V. on 01 May 2018.

2 Summary of significant accounting policies

Basis of preparation

The Consolidated Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"). An overview of the data required pursuant to articles 2:379 and 2:414 of the Dutch Civil Code is enclosed in Note 31 *Subsidiaries*. As the company financial information of Mylan N.V. is included in the Consolidated Financial Statements, the Company Income Statements is presented in abbreviated format in accordance with Article 402, Part 9, Book 2 of the Dutch Civil Code. The Consolidated Financial Statements have been prepared on a historical cost basis, except for derivative financial instruments, including equity warrants and marketable securities, which have been measured at fair value.

General policies

Principles of consolidation

The Consolidated Financial Statements include the accounts of Mylan and those of its wholly owned and majority-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. Investments in associates are recorded at cost and adjusted for the Company's share of the associates' cumulative results of operations, capital contributions and distributions. Noncontrolling interests in the Company's subsidiaries are generally recorded net of tax as net earnings attributable to noncontrolling interests.

Foreign currencies

The Consolidated Financial Statements are presented in U.S. Dollars, the reporting currency of Mylan. Statements of Operations and Cash Flows of all of the Company's subsidiaries that have functional currencies other than U.S. Dollars are translated at a weighted average exchange rate for the period for inclusion in the Consolidated Income Statements and Consolidated Statements of Cash Flows, whereas assets and liabilities are translated at the end of the period exchange rates for inclusion in the Consolidated Balance Sheets. Translation differences are recorded directly in shareholders' equity as foreign currency translation adjustments. Gains or losses on transactions denominated in a currency other than the subsidiaries' functional currency, which arise as a result of changes in foreign currency exchange rates, are recorded in the Consolidated Income Statements.

Consolidated Income Statement policies

Revenue recognition

Mylan recognizes net revenue for product sales when title and risk of loss pass to its customers and when provisions for estimates, including discounts, sales allowances, rebates, Medicaid and other government rebates, price adjustments, returns, chargebacks and other promotional programs, are reasonably determinable. Accruals for these provisions are presented in the Consolidated Financial Statements as reductions in determining net revenues and as a contra asset in accounts receivable, net (if settled via credit) and other current liabilities (if paid in cash). No significant revisions were made to the methodology used in determining these provisions during the years ended 31 December 2017 and 2016. The following briefly describes the nature of our significant provisions and how such provisions are estimated.

- *Incentives offered to customers:* these are offered to key customers to promote customer loyalty and encourage greater product sales. These programs generally provide that upon the attainment of pre-established volumes or the attainment of revenue milestones for a specified period, the customer receives credit against purchases.

- Refer to Note 3 *Significant accounting judgments, estimates and assumptions* for a discussion of chargebacks and provision for returns.

The following briefly describes the nature of our other sales reserves and allowances and how such provisions are estimated:

- *Discounts:* these are reductions to invoiced amounts offered to customers for payment within a specified period and are estimated upon sale utilizing historical customer payment experience.

- *Price adjustments*: these are credits issued to reflect decreases in the selling prices of products and based upon the amount of product which the customer has remaining in its inventory at the time of the price reduction. In addition, there are decreases in selling prices that are discretionary decisions made by the Company to reflect market conditions. Amounts recorded for estimated price adjustments are based upon specified terms with customers, estimated launch dates of competing products and estimated declines in market price.

- *Governmental rebate program*s: government reimbursement programs include Medicare, Medicaid, and State Pharmacy Assistance Programs established according to statute, regulations and policy. Manufacturers of pharmaceutical products that are covered by the Medicaid program are required to rebate to each state a percentage of their average manufacturer's price for the products dispensed. Medicare beneficiaries are eligible to obtain discounted prescription drug coverage from private sector providers. In addition, certain states have also implemented supplemental rebate programs that obligate manufacturers to pay rebates in excess of those required under federal law. Our estimate of these rebates is based on the historical trends of rebates paid as well as on changes in wholesaler inventory levels and increases or decreases in the level of sales.

- *Other promotional programs:* these are incentive programs periodically offered to our customers. The Company is able to estimate provisions for volume-based sales allowances and other promotional programs based on the specific terms in each agreement at the time of sale.

Royalty or profit share revenue from licensees, which are based on third-party sales of licensed products and technology, is recorded in accordance with the contract terms, when third-party sales can be reliably measured and collection of the funds is reasonably assured. Royalty revenue is included in other revenue in the Consolidated Income Statements.

The Company recognizes contract manufacturing and other service revenue when the service is performed or when the Company's partners take ownership and title has passed, collectability is reasonably assured, the sales price is fixed or determinable, and there is persuasive evidence of an arrangement.

Research and development costs

Research and development ("R&D") costs are expensed to the Consolidated Income Statements in the period in which they are incurred. Development expenditures are capitalized to the extent the expenditure is probable to generate future economic benefits. Given this requirement, the Company has not capitalized development expenditures in the periods presented in these Consolidated Financial Statements.

Share-based compensation

Compensation expense for share-based awards that are expected to vest is measured at the fair value on the date of grant and recognized over the requisite service period with a corresponding increase in equity. The fair value of options is determined using the Black-Scholes valuation model, or a lattice model for certain share based awards with market conditions, and the fair value of restricted stock awards is determined based on the number of shares granted and the quoted price of the Company's ordinary shares on the date of the grant. The Company recognizes expense for share-based awards using the graded vesting method.

Income taxes

Income taxes are comprised of both current and deferred tax. If an underlying transaction is recognized directly in equity, the related tax effect is also recognized in equity or other comprehensive income. Current tax is tax that will be paid or received for the current year, applying the tax rates enacted or substantially enacted as of the reporting date. This includes adjustment of current tax attributable to prior periods. Deferred tax is recognized using the balance sheet liability method on all temporary differences arising as the differences between the tax base of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred tax is determined using the tax rates and tax rules enacted or substantially enacted by the reporting date and that are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Deferred tax assets relating to deductible temporary differences and loss carry-forwards are only recognized where it is more likely than not that they will be used and will result in reduced future tax payments.

Consolidated Balance Sheet policies

Business combinations

The Company accounts for acquired businesses using the purchase method of accounting, which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values. The cost to acquire a business is allocated to the underlying net assets of the acquired business in proportion to their respective fair values. Amounts allocated to acquired in-process research and development ("IPR&D") are capitalized at the date of an acquisition and while in development, the Company's IPR&D assets are not amortized.

Contingent consideration resulting from business acquisitions is recorded at fair value as of the acquisition date. Each reporting period thereafter, the Company revalues these obligations and records increases or decreases in their fair value as required as a charge (credit) to litigation settlements and other contingencies, net within the Consolidated Income Statements.

The excess of the consideration transferred over the fair value of the identifiable net assets acquired in a business combination is recorded as goodwill. The Company has a group of five units at which goodwill is monitored for internal management purposes. These cash-generating units ("CGUs") are defined as an operating segment or one level below an operating segment. The allocation of goodwill is made to those cash-generating units or groups of cash-generating units, based upon an estimate of the fair value at the acquisition date.

Cash and cash equivalents

Cash and cash equivalents are comprised of highly liquid investments with an original maturity of three months or less at the date of purchase. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of Mylan, and earn interest at the respective short-term deposit rates.

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost principally determined by the first-in, first-out method. Provisions for potentially obsolete or slow-moving inventory, including pre-launch inventory, are made based on our analysis of inventory levels, historical obsolescence and future sales forecasts and are included in cost of sales in the Consolidated Income Statements.

Marketable securities

Marketable equity and debt securities classified as available-for-sale are recorded at fair value, with net unrealized gains and losses, net of income taxes, reflected in accumulated other comprehensive loss as a component of shareholders' equity. Net realized gains and losses on sales of available-for-sale securities are computed on a specific security basis and are included in other expense, net, in the Consolidated Income Statements. Marketable equity and debt securities classified as trading securities are valued at the quoted market price from broker or dealer quotations or transparent pricing sources at the reporting date, and realized and unrealized gains and losses are included in other expense, net, in the Consolidated Income Statements.

Financial assets and liabilities at amortized cost

Financial assets carried at amortized cost include accounts receivables, net. Financial liabilities carried at amortized cost include trade accounts payable, short-term borrowings, income taxes payable, other current liabilities, long-term debt, including current portion and other long-term obligations.

Financial instruments

The Company's financial instruments consist primarily of short-term and long-term debt, interest rate swaps, forward contracts and option contracts. The Company's financial instruments also include cash and cash equivalents as well as accounts receivable and accounts payable, the fair values of which approximate their carrying values. As a policy, the Company does not engage in speculative or leveraged transactions.

The Company uses derivative financial instruments for the purpose of hedging foreign currency and interest rate exposures. The Company carries derivative instruments on the Consolidated Balance Sheets at fair value, determined by reference to market data such as forward rates for currencies, implied volatilities, and interest rate swap yield curves. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, the reason for holding it.

From time to time the Company may enter into derivative financial instruments (mainly foreign currency exchange forward contracts, interest rate swaps and purchased equity call options) designed to: 1) hedge the cash flows resulting from existing assets and liabilities and transactions that are highly probable of being entered into over the next 24 months in currencies other than the functional currency, 2) hedge the variability in interest expense on floating rate debt, 3) hedge the fair value of fixed-rate notes, or 4) hedge against changes in interest rates that could impact future debt issuances. Derivatives are recognized as assets or liabilities in the Consolidated Balance Sheets at their fair value. When the derivative instrument qualifies as a cash flow hedge, changes in the fair value are included in earnings or deferred through other comprehensive earnings depending on the nature and effectiveness of the offset. The effective portion of cash flow hedges, which is recognized in other comprehensive income ("OCI"), is later reclassified when the hedged item affects profit or loss. If a derivative instrument qualifies as a fair value hedge, the changes in the fair value, as well as the offsetting changes in the fair value of the hedged items, are included in interest expense. When such instruments do not qualify for hedge accounting, the changes in fair value are recorded in the Consolidated Income Statements within other expense, net.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

Property, plant and equipment

PP&E are valued at cost of acquisition less accumulated depreciation. The cost of acquisition includes expenditures that can be related directly to the acquisition of the asset. The estimated useful lives of the principal PP&E categories are as follows:

Category	Depreciation period
Buildings	15 to 39 years
Machinery and equipment	3 to 18 years
Capitalized software	3 to 7 years
Construction in progress	No depreciation
Land	No depreciation

PP&E is depreciated using the straight-line method, based on an estimated useful life when the asset is placed into service, taking into account residual value. PP&E is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the assets concerned may not be recoverable. Impairments are reversed if and to the extent that the impairment no longer exists. The assets' residual values and useful lives are reviewed at least annually and adjusted if appropriate.

Intangible assets

Intangible assets acquired in a business combination are initially recognized at fair value and definite-lived assets are amortized over an estimated useful life. Indefinite-lived intangible assets are carried at cost less accumulated impairment losses, if any. As products in development are approved for sale, amounts will be allocated to product rights and licenses and will be amortized over their estimated useful lives. After initial recognition, definite-lived intangible assets acquired separately are stated at cost less accumulated amortization and impairment losses, if any. Amortization is generally recorded on a straight-line basis over estimated useful lives ranging from 3 to 20 years. The Company periodically reviews the original estimated useful lives of intangible assets and makes adjustments when events indicate that a shorter life is appropriate.

Purchases of developed products and licenses that are accounted for as an asset acquisition are capitalized as intangible assets and amortized over an estimated useful life. IPR&D assets acquired as part of an asset acquisition are expensed immediately if they have no alternative future use.

Impairment of non-financial assets

If an indication of impairment is determined to exist, or when annual impairment testing for an asset is required, Mylan estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or CGU. Measurements of fair value used in this process represent Level 3 measurements, as they are based on significant inputs not observable in the market.

Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is tested for impairment annually as at 01 April and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, the difference is recognized as an impairment loss. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives, including IPR&D, are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. Impairments are reversed if and to the extent that the impairment no longer exists.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that

would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Consolidated Income Statements.

Investments in associates and joint operations

The Company accounts for investments in associates as equity method investments. As of 31 December 2017, these investments in associates consist of investments in limited liability companies that own refined coal production plants (the "clean energy investments"). An associate is an entity over which Mylan has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The aggregate of Mylan's share of profit or loss of an associate and a joint venture is shown within other expense, net in the Consolidated Income Statements. The Company's investments in joint operations, principally collaborative arrangements, are not structured through separate vehicles. The Company has several joint operations. The Company accounts for its rights to the assets and revenues, and obligations for liabilities and expenses related to these joint operations in accordance with the respective contractual arrangements.

3 Significant accounting judgments, estimates and assumptions

The preparation of Mylan's Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates, assessments and assumptions are evaluated continually and are based on past experience and other factors, including expectations of future events that are deemed reasonable under prevailing conditions. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Consolidated Financial Statements.

Net revenue provisions

Net revenues are recognized for product sales when risks and rewards of ownership passes to the customer and when provisions for estimates, including discounts, sales allowances, price adjustments, returns, chargebacks and other promotional programs are measured reliably. Accruals for these provisions are presented in the Consolidated Financial Statements as reductions in determining net revenues and in accounts receivable and other current liabilities.

The Company has not made and does not anticipate making any significant changes to the methodologies that we use to measure chargebacks, incentives offered to customers or returns; however, the balances within these reserves can fluctuate significantly through the consistent application of our methodologies. In the current year, accruals for incentives offered to customers increased as a result of an increase in related sales and overall higher rebate rates, mainly in response to the competitive environment in various markets. Historically, the Company has not recorded in any current period any material amounts related to adjustments made to prior period reserves.

Provisions for estimated discounts, sales allowances, promotional and other credits require a lower degree of subjectivity and are less complex in nature, yet, when combined, represent a significant portion of the overall provisions. These provisions are estimated based on historical payment experience, historical relationships to revenues, estimated customer inventory levels and contract terms. Such provisions are determinable due to the limited number of assumptions and consistency of historical experience. Others, such as chargebacks and returns, require management to make more subjective judgments and evaluate current market conditions. These provisions are discussed in further detail below.

Chargebacks — The provision for chargebacks is the most significant and complex estimate used in the recognition of revenue. Mylan markets products directly to wholesalers, distributors, retail pharmacy chains, mail order pharmacies and group purchasing organizations. We also market products indirectly to independent pharmacies, managed care organizations, hospitals, nursing homes and pharmacy benefit managers, collectively referred to as "indirect customers." Mylan enters into

agreements with its indirect customers to establish contract pricing for certain products. The indirect customers then independently select a wholesaler from which to actually purchase the products at these contracted prices. Alternatively, certain wholesalers may enter into agreements with indirect customers that establish contract pricing for certain products, which the wholesalers provide. Under either arrangement, Mylan will provide credit to the wholesaler for any difference between the contracted price with the indirect party and the wholesaler's invoice price. Such credit is called a chargeback, while the difference between the contracted price and the wholesaler's invoice price is referred to as the chargeback rate. The provision for chargebacks is based on expected sell-through levels by our wholesaler customers to indirect customers, as well as estimated wholesaler inventory levels. For the latter, in most cases, inventory levels are obtained directly from certain of our largest wholesalers. Additionally, internal estimates are prepared based upon historical buying patterns and estimated end-user demand. Such information allows us to estimate the potential chargeback that we may ultimately owe to our customers given the quantity of inventory on hand. We continually monitor our provision for chargebacks and evaluate our reserve and estimates as additional information becomes available. A change of 5% in the estimated sell-through levels by our wholesaler customers and in the estimated wholesaler inventory levels would have an effect on our reserve balance of approximately $33 million.

Returns — Consistent with industry practice, we maintain a return policy that allows our customers to return product within a specified period prior to and subsequent to the expiration date. Although application of the policy varies from country to country in accordance with local practices, generally, product may be returned for a period beginning six months prior to its expiration date to up to one year after its expiration date. The majority of our product returns occur as a result of product dating, which falls within the range set by our policy, and are settled through the issuance of a credit to our customer. Although the introduction of additional generic competition does not give our customers the right to return product outside of our established policy, we do recognize that such competition could ultimately lead to increased returns. We analyze this on a case-by-case basis, when significant, and make adjustments to increase our reserve for product returns as necessary. Our estimate of the provision for returns is based upon our historical experience with actual returns, which is applied to the level of sales for the period that corresponds to the period during which our customers may return product. This period is known by us based on the shelf lives of our products at the time of shipment. Additionally, we consider factors such as levels of inventory in the distribution channel, product dating and expiration period, size and maturity of the market prior to a product launch, entrance into the market of additional generic competition, changes in formularies or launch of over-the-counter products, and make adjustments to the provision for returns in the event that it appears that actual product returns may differ from our established reserves. We obtain data with respect to the level of inventory in the channel directly from certain of our largest customers. A change of 5% in the estimated product return rate used in our calculation of our return reserve would have an effect on our reserve balance of approximately $24 million.

Income taxes

We compute our income taxes based on the statutory tax laws and tax planning opportunities available to Mylan in the various jurisdictions in which we operate. Significant judgment is required in determining our income taxes and in evaluating our tax positions. We establish reserves in accordance with the requirement that the tax effects from an uncertain tax position be recognized in Mylan‘s financial statements, only if the position is more likely than not of being sustained upon audit, based on the technical merits of the position. We adjust these reserves in light of changing facts and circumstances, such as the settlement of a tax audit. Our provision for income taxes includes the impact of reserve provisions and changes to reserves. Favorable resolution would be recognized as a reduction to our provision for income taxes in the period of resolution.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred in certain taxing jurisdictions over the three-year period ended 31 December 2017. Such objective evidence limits the ability to consider other subjective evidence such as our projections for future growth.

Based on this evaluation, as at 31 December 2017, $662.8 million of deferred tax assets have not been recognized as they do not meet the more likely than not standard of realization. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as projections for growth. The resolution of tax reserves and changes in valuation allowances could be material to Mylan's results of operations or financial condition.

Business combinations and contingent consideration

The judgments made in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed in a business combination, as well as asset lives, can materially impact the Company's results of operations. Fair values and useful

lives are determined based on, among other factors, the expected future period of benefit of the asset, the various characteristics of the asset and projected cash flows. Because this process involves management making estimates with respect to future sales volumes, pricing, new product launches, government reform actions, anticipated cost environment and overall market conditions, and because these estimates form the basis for the determination of whether or not future impairment charges should be recorded, these estimates are considered to be significant accounting estimates.

Changes in the fair value of the contingent consideration obligations can result from adjustments to the discount rates, payment periods and adjustments in the probability of achieving future development steps, regulatory approvals, market launches, sales targets and profitability. These fair value measurements represent Level 3 measurements, as they are based on significant inputs not observable in the market. Significant judgment is employed in determining the assumptions utilized as of the acquisition date and for each subsequent measurement period. Accordingly, changes in the assumptions described above could have a material impact on the Company's consolidated financial condition and results of operations.

Legal matters

Mylan is involved in various legal proceedings, some of which involve claims for substantial amounts. An estimate is made to accrue for a loss contingency relating to any of these legal proceedings if it is more likely than not that a liability was incurred as of the date of the financial statements and the amount of loss can be reasonably estimated. Because of the subjective nature inherent in assessing the outcome of litigation and because of the potential that an adverse outcome in a legal proceeding could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or share price, such estimates are considered to be significant accounting estimates.

A variance of 5% between estimated and recorded litigation reserves (excluding indemnified claims) and actual resolution of certain legal matters would have an effect on our litigation reserve balance of approximately $9 million.

4 Business combinations and other transactions

Apicore Inc.

On 03 October 2017, the Company completed the acquisition of Apicore, Inc. ("Apicore"), a U.S. based developer and manufacturer of API for approximately $174.9 million, net of cash acquired, which includes estimated contingent consideration of approximately $4 million related to the potential $15 million payment contingent on the achievement of certain 2017 financial results of the acquired business. As of 31 December 2017, Apicore did not achieve the financial results that would have triggered the contingent consideration payment. As a result, the Company recognized a gain of $4 million during the year ended 31 December 2017 from the reversal of the estimated contingent consideration, which was recognized as a component of litigation settlements and other contingencies, net in the Company's Consolidated Statements of Operations.

The preliminary allocation of the $174.9 million purchase price to the assets acquired and liabilities assumed for this business is as follows:

(In millions of USD)	
Current assets (net of cash acquired)	$ 6.5
Identified intangible assets	121.0
Goodwill	92.2
Other assets	1.9
Total assets acquired	221.6
Current liabilities	(4.1)
Deferred tax liabilities	(40.9)
Other non-current liabilities	(1.7)
Net assets acquired	$ 174.9

The preliminary fair value estimates for the assets acquired and liabilities assumed were based upon preliminary calculations, valuations and assumptions that are subject to change as the Company obtains additional information during the measurement period (up to one year from the acquisition date). The primary areas subject to change relate to the finalization of the working capital components, the valuation of intangible assets and income taxes.

The acquisition of Apicore added a diversified portfolio of API products to the Company's existing portfolio. The identified intangible assets of $121.0 million are comprised of product rights and licenses with a weighted average useful life of seven years and includes in-process research and development with a fair value of $9 million at date of the acquisition. Significant assumptions utilized in the valuation of identified intangible assets were based on company specific information and projections which are not observable in the market and are thus considered Level 3 measurements. The goodwill of $92.2 million arising from the acquisition consisted largely of the value of the employee workforce and the expected value of products to be developed in the future. The final allocation of goodwill to Mylan's reportable segments has not been completed; however, the goodwill is expected to be allocated to the North America segment. None of the goodwill recognized in this transaction is currently expected to be deductible for income tax purposes. The acquisition did not have a material impact on the Company's results of operations since the acquisition date or on a pro forma basis for the twelve months ended 31 December 2017 and 2016.

Meda AB

On 10 February 2016, the Company issued an offer announcement under the Nasdaq Stockholm's Takeover Rules and the Swedish Takeover Act (collectively, the "Swedish Takeover Rules") setting forth a public offer to the shareholders of Meda to acquire all of the outstanding shares of Meda (the "Offer"), with an enterprise value, including the net debt of Meda, of approximately Swedish krona ("SEK" or "kr") 83.6 billion (based on a SEK/USD exchange rate of 8.4158) or $9.9 billion at announcement. On 02 August 2016, the Company announced that the Offer was accepted by Meda shareholders holding an aggregate of approximately 343 million shares, representing approximately 94% of the total number of outstanding Meda shares, as of 29 July 2016, and the Company declared the Offer unconditional. On 05 August 2016, settlement occurred with respect to the Meda shares duly tendered by 29 July 2016 and, as a result, Meda became a controlled subsidiary of the Company. Pursuant to the terms of the Offer, each Meda shareholder that duly tendered Meda shares into the Offer received at settlement (1) in respect of 80% of the number of Meda shares tendered by such shareholder, 165kr in cash per Meda share, and (2) in respect of the remaining 20% of the number of Meda shares tendered by such shareholder, 0.386 of the Company's ordinary shares per Meda share (subject to treatment of fractional shares as described in the offer document published on 16 June 2016). The non-tendered shares were required to be acquired for cash through a compulsory acquisition proceeding, in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)). The compulsory acquisition proceeding price accrued interest as required by the Swedish Companies Act. Meda's shares were delisted from the Nasdaq Stockholm exchange on 23 August 2016.

On 01 November 2016, the Company made an offer to the remaining Meda shareholders to tender all their Meda shares for cash consideration of 161.31kr per Meda share (the "November Offer") to provide such remaining shareholders with an opportunity to sell their shares in Meda to the Company in advance of the automatic acquisition of their shares for cash in connection with the compulsory acquisition proceeding. At the end of November 2016, Mylan completed the acquisition of approximately 19 million Meda shares duly tendered for aggregate cash consideration of approximately $330.3 million. In March 2017, the Company received full legal ownership to the remaining non-tendered Meda shares in exchange for a cash payment of approximately $71.6 million, equal to the uncontested portion of the compulsory acquisition price plus statutory interest, and the Company's arrangement of a customary bank guarantee to secure the payment of any additional cash consideration that may be awarded to the former Meda shareholders in the compulsory acquisition proceeding. In October 2017, the arbitration tribunal awarded a price of 163.07kr per Meda share, plus statutory interest of 1.5% per annum, to the former Meda shareholders subject to the compulsory acquisition proceeding. On 15 November 2017 Mylan paid an additional approximately $0.9 million plus interest to such former Meda shareholders and, in accordance with Swedish law, the fees of the arbitrators and costs of other parties to the compulsory acquisition proceeding. As of 31 December 2017, the Company maintained the bank guarantee as required by Swedish law. The bank guarantee was released on 27 February 2018, definitively concluding the compulsory acquisition proceeding.

On 05 August 2016, the total purchase price was approximately $6.92 billion, net of cash acquired, which includes cash consideration paid of approximately $5.28 billion, the issuance of approximately 26.4 million Mylan N.V. ordinary shares at a fair value of approximately $1.28 billion based on the closing price of the Company's ordinary shares on 05 August 2016, as reported by the NASDAQ, and an assumed liability of approximately $431.0 million related to the compulsory acquisition proceeding of the non-tendered Meda shares. The Company used the acquisition method of accounting to account for this transaction. Under the acquisition method of accounting, the assets acquired and liabilities assumed in the transaction have been recorded at their respective estimated fair values at the acquisition date. Acquisition related costs of approximately $182 million were incurred during the year ended 31 December 2016, which were recorded as components of R&D expense, selling, general and administrative expense ("SG&A"), interest expense and other expense, net in the Consolidated Statements of Operations. These costs included approximately $128.6 million of losses on non-designated foreign currency forward and option contracts entered into in order to economically hedge the SEK purchase price of the Offer (explained further in Note 12 *Fair Value*

Measurement) and approximately $45.2 million of financing fees related to the termination of a 2016 bridge credit agreement entered into in connection with the Meda acquisition (explained further in Note 14 *Debt*).

During the year ended 31 December 2017, adjustments were made to the preliminary purchase price recorded at 31 December 2016, and are reflected as "Measurement Period Adjustments" in the table below. The allocation of the $6.92 billion purchase price to the assets acquired and liabilities assumed for Meda is as follows:

(In millions of USD)	Preliminary Purchase Price Allocation as of December 31, 2016 [(a)]	Measurement Period Adjustments [(b)]	Purchase Price Allocation as of December 31, 2017 (as adjusted)
Current assets (excluding inventories and net of cash acquired)	$ 482.5	$ (9.2)	$ 473.3
Inventories	463.1	5.0	468.1
Property, plant and equipment	177.5	—	177.5
Identified intangible assets	8,060.7	—	8,060.7
Goodwill	3,676.9	7.7	3,684.6
Other assets	9.5	(0.7)	8.8
Total assets acquired	12,870.2	2.8	12,873.0
Current liabilities	(1,105.9)	(4.9)	(1,110.8)
Long-term debt, including current portion	(2,864.6)	—	(2,864.6)
Deferred tax liabilities	(1,613.9)	0.7	(1,613.2)
Pension and other postretirement benefits	(322.3)	—	(322.3)
Other noncurrent liabilities	(42.4)	1.4	(41.0)
Net assets acquired	$ 6,921.1	$ —	$ 6,921.1

(a) As previously reported in the Company's Annual IFRS Report for the year ended 31 December 2016.

(b) The measurement period adjustments recorded in 2017 are primarily related to certain income tax adjustments and working capital related estimates to reflect facts and circumstances that existed as of the acquisition date.

The acquisition of Meda created a more diversified and expansive portfolio of branded and generic medicines along with a strong and growing portfolio of OTC products. The combined company has a balanced global footprint with significant scale in key geographic markets, particularly the U.S. and Europe. The acquisition of Meda also expanded our presence in key emerging markets, including, China, Russia, Turkey, and Mexico, and in countries in South East Asia, and the Middle East, which complemented Mylan's existing presence in India, Brazil and Africa (including South Africa). The Company recorded a step-up in the fair value of inventory of approximately $107 million at the acquisition date, which was fully amortized as of 31 December 2016. The amortization of the inventory step-up was included in cost of sales in the Consolidated Income Statements.

The identified intangible assets of $8.06 billion are comprised of product rights and licenses that have a weighted average useful life of 20 years. Significant assumptions utilized in the valuation of identified intangible assets were based on company specific information and projections which are not observable in the market and are thus considered Level 3 measurements. The goodwill of $3.68 billion arising from the acquisition consisted largely of the value of the employee workforce and the expected value of products to be developed in the future. Approximately $3.4 billion of goodwill recognized was allocated to the Europe segment, with approximately $290 million allocated to the North America segment, and approximately $6 million allocated to the Rest of World segment. None of the goodwill recognized in this transaction is currently expected to be deductible for income tax purposes.

The settlement of the Offer constituted an Acceleration Event (as defined in the Rottapharm Agreement referred to below) under the Sale and Purchase Agreement, dated as of 30 July 2014 (the "Rottapharm Agreement"), among Fidim S.r.l., Meda Pharma S.p.A and Meda, the occurrence of which accelerated an unconditional deferred purchase price payment of approximately $308 million (€275 million) relating to Meda's acquisition of Rottapharm S.p.A. which otherwise would have been payable in January 2017. The amount was paid during the year ended 31 December 2016.

The operating results of Meda have been included in the Company's Consolidated Statements of Operations since the acquisition date. The total revenues of Meda for the period from the acquisition date to 31 December 2016 were $833.9 million and the net loss, net of tax, was $208.7 million, which includes the effects of the purchase accounting adjustments and acquisition related costs. If the combination had taken place at the beginning of the year, the unaudited pro forma revenue and earnings before income taxes and noncontrolling interest of the Company would have been $12.3 billion and $436.7 million, respectively.

Renaissance Topicals Business

On 15 June 2016, the Company completed the acquisition of the non-sterile, topicals-focused business (the "Topicals Business") of Renaissance Acquisition Holdings, LLC ("Renaissance") for approximately $1.0 billion in cash at closing, including amounts deposited into escrow for potential contingent payments, subject to customary adjustments. The Topicals Business provided the Company with a complementary portfolio of commercial and pipeline products and an established U.S. sales and marketing infrastructure targeting dermatologists. The Topicals Business also provided an integrated manufacturing and development platform. The Company used the acquisition method of accounting to account for this transaction. Under the acquisition method of accounting, the assets acquired and liabilities assumed in the transaction were recorded at their respective estimated fair values at the acquisition date. The purchase price was $972.7 million, which includes estimated contingent consideration of approximately $16 million related to the potential $50 million payment contingent on the achievement of certain 2016 financial targets. The contingent consideration was resolved in the fourth quarter of 2017 for a net payment of approximately $40 million and the Company recognized a charge of $23.5 million included as a component of litigation settlements and other contingencies, net in the Company's Consolidated Income Statements.

The allocation of the $972.7 million purchase price to the assets acquired and liabilities assumed for the Topicals Business is as follows:

(In millions of USD)	Purchase Price Allocation
Current assets (excluding inventories)	$ 57.7
Inventories	74.2
Property, plant and equipment	54.8
Identified intangible assets	467.0
In-process research and development	275.0
Goodwill	318.6
Other assets	0.1
Total assets acquired	1,247.4
Current liabilities	(74.2)
Deferred tax liabilities	(194.6)
Other noncurrent liabilities	(5.9)
Net assets acquired	$ 972.7

The acquisition of the Topicals Business broadened the Company's dermatological portfolio. The amount allocated to IPR&D represents an estimate of the fair value of purchased in-process technology for research projects that, as of the closing date of the acquisition, had not reached technological feasibility and had no alternative future use. The fair value of IPR&D of $275.0 million was based on the excess earnings method, which utilizes forecasts of expected cash inflows (including estimates for ongoing costs) and other contributory charges. A discount rate of 12.5% was utilized to discount net cash inflows to present values. IPR&D is accounted for as an indefinite-lived intangible asset and will be subject to impairment testing until completion or abandonment of the projects. Upon successful completion and launch of each product, the Company will make a determination of the estimated useful life of the individual IPR&D asset and amounts will be allocated to product rights and licenses in intangible assets. The acquired IPR&D projects are in various stages of completion and the estimated costs to complete these projects total approximately $38 million, which is expected to be incurred through 2019. There are risks and uncertainties associated with the timely and successful completion of the projects included in IPR&D, and no assurances can be given that the underlying assumptions used to estimate the fair value of IPR&D will not change or the timely completion of each project to commercial success will occur.

The identified intangible assets of $467.0 million are comprised of $454.0 million of product rights and licenses that have a weighted average useful life of 14 years and $13.0 million of contract manufacturing agreements that have a weighted average useful life of five years. Significant assumptions utilized in the valuation of identified intangible assets were based on company specific information and projections which are not observable in the market and are thus considered Level 3 measurements.

The goodwill of $318.6 million arising from the acquisition consisted largely of the value of the employee workforce and the expected value of products to be developed in the future. All of the goodwill was assigned to the North America segment. None of the goodwill recognized in this transaction is currently expected to be deductible for income tax purposes. Acquisition related costs of approximately $3.6 million were incurred during the year ended 31 December 2016 related to this transaction, which were recorded as a component of SG&A in the Consolidated Income Statements. The acquisition did not have a material impact on the Company's results of operations since the acquisition date or on a pro forma basis for the twelve months ended 31 December 2016 and 2015.

Jai Pharma Limited

On 20 November 2015, the Company completed the acquisition of certain women's healthcare businesses from Famy Care Limited ("Jai Pharma Limited") through its wholly owned subsidiary Mylan Laboratories Limited for a cash payment of $750 million plus additional contingent payments of up to $50 million for the filing for approval with, and receipt of approval from, the U.S. Food and Drug Administration ("FDA") of a product under development with Jai Pharma Limited.

The Company used the acquisition method of accounting to account for this transaction. Under the acquisition method of accounting, the assets acquired and liabilities assumed in the transaction were recorded at their respective estimated fair values at the acquisition date. The purchase price was $711.1 million, which excludes the $50 million paid into escrow at closing that was contingent upon at least one of two former principal shareholders of Jai Pharma Limited continuing to provide consulting services to the acquired business for the two-year post-closing period which was treated as compensation expense over the service period. This escrow amount was released to the former owners in November 2017. The purchase price also excludes $7 million of working capital and other adjustments and includes estimated contingent consideration at the date of acquisition of approximately $18 million related to the $50 million contingent payment.

The allocation of the $711.1 million purchase price to the assets acquired and liabilities assumed for Jai Pharma Limited is as follows:

(In millions of USD)	Purchase Price Allocation
Current assets (excluding inventories)	$ 28.6
Inventories	4.9
Property, plant and equipment	17.2
Identified intangible assets	437.0
In-process research and development	98.0
Goodwill	323.9
Other assets	0.7
Total assets acquired	910.3
Current liabilities	(14.5)
Deferred tax liabilities	(184.7)
Net assets acquired	$ 711.1

The acquisition of Jai Pharma Limited significantly broadened the Company's women's healthcare portfolio and strengthened its technical and manufacturing capabilities. The amount allocated to IPR&D represents an estimate of the fair value of purchased in-process technology for research projects that, as of the closing date of the acquisition, had not reached technological feasibility and had no alternative future use. The fair value of IPR&D was based on the excess earnings method, which utilizes forecasts of expected cash inflows (including estimates for ongoing costs) and other contributory charges. Discount rates of 10% and 11% were utilized to discount net cash inflows to present values. IPR&D is accounted for as an indefinite-lived intangible asset and will be subject to impairment testing until completion or abandonment of the projects. Upon successful completion and launch of each product, the Company will make a determination of the estimated useful life of the individual IPR&D asset and amounts will be allocated to product rights and licenses in intangible assets. The acquired

IPR&D projects are in various stages of completion and the estimated costs to complete these products are expected to be incurred through 2019. There are risks and uncertainties associated with the timely and successful completion of the projects included in IPR&D, and no assurances can be given that the underlying assumptions used to estimate the fair value of IPR&D will not change or the timely completion of each project to commercial success will occur.

The identified intangible assets of $437.0 million are comprised of product rights and licenses that have weighted average useful lives of nine years. Significant assumptions utilized in the valuation of identified intangible assets were based on company specific information and projections which are not observable in the market and are thus considered Level 3 measurements. The goodwill of $323.9 million arising from the acquisition consisted largely of the value of the employee workforce and the value of products to be developed in the future. A majority of the goodwill was assigned to Mylan's Rest of World segment. During the year ended 31 December 2016, the Company received approvals from the relevant Indian regulatory authorities to legally merge its wholly owned subsidiary, Jai Pharma Limited, into Mylan Laboratories Limited. The merger resulted in the recognition of a deferred tax asset of $150 million for the tax deductible goodwill in excess of the book goodwill with a corresponding benefit to income tax provision for the year ended 31 December 2016. Acquisition related costs of approximately $8.5 million were incurred during the year ended 31 December 2015, which were recorded as a component of SG&A expense in the Consolidated Income Statements.

Other transactions

As part of the Meda acquisition, the Company acquired the in-licensed rights to Betadine in certain European markets. These rights were set to expire on 31 December 2017. Under the licensing agreement, Meda had a binding option to acquire a perpetual license for the rights to Betadine under certain conditions. In October 2017, the Company finalized an agreement to acquire the perpetual license. An estimated liability of approximately $300 million for the purchase of these rights was accrued for on the Meda acquisition opening balance sheet. On 02 January 2018, the Company paid the amounts due to acquire the perpetual license.

On 25 December 2017, the Company entered into an agreement to reacquire certain intellectual property rights and marketing authorizations related to a product commercialized in Japan for $90.0 million payable in the second quarter of 2018. The Company has recognized a liability in its Condensed Consolidated Balance Sheet as of 31 December 2017 for the reacquisition of these rights. The Company accounted for this transaction as an asset acquisition and the asset will be amortized over a useful life of five years.

On 30 November 2017, the Company entered into an exclusive license and supply agreement with Natco Pharma Limited ("Natco") for API related to the Company's Glatiramer Acetate Injection 40 mg/mL product for $22.5 million paid at closing and $29.5 million due through 2019. The license grants the Company the exclusive right to license, market and sell the product in North America and certain other territories. The Company may also be required to make additional payments contingent upon the achievement of certain financial results of the product. The intangible asset recognized totaled $52 million and is being amortized over a useful life of 15 months.

On 29 September 2017, the Company completed the acquisition of intellectual property rights and marketing authorizations related to a product in certain markets for $40 million. The Company accounted for this transaction as an asset acquisition and the asset is being amortized over a useful life of five years.

On 19 June 2017, the Company completed the acquisition of a portfolio of four generic pharmaceutical products in the U.S. The acquisition price was $256.7 million and the Company accounted for this transaction as an asset acquisition. The intangible asset recognized totaled $252.5 million with the remaining assets primarily consisting of receivables. The intangible asset is being amortized over a useful life of seven years.

On 02 June 2017, the Company completed the acquisition of additional intellectual property rights and marketing authorizations in certain rest of world markets for a product that the Company previously licensed in certain European markets. The acquisition price was $128.0 million and the Company accounted for this transaction as an asset acquisition. The intangible asset is being amortized over a useful life of five years.

On 29 March 2017, the Company announced that it had completed its acquisition of the global rights to the Cold-EEZE® brand cold remedy line from ProPhase Labs, Inc. for approximately $50 million in cash. The Company accounted for this transaction as an asset acquisition and the asset is being amortized over a useful life of 15 years.

On 14 February 2017, the Company entered into a joint development and marketing agreement for a respiratory product that resulted in approximately $50 million in R&D expense in the first quarter of 2017.

During the year ended 31 December 2016, the Company entered into an agreement to acquire a marketed pharmaceutical product for an upfront payment of approximately $57.9 million in cash. The Company accounted for this transaction as an asset acquisition and is amortizing the product over a weighted useful life of five years.

In December 2015, the Company entered into an agreement to acquire certain European intellectual property rights and marketing authorizations. The purchase price was $202.5 million including approximately $2.5 million of transaction costs. The Company accounted for this transaction as an asset acquisition. The Company paid $10 million in cash at the closing of the transaction. The Company paid approximately $165 million during 2016 and the remaining $25 million was paid in 2017. The asset is being amortized over a useful life of five years.

5 Accounts receivable, net

Trade receivables are presented net of provisions for estimated discounts, sales allowances, promotional and other credits, which were $1.98 billion and $2.05 billion as at 31 December 2017 and 2016, respectively. Refer to Note 2 *Summary of Significant Accounting Policies* for further discussion of such allowances. Accounts receivable, net was comprised of the following as at 31 December 2017 and 2016, respectively:

	As at	
(In millions of USD)	**31 December 2017**	**31 December 2016**
Trade receivables, net	$ 3,173.1	$ 3,015.4
Other receivables	439.3	295.5
Accounts receivable, net	$ 3,612.4	$ 3,310.9

Mylan performs ongoing credit evaluations of its customers and generally does not require collateral. Approximately 35% and 45% of the accounts receivable balances represent amounts due from three customers at 31 December 2017 and 2016, respectively.

The following table represents a roll-forward of the Company's allowance for doubtful accounts.

(In millions of USD)	**Total**
As at 31 December 2015	$ 33.6
Additions Charged to Costs and Expenses	15.6
Additions Charged to Other Accounts	13.0
Deductions	(3.2)
As at 31 December 2016	$ 59.0
Additions Charged to Costs and Expenses	16.8
Additions Charged to Other Accounts	6.0
Deductions	(6.5)
As at 31 December 2017	$ 75.3

For the years ended 31 December 2017 and 2016, the Company's write-offs have represented less than 1% of total accounts receivable, net at period end. As such, the Company historically has not experienced significant customer collectibility issues.

6 Inventories

Inventories were comprised of the following as at 31 December 2017 and 2016, respectively:

(In millions of USD)	As at 31 December 2017	As at 31 December 2016
Inventory by category		
Raw materials	$ 895.5	$ 783.4
Work in process	384.7	436.0
Finished goods	1,262.5	1,237.0
	$ 2,542.7	$ 2,456.4

Inventory reserves totaled $171.0 million and $174.6 million at 31 December 2017 and 2016, respectively.

7 Consolidated balance sheet components

Selected balance sheet components consist of the following:

Prepaid and other current assets

(In millions of USD)	Note	As at 31 December 2017	As at 31 December 2016
Prepaid expenses		$ 119.8	$ 138.3
Restricted cash		77.8	148.1
Available-for-sale securities	12	76.7	83.7
Fair value of financial instruments	12	88.9	62.2
Trading securities	12	33.9	29.6
Other current assets		286.0	202.6
Prepaid and other current assets		$ 683.1	$ 664.5

Prepaid expenses consists of prepaid rent, insurance and other individually insignificant items. At 31 December 2017, restricted cash principally relates to amounts deposited in escrow for potential contingent consideration payments related to the Company's acquisition of Agila Specialties ("Agila").

Other assets

(In millions of USD)	Note	As at 31 December 2017	As at 31 December 2016
Equity method investments, clean energy investments	10	$ 226.0	$ 320.6
Equity method investments, Sagent Agila	10	—	75.8
Other long-term assets		69.9	162.4
Other assets		$ 295.9	$ 558.8

Other current liabilities

(In millions of USD)	Note	As at 31 December 2017	As at 31 December 2016
Accrued sales allowances		$ 818.0	$ 809.0
Legal and professional accruals, including litigation accruals		241.1	720.4
Payroll and employee benefit plan accruals		404.6	409.8
Contingent consideration	12	167.8	256.9
Restructuring	26	91.5	138.6
Compulsory acquisition proceeding	4	—	70.2
Equity method investments, clean energy investments	10	56.7	64.7
Accrued interest		42.3	41.0
Fair value of financial instruments	12	31.1	15.3
Other		1,111.4	717.4
Other current liabilities		$ 2,964.5	$ 3,243.3

Included in legal and professional accruals at 31 December 2016 was $465 million for a settlement with the U.S. Department of Justice and other government agencies related to the classification of the EpiPen® Auto-Injector and EpiPen Jr® Auto-Injector (collectively, "EpiPen® Auto-Injector") for purposes of the Medicaid Drug Rebate Program (the "Medicaid Drug Rebate Program Settlement"). The Medicaid Drug Rebate Program Settlement was paid during 2017, as discussed further in Note 24 *Litigation*.

On 31 March 2017, the Company announced that Meridian Medical Technologies ("Meridian"), a Pfizer company that manufactures for the EpiPen® Auto-Injector, expanded a voluntary recall of select lots of EpiPen® Auto-Injector and EpiPen Jr® Auto-Injector to include additional lots distributed in the U.S. and other markets in consultation with the FDA (the "EpiPen® Auto-Injector Recall"). This recall was conducted as a result of the receipt of two previously disclosed reports outside of the U.S. of the failure to activate the device due to a potential defect in a supplier component. Both reports were related to the single lot that was previously recalled. The expanded voluntary recall was initiated in the U.S. and also extended to additional markets in Europe, Asia, North and South America. The Company is replacing recalled devices at no cost to the consumer. Estimated costs to Mylan related to product recalls are based on a formal campaign soliciting return of the product and are accrued when they are deemed to be probable and can be reasonably estimated. As of 31 December 2017, the Company recorded an accrual for certain costs of the recall but there can be no assurance that future costs related to the recall will not exceed amounts recorded. In addition, Meridian is contractually obligated to reimburse Mylan for costs related to the EpiPen® Auto-Injector Recall, and the Company has recorded an asset for the recovery of such costs.

Other long-term obligations

(In millions of USD)	Note	As at 31 December 2017	As at 31 December 2016
Employee benefit liabilities		$ 408.2	$ 396.7
Contingent consideration	12	285.9	307.7
Equity method investments, clean energy investments	10	171.8	302.3
Tax contingencies	16	237.7	239.3
Other		132.1	112.6
Other long-term obligations		$ 1,235.7	$ 1,358.6

8 Property, plant and equipment, net

The following is a rollforward of property, plant and equipment, net from 31 December 2015 to 31 December 2017:

(In millions of USD)

Property, plant and equipment, net	Total
As at 31 December 2015	$ 1,994.2
Asset purchases	408.5
Business acquisitions	232.3
Depreciation	(259.4)
Disposals, net	(11.0)
Foreign currency translation	(32.1)
As at 31 December 2016	$ 2,332.5
Asset purchases	265.0
Depreciation	(287.6)
Disposals, net	(90.7)
Foreign currency translation	130.3
As at 31 December 2017	$ 2,349.5

Below is a summary of property, plant and equipment by asset category:

	As at	
(In millions of USD)	31 December 2017	31 December 2016
Property, plant and equipment:		
Machinery and equipment	$ 2,414.5	$ 2,227.9
Buildings and improvements	1,191.7	1,106.5
Construction in progress	252.9	328.8
Land and improvements	153.5	155.0
Gross property, plant and equipment	4,012.6	3,818.2
Accumulated depreciation	1,663.1	1,485.7
Property, plant and equipment, net	$ 2,349.5	$ 2,332.5

Capitalized software costs included on our Consolidated Balance Sheets were $143.0 million and $145.4 million, net of accumulated depreciation, at 31 December 2017 and 2016, respectively.

9 Intangible assets and goodwill

(In millions of USD)

Cost	Patents and technologies	Product rights and licenses	IPR&D	Other[1]	Total intangible assets	Goodwill[2]	Total
As at 31 December 2015	$ 116.6	$ 8,848.6	$ 737.7	$ 465.3	$ 10,168.2	$ 5,765.1	$ 15,933.3
Business acquisitions	—	8,514.7	275.0	13.0	8,802.7	4,002.2	12,804.9
Asset purchases	—	183.3	—	—	183.3	—	183.3
Reclassifications [4]	—	32.6	(32.6)	—	—	—	—
Impairment	—	(18.4)	(49.9)	—	(68.3)	—	(68.3)
Disposals	—	(5.5)	—	—	(5.5)	—	(5.5)
Foreign currency translation	—	(586.9)	(9.1)	(12.4)	(608.4)	(150.4)	(758.8)
As at 31 December 2016	$ 116.6	$ 16,968.4	$ 921.1	$ 465.9	$ 18,472.0	$ 9,616.9	$ 28,088.9
Business acquisitions [3]	—	121.0	—	—	121.0	99.9	220.9
Asset purchases	—	619.3	—	—	619.3	—	619.3
Reclassifications [4]	—	59.9	(59.9)	—	—	—	—
Impairment	—	(6.2)	(74.6)	—	(80.8)	—	(80.8)
Disposals	—	(43.1)	—	—	(43.1)	(1.3)	(44.4)
Foreign currency translation	—	2,043.6	26.6	(6.7)	2,063.5	875.2	2,938.7
As at 31 December 2017	$ 116.6	$ 19,762.9	$ 813.2	$ 459.2	$ 21,151.9	$ 10,590.7	$ 31,742.6
Accumulated Amortization							
As at 31 December 2015	$ 103.8	$ 2,652.7		$ 189.8	$ 2,946.3	$ 385.0	$ 3,331.3
Amortization	4.7	1,045.2		145.4	1,195.3	—	1,195.3
Disposals	—	(5.5)		—	(5.5)	—	(5.5)
Foreign currency translation	—	(106.7)		(5.2)	(111.9)	—	(111.9)
As at 31 December 2016	$ 108.5	$ 3,585.7		$ 330.0	$ 4,024.2	$ 385.0	$ 4,409.2
Amortization	4.6	1,384.5		48.3	1,437.4	—	1,437.4
Disposals	—	(11.0)		—	(11.0)	—	(11.0)
Foreign currency translation	—	414.5		41.0	455.5	—	455.5
As at 31 December 2017	$ 113.1	$ 5,373.7		$ 419.3	$ 5,906.1	$ 385.0	$ 6,291.1
Net book value							
As at 31 December 2016	$ 8.1	$ 13,382.7	$ 921.1	$ 135.9	$ 14,447.8	$ 9,231.9	$ 23,679.7
As at 31 December 2017	$ 3.5	$ 14,389.2	$ 813.2	$ 39.9	$ 15,245.8	$ 10,205.7	$ 25,451.5

(1) Other intangibles consist principally of customer lists, contractual rights and other contracts.

(2) In 2017, includes measurement period adjustments related to the acquisition of Meda and the recognition of goodwill related to the acquisition of Apicore totaling approximately $7.7 million and $92.2 million, respectively. In 2016, includes measurement period adjustments related to the acquisition of Jai Pharma Limited and the recognition of goodwill related to the acquisitions of Meda and the Topicals Business totaling approximately $6.7 million, $3.68 billion and $318.6 million, respectively.

(3) During the year ended 31 December 2017, the Company acquired product rights and licenses from Apicore totaling approximately $121.0 million. During the year ended 31 December 2016, the Company acquired product rights and licenses from Meda and the Topicals Business totaling approximately $8.06 billion and $454.0 million, respectively. The Company also acquired IPR&D totaling approximately $275.0 million from the Topicals Business.

(4) Represents reclassifications from acquired IPR&D to product rights and licenses.

Amortized intangible assets had a weighted average life (years) as follows as at 31 December 2017 and 2016:

Weighted average life (years)	31 December 2017	31 December 2016
Amortized intangible assets:		
Patents and technologies	20	20
Product rights and licenses	15	15
Other	6	6

Product rights and licenses are primarily comprised of the products marketed at the time of acquisition. These product rights and licenses relate to numerous individual products, the net book value of which, by therapeutic franchise, is as follows:

	As at	
(In millions of USD)	31 December 2017	31 December 2016
Central Nervous System and Anesthesia	$ 2,453.7	$ 2,172.0
Dermatology	2,393.0	2,070.2
Gastroenterology	2,050.0	1,906.2
Diabetes and Metabolism	1,425.6	1,395.7
Cardiovascular	1,779.5	1,718.0
Respiratory and Allergy	1,769.5	1,691.0
Infectious Disease	494.8	490.6
Oncology	380.1	413.4
Women's Healthcare	371.4	371.4
Immunology	301.5	284.9
Other [(1)]	970.1	869.3
	$ 14,389.2	$ 13,382.7

(1) Other consists of numerous therapeutic classes, none of which individually exceeds 5% of total product rights and licenses.

Amortization expense and intangible asset impairment charges, which are included as a component of amortization expense, which is classified primarily within cost of sales in the Consolidated Income Statements, for the years ended 31 December 2017 and 2016 was as follows:

(In millions of USD)	31 December 2017	31 December 2016
Intangible asset amortization expense	$ 1,437.4	$ 1,195.3
Intangible asset impairment charges	80.8	68.3
Total intangible asset amortization expense (including impairment charges)	$ 1,518.2	$ 1,263.6

Indefinite-lived intangibles, such as the Company's IPR&D assets, are tested at least annually for impairment, but they may be tested whenever certain impairment indicators are present. Impairment is determined to exist when the fair value is less than the carrying value of the assets being tested. In addition, the Company monitors long-lived intangible assets for potential triggering events or changes in circumstances that would indicate that the carrying amount of the asset may not be recoverable. During the year ended 31 December 2017, the Company recorded impairment charges on certain product rights and licenses and IPR&D assets of approximately $6.2 million and $74.6 million, respectively. During the year ended 31 December 2016, the Company recorded impairment charges on certain product rights and licenses and IPR&D assets of approximately $18.4 million and $49.9 million, respectively. The impairment charges recognized in 2017 and 2016 were recorded as components of amortization expense. The assessment for impairment of long-lived intangible assets is based upon our ability to recover the carrying value of the long-lived assets by analyzing the expected future undiscounted pre-tax cash flows specific to an asset grouping.

In December 2011, the Company completed the acquisition of the exclusive worldwide rights to develop, manufacture and commercialize a generic equivalent to GlaxoSmithKline's Advair® Diskus and Seretide® Diskus incorporating Pfizer's proprietary dry powder inhaler delivery platform (the "respiratory delivery platform"). The Company accounted for this transaction as a purchase of a business and utilized the acquisition method of accounting. In conjunction with the Company's Generic Drug User Fee Agreement goal date, on 28 March 2017, the Company received a complete response letter from the FDA regarding its Abbreviated New Drug Application ("ANDA") for the respiratory delivery platform. As of 31 December 2017, the Company has an IPR&D asset of $347.2 million. The Company performed an analysis and valuation of the IPR&D asset using a discounted cash flow model. The model contained certain key assumptions including: the expected product launch date, the number of competitors, the timing of competition and a discount factor based on an industry specific weighted average cost of capital. Based on the analysis performed, the Company determined that the IPR&D asset was not impaired at 31 December 2017. Additionally, a fair value adjustment was required for the related contingent consideration liability resulting in a gain of approximately $93.5 million for the year ended 31 December 2017 based upon changes to assumptions relating to the timing of the product launch along with other competitive and market factors. The fair value of the contingent consideration liability was $360.7 million and was determined based upon detailed valuations employing the income approach which utilized Level 3 inputs, as defined in Note 12 - *Fair value measurement*. Resolution of the matters with the FDA, market conditions and other factors may result in significant future changes in the projections and assumptions utilized in the discounted cash flow model, which could lead to material adjustments to the amounts recorded for IPR&D and contingent consideration.

The Company performed its annual impairment review of certain IPR&D assets during the second, third, and fourth quarters of 2017. This review of IPR&D assets principally related to assets acquired as part of the Topicals Business acquisition in 2016, the Jai Pharma Limited acquisition in 2015, the Agila acquisition in December 2013, the respiratory delivery platform acquisition in December 2011 and the Bioniche Pharma Holdings Limited acquisition in September 2010. The impairment charges recorded resulted from the Company's estimate of the fair value of the assets, which was based upon updated forecasts and commercial development plans, compared with the assigned fair values at the acquisition date. The fair value was determined based upon detailed valuations employing the income approach which utilized Level 3 inputs, as defined in Note 12 *Fair Value Measurement*. The fair value of IPR&D was calculated as the present value of the estimated future net cash flows using a market rate of return. The assumptions inherent in the estimated future cash flows include, among other things, the impact of changes to the development programs, the projected development and regulatory time frames and the current competitive environment. Discount rates ranging between 8.4% and 10.5% were utilized in the valuations performed during 2017. Discount rates ranging between 8.5% and 11.9% were utilized in valuation during 2016. Changes to any of the Company's assumptions including changes to or abandonment of development programs, regulatory timelines, or the competitive environment related to IPR&D assets could lead to future material impairment charges.

Intangible asset amortization expense for the years ending 31 December 2018 through 2022 is estimated to be as follows:

(In millions of USD)	
2018	$ 1,450
2019	1,358
2020	1,211
2021	1,131
2022	1,060

Goodwill

Goodwill acquired through business combinations is allocated to the applicable CGU during the measurement period following an acquisition. In accordance with IAS 36, we have performed impairment testing as of 01 April 2017 (annual assessment date) by calculating the estimated fair value of the individual CGUs and comparing the value to the respective carrying amount, including goodwill and indefinite-lived intangible assets. The following table includes the carrying amount of goodwill and

indefinite-lived intangibles assets for each of Mylan's five CGUs at 01 April 2017 and 2016:

(In millions of USD)	As at 01 April 2017		As at 01 April 2016	
	Goodwill	IPR&D	Goodwill	IPR&D
Cash generating unit				
North America	$ 2,957.4	$ 923.0	$ 2,327.5	$ 623.1
Europe	4,297.6	—	1,138.8	—
India	1,022.0	11.2	986.5	115.1
Japan, Australia, New Zealand ("JANZ")	768.0	—	765.0	—
Specialty	349.1	—	349.1	—
Total	$ 9,394.1	$ 934.2	$ 5,566.9	$ 738.2

Goodwill is allocated and evaluated for impairment at the CGU level, which is defined as an operating segment or one level below an operating segment.

In estimating each reporting unit's fair value, the Company performed valuation analyses, utilizing the income approach. Under the income approach, to determine fair value, the Company discounted the expected future cash flows of each CGU for the next five years for each assessment date. The Company used a discount rate, which reflected the overall level of inherent risk and the rate of return an outside investor would have expected to earn. To estimate cash flows beyond the final year of our model, the Company utilized a terminal value approach. Under this approach, the Company used estimated earnings before interest, taxes, depreciation and amortization ("EBITDA") in the final year of our model, adjusted to estimate a normalized cash flow, applied a perpetuity growth assumption, and discounted by a perpetuity discount factor to determine the terminal value. The Company incorporated the present value of the resulting terminal value into our estimate of fair value.

Terminal period growth rate and after-tax discount rate used in the calculations of each CGU's fair value are shown in the tables below:

01 April 2017	North America	Europe	India	JANZ	Specialty
Terminal period growth rate	2.0%	2.0%	3.0%	3.0%	—%
Discount rate	8.5%	9.0%	11.5%	9.0%	12.5%

01 April 2016	North America	Europe	India	JANZ	Specialty
Terminal period growth rate	3.0%	2.0%	4.0%	1.0%	(15.0)%
Discount rate	7.0%	8.5%	11.0%	9.0%	11.5 %

The Company performed impairment testing as of 01 April 2017. As it relates to the test performed on 01 April 2017, the North America and Specialty CGUs' estimated fair values significantly exceeded the respective carrying values of the CGU and for the Europe, India and JANZ CGUs, the estimated fair value exceeded the respective carrying values of the CGU.

The determination of the fair value of each of the CGUs requires the Company to make significant estimates and assumptions that affect the CGU's expected future cash flows. These estimates and assumptions primarily include, but are not limited to, the discount rate, terminal growth rates, earnings from operations excluding depreciation and amortization, and capital expenditures forecasts. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates. In addition, changes in underlying assumptions, especially as it relates to the key assumptions detailed, could have a significant impact on the fair value of the CGUs. The Company's India, Europe, and JANZ CGUs remain at risk for potential impairment charges if the projected operating results are not achieved. For the Europe, India, and JANZ CGUs the estimated fair value exceeded their carrying values by approximately $1.3 billion, $100 million, and $400 million, respectively. If the terminal period growth rate for the Europe CGU or the India CGU is reduced by 50%, assuming no other changes to assumptions or projections, the respective recoverable amount may be less than its carrying amount. In addition, if the discount rate for the India CGU is increased by 10 basis points, or if the discount rate for the Europe and JANZ CGUs is increased by 100 and 150 basis points, respectively, assuming no other changes to assumptions or projections, the respective recoverable amount may be less than its carrying amount. A future impairment charge could be material to the Company's financial statements.

10 Investments in associates

The Company has five equity method investments in limited liability companies that own refined coal production plants (the "clean energy investments"), whose activities qualify for income tax credits under Section 45 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Company does not consolidate these entities as we have determined that we are not the primary beneficiary of these entities and do not have the power to individually direct the activities of these entities. Accordingly, these investments are accounted for under the equity method of accounting. For each of the clean energy investments, the Company has entered into notes payable with the respective project operator, which in part will be paid to the operator as certain production levels are met. As a result of a decline in current and expected future production levels at certain of the facilities, during 2017, the Company impaired its investment balance and other assets by approximately $47 million and reduced the related long-term obligations for these investments by approximately $89 million resulting in a net gain of $42 million which was recognized as a component of the net loss of the equity method investments in the Consolidated Income Statements.

The carrying values and respective balance sheet locations of the Company's clean energy investments was as follows at 31 December 2017 and 2016, respectively:

(In millions of USD)	31 December 2017	31 December 2016
Clean Energy Investments:		
Other assets	$ 226.0	$ 320.6
Total liabilities	228.5	367.0
Included in other current liabilities	56.7	64.7
Included in other long-term obligations	171.8	302.3

Summarized financial information, in the aggregate, of the Company's equity method investments on a 100% basis as of and for the years ended 31 December 2017 and 2016 are as follows:

	As at	
(In millions of USD)	31 December 2017	31 December 2016
Current assets	$ 56.4	$ 75.6
Noncurrent assets	18.2	12.3
Total assets	74.6	87.9
Current liabilities	56.1	50.7
Noncurrent liabilities	3.6	2.6
Total liabilities	59.7	53.3
Net assets	$ 14.9	$ 34.6

(In millions of USD)	Year Ended 31 December	
	2017	2016
Total revenues	$ 473.0	$ 589.4
Gross (loss) profit	(12.8)	(13.2)
Operating and non-operating expense	22.3	22.2
Net loss	$ (35.1)	$ (35.4)

The Company's net losses from equity method investments includes amortization expense related to the excess of the cost basis of the Company's investment to the underlying assets of each individual investee. For the years ended 31 December 2017 and 2016, the Company's share of the net loss of the equity method investments was $58.0 million and $112.8 million, respectively, which was recognized as a component of other expense, net. The Company recognizes the income tax credits and benefits from the clean energy investments as part of its provision for income taxes.

The Company held a 50% interest in Sagent Agila LLC ("Sagent Agila"), which was a joint venture established to develop, manufacture and distribute certain generic injectable products in the U.S. In April 2017, the Company and Sagent Pharmaceuticals Inc. ("Sagent") finalized an agreement to dissolve the joint venture. Under the terms of the agreement, Mylan received Sagent's interest in the joint venture in exchange for an approved product right. The assets in the joint venture consisted entirely of product rights for commercialized generic injectables. As a result of this transaction, during the year ended 31 December 2017, the Company recognized a loss of $5.7 million as a component of net losses from equity method investments. Additionally, during the year ended 31 December 2017, the Company received a dividend payment of $8.4 million from Sagent Agila, which reduced the carrying value of the equity investment. During 2017, the Company reclassified its investment in Sagent Agila to product rights and licenses and is amortizing the amount over the remaining estimated useful lives of the products.

11 Financial instruments and risk management

The Company is exposed to certain financial risks relating to its ongoing business operations. The primary financial risks that are managed by using derivative instruments are foreign currency risk, interest rate risk and equity risk.

Foreign currency risk and risk management

A significant portion of our revenues and earnings are exposed to changes in foreign currency exchange rates. We seek to manage this foreign exchange risk in part through operational means, including managing same currency revenues in relation to same currency costs and same currency assets in relation to same currency liabilities.

Foreign exchange risk is also managed through the use of foreign currency forward-exchange contracts. These contracts are used to offset the potential earnings effects from mostly intercompany foreign currency assets and liabilities that arise from operations and from intercompany loans. Mylan's primary areas of foreign exchange risk relative to the U.S. Dollar are the Euro, Swedish Krona, Indian Rupee, Japanese Yen, Australian Dollar, Canadian Dollar, Pound Sterling and Brazilian Real. Any unhedged foreign exchange exposures continue to be subject to market fluctuations.

Our financial instrument holdings at year end were analyzed to determine their sensitivity to foreign exchange rate changes. The fair values of these instruments were determined as follows:

- foreign currency forward-exchange contracts — net present values
- foreign currency denominated receivables, payables, debt and loans — changes in exchange rates

In this sensitivity analysis, we assumed that the change in one currency's rate relative to the U.S. Dollar would not have an effect on other currencies' rates relative to the U.S. Dollar. All other factors were held constant.

If there were an adverse change in foreign currency exchange rates of 10%, the expected net effect on net income related to Mylan's foreign currency denominated financial instruments would not be material.

The Company is also exposed to translation risk on non-U.S. dollar-denominated net assets. Non-U.S. dollar borrowings, principally our Euro denominated long-term debt, are used to hedge the foreign currency exposures of our net investment in certain foreign affiliates and are designated as hedges of net investments. The effective portion of foreign exchange gains or losses on these hedges is included in the foreign currency translation component of accumulated other comprehensive income/(loss). If our net investment decreases below the equivalent value of the non-U.S. debt borrowings, the change in the remeasurement basis of the debt would be subject to recognition in income as changes occur.

In order to manage foreign currency risk, the Company enters into foreign exchange forward contracts to mitigate risk associated with changes in spot exchange rates of mainly non-functional currency denominated assets or liabilities. The foreign exchange forward contracts are measured at fair value and reported as current assets or current liabilities on the Consolidated Balance Sheets. Any gains or losses on the foreign exchange forward contracts are recognized in earnings in the period incurred in the Consolidated Statements of Operations.

The Company has also entered into forward contracts to hedge forecasted foreign currency denominated sales from certain international subsidiaries. These contracts are designated as cash flow hedges to manage foreign currency transaction risk and are measured at fair value and reported as current assets or current liabilities on the Consolidated Balance Sheets. Any changes in fair value are included in earnings or deferred through accumulated other comprehensive earnings ("AOCE"), depending on

the nature and effectiveness of the offset. Any ineffectiveness in a cash flow hedging relationship is recognized immediately in earnings in the Consolidated Statements of Operations.

During the year ended 31 December 2017, the Company designated certain Euro borrowings as a hedge of its investment in certain Euro-functional currency subsidiaries in order to manage foreign currency translation risk. The notional amount of the net investment hedges was €1.9 billion and consisted of €1.0 billion aggregate principal amount of the 2.250% Euro Senior Notes due 2024 (the "2024 Euro Notes"), €750 million aggregate principal amount of 3.125% Euro Senior Notes due 2028 (the "2028 Euro Notes") and €104 million of the €750 million aggregate principal amount of the 1.250% Euro Senior Notes due 2020 (the "2020 Euro Notes").

Borrowings designated as net investment hedges are marked to market using the current spot exchange rate as of the end of the period, with gains and losses included in the foreign currency translation component of AOCE until the sale or substantial liquidation of the underlying net investments. The Company recorded no ineffectiveness from its net investment hedges for the year ended 31 December 2017. In addition, the Company manages the related foreign exchange risk of the €500 million aggregate principal amount of Floating Rate Senior Notes due 2018 (the "2018 Floating Rate Euro Notes"), €500 million aggregate principal amount of the Floating Rate Senior Notes due 2020 (the "2020 Floating Rate Euro Notes") and the remaining portion of the 2020 Euro Notes through certain Euro denominated financial assets and forward contracts.

Interest rate risk and risk management

Mylan's exposure to interest rate risk arises primarily from our U.S. Dollar and Euro borrowings and U.S. Dollar investments. We invest primarily on a variable-rate basis and we borrow on both a fixed and variable basis. In order to maintain a certain ratio of fixed to variable rate debt, from time to time, depending on market conditions, Mylan will use derivative financial instruments such as interest rate swaps to fix interest rates on variable-rate borrowings or to convert fixed-rate borrowings to variable interest rates.

As of 31 December 2017, Mylan's long-term fixed rate borrowings consist principally of $12.1 billion notional amount of Senior Notes and Euro Notes. Generally, the fair value of fixed interest rate debt will decrease as interest rates rise and increase as interest rates fall. A 100 basis point change in interest rates on Mylan's variable rate debt, net of interest rate swaps, would result in a change in interest expense of approximately $21.0 million per year.

The Company enters into interest rate swaps in order to manage interest rate risk associated with the Company's fixed- and floating-rate debt. These derivative instruments are measured at fair value and reported as current assets or current liabilities on the Consolidated Balance Sheets.

Credit risk and risk management

Financial instruments that potentially subject the Company to credit risk consist principally of interest-bearing investments, derivatives and accounts receivable.

Mylan invests its excess cash in high-quality, liquid money market instruments, principally overnight deposits and highly rated money market funds. The Company maintains deposit balances at certain financial institutions in excess of federally insured amounts. Periodically, the Company reviews the creditworthiness of its counterparties to derivative transactions, and it does not expect to incur a loss from failure of any counterparties to perform under agreements it has with such counterparties. Mylan performs ongoing credit evaluations of its customers and generally does not require collateral.

Liquidity risk and capital management

The primary objective of the Company's capital management is to ensure that it maintains adequate capital ratios in order to support its business and maximize stakeholder value. The Company's net debt/equity ratio as at 31 December 2017 and 2016 is as follows:

	As at	
(In millions of USD)	**31 December 2017**	**31 December 2016**
Interest-bearing loans and borrowings	$ 14,704.5	$ 15,513.0
Trade accounts payable	1,452.5	1,348.1
Less: cash and short term deposits	292.1	998.8
Net debt	15,864.9	15,862.3
Equity	$ 13,360.4	$ 11,204.9
Equity and net debt	$ 29,225.3	$ 27,067.2
Net debt/equity ratio	**54.3%**	**58.6%**

Cash flow hedging relationships

The Company's interest rate swaps designated as cash flow hedges fix the interest rate on a portion of the Company's variable-rate debt or hedge part of the Company's interest rate exposure associated with the variability in the future cash flows attributable to changes in interest rates. Any changes in fair value are included in earnings or deferred through AOCE, depending on the nature and effectiveness of the offset. Any ineffectiveness in a cash flow hedging relationship is recognized immediately in earnings in the Consolidated Statements of Operations.

Following the acquisition of Meda, the Company designated certain interest rate swaps with a notional amount of €750 million as cash flow hedges. In the fourth quarter of 2016, the Company repaid the related debt instrument and terminated these swaps.

In anticipation of issuing fixed-rate debt, the Company may use treasury rate locks or forward starting interest rate swaps that are designated as cash flow hedges. In September 2015, the Company entered into a series of forward starting swaps to hedge against changes in interest rates related to future debt issuances. These swaps were designated as cash flow hedges of expected future issuances of long-term bonds. The Company executed $500 million of notional value swaps with an effective date of June 2016 and an additional $500 million of notional value swaps with an effective date of November 2016. Both sets of swaps had a maturity of ten years. As discussed further in Note 14 *Debt*, during the second quarter of 2016, the Company issued $2.25 billion in an aggregate principal amount of 3.950% Senior Notes due 2026 (the "2026 Senior Notes") and the Company terminated these swaps. As a result of this termination, the Company recorded losses of $64.9 million in AOCE, which are being amortized over the life of the 2026 Senior Notes. In addition, during the year ended 31 December 2016, approximately $2.1 million of hedge ineffectiveness related to these forward starting swaps was recorded in interest expense on the Consolidated Statements of Operations.

Fair value interest rate swaps

In December 2013, the Company entered into interest rate swaps with a notional value of $750 million that were designated as hedges of the Company's 3.125% Senior Notes due 2023. The variable rate was 1.78% at 31 December 2017. The total notional amount of the Company's interest rate swaps on fixed-rate debt was $750 million as of 31 December 2017 and 2016.

These fair value interest rate swaps are not designated for hedge accounting and accordingly no adjustment for the change in the fair value for the portion of the fixed-rate debt being hedged is recorded. These interest rate swaps are measured at fair value and reported as assets or liabilities in the Consolidated Balance Sheets. Changes in the fair value of the derivative instrument are recognized in other expense, net.

Certain derivative instrument contracts entered into by the Company are governed by master agreements, which contain credit-risk-related contingent features that would allow the counterparties to terminate the contracts early and request immediate payment should the Company trigger an event of default on other specified borrowings. The Company is not subject to any obligations to post collateral under derivative instrument contracts.

The Company regularly reviews the creditworthiness of its financial counterparties and does not expect to incur a significant loss from failure of any counterparties to perform under any agreements. The Company records all derivative instruments on a gross basis in the Consolidated Balance Sheets. Accordingly, there are no offsetting amounts that net assets against liabilities. The asset and liability balances presented in the tables below reflect the gross amounts of derivatives recorded in the Company's Consolidated Financial Statements.

Equity warrants

In conjunction with the issuance of the Cash Convertible Notes, Mylan Inc. entered into several equity warrant transactions with certain counterparties. In connection with the consummation of the EPD Transaction, the terms of the equity warrants were also adjusted so that the Company may settle the obligations under the warrant transaction by delivering Mylan N.V. ordinary shares. The equity warrants met the definition of derivatives, and in accordance with IAS 32, have been recorded as liabilities in the Company's Consolidated Balance Sheets. These equity warrants are recorded at fair value with the change in fair value recognized as gains and losses in the Company's Consolidated Income Statements. The warrants settled on 15 April 2016, and in connection with the expiration and settlement of the warrants, the Company issued approximately 17.0 million Mylan N.V. ordinary shares which had a market value of approximately $830.0 million. As a result of the settlement, there was no liability recorded at 31 December 2017 and 2016 as the fair value of the liability was transferred to equity at the time of settlement.

Fair Values of Derivative Instruments
Derivatives Designated as Hedging Instruments

	Asset Derivatives			
	31 December 2017		31 December 2016	
(In millions of USD)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	63.4	Prepaid expenses and other current assets	21.9
Total		$ 63.4		$ 21.9

Fair Values of Derivative Instruments
Derivatives Not Designated as Hedging Instruments

	Asset Derivatives			
	31 December 2017		31 December 2016	
(In millions of USD)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	$ 9.3	Prepaid expenses and other current assets	$ 14.0
Interest rate swaps	Prepaid expenses and other current assets	16.2	Prepaid expenses and other current assets	26.2
Total		$ 25.5		$ 40.2

	Liability Derivatives			
	31 December 2017		31 December 2016	
(In millions of USD)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Other current liabilities	$ 31.1	Other current liabilities	$ 15.3
Total		$ 31.1		$ 15.3

The Effect of Derivative Instruments on the Consolidated Statements of Comprehensive Earnings
Derivatives in Net Investment Hedging Relationships

(In millions of USD)	Amount of Loss Recognized in AOCE (Net of Tax) on Derivatives (Effective Portion) Year Ended 31 December 2017	2016
Foreign currency borrowings and forward contracts	$ (238.4)	$ (1.4)
Total	$ (238.4)	$ (1.4)

The Effect of Derivative Instruments on the Consolidated Statements of Comprehensive Earnings
Derivatives in Cash Flow Hedging Relationships

(In millions of USD)	Amount of (Loss) or Gain Recognized in AOCE (Net of Tax) on Derivatives (Effective Portion) Year Ended 31 December 2017	2016
Foreign currency forward contracts	$ 28.1	$ (27.5)
Interest rate swaps	—	(38.7)
Total	$ 28.1	$ (66.2)

The Effect of Derivative Instruments on the Consolidated Income Statements
Derivatives in Cash Flow Hedging Relationships

(In millions of USD)	Location of Loss Reclassified from AOCE into Earnings (Effective Portion)	Amount of Loss Reclassified from AOCE into Earnings (Effective Portion) Year Ended 31 December 2017	2016
Foreign currency forward contracts	Net sales	$ 1.1	$ (44.3)
Interest rate swaps	Interest expense	(7.3)	(8.7)
Total		$ (6.2)	$ (53.0)

(In millions of USD)	Location of Gain Excluded from the Assessment of Hedge Effectiveness	Amount of Gain Excluded from the Assessment of Hedge Effectiveness Year Ended 31 December 2017	2016
Foreign currency forward contracts	Other expense, net	$ (3.3)	$ 33.5
Total		$ (3.3)	$ 33.5

At 31 December 2017, the Company expects that approximately $7.0 million of pre-tax net losses on cash flow hedges will be reclassified from AOCE into earnings during the next twelve months.

The Effect of Derivative Instruments on the Consolidated Income Statements
Derivatives Not Designated as Hedging Instruments

(In millions of USD)	Location of (Loss) or Gain Recognized in Earnings on Derivatives	Amount of (Loss) or Gain Recognized in Earnings on Derivatives	
		Year Ended 31 December	
		2017	2016
Interest rate swaps	Other expense, net	$ (10.0)	$ (10.0)
Foreign currency option and forward contracts	Other expense, net	47.7	(104.5)
Equity warrants	Gain on fair value adjustment for equity warrants	—	230.6
Total		$ 37.7	$ 116.1

12 Fair value measurement

Fair value is based on the price that would be received from the sale of an identical asset or paid to transfer an identical liability in an orderly transaction between market participants at the measurement date.

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy has been established that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable market-based inputs other than quoted prices in active markets for identical assets or liabilities.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

For assets and liabilities that are recognized in the Consolidated Financial Statements at fair value on a recurring basis, Mylan determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For financial assets and liabilities that utilize Level 2 inputs, the Company utilizes both direct and indirect observable price quotes, including the LIBOR yield curve, foreign exchange forward prices, and bank price quotes. Below is a summary of valuation techniques for Level 1 and Level 2 financial assets and liabilities:

- *Cash equivalents* — valued at observable net asset value prices.
- *Trading securities* — valued at the active quoted market price from broker or dealer quotations or transparent pricing sources at the reporting date.
- *Available-for-sale fixed income investments* — valued at the quoted market price from broker or dealer quotations or transparent pricing sources at the reporting date.
- *Available-for-sale equity securities* — valued using quoted stock prices from public exchanges at the reporting date.
- *Interest rate swap derivative assets and liabilities* — valued using the LIBOR/EURIBOR yield curves at the reporting date. Counterparties to these contracts are highly rated financial institutions.
- *Foreign exchange derivative assets and liabilities* — valued using quoted forward foreign exchange prices at the reporting date. Counterparties to these contracts are highly rated financial institutions.
- *Equity warrants* — valued using quoted stock prices from the NASDAQ at the reporting date and the exercise prices stated in the terms of the warrant agreements.

Financial assets and liabilities carried at fair value are classified in the tables below in one of the three categories described above:

	As at 31 December 2017			
(In millions of USD)	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial Assets				
Cash equivalents:				
Money market funds	$ 8.4	$ —	$ —	$ 8.4
Total cash equivalents	8.4	—	—	8.4
Trading securities:				
Equity securities — exchange traded funds	33.9	—	—	33.9
Total trading securities	33.9	—	—	33.9
Available-for-sale fixed income investments:				
Corporate bonds	—	16.5	—	16.5
U.S. Treasuries	—	7.4	—	7.4
Agency mortgage-backed securities	—	4.1	—	4.1
Asset backed securities	—	2.1	—	2.1
Other	—	1.4	—	1.4
Total available-for-sale fixed income investments	—	31.5	—	31.5
Available-for-sale equity securities:				
Marketable securities	45.2	—	—	45.2
Total available-for-sale equity securities	45.2	—	—	45.2
Foreign exchange derivative assets	—	72.7	—	72.7
Interest rate swap derivative assets	—	16.2	—	16.2
Total assets at recurring fair value measurement	$ 87.5	$ 120.4	$ —	$ 207.9
Financial Liabilities				
Foreign exchange derivative liabilities	$ —	$ 31.1	$ —	$ 31.1
Contingent consideration	—	—	453.7	453.7
Total liabilities at recurring fair value measurement	$ —	$ 31.1	$ 453.7	$ 484.8

(In millions of USD)	As at 31 December 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial Assets				
Cash equivalents:				
Money market funds	$ 433.7	$ —	$ —	$ 433.7
Total cash equivalents	433.7	—	—	433.7
Trading securities:				
Equity securities — exchange traded funds	29.6	—	—	29.6
Total trading securities	29.6	—	—	29.6
Available-for-sale fixed income investments:				
Corporate bonds	—	17.5	—	17.5
U.S. Treasuries	—	6.0	—	6.0
Agency mortgage-backed securities	—	4.0	—	4.0
Asset backed securities	—	1.6	—	1.6
Other	—	2.3	—	2.3
Total available-for-sale fixed income investments	—	31.4	—	31.4
Available-for-sale equity securities:				
Marketable securities	52.3	—	—	52.3
Total available-for-sale equity securities	52.3	—	—	52.3
Foreign exchange derivative assets	—	35.9	—	35.9
Interest rate swap derivative assets	—	26.2	—	26.2
Total assets at recurring fair value measurement	$ 515.6	$ 93.5	$ —	$ 609.1
Financial Liabilities				
Foreign exchange derivative liabilities	$ —	$ 15.3	$ —	$ 15.3
Contingent consideration	—	—	564.6	564.6
Total liabilities at recurring fair value measurement	$ —	$ 15.3	$ 564.6	$ 579.9

There have been no transfers between Level 1 and Level 2 during the periods presented above.

Contingent Consideration

The fair value measurement of contingent consideration is determined using Level 3 inputs. The Company's contingent consideration represents a component of the total purchase consideration for the acquisitions of the respiratory delivery platform, Agila, Jai Pharma Limited, the Topicals Business, Apicore and certain other acquisitions. The measurement is calculated using unobservable inputs based on the Company's own assumptions and significant unobservable inputs in the valuation include the probability and timing of future development and commercial milestones and future profit sharing payments. When valuing the contingent consideration related to the respiratory delivery platform and Jai Pharma Limited, the value of the obligations are derived from a probability assessment based on expectations of when certain milestones or profit sharing payments occur which are discounted using a market rate of return. At 31 December 2017 and 2016, discount rates ranging from 0.5% to 10.0% were utilized in such valuations. Significant changes in unobservable inputs could result in material changes to the contingent consideration liability.

On 01 November 2016, the Company and Strides Arcolab Limited ("Strides Arcolab") agreed on a settlement of substantially all outstanding regulatory, warranty and indemnity claims (the "Strides Settlement") related to the acquisition of Agila. As a result of the settlement, the Company received approximately $80 million of cash in the fourth quarter of 2016, which was previously classified as restricted cash. Approximately $110 million will be paid to either settle these pre-acquisition claims or be remitted to Strides. As such, in addition to the $20 million of contingent consideration recorded upon acquisition, the Company recorded expense of approximately $90 million, of which $74.8 million represented additional contingent consideration, which is included in litigation settlements and other contingencies, net in the Consolidated Income Statements for the year ended 31 December 2016.

A rollforward of the activity in the Company's fair value of contingent consideration from 31 December 2015 to 31 December 2017 is as follows:

(In millions of USD)	Current Portion [1]	Long-Term Portion [2]	Total Contingent Consideration
Balance at 31 December 2015	$ 35.0	$ 491.4	$ 526.4
Acquisitions	21.6	1.2	22.8
Payments	(44.4)	(0.5)	(44.9)
Reclassifications	169.8	(169.8)	—
Accretion	0.1	41.7	41.8
Fair value loss (gain) [3]	74.8	(55.9)	18.9
Foreign currency translation	—	(0.4)	(0.4)
Balance at 31 December 2016	$ 256.9	$ 307.7	$ 564.6
Payments	(77.3)	(0.2)	(77.5)
Reclassifications	27.0	(27.0)	—
Accretion	—	25.9	25.9
Fair value loss (gain) [3]	(38.8)	(20.5)	(59.3)
Balance at 31 December 2017	$ 167.8	$ 285.9	$ 453.7

(1) Included in other current liabilities on the Consolidated Balance Sheets.

(2) Included in other long-term obligations on the Consolidated Balance Sheets.

(3) Included in litigation settlements and other contingencies, net in the Consolidated Income Statements.

2016 Changes to Contingent Consideration: During 2016, the Company recorded a fair value loss resulting in an additional $74.8 million of contingent consideration related to the Strides Settlement, of which approximately $28.3 million was paid in the fourth quarter of 2016. In addition, the Company recorded a fair value loss of $12.6 million related to the Jai Pharma Limited acquisition. Offsetting these items was a fair value gain of approximately $68.5 million related to the respiratory delivery platform contingent consideration. As part of the acquisition of the Topicals Business, the Company recorded contingent consideration of $16 million at the acquisition date. Additionally, the Company reclassified $169.8 million of contingent consideration from other long-term obligations to other current liabilities representing milestone and profit sharing payments related to the respiratory delivery platform, milestone payments related to Jai Pharma Limited and payments related to the Strides Settlement.

2017 Changes to Contingent Consideration: During the year ended 31 December 2017, the Company recorded a fair value gain of $93.5 million related to the respiratory delivery platform contingent consideration offset by fair value losses of $9.9 million related to Jai Pharma Limited contingent consideration and $23.5 million related to the Topicals Business contingent consideration. In addition, the Company made payments of approximately $13.7 million related to the Agila contingent consideration, a net payment of $40 million to resolve the Topicals Business contingent consideration and a payment of approximately $20.0 million related to the Jai Pharma Limited contingent consideration.

The Company expects to incur approximately $20 million to $25 million of non-cash accretion expense related to the increase in the net present value of the contingent consideration liabilities in 2018.

Although the Company has not elected the fair value option for financial assets and liabilities, any future transacted financial asset or liability will be evaluated for the fair value election.

Available-for-Sale Securities

The amortized cost and estimated fair value of available-for-sale securities, included in prepaid and other current assets, were as follows:

(In millions of USD)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
31 December 2017				
Debt securities	$ 31.5	$ —	$ —	$ 31.5
Equity securities	29.5	16.9	(1.2)	45.2
	$ 61.0	$ 16.9	$ (1.2)	$ 76.7
31 December 2016				
Debt securities	$ 31.4	$ —	$ —	$ 31.4
Equity securities	28.0	24.6	(0.3)	52.3
	$ 59.4	$ 24.6	$ (0.3)	$ 83.7

Maturities of available-for-sale debt securities at fair value as at 31 December 2017 were as follows:

(In millions of USD)	
Mature within one year	$ 3.0
Mature in one to five years	15.5
Mature in five years and later	13.0
	$ 31.5

Fair value of debt

As at 31 December 2017 and 2016 the fair value of the Company's outstanding notes was approximately $14.93 billion and $13.20 billion, respectively. The fair values of the outstanding notes were valued at quoted market prices from broker or dealer quotations and were classified as Level 2 in the fair value hierarchy. Based on quoted market rates of interest and maturity schedules for similar debt issues, the fair values of the Company's 2016 Term Facility at 31 December 2017 and 2016, and the Meda borrowings at 31 December 2016, determined based on Level 2 inputs, approximate their carrying values.

13 Trade accounts payable

Trade accounts payable was comprised of the following as at 31 December 2017 and 2016, respectively:

	As at	
(In millions of USD)	31 December 2017	31 December 2016
Accounts payable	$ 976.0	$ 939.5
Other payables	476.5	408.6
Trade accounts payable	$ 1,452.5	$ 1,348.1

14 Debt

(In millions of USD)	Interest Rate (%)	Maturity	As at 31 December 2017	As at 31 December 2016
Current portion of long-term debt:				
Meda Bank Loans			$ —	$ 219.6
2018 Senior Notes *	2.600%	2018	649.9	—
2018 Floating Rate Euro Notes (b) **		2018	600.2	—
2018 Senior Notes **	3.000%	2018	499.8	—
Other			2.4	3.7
Deferred financing fees			(3.1)	—
Current portion of long-term debt			$ 1,749.2	$ 223.3
Non-current portion of long-term debt:				
2016 Term Facility (a) **	2.944%	2019	$ 100.0	$ 1,600.0
Meda Medium Term Notes due 2019		2019	—	146.4
2018 Floating Rate Euro Notes (b) **		2018	—	526.0
2018 Senior Notes *	2.600%	2018	—	649.6
2018 Senior Notes **	3.000%	2018	—	499.6
2019 Senior Notes **	2.500%	2019	999.5	999.1
2019 Senior Notes *	2.550%	2019	499.7	499.5
2020 Floating Rate Euro Notes (c) **		2020	600.2	—
2020 Euro Senior Notes **	1.250%	2020	897.6	785.7
2020 Senior Notes **	3.750%	2020	499.9	499.9
2021 Senior Notes **	3.150%	2021	2,248.2	2,247.7
2023 Senior Notes *	3.125%	2023	749.2	749.0
2023 Senior Notes *	4.200%	2023	498.8	498.6
2024 Euro Senior Notes **	2.250%	2024	1,197.7	1,049.2
2026 Senior Notes **	3.950%	2026	2,235	2,233.5
2028 Euro Senior Notes **	3.125%	2028	892.0	781.1
2043 Senior Notes *	5.400%	2043	497.1	497.0
2046 Senior Notes **	5.250%	2046	999.8	999.8
Other			6.3	7.1
Deferred financing fees			(71.9)	(92.2)
Long-term debt			$ 12,849.1	$ 15,176.6

(a) The 2016 Term Facility bears interest at LIBOR plus a base rate, which margins can fluctuate based on the Company's credit ratings as described below. At 31 December 2017, the weighted average interest rate of the 2016 Term Facility was approximately 2.94%.

(b) Instrument bears interest at a rate of three-month EURIBOR plus 0.870% per annum, reset quarterly.

(c) Instrument bears interest at a rate of three-month EURIBOR plus 0.50% per annum, reset quarterly.

* Instrument was issued by Mylan Inc.

** Instrument was issued by Mylan N.V.

Receivables Facility

The Company has a $400 million Receivables Facility. In January 2018, the maturity of the Receivables Facility was extended to January 2019.

Under the terms of the Receivables Facility, our subsidiary, MPI, sells certain accounts receivable to Mylan Securitization LLC ("Mylan Securitization"), a wholly-owned special purpose entity which in turn sells a percentage ownership interest in the receivables to financial institutions and commercial paper conduits sponsored by financial institutions. MPI is the servicer of the receivables under the Receivables Facility. Purchases under the Receivables Facility will be repaid as accounts receivable are collected, with new purchases being advanced as new accounts receivable are originated by MPI. Mylan Securitization's assets have been pledged to The Bank of Tokyo-Mitsubishi UFJ, Ltd., as agent, in support of its obligations under the Receivables Facility. Any amounts outstanding under the facility are recorded as borrowings and the underlying receivables will continue to be included in accounts receivable, net, in the Consolidated Balance Sheets of the Company.

The Receivables Facility contains requirements relating to the performance of the accounts receivable and covenants related to the Company with which the Company was compliant as of 31 December 2017. As of 31 December 2017 and 2016, the Company had $1.04 billion and $1.13 billion, respectively, of accounts receivable balances sold to Mylan Securitization and no short-term borrowings included in the Consolidated Balance Sheets as of 31 December 2016. As of 31 December 2017, the Company had $45.0 million of short-term borrowings under the Receivables Facility and included in Short-term borrowings in the Consolidated Balance Sheets.

Commercial Paper Program

On 08 June 2017, the Company established an unsecured commercial paper program (the "CP Program") pursuant to which the Company may issue short-term, unsecured commercial paper notes (the "CP Notes") pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). Amounts available under the CP Program may be borrowed, repaid and re-borrowed from time to time, with the aggregate principal amount of CP Notes outstanding under the CP Program at any time not to exceed $1.65 billion. The net proceeds of issuances of the CP Notes are expected to be used for general corporate purposes. The Company's 2016 Revolving Facility (as defined below) will be available to repay the CP Notes, if necessary. The maturities of the CP Notes will vary but will not exceed 364 days from the date of issue. At 31 December 2017, the Company had no amounts outstanding under the CP program.

Credit Facilities

2016 Revolving Facility

On 22 November 2016, the Company entered into a revolving credit facility among the Company, as borrower, Mylan Inc., as a guarantor, certain lenders and issuing banks and Bank of America, N.A., as the administrative agent, pursuant to which the Company may obtain extensions of credit in an aggregate principal amount not to exceed $2.0 billion (the "2016 Revolving Facility"). The 2016 Revolving Facility is unsecured.

Any proceeds from the 2016 Revolving Facility may be used for working capital, capital expenditures and other lawful corporate purposes, including, without limitation, to repay outstanding obligations of the Company and its subsidiaries.

Borrowings under the 2016 Revolving Facility will bear interest at LIBOR plus 1.200% per annum, if the Company chooses to make LIBOR borrowings, or at a base rate plus 0.200% per annum. The 2016 Revolving Facility has a facility fee, which currently accrues at 0.175% on the daily amount of the aggregate revolving commitments of the lenders. The applicable margins over LIBOR and the base rate for the revolver can fluctuate based on the long term unsecured senior, non-credit enhanced debt rating of the Company by S&P Global Ratings, Moody's Investors Service, Inc. and Fitch Ratings, Inc.

The 2016 Revolving Facility matures on 22 November 2021 and may be voluntarily prepaid without penalty or premium, other than customary breakage costs related to prepayments of LIBOR borrowings. At 31 December 2017 and 2016, the Company had no amounts outstanding under the 2016 Revolving Facility.

2016 Term Facility

On 22 November 2016, the Company entered into a term credit facility among the Company, as borrower, Mylan Inc., as a guarantor, certain lenders and Goldman Sachs Bank USA, as administrative agent, pursuant to which the Company borrowed $2.0 billion in term loans (the "2016 Term Facility"). The proceeds of the 2016 Term Facility were used to repay outstanding obligations under, and thereby terminate, the facilities agreement, dated as of 17 December 2014, among Meda, as borrower, the lenders from time to time party thereto and Danske Bank A/S, as agent.

The 2016 Term Facility is guaranteed by Mylan Inc.; provided that if Mylan Inc. is no longer a borrower in respect of third party indebtedness in excess of $500 million, Mylan Inc. shall be released from such guarantee at the option of the Company or Mylan Inc. The 2016 Term Facility is unsecured.

The 2016 Term Facility currently bears interest at LIBOR plus 1.375% per annum, if the Company chooses to make LIBOR borrowings, or at a base rate plus 0.375% per annum. The applicable margins over LIBOR and the base rate for the 2016 Term Facility can fluctuate based on the long term unsecured senior, non-credit enhanced debt rating of the Company by S&P Global Ratings, Moody's Investors Service, Inc. and Fitch Ratings, Inc.

The 2016 Term Facility matures on 22 November 2019 and has no required amortization payments. The 2016 Term Facility may be voluntarily prepaid without penalty or premium, other than customary breakage costs related to prepayments of LIBOR borrowings. The Company has voluntarily prepaid $1.90 billion of the aggregate principal amount of the 2016 Term Facility, including $1.50 billion during 2017. At 31 December 2017, the Company had an aggregate principal amount of $100 million outstanding under the 2016 Term Facility.

The Company's 2016 Term Loans and 2016 Revolving Facility contain a maximum consolidated leverage ratio financial ratio of 3.75 to 1.00 for consolidated total indebtedness as of the end of any quarter to consolidated EBITDA for the trailing four quarters as defined in the related credit agreements ("leverage ratio") which was subsequently modified as discussed below. The 2016 Term Loans and 2016 Revolving Facility also contain customary affirmative covenants for facilities of this type, including among others, covenants pertaining to the delivery of financial statements, notices of default and certain material events, maintenance of corporate existence and rights, property, and insurance and compliance with laws, as well as customary negative covenants for facilities of this type, including limitations on the incurrence of subsidiary indebtedness, liens, mergers and certain other fundamental changes, investments and loans, acquisitions, transactions with affiliates, payments of dividends and other restricted payments and changes in our lines of business.

Amendment to 2016 Revolving Facility and 2016 Term Facility

On 03 November 2017, the Company entered into amendments to the 2016 Term Facility and 2016 Revolving Facility to modify the leverage ratio covenant. Following such amendments, the 2016 Term Facility and 2016 Revolving Facility contain maximum consolidated leverage ratio financial covenants requiring maintenance of a maximum ratio of 4.25 to 1.00 through 31 December 2018. The Company is in compliance with the leverage ratio covenant at 31 December 2017 and expects to remain in compliance for the next twelve months.

Meda Borrowings

Upon settlement of the Offer on 05 August 2016, Meda became a controlled subsidiary of the Company. Meda was party to certain debt obligations, which remained outstanding following the settlement of the Offer, including (i) a 2kr billion loan agreement, dated as of 17 September 2014 (the "Bilateral Loan Agreement"), between Meda, as borrower, and Svensk Exportkredit, as lender and (ii) the 2013/2018 588kr million floating rate notes issued by Meda (the "2018 MTN") and the 2014/2019 745kr million floating rate notes issued by Meda (the "2019 MTN" and, together with the 2018 MTN, the "Meda MTN"). On 29 September 2017, all 2,011kr million of its outstanding debt obligations under the Bilateral Loan Agreement were fully paid using available liquidity.

On 6 December 2017 the holders of the Meda MTNs approved insertion of an early redemption call option and Meda announced its immediate intention to exercise the call option. On 15 December 2017 all outstanding Meda MTNs were redeemed using available liquidity.

At 31 December 2017, Meda did not have any outstanding debt obligations.

Senior Notes

April 2018 Senior Notes Offering

The following table provides the amounts of senior unsecured debt issued by Mylan Inc., and guaranteed by Mylan N.V., on 09 April 2018 (the "Senior Notes"). The Senior Notes were issued pursuant to an indenture dated 09 April 2018. The Senior Notes were issued in a private offering exempt from the registration requirements of the Securities Act to qualified institutional buyers in accordance with Rule 144A and to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The Company has entered into a registration rights agreement, dated as of 09 April 2018 pursuant to which the Company and Mylan N.V. are required to use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the Senior Notes for new notes with the same aggregate principal amount and terms substantially identical in all material respects.

(In millions)	Interest Rate	Principal Amount
2028 Senior Notes [1]	4.550%	$ 750.0
2048 Senior Notes [1]	5.200%	750.0
Total Senior Notes issued on 09 April 9 2018		$ 1,500.0

[1] Redeemable at any time, in whole or in part, at our option at the greater of 100% of the principal amount and sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.30% in the case of the 2028 Senior Notes and 0.35% in the case of the 2048 Senior notes plus, in each case, accrued and unpaid interest.

On 29 March 2018, the Company announced its intention to redeem $650 million principal amount of Mylan Inc.'s 2.600% Senior Notes due 2018, $500 million principal amount of Mylan N.V.'s 3.000% Senior Notes due 2018 and $350 million of the outstanding $500 million principal amount of Mylan Inc.'s 2.550% Senior Notes due 2019. The redemption of these notes will be funded by the April 2018 Senior Notes offering.

On 23 May 2018, Mylan Inc. a indirect wholly-owned subsidiary of Mylan N.V. completed the offering of €500,000,000 aggregate principal amount of its 2.125% Senior Notes due 2025. In connection with this offering the Company disclosed its intent to redeem all of the remaining outstanding $150 million principal amount of Mylan Inc.'s 2.550% Senior Notes due 2019 and $450 million of the outstanding $1.0 billion principal amount of Mylan N.V.'s 2.500% Senior Notes due 2019.

Issuance of 2017 Euro Notes

On 24 May 2017, the Company completed its offering of €500 million aggregate principal amount of Floating Rate Senior Notes due 2020, issued pursuant to the indenture dated 24 May 2017 (the "2017 Euro Notes Indenture"). The 2020 Floating Rate Euro Notes will mature on 24 May 2020 and cannot be redeemed prior to maturity at the option of the Company.

The 2020 Floating Rate Euro Notes were issued in a private offering exempt from the registration requirements of the Securities Act to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The 2020 Floating Rate Euro Notes are the Company's senior unsecured indebtedness and are guaranteed on a senior unsecured basis by Mylan Inc.

The 2020 Floating Rate Euro Notes bear interest at a rate per annum, reset quarterly, equal to the sum of (i) three-month EURIBOR (as defined in the 2017 Euro Notes Indenture) plus (ii) 0.50%, provided, however, that the minimum interest rate is zero. Interest on the 2020 Floating Rate Euro Notes is payable quarterly in arrears on each 24 February, 24 May, 24 August and 24 November. The interest rate at 31 December 2017 was approximately 0.17% per annum.

The Company utilized the net proceeds from the 2020 Floating Rate Euro Notes offering to repay a portion of the term loans under the 2016 Term Facility and to pay associated fees and expenses.

Issuance of 2016 Euro Notes

On 22 November 2016, the Company completed its offering of €500 million aggregate principal amount of Floating Rate Senior Notes due 2018, €750 million aggregate principal amount of 1.250% Senior Notes due 2020, €1.0 billion aggregate principal amount of 2.250% Senior Notes due 2024 and €750 million aggregate principal amount of 3.125% Senior Notes due 2028, issued pursuant to the indenture dated 22 November 2016 (the "2016 Euro Notes Indenture"). The 2018 Floating Rate Euro Notes, 2020 Euro Notes, 2024 Euro Notes, and 2028 Euro Notes, together, are referred to as the "November 2016 Euro Notes."

The November 2016 Euro Notes were issued in a private offering exempt from the registration requirements of the Securities Act, to persons outside of the United States pursuant to Regulation S under the Securities Act. The November 2016 Euro Notes are the Company's senior unsecured indebtedness and are guaranteed on a senior unsecured basis by Mylan Inc.

The 2018 Floating Rate Euro Notes bear interest at a rate per annum, reset quarterly, equal to the sum of (i) three-month EURIBOR (as defined in the 2016 Euro Notes Indenture) plus (ii) 0.870%; provided, however, that the minimum interest rate is zero. Interest on the 2018 Floating Rate Euro Notes is payable quarterly in arrears on each 22 February, 22 May, 22 August and 22 November. The 2018 Floating Rate Euro Notes will mature on 22 November 2018. The interest rate on the 2018 Floating Rate Euro Notes at 31 December 2017 was approximately 0.541% per annum. The 2018 Floating Rate Euro Notes cannot be redeemed at the option of the Company.

The 2020 Euro Notes will mature on 23 November 2020, the 2024 Euro Notes will mature on 22 November 2024 and the 2028 Euro Notes will mature on 22 November 2028. Interest on the 2020 Euro Notes is payable annually in arrears on 23 November of each year. Interest on the 2024 Euro Notes and the 2028 Euro Notes is payable annually in arrears on 22 November of each year. The 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes are redeemable, in whole or in part, at any time at our option, at the redemption prices set forth in the 2016 Euro Notes Indenture.

The Company utilized the net proceeds from the November 2016 Euro Notes offering to repay or otherwise refinance the Company's indebtedness, to pay related fees and expenses and for general corporate purposes.

At 31 December 2017, the outstanding balance of the 2018 Floating Rate Euro Notes, 2020 Floating Rate Euro Notes, 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes was approximately $600.2 million, $600.2 million, $897.6 million, $1.20 billion and $892.0 million, respectively, converted at the 31 December 2017 EUR to USD spot exchange rate. At 31 December 2017, discounts on the 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes were approximately $2.8 million, $2.8 million and $8.4 million, respectively, converted at the 31 December 2017 EUR to USD spot exchange rate. During the year ended 31 December 2017, the Company recorded mark-to-market losses related to the 2018 Floating Rate Euro Notes, 2020 Floating Rate Euro Notes, 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes of approximately $74.3 million, $45.7 million, $111.4 million, $148.5 million and $111.4 million, respectively. During the year ended 31 December 2016, the Company recorded mark-to-market losses related to the 2018 Floating Rate Euro Notes, 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes of approximately $5.3 million, $8.0 million, $10.7 million, and $8.0 million, respectively. Refer to Note 11 *Financial Instruments and Risk Management* for further discussion of the foreign currency risk management of these instruments. During the year ended 31 December 2016, the Company incurred approximately $15.6 million in financing fees related to the Euro Notes, which were recorded as deferred financing fees in the Consolidated Balance Sheets.

Issuance of June 2016 Senior Notes

On 09 June 2016, the Company completed its offering of $1.00 billion aggregate principal amount of 2.500% Senior Notes due 2019 (the "2019 Senior Notes"), $2.25 billion aggregate principal amount of 3.150% Senior Notes due 2021 (the "2021 Senior Notes"), $2.25 billion aggregate principal amount of 3.950% Senior Notes due 2026 and $1.00 billion aggregate principal amount of 5.250% Senior Notes due 2046 (the "2046 Senior Notes" and together with the 2019 Senior Notes, the 2021 Senior Notes and the 2026 Senior Notes, (the "June 2016 Senior Notes"), issued pursuant to an indenture, dated as of 09 June 2016 (the "June 2016 Indenture").

The June 2016 Senior Notes were issued in a private offering exempt from the registration requirements of the Securities Act to qualified institutional buyers in accordance with Rule 144A and to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The June 2016 Senior Notes are the Company's senior unsecured indebtedness and are guaranteed on a senior unsecured basis by Mylan Inc.

In addition, the Company entered into a registration rights agreement, dated as of 09 June 2016, pursuant to which the Company and Mylan Inc. were required to use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the June 2016 Senior Notes for new notes with the same aggregate principal amount and terms substantially identical in all material respects. In December 2016, the Company and Mylan Inc. filed a registration statement with the SEC with respect to such an offer, which was declared effective on 03 January 2017. The exchange offer expired on 31 January 2017 and settled on 03 February 2017.

The 2019 Senior Notes will mature on 07 June 2019. Interest on the 2019 Senior Notes is payable semi-annually in arrears on 07 June and 07 December of each year. The 2021 Senior Notes will mature on 15 June 2021, the 2026 Senior Notes will mature on 15 June 2026 and the 2046 Senior Notes will mature on 15 June 2046. Interest on the 2021 Senior Notes, the 2026 Senior Notes and the 2046 Senior Notes is payable semi-annually in arrears on 15 June and 15 December of each year. The June 2016 Senior Notes are redeemable, in whole or in part, at any time at our option, at the redemption prices set forth in the June 2016 Indenture.

At 31 December 2017, the outstanding balances of the 2019 Senior Notes, 2021 Senior Notes, 2026 Senior Notes and 2046 Senior Notes include discounts of $0.5 million, $1.8 million, $15.0 million and $0.2 million, respectively.

The Company utilized the net proceeds from this offering to fund the Offer, to pay related fees and expenses and for general corporate purposes.

15 Components of other comprehensive (loss) earnings

Accumulated other comprehensive (loss) earnings, as reflected on the Consolidated Balance Sheets, is comprised of the following:

(In millions of USD)	As at 31 December 2017	As at 31 December 2016
Accumulated other comprehensive loss:		
Net unrealized gain on marketable securities, net of tax	$ 12.5	$ 14.5
Actuarial gains on defined benefit plans, net of tax	4.2	19.1
Reclassification of actuarial gains on defied benefit plans, net of tax	(4.2)	(19.1)
Net unrecognized losses on derivatives in cash flow hedging relationships, net of tax	(10.1)	(41.6)
Net unrecognized losses on derivatives in net investment hedging relationships, net of tax	(239.8)	(1.4)
Foreign currency translation adjustment	188.3	(1,921.3)
	$ (49.1)	$ (1,949.8)

Components of other comprehensive (loss) earnings, before tax, consist of the following:

	Year Ended 31 December 2017							
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Net Investment Hedges	Gains and Losses on Marketable Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
(In millions of USD)	Foreign Currency Forward Contracts	Interest Rate Swaps	Total					
Balance at 31 December 2016, net of tax			$(41.6)	$ (1.4)	$ 14.5	$ —	$ (1,921.3)	$ (1,949.8)
Other comprehensive (loss) earnings before reclassifications, before tax			46.5	(238.4)	(6.7)	6.9	2,109.6	1,917.9
Amounts reclassified from accumulated other comprehensive (loss) earnings, before tax:								
Gain on foreign exchange forward contracts classified as cash flow hedges, included in net sales	(1.1)		(1.1)					(1.1)
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		7.3	7.3					7.3
Net other comprehensive (loss) earnings, before tax			52.7	(238.4)	(6.7)	6.9	2,109.6	1,924.1
Income tax (benefit) provision			21.2	—	(4.7)	2.7	—	19.2
Reclassification of actuarial gains on defined benefit pension plans, net of tax, to retained earnings			—	—	—	(4.2)	—	(4.2)
Balance at 31 December 2017, net of tax			$(10.1)	$ (239.8)	$ 12.5	$ —	$ 188.3	$ (49.1)

	Year Ended 31 December 2016							
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Net Investment Hedges	Gains and Losses on Marketable Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
(In millions of USD)	Foreign Currency Forward Contracts	Interest Rate Swaps	Total					
Balance at 31 December 2015, net of tax			$(21.1)	$ —	$ (1.0)	$ —	$ (1,412.2)	$ (1,434.3)
Other comprehensive (loss) earnings before reclassifications, before tax			(84.2)	(1.8)	24.6	29.5	(509.1)	(541.0)
Amounts reclassified from accumulated other comprehensive (loss) earnings, before tax:								
Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales	44.3		44.3					44.3
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		8.7	8.7					8.7
Net other comprehensive (loss) earnings, before tax			(31.2)	(1.8)	24.6	29.5	(509.1)	(488.0)
Income tax (benefit) provision			(10.7)	(0.4)	9.1	10.4	—	8.4
Reclassification of actuarial gains on defined benefit pension plans, net of tax, to retained earnings			—	—	—	(19.1)	—	(19.1)
Balance at 31 December 2016, net of tax			$(41.6)	$ (1.4)	$ 14.5	$ —	$ (1,921.3)	$ (1,949.8)

16 Income tax

On 22 December 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S Tax Code including, but not limited to, reducing the U.S. federal corporate income tax rate and requiring a one-time Transition Tax on certain unrepatriated earnings of non-U.S. corporate subsidiaries of large U.S. shareholders. While the Tax Act reduces the U.S. federal corporate income tax rate from 35% to 21% for tax years beginning after 31 December 2017, the Company remeasured its deferred tax balances in 2017 in accordance with the 2018 rate reduction. The Tax Act also puts in place new tax laws that will impact the U.S. taxable income beginning in 2018, which include, but are not limited to (1) creating a Base Erosion Anti-Abuse Tax ("BEAT"), which is a new minimum tax, (2) generally eliminating U.S. federal income taxes on dividends from non-U.S. subsidiaries (the "participation exemption"), (3) a new provision designed to tax currently global intangible low-taxed income ("GILTI") earned by non-U.S. corporate subsidiaries of large U.S. shareholders, which allows for the possibility of utilizing tax credits earned from tax liabilities incurred to non-U.S. taxing authorities (such tax credits are limited to 80% of the non-U.S. taxes paid that are properly attributable to the GILTI and are segregated into a separate basket, with no carryforward or carryback permitted for excess tax credits) and a deduction generally equal to 50 percent of GILTI (37.5 percent for tax years beginning after 31 December 2025) to offset the income tax liability, (4) a provision limiting the amount of deductible interest expense in the U.S., (5) the repeal of the domestic manufacturing deduction, (6) limitations on the deductibility of certain executive compensation, and (7) limitations on the utilization of non U.S. tax credits used to reduce the U.S. income tax liability.

The Company has thus recorded an estimated tax charge of $143.6 million related to the Tax Act in the year ended 31 December 2017. This net charge primarily consists of a net expense of $30.0 million due to the remeasurement of the net U.S. deferred tax accounts to reflect the U.S. federal corporate income tax rate reduction to 21% and a net expense for the transition tax of $113.6 million.

The transition tax of $113.6 million is a 2017 tax on the previously untaxed accumulated and current earnings and profits ("E&P") of certain of our non-U.S. subsidiaries. In order to determine the amount of the transition tax, we must generally determine the amount of post-1986 E&P of the relevant subsidiaries, as well as the amount of non-U.S. income taxes paid on such earnings. E&P is similar to the retained earnings of the subsidiary, but requires other adjustments to conform to the Code. We are able to make a reasonable estimate of the transition tax and recorded the estimated transition tax obligation of $113.6 million which the Company expects to elect to pay, net of certain tax attributes and credit carryforwards, over eight years beginning in 2018. This amount is presented in other long-term liabilities, and the Company is making a policy election to not record this future payment obligation at a present value. However, we are awaiting further interpretative guidance from the U.S. taxing authorities, along with continuing to assess available tax methods and elections, and continuing to gather additional information to more precisely compute the amount of the transition tax, and may record adjustments to this estimate in 2018.

The Tax Act's GILTI provision is applicable to income earned by non-U.S. corporate subsidiaries of large U.S. shareholders starting in 2018. The Company has made a policy election, to treat any future GILTI tax liabilities as period costs and will expense those liabilities in the period incurred. The Company therefore will not record deferred taxes associated with the GILTI provision of the Tax Act.

As of 31 December 2017, the Company's practice and intention was to reinvest the earnings in our non-U.S. subsidiaries outside of the U.S., and no U.S. deferred income taxes or foreign withholding taxes were recorded. The transition tax noted above will result in the previously untaxed foreign earnings being included in the federal and state 2017 taxable income. We are currently analyzing our global working capital requirements and the potential tax liabilities that would be incurred if the non-U.S. subsidiaries distribute cash to the U.S. parent, which include local country withholding tax and potential U.S. state taxation. For these reasons, we are not yet able to reasonably estimate the effect of this provision of the Tax Act and have not recorded any withholding or state tax liabilities.

The Company is also analyzing other provisions of the Tax Act that come into effect for tax years starting in 2018 to determine if these items would impact the effective tax rate. These provisions include BEAT, the participation exemption, the treatment of amounts in accumulated other comprehensive income, the new provision that could limit the amount of deductible interest expense in the U.S., and the limitations on the deductibility of certain executive compensation.

The major components of income tax (benefit) provision for the years ended 31 December 2017 and 2016 are:

Consolidated Income Statements

(In millions of USD)	2017	2016
Current income tax	$ 307.6	$ 288.9
Deferred income tax	(85.2)	(669.9)
Income tax (benefit) provision reported in the Consolidated Income Statement	$ 222.4	$ (381.0)

Consolidated Statements of Comprehensive Earnings

(In millions of USD)	2017	2016
Deferred income tax related to items charged or credited directly to OCI during the year:		
Net (loss) gain on revaluation of derivatives in cash flow hedging relationships	$ 21.2	$ (10.7)
Net loss on revaluation of derivatives in net investment hedges	—	(0.4)
Unrealized gain (loss) on available-for-sale financial assets	(4.7)	9.1
Net gain on actuarial gains and losses	2.7	10.4
Deferred income tax charged to OCI	$ 19.2	$ 8.4
Reclassification of tax on actuarial gains on defined benefit pension plans to retained earnings	(2.7)	(10.4)
Remaining deferred income tax charges to OCI	$ 16.5	$ (2.0)

The United Kingdom ("U.K.") statutory income tax rate applicable to Mylan N.V. for the year ended 31 December 2017 and 2016 was 19.0% and 20.0%, respectively. Mylan's operations are subject to income taxes in various foreign jurisdictions. The statutory income tax rates vary from 10% to 35%. The differences between the effective tax rate and the standard corporate tax

rate are explained as follows:

	2017	2016
Statutory tax rates	19.0 %	20.0 %
United States Operations		
Clean energy and research credits	(10.3)%	(31.0)%
Movement in unrecognized deferred positions	10.7 %	— %
Tax Act - transition tax	7.0 %	— %
Tax Act - revaluation of deferred taxes	3.4 %	— %
Fair value adjustment for equity warrants	— %	(29.4)%
U.S. rate differential	7.3 %	(3.5)%
Other U.S. items	3.3 %	0.5 %
State income taxes and credits	(0.8)%	3.2 %
Other Foreign Operations		
Other foreign rate differential	(19.6)%	(57.2)%
Revaluation of deferred taxes	1.0 %	(6.9)%
Uncertain tax positions	(1.0)%	0.3 %
Movement in unrecognized deferred positions	4.0 %	29.4 %
Merger of foreign subsidiaries	— %	(44.7)%
Other foreign items	1.1 %	6.1 %
Effective tax rate	25.1 %	(113.2)%

Temporary differences and carryforwards that result in deferred tax assets and liabilities were as follows:

	Consolidated Balance Sheets		Consolidated Income Statements	
	31 December		Year Ended 31 December	
(In millions of USD)	2017	2016	2017	2016
Deferred tax				
Employee benefits	$ 190.8	$ 238.4	$ 53.6	$ 15.7
Litigation reserves	40.8	236.4	196.1	(206.1)
Accounts receivable allowance	247.3	393.0	153.4	(92.1)
Inventories	161.6	146.7	—	(12.1)
Tax credit and loss carryforwards	470.9	315.4	(144.1)	(104.8)
Intangible assets and goodwill	(2,476.5)	(2,567.2)	(367.1)	(265.2)
Interest expense	47.8	51.2	4.1	—
Property and equipment	(118.7)	(183.9)	(70.4)	1.5
Other	39.3	134.0	89.2	(6.8)
Net deferred tax (liabilities) assets	$ (1,396.7)	$ (1,236.0)		
Deferred income tax			$ (85.2)	$ (669.9)

Reflected in the Consolidated Balance Sheet as follows:		
Deferred income tax asset	$ 549.9	$ 716.0
Deferred income tax liability	$ 1,946.6	$ 1,952.0

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

No provision for income taxes is recognized for the undistributed earnings of subsidiaries and joint arrangements where the parent considers that such earnings are not expected to be remitted in the foreseeable future. The amount of such temporary differences is approximately $431.0 million and $1.80 billion at 31 December 2017 and 2016, respectively.

Net operating losses

As of 31 December 2017, the Company has net operating loss carryforwards for U.S. state income tax purposes of approximately $2.70 billion. The Company also has non-U.S. net operating loss carryforwards of approximately $1.90 billion, of which $1.20 billion can be carried forward indefinitely, with the remaining $727.0 million expiring in years 2016 through 2035. Deferred tax assets have not been recognized in respect of most of these losses as they may not be used to offset taxable profits elsewhere in the Company, they have arisen in subsidiaries that have been loss-making for some time, and there are no tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognize all unrecognized deferred tax assets, the net earnings would increase by $651.4 million, with the remaining unrecognized deferred tax assets being recorded in other comprehensive income or additional paid-in capital in accordance with the backwards tracing principles.

The Company has $80.3 million of capital loss carryforwards expiring in 2019 through 2022. Deferred tax assets have not been recognized in respect of these carryforwards as they may only be used to offset capital gains, which are not anticipated. The Company also has $111.5 million of foreign, U.S. and U.S. state credit carryovers, expiring in various amounts through 2036.

Accounting for contingent tax liabilities

As of 31 December 2017 and 2016, the Company's Consolidated Balance Sheets reflect net liabilities for contingent tax liabilities of $276.6 million and $270.7 million, respectively.

17 Share-based incentive plan

The Company's shareholders have approved the *2003 Long-Term Incentive Plan* (as amended, the "2003 Plan"). Under the 2003 Plan, 55,300,000 ordinary shares are reserved for issuance to key employees, consultants, independent contractors and non-employee directors of the Company through a variety of incentive awards, including: stock options, stock appreciation rights ("SAR"), restricted ordinary shares and units, performance awards ("PSU"), other stock-based awards and short-term cash awards. Stock option awards are granted with an exercise price equal to the fair market value of the ordinary shares underlying the options at the date of the grant, generally become exercisable over periods ranging from three to four years, and generally expire in ten years.

In February 2014, Mylan's Compensation Committee and the independent members of the Board of Directors adopted the One-Time Special Performance-Based Five-Year Realizable Value Incentive Program (the "2014 Program") under the 2003 Plan. Under the 2014 Program, certain key employees received a one-time, performance-based incentive award (the "Awards") either in the form of a grant of SARs or PSUs. The initial Awards were granted in February 2014 and contain a five-year cliff-vesting feature based on the achievement of various performance targets, external market conditions and the employee's continued services. Additional Awards were granted in 2016 and 2017 and are subject to the same performance conditions as the Awards granted in February 2014 and with a service vesting condition of between two and six years. The market condition was met on 10 June 2015 and is therefore no longer applicable to any of the Awards.

The following table summarizes stock option and SAR ("stock awards") activity:

	Number of Shares Under Stock Awards	Weighted Average Exercise Price per Share
Outstanding as at 31 December 2015	7,732,499	$ 31.85
Granted	876,397	45.51
Exercised	(612,477)	23.13
Forfeited	(296,978)	50.70
Outstanding as at 31 December 2016	7,699,441	$ 33.38
Granted	964,475	42.48
Exercised	(902,041)	20.06
Forfeited	(563,191)	47.36
Outstanding as at 31 December 2017	7,198,684	$ 35.17
Vested and expected to vest as at 31 December 2017	6,978,235	$ 34.82
Exercisable as at 31 December 2017	5,535,230	$ 31.99

As at 31 December 2017, stock awards outstanding, stock awards vested and expected to vest, and stock awards exercisable had average remaining contractual terms of 5.5 years, 5.4 years and 4.6 years, respectively. Also at December 31, 2017, stock awards outstanding, stock awards vested and expected to vest and stock awards exercisable had aggregate intrinsic values of $74.1 million, $73.9 million and $72.6 million, respectively. During the year ended December 31, 2015, the Company recorded additional share-based compensation expense of approximately $21.8 million related to the accelerated vesting of equity awards as a result of the EPD Transaction.

A summary of the status of the Company's nonvested restricted stock and restricted stock unit awards, including PSUs ("restricted stock awards") as at 31 December 2016 and the changes during the year ended 31 December 2017 are presented below:

	Number of Restricted Stock Awards	Weighted Average Grant-Date Fair Value per Share
Nonvested as at 31 December 2016	5,667,830	$ 42.46
Granted	1,406,875	44.34
Released	(502,516)	52.28
Forfeited	(607,982)	43.95
Nonvested as at 31 December 2017	5,964,207	$ 41.92

Of the 1,406,875 restricted stock awards granted during the year ended 31 December 2017, 725,913 vest ratably in five years or less and are not subject to market or performance conditions. Of the remaining restricted stock awards granted, 640,202 are subject to market conditions and will cliff vest in three years or less and 40,760 are not subject to market or performance conditions and will cliff vest in one year or less. 40,507 restricted stock awards were granted under the 2014 Program and are subject to the performance condition and will cliff vest over various periods between two and three years.

As at 31 December 2017, the Company had $113.1 million of total unrecognized compensation expense, net of estimated forfeitures, related to all of its stock-based awards, which we expect to be recognized over the remaining weighted average vesting period of 1.8 years. The total intrinsic value of stock-based awards exercised and restricted stock awards released during the years ended 31 December 2017 and 2016 was $39.1 million and $60.7 million, respectively.

2003 Plan

With respect to options granted under the Company's share-based compensation plans, the fair value of each option grant was estimated at the date of grant using the Black-Scholes option pricing model. Black-Scholes utilizes assumptions related to volatility, the risk-free interest rate, the dividend yield and employee exercise behavior. Expected volatilities utilized in the model are based mainly on the implied volatility of the Company's stock price and other factors. The risk-free interest rate is

derived from the U.S. Treasury yield curve in effect at the time of grant. The model incorporates exercise and post-vesting forfeiture assumptions based on an analysis of historical data. The expected lives of the grants are derived from historical and other factors.

The assumptions used for options granted under the 2003 Plan are as follows:

	Year Ended 31 December	
	2017	2016
Volatility	33.2%	38.1%
Risk-free interest rate	2.2%	1.4%
Expected term (years)	6.4	6.3
Forfeiture rate	5.5%	5.5%
Weighted average grant date fair value per option	$15.88	$17.90

2014 Program

Under the 2014 Program, approximately 4.4 million SARs and 1.5 million PSUs were granted in February 2014. The fair value of the Awards was determined using a Monte Carlo simulation as both the SARs and PSUs contain the same performance and market conditions. The Monte Carlo simulation involves a series of random trials that result in different future stock price paths over the contractual life of the SAR or PSU based on appropriate probability distributions. Conditions are imposed on each Monte Carlo simulation to determine the extent to which the performance conditions would have been met, and therefore the extent to which the Awards would have vested, for the particular stock price path. The market condition was met on 10 June 2015. In determining the fair value of the performance-based SARs and PSUs, the Company considered the achievement of the market condition in determining the estimated fair value. The Restricted Ordinary Shares (as defined below) and PSUs remain subject to the achievement of the performance condition and the employee's continued service. Subsequent to the initial grant under the 2014 Program, approximately 500,000 awards have been forfeited.

On 10 June 2015, 4.1 million shares of the Company's performance-based SARs were converted into 1.1 million restricted ordinary shares (the "Restricted Ordinary Shares") pursuant to the terms of the 2014 Program. In addition, the maximum number of the Company's PSUs granted in February 2014 under the 2014 Program that could vest was fixed at 1.4 million units. Each SAR or PSU is equal to one ordinary share with the maximum value of each Award upon vesting subject to varying limitations.

18 Employee benefit plans

Defined benefit plans

The Company sponsors various defined benefit pension plans in several countries. Benefits provided generally depend on length of service, pay grade and remuneration levels. The Company maintains two fully frozen defined benefit pension plans in the U.S., and employees in the U.S. and Puerto Rico are provided retirement benefits through defined contribution plans rather than through a defined benefit plan. During the year ended 31 December 2016, the Company assumed net unfunded pension and other postretirement liabilities, primarily in Germany and the U.S., of approximately $322.3 million as a result of the Meda Transaction.

The Company also sponsors other postretirement benefit plans. There are plans that provide for postretirement supplemental medical coverage. Benefits from these plans are paid to certain employees and their spouses and dependents who meet various minimum age and service requirements. In addition, there are plans that provide for life insurance benefits and postretirement medical coverage for certain officers and management employees.

A summary of the activity for the Company's defined benefit pension and other post-retirement plans follows:

(In millions of USD)	Year Ended 31 December 2017	2016
Change in defined benefit obligation		
Benefit obligation at beginning of period	$ 670.9	$ 260.4
Service cost	21.3	14.3
Interest cost	15.2	9.4
Participant contributions	1.2	1.2
Actuarial loss/(gain)	6.0	(27.9)
Benefits paid	(36.2)	(17.7)
Acquisitions	—	452.3
Transferred liabilities	0.5	2.1
Plan settlements and terminations	(20.7)	(6.0)
Currency translation adjustment	42.1	(17.2)
Benefit obligation at end of year	$ 700.3	$ 670.9

(In millions of USD)	Year Ended 31 December 2017	2016
Change in plan assets		
Fair value of plan assets, beginning of year	$ 291.7	$ 162.0
Interest income	6.7	4.6
Remeasurement gain/(loss) excluding interest income	14.9	1.5
Employer contributions	33.7	19.2
Participant contributions	1.2	1.2
Benefits paid from plan	(22.6)	(17.7)
Benefits paid directly by employer	(13.6)	(6.0)
Acquisitions	—	128.6
Transferred assets	0.5	2.1
Plan settlements	(18.7)	—
Other	(0.4)	(0.8)
Impact of foreign currency translation	2.7	(3.0)
Fair value of plan assets, end of year	$ 296.1	$ 291.7

(In millions of USD)	Year Ended 31 December 2017	2016
Defined benefit costs		
Current service cost	$ 20.7	$ 14.3
Past service cost	0.6	—
Net finance cost:		
Interest income on plan assets	6.7	4.6
Interest cost on obligation	15.2	9.4
Net finance cost	8.5	4.8
Other	(1.9)	—
Net periodic benefit expense	27.9	19.1
Total remeasurements included in OCI	(6.9)	(29.5)
Total defined benefit costs included in Consolidated Income Statements and OCI	$ 21.0	$ (10.4)

The weighted average assumptions underlying the pension computations were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2017	2016	2017	2016
Pension benefit obligation:				
Discount rate	2.0%	2.2%	3.7%	4.2%
Rate of compensation increase	2.8%	2.8%	—%	—%
Net periodic pension costs:				
Discount rate	2.2%	2.1%	4.2%	4.3%
Rate of compensation increase	2.8%	3.2%	—%	—%

The assumptions for each plan are reviewed on an annual basis. The discount rate reflects the current rate at which the pension and other benefit liabilities could be effectively settled at the measurement date. In setting the discount rates, we utilize comparable corporate bond indices as an indication of interest rate movements and levels. Corporate bond indices were selected based on individual plan census data and duration. The expected return on plan assets was determined using historical market returns and long-term historical relationships between equities and fixed income securities. The Company compares the expected return on plan assets assumption to actual historic returns to ensure reasonableness. Current market factors such as inflation and interest rates are also evaluated.

Fair value of plan assets

The Company measures the fair value of plan assets based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on a three-tier hierarchy described in Note 12 *Fair Value Measurement*. The table below presents total plan assets by investment category as at 31 December 2017 and 2016, and the classification of each investment category within the fair value hierarchy with respect to the inputs used to measure fair value:

	As at 31 December 2017			
(In millions of USD)	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2.5	$ 0.3	$ —	$ 2.8
Equity securities	65.2	71.8	—	137.0
Fixed income securities	45.2	57.6	—	102.8
Assets held by insurance companies and other	10.4	23.9	19.2	53.5
Total	$ 123.3	$ 153.6	$ 19.2	$ 296.1

	As at 31 December 2016			
(In millions of USD)	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 0.8	$ 0.3	$ —	$ 1.1
Equity securities	94.5	37.8	—	132.3
Fixed income securities	59.5	39.6	—	99.1
Assets held by insurance companies and other	8.7	19.2	31.3	59.2
Total	$ 163.5	$ 96.9	$ 31.3	$ 291.7

Accounting for defined benefit pension and other postretirement plans

The Company recognizes on its Consolidated Balance Sheets an asset or liability equal to the over- or under-funded benefit obligation of each defined benefit pension and other postretirement plan. Remeasurements, comprising of actuarial gains and losses and the return on plan assets (both excluding net interest), are recognized immediately in the Consolidated Balance Sheets with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes restructuring-related costs. The Company recognizes the following changes in the net defined

benefit obligation in the Consolidated Income Statements: service costs comprising current service costs, past service costs, gains and losses on curtailments, and net interest expense or income.

Risk tolerance on invested pension plan assets is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. Investment risk is measured and monitored on an ongoing basis through annual liability measures, periodic asset/liability studies and investment portfolio reviews. The Company's investment strategy is to maintain, where possible, a diversified investment portfolio across several asset classes that, when combined with the Company's contributions to the plans, will ensure that required benefit obligations are met.

Net accrued benefit costs for pension plans and other postretirement benefits are reported in the following components of the Company's Consolidated Balance Sheets as at 31 December 2017 and 2016:

	Pension Benefits		Other Postretirement Benefits	
	31 December		31 December	
(In millions of USD)	2017	2016	2017	2016
Noncurrent assets	$ 6.0	$ 3.4	$ —	$ —
Current liabilities	(11.7)	(9.8)	(1.6)	(1.9)
Noncurrent liabilities	(363.4)	(334.8)	(33.5)	(36.1)
Net accrued benefit costs	$ (369.1)	$ (341.2)	$ (35.1)	$ (38.0)

The projected benefit obligation is the actuarial present value of benefits attributable to employee service rendered to date, including the effects of estimated future pay increases. The accumulated benefit obligation is the actuarial present value of benefits attributable to employee service rendered to date, but does not include the effects of estimated future pay increases. The accumulated benefit obligation for the Company's pension plans was $598.5 million and $569.6 million at 31 December 2017 and 2016, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with an accumulated benefit obligation in excess of the fair value of plan assets at 31 December 2017 and 2016 were as follows:

	31 December	
(In millions of USD)	2017	2016
Plans with accumulated benefit obligation in excess of plan assets:		
Projected benefit obligation	$ 530.1	$ 493.7
Accumulated benefit obligation	506.0	471.7
Fair value of plan assets	164.8	164.3

Estimated future benefit payments

The Company's funding policy for its funded pension plans is based upon local statutory requirements. The Company's funding policy is subject to certain statutory regulations with respect to annual minimum and maximum company contributions. Plan benefits for the nonqualified plans are paid as they come due. The weighted average duration of the defined benefit obligation for pension plans was 13 years as of 31 December 2017 and 13 years at 31 December 2016. The weighted average duration of the defined benefit obligation for post-retirement plans was 12 years and 12 years as of 31 December 2017 and 2016, respectively.

Estimated benefit payments over the next ten years for the Company's pension plans and retiree health plan are as follows:

(In millions of USD)	Estimated Benefit Payments
2018	$ 32.8
2019	31.8
2020	37.0
2021	36.2
2022	37.4
Thereafter	202.7
Total	$ 377.9

The Company's defined benefit plan asset and liabilities are subject to changes in key assumptions and exposed to actuarial risks used in the actuarial valuation including investment risk, interest risk, longevity risk and salary risk, as defined below.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit. Currently the plans have a relatively balanced investment in equity securities, fixed income securities and assets held by insurance companies and other.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments, as applicable.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following is a summary of the impact of changes to these key assumptions on the defined benefit obligations:

(Decrease)/increase in Defined Benefit Obligation Due to Change in Key Assumption	31 December 2017	31 December 2016
Discount rate +0.5%	(43.6)	(42.3)
Discount rate -0.5%	47.2	46.8
Rate of increase in salaries +0.5%	7.8	8.0
Rate of increase in salaries -0.5%	(6.6)	(5.4)
Rate of increase in pensions +0.5%	21.9	19.3
Rate of increase in pensions -0.5%	(20.9)	(18.4)
Rate of increase in medical costs +0.5%	0.5	0.6
Rate of increase in medical costs -0.5%	(0.5)	(0.6)
1 year increase in life expectancy at 65	16.8	6.6

Defined contribution plans

The Company sponsors defined contribution plans covering its employees in the U.S. and Puerto Rico, as well as certain employees in a number of countries outside the U.S. The Company's U.S. and Puerto Rico defined contribution plans consist primarily of a 401(k) retirement plan with a profit sharing component for non-union represented employees (the "Profit Sharing 401(k) Plan") and a 401(k) retirement plan for union-represented employees. Profit sharing contributions are made at the discretion of the Board of Directors. The Company's non-domestic plans vary in form depending on local legal requirements. The Company's contributions are based upon employee contributions, service hours, or pre-determined amounts depending upon the plan. Obligations for contributions to defined contribution plans are recognized as expense in the Consolidated Statements of Operations when they are earned.

The Company adopted a 401(k) Restoration Plan (the "Restoration Plan"), which permits employees who earn compensation in excess of the limits imposed by Section 401(a)(17) of the Code to (i) defer a portion of base salary and bonus compensation, (ii) be credited with a Company matching contribution in respect of deferrals under the Restoration Plan, and (iii) be credited with Company non-elective contributions (to the extent so made by the Company), in each case, to the extent that participants otherwise would be able to defer or be credited with such amounts, as applicable, under the Profit Sharing 401(k) Plan if not for the limits on contributions and deferrals imposed by the Code.

The Company adopted an Income Deferral Plan, which permits certain management or highly compensated employees who are designated by the plan administrator to participate in the Income Deferral Plan to elect to defer up to 50% of base salary and up to 100% of bonus compensation, in each case, in addition to any amounts that may be deferred by such participants under the Profit Sharing 401(k) Plan and the Restoration Plan. In addition, under the Income Deferral Plan, eligible participants may be granted employee deferral awards, which awards will be subject to the terms and conditions (including vesting) as determined by the plan administrator at the time such awards are granted.

Total employer contributions to defined contribution plans were approximately $95.9 million and $95.6 million for the years ended 31 December 2017 and 2016, respectively.

Other benefit arrangements

The Company participated in a multi-employer pension plan under previous collective bargaining agreements. The PACE Industry Union-Management Pension Fund (the "Plan") provides defined benefits to certain retirees and certain production and maintenance employees at the Company's manufacturing facility in Morgantown, West Virginia who were covered by the previous collective bargaining agreements. Pursuant to a collective bargaining agreement entered into on 16 April 2012, the Company withdrew from the Plan effective 10 May 2012. In the fourth quarter of 2013, the Plan trustee notified the Company that its withdrawal liability was approximately $27.3 million, which was accrued by the Company at 31 December 2013. The withdrawal liability is being paid over a period of approximately nine years; payments began in March 2014. The withdrawal liability was approximately $18.1 million and $20.7 million at December 31, 2017 and 2016, respectively. The Employee Identification Number for this Plan is 11-6166763.

19 Income statement components

Selected income statement components consist of the following:

Litigation settlements and other contingencies, net

The following table includes the losses/(gains) recognized in litigation settlements and other contingencies, net during the year ended 31 December 2017:

(In millions of USD)	Note	Loss/(gain)
Respiratory Delivery Platform contingent consideration adjustment	24	$ (93.5)
Litigation settlements	24	51.1
Topicals Business contingent consideration adjustment	12	23.5
Jai Pharma Limited contingent consideration adjustment	12	9.8
Apicore contingent consideration adjustment	12	(4.0)
Total litigation settlements and other contingencies, net		$ (13.1)

Other expense, net

Other expense, net includes the following expenses (income) during the years ended 31 December 2017 and 2016, respectively:

(In millions of USD)	Note	2017	2016
Other expenses:			
Losses from equity affiliates, primarily clean energy investments	10	100.2	112.8
Write off of deferred financing fees	14	3.2	34.8
Other expense		10.0	10.0
Total other expenses		$ 113.4	$ 157.6
Other income:			
Foreign currency exchange gains, net		(48.1)	(0.5)
Clean energy investment adjustment, net gain		(42.2)	—
Interest income		(6.2)	(12.3)
Other income		(7.4)	(9.7)
Total other income		$ (103.9)	$ (22.5)
Other expense, net		$ 9.5	$ 135.1

During 2017, as a result of a decline in current and expected future production levels at certain of the clean energy facilities the Company impaired its investment balance and other assets by approximately $47 million and reduced the related long-term obligations for these investments by approximately $89 million resulting in a net gain of $42 million which was recognized as a component of the net loss of the equity method investments. In 2016, foreign currency exchange gains, net of approximately $0.5 million included approximately $128.6 million of losses related to the Company's SEK non-designated foreign currency contracts that were entered into to economically hedge the foreign currency exposure associated with the expected payment of the Swedish krona-denominated cash portion of the purchase price of the offer to the shareholders of Meda to acquire all of the outstanding shares of Meda. This loss was offset by foreign exchange gains of approximately $30.5 million related to the mark-to-market impact for the November 2016 settlement of a portion of outstanding Meda shares and the remaining obligation on non-tendered Meda shares. In addition, the loss was offset by foreign exchange gains related to the mark-to-market on Euro denominated notes of approximately $32.0 million and additional net gains as a result of the Company's foreign currency exchange risk management program.

20 Expenses by nature

The table below describes the nature of costs included in cost of sales, SG&A and R&D for the years ended 31 December 2017 and 2016.

(In millions of USD)	2017	2016
Cost of sales (excluding the line items listed below)	$ 4,424.2	$ 3,962.8
Payroll and related	2,189.1	1,829.0
Amortization including impairment of intangible assets	1,518.2	1,263.6
Depreciation	287.6	259.4
Restructuring	188.0	149.7
Purchase accounting inventory fair value adjustments	0.9	121.3
Joint operations R&D expense	117.7	121.3
Share-based compensation	75.7	91.2
Operating lease expense	83.8	70.8
Defined benefits and other post-retirement benefits expense	20.9	15.6
Other	1,585.6	1,823.9
Total cost of sales, SG&A and R&D expenses	$ 10,491.7	$ 9,708.6

Included as a component of cost of sales is expense related to the net realizable value of inventories of $229.3 million and $195.7 million for the years ended 31 December 2017 and 2016, respectively.

Payroll and related expense and amortization expense for the year ended 31 December 2017 includes the full year impact of Meda and the Topicals Business.

21 Earnings per share

Basic earnings per ordinary share is computed by dividing net earnings attributable to Mylan N.V. ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per ordinary share is computed by dividing net earnings attributable to Mylan N.V. ordinary shareholders by the weighted average number of ordinary shares outstanding during the period increased by the number of additional shares that would have been outstanding related to potentially dilutive securities or instruments, if the impact is dilutive.

On 15 September 2008, concurrent with the sale of the Cash Convertible Notes, Mylan Inc. entered into convertible note hedge and warrant transactions with certain counterparties. In connection with the consummation of the EPD Transaction, the terms of the convertible note hedge were adjusted so that the cash settlement value would be based on Mylan N.V. ordinary shares. The terms of the warrant transactions were also adjusted so that the Company may settle the obligations under the warrant transactions by delivering Mylan N.V. ordinary shares. Pursuant to the warrant transactions, as adjusted, the Company has sold to the counterparties warrants to purchase in the aggregate up to approximately 43.2 million shares of Mylan N.V. ordinary shares, subject to certain anti-dilution adjustments, which under most circumstances represented the maximum number of shares to which the Cash Convertible Notes related (based on the conversion reference rate at the time of issuance). The sold warrants had an exercise price of $20.00.

In September 2011, Mylan Inc. entered into amendments with the counterparties to exchange the original warrants with an exercise price of $20.00 (the “Old Warrants”) for new warrants with an exercise price of $30.00 (the “New Warrants”). Approximately 41.0 million Old Warrants were exchanged for New Warrants. All other terms and settlement provisions of the Old Warrants remain unchanged in the New Warrants. The warrants met the definition of derivatives in accordance with IAS 32, and have been recorded as liabilities in the Company’s Consolidated Balance Sheets. These warrants are recorded at fair value with the change in fair value recognized as gains and losses in the Company’s Consolidated Income Statements. The warrants were net share settled on 15 April 2016, meaning that the Company issued a number of shares per warrant corresponding to the difference between its share price at each warrant expiration date and the exercise price. At settlement, the Company issued approximately 17.0 million Mylan N.V. ordinary shares which had a market value of approximately $830.0 million. The dilutive impact of the Old Warrants and New Warrants, prior to settlement, are included in the calculation of diluted earnings per share based upon the average market value of the Company’s ordinary shares during the period as compared to the exercise price. For the year ended, 31 December 2016 warrants included in the calculation of diluted earnings per share were 4.9 million.

Basic and diluted earnings per ordinary share attributable to Mylan N.V. are calculated as follows:

(In millions, except per share amounts)	Year Ended 31 December 2017	2016
Basic earnings attributable to Mylan N.V. ordinary shareholders (numerator):		
Net earnings attributable to Mylan N.V. ordinary shareholders	$ 662.6	$ 717.5
Shares (denominator):		
Weighted average ordinary shares outstanding	534.5	513.1
Basic earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	$ 1.24	$ 1.40
Diluted net earnings attributable to Mylan N.V. ordinary shareholders (numerator):		
Net earnings attributable to Mylan N.V. ordinary shareholders	$ 662.6	$ 717.5
Loss on fair value adjustment for equity warrants	—	(230.6)
Net earnings attributable to Mylan N.V. ordinary shareholders, as adjusted	$ 662.6	$ 486.9
Shares (denominator):		
Weighted average ordinary shares outstanding	534.5	513.1
Share-based awards and warrants	2.3	7.6
Total diluted shares outstanding	536.8	520.7
Diluted earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	$ 1.23	$ 0.93

Additional stock options or restricted stock awards were outstanding during the years ended 31 December 2017 and 2016 but were not included in the computation of diluted earnings per share for each respective period, because the effect would be anti-dilutive. Such anti-dilutive stock options or restricted stock awards represented 4.0 million and 4.5 million for the years ended 31 December 2017 and 2016, respectively.

22 Equity

Ordinary shares

On 05 August 2016, in conjunction with the Offer, the Company issued approximately 26.4 million Mylan N.V. ordinary shares to Meda shareholders, at a fair value of approximately $1.3 billion based on the closing price of the Company's ordinary shares on 05 August 2016, as reported by the NASDAQ.

Treasury stock

The Board of Directors periodically authorizes the Company to repurchase ordinary shares in the open market or through other methods. The Company was able to repurchase up to $1 billion of the Company's ordinary shares under its current repurchase program that was announced on 16 November 2015 (the "Share Repurchase Program"), but was not obligated to acquire any particular amount of ordinary shares. During 2017, the Company repurchased approximately 12.4 million ordinary shares at a cost of approximately $500.2 million. No ordinary shares were repurchased in 2016, and in 2015 the Company repurchased approximately 1.3 million ordinary shares at a cost of approximately $67.5 million. In January 2018, the Company repurchased an additional 9.8 million ordinary shares at a cost of approximately $432.0 million and on 09 January 2018, the Share Repurchase Program was completed.

23 Segment information

The Company has three reportable segments on a geographic basis as follows: North America, Europe and Rest of World. Our North America segment is primarily made up of our operations in the U.S. and Canada, and also includes the operations of our specialty pharmaceuticals business. Our Europe segment is made up of our operations in over 35 countries within the region, including France, Italy, Germany, the U.K. and Spain. Our Rest of World segment is made up of our activities in over 120 countries, including our operations in Japan, Australia, China, Brazil, Russia, India, South Africa, and certain markets in the Middle-East and South East Asia.

The Company's chief operating decision maker is the Chief Executive Officer, who evaluates the performance of its segments based on total revenues and segment profitability. Segment profitability represents segment gross profit less direct R&D expenses and direct SG&A expenses. Certain general and administrative and R&D expenses not allocated to the segments, net charges for litigation settlements and other contingencies, impairment charges and other expenses not directly attributable to the segments and certain intercompany transactions, including eliminations, are reported in Corporate/Other. Additionally, amortization of intangible assets and other purchase accounting related items, as well as certain other significant special items, are included in Corporate/Other. Items below the earnings from operations line on the Company's Consolidated Statements of Operations are not presented by segment, since they are excluded from the measure of segment profitability. The Company does not report depreciation expense, total assets and capital expenditures by segment, as such information is not used by the chief operating decision maker.

The accounting policies of the segments are the same as those described in Note 2 *Summary of Significant Accounting Policies* to Consolidated Financial Statements. Intersegment revenues are accounted for at current market values and are eliminated at the consolidated level.

Presented in the table below is segment information for the periods identified and a reconciliation of segment information to total consolidated information.

(In millions of USD)	North America	Europe	Rest of World	Corporate / Other	Consolidated
Year Ended 31 December 2017					
Third party net sales	$ 4,969.6	$ 3,958.3	$ 2,832.1	$ —	$ 11,760.0
Other revenue	86.5	36.5	24.7	—	147.7
Intersegment revenue	74.6	112.4	379.2	(566.2)	—
Total	$ 5,130.7	$ 4,107.2	$ 3,236.0	$ (566.2)	$ 11,907.7
Segment profitability	$ 2,495.3	$ 1,079.2	$ 649.3	$ (2,794.7)	$ 1,429.1
Year Ended 31 December 2016					
Third party net sales	$ 5,629.5	$ 2,953.8	$ 2,383.8	$ —	$ 10,967.1
Other revenue	88.4	12.6	8.8	—	109.8
Intersegment revenue	45.4	106.3	407.6	(559.3)	—
Total	$ 5,763.3	$ 3,072.7	$ 2,800.2	$ (559.3)	$ 11,076.9
Segment profitability	$ 2,920.5	$ 666.6	$ 423.5	$ (3,314.8)	$ 695.8

The Company's third party net sales are generated via the sale of products in the following therapeutic franchises:

(In millions of USD)	2017	2016
Central Nervous System and Anesthesia	$ 2,238.2	$ 2,030.4
Respiratory and Allergy	1,382.5	1,813.1
Infectious Disease	1,463.2	1,303.0
Cardiovascular	1,219.5	1,165.1
Gastroenterology	1,114.5	1,029.3
Diabetes and Metabolism	947.1	972.0
Oncology	700.6	764.2
Women's Healthcare	711.6	593.5
Dermatology	911.0	369.5
Immunology	145.4	133.1
Other [(1)]	926.4	793.9
	$ 11,760.0	$ 10,967.1

(1) Other consists of numerous therapeutic franchises, none of which individually exceeds 5% of consolidated net sales.

The following table represents the percentage of consolidated third party net sales to Mylan's major customers during the years ended 31 December 2017 and 2016.

	Percentage of Third Party Net Sales	
	2017	2016
McKesson Corporation	13%	16%
AmerisourceBergen Corporation	8%	14%
Cardinal Health, Inc.	10%	11%

Sales by Country Information

Third party net sales by country are presented on the basis of geographic location of our subsidiaries:

(In millions of USD)	2017	2016
United States	$ 4,683.7	$ 5,385.6
India	1,082.6	985.8
The Netherlands (1)	117.5	88.3
Other countries (2)	5,876.2	4,507.4
	$ 11,760.0	$ 10,967.1

(1) Mylan N.V. has its corporate seat in the Netherlands.
(2) No other country's net sales represents more than 10% of consolidated net sales for the years ended 31 December 2017 and 2016, respectively.

24 Litigation

(In millions of USD)	Litigation Accrual
Provision balance as at 31 December 2015	$ 61.7
Additions	660.3
Payments	(68.5)
Other	(3.4)
Provision balance as at 31 December 2016	$ 650.1
Additions	63.0
Payments	(532.5)
Provision balance as at 31 December 2017	$ 180.6

The Company is involved in various disputes, governmental and/or regulatory inquiries, investigations and proceedings, tax proceedings and litigation matters, both in the U.S. and abroad, that arise from time to time, some of which could result in losses, including damages, fines and/or civil penalties, and/or criminal charges against the Company. These matters are often complex and have outcomes that are difficult to predict. The Company is also party to certain proceedings and litigation matters for which it may be entitled to indemnification under the respective sale and purchase agreements relating to the acquisitions of the former Merck Generics business, Agila, the EPD Business and branded generics business, and certain other acquisitions.

While the Company believes that it has meritorious defenses with respect to the claims asserted against it and intends to vigorously defend its position, the process of resolving these matters is inherently uncertain and may develop over a long period of time, and so it is not possible to predict the ultimate resolution of any such matter. It is possible that an unfavorable resolution of any of the ongoing matters or the inability or denial of Merck KGaA, Strides Arcolab, Abbott, or another indemnitor or insurer to pay an indemnified claim, could have a material effect on the Company's business, financial condition, results of operations, cash flows and/or ordinary share price.

Some of these governmental inquiries, investigations, proceedings and litigation matters with which the Company is involved are described below, and unless otherwise disclosed, the Company is unable to predict the outcome of the matter or to provide an estimate of the range of reasonably possible material losses. The Company records accruals for loss contingencies to the extent we conclude it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company is also involved in other pending proceedings that, in the opinion of the Company based upon facts and circumstances known at the time, either the likelihood of loss is remote or any reasonably possible loss associated with the resolution of such proceedings is not expected to be material to the Company's business, financial position, results of operations, cash flows and/or ordinary share price. If and when such other pending proceedings, in the opinion of the Company, become material, the Company will disclose such matters.

Legal costs are recorded as incurred and are classified in SG&A in the Company's Consolidated Income Statements.

Lorazepam and Clorazepate

On 01 June 2005, a jury verdict was rendered against Mylan, MPI, and co-defendants Cambrex Corporation ("Cambrex") and Gyma Laboratories ("Gyma") in the U.S. District Court for the District of Columbia in the amount of approximately $12.0 million, which was accrued for by the Company. The jury found that Mylan and its co-defendants willfully violated Massachusetts, Minnesota and Illinois state antitrust laws in connection with API supply agreements entered into between the Company and its API supplier (Cambrex) and broker (Gyma) for two drugs, Lorazepam and Clorazepate, in 1997, and subsequent price increases on these drugs in 1998. The case was brought by four health insurers who opted out of earlier class action settlements agreed to by the Company in 2001 and represents the last remaining antitrust claims relating to Mylan's 1998 price increases for Lorazepam and Clorazepate. Following the verdict, the Company filed a motion for judgment as a matter of law, a motion for a new trial, a motion to dismiss two of the insurers and a motion to reduce the verdict. On 20 December 2006, the Company's motion for judgment as a matter of law and motion for a new trial were denied and the remaining motions were denied on 24 January 2008. In post-trial filings, the plaintiffs requested that the verdict be trebled and that request was granted on 24 January 2008. On 06 February 2008, a judgment was issued against Mylan and its co-defendants in the total amount of approximately $69.0 million, which, in the case of three of the plaintiffs, reflects trebling of the compensatory damages in the original verdict (approximately $11.0 million in total) and, in the case of the fourth plaintiff, reflects their amount of the compensatory damages in the original jury verdict plus doubling this compensatory damage award as punitive damages assessed against each of the defendants (approximately $58.0 million in total), some or all of which may be subject to indemnification obligations by Mylan. Plaintiffs are also seeking an award of attorneys' fees and litigation costs in unspecified amounts and prejudgment interest of approximately $8.0 million. The Company and its co-defendants appealed to the U.S. Court of Appeals for the D.C. Circuit and have challenged the verdict as legally erroneous on multiple grounds. The appeals were held in abeyance pending a ruling on the motion for prejudgment interest, which has been granted. Mylan has contested this ruling along with the liability finding and other damages awards as part of its appeal, which was filed in the Court of Appeals for the D.C. Circuit. On 18 January 2011, the Court of Appeals issued a judgment remanding the case to the District Court for further proceedings based on lack of diversity with respect to certain plaintiffs. On 13 June 2011, Mylan filed a certiorari petition with the U.S. Supreme Court requesting review of the judgment of the D.C. Circuit. On 03 October 2011, the certiorari petition was denied. The case then proceeded before the District Court. On 14 January 2013, following limited court-ordered jurisdictional discovery, the plaintiffs filed a fourth amended complaint containing additional factual averments with respect to the diversity of citizenship of the parties, along with a motion to voluntarily dismiss 775 (of 1,387) self-funded customers whose presence would destroy the District Court's diversity jurisdiction. The plaintiffs also moved for a remittitur (reduction) of approximately $8.1 million from the full damages award. Mylan's brief in response to the new factual averments in the complaint was filed on 13 February 2013. On 29 July 2014, the court granted both plaintiffs' motion to amend the complaint and their motion to dismiss 775 self-funded customers. The Court granted the plaintiffs' motion for remittitur on 18 August 2017, reducing approximately $9.5 million from the full damages award. The Court entered final judgment on 30 August 2017 in the amount of approximately $67 million (not including post-judgment interest and fees and costs). Mylan filed a notice of appeal on 15 September 2017 with the United States Court of Appeals for the District of Columbia Circuit. Briefing in the appeal is ongoing and is expected to be completed by 15 March 2018. The total accrual for this matter at 31 December 2017 is approximately $29 million, which includes a $17 million charge recorded during 2017 as a result of the final judgment.

In connection with the Company's appeal of the judgment, the Company maintains a surety bond underwritten by a third-party insurance company in the amount of $66.6 million.

Pricing and Medicaid Litigation

Dey L.P. (now known as Mylan Specialty L.P. and herein as "Mylan Specialty"), a wholly owned subsidiary of the Company, was named as a defendant in several class actions brought by consumers and third-party payors. Mylan Specialty reached a

settlement of these class actions, which was approved by the court and all claims have been dismissed. Additionally, a complaint was filed under seal by a plaintiff on behalf of the United States of America against Mylan Specialty in August 1997. In August 2006, the Government filed its complaint-in-intervention and the case was unsealed in September 2006. The Government asserted that Mylan Specialty was jointly liable with a co-defendant and sought recovery of alleged overpayments, together with treble damages, civil penalties and equitable relief. Mylan Specialty completed a settlement of this action in December 2010. These cases all have generally alleged that Mylan Specialty falsely reported certain price information concerning certain drugs marketed by Mylan Specialty, that Mylan Specialty caused false claims to be made to Medicaid and to Medicare, and that Mylan Specialty caused Medicaid and Medicare to make overpayments on those claims.

Under the terms of the purchase agreement with Merck KGaA, Mylan is fully indemnified for the claims in the preceding paragraph and Merck KGaA is entitled to any income tax benefit the Company realizes for any deductions of amounts paid for such pricing litigation. Under the indemnity, Merck KGaA is responsible for all settlement and legal costs, and, as such, these settlements had no impact on the Company's Consolidated Statements of Operations. At 31 December 2017, the Company has accrued approximately $65.7 million in other current liabilities, which represents its estimate of the remaining amount of anticipated income tax benefits due to Merck KGaA. We are not aware of any outstanding related claims.

Modafinil Antitrust Litigation and FTC Inquiry

Beginning in April 2006, Mylan and four other drug manufacturers were named as defendants in civil lawsuits filed in or transferred to the U.S. District Court for the Eastern District of Pennsylvania by a variety of plaintiffs purportedly representing direct and indirect purchasers of the drug modafinil and in a lawsuit filed by Apotex, Inc., a manufacturer of generic drugs. These actions alleged violations of federal antitrust and state laws in connection with the generic defendants' settlement of patent litigation with Cephalon relating to modafinil. On 24 March 2015, Mylan reached a settlement in principle with the putative indirect purchasers, and on 20 November 2015, Mylan entered into a settlement agreement with the putative indirect purchasers for approximately $16 million. Plaintiffs have not yet moved for preliminary approval of that settlement, but they have advised the Court that they intend to seek preliminary approval of that settlement. In December 2016, Mylan reached a settlement with the putative direct purchaser class and the retailer opt-out plaintiffs for $165 million, of which approximately $68.5 million was paid before 31 December 2016 and approximately $7.3 million was paid during 2017. The settlement with the retailer opt-out plaintiffs has been completed. On 03 February 2017, the putative direct purchaser class moved for preliminary approval of the settlement. The direct purchaser class' motion for preliminary approval of the settlement was denied on 29 August 2017. The parties are engaging in a continuing dialogue to resolve this matter according to the terms of the settlement agreement. On 08 June 2017, Mylan and Apotex agreed to a settlement in principle. The settlement with Apotex has been completed. The Company has also received subpoenas from certain state Attorneys General requesting documents related to the modafinil patent litigation.

On 29 June 2015, the City of Providence, Rhode Island filed suit in the District of Rhode Island against the same parties named as defendants in litigation pending in the Eastern District of Pennsylvania, including Mylan, asserting state law claims based on the same underlying allegations. All defendants, including Mylan, moved to dismiss the suit on 15 October 2015, and the case was subsequently settled.

On 10 July 2015, the Louisiana Attorney General filed in the 19th Judicial District Court in Louisiana a petition against Mylan and three other drug manufacturers asserting state law claims based on the same underlying allegations as those made in litigation pending in the Eastern District of Pennsylvania. The petition was filed by the State of Louisiana purportedly in its capacity as an indirect purchaser. On 16 May 2016, the Judicial District Court deferred Mylan's declinatory exception of no personal jurisdiction and its peremptory exception of prescription, and granted in part and denied in part Mylan's peremptory exceptions of no cause of action and no right of action. On 30 June 2016, the plaintiff filed a supplemental and amended petition. The defendants filed a motion to strike and joint peremptory exceptions to the amended petition. On 21 July 2016, the plaintiff filed in the First Circuit Court of Appeal its application for a supervisory writ regarding the granting of defendant's exceptions, which the defendants opposed. The appeal was denied on 31 October 2016. On 20 April 2016, the State of Louisiana filed a motion to consolidate the pending action with four other actions against other pharmaceutical manufacturers concerning products not related to modafinil, which Mylan opposed. On 27 June 2016, the Judicial District Court declined to consolidate Mylan's case with the other four actions, with leave to renew the consolidation request after filing the above-referenced amended petition. On 21 July 2016, the plaintiff filed a motion to reurge consolidation. Subsequently, the action to which plaintiff seeks to join Mylan was stayed, resulting in a stay of the consolidation motion. On 8 December 2016, Mylan's peremptory exceptions of no cause of action with respect to the supplemental and amended petition were granted in their entirety and with prejudice and judgment was entered. On 17 February 2017, the plaintiff filed in the 19th Judicial District Court a motion for appeal, which the Judicial District Court granted on 21 February 2017. The appeal was lodged with the First

Circuit Court of Appeal on 04 April 2017. Briefing on the appeal has been completed and an oral argument was held 01 November 2017. The First Circuit Court of Appeal has not yet ruled.

On 28 July 2016, United Healthcare filed a complaint against Mylan Inc. and four other drug manufacturers in the United States District Court for the District of Minnesota, asserting state law claims based on the same underlying allegations as those made in litigation pending in the Eastern District of Pennsylvania. On 06 January 2017, the case was transferred to the Eastern District of Pennsylvania. Mylan filed its answer to the complaint on 31 March 2017. United Healthcare filed an amended complaint adding MPI as a defendant, which was entered on 30 January 2018.

The Company believes that it has strong defenses to these remaining cases. Although it is reasonably possible that the Company may incur additional losses from these matters, any amount cannot be reasonably estimated at this time.

In addition, by letter dated 11 July 2006, Mylan was notified by the U.S. Federal Trade Commission ("FTC") of an investigation relating to the settlement of the modafinil patent litigation. In its letter, the FTC requested certain information from Mylan, MPI and Mylan Technologies, Inc. pertaining to the patent litigation and the settlement thereof. On 29 March 2007, the FTC issued a subpoena, and on 26 April 2007, the FTC issued a civil investigative demand to Mylan, requesting additional information from the Company relating to the investigation. Mylan has cooperated fully with the government's investigation and completed all requests for information. On 13 February 2008, the FTC filed a lawsuit against Cephalon in the U.S. District Court for the District of Columbia and the case was subsequently transferred to the U.S. District Court for the Eastern District of Pennsylvania. On 01 July 2010, the FTC issued a third party subpoena to Mylan, requesting documents in connection with its lawsuit against Cephalon. Mylan has responded to the subpoena. The lawsuit against Cephalon settled and a Stipulated Order for Permanent Injunction and Equitable Monetary Relief was entered by the Court on 17 June 2015.

The Company has a total accrual of approximately $105.2 million related to this matter at 31 December 2017, which is included in other current liabilities in the Consolidated Balance Sheets.

Pioglitazone

Beginning in December 2013, Mylan, Takeda, and several other drug manufacturers have been named as defendants in civil lawsuits consolidated in the U.S. District Court for the Southern District of New York by plaintiffs which purport to represent indirect purchasers of branded or generic Actos® and Actoplus Met®. These actions allege violations of state and federal competition laws in connection with the defendants' settlements of patent litigation in 2010 relating to Actos and Actoplus Met®. Plaintiffs filed an amended complaint on 22 August 2014. Mylan and the other defendants filed motions to dismiss the amended complaint on 10 October 2014. Two additional complaints were subsequently filed by plaintiffs purporting to represent classes of direct purchasers of branded or generic Actos® and Actoplus Met®. On 23 September 2015, the District Court granted defendants' motions to dismiss the indirect purchasers amended complaints with prejudice. The indirect purchasers filed a notice of appeal on 22 October 2015; however they did not appeal the District Court's dismissal of claims asserted against Mylan. The putative direct purchaser class filed an amended complaint on 08 January 2016. Defendants' motion to dismiss was filed on 28 January 2016 and the briefing has been completed. The case was stayed pending the resolution of the indirect purchasers' appeal against the defendants remaining in that case. A decision was issued by the Second Circuit on 08 February 2017, reversing in part and affirming in part, the District Court's decision as to the remaining defendants. Following this decision, the direct purchasers filed an amended complaint; Mylan's motion to dismiss is pending.

SEC Investigation

On 10 September 2015, Mylan N.V. received a subpoena from the SEC seeking documents with regard to certain related party matters. Mylan has received additional requests for information and will continue to fully cooperate with the SEC.

EpiPen® Auto-Injector and Certain Congressional Matters

Classification of EpiPen® Auto-Injector and EpiPen Jr® Auto-Injector

In November 2014, the Company received a subpoena from the U.S. Department of Justice ("DOJ") related to the classification of the EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program. The Company complied with various information requests received from the DOJ pursuant to the subpoena. The question in the underlying matter was whether EpiPen® Auto-Injector should be classified with the Centers for Medicare and Medicaid Services ("CMS") as a non-innovator drug under the applicable definition in the Medicaid Rebate statute and subject to the formula that is used to calculate rebates to Medicaid for such drugs. EpiPen® Auto-Injector had been classified with CMS as a non-innovator drug since before Mylan

acquired the product in 2007 based on longstanding written guidance from the federal government. Beginning in August 2016, questions regarding the pricing of the EpiPen® Auto-Injector significantly increased and the Company has received or has been the subject of additional inquiries, including with respect to the classification of EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program and certain other federal programs, from committees and members of Congress and from other federal and state governmental agencies.

Subsequent to these developments, on 07 October 2016, Mylan agreed to the terms of a $465 million settlement, plus interest, with the DOJ and other government agencies related to the classification of the EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program. On 17 August 2017, two of Mylan's subsidiaries - Mylan Inc. and Mylan Specialty L.P. - signed an agreement with the DOJ and two relators finalizing the $465 million settlement. The settlement agreement provided for resolution of all potential Medicaid rebate liability claims by the federal government, as well as potential claims by certain hospitals and other covered entities that participate in the 340B Drug Pricing Program. The settlement agreement allocated money to the Medicaid programs of all 50 states and established a framework for resolving all potential state Medicaid rebate liability claims within 60 days. All 50 states plus the District of Columbia have agreed to the settlement, and therefore, all potential state Medicaid rebate liability claims have been resolved. Both the federal and state matters have been dismissed through stipulations of dismissal. In connection with the settlement, Mylan Inc. and Mylan Specialty L.P. entered into a Corporate Integrity Agreement (the "CIA") with the Office of Inspector General of the Department of Health and Human Services. The CIA has a five-year term and requires, among other things, that an independent review organization annually review various matters relating to the Medicaid Drug Rebate Program. Neither the settlement agreement nor the CIA contains an admission or finding of wrongdoing. In connection with the settlement, Mylan Specialty L.P. has reclassified EpiPen® Auto-Injector as an innovator product for purposes of the Medicaid Drug Rebate Program effective 01 April 2017. The Company recorded an accrual of $465 million related to the settlement during the year ended 31 December 2016 and recorded an additional accrual for interest related to the settlement amount prior to the payment made in 2017.

Department of Veterans Affairs Request for Information

On 30 June 2017, the Company responded to a request for information from the Department of Veterans Affairs ("VA") (acting on behalf of itself and other government agencies) requesting certain historical pricing data related to the EpiPen® Auto-Injector. The Company and the VA are engaged in a continuing dialogue regarding the classification of the EpiPen® Auto-Injector as a covered drug under Section 603 of the Veterans Health Care Act of 1992, Public Law 102-585. The EpiPen® Auto-Injector has been classified as a non covered drug with the VA based upon long standing written guidance from the federal government. The Company is fully cooperating with the VA.

SEC Request for Information/Subpoena

On 07 October 2016, Mylan received a document request from the Division of Enforcement at the SEC seeking communications with CMS and documents concerning Mylan products sold and related to the Medicaid Drug Rebate Program, and any related complaints. On 15 November 2016, Mylan received a follow-up letter, modifying the initial document request, seeking information on and public disclosures regarding the $465 million Medicaid Drug Rebate Program Settlement and the classification of the EpiPen® Auto-Injector under the Medicaid Drug Rebate Program. On 06 February 2017, Mylan received a subpoena from the SEC in this matter, seeking additional documents. Mylan has received additional requests for information and will continue to fully cooperate with the SEC.

On 25 April 2017, Mylan received a comment letter from the staff of the SEC's Division of Corporation Finance ("Corporation Finance") with respect to Mylan's Annual Report on Form 10-K for the year ended 31 December 2016, requesting information regarding Mylan's accounting treatment of the $465 million Medicaid Drug Rebate Program Settlement with the DOJ, including with respect to the determinations that the settlement amount should be recorded as a charge against earnings in the third quarter of 2016 rather than against any earlier periods, and that the settlement amount should be classified as an expense rather than a reduction of revenue. The Company responded to the comment letter in May 2017 and we will continue to respond to any additional correspondence from Corporation Finance. We believe that our accounting treatment for the aforementioned DOJ settlement is appropriate and consistent with all applicable accounting standards.

FTC Request for Information

On 18 November 2016, Mylan received a request from the FTC Bureau of Competition seeking documents and information relating to its preliminary investigation into potential anticompetitive practices relating to epinephrine auto-injectors. Mylan is fully cooperating with the FTC.

Federal Securities Litigation

Purported class action complaints were filed in October 2016 against Mylan N.V., Mylan Inc. and certain of their current and former directors and officers (collectively, for purposes of this paragraph, the "defendants") in the United States District Court for the Southern District of New York on behalf of certain purchasers of securities of Mylan N.V. and/or Mylan Inc. on the NASDAQ. The complaints alleged that defendants made false or misleading statements and omissions of purportedly material fact, in violation of federal securities laws, in connection with disclosures relating to Mylan N.V. and Mylan Inc.'s classification of their EpiPen® Auto-Injector as a non-innovator drug for purposes of the Medicaid Drug Rebate Program. The complaints sought damages, as well as the plaintiffs' fees and costs. On 20 March 2017, after the actions were consolidated, a consolidated amended complaint was filed, alleging substantially similar claims and seeking substantially similar relief, but adding allegations that defendants made false or misleading statements and omissions of purportedly material fact in connection with allegedly anticompetitive conduct with respect to EpiPen® Auto-Injector and certain generic drugs, and alleging violations of both federal securities laws (on behalf of a purported class of certain purchasers of securities of Mylan N.V. and/or Mylan Inc. on the NASDAQ) and Israeli securities laws (on behalf of a purported class of certain purchasers of securities of Mylan N.V. on the Tel Aviv Stock Exchange). Defendants' motion to dismiss the consolidated amended complaint was filed on 30 May 2017 and has been fully briefed. We believe that the claims in the consolidated amended complaint are without merit and intend to defend against them vigorously.

Israeli Securities Litigation

On 13 October 2016, a purported shareholder of Mylan N.V. filed a lawsuit, together with a motion to certify the lawsuit as a class action on behalf of certain Mylan N.V. shareholders on the Tel Aviv Stock Exchange, against Mylan N.V. and four of its directors and officers (collectively, for purposes of this paragraph, the "defendants") in the Tel Aviv District Court (Economic Division). The plaintiff alleges that the defendants made false or misleading statements and omissions of purportedly material fact in Mylan N.V.'s reports to the Tel Aviv Stock Exchange regarding Mylan N.V.'s classification of its EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program, in violation of both U.S. and Israeli securities laws, the Israeli Companies Law and the Israeli Torts Ordinance. The plaintiff seeks damages, among other remedies. On 19 January 2017, the Court stayed this case until a final judgment is issued in the securities litigation currently pending in the United States District Court for the Southern District of New York. On 30 April 2017, another purported shareholder of Mylan N.V. filed a separate lawsuit, together with a motion to certify the lawsuit as a class action on behalf of certain Mylan N.V. shareholders on the Tel Aviv Stock Exchange, in the Tel Aviv District Court (Economic Division), alleging substantially similar claims and seeking substantially similar relief against the defendants and other directors and officers of Mylan N.V., but alleging also that this group of defendants made false or misleading statements and omissions of purportedly material fact in connection with allegedly anticompetitive conduct with respect to EpiPen® Auto-Injector and certain generic drugs, and alleging violations of both U.S. federal securities laws and Israeli law. We believe that the claims in these lawsuits are without merit and intend to defend against them vigorously.

EpiPen® Auto-Injector Civil Litigation

Beginning in August 2016, Mylan Specialty L.P. and other Mylan-affiliated entities have been named as defendants in fifteen putative class actions relating to the pricing and/or marketing of the EpiPen® Auto-Injector. The plaintiffs in these cases assert violations of various federal and state antitrust and consumer protection laws, the Racketeer Influenced and Corrupt Organizations Act ("RICO"), as well as common law claims. Plaintiffs' claims include purported challenges to the prices charged for the EpiPen® Auto-Injector and/or the marketing of the product in packages containing two auto-injectors, as well as allegedly anti-competitive conduct. A Mylan officer and other non-Mylan affiliated companies also have been named as defendants in some of the class actions. These lawsuits were filed in the U.S. District Courts for the Northern District of California, Northern District of Illinois, District of Kansas, Eastern District of Michigan, Western District of Washington, District of New Jersey, the Southern District of Alabama, and the Western District of Pennsylvania, as well as the Hamilton County, Ohio Court of Common Pleas (later removed to the Southern District of Ohio). All of these lawsuits have either been dismissed or transferred into a multidistrict litigation ("MDL") in the U.S. District Court for the District of Kansas and have been consolidated through the filing of an amended complaint on 17 October 2017. Mylan filed a motion to dismiss the consolidated amended complaint on 15 December 2017. This motion has now been fully briefed and a decision is pending. A trial date has been scheduled for July 2020. We believe that the claims in these lawsuits are without merit and intend to defend against them vigorously.

On 24 April 2017, Sanofi-Aventis U.S., LLC ("Sanofi") filed a lawsuit against Mylan Inc. and Mylan Specialty L.P. in the U.S. District Court for the District of New Jersey. This lawsuit has been transferred into the aforementioned MDL in the U.S. District Court for the District of Kansas. In this lawsuit, Sanofi alleges exclusive dealings and anti-competitive marketing practices in

violation of the antitrust laws in connection with the sale and marketing of the EpiPen® Auto-Injector. Mylan's motion to dismiss was granted in part and denied in part on 21 December 2017. Mylan filed an answer and counterclaims on 16 January 2018. Sanofi filed its answer on 06 February 2018. We believe that Sanofi's claims in this lawsuit are without merit and intend to defend against them vigorously.

On 29 September 2017, plaintiffs in a pending putative class action brought against certain pharmacy benefit managers ("PBMs") in the U.S. District Court for the District of Kansas filed a motion for leave to file an amended complaint that would add Mylan N.V., Mylan Specialty, and MPI as additional defendants to this case. In the proposed amended complaint, plaintiffs bring claims under the Employee Retirement Income Security Act of 1974 for allegedly knowingly participating in conduct related to the pricing of EpiPen products that plaintiffs assert was a breach of fiduciary duties by the PBMs. The case has been transferred to the U.S. District Court for the District of Minnesota and plaintiffs' motion for leave to file an amended complaint remains pending. We believe that the claims in this lawsuit are without merit and intend to defend against them vigorously.

EpiPen® Auto-Injector State AG Investigations

Beginning in August 2016, the Company and certain of its affiliated entities have received subpoenas and informal requests from various state attorneys general seeking information and documents relating to the pricing and/or marketing of the EpiPen® Auto-Injector. The Company is fully cooperating with the various state attorneys general.

U.S. Congress/State Requests for Information and Documents

Beginning in August 2016, Mylan has received several requests for information and documents from various Committees of the U.S. Congress and federal and state lawmakers concerning the marketing, distribution and sales of Mylan products. Mylan has cooperated and intends to continue cooperating with federal and state lawmakers as appropriate in response to their requests.

The Company has a total accrual of approximately $10.0 million related to this matter at 31 December 2017, which is included in other current liabilities in the Consolidated Balance Sheets. During the year ended 31 December 2017, the Company made payments of approximately $472.7 million related to this matter. The Company believes that it has strong defenses to current and future potential civil litigation, as well as governmental investigations and enforcement proceedings, discussed in this "EpiPen® Auto-Injector and Certain Congressional Matters" section of this Note 24 *Litigation*. Although it is reasonably possible that the Company may incur additional losses from these matters, any amount cannot be reasonably estimated at this time. In addition, the Company expects to incur additional legal and other professional service expenses associated with such matters in future periods and will recognize these expenses as services are received. The Company believes that the ultimate amount paid for these services and claims could have a material effect on the Company's business, consolidated financial condition, results of operations, cash flows and/or ordinary share price in future periods.

Opioids

On 27 July 2017, Mylan N.V. received a subpoena from the DOJ seeking information relating to opioids manufactured, marketed or sold by Mylan during the period from 01 January 2013 to 31 December 2016. On 29 August 2017, Mylan N.V. received a civil investigative demand from the Attorney General of the State of Missouri seeking information relating to opioids manufactured, marketed or sold by Mylan during the period from 01 January 2010 to the present and related subject matter. Mylan is fully cooperating with these subpoena requests.

Mylan also has responded to a letter from the ranking member of the U.S. Senate Committee on Homeland Security and Governmental Affairs seeking information relating to sales, marketing and educational strategies for opioid products manufactured by Mylan. In connection with this matter, Senator Claire McCaskill issued a report on 15 February 2018 relating to payments by five drug manufacturers to third-party advocacy groups and professional societies. This report positively differentiated Mylan, finding that Mylan is "[a]t the other end of the spectrum" from the other companies whose payments were examined because Mylan made only de minimis payments, and to only one of the fourteen third-parties cited in the report.

Mylan has been named, along with numerous other manufacturers, distributors, and/or individual healthcare professionals, in certain civil lawsuits brought by plaintiffs, including local governmental entities generally asserting statutory and/or common law claims arising from the manufacture, distribution, marketing, and promotion of purported prescription opioids. The lawsuits seek damages, including punitive and/or exemplary damages, injunctive relief, attorneys' fees and costs, and other relief. Mylan believes that the claims in these lawsuits are without merit and intends to defend against them vigorously.

Drug Pricing Matters

Department of Justice Subpoena

On 03 December 2015, a subsidiary of Mylan N.V. received a subpoena from the Antitrust Division of the DOJ seeking information relating to the marketing, pricing, and sale of our generic Doxycycline products and any communications with competitors about such products.

On 08 September 2016, a subsidiary of Mylan N.V., as well as certain employees and a member of senior management, received subpoenas from the DOJ seeking additional information relating to the marketing, pricing and sale of our generic Cidofovir, Glipizide-metformin, Propranolol and Verapamil products and any communications with competitors about such products. Related search warrants also were executed. The Company is fully cooperating with the DOJ.

Civil Litigation

On 02 March 2016, a putative class action was filed in the United States District Court for the Eastern District of Pennsylvania ("EDPA") by indirect purchasers against Mylan and several other manufacturers, generally alleging anticompetitive conduct with respect to certain generic doxycycline and digoxin products. The complaint alleges harm under federal antitrust laws, state antitrust laws, state consumer protection laws and theories of unjust enrichment. Subsequently, additional cases were filed by putative classes of indirect purchasers, direct purchasers and an indirect reseller. These cases were consolidated in an MDL proceeding in the EDPA. Similar lawsuits were filed by direct and indirect purchasers in the EDPA, the Southern District of New York, the District of Puerto Rico and the District of New Jersey involving Mylan's and other manufacturer's pravastatin, divalproex, levothyroxine, propranolol, clomipramine, albuterol, benazepril and amitriptyline products (as well as non-Mylan products clobatesol, desonide, fluocinonide, econazole, lidocaine/prilocaine, glyburide, ursodiol and baclofen). All of the above-referenced lawsuits have also been consolidated in the MDL proceeding in the EDPA. Putative classes of direct purchasers, indirect purchasers, and indirect resellers filed consolidated complaints with respect to the products referenced above on 15 August 2017. Mylan is no longer a named defendant in the pravastatin lawsuits. The Court has sequenced the complaints into three separate product groups. Defendants' filed motions to dismiss complaints in the first product group and decisions are pending. On 22 January 2018 three direct purchaser retailers filed a complaint against Mylan and other manufacturers asserting similar allegations with respect to the products identified above, as well as doxycycline monohydrate, glipizide-metformin, and verapamil. The Company believes that the claims in these lawsuits are without merit and intends to defend against them vigorously.

A complaint was filed on 31 January 2017 by putative classes of direct and indirect purchasers against MPI and other pharmaceutical manufacturers in the United States District Court for the District of Connecticut. Plaintiffs alleged anticompetitive conduct and RICO violations with respect to, among other things, certain Doxycycline products. Following the transfer of this case to the above-mentioned MDL, this action has been dismissed.

Attorneys General Litigation

On 21 December 2015, the Company received a subpoena and interrogatories from the Connecticut Office of the Attorney General seeking information relating to the marketing, pricing and sale of certain of the Company's generic products (including Doxycycline) and communications with competitors about such products. On 14 December 2016, attorneys general of twenty states filed a complaint in the United States District Court for the District of Connecticut against several generic pharmaceutical drug manufacturers, including Mylan, alleging anticompetitive conduct with respect to, among other things, Doxycycline Hyclate Delayed Release. On 01 March 2017, the complaint was amended to add the attorneys general of twenty additional states; the complaint alleges violation of federal and state antitrust laws, as well as violation of various states' consumer protection laws. On 17 July 2017, another complaint containing similar allegations as those contained in the complaints referenced above was filed by four additional states and the District of Columbia. This lawsuit has been transferred to the aforementioned MDL proceeding in the EDPA. On 31 October 2017, attorneys general of forty-five states, the District of Columbia and the Commonwealth of Puerto Rico filed a motion for leave to file a consolidated amended complaint ("proposed amended complaint") against various drug manufacturers, including Mylan. Mylan is alleged to have engaged in anticompetitive conduct with respect to Doxycycline Hyclate Delayed Release, Doxycycline Monohydrate, Glipizide-Metformin, and Verapamil. The proposed amended complaint also includes claims asserted by attorneys general of thirty-four states and the Commonwealth of Puerto Rico against certain individuals, including Rajiv Malik, President of Mylan, with respect to Doxycycline Hyclate Delayed Release. The allegations in the proposed amended complaint are similar to those in the previously filed complaints. On 8 December 2016, the Defendants in the case - including Mylan - filed an opposition to the Attorneys General motion for leave to file a proposed amended complaint as to certain allegations. This motion has now been

fully briefed and a decision is pending. We believe that the claims in this lawsuit against Mylan and Rajiv Malik are without merit and intend to defend against them vigorously.

Tax Court Proceeding

The Company's U.S. federal income tax returns for 2007 through 2011 have been subject to proceedings in U.S. Tax Court involving a dispute with the IRS regarding whether the proceeds received by the Company in connection with the 2008 sale of its rights in nebivolol constituted a capital gain or ordinary income. On 16 May 2017, the Company and the IRS filed a joint stipulation of settled issues with the Tax Court that resolved all issues in this dispute. The final computations resulting from the stipulation were submitted to the Tax Court, which has issued the final order closing this case in 2018. The Company expects that a portion of its unrecognized tax benefits will be reduced as a result of the resolution of this dispute.

European Commission Proceedings

Perindopril

On or around 08 July 2009, the European Commission (the "Commission") stated that it had initiated antitrust proceedings pursuant to Article 11(6) of Regulation No. 1/2003 and Article 2(1) of Regulation No. 773/2004 to explore possible infringement of Articles 81 and 82 EC and Articles 53 and 54 of the European Economic Area Agreement by Les Laboratoires Servier ("Servier") as well as possible infringement of Article 81 EC by the Company's Indian subsidiary, Mylan Laboratories Limited, and four other companies, each of which entered into agreements with Servier relating to the product Perindopril. On 30 July 2012, the Commission issued a Statement of Objections to Servier SAS, Servier Laboratories Limited, Les Laboratories Servier, Adir, Biogaran, Krka, d.d. Novo mesto, Lupin Limited, Mylan Laboratories Limited, Mylan, Niche Generics Limited, Teva UK Limited, Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals Europe B.V. and Unichem Laboratories Limited. Mylan Inc. and Mylan Laboratories Limited filed responses to the Statement of Objections. On 09 July 2014, the Commission issued a decision finding that Mylan Laboratories Limited and Mylan, as well as the companies noted above (with the exception of Adir, a subsidiary of Servier), had violated European Union competition rules and fined Mylan Laboratories Limited approximately €17.2 million, including approximately €8.0 million jointly and severally with Mylan Inc. The Company paid approximately $21.7 million related to this matter during the fourth quarter of 2014. In September 2014, the Company filed an appeal of the Commission's decision to the General Court of the European Union. A hearing on the appeal before the General Court of the European Union was held in June 2017 and a decision is pending.

Citalopram

On 19 March 2010, Mylan and Generics [U.K.] Limited, a wholly owned subsidiary of the Company, received notice that the Commission had opened proceedings against Lundbeck with respect to alleged unilateral practices and/or agreements related to Citalopram in the European Economic Area. On 25 July 2012 a Statement of Objections was issued to Lundbeck, Merck KGaA, Generics [U.K.] Limited, Arrow, Resolution Chemicals, Xelia Pharmaceuticals, Alpharma, A.L. Industrier and Ranbaxy. Generics [U.K.] Limited filed a response to the Statement of Objections and vigorously defended itself against allegations contained therein. On 19 June 2013, the Commission issued a decision finding that Generics [U.K.] Limited, as well as the companies noted above, had violated European Union competition rules and fined Generics [U.K.] Limited approximately €7.8 million, jointly and severally with Merck KGaA. Generics [U.K.] Limited appealed the Commission's decision to the General Court of the EU and a hearing took place on 08 October 2015. On 08 September 2016, the General Court dismissed all appeals against the European Commission's decision. Mylan filed an appeal of the decision on 18 November 2016 to the European Court of Justice. The United Kingdom applied and was granted permission to intervene in this proceeding. The Company has accrued €7.4 million as of 31 December 2017 and 2016, respectively, related to this matter. Generics [U.K.] Limited has received notices from NHS Departments across the United Kingdom stating an intention to commence follow-on litigation and asserting damages. Generics [U.K.] Limited has also sought indemnification from Merck KGaA with respect to the €7.8 million portion of the fine for which Merck KGaA and Generics [U.K.] Limited were held jointly and severally liable. Merck KGaA has counterclaimed against Generics [U.K.] Limited seeking the same indemnification. It is reasonably possible that we will incur additional losses above the amount accrued but we cannot estimate a range of such reasonably possible losses at this time. There are no assurances, however, that settlements reached and/or adverse judgments received, if any, will not exceed amounts accrued.

U.K. Competition and Markets Authority

Paroxetine

On 12 August 2011, Generics [U.K.] Limited received notice that the Office of Fair Trading (subsequently changed to the Competition and Markets Authority (the "CMA")) was opening an investigation to explore the possible infringement of the Competition Act 1998 and Articles 101 and 102 of the Treaty on the Functioning of the European Union, with respect to alleged agreements related to Paroxetine. On 19 April 2013, a Statement of Objections was issued to Beecham Group plc, GlaxoSmithKline UK Limited, GlaxoSmithKline plc and SmithKline Beecham Limited (formerly, SmithKline Beecham plc) (together, "GlaxoSmithKline"), Generics [U.K.] Limited, Merck KGaA, Actavis UK Limited (formerly, Alpharma Limited), Xellia Pharmaceuticals ApS (formerly, Alpharma ApS) and Alpharma LLC (formerly, Zoetis Products LLC, Alpharma LLC, and Alpharma Inc.) (together, "Alpharma"), and Ivax LLC (formerly, Ivax Corporation) and Norton Healthcare Limited (which previously traded as Ivax Pharmaceuticals UK) (together, "Ivax"). Generics [U.K.] Limited filed a response to the Statement of Objections, defending itself against the allegations contained therein. The CMA issued a Supplementary Statement of Objections ("SSO") to the above-referenced parties on 21 October 2014 and a hearing with regard to the SSO took place on 19 December 2014. The CMA issued a decision on 12 February 2016, finding that GlaxoSmithKline, Generics [U.K.] Limited, Merck KGaA and Alpharma, were liable for infringing EU and U.K. competition rules. With respect to Merck KGaA and Generics [U.K.] Limited, the CMA issued a penalty of approximately £5.8 million, for which Merck KGaA is liable for the entire amount; and of that amount Generics [U.K.] Limited is jointly and severally liable for approximately £2.7 million, which has been accrued for as of 31 December 2017. Generics [U.K.] Limited has appealed the decision. The hearing before the Competition Appeals Tribunal concluded on 30 March 2017 and the parties are presently awaiting a decision.

Nefopam

On 10 October 2017, Mylan N.V. and Meda Pharmaceuticals Limited received notice that the CMA was opening an investigation to explore the possible infringement of the Competition Act 1998 and Article 101 of the Treaty on the Functioning of the European Union, with respect to alleged agreements related to Nefopam, a product from Meda's portfolio. On 16 October 2017, the CMA issued a notice under Section 26 of the Competition Act 1998 to Mylan N.V. and Meda Pharmaceuticals Limited to provide specified information and produce specified documents. The Company is fully cooperating with the CMA.

Product Liability

The Company is involved in a number of product liability lawsuits and claims related to alleged personal injuries arising out of certain products manufactured and/or distributed by the Company, including but not limited to Phenytoin, Alendronate Sodium and Reglan. The Company believes that it has meritorious defenses to these lawsuits and claims and is vigorously defending itself with respect to those matters. From time to time, the Company has agreed to settle or otherwise resolve certain lawsuits and claims on terms and conditions that are in the best interests of the Company. The Company has accrued approximately $8.4 million and $31.5 million at 31 December 2017 and 31 December 2016, respectively. It is reasonably possible that we will incur additional losses and fees above the amount accrued but we cannot estimate a range of such reasonably possible losses or legal fees related to these claims at this time. There are no assurances, however, that settlements reached and/or adverse judgments received, if any, will not exceed amounts accrued.

Intellectual Property

MPI filed with the FDA a Paragraph IV certification stating that approval of MPI's Abbreviated New Drug Application ("ANDA") for glatiramer acetate injection, 20 mg/mL will not infringe any valid claim of patents owned or controlled by Teva Pharmaceuticals USA, Inc., Yeda Research and Development Co., or their affiliates (for purposes of these paragraphs, "Plaintiffs"), listed in the FDA's Orange Book. There are currently no unexpired patents for the product listed in the FDA's Orange Book. On 03 October 2017, MPI received final FDA approval and launched its 20 mg/mL glatiramer acetate product in the United States.

MPI filed with the FDA a Paragraph IV certification stating that approval of MPI's ANDA for glatiramer acetate injection, 40 mg/mL will not infringe any valid claim of patents owned or controlled by the Plaintiffs listed in the FDA's Orange Book. On 06 October 2014, Plaintiffs filed suit against MPI and Mylan Inc. in the District Court for the District of Delaware seeking monetary damages, injunctive relief, attorneys' fees, costs and other relief. In February and March 2015, MPI and Mylan Inc. filed petitions with the Patent Trial and Appeal Board requesting *inter partes* review of the claims of three asserted patents. On 24 August 2016 and 01 September 2016, respectively, the Patent Trial and Appeal Board issued final written decisions finding

all claims of three asserted patents unpatentable as obvious. After Plaintiffs' requests for reconsideration of those decisions, the Patent Trial and Appeal Board issued revised final written decisions addressing issues raised in the requests for reconsideration and again finding all claims of three asserted patents unpatentable as obvious. On 30 January 2017, the Delaware District Court found, after trial, the asserted claims of the four patents-in-suit invalid as obvious. Plaintiffs have appealed both decisions, and those appeals are pending. On 17 January 2017, Plaintiffs filed suit against MPI and Mylan Inc. in the District Court for the Northern District of West Virginia asserting claims related to a process patent not listed in the FDA's Orange Book seeking monetary damages, injunctive relief, attorneys' fees, costs and other relief. The West Virginia District Court granted Mylan's request to transfer the case to the Delaware District Court. On 11 December 2017, Plaintiffs dismissed the litigation against Mylan related to the process patent.

On 19 October 2017, Teva Pharmaceutical Industries Ltd. commenced an action with the Irish High Court against Mylan Teoranta alleging that Mylan's glatiramer acetate 40mg/mL product, which is manufactured in Ireland, approved by the FDA and is currently being sold in the U.S., infringes two European patents, EP (IE) 2 949 335 and EP (IE) 3 050 556. Teva subsequently dropped its infringement allegation related to the EP (IE) 3 050 556 patent. Teva is seeking damages and/or an account of profits from Mylan for the alleged infringement. Teva has also requested the Irish High Court to enjoin Mylan Teoranta from making, offering, putting on the market and/or using its glatiramer acetate 40mg/mL product in Ireland pending final determination of the action. A hearing on Teva's Ireland injunction request was completed on 16 January 2018 and a decision is pending.

The Company has used its business judgment in connection with the decision to launch the 40mg/mL glatiramer acetate product and has also used its business judgment in certain other situations to decide to market and sell products, notwithstanding the fact that allegations of patent infringement(s) or other potential third party rights have not been finally resolved by the courts. The risk involved in doing so can be substantial because the remedies available to the owner of a patent for infringement may include, a reasonable royalty on sales or damages measured by the profits lost by the patent owner. If there is a finding of willful infringement, damages may be increased up to three times. Moreover, because of the discount pricing typically involved with bioequivalent products, patented branded products generally realize a substantially higher profit margin than bioequivalent products. An adverse decision could have an adverse effect that is material to our business, financial condition, results of operations, cash flows and/or ordinary share price.

Other Litigation

The Company is involved in various other legal proceedings that are considered normal to its business. The Company has approximately $15.4 million accrued related to these various other legal proceedings at 31 December 2017.

25 Commitments

The following table summarizes the Company's commitments and contractual obligations at 31 December 2017 and the effect that such obligations are expected to have on our liquidity and cash flows in future periods:

(In millions of USD)	Total	Less than One Year	One- Three Years	Three- Five Years	Thereafter
Long-term debt [1]	$ 14,702.0	$ 1,750.0	$ 3,601.0	$ 2,250.0	$ 7,101.0
Scheduled interest payments [2]	4,151.4	440.8	768.3	574.9	2,367.4
Operating leases [3]	281.7	76.1	106.5	47.9	51.2
Other Commitments [4]	2,166.4	1,155.7	633.9	168.1	208.7
	$ 21,301.5	$ 3,422.6	$ 5,109.7	$ 3,040.9	$ 9,728.3

(1) Long-term debt excludes discounts, premiums and associated deferred financing costs.

(2) Scheduled interest payments represent the estimated interest payments related to our outstanding borrowings under term loans, senior notes, the Meda borrowings and other long-term debt. Variable debt interest payments are estimated using current interest rates.

(3) We lease certain property under various operating lease arrangements that expire generally over the next five to seven years. These leases generally provide us with the option to renew the lease at the end of the lease term.

(4) Other commitments include funding commitments related to the Company's clean energy investments, agreements to purchase third-party manufactured products, open purchase orders, estimated post-employment payments and capital leases at 31 December 2017.

Future minimum lease payments under operating lease commitments are as follows for the years ended 31 December:

(In millions of USD)	
2018	$ 76.1
2019	64.5
2020	42.0
2021	28.3
2022	19.6
Thereafter	51.2
	$ 281.7

The Company has also entered into employment and other agreements with certain executives and other employees that provide for compensation, retirement and certain other benefits. These agreements provide for severance payments under certain circumstances. Additionally, the Company has split-dollar life insurance agreements with certain retired executives.

In the normal course of business, Mylan periodically enters into employment, legal settlement and other agreements which incorporate indemnification provisions. While the maximum amount to which Mylan may be exposed under such agreements cannot be reasonably estimated, the Company maintains insurance coverage, which management believes will effectively mitigate the Company's obligations under these indemnification provisions. No amounts have been recorded in the Consolidated Financial Statements with respect to the Company's obligations under such agreements.

26 Restructuring

On 5 December 2016, the Company announced restructuring programs in certain locations representing initial steps in a series of actions that are anticipated to further streamline its operations globally. On 03 November 2017, the Company committed to additional restructuring actions. Since 2015, the Company has made a number of significant acquisitions, and as part of the holistic, global integration of these acquisitions, the Company is focused on how to best optimize and maximize all of its assets across the organization and across all geographies.

Charges for restructuring and ongoing cost reduction initiatives are recorded in the period the Company commits to a restructuring or cost reduction plan, or executes specific actions contemplated by the plan and all criteria for liability recognition have been met.

The Company continues to develop the details of the cost reduction initiatives, including workforce actions and other potential restructuring activities beyond the programs announced, including potential shutdown or consolidation of certain operations. The continued restructuring actions are expected to be implemented through fiscal year 2018. For the restructuring activities that have been initiated to date, the Company estimates that it will incur aggregate pre-tax charges ranging between $375.0 million and $450.0 million, inclusive of the 2016 and 2017 restructuring charges. As additional restructuring activities are undertaken, the Company expects to incur additional costs including employee related costs, such as severance and continuation of healthcare and other benefits; asset impairments; accelerated depreciation; costs associated with contract terminations; and other closure costs. At this time, the expenses related to the additional restructuring activities cannot be reasonably estimated.

The following table summarizes the restructuring charges and the reserve activity from 31 December 2015 to 31 December 2017:

(In millions of USD)	Employee Related Costs	Other Exit Costs	Total
Balance at 31 December 2015:	$ 14.8	$ —	$ 14.8
Charges	148.1	1.6	149.7
Cash payment	(24.3)	—	(24.3)
Balance at 31 December 2016:	$ 138.6	$ 1.6	$ 140.2
Charges [1]	107.4	80.6	188.0
Cash payment	(150.0)	(2.4)	(152.4)
Reclassifications	(8.3)	8.3	—
Utilization	—	(74.4)	(74.4)
Foreign currency translation	5.2	0.4	5.6
Balance at 31 December 2017:	$ 92.9	$ 14.1	$ 107.0

[1] For the year ended 31 December 2017, total restructuring charges in North America, Europe, Rest of World, and Corporate/Other were approximately $48.0 million, $70.1 million, $36.5 million, and $33.4 million, respectively. For the year ended 31 December 2016, total restructuring charges in North America, Europe, and Rest of World were approximately $89.9 million, $55.3 million, and $4.5 million, respectively.

27 Joint operations and licensing agreements

We periodically enter into collaboration and licensing agreements with other pharmaceutical companies for the development, manufacture, marketing and/or sale of pharmaceutical products. Our significant collaboration agreements are primarily focused on the development, manufacturing, supply and commercialization of multiple, high-value generic biologic compounds, insulin analog products and respiratory products. Under these agreements, we have future potential milestone payments and co-development expenses payable to third parties as part of our licensing, development and co-development programs. Payments under these agreements generally become due and are payable upon the satisfaction or achievement of certain developmental, regulatory or commercial milestones or as development expenses are incurred on defined projects. Milestone payment obligations are uncertain, including the prediction of timing and the occurrence of events triggering a future obligation and are not reflected as liabilities in the Consolidated Balance Sheets, except for milestone and royalty obligations reflected as acquisition related contingent consideration. Refer to Note 12 *Fair Value Measurement* for further discussion of contingent consideration. Our potential maximum development milestones not accrued for at 31 December 2017 totaled approximately $545 million. We estimate that the amounts that may be paid in the next twelve months to be approximately $94 million. These agreements are generally accounted for as asset acquisitions and may also include potential sales-based milestones and call for us to pay a percentage of amounts earned from the sale of the product as a royalty or a profit share. The amounts disclosed do not include sales based milestones or royalty obligations on future sales of product as the timing and amount of future sales levels and costs to produce products subject to these obligations is not reasonably estimable. These sales-based milestones or royalty obligations may be significant depending upon the level of commercial sales for each product. A summary of our most significant collaboration and licensing agreements is included below:

Respiratory Delivery Platform

On 23 December 2011 the Company completed the acquisition of the respiratory delivery platform. Under the agreement, the development program for the respiratory delivery platform was transferred to the Company along with exclusive licenses and assignments of the intellectual property effective from the closing date. The Company is responsible for all development costs after the closing date. The Company will also lead the commercialization efforts in certain territories, including the U.S. and Europe. Pfizer is eligible to receive milestone payments, which are contingent upon the future product development achievements including regulatory approvals, market launches, sales targets and profitability.

In accordance with IFRS regarding business combinations, the Company accounted for this transaction as a purchase of a business and utilized the acquisition method of accounting. Under the acquisition method of accounting, the assets acquired and liabilities assumed in the transaction were recorded at the date of acquisition at the estimate of their respective fair values. The

fair value of the contingent consideration liability related to the estimate of future profit sharing and milestone payments was $360.7 million at 31 December 2017. These payments are contingent upon the occurrence of certain future events and the ultimate success of the respective projects. We estimate the amount of development milestones that may be paid in the next twelve months to be approximately $60 million, a portion of which is accrued as contingent consideration. Given the inherent uncertainty of these events, it is unclear when, if ever, we may be required to pay such amounts or pay amounts in excess of those accrued.

Momenta

On 08 January 2016, the Company entered into an agreement with Momenta Pharmaceuticals, Inc. ("Momenta") to develop, manufacture and commercialize up to six of Momenta's current biosimilar candidates, including Momenta's biosimilar candidate, ORENCIA® (abatacept) ("ORENCIA®"). Mylan paid an up-front cash payment of $45 million to Momenta. Under the terms of the agreement, the Company and Momenta are jointly responsible for product development and equally share in the costs and profits of the products with Mylan leading the worldwide commercialization efforts.

Under the terms of the agreement, Momenta is eligible to receive additional contingent milestone payments for the development of biosimilar candidates. The Company paid $60 million related to certain milestones in 2016. There were no milestone payments in 2017. The total remaining amount of contingent milestone payments at 31 December 2017 was approximately $140 million.

On 02 November 2016, the Company and Momenta announced that dosing had begun in a Phase 1 study to compare the pharmacokinetics, safety and immunogenicity of M834, a proposed biosimilar of ORENCIA®, to U.S. and European Union sourced ORENCIA® in normal healthy volunteers. On 01 November 2017, the Company and Momenta announced that M834 did not meet its primary pharmacokinetic (PK) endpoints in the Phase 1 study to compare the pharmacokinetics, safety and immunogenicity of M834 to US- and EU-sourced ORENCIA® in normal healthy volunteers. The Company and Momenta continue to gather and analyze this data to determine the next steps for the program.

On 03 January 2018, the Company and Momenta announced the development strategy for M710, a proposed biosimilar to EYLEA® (aflibercept) ("EYLEA®") injection. EYLEA® is the market-leading vascular endothelial growth factor (VEGF) inhibitor indicated for the treatment of neovascular (wet) age-related macular degeneration, macular edema following retinal vein occlusion, diabetic macular edema and diabetic retinopathy in patients with diabetic macular edema. The companies plan to initiate a pivotal clinical trial in patients in the first half of 2018.

In accordance with IAS 38*, Research and Development* and based upon the cost sharing provisions of the agreement, the Company is accounting for the contingent milestone payments related to the Momenta collaboration as non-refundable advance payments for services to be used in future R&D activities, which are required to be capitalized until the related services have been performed. More specifically, as costs are incurred within the scope of the collaboration, the Company will record its share of the costs as R&D expense. In addition to the upfront cash payment, during the year ended 31 December 2016 the Company incurred approximately $29.2 million of R&D expense related to this collaboration and approximately $31.9 million of R&D expense during the year ended 31 December 2017. To the extent the contingent milestone payments made by the Company exceed the liability incurred, a prepaid asset will be reflected on the Company's Consolidated Balance Sheets. To the extent the contingent milestone payments made by the Company are less than the expense incurred, the difference between the payment and the expense will be recorded as a liability on the Company's Consolidated Balance Sheets. At 31 December 2017, approximately $8.1 million was recorded as a prepaid asset on the Consolidated Balance Sheets.

Theravance

On 30 January 2015, the Company entered into a development and commercialization collaboration with Theravance Biopharma, Inc. ("Theravance Biopharma") for the development and, subject to FDA approval, commercialization of Revefenacin ("TD-4208"), a novel once-daily nebulized long-acting muscarinic antagonist for chronic obstructive pulmonary disease ("COPD") and other respiratory diseases. Under the terms of the agreement, Mylan and Theravance Biopharma are co-developing nebulized TD-4208 for COPD and other respiratory diseases. Theravance Biopharma is leading the U.S. registrational development program and Mylan is responsible for the reimbursement of Theravance Biopharma's development costs for that program up until the approval of the first NDA, after which costs will be shared. In addition, Mylan is responsible for commercial manufacturing. In the U.S., Mylan is leading commercialization and Theravance Biopharma retains the right to co-promote the product under a profit-sharing arrangement. In addition to funding the U.S. registrational development program, the Company made a $30 million investment in Theravance Biopharma's common stock during the first quarter of 2015, which is being accounted for as an available-for-sale security. The Company incurred $15 million in an upfront licensing payment during the year ended 31 December 2015. Under the terms of the agreement, Theravance Biopharma is eligible to receive potential development and sales milestone payments totaling $220 million in the aggregate. As of 31 December 2017, Mylan has paid a total of $30 million in milestone payments to Theravance Biopharma. On 29 January 2018, the Company announced that the FDA accepted for review the Companies' recently submitted NDA for TD-4208 with a PDUFA target action date of 13 November 2018.

Biocon

The Company has entered into exclusive collaborations with Biocon Limited ("Biocon") on the development, manufacturing, supply and commercialization of multiple, high value biosimilar compounds and three insulin analog products for the global marketplace. Under the agreements with Biocon, Mylan has exclusive commercialization rights for the products under the collaborations in the U.S., Canada, Japan, Australia, New Zealand and in the European Union and European Free Trade Association countries. Biocon has co-exclusive commercialization rights with Mylan for the products in the rest of the world. In December 2017, the FDA approved Mylan's Ogivri™ (trastuzumab-dkst), a biosimilar to Herceptin® (trastuzumab), co-developed with Biocon. Ogivri has been approved for all indications included in the label of the reference product, Herceptin, including for the treatment of HER2-overexpressing breast cancer and metastatic stomach cancer (gastric or gastroesophageal junction adenocarcinoma). Ogivri is the first FDA-approved biosimilar to Herceptin and the first biosimilar from Mylan and Biocon's joint portfolio approved in the U.S. Mylan anticipates potentially being the first company to commercialize a biosimilar to Herceptin. The Company continues to provide development funding related to this collaboration. As the timing of cash expenditures is dependent upon a number of factors, many of which are out of the Company's control, it is difficult to forecast the amount of payments to be made over the next few years, which could be significant.

We are actively pursuing, and are currently involved in, joint projects related to the development, distribution and marketing of both generic and branded products. Many of these arrangements provide for payments by us upon the attainment of specified milestones. While these arrangements help to reduce the financial risk for unsuccessful projects, fulfillment of specified milestones or the occurrence of other obligations may result in fluctuations in cash flows and R&D expense.

28 Remuneration

Mylan's named executive officers ("NEOs") for 2017 were:

NEO	Position
Heather Bresch	Chief Executive Officer
Rajiv Malik	President
Kenneth S. Parks	Chief Financial Officer
Daniel M. Gallagher	Chief Legal Officer
Anthony Mauro	Chief Commercial Officer

Business Performance and How It Aligns to Compensation

Over the last decade, we have continued to transform from a mid-sized U.S. generics company to a highly differentiated global pharmaceutical company capable of delivering better health to customers around the world. Our experienced executive leadership team has led our workforce of approximately 35,000 in building a one-of-a-kind durable,

differentiated platform that is capable of withstanding market volatility – something that sets Mylan apart in a rapidly changing industry.

2017 Highlights

Access

- Filed 184 regulatory submissions demonstrating the depth of our global pipeline
- Gained approval on several key products, including Ogivri (U.S.), Glatiramer Acetate (U.S. and Europe) and Generic Estrace Cream (U.S.)
- Received FDA acceptance for review of our New Drug Application for Revefenacin and our Biologics License Application for Pegfilgrastim
- Introduced MyHep All in India to combat hepatitis C
- Helped stem the tide of HIV by introducing the first Tenofovir Alafenamide-based, fixed-dose combination product to be offered to patients in developing countries
- Secured marketing authorization for Trastuzumab in 20 emerging markets
- Launched more than 40 injectable products worldwide, further advancing our strategy

Diversification

- Generated $11.9 billion in total revenues with more than 50% from outside the U.S., further demonstrating that we are no longer dependent on any one geography or product
- Advanced our ONE Mylan commercial strategy across our geographies and channels to distinguish us as customers' partner of choice
- Enhanced our portfolio through inorganic investments in key areas including OTC, complex and niche active pharmaceutical ingredients, and specialty dermatological products

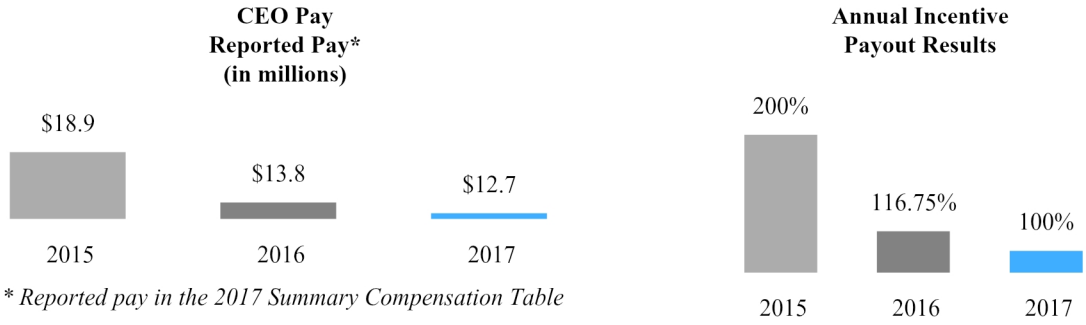
Durability

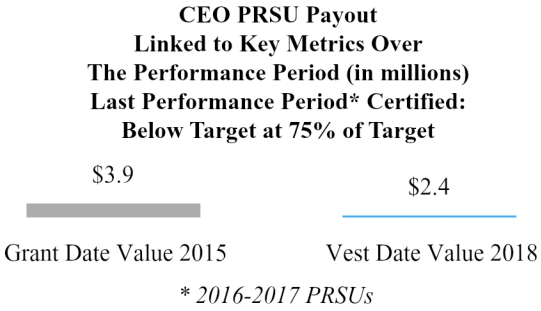
- Increased net cash provided by operating activities to $2.06 billion and adjusted free cash flow to $2.6 billion, reflecting the strength and durability of our portfolio
- Paid down debt of ~$1.36 billion
- Leveraged the integration of acquisitions and realized opportunities to optimize our operations

Our executive compensation program continues to demonstrate the strong alignment between Company performance – including driving access for patients, building diversification into our business model and enhancing the durability of our results – and how our leaders are rewarded. Company performance has remained strong over an extended period, including in 2017. This is perhaps most impressive given recent periods of turmoil and disruption in the industry and healthcare systems around the world (particularly in the U.S. over the past several years). We did not meet all of our challenging compensation metric targets in 2017 and, as a direct result, the resulting CEO and other executive compensation has been directly impacted.

- Compensation totals reported in the Summary Compensation Table have generally declined over the last three years; 7.5% for our CEO since 2016.

- The annual incentive payouts, which are driven solely by Company performance, have declined for three straight years.
- The recently completed long-term performance period for the PRSUs granted in 2015 achieved 75% of target performance and the value of the shares earned at vesting was 61% of target on the date of the grant.





2017 CEO Compensation Summary

The following summary describes the compensation for our CEO for the last two years.

Chief Executive Officer

		2016	2017
Heather Bresch	**Base Salary:**	$ 1,300,000	$ 1,300,000
	Annual Incentive Payout:	$ 2,276,625	$ 1,950,000
	Annual LTI Grant:	$ 8,996,430	$ 9,100,045
	Change in Pension Value:	$ 506,765	—
	All Other Compensation:	$ 697,300	$ 394,352
	Summary Compensation Total:	$ 13,777,120	$ 12,744,397

2017 Compensation Decisions

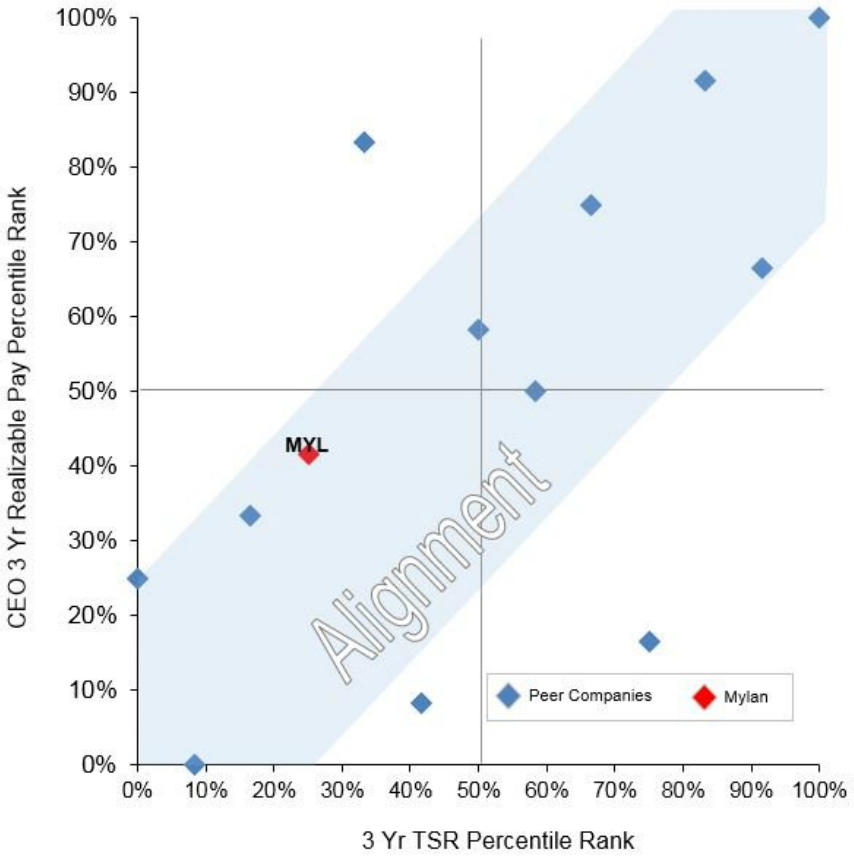
- **Base Salary:** No change was made to Ms. Bresch's base salary in 2017. It has remained the same since March 2015.

- **Annual Incentive:** $1,950,000 calculated by applying the Company Performance Factor under the plan formula (100% for 2017). No change was made to Ms. Bresch's target opportunity in 2017 and it has remained the same since 2015.
- **Long-Term Incentive:** Ms. Bresch received a long-term incentive ("LTI") grant in March 2017 valued at $9,100,045, of which 70% of the total is performance-based. The LTI award was delivered through PRSUs, restricted stock units ("RSUs") and stock options.

CEO Reported and Realizable Pay

The following graph demonstrates that the CEO's total realizable pay over a three-year period is aligned with Mylan's TSR relative to the Company's 2017 peer group.

3-Year CEO Realizable Pay vs TSR*



* Realizable pay includes cumulative salary and annual incentives paid for the most recent three years for which peer group data was publicly available (2014-2016), plus the current value (as of 31 December 2017) of stock options (intrinsic value) and time-based RSUs granted during the most recent three years, plus the value (as of 31 December 2017) of performance-based LTI awards, other than stock options, earned during the most recent three years, plus the change in pension value and all other compensation for the most recent three years. TSR data derived from the S&P Capital IQ. The 12 peer companies in this chart reflect the current peer group, excluding Teva Pharmaceutical Industries Ltd., for which sufficient information was not publicly available.

Compensation Practices Overview

The Compensation Committee oversees the design and implementation of executive compensation programs aligned to industry best practices. It also serves to reinforce our unique, performance-driven culture by incentivizing the right behaviors and values expected of Mylan leaders and encouraging ownership of results. We balance competitive base pay and annual and long-term incentives to attract, retain, motivate and reward outstanding executive talent. The summary below identifies certain features of our compensation program, which are described throughout this footnote.

What We Do

✓ Maintain a significant portion of compensation aligned with shareholder interests and tied to ordinary share price or financial and operational business performance
✓ Balance annual and long-term incentives, which are both aligned with performance and broader stakeholder interests
✓ Employ balanced and different metrics for annual and long-term incentives
✓ Base long-term incentives heavily on performance-based metrics
✓ Use double-trigger vesting for annual LTI awards upon a change in control
✓ Consider peer groups and market data in determining compensation
✓ Retain an independent compensation consultant that reports directly to the Compensation Committee
✓ Maintain strong ordinary share ownership guidelines, which our senior management significantly exceeds
✓ Maintain a robust clawback policy
✓ Conduct an annual compensation-related risk review to ensure that compensation is aligned with shareholder interests

What We Don't Do

× No automatic accelerated vesting of stock options, RSUs and PRSUs upon satisfying retirement eligibility (55 years of age with 10+ years of service) effective 01 January 2017
× No exercise of positive discretion in determining annual or LTI payouts
× No re-pricing of stock options
× No hedging or pledging of ordinary shares
× No new 280G tax gross-ups
× No Company matching contributions to the Restoration Plan for NEOs with Retirement Benefit Agreements

Compensation Philosophy & Process

Compensation Philosophy

Mylan's approach to executive compensation is designed to:

Reinforce Mylan's unique, performance-driven culture: Our performance metrics align to the creation and sustainability of shareholder value and encourage the behaviors and values expected of Mylan leaders. Our simplified program is weighted more heavily toward long-term incentives to align our executives' performance with the durability of the business and interests of our stakeholders.

Drive and reward performance: Mylan's Board has designed programs to ensure continued execution against our strategy to create a leading, robust, sustainable organization, while aligning compensation with Company performance, shareholder value creation and other stakeholder interests.

Attract, retain and reward outstanding executive talent: Mylan provides a highly competitive mix of compensation with an emphasis on long-term incentives to retain talented executives.

Given the disruptions and changes in the management of certain companies in our industry, the hyper-competitive market for outstanding executive leadership talent is becoming increasingly competitive. Recognizing the significant results generated by our current, long-tenured management team, as well as the important contributions of so many others in our organization, we design our compensation programs to help ensure that the Company, shareholders and other stakeholders continue to benefit from the talents of our leadership team and global workforce.

Simplified Primary Components of 2017 Compensation:

- Base salary
- Annual incentive
- Long-term incentive

Role of the Compensation Committee

Our Compensation Committee, comprised solely of independent directors, oversees the design and implementation of our executive compensation programs. The Committee reviews and evaluates the performance of our NEOs and determines their compensation and objectives, or, in the case of our CEO and President, recommends compensation and objectives to the independent, non-executive members of the Board. The Committee monitors compensation trends and developments periodically and undertakes a comprehensive assessment of our compensation programs at least annually. In fulfilling these responsibilities, the Committee utilizes the support of an independent compensation consulting firm, independent outside counsel and an internal executive compensation team.

In 2017, the Compensation Committee retained Meridian Compensation Partners, LLC ("Meridian") to provide advice and information regarding the design and implementation of Mylan's executive compensation programs. Meridian also provided information to the Compensation Committee regarding regulatory and other technical developments that may be relevant to Mylan's executive compensation programs. In addition, Meridian provided the Compensation Committee with competitive market information, analyses and trends on executive base salary, annual incentives, long-term incentives, benefits and perquisites.

The Compensation Committee also receives advice from outside counsel including, but not limited to, Cravath, Swaine & Moore LLP and NautaDutilh N.V.

Additionally, the Compensation Committee receives input from management; however, decisions on NEO compensation matters are made solely by the Compensation Committee and/or the independent directors.

The Compensation Committee performs an annual review of the independence of its outside advisors, consistent with NASDAQ requirements and the Compensation Committee charter.

Process and Peer Group

Compensation Committee Process

Our culture and our success continue to depend on our ability to attract and retain talented leaders in critical roles.

The decisions of the Compensation Committee and the independent directors relating to executive compensation each year reflect a variety of subjective considerations, in addition to quantitative metrics. The Committee's determinations reflect its members' individual and collective experience and business judgment, and are based on extensive interactions with, and observations of, management and our assessment of some or all of the following factors, among others:

- Company performance (relative to peers and budget);
- The tenure and experience of members of our management team;
- Individual leadership performance and contributions to the success of Mylan;
- Responsibilities of, and future expectations for, the individual;
- Short-, medium- and long-term personnel needs of Mylan;
- The need to reward and retain our uniquely talented NEOs and other key employees;
- Other qualitative contributions of each executive, including, among others, the actual and potential value and impact of his or her leadership style, strategic vision and execution, talent development, and ability to adapt to and drive the change necessary to our success;
- Peer group pay levels and published survey data; and
- Advice from independent external experts and advisors.

We consider these and other qualitative and quantitative factors from time-to-time in assessing our compensation philosophy and approach, in addition to using these factors to make individual compensation decisions. The Compensation Committee and the independent directors believe that the peer group is the right reference point for compensation decisions when coupled with the independent judgment and experience of our independent directors who are intimately familiar with matters that the Board oversees and guides, including the Company's business, strategies, challenges and opportunities, as well as the unique respective talents, contributions, leadership, responsibilities and future expectations of the executives who drive performance and long-term sustainability.

Peer Group

While the competitive market for our executives is one factor the Compensation Committee considers when making compensation decisions, it does not target the compensation of NEOs within a specific percentile of any set of peer companies. As noted, the Committee considers peer group and industry data along with many other factors when determining compensation programs.

The peer group is used for compensation information for NEOs and for assessing the relative total shareholder return metric applicable to PRSUs. Due to Mylan's unique position in the market and long-tenured management team, pay is not formulaically tied to a particular percentile of the peer group. In 2017, the Committee restructured the peer group to include 13 companies, six of which were also in the 2016 peer group. The 2016 peer group contained 19 companies from a mix of industries, including pharmaceutical, healthcare equipment and biotech. The 2017 peer group provides a more direct focus on Mylan's business competitors and the companies Mylan competes with for executive talent. The Committee also believes this group of 13 companies provides a more relevant performance comparison for total shareholder return.

Peer Group

Abbott Laboratories	**Novartis AG**
Amgen Inc.	**Perrigo Company plc**
Celgene Corp.	**Pfizer Inc.**
Endo International plc	**Regeneron Pharmaceuticals, Inc.**
Gilead Sciences, Inc.	**Sanofi**
Mallinckrodt Public Limited Company	**Teva Pharmaceutical Industries Ltd.**
Merck & Co., Inc.	

Consideration of Risk in Company Compensation Policies

Our compensation programs are designed to encourage outstanding, consistent business performance over extended periods of time. Management and the Compensation Committee have considered and discussed the risks inherent in our business and the design of our compensation plans, policies and programs that are intended to drive the achievement of our long-term business objectives while avoiding excessive short-term risk-taking. In addition, we utilize a mix of performance measures, so that undue emphasis is not placed on one particular measure, and employ different types of compensation to provide value over the short-, medium- and long-term. These performance measures are reevaluated annually in light of the evolving risk environment facing our business. When making compensation decisions, we also consider qualitative factors to avoid the consequence that an overly formulaic approach may have on excessive risk-taking by management.

Components of 2017 Executive Compensation

Our executive compensation program is designed to incentivize our NEOs to deliver exceptional long-term shareholder value and to fully align the interests of our executives with those of our shareholders and other stakeholders. We pay our NEOs through three primary components of compensation: base salary, an annual incentive and a long-term incentive. In addition, our NEOs receive certain benefits and perquisites. Our program is heavily weighted toward performance-based compensation and annual and long-term incentive outcomes are primarily dependent on the achievement of outstanding performance results.

Pay Element	Performance-Based	Form	2017 Metrics	2017 Performance / Shareholder Alignment
Salary	Fixed	Cash	N/A	Attracts and retains executives through competitive base compensation
Annual Incentive Compensation	Variable	Cash	Adjusted EPS	Reinforces the importance of earnings, which are expected to have a direct relationship to the price of Mylan's ordinary shares
		Cash	Global Regulatory Submissions	Encourages the approval and commercialization of new products to yield new revenue sources that are essential for Mylan to remain competitive, and as such are fundamental to our short- and long-term sustainable growth strategy
		Cash	Adjusted Free Cash Flow	Captures the potential impact of all types of business transactions on the generation of adjusted operating cash flow
		Cash	U.S. GAAP Revenue	Incentivizes management to focus on top-line growth, essential to Mylan's ongoing value creation and consistent with our long-term growth strategy
Long-Term Incentive Compensation	Variable	Stock Options	Stock Price	Provides value only if the stock price increases from the grant date
		RSUs	Stock Price	Offers realized value dependent on continued employment and absolute stock performance over time
		PRSUs	ROIC	Focuses executives on earning an appropriate return on investment
		PRSUs	Relative TSR	Incentivizes executives to deliver superior shareholder returns as compared to competitors

Base Salary

The Compensation Committee considers a variety of factors in deciding base salary, including, among others: individual performance, responsibilities and expected future performance; Company performance; management structure; marketplace practices; internal pay equity considerations; competitive recruitment for outstanding talent; and the executive's experience, tenure and leadership. The Compensation Committee also considers, among other factors, what the marketplace would require in terms of the replacement costs to hire a qualified individual to replace an executive, as well as the fact that a new executive would lack the critical knowledge base regarding Mylan as compared to the executive he or she would be replacing.

For 2017, no NEOs received base salary increases except for Mr. Parks. The Compensation Committee increased Mr. Parks' base salary by 14% effective as of 01 September 2017, to reflect his strong performance and expanded responsibility for the Global Integrated Services function. Ms. Bresch and Mr. Malik's salaries have not increased since 2015, and Mr. Mauro's salary has not increased since 2016.

NEO	Position	2016	2017	Change in Base Salary
Heather Bresch	Chief Executive Officer	$ 1,300,000	$ 1,300,000	-
Rajiv Malik	President	$ 1,000,000	$ 1,000,000	-
Kenneth S. Parks	Chief Financial Officer	$ 600,000	$ 685,000	14%
Daniel M. Gallagher	Chief Legal Officer	N/A	$ 800,000	-
Anthony Mauro	Chief Commercial Officer	$ 700,000	$ 700,000	-

Annual incentive compensation

Mylan's annual incentive compensation consists of performance-based annual cash awards that are determined according to the achievement of objective operational and financial measures identified by the Board as critical to the successful execution of Mylan's business strategy and tied to the continued creation of shareholder value.

For 2017, the Compensation Committee set challenging performance goals based on four key performance indicators of the current and future strength of our business. In addition, the metrics were selected specifically because they are related to the actions and leadership of our management team and measure their ability to extract the greatest value from our assets. U.S. GAAP Revenue was introduced as a new performance metric for the 2017 annual incentive program. This metric was added to further incentivize senior management to focus on top-line growth. The Compensation Committee chose to use adjusted metrics for the other two financial goals (adjusted EPS and adjusted free cash flow) because it believes that these adjusted metrics present the most consistent measure of evaluating Mylan's financial performance, and the ongoing operations of the Company.

IMPORTANT FACTS ABOUT OUR 2017 ANNUAL INCENTIVE TARGETS

Challenging Targets Based on Past Performance Results and Future Expectations

Adjusted EPS

- Reinforces the importance of a performance measure of earnings, which are expected to have a direct relationship to the price of Mylan's ordinary shares

Global Regulatory Submissions

- Encourages the approval and commercialization of new products to yield new revenue sources that are essential for Mylan to remain competitive, and as such are fundamental to our short- and long-term growth strategy

Adjusted Free Cash Flow

- Captures the potential impact of all types of business transactions on the generation of net cash provided by operating activities, adjusted for certain special items and capital expenditures, and strengthens our balance sheet

U.S. GAAP Revenue

- Incentivizes management to focus on top-line growth, essential to Mylan's ongoing value creation and consistent with our long-term growth strategy

		2017		
Goal	**Weighting**	**Threshold**	**Target**	**Maximum**
Adjusted EPS	**30%**	$5.15	**$5.35**	$5.55
Global regulatory submissions	**25%**	120	**135**	150
Adjusted free cash flow ($ in millions)	**25%**	$2,000	**$2,200**	$2,400
U.S. GAAP Revenue ($ in millions)	**20%**	$12,250	**$13,000**	$13,750
Payout Opportunity (as % of Target)		50%	**100%**	200%

No annual incentives are paid with respect to a metric if threshold performance is not achieved. Furthermore, the Compensation Committee has committed to not using its discretion to upwardly adjust annual incentive award amounts generated by the performance metrics.

2017 NEO Target Award Opportunities (including Maximum Opportunity) Subject to Performance

NEO	Position	Base Salary	Target (% of Salary)	Target Annual Incentive	Maximum Annual Incentive
Heather Bresch	*Chief Executive Officer*	$1,300,000	**150%**	$1,950,000	$3,900,000
Rajiv Malik	*President*	$1,000,000	**125%**	$1,250,000	$2,500,000
Kenneth S. Parks	*Chief Financial Officer*	$685,000	**115%**	$787,750	$1,575,500
Daniel M. Gallagher	*Chief Legal Officer*	$800,000	**115%**	$920,000	$1,840,000
Anthony Mauro	*Chief Commercial Officer*	$700,000	**115%**	$805,000	$1,610,000

The payout opportunities are one-half (50%) of the target amount for threshold performance and two times (200%) the target amount for maximum performance.

2017 Actual Annual Incentive Compensation

The Company achieved below-threshold performance with respect to the adjusted EPS metric, maximum performance on the global submissions metric, maximum performance on the adjusted free cash flow metric, and below-threshold performance on the U.S. GAAP revenue metric in 2017. As a result, the NEOs received payouts of annual incentive awards for 2017 at 100% of target.

Goal*	Weighting	2017 Target	2017 Actual Results		Weighted Score
Adjusted EPS	**30%**	$5.35	**$4.56**	Below Threshold	—%
Global regulatory submissions	**25%**	135	**184**	Above Maximum	50%
Adjusted Free Cash Flow ($ in millions)	**25%**	$2,200	**$2,627**	Above Maximum	50%
U.S. GAAP Revenue ($ in millions)	**20%**	$13,000	**$11,908**	Below Threshold	—%
2017 Company Performance					**100%**

** The adjusted EPS amount is derived from Mylan's audited financial statements in the same manner as Mylan publicly reports adjusted EPS (which for 2017 is reconciled to the most directly comparable U.S. GAAP measure), but for annual incentive plan purposes is measured on a constant currency basis. Adjusted free cash flow is derived from Mylan's audited financial statements in the same manner as Mylan publicly reports adjusted free cash flow (which for 2017 is reconciled to the most directly comparable U.S. GAAP measure).*

Base Salary X **Target (% of Salary)** X **Company Performance** = **Actual Incentive Payout**

NEO	Position	Base Salary	Target (% of Salary)	Company Performance		Actual Incentive Payout
Heather Bresch	*Chief Executive Officer*	$1,300,000	150%	100%	**$**	**1,950,000**
Rajiv Malik	*President*	$1,000,000	125%	100%	**$**	**1,250,000**
Kenneth S. Parks	*Chief Financial Officer*	$685,000	115%	100%	**$**	**787,500**
Daniel M. Gallagher	*Chief Legal Officer*	$800,000	115%	100%	**$**	**920,000**
Anthony Mauro	*Chief Commercial Officer*	$700,000	115%	100%	**$**	**805,000**

Long-term Incentive Compensation

The Compensation Committee believes that the value of long-term incentives should be directly related to the performance of Mylan's ordinary shares, as well as other measures associated with the growth and success of Mylan. The Compensation Committee has historically approved annual LTI award grants in the first quarter of the fiscal year, with the grant effective following the release of year-end audited financial results with exceptions for new hires (as was the case for Mr. Gallagher in 2017), promotions and other special awards, grants or circumstances.

Long-Term Incentive Structure. For 2017, LTI awards were granted to our NEOs in the form of PRSUs, stock options and RSUs in the proportions shown below.

Vehicle	LTI Mix for all NEOs	Incentive Opportunity	Vesting Schedule
PRSUs *Performance*	50%	PRSUs provide value based on Mylan's ROIC and relative TSR performance, strongly linking payouts with long-term value creation.	PRSUs cliff-vest at the end of the three-year performance period based on the achievement of pre-determined performance criteria generally provided that the NEO remains continuously employed by Mylan.
Stock Options *Performance*	20%	Stock options provide value only if Mylan's ordinary share price rises from the grant date price.	Stock options are granted with an exercise price equal to the closing price of Mylan's ordinary shares on the date of grant. They vest in three equal annual installments, generally provided that the NEO remains continuously employed by Mylan.
RSUs *Time*	30%	RSU value increases/ decreases with ordinary share price performance and provides a strong retention incentive.	RSUs vest in three equal annual installments, generally provided that the NEO remains continuously employed by Mylan.

This mix of awards provides recipients with a combination of incentive opportunities, aligns our executives with shareholders and ensures each vehicle has its own risk-reward profile with a unique benefit. The mix of the 2017 LTI grant was generally consistent with the mix of the 2016 grant. After a review of peer company practices, the Committee recognized that many peer companies provided a greater proportion of their long-term incentive mix in the form of RSUs. The Committee believes the 2017 long-term incentive mix provides a strong performance alignment, with 70% of the mix in PRSUs or stock options. The RSUs create ownership alignment with shareholders and provide a stable element of long-term compensation to encourage retention of executive talent.

2017-2019 PRSU Performance Metrics

Metric	Weighting	Threshold	Target	Maximum
ROIC	50%	8%	**10%**	12%
Relative TSR*	50%	25th Percentile of Peer Group	**50th Percentile of Peer Group**	75th Percentile of Peer Group
Payout Opportunity (as % of Target)		50%	**100%**	150%

* Relative TSR is calculated by comparing the difference between Mylan's 30-day trailing average closing ordinary share price at the day before the beginning of the performance period and day before the end of the performance period plus any dividends paid during the performance period against the same metric for each company in our peer group.

Each NEO's 2017 LTI award had a targeted value at grant equal to a percentage of the NEO's base salary. Values are determined based on a variety of factors, including peer group compensation, individual performance and tenure.

Below are the actual annual LTI award values approved by the Compensation Committee for our NEOs:

NEO	Position	Performance-Based		Time-Based	Total LTI Award
		PRSUs	Stock Options	RSUs	
Heather Bresch	*Chief Executive Officer*	$ 4,550,033	$ 1,820,011	$ 2,730,001	**$ 9,100,045**
Rajiv Malik	*President*	$ 2,800,031	$ 1,112,004	$ 1,680,018	**$ 5,600,053**
Kenneth S. Parks	*Chief Financial Officer*	$ 900,031	$ 360,012	$ 540,037	**$ 1,800,080**
Daniel M. Gallagher*	*Chief Legal Officer*	$ 1,600,006	$ 640,009	$ 960,027	**$ 3,200,042**
Anthony Mauro	*Chief Commercial Officer*	$ 1,250,040	$ 500,017	$ 750,033	**$ 2,500,090**

* *Excludes Mr. Gallagher's Sign-On RSUs and awards under the One-Time Special Performance-Based Five-Year Realizable Value Incentive Program. For details regarding these awards, see "Other Compensation Matters and Considerations – Employment Agreements."*

PRSUs Granted in 2015

Although Mylan typically grants equity awards in the first quarter of the fiscal year, in 2015, PRSU grants to NEOs were postponed until the end of the year because of the EPD Transaction. Due to the timing of the 2015 PRSU grants, the awards were based on performance measured in 2016-2017 rather than the three-year performance period that is typically applied to PRSUs. The Company achieved higher than maximum performance with respect to the ROIC metric and below-threshold performance on the relative TSR metric. As a result, the NEOs received a payout for the PRSUs at 75% of the target number of shares.

2016-2017 Goal	Weighting	2-Year Target	Actual Result	% of Target Achieved	Weighted Score
ROIC	**50%**	38%	67%	Above Maximum	75%
Relative TSR of Peer Group	**50%**	50th percentile of Peer Group	22nd percentile of Peer Group	Below Threshold	—%
Total Payout (as % of Target)					**75%**

When applying the Mylan closing ordinary share price at vesting of $40.97, the NEOs received approximately 61% of the targeted grant date value of the award.

NEO	Position	Target Shares (#)	Grant Date Value Target	Company Performance	Actual Shares Earned (#)	Actual Award Value at $40.97 per share
Heather Bresch	*Chief Executive Officer*	76,984	$ 3,900,009	75%	**57,738**	**$ 2,365,526**
Rajiv Malik	*President*	47,375	$ 2,400,018	75%	**35,532**	**$ 1,455,746**
Kenneth S. Parks*	*Chief Financial Officer*	N/A	N/A	N/A	**N/A**	**N/A**
Daniel M. Gallagher*	*Chief Legal Officer*	N/A	N/A	N/A	**N/A**	**N/A**
Anthony Mauro	*Chief Commercial Officer*	18,506	$ 937,514	75%	**13,880**	**$ 568,664**

* *Neither Mr. Parks nor Mr. Gallagher received the 2016-2017 PRSUs as they were not employed by Mylan when the PRSU award was granted in November 2015.*

Limited Perquisites

Perquisites include the following:

- Each NEO receives a car allowance or the use of a leased vehicle and payment of certain ancillary expenses. The NEOs are responsible for paying any taxes incurred relating to this perquisite.

- Our senior executives take an extraordinarily active approach to overseeing and managing our global operations, which necessitates a significant amount of U.S. domestic and international travel time due to our diverse set of business centers, manufacturing and other facilities and many client and vendor locations around the world. Mylan provides management with access to corporate aircraft to assist in the management of Mylan's global platform by providing a more efficient and secure traveling environment, including where sensitive business issues may be discussed or reviewed, as well as maximum flexibility to our executives in the conduct of Company business. For reasons of business efficiency and continued security-related concerns (including personal security, especially given the global nature of Mylan's business, as well as privacy of business information and communications), we have required Ms. Bresch to use Mylan aircraft for business and personal purposes. During 2017, other executives from time-to-time also were authorized to have personal use of the corporate aircraft for similar reasons. The Compensation Committee monitors business and personal aircraft usage on a periodic basis. To the extent any travel on the corporate aircraft results in imputed taxable income to an NEO, Mylan does not provide gross-up payments to cover the NEO's personal income tax obligation due to such imputed income. For a summary of how this perquisite is calculated, see footnote (7) to the Summary Compensation Table.

- Executives will also receive tax equalization payments for incremental tax liabilities, if any, incurred as a result of attendance at meetings of the Board in the U.K.

Other Compensation Matters and Considerations

Ordinary Share Ownership Requirements for NEOs

The ownership requirements are expressed as a multiple of base salary as follows:

Position	Ownership Requirement (Multiple of Base Salary)
CEO	6x
President	4x
Other NEOs	3x

As of 31 December 2017, all NEOs exceeded their ownership requirements. In addition to the NEOs, Mylan's ordinary share ownership policy covers the most senior employees at Mylan to promote an ownership culture and stronger alignment with the interests of shareholders among the broader leadership team. Each covered employee generally has five years from the date they became subject to the policy to achieve the minimum ownership requirement. Ordinary shares actually owned by the covered employee (including ordinary shares held by the covered employee in Mylan's 401(k) and Profit Sharing Plan), as well as restricted ordinary shares and unvested RSUs and PRSUs count toward compliance with these requirements. Our NEOs substantially exceed the ownership threshold set forth in the share ownership policy.

Clawback Policy

The Board has approved a clawback policy relating to incentive compensation programs. The provisions of the policy allow Mylan to recoup certain bonus and equity-based incentive compensation gains resulting from specified misconduct

that causes Mylan to materially restate its financial statements. The Board considers updates to this policy from time-to-time. In addition, to the extent that the SEC adopts rules for clawback policies that require changes to our policy, we will respond accordingly.

Anti-Hedging and Pledging Policy

The Board has approved a securities trading policy that prohibits directors and certain employees from engaging in any transaction designed to limit or eliminate economic risks associated with the ownership of our equity or debt securities by trading in certain types of hedging instruments relating to any of our securities. Hedging instruments include prepaid variable forward contracts, equity swaps, collars, exchange funds, insurance contracts, short sales, options, puts, calls or other instruments designed to hedge or offset movements in the price of our ordinary shares or debt. The policy also prohibits directors and certain employees from entering into transactions that involve the holding of Mylan securities in margin accounts (other than the "cashless exercise" of stock options) or the pledging of Mylan equity or debt securities as collateral for loans, with certain exceptions approved by the Compensation Committee if the executive demonstrates that he or she has the continuing financial capacity to repay any underlying loan or potential margin call without resorting to Mylan equity or debt securities. To the extent that the SEC adopts rules for anti-hedging and pledging policies that require changes to our policy, we will respond accordingly.

Employment Agreements

We believe it is important to have employment agreements with our executive officers and other key employees. These agreements memorialize certain key terms of employment, including termination rights and obligations, non-competition and other restrictive covenants, and compensation and perquisites, and we believe thereby enhance the stability and continuity of our employment relationships. Each of the NEOs is party to an employment agreement with Mylan Inc.

Appointment of Chief Legal Officer

In connection with his appointment as Chief Legal Officer, on 24 March 2017, Mr. Gallagher and Mylan Inc. entered into an employment agreement effective as of 01 April 2017. Mr. Gallagher's employment agreement had an initial term of one year, automatically renews for successive one-year periods unless earlier terminated by Mr. Gallagher or Mylan, and provides for the following during his term of employment:
• a base salary of $800,000;
• eligibility for a discretionary annual bonus with a target amount equal to 115% of his base salary;
• an annual grant of LTI awards under Mylan's Amended and Restated 2003 Long-Term Incentive Plan (the "Amended 2003 Plan") with a value equal to 400% of his base salary;
• a signing bonus of $350,000, which was subject to full or partial repayment in the event Mr. Gallagher had left Mylan prior to the first anniversary of his appointment, except in certain circumstances; and
• a grant of RSUs (the "Gallagher Sign-On RSUs") with a grant date value of $650,035 and an award of 40,507 PRSUs with a grant date value of $1,546,152 pursuant to the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program. A description of the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program can be found in the Proxy Statement for Mylan Inc.'s 2014 Annual Meeting of Shareholders.

For a detailed description of the employment agreements entered into with the other NEOs, see the section below entitled "Employment Agreements".

Transition and Succession Agreements

Mylan Inc. is party to separate Transition and Succession Agreements with each NEO with an aim to assuring that Mylan will have the NEO's full attention and dedication to Mylan during the pendency of a possible change in control transaction that might optimize shareholder value, and to provide the officer with compensation and benefits in connection with a change in control. The Transition and Succession Agreements are independent of each NEO's employment agreement. Subsequent to the execution of certain legacy agreements, Mylan adopted a policy that no new Transition and Succession Agreements will provide for an excise tax gross-up for golden parachute payments. Consistent

with this commitment, the Transition and Succession Agreements with Messrs. Parks and Gallagher do not contain excise tax gross-ups. For legal and other considerations, the Transition and Succession Agreements currently in effect and executed prior to the new policy are not subject to that policy. Mylan does not have the right to unilaterally abrogate pre-existing binding contracts with its executives, and does not believe it would be in shareholders' best interests to expend funds to "buy out" the executives from these rights. Since implementation of the new policy, no new or amended Transition and Succession Agreements with excise tax gross-up provisions have been executed and several have expired as executives have ceased to be actively employed with Mylan. The agreements with Messrs. Parks and Gallagher provide that they will, in the event subject to an excise tax on any golden parachute payments, be subject to a "best net" approach, under which they will receive the full amount of such payments or the greatest amount of such payments that will not subject them to the excise tax, whichever would result in the greatest after-tax amount.

For a detailed description of these Transition and Succession Agreements, see the section below entitled "Termination Under Transition and Succession Agreements (Change in Control)".

Retirement Benefits

Mylan previously entered into Retirement Benefit Agreements ("RBAs") with Ms. Bresch and Mr. Malik in recognition of their service to Mylan, to encourage their retention and to provide a supplemental form of retirement and death benefit. For a detailed description of the RBAs with Ms. Bresch and Mr. Malik, see the section below entitled "Retirement Benefit Agreements". Mylan also maintains a 401(k) Restoration Plan (the "Restoration Plan") and an Income Deferral Plan permitting senior-level employees to elect to defer the receipt of a portion of their compensation and, in the case of the Restoration Plan, providing matching contributions to employees who make such an election. However, effective 01 April 2013, Mylan modified the Restoration Plan so that U.S. employees with an RBA would no longer receive matching contributions under the Restoration Plan. When Mr. Malik joined Mylan in January 2007, Mylan established a nonqualified deferred compensation plan on his behalf. Although Mylan no longer contributes to the plan account, it will be distributed to Mr. Malik upon termination of his employment, or upon other qualifying distribution events, such as his retirement, disability or death or Mylan's termination of the plan. The footnotes to the Summary Compensation Table include changes in pension values calculated based on certain actuarial assumptions regarding discount rates. In computing these amounts, we used the same assumptions that were used to determine the expense amounts recognized in our 2017 financial statements. In 2017, the impact of an increase in the applicable discount rates led to a decrease in the present value of accumulated benefits of approximately $198,000 for Ms. Bresch and approximately $110,000 for Mr. Malik.

Deductibility Cap on Executive Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), as in effect for 2017, restricts the deductibility for federal income tax purposes of the compensation paid to the CEO and each of the other NEOs who was an executive officer at the end of the applicable fiscal year (other than our Chief Financial Officer) for such fiscal year to the extent that such compensation for such executive exceeds $1 million and does not qualify as "qualified performance-based compensation" as defined under Section 162(m) of the Code. The Compensation Committee historically considered available opportunities to deduct compensation paid to NEOs for U.S. federal income tax purposes. The Tax Cuts and Jobs Act, which was enacted on 22 December 2017, eliminated the exception for "performance-based" compensation and expanded the number of executives to which the 162(m) limit may apply. As a result, except to the extent provided in limited transition relief, compensation over $1 million paid to any NEO will no longer be deductible under Section 162(m) of the Code. The Board and the Compensation Committee reserve the right to provide compensation to our executives that is not deductible, including but not limited to when necessary to comply with contractual commitments, or to maintain the flexibility needed to attract talent, promote retention or recognize and reward desired performance.

Executive Compensation Tables

2017 Summary Compensation Table

The following summary compensation table sets forth the cash and non-cash compensation paid or granted to or earned by the NEOs for 2017 and 2016.

Name and Principal Position	Fiscal Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($) (3)	Option Awards ($) (4)	Non-Equity Incentive Plan Compensation ($)(5)	Changes in Pension Value and Non-qualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)(7)	Total ($)
Heather Bresch *Chief Executive Officer*	2017	1,300,000	—	7,280,034	1,820,011	1,950,000	—	394,352	**12,744,397**
	2016	1,300,000	—	7,436,421	1,560,009	2,276,625	506,765	697,300	**13,777,120**
Kenneth S. Parks *Chief Financial Officer*	2017	628,115	—	1,440,068	360,012	787,750	—	130,072	**3,346,017**
	2016	346,154	375,000	2,766,841	300,000	700,500	—	18,498	**4,506,993**
Rajiv Malik *President*	2017	1,000,000	—	4,480,049	1,120,004	1,250,000	—	892,077	**8,742,130**
	2016	1,000,000	—	4,319,120	900,014	1,459,375	616,520	391,373	**8,686,402**
Daniel M. Gallagher *Chief Legal Officer*	2017	600,000	350,000	4,756,220	640,009	920,000	—	62,958	**7,329,187**
Anthony Mauro *Chief Commercial Officer*	2017	700,000	—	2,000,073	500,017	805,000	—	191,921	**4,197,011**
	2016	700,000	—	2,213,881	490,013	939,838	—	259,102	**4,602,834**

(1) *Represents the value of the base salary actually paid to the NEO in 2017 or 2016. The annual base salary approved by the Compensation Committee for each of the NEOs is payable in accordance with the Company's normal payroll practices for its senior executives, so that an NEO's total base salary amount is paid in 26 bi-weekly installments.*

(2) *For Mr. Parks, the amount shown for 2016 represents the value of his sign-on bonus, which is subject to full or partial repayment in the event Mr. Parks leaves Mylan prior to the third anniversary of his joining Mylan. For Mr. Gallagher, the amount shown for 2017 represents the value of his sign-on bonus, which was subject to full or partial repayment in the event Mr. Gallagher left Mylan prior to the first anniversary of his joining Mylan (except in certain circumstances).*

(3) *Represents the grant date fair value of the stock awards granted to the NEO in 2017 or 2016, as applicable. The grant date fair value of PRSUs for 2017 is based on the target value and is as follows: Ms. Bresch ($4,550,033), Mr. Parks ($900,031), Mr. Malik ($2,800,031), Mr. Gallagher ($1,600,006) and Mr. Mauro ($1,250,040). If the maximum achievement of performance goals had been assumed, the grant date fair value of the PRSUs for 2017, would have been as follows: Ms. Bresch ($6,825,072), Mr. Parks ($1,350,069), Mr. Malik ($4,200,068), Mr. Gallagher ($2,400,028), and Mr. Mauro ($1,875,060). For Mr. Parks, the amount shown for 2016 also includes the grant date fair value of PRSUs granted to him under the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program, which was $1,566,811, which assumes achievement of performance targets at maximum level. For Mr. Gallagher, the amount shown for 2017 also includes the grant date fair value of PRSUs granted to him under the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program, which was $1,546,152, which assumes the achievement of performance targets at maximum level.*

(4) *Represents the grant date fair value of the option awards granted to the NEO in 2017 or 2016, as applicable.*

(5) *Represents amounts paid under the Company's non-equity incentive compensation plan.*

(6) *Represents the aggregate change in present value of the applicable NEO's accumulated benefit under his or her respective RBA. In computing these amounts, we used the same assumptions that were used to determine the expense amounts recognized in our 2017 financial statements. In 2017, the impact of an increase in the applicable discount rates led to a decrease in the present value of accumulated benefits of approximately $198,000 for Ms. Bresch and approximately $110,000 for Mr. Malik.*

(7) *Amounts shown in this column are detailed in the following chart:*

	Fiscal Year	Use of Company-Provided Automobile ($)[a]	Personal Use of Company Aircraft ($)[b]	Lodging Reimbursement ($)[c]	Expatriate Benefits ($)[d]	401(k) and Profit Sharing Plan Matching and Profit Sharing Contribution ($)[e]	Restoration Plan Contribution ($)[f]	Other ($)[g]
Heather Bresch	2017	20,736	158,038	—	—	24,420	165,331	25,827
	2016	20,507	184,020	—	—	29,419	302,790	160,564
Kenneth S. Parks	2017	19,766	10,440	—	—	18,115	73,440	8,311
	2016	10,944	—	—	—	6,908	—	646
Rajiv Malik	2017	30,170	28,896	—	691,967	24,300	109,469	7,275
	2016	30,725	80,295	—	247,421	10,600	—	22,332
Daniel M. Gallagher	2017	14,400	—	—	—	18,039	29,700	819
Anthony Mauro	2017	19,200	2,595	—	—	24,238	123,285	22,603
	2016	19,200	608	—	—	28,335	170,589	40,370

(a) *In the case of Ms. Bresch and Messrs. Parks, Gallagher and Mauro, these numbers represent a vehicle allowance and ancillary expenses associated with such vehicle. In the case of Mr. Malik, this number represents the cost of a vehicle (based on lease value), insurance and ancillary expenses associated with such vehicle.*

(b) *Amounts disclosed represent the actual aggregate incremental costs incurred by Mylan associated with the personal use of the Company's aircraft. Incremental costs include annual average hourly fuel and maintenance costs, landing and parking fees, customs and handling charges, passenger catering and ground transportation, crew travel expenses, away from home hanger fees, and other trip-related variable costs. Because the aircrafts are used primarily for business travel, incremental costs exclude fixed costs that do not change based on usage, such as pilots' salaries, aircraft purchase or lease costs, home-base hangar costs and certain maintenance fees. Aggregate incremental cost as so determined with respect to personal deadhead flights is allocable to the NEO. In certain instances where there are both business and personal passengers, the incremental costs per hour are pro-rated.*

(c) *Beginning in 2016, Mr. Malik was no longer eligible to receive a housing allowance or home-leave benefit, both of which he received in prior years.*

(d) *Expatriate benefits for Mr. Malik represent income taxes paid by Mylan in connection with Mr. Malik's expatriate assignment to the United States from India effective 01 January 2012. Specifically, Mr. Malik is responsible for, and has continued to pay taxes equal to those he would have been obligated to pay had he maintained his principal work location and residence in India rather than having transferred, at Mylan's request, to the United States, while Mylan generally has responsibility for all additional taxes, including Mr. Malik's tax obligations on the imputed income associated with Mylan's payment of taxes on his behalf. Beginning in 2016, Mr. Malik no longer receives a tax equalization benefit in respect of his LTI awards. Amounts shown for 2017 and 2016 for Mr. Malik are net of Mylan's estimated tax refunds for each year. Estimated refunds were $15,685 for 2017, and approximately $0.2 million for 2016.*

(e) *For 2017, amounts disclosed included, for Ms. Bresch and Messrs. Parks, Malik, Gallagher and Mauro, a matching contribution of $10,920, $4,615, $10,800, $4,539 and $10,738, respectively, and a profit sharing contribution received in March 2018 in respect of fiscal year 2017 equal to $13,500 for each NEO. In March 2017, the Company made a profit sharing contribution to each NEO, other than Mr. Gallagher, in respect of fiscal year 2016 equal to $13,250. For 2016, amounts disclosed included, for Ms. Bresch and Messrs. Parks, Malik and Mauro, a matching contribution of $10,869, $6,908, $10,600 and $9,785, respectively, and, for Ms. Bresch and Mr. Mauro, a profit sharing contribution from the Company of $18,550. Mr. Malik became eligible to participate in Mylan's U.S. retirement plans in 2016.*

(f) *For 2017, amounts disclosed included, for Messrs. Parks, Gallagher and Mauro, a matching contribution under the Restoration Plan of $20,509, $13,200 and $54,793, respectively, and a profit sharing contribution under the Restoration Plan received in March 2018 in respect of fiscal year 2017 for each of Ms. Bresch and Messrs. Parks, Malik, Gallagher and Mauro equal to $165,331, $52,931, $109,469, $16,500 and $68,492, respectively. In March 2017, the Company made a profit sharing contribution to each of Ms. Bresch and Messrs. Parks, Malik and Mauro under the Restoration Plan in respect of fiscal year 2016 equal to $246,750, $4,058, $161,750 and $93,740, respectively. Ms. Bresch is no longer eligible to receive a matching contribution under the Restoration Plan. Although he became eligible to participate in Mylan's U.S. retirement plans in 2016, Mr. Malik is not eligible to receive a matching contribution under the Restoration Plan.*

(g) *Represents events for all NEOs other than Mr. Gallagher; life insurance retention plan premium for Ms. Bresch and Mr. Mauro; long-term disability premiums; a health insurance premium for Mr. Malik; for 2016 only, contributions to the Provident Fund, a statutory plan in India, for Mr. Malik; for 2016 only, matching of certain charitable contributions for Ms. Bresch and Messrs. Malik*

and Mauro; for 2016 only, certain personal security services for Ms. Bresch; and tax preparation services related to U.K. tax returns for all NEOs other than Mr. Gallagher.

Grants of plan-based awards for 2017

The following table summarizes grants of plan-based awards made to each NEO during 2017.

			Estimated Future Payments Under Non-Equity Incentive Plan Awards[1]			Estimated Future Payments Under Equity Incentive Plan Awards[2]						
Name	Grant Date	Approval Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)[3]	All Other Option Awards: Number of Securities Underlying Options (#)[4]	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)[5]
Heather Bresch			975,000	1,950,000	3,900,000	—	—	—	—	—	—	—
	3/3/2017	2/22/2017	—	—	—	50,355	100,709	151,064	—	—	—	4,550,033
	3/3/2017	2/22/2017	—	—	—	—	—	—	60,425	—	—	2,730,001
	3/3/2017	2/22/2017	—	—	—	—	—	—	—	106,558	45.18	1,820,011
Kenneth S. Parks			393,875	787,750	1,575,500	—	—	—	—	—	—	—
	3/3/2017	2/22/2017	—	—	—	9,961	19,921	29,882	—	—	—	900,031
	3/3/2017	2/22/2017	—	—	—	—	—	—	11,953	—	—	540,037
	3/3/2017	2/22/2017	—	—	—	—	—	—	—	21,078	45.18	360,012
Rajiv Malik			625,000	1,250,000	2,500,000	—	—	—	—	—	—	—
	3/3/2017	2/22/2017	—	—	—	30,988	61,975	92,963	—	—	—	2,800,031
	3/3/2017	2/22/2017	—	—	—	—	—	—	37,185	—	—	1,680,018
	3/3/2017	2/22/2017	—	—	—	—	—	—	—	65,574	45.18	1,120,004
Daniel M. Gallagher			460,000	920,000	1,840,000	—	—	—	—	—	—	—
	5/2/17	5/2/2017	—	—	—	20,253	40,507	—	—	—	—	1,546,152
	5/12/2017	5/2/2017	—	—	—	20,545	41,089	61,634	—	—	—	1,600,006
	5/2/2017	5/2/2017	—	—	—	—	—	—	17,030	—	—	650,035
	5/12/2017	5/2/2017	—	—	—	—	—	—	24,654	—	—	960,027
	5/12/2017	5/2/2017	—	—	—	—	—	—	—	49,247	38.94	640,009
Anthony Mauro			402,500	805,000	1,610,000	—	—	—	—	—	—	—
	3/3/2017	2/22/2017	—	—	—	13,834	27,668	41,502	—	—	—	1,250,040
	3/3/2017	2/22/2017	—	—	—	—	—	—	16,601	—	—	750,033
	3/3/2017	2/22/2017	—	—	—	—	—	—	—	29,275	45.18	500,017

(1) *The performance goals under the annual incentive compensation program applicable to the NEOs during 2017 are described above.*

(2) *Consists of PRSUs awarded under the Amended 2003 Plan. The vesting terms applicable to these awards are described above and below following the Outstanding Equity Awards at the End of 2017 table.*

(3) *Consists of RSUs awarded under the Amended 2003 Plan. The vesting terms applicable to these awards are described below following the Outstanding Equity Awards at the End of 2017 table.*

(4) *Represents the grant of 10-year stock options awarded under the Amended 2003 Plan. Stock options were granted with an exercise price equal to the closing price of the Company's ordinary shares on the date of grant. The vesting terms applicable to these awards are described below following the Outstanding Equity Awards at the End of 2017 table.*

(5) *Represents the grant date fair value of the specific award granted to the NEO.*

Outstanding equity awards at the end of 2017

The following table sets forth information concerning all of the outstanding LTI awards held by each NEO as of 31 December 2017.

	Option Awards				Stock Awards				
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable [1]	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)[2]	Market Value of Shares or Units of Stock That Have Not Vested ($)[3]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[3]	Grant Date Fair Value ($)
Heather Bresch	14,196	—	21.13	3/3/2020	—	—	—	—	96,123
	4,413	—	22.66	3/2/2021	—	—	—	—	34,692
	4,266	—	23.44	2/22/2022	—	—	—	—	33,402
	3,236	—	30.90	3/6/2023	—	—	—	—	22,738
	65,502	—	55.84	3/5/2024	—	—	—	—	1,199,970
	45,106	22,553	50.66	11/17/2025	—	—	—	—	1,300,007
	28,986	57,971	46.27	2/17/2026	—	—	—	—	1,560,009
	—	106,558	45.18	3/3/2027	—	—	—	—	1,820,011
	—	—	—	—	—	—	378,071[4]	15,996,184	13,202,012
	—	—	—	—	8,554	361,920	76,984[5]	3,257,193	4,333,354
	—	—	—	—	48,333	2,044,969	101,146[5]	4,279,487	6,916,393
	—	—	—	—	60,425	2,556,582	100,709[5]	4,260,998	7,280,034
Kenneth S. Parks	5,517	11,032	46.52	6/6/2026	—	—	—	—	300,000
	—	21,078	45.18	3/3/2027	—	—	—	—	360,012
	—	—	—	—	4,299	181,891	19,347[5]	818,572	1,100,011
	—	—	—	—	—	—	40,507[4]	1,713,851	1,566,811
	—	—	—	—	11,953	505,731	19,921[5]	842,858	1,440,068
Rajiv Malik	34,389	—	55.84	3/5/2024	—	—	—	—	629,993
	27,758	13,879	50.66	11/17/2025	—	—	—	—	800,017
	16,723	33,445	46.27	2/17/2026	—	—	—	—	900,014
	—	65,574	45.18	3/3/2027	—	—	—	—	1,120,004
	—	—	—	—	—	—	324,061[4]	13,711,021	11,316,016
	—	—	—	—	5,264	222,720	47,375[5]	2,004,436	2,666,692
	—	—	—	—	28,508	1,206,173	58,354[5]	2,468,958	4,019,105
	—	—	—	—	37,185	1,573,297	61,975[5]	2,622,162	4,480,049
Daniel M. Gallagher	—	49,247	38.94	5/12/2027	—	—	—	—	640,009
	—	—	—	—	—	—	40,507[4]	1,713,851	1,546,152
	—	—	—	—	24,654	1,043,111	41,089[5]	1,738,476	2,560,033
	—	—	—	—	17,030	720,539	—	—	650,035
Anthony Mauro	4,757	—	22.66	3/2/2021	—	—	—	—	37,397
	4,266	—	23.44	2/22/2022	—	—	—	—	33,402
	3,236	—	30.90	3/6/2023	—	—	—	—	22,738
	12,009	—	55.84	3/5/2024	—	—	—	—	220,000
	10,844	5,421	50.66	11/17/2025	—	—	—	—	312,517
	9,105	18,209	46.27	2/17/2026	—	—	—	—	490,013
	—	29,275	45.18	3/3/2027	—	—	—	—	500,017
	—	—	—	—	—	—	67,512[4]	2,856,433	2,357,499
	—	—	—	—	2,056	86,989	18,506 [5]	782,989	1,041,671
	—	—	—	—	12,545	530,779	31,771 [5]	1,344,231	2,050,502
	—	—	—	—	16,601	702,388	27,668[5]	1,170,633	2,000,073

(1) Vesting dates applicable to unvested stock options are as follows, in each case generally subject to continued employment with Mylan: on 04 March 2018, the unvested options at the $50.66 exercise price for Ms. Bresch and Messrs. Malik and Mauro vested; on 17 February 2018, one-half of the unvested options at the $46.27 exercise price for Ms. Bresch and Messrs. Malik and

Mauro vested and one-half of the unvested options at the $46.52 exercise price for Mr. Parks vested, and, in each case, the remaining one-half will vest on 17 February 2019; the unvested options at the $45.18 exercise price for Ms. Bresch and Messrs. Malik, Mauro and Parks and at the $38.94 exercise price for Mr. Gallagher will vest in three equal annual installments beginning on 03 March 2018. Subject to applicable employment agreement provisions, following termination of employment, vested stock options will generally remain exercisable for 30 days following termination, except that (i) in the case of termination because of disability, 100% of options become vested and vested options will remain exercisable for two years following termination; (ii) in the case of a termination due to a reduction in force, vested options will remain exercisable for one year following termination; (iii) in the case of death, including within two years following termination because of disability, or, in the case of options granted prior to 01 January 2017, retirement, 100% of options become vested and vested options will remain exercisable for the remainder of the original term; and (iv) in the case of an involuntary termination without cause or a voluntary resignation for good reason that occurs within two years following a change in control, 100% of options become vested (double-trigger awards). In the case of options granted in 2013, 2014, 2015, 2016 or 2017 to Ms. Bresch, and in 2014, 2015, 2016 or 2017 to Mr. Malik, and, solely with respect to options granted to Mr. Gallagher in 2017, following termination of employment without "cause" or resignation for "good reason" as defined in the applicable employment agreement, 100% of options become vested and vested options will remain exercisable for one year following termination.

(2) *On 04 March 2018, 8,554 RSUs for Ms. Bresch, 5,264 RSUs for Mr. Malik and 2,056 RSUs for Mr. Mauro vested. Of the 48,333 RSUs for Ms. Bresch, 11,239 vested on 17 February 2018 and 37,094 will vest on 17 February 2019, of the 28,508 RSUs for Mr. Malik, 6,484 vested on 17 February 2018 and 22,024 will vest on 17 February 2019, and of the 12,545 RSUs for Mr. Mauro, 3,530 vested on 17 February 2018 and 9,015 will vest on 17 February 2019. 60,425 RSUs for Ms. Bresch, 11,953 RSUs for Mr. Parks, 37,185 RSUs for Mr. Malik, 24,654 RSUs for Mr. Gallagher and 16,601 RSUs for Mr. Mauro vest in three equal annual installments beginning on 03 March 2018. 17,030 RSUs for Mr. Gallagher, which represent the Gallagher Sign-On RSUs, vest 50% on 01 April 2019 and 50% on 01 April 2020. In accordance with their terms, all of these awards would vest upon an involuntary termination without cause or a voluntary resignation for good reason that occurs within two years following a change in control (double-trigger awards) or upon the executive's death or disability. In the case of awards granted to Ms. Bresch and Messrs. Malik and Gallagher (for Mr. Gallagher, solely with respect to RSUs granted in 2017), the awards would also vest upon the executive's termination without "cause," or resignation for "good reason" as defined in the applicable employment agreement.*

(3) *The market value of restricted ordinary shares, RSUs and PRSUs was calculated using the closing price of the Company's ordinary shares as of 31 December 2017, $42.31.*

(4) *These awards consist of restricted ordinary shares under the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program. The restricted ordinary shares remain subject to forfeiture and additional vesting conditions, including achievement of adjusted EPS of $6.00 for full vesting and continued service through 31 December 2018, or, in the case of Mr. Gallagher only, 01 April 2020, and the other terms and conditions of the program. The One-Time Special Five-Year Performance-Based Realizable Value Incentive Program is described in detail in the Proxy Statement for Mylan Inc.'s 2014 Annual Meeting of Shareholders. In accordance with their terms, the restricted ordinary shares would vest upon a change in control. In the case of awards granted to Ms. Bresch and Mr. Malik, the restricted ordinary shares would also vest upon the executive's termination due to death or disability or without "cause" or resignation for "good reason" as defined in the applicable employment agreement, subject to the achievement of the applicable performance goals.*

(5) *The vesting of these PRSUs is subject to the attainment of performance goals. On 04 March 2018, Ms. Bresch vested in 57,738 ordinary shares or 75% of the target 76,984 PRSUs, Mr. Malik vested in 35,532 ordinary shares or 75% of the target 47,375 PRSUs and Mr. Mauro vested in 13,680 ordinary shares or 75% of the target 18,506 PRSUs. On 17 February 2019, Ms. Bresch is expected to vest in PRSUs relating to 101,146 ordinary shares, Mr. Parks is expected to vest in PRSUs relating to 19,347 ordinary shares, Mr. Malik is expected to vest in PRSUs relating to 58,354 ordinary shares and Mr. Mauro is expected to vest in PRSUs relating to 31,771 ordinary shares. On 03 March 2020, Ms. Bresch is expected to vest in PRSUs relating to 100,709 ordinary shares, Mr. Parks is expected to vest in PRSUs relating to 19,921 ordinary shares, Mr. Malik is expected to vest in PRSUs relating to 61,975 ordinary shares, Mr. Gallagher is expected to vest in PRSUs relating to 41,089 ordinary shares and Mr. Mauro is expected to vest in PRSUs relating to 27,668 ordinary shares. The PRSUs are expected to vest upon the earliest to occur of (i) 17 February 2019 or 03 March 2020, as applicable, provided that the performance goals have been satisfied, (ii) an involuntary termination without cause or a voluntary resignation for good reason within two years following a change in control, (iii) the executive's death or disability and (iv) in the case of awards granted to Ms. Bresch and Messrs. Malik and Gallagher (for Mr. Gallagher, solely with respect to PRSUs granted in 2017), the executive's termination without "cause," or resignation for "good reason" as defined in the applicable employment agreement. Any outstanding ordinary shares subject to the award that remain unvested as of 17 February 2019, or 03 March 2020, as applicable, will be forfeited.*

Option Exercises and Stock Vested for 2017

The option awards and ordinary share awards reflected in the table below were exercised or became vested for the NEOs during 2017.

	Option Awards			Stock Awards		
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Grant Date Fair Value ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)	Grant Date Fair Value ($)
Heather Bresch	—	—	—	19,793	859,070	953,374
Kenneth S. Parks	—	—	—	2,150	90,408	100,018
Rajiv Malik	—	—	—	11,748	510,480	566,689
Daniel M. Gallagher	—	—	—	—	—	—
Anthony Mauro	—	—	—	5,587	241,369	267,536

Pension benefits for 2017

The following table summarizes the benefits accrued by Ms. Bresch and Mr. Malik as of 31 December 2017, under the RBA (or Executive Plan, in the case of Mr. Malik) in effect during 2017. The Company does not sponsor any other defined benefit pension programs covering the NEOs.

Name	Plan Name[1]	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Heather Bresch	Retirement Benefit Agreement	13	6,735,866	—
Kenneth S. Parks	N/A	N/A	—	—
Rajiv Malik	The Executive Plan for Rajiv Malik[2]	N/A	360,874	—
Rajiv Malik	Retirement Benefit Agreement	11	4,191,581	—
Daniel M. Gallagher	N/A	N/A	—	—
Anthony Mauro	N/A	N/A	—	—

(1) *Messrs. Parks, Gallagher and Mauro are not party to a defined benefit pension arrangement.*

(2) *This is a deferred compensation plan established for the benefit of Mr. Malik. The Company is no longer contributing to this plan.*

Nonqualified Deferred Compensation

The following table sets forth information relating to the Restoration Plan for 2017. There was no NEO participation in the Mylan Executive Income Deferral Plan in 2017.

Name	Aggregate Balance at Last FYE ($)	Executive Contributions in Last FY ($)	Company Profit Sharing and Match Contributions in Last FY ($)	Aggregate Earnings (Loss) in Last FY ($)[1]	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at FYE ($)
Heather Bresch	3,022,352	—	246,750	516,098	—	3,785,200
Kenneth S. Parks	—	20,509	24,567	3,000	—	48,076
Rajiv Malik	—	—	161,750	13,719	—	175,469
Daniel M. Gallagher	—	13,200	13,200	994	—	27,394
Anthony Mauro	1,338,426	54,793	148,534	184,247	—	1,726,000

(1) *These amounts include earnings (losses), dividends and interest provided on account balances, including the change in value of the underlying investments in which our NEOs are deemed to be invested. These amounts are not reported in the Summary Compensation Table.*

Restoration Plan

The Restoration Plan permits employees (including NEOs) who earn compensation in excess of the limits imposed by Section 401(a)(17) of the Code to (i) defer a portion of base salary and bonus compensation, (ii) be credited with a Company matching contribution in respect of deferrals under the Restoration Plan and (iii) be credited with Company non-elective contributions (to the extent so made by Mylan), in each case, to the extent that participants otherwise would be able to defer or be credited with such amounts, as applicable, under Mylan's 401(k) and Profit Sharing Plan if not for the limits on contributions and deferrals imposed by the Code. Company matching contributions immediately vest and Company profit sharing contributions are subject to an initial three-year vesting period. Upon a change in control (as defined in the Restoration Plan), a participant will become 100% vested in any unvested portion of his or her profit sharing contributions. Distributions of a participant's vested account balance will be made in a lump sum within 60 days following a participant's separation from service (or such later date as may be required by Section 409A of the Code). Ms. Bresch and Mr. Malik are no longer eligible to receive matching contributions under the Restoration Plan because they are party to RBAs with Mylan Inc.

Retirement Benefit Agreements

Mylan Inc. entered into RBAs with Ms. Bresch and Mr. Malik in August 2009. Pursuant to the RBAs of Ms. Bresch and Mr. Malik, upon retirement following completion of 10 or more years of service, each executive would be entitled to receive a lump sum retirement benefit equal to the present value of an annual payment of 20% and 15%, respectively, of the sum of their base salary and target annual bonus on the date of retirement, for a period of 15 years, discounted to the executive's current age from age 55 ("retirement benefit"). Having completed at least 10 years of continuous service as an executive, Ms. Bresch and Mr. Malik are each 100% vested in their retirement benefit under the RBAs. Each of the RBAs provide that the executive is prohibited for one year following termination from engaging in activities that are competitive with the Company's activities, provided that this provision will have no effect if, after the occurrence of a change in control, Mylan refuses, fails to make or disputes any payments to be made to the executive under the RBA, whether or not the executive actually receives payments under the RBA. Each of the RBAs provide that during the five-year period following termination, except for any termination occurring following a change in control, Mylan may request that the executive provide consulting services for the Company, which services will be reasonable in scope, duration and frequency, and not to exceed 20 hours per month. The hourly rate for such consulting services will be determined by the parties at the time, but may not be less than $500 per hour, payable monthly. The executive would also be entitled to reimbursement of all out-of-pocket expenses incurred in the course of providing these services. Information concerning the estimated value of benefits under Ms. Bresch's and Mr. Malik's RBAs assuming retirement as of 31 December 2017, is in the section below entitled "Potential Payments Upon Termination or Change in Control". In 2007, Mylan established a nonqualified deferred compensation plan for Mr. Malik, who was then living outside the U.S. and therefore unable to participate in Mylan's 401(k) and Profit Sharing Plan. Although Mylan no longer contributes to the account, the plan account will be distributed to Mr. Malik upon termination of the plan, the termination of Mr. Malik's employment or other qualifying distribution events, such as his retirement, disability or death.

Employment Agreements

Mylan Inc. was party to employment agreements with each of the NEOs in 2017. The information below is based on the employment agreements in effect as of 31 December 2017. For a further description of the employment agreement with Mr. Gallagher, see "Other Compensation Matters and Considerations – Employment Agreements". Mylan Inc. entered into amended and restated employment agreements with Ms. Bresch and Mr. Malik in February 2014, each effective 01 January 2014 (through 31 December 2018, unless earlier terminated or extended in accordance with its terms); entered into an employment agreement with Mr. Parks in April 2016, effective 06 June 2016; entered into an employment agreement with Mr. Gallagher in March 2017, effective 01 April 2017; and entered into an amended and restated employment agreement with Mr. Mauro in October 2011, effective 01 January 2012, which was further amended on 10 April 2015 and 08 January 2016. Each of these agreements provides for the payment of a minimum base salary, as of 31 December 2017, of $1,300,000; $685,000; $1,000,000; $800,000 and $700,000, with respect to Ms. Bresch and Messrs. Parks, Malik, Gallagher and Mauro, respectively, subject to reduction only in the event of similar decreases among Mylan's executives. Each employment agreement also provides for the executive's eligibility to receive fringe benefits of employment as are customarily provided to senior executives of Mylan. The agreements provide for a target bonus equal

to 150%, 115%, 125%, 115% and 115% of base salary with respect to Ms. Bresch and Messrs. Parks, Malik, Gallagher and Mauro, respectively. Each of the agreements also provide that throughout the term of the agreement and for a period of one year following the executive's termination of employment for any reason, the executive may not engage in activities that are competitive with the Company's activities and may not solicit the Company's customers or employees. For a description of the termination provisions under these agreements for Ms. Bresch and Messrs. Parks, Malik, Gallagher and Mauro, please see immediately below, at "Potential Payments Upon Termination or Change in Control."

Potential Payments Upon Termination or Change in Control

The following discussion summarizes the termination and change in control-related provisions of the employment agreements, RBAs and Transition and Succession Agreements entered into between Mylan Inc. and the applicable NEO and in effect as of 31 December 2017, and termination of employment and change in control provisions under the Amended 2003 Plan. In the discussions that follow, all amounts payable upon termination or change in control that include the value of LTI awards, include the value, if any, attributable to awards granted under the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program.

Termination Under Employment Agreements

Ms. Bresch. Under Ms. Bresch's employment agreement in effect as of 31 December 2017, if Ms. Bresch were to resign for "good reason" or be terminated by Mylan without "cause" (each as defined in her employment agreement in effect as of 31 December 2017), or if her employment had been terminated due to death or disability, in each case, prior to a change in control, she would have been entitled to a lump sum payment equal to two times her annual base salary, two years of health benefits at Mylan's cost and a pro rata bonus based upon the actual bonus she would have been entitled to receive for the fiscal year in which the termination occurs. Such payments and benefits would have been reduced by Company-provided death or disability benefits in the event of termination of Ms. Bresch's employment due to death or disability. Pursuant to the applicable individual award agreements and Ms. Bresch's employment agreement, if Ms. Bresch's employment had been terminated without cause, for good reason or due to death or disability, all outstanding LTI awards granted to Ms. Bresch, including awards granted under the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program, would have fully vested (with any performance-based equity awards deemed achieved at "target" level performance). Pursuant to the terms of Ms. Bresch's employment agreement in effect as of 31 December 2017, if Mylan does not offer to extend or renew the term on substantially similar terms and conditions, she would be entitled to the same payments and benefits as if she had been terminated without cause. If Mylan offers to renew Ms. Bresch's term of employment on substantially similar terms and conditions, and Ms. Bresch rejects such offer, she would be entitled to a lump sum payment equal to her annual base salary and one year of health benefits at Mylan's cost.

If Ms. Bresch's employment had been terminated on 31 December 2017, by Mylan without cause or by Ms. Bresch for good reason prior to a change in control or because of Ms. Bresch's death or disability, she would have been entitled to cash severance and other benefits under her employment agreement and LTI award agreements having an estimated aggregate value of $37,338,204 (with any performance-based equity awards deemed achieved at "target" level performance).

Mr. Parks. Under Mr. Parks' employment agreement as in effect on 31 December 2017, if Mr. Parks were to resign for "good reason" or be terminated by Mylan without "cause" (each as defined in his employment agreement in effect as of 31 December 2017), or if his employment had been terminated due to death or disability, in each case, prior to a change in control, he would have been entitled to a lump sum payment equal to his annual base salary, 12 months of health benefits at Mylan's cost and a pro rata bonus equal to the bonus he would have been entitled to receive for the fiscal year in which the termination occurs. Such payments and benefits would have been reduced by Company-provided death or disability benefits in the event of termination of Mr. Parks' employment due to death or disability. If Mr. Parks' employment had been terminated on 31 December 2017, by Mylan without cause or by Mr. Parks for good reason prior to a change in control, he would have been entitled to cash severance and other benefits under his employment agreement having an estimated aggregate value of $1,492,500. If Mr. Parks' employment with Mylan had been terminated on 31 December 2017, because of his death or disability, he would have been entitled to cash severance and other benefits under his employment agreement and LTI

award agreements in effect on such date having an aggregate value of $3,841,552 (with any performance-based equity awards deemed achieved at "target" level performance).

Mr. Malik. Under Mr. Malik's employment agreement in effect as of 31 December 2017, if Mr. Malik were to resign for "good reason" or be terminated by Mylan without "cause" (each as defined in his employment agreement in effect as of 31 December 2017), or if his employment had been terminated due to death or disability, in each case, prior to a change in control, he would have been entitled to a lump sum payment equal to one-and-one-half times his annual base salary, 18 months of health benefits at Mylan's cost and a pro rata bonus based upon the actual bonus he would have been entitled to receive for the fiscal year in which the termination occurs. Such payments and benefits would have been reduced by Company provided death or disability benefits in the event of termination of Mr. Malik's employment due to death or disability. Pursuant to the applicable individual award agreements and Mr. Malik's employment agreement, if Mr. Malik's employment had been terminated without cause, for good reason or due to death or disability, all outstanding LTI awards granted to Mr. Malik, including his awards granted under the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program, would have fully vested (with any performance-based equity awards deemed achieved at "target" level performance). Pursuant to the terms of Mr. Malik's employment agreement in effect as of 31 December 2017, if Mylan does not offer to extend or renew the term on substantially similar terms and conditions, he would be entitled to the same payments and benefits as if he had been terminated without cause. If Mylan offers to renew Mr. Malik's term of employment on substantially similar terms and conditions, and Mr. Malik rejects such offer, he would be entitled to a lump sum payment equal to his annual base salary and one year of health benefits at Mylan's cost.

If Mr. Malik's employment had been terminated on 31 December 2017, by Mylan without cause or by Mr. Malik for good reason prior to a change in control or because of Mr. Malik's death or disability, he would have been entitled to cash severance and other benefits under his employment agreement and LTI award agreements having an estimated aggregate value of $26,581,386 (with any performance-based equity awards deemed achieved at "target" level performance).

Mr. Gallagher. Under Mr. Gallagher's employment agreement as in effect on 31 December 2017, if Mr. Gallagher were to resign for "good reason" or be terminated by Mylan without "cause" (each as defined in his employment agreement in effect as of 31 December 2017), or if his employment had been terminated due to death or disability, in each case, prior to a change in control, he would have been entitled to a lump sum payment equal to his annual base salary, 12 months of health benefits at Mylan's cost and a pro rata bonus equal to the bonus he would have been entitled to receive for the fiscal year in which the termination occurs. Such payments and benefits would have been reduced by Company-provided death or disability benefits in the event of termination of Mr. Gallagher's employment due to death or disability. In addition, if Mr. Gallagher were to resign for good reason or be terminated by Mylan without cause prior to the full vesting of the Gallagher Sign-On RSUs or other equity awards granted in 2017 (other than those granted pursuant to the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program), any unvested portion of such equity awards would immediately vest as of the date of Mr. Gallagher's separation from Mylan, with any performance-based equity awards deemed achieved at "target" level performance.

If Mr. Gallagher's employment had been terminated on 31 December 2017, by Mylan without cause or by Mr. Gallagher for good reason prior to a change in control, he would have been entitled to cash severance, and other benefits under his employment agreement having an estimated aggregate value of $5,409,853 (with any performance-based equity awards deemed achieved at "target" level performance). If Mr. Gallagher's employment with Mylan had been terminated on 31 December 2017, because of his death or disability, he would have been entitled to cash severance payments and other benefits under his employment agreement and LTI award agreements having an aggregate value of $5,409,853 (with any performance-based equity awards deemed achieved at "target" level performance).

Mr. Mauro. Under Mr. Mauro's employment agreement in effect on 31 December 2017, if Mr. Mauro were to be discharged by Mylan without "cause" (as defined in his employment agreement in effect on 31 December 2017) or if his employment had been terminated due to death or disability, in each case, prior to a change in control, he would have been entitled to a lump sum payment equal to his annual base salary, 12 months of health benefits at Mylan's cost and a pro rata bonus equal to the bonus he would have been entitled to receive for the fiscal year in which the termination occurs. Such payments and benefits would have been reduced by Company-provided death or disability benefits in the event of termination of Mr. Mauro's employment due to death or disability. If the term of employment in Mr. Mauro's

employment agreement in effect on 31 December 2017, was not extended or renewed, he would have been entitled to the same payments and benefits as if he had been terminated without cause.

If Mr. Mauro's employment had been terminated on 31 December 2017, by Mylan without cause, he would have been entitled to cash severance and other benefits under his employment agreement having an estimated aggregate value of $1,519,717. If Mr. Mauro's employment with Mylan had been terminated on 31 December 2017, because of his death or disability, he would have been entitled to cash severance and other benefits under his employment agreement and LTI award agreements having an aggregate value of $6,137,726 (with any performance-based equity awards deemed achieved at "target" level performance).

Retirement Benefit Agreements

If the employment of Ms. Bresch or Mr. Malik had been terminated for any reason on 31 December 2017, each of the executives would have been entitled to an estimated lump sum payment under their RBA equal to their vested balances of $6,735,866 and $4,191,581, respectively.

Termination Under Transition and Succession Agreements (Change in Control)

The Transition and Succession Agreements with Ms. Bresch and Messrs. Parks, Malik, Gallagher and Mauro provide that if the executive's employment is terminated other than for cause (including death or disability) or if the executive terminates his or her employment for good reason, in each case prior to a change in control under certain circumstances (such as in the event the termination arose in connection with the change in control) or within two years following the occurrence of a change in control, or, under certain circumstances, for any reason within 90 days following the first anniversary of a change in control, the executive would become entitled to receive a lump sum severance payment, equal to, in the case of Ms. Bresch and Messrs. Parks, Malik and Gallagher, the higher of (i) the compensation and benefits payable under his or her employment agreement as if the change in control were deemed to be a termination without cause under the employment agreement and (ii) a lump sum severance payment in an amount equal to three times the sum of base salary and highest bonus paid to the executive under the employment agreement or the Transition and Succession Agreement, or, in the case of Mr. Mauro, a lump sum severance payment in an amount equal to three times the amount of base salary and cash bonus paid to Mr. Mauro by Mylan as reflected on Mr. Mauro's W-2 in (a) the tax year immediately preceding the year in which the date of termination occurs or (b) the year in which the change in control occurs, whichever is greater. Such payments and benefits would be reduced by Company-provided death or disability benefits in the event of the executive's termination due to death or disability. Each executive would additionally be entitled to continuation of health and other benefits for a period of three years. The Transition and Succession Agreements for each of Ms. Bresch and Messrs. Malik and Mauro also provide for a gross-up payment for any excise tax on "excess parachute payments." Consistent with Mylan's policy of not providing for gross-up payments in newly entered into agreements, Messrs. Parks' and Gallagher's Transition and Succession Agreements instead contain a "best net" provision in the event either would receive any "excess parachute payments," as described above.

If a change in control had occurred on 31 December 2017, and the employment of each of Ms. Bresch and Messrs. Parks, Malik, Gallagher and Mauro had been terminated on such date under circumstances entitling them to payments under their Transition and Succession Agreements, the executives would have been entitled to cash severance and other benefits (which includes the vesting of LTI awards and the valuation of other perquisites and are in addition to the retirement benefit which they would receive as described above) having an estimated aggregate value as follows: for Ms. Bresch, $50,823,915; for Mr. Parks, $9,678,311; for Mr. Malik, $36,093,392; for Mr. Gallagher, $11,742,230; and for Mr. Mauro, $15,073,290. Mr. Mauro would also have been entitled to a gross-up payment for excise taxes estimated at $5,833,816. Based on the assumptions above, Ms. Bresch and Mr. Malik would not have been subject to the 280G excise tax if a change in control had occurred on 31 December 2017, and therefore no value is attributable to their contractual gross-up obligation for purposes of this disclosure.

As described above, subsequent to the execution of the Transition and Succession Agreements with Ms. Bresch and Messrs. Malik and Mauro, Mylan adopted a policy that no new Transition and Succession Agreements will provide for an excise tax gross-up for golden parachute payments. For legal and other considerations, the Transition and Succession

Agreements currently in effect and executed prior to the new policy are not subject to that policy. Mylan does not have the right to unilaterally abrogate pre-existing binding contracts with its executives, and does not believe it would be in shareholders' best interests to expend funds to "buy out" the executives from these rights. Since implementation of the new policy, no new or amended Transition and Succession Agreements with excise tax gross-up provisions have been executed. Consistent with this commitment, the Transition and Succession Agreements with Mr. Parks and Mr. Gallagher do not contain excise tax gross-ups. In addition, several of the contracts with excise tax gross-ups have expired as executives have ceased service with Mylan.

2003 Long-Term Incentive Plan, as Amended

The Amended 2003 Plan provides that, unless otherwise provided in an award agreement, at the time of a change in control (as defined in the Amended 2003 Plan), (i) each stock option and stock appreciation right outstanding will become immediately and fully exercisable, (ii) all restrictions applicable to awards of restricted stock and RSUs will terminate in full, (iii) all performance awards (with certain limited exceptions) will become fully payable at the maximum level and (iv) all other stock-based awards will become fully vested and payable.

Annual LTI awards contain "double trigger" vesting provisions that provide for accelerated vesting only if (i) there has been a change in control and (ii) an involuntary termination without cause or a voluntary resignation for good reason occurs within two years following the change in control, unless otherwise specifically determined by the Compensation Committee. A description of the material terms that apply to the LTI awards held by the NEOs, including the awards granted under the One-Time Special Five-Year Performance-Based Realizable Value Incentive Program, may be found in the footnotes to the Outstanding Equity Awards at the End of 2017 Table. If a change in control and qualifying termination had occurred on 31 December 2017, the intrinsic value of vesting LTI awards held by the NEOs would have equaled approximately: for Ms. Bresch, $32,757,332; for Mr. Parks, $4,062,903; for Mr. Malik, $23,808,767; for Mr. Gallagher, $5,381,939; and for Mr. Mauro, $7,474,442.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Company is providing the following information about the relationship of the annual total compensation of the Company's employees and the annual total compensation of the Company's CEO. The pay ratio figures below are a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K under the Exchange Act.

We determined that as of 31 December 2017, our total number of U.S. employees was approximately 6,308 and our total number of non-U.S. employees was approximately 25,520. We excluded from this employee population a total of 1,589 employees from:

Hungary (662)	Malaysia (58)	Albania (11)	Bahrain (2)
China (226)	Serbia (56)	Algeria (9)	Oman (2)
Russia (169)	Ukraine (50)	Armenia (7)	Ivory Coast (1)
Turkey (125)	Belarus (13)	Azerbaijan (5)	Kenya (1)
Thailand (97)	Bosnia and Herzegovina (12)	Qatar (3)	
Mexico (66)	Kazakhstan (11)	Zambia (3)	

The total number of employees from these non-U.S. jurisdictions was less than 5 percent of our total employee population.

To determine our median employee, we chose base salary as our consistently applied compensation measure. We then calculated an annual base salary for each employee, annualizing pay for those employees who commenced work during 2017 and for any employees who were on leave for a portion of 2017. For hourly employees, we used a reasonable estimate of hours worked to determine annual base pay. We used a clustered sampling methodology to identify the median base salary within this employee population.

Our median employee is a packaging operator located in Ireland, which reflects the true global nature of our organization and the fact that we are a diversified company within our peer group whose employees participate in all aspects of bringing our products to market, from R&D to manufacturing. This diversification should be considered by readers who would compare our CEO Pay Ratio to those within our peer or industry group and reflects differences in pay demographics among those groups.

Total annual compensation for the median employee was $40,270 and total annual compensation for the CEO was $12,763,539, resulting in a ratio of median employee total annual compensation to CEO total annual compensation of 317 to 1. Total annual compensation for the median employee and the chief executive officer is calculated according to the disclosure requirements of Item 402(u) of Regulation S-K under the Exchange Act and includes base salary, annual incentive, equity awards, change in pension values and other compensation such as perquisites and medical benefits.

Non-employee director compensation for 2017

The following table sets forth information concerning the compensation earned by Mylan's directors who are not employees of the Company or Mylan Inc. (each a "Non-Employee Director," and, together, the "Non-Employee Directors") for 2017. Directors who are employees of Mylan Inc. receive no compensation for their Board service. A discussion of the elements of Non-Employee Director compensation follows the table.

Name	Fees Earned or Paid in Cash ($)	RSUs ($)[1]	Option Awards ($)[1]	All Other Compensation ($)[2]	Total ($)
Wendy Cameron	129,500	165,043	50,010	—	344,553
Hon. Robert J. Cindrich	124,000	165,043	50,010	—	339,053
Robert J. Coury	1,800,000	—	—	81,133	1,881,133
JoEllen Lyons Dillon	154,500	165,043	50,010	—	369,553
Neil Dimick	174,500	165,043	50,010	—	389,553
Melina Higgins	142,500	165,043	50,010	—	357,553
Douglas J. Leech*	67,500	165,043	50,010	—	282,553
Joseph C. Maroon, M.D.*	64,500	165,043	50,010	—	279,553
Mark W. Parrish	192,500	165,043	50,010	—	407,553
Rodney L. Piatt*	109,500	165,043	50,010	—	324,553
Randall L. (Pete) Vanderveen, Ph.D., R.Ph.	117,500	165,043	50,010	—	332,553
Sjoerd S. Vollebregt**	62,000	165,012	50,012	—	277,024

* Not nominated for re-election at the 2017 AGM and retired from the Board effective 22 June 2017. Compensation listed reflects amounts paid and equity awarded through 22 June 2017.

** Elected to Mylan's Board at the 2017 AGM.

(1) Represents the grant date fair value of the specific award granted to the Non-Employee Director. Option awards and RSU awards granted in 2017 generally vested on 03 March 2018. The aggregate number of ordinary shares subject to stock options held by the Non-Employee Directors, as of 31 December 2017, were as follows: Ms. Cameron, 11,293; Judge Cindrich, 11,293; Mr. Coury, 231,074; Ms. Dillon, 11,293; Mr. Dimick, 11,293; Ms. Higgins, 17,916; Mr. Leech, 11,293; Dr. Maroon, 11,293; Mr. Parrish, 11,293; Mr. Piatt, 67,850; Dr. Vanderveen, 11,293; and Mr. Vollebregt, 3,867. The number of unvested RSUs held by each of the Non-Employee Directors, as of 31 December 2017, were as follows: Ms. Cameron, 3,653; Judge Cindrich, 3,653; Mr. Coury, 1,000,000; Ms. Dillon, 3,653; Ms. Higgins, 3,653; Mr. Parrish, 3,653; Dr. Vanderveen, 3,653; and Mr. Vollebregt, 4,230. The number of unvested performance-based restricted ordinary shares held by Mr. Coury, as of 31 December 2017, was 270,051.

(2) Because of persistent and serious security concerns, the Board determined that Mr. Coury should be entitled to use Mylan's aircraft for business and personal purposes. Aggregate incremental cost for personal aircraft usage for 2017 was $33,269, which was calculated in the same manner as described in footnote (b) to the Summary Compensation Table. Also reflects costs relating to use of a company vehicle (based on lease value), insurance and ancillary expenses associated with such vehicle ($26,705), and costs relating to attendance at events, security services and tax preparation services related to U.K. tax returns.

Board and Committee Fees

In 2017, the Compensation Committee retained Meridian to provide the Committee with a market review of outside director compensation.

In addition, in 2017, the Non-Employee Directors received the following additional fees for their service on Board committees, payable in each case, in four equal quarterly installments (pro-rated for any partial quarter):
• The Chair of the Audit Committee received an additional fee of $30,000 per year;
• The Chair of the Compensation Committee received an additional fee of $25,000 per year;
• The Chair of the Compliance Committee received an additional fee of $30,000 per year;
• The Chair of the Finance Committee received an additional fee of $20,000 per year;
• The Chair of the Governance and Nominating Committee received an additional fee of $15,000 per year;
• The Chair of the Science and Technology Committee received an additional fee of $10,000 per year;
• Each member of the Executive Committee who is a Non-Employee Director, other than Mr. Coury, received an additional fee of $30,000 per year;
• Each member of the Audit Committee and Compensation Committee received an additional fee of $15,000 per year;
• Each member of the Compliance Committee received an additional fee of $10,000 per year;
• Each member of the Governance and Nominating Committee received an additional fee of $9,000 per year;
• Each member of the Finance Committee and the Science and Technology Committee received an additional fee of $5,000 per year; and
• The Lead Independent Directors each received an additional fee of $60,000 per year (pro-rated for their respective terms of service).

Mr. Coury does not receive the Non-Employee Director fees described above, and instead receives a quarterly cash retainer of $450,000 and certain perquisites.

Non-Employee Directors are eligible to receive stock options or other grants under the Amended 2003 Plan. In March 2017, each Non-Employee Director, other than Messrs. Coury and Vollebregt, was granted an option to purchase 2,928 ordinary shares at an exercise price of $45.18 per share, the closing price per share of Mylan's ordinary shares on the date of grant, which option, other than as described below, vested on 03 March 2018, and 3,653 RSUs, which also, other than as described below, vested on 03 March 2018. In June 2017, upon election to the Board, Mr. Vollebregt was granted an option to purchase 3,867 ordinary shares at an exercise price of $39.01 per share, the closing price per share of Mylan's ordinary shares on the date of grant, which option vested on 03 March 2018, and 4,230 RSUs, which also vested on 03 March 2018. Mr. Coury did not receive any equity awards in 2017. As described in the 2017 Proxy Statement, Mr. Coury received an award of 1,000,000 RSUs in 2016, 75% of which will vest on the third anniversary of the date of grant and 25% of which will vest on the fifth anniversary of the date of grant, or earlier upon certain cessations of Mr. Coury's services as Chairman or failure to be appointed to Mylan's Board. Messrs. Leech, Maroon and Piatt were not nominated for re-election and retired from the Board effective 22 June 2017. In recognition of their long and dedicated service to Mylan, the other members of the Board voted to accelerate the vesting of their March 2017 option and RSU awards to their date of retirement. Non-Employee Directors also are eligible to receive tax-equalization payments for incremental tax liabilities, if any, incurred as a result of attendance at board meetings in the U.K.

Ordinary Share Ownership Requirements. Mylan's Board has adopted ordinary share ownership requirements for Non-Employee Directors, requiring each to hold ordinary shares valued at three times their annual retainer as long as they remain on the Board. Each Non-Employee Director has five years from his or her initial election to the Board to achieve this requirement. The policy was adopted to further demonstrate alignment of directors' interests with shareholders' for the duration of their service. As of 31 December 2017, all Non-Employee Directors satisfied this ownership requirement,

with the exception of Mr. Vollebregt, who became a director on 22 June 2017, and is required to satisfy the ownership requirements by June 2022.

Remuneration to auditors

Deloitte served as Mylan's independent registered public accounting firm during 2017 and 2016, and no relationship exists other than the usual relationship between such a firm and its client. Details about the nature of the services provided by, and fees Mylan paid to, Deloitte and affiliated firms for such services during 2017 and 2016 are set forth below.

	Year ended 31 December	
(In millions of USD)	**2017**	**2016**
Audit fees [1]	$ 9.6	$ 9.2
Audit-related fees [2]	0.5	0.6
Tax fees [3]	0.1	0.1
Total fees	$ 10.3	$ 9.9

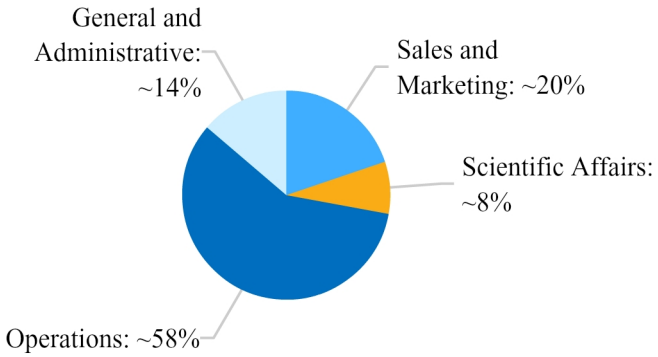
(1) Represents fees for professional services provided for the audit of Mylan's annual consolidated financial statements and the Dutch Annual Accounts; the audit of Mylan's internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002; reviews of Mylan's quarterly condensed consolidated financial statements; audit services provided in connection with other statutory or regulatory filings; and accounting, reporting and disclosure matters. Included in this amount are fees paid to Deloitte Accountants B.V. (The Netherlands) for audit services related to the Dutch Annual Accounts of $0.3 million and $0.4 million for the years ended 31 December 2017 and 2016, respectively.

(2) Represents fees for assurance services related to the audit of the Company's annual consolidated financial statements, including the audit of the Company's employee benefit plans, comfort letters, certain SEC filings and other agreed upon procedures.

(3) Represents fees related primarily to tax return preparation, tax planning and tax compliance support services.

Employees

As at 31 December 2017, Mylan's global workforce included approximately 35,000 employees and external contractors. Of the Company's total global workforce, approximately 129 are located in the Netherlands. Below is a summary of the composition of Mylan's global workforce by function:



29 Related party disclosures

Based on a review of the transactions between Mylan and its directors and executive officers, their immediate family members, and their affiliated entities, Mylan has determined that since the beginning of 2017, it was a party to the following transactions

in which the amount involved exceeded $120,000 and in which any of Mylan's directors, executive officers, or greater than five percent shareholders, or any of their immediate family members or affiliates, have or had a direct or indirect material interest:

As previously disclosed, Mylan has engaged Coury Financial Group, LP, now The Coury Firm LLC (together with its predecessors, "CFG"), the principals of which are brothers and a son of Robert J. Coury, Chairman, to provide certain services to Mylan. CFG is beneficially owned by brothers and trusts on behalf of brothers and children of Mr. Coury. CFG is in the business of providing strategic corporate benefits advice and services, among others. Since approximately 1995, CFG and, in the past, other affiliated entities of CFG, have served as the broker in connection with several of the Company's employee benefit programs. Effective 01 January 2015, Mylan's arrangements with CFG provided for a fixed base fee of $37,500 per month to be paid by Mylan for a period of three years, corresponding to the term of agreements negotiated with certain benefit plan carriers and capping payments over that time period. In August 2017, the parties extended this contract on substantially the same terms for an additional three year period effective 01 January 2018. However, where required by law, CFG will continue to receive commissions directly from certain other benefit plan carriers, and in 2017 and early 2018, received payments totaling approximately $180,000 in commissions for these services directly from the insurance carriers (including payments for 2016 business paid in 2017).

As a result of Mr. Coury concluding his service as an executive with the Company in 2016 he became entitled to receive certain benefits that he had earned over his fifteen year tenure with the Company. Based on the contractual terms of Mr. Coury's 2011 Executive Employment Agreement, as amended, these benefits included, at Mr. Coury's election on an annual basis, either personal use of the Company's aircraft for up to 70 hours per year or a cash payment of approximately $1.5 million each year, for three years. With respect to 2017, Mr. Coury used the aircraft for 70 hours, which had an approximate dollar value of $546,000 based on the cost that would have been incurred if such benefit had been provided through a third party vendor. We believe that this amount also represents a fair estimate of Mr. Coury's interest in the transaction. We also note that Mr. Coury's aircraft benefit had already been disclosed in the 2017 Proxy Statement as part of his compensation in 2016 but we are, based on SEC rules, now disclosing it again as related person transactions because Mr. Coury remains a related person since he has continued to serve as a director of the Company (although his receipt of this benefit is not contingent on that service) and the benefit was provided by Mylan to Mr. Coury since 01 January 2017. We anticipate providing similar a benefit to Mr. Coury for the rest of 2018 and in 2019.

Under the terms of the 401(k) and Profit Sharing Plan and the Restoration Plan (as defined below), Mr. Coury, like other similarly situated participants, was entitled to the five percent profit sharing contribution approved by Mylan's Compensation Committee in February 2017 to employees who participated in the Company's U.S. retirement plans in 2016. As a result, in March 2017 Mylan made a $13,250 profit sharing payment to Mr. Coury's 401(k) account and a $191,850 profit sharing payment to Mr. Coury's Restoration Plan. Mr. Coury's contribution was made in respect of certain compensation earned as an executive with the Company in 2015 and 2016 prior to the conclusion of such service.

Douglas J. Leech served on Mylan's Board in 2017 from January 1 to 22 June 2017, and Neil Dimick is a current member of our Board and has been a director since 2005. Messrs. Leech and Dimick, like each member of our Board, is party to an indemnification agreement with the Company. The Company has been advised by counsel to each of Messrs. Dimick and Leech that counsel has unbilled fees of approximately $190,000 and $80,000 for services provided to Messrs. Dimick and Leech, respectively, and that counsel currently anticipates billing additional fees of $10,000 and $70,000 for ongoing services to be provided to Messrs. Dimick and Leech, respectively, related to a previously disclosed SEC investigation.

Rajiv Malik is an executive officer of the Company and is party to an employment agreement with Mylan Inc., which contains standard indemnification provisions. The Company has made payments to counsel to Mr. Malik of approximately $277,000 in 2017 and $414,000 in 2018 for services provided to Mr. Malik in connection with certain previously disclosed drug pricing matters. The Company anticipates making additional payments of approximately $1.1 million in 2018 for ongoing services to be provided to Mr. Malik in connection with such matters.

Mylan anticipates additional payment, repayment or advancement of these and other expenses during the pendency of the aforementioned matters and anticipates that it will make payments for any such claims.

On 27 February 2015, the EPD Transaction was completed pursuant to which Mylan N.V. issued 110,000,000 ordinary shares (worth approximately $6.31 billion at the time) to various Abbott affiliates and pursuant to which Abbott became a holder of over five percent of Mylan N.V.'s outstanding ordinary shares. On 24 March 2017, Abbott reported that, as a result of a sale transaction on 23 March 2017, it was no longer a holder of over five percent of Mylan N.V.'s outstanding ordinary shares. As

previously disclosed, at the closing of the EPD Transaction, Mylan, Abbott, and certain of their affiliates also entered into ancillary agreements providing for transition services, manufacturing relationships, and license arrangements. In addition to these ancillary agreements, from 01 January 2017 to 23 March 2017, Abbott and Mylan have entered into or engaged in ordinary course, arm's length transactions with each other. From 01 January 2017 to 23 March 2017, Mylan received inventory and services from Abbott pursuant to those ancillary agreements, and also received inventory and services pursuant to separate ordinary course, arm's length transactions, totaling approximately $34 million (substantially all of which related to the ancillary agreements). During this time period, Mylan also provided inventory and services pursuant to those ancillary agreements to Abbott totaling approximately $16 million.

In 2013, Mylan's Board approved a written related party transactions policy that establishes guidelines for reviewing and approving transactions involving any director or certain executives in which (1) the aggregate amount involved will or may be expected to exceed $25,000; (2) Mylan or an affiliate of Mylan is a participant; and (3) any related party has or will have a direct or indirect interest. The Board also annually reviews certain relationships and related party transactions as part of its assessment of each director's independence.

Director Independence

Mylan's Board has determined that Ms. Cameron, Judge Cindrich, Ms. Dillon, Mr. Dimick, Ms. Higgins, Mr. Parrish, Dr. Vanderveen and Mr. Vollebregt are independent directors under the applicable NASDAQ listing standards. In making these determinations, the Board considered, with respect to Ms. Dillon's independence, that the Mylan Charitable Foundation, a 501(c)(3) organization that is a separate entity from Mylan but funded by the Company, made a grant to a private, non-profit educational institution attended by Ms. Dillon's minor children. The grant was not requested by Ms. Dillon nor made in the name of her children and Ms. Dillon had no role in the consideration or vote approving the grant. With regard to Ms. Dillon, the Board determined that any such arrangements, transactions or relationships do not interfere with the exercise of independent judgment by Ms. Dillon in carrying out her responsibilities as a director of Mylan.

Ms. Bresch and Mr. Malik are not independent directors due to their current service as Mylan's CEO and President, respectively. Mr. Coury is not an independent director under applicable NASDAQ listing standards due to his employment by Mylan Inc. during the past three years, most recently as Executive Chairman until 24 June 2016. All non-executive directors of Mylan's Board other than Mr. Coury are considered to be independent within the meaning of best practice provision 2.1.8 of the DCGC.

As disclosed in the 2017 Proxy Statement, Mylan's Board had previously determined that Joseph C. Maroon, M.D., Douglas J. Leech and Rodney L. Piatt - each of whom served on the Board until 22 June 2017 - were independent directors under the applicable NASDAQ listing standards. In making those prior determinations, the Board considered at the time, with respect to Dr. Maroon's independence, that his daughter has worked for Mylan during one or more of the past several years. With respect to Mr. Piatt's independence, the Board considered at the time that in 2016 and earlier years, Mylan paid minimal membership costs for several employees and sponsored events at a facility indirectly owned, in part, by Mr. Piatt. The Board also considered at the time that Mr. Piatt is a prominent member of the Southpointe community, in which Mylan's headquarters is located, and that he has, and has had in the past, ownership interests in certain properties in the Southpointe community. Mr. Piatt has also been involved in the development of Southpointe and in various routine matters related to the upkeep and maintenance of the neighborhood and associated utilities, as has Mylan. With regard to both Dr. Maroon and Mr. Piatt, the Board had previously determined that any such arrangements, transactions, or relationships did not interfere with the exercise of independent judgment by those directors in carrying out their responsibilities as a director of Mylan.

30 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 01 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the

requirements are generally applied prospectively, with some limited exceptions. The Company is currently assessing the impact of the adoption of this guidance on its Consolidated Financial Statements.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. The core principle of this guidance is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. This guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This guidance is effective for fiscal years beginning after 15 December 2017 and can be applied using a full retrospective or modified retrospective approach. The Company will adopt this standard as of 01 January 2018 and will elect to apply the modified retrospective transition approach. As a result, the Company expects to recognize revenue on certain arrangements upon the transfer of control of product shipments rather than upon sell-through by the customer, and will classify certain costs historically in cost of sales to contra revenue in future periods. The Company believes that adoption of this standard will not have a material impact of the Company's consolidated financial position nor is it expected to have a material impact on future net earnings. Based upon historical activity, the Company also expects total revenue and total cost of sales to be approximately $100 million lower in 2018 as a result of adoption.

IFRS 16 *Leases*

IFRS 16 substantially changes the financial statements as the majority of leases will become on-balance sheet liabilities with corresponding right of use assets on the balance sheet. The standard replaces IAS 17 *Leases* and is effective 01 January 2019. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. This guidance is effective for annual and interim periods beginning after 15 December 2018, with early adoption permitted. The Company is currently assessing the impact of the adoption of this guidance on its Consolidated Financial Statements.

31 Subsidiaries

Mylan N.V. is the parent company of the Mylan group, which, as at 31 December 2017, consists of 273 entities with operations in 51 countries. The following table sets forth details of Mylan's consolidated subsidiaries, unless indicated otherwise.

Subsidiary	State or country of incorporation	Percentage of shares and votes directly and/or
Agila Australasia Pty Ltd.	Australia	100%
Alphapharm Pty Ltd.	Australia	100%
Meda Pharmaceuticals Pty Ltd.	Australia	100%
Mylan Australia Holding Pty Ltd.	Australia	100%
Mylan Australia Pty Limited	Australia	100%
Mylan Health Pty. Ltd.	Australia	100%
Arcana Arzneimittel GmbH	Austria	100%
BGP Products GmbH	Austria	100%
Meda Austria Holdings GmbH	Austria	100%
Meda Pharma GmbH	Austria	100%
Aktuapharma NV	Belgium	100%
Docpharma BVBA	Belgium	100%
Matrix Laboratories BVBA	Belgium	100%
Meda Pharma S.A.	Belgium	100%
Mylan BVBA	Belgium	100%
Mylan EPD SPRL	Belgium	100%

Mylan Bermuda Ltd.	Bermuda	100%
Mylan d.o.o.	Bosnia and Herzegovina	100%
Meda Pharma Importação e Exportação de Produtos Farmacêuticos Ltda.	Brazil	100%
Mylan Brasil Distribuidora de Medicamentos Ltda.	Brazil	100%
Mylan Laboratórios Ltda.	Brazil	100%
Mylan EOOD	Bulgaria	100%
BGP Pharma ULC	Canada	100%
Meda Pharmaceuticals Ltd.	Canada	100%
Mylan Pharmaceuticals ULC	Canada	100%
Rottapharm Chile SA	Chile	100%
Meda Pharmaceutical Hong Kong Ltd.	China	100%
Medicine Meda Pharmaceutical Information Consultancy (Beijing) Co., Ltd.	China	100%
Mylan Hrvatska d.o.o.	Croatia	100%
Agila Specialties (Holdings) Cyprus Ltd.	Cyprus	100%
Agila Specialties Americas Ltd.	Cyprus	100%
Onco Laboratories Ltd.	Cyprus	100%
BGP Products Czech Republic s.r.o.	Czech Republic	100%
Meda Pharma s.r.o.	Czech Republic	100%
Mylan Pharmaceuticals s.r.o.	Czech Republic	100%
Acton Pharmaceuticals Inc.	Delaware, USA	100%
Alaven Pharmaceutical LLC	Delaware, USA	100%
ALVP Holdings LLC	Delaware, USA	100%
Apicore Inc.	Delaware, USA	100%
Apicore US LLC	Delaware, USA	100%
Canton Fuels Company, LLC*	Delaware, USA	99%
Chouteau Fuels Company, LLC*	Delaware, USA	99%
Delcor Asset Corporation	Delaware, USA	100%
Denco Asset, LLC	Delaware, USA	100%
Deogun Manufacturing, LLC*	Delaware, USA	100%
Dey Limited Partner LLC	Delaware, USA	100%
Dey, Inc.	Delaware, USA	100%
EMD, Inc.	Delaware, USA	100%
Ezio Pharma, Inc.	Delaware, USA	100%
Franklin Pharmaceutical, LLC	Delaware, USA	100%
Madaus Inc.	Delaware, USA	100%
Marquis Industrial Company, LLC	Delaware, USA	99%
Meda Pharmaceuticals Inc.	Delaware, USA	100%
Mylan Consumer Healthcare, Inc.	Delaware, USA	100%
Mylan D.T. (U.S.) Holdings, Inc.	Delaware, USA	100%
Mylan D.T. DPT Partner Sub, LLC	Delaware, USA	100%
Mylan D.T., Inc.	Delaware, USA	100%
Mylan Holdings Inc.	Delaware, USA	100%
Mylan Institutional LLC	Delaware, USA	100%
Mylan Investment Holdings 4 LLC	Delaware, USA	100%

Mylan Investment Holdings 5 LLC	Delaware, USA	100%
Mylan Investment Holdings 6 LLC	Delaware, USA	100%
Mylan LLC	Delaware, USA	100%
Mylan Securitization LLC	Delaware, USA	100%
Mylan Special Investments LLC	Delaware, USA	100%
Mylan Special Investments II, LLC	Delaware, USA	100%
Mylan Special Investments III, LLC	Delaware, USA	100%
Mylan Special Investments IV, LLC	Delaware, USA	100%
Mylan Special Investments V, LLC	Delaware, USA	100%
Mylan Special Investments VI, LLC	Delaware, USA	100%
Mylan Specialty L.P.	Delaware, USA	100%
Nimes Inc.	Delaware, USA	62.66%
Powder Street, LLC	Delaware, USA	99.01%
Prestium Pharma, Inc.	Delaware, USA	100%
Somerset Pharmaceuticals, Inc.	Delaware, USA	100%
Wallace Pharmaceuticals Inc.	Delaware, USA	100%
BGP Products ApS	Denmark	100%
Meda AS (Denmark)	Denmark	100%
Mylan ApS	Denmark	100%
Meda Oy	Finland	100%
Mylan Finland OY	Finland	100%
Mylan OY	Finland	100%
Oy Scanmeda Ab	Finland	100%
Laboratoires Madaus S.A.S.	France	100%
Meda Holding S.A.S.	France	100%
Meda Manufacturing S.A.S.	France	100%
Meda Pharma S.A.S.	France	100%
Mylan EMEA S.A.S.	France	100%
Mylan Generics France Holding S.A.S.	France	100%
Mylan Laboratories S.A.S.	France	100%
Mylan Medical S.A.S.	France	100%
Mylan S.A.S.	France	100%
Qualimed S.A.S.	France	100%
Rottapharm S.A.S.	France	100%
Erste Madaus Beteiligungs GmbH	Germany	100%
Galmeda GmbH	Germany	100%
Kooperation Phytopharmaka Gbr	Germany	0.3%
Korin GmbH & Co. Projekt 31 KG	Germany	94.6%
Madaus GmbH	Germany	100%
Meda Germany Beteiligungs GmbH	Germany	100%
Meda Germany Holding GmbH	Germany	100%
Meda Manufacturing GmbH	Germany	100%
Meda Pharma GmbH & Co KG	Germany	100%
Meda Verwaltungs GmbH	Germany	100%
MWB Pharma GmbH	Germany	100%
Mylan dura GmbH	Germany	100%

Mylan Healthcare GmbH	Germany	100%
Pharmazeutische Union GmbH	Germany	100%
PharmLog Pharma Logistik GmbH	Germany	16.66%
Rottapharm |Madaus GmbH	Germany	100%
Tropon U-Kasse GmbH	Germany	100%
Troponwerke GmbH	Germany	100%
Viatris GmbH	Germany	100%
Zweite Madaus Beteiligungs GmbH	Germany	100%
Mylan (Gibraltar) 4 Ltd.	Gibraltar	100%
Mylan (Gibraltar) 5 Ltd.	Gibraltar	100%
Mylan (Gibraltar) 6 Ltd.	Gibraltar	100%
Mylan (Gibraltar) 7 Ltd.	Gibraltar	100%
Mylan (Gibraltar) 8 Ltd.	Gibraltar	100%
Mylan (Gibraltar) 9 Ltd.	Gibraltar	100%
BGP Pharmaceutical Products Ltd.	Greece	100%
Generics Pharma Hellas E.P.E.	Greece	100%
Meda Pharmaceuticals SA	Greece	100%
Rottapharm Hellas	Greece	100%
Meda Pharma Hungary Kereskedelmi Kft.	Hungary	100%
Mylan EPD Kft.	Hungary	100%
Mylan Hungary Kft.	Hungary	100%
Mylan Kft.	Hungary	100%
Mylan Institutional Inc.	Illinois, USA	100%
Madaus Pharmaceuticals Private Limited	India	100%
Mylan Laboratories India Private Limited	India	100%
Mylan Laboratories Limited	India	100%
Mylan Pharmaceuticals Private Limited	India	100%
BGP Products Limited	Ireland	100%
McDermott Laboratories Limited	Ireland	100%
Meda Health Sales Ireland Limited	Ireland	100%
Mylan Investments Limited	Ireland	100%
Mylan IRE Healthcare Limited	Ireland	100%
Mylan Ireland Holdings Limited	Ireland	100%
Mylan Ireland Investment D.A.C.	Ireland	100%
Mylan Ireland Limited	Ireland	100%
Mylan Pharma Acquisition Limited	Ireland	100%
Mylan Pharma Group Limited	Ireland	100%
Mylan Pharma Holdings Limited	Ireland	100%
Mylan Teoranta	Ireland	100%
Rottapharm Limited	Ireland	100%
BGP Products S.r.l. (Italy)	Italy	100%
Dermogroup S.r.l.	Italy	100%
Madaus S.r.l.	Italy	100%
Meda Pharma S.p.A.	Italy	100%
Mylan S.p.A. Con Socia Unico	Italy	100%
Rottapharm S.p.A.	Italy	100%

Mylan EPD G.K.	Japan	100%
Mylan Seiyaku Ltd.	Japan	100%
SIA "BGP Products"	Latvia	100%
SIA Meda Pharma	Latvia	100%
BGP Products UAB	Lithuania	100%
BGP Products S.à.r.l.	Luxembourg	100%
Integral SA	Luxembourg	100%
Meda Pharma S.à r.l.	Luxembourg	100%
Mylan Luxembourg 1 S.à r.l.	Luxembourg	100%
Mylan Luxembourg 2 S.à r.l.	Luxembourg	100%
Mylan Luxembourg 3 S.à r.l.	Luxembourg	100%
Mylan Luxembourg 6 S.à r.l.	Luxembourg	100%
Mylan Luxembourg 7 S.à r.l.	Luxembourg	100%
Mylan Luxembourg 9 S.à r.l.	Luxembourg	100%
Mylan Luxembourg S.à r.l.	Luxembourg	100%
SIM S.A.	Luxembourg	100%
Meda Healthcare Sdn. Bhd.	Malaysia	100%
Mylan Malaysia Sdn. Bhd.	Malaysia	100%
MP Laboratories (Mauritius) Ltd.	Mauritius	100%
Meda Phama S de RL de CV	Mexico	100%
Meda Pharma Servicios S de RL de CV	Mexico	100%
Mylan Pharmaceuticals S.A.S.	Morocco	100%
DAGRA Medica B.V.	Netherlands	100%
Meda Pharma B.V.	Netherlands	100%
Mylan B.V.	Netherlands	100%
Mylan Group B.V.	Netherlands	100%
Mylan Healthcare B.V.	Netherlands	100%
Agila Specialties Inc.	New Jersey, USA	100%
BGP Products	New Zealand	100%
Mylan New Zealand Ltd.	New Zealand	100%
Mylan Health Management LLC	North Carolina, USA	100%
Meda AS	Norway	100%
Mylan AS	Norway	100%
Mylan Healthcare Norge AS	Norway	100%
Mylan Hospital AS	Norway	100%
ZpearPoint AS	Norway	100%
MLRE LLC	Pennsylvania, USA	100%
Mylan Holdings Sub Inc.	Pennsylvania, USA	100%
Mylan Inc.	Pennsylvania, USA	100%
Synerx Pharma, LLC	Pennsylvania, USA	100%
Mylan Philippines Inc.	Philippines	99.99%
BGP Products Poland Sp. Z o.o.	Poland	100%
Meda Pharmaceuticals Sp. Z o.o.	Poland	100%
Mylan EPD Sp. Z o.o.	Poland	100%
Mylan Healthcare S.p. Z o.o.	Poland	100%
Mylan Pharmaceuticals Sp. Z o.o.	Poland	100%

Mylan Sp. Z o.o.	Poland	100%
Rottapharm Madaus Sp. Z o.o.	Poland	100%
BGP Products, Unipessoal, LDA	Portugal	100%
Laboratorios Anova - Produtos Farmaceuticos, LDA	Portugal	100%
Laboratorios Delta SA	Portugal	100%
Meda Pharma-Produtos Farmaceuticos SA	Portugal	100%
Mylan EPD Lda	Portugal	100%
Mylan, Lda	Portugal	100%
Neo Farmaceutica SA	Portugal	100%
Rotta Farmaceutica Ltda	Portugal	100%
BGP Products S.R.L. (Romania)	Romania	100%
Meda Pharma OOO	Russian Federation	100%
Rottapharm Madaus LLC	Russian Federation	100%
Mylan Pharmaceuticals Pte Ltd.	Singapore	100%
BGP Products s.r.o.	Slovakia	100%
Meda Pharma spol. s.r.o.	Slovakia	100%
Mylan s.r.o.	Slovakia	100%
GSP Proizvodi, farmacevtska druzba, d.o.o.	Slovenia	100%
Mylan, farmacevtska druzba, d.o.o.	Slovenia	100%
Meda Pharma South Africa (Pty) Limited	South Africa	100%
Mylan (Proprietary) Ltd.	South Africa	100%
SCP Pharmaceuticals (Pty) Ltd.	South Africa	100%
Xixia Pharmaceuticals (Pty) Ltd.	South Africa	100%
BGP Products Operations, S.L.U.	Spain	100%
Meda Pharma, S.L.	Spain	100%
Mylan Pharmaceuticals S.L.	Spain	100%
Abbex AB	Sweden	100%
Antula Holding AB	Sweden	100%
BGP Products AB	Sweden	100%
Ellem Läkemedel AB	Sweden	100%
Ipex AB	Sweden	100%
Ipex Medical AB	Sweden	100%
Meda AB	Sweden	100%
Meda OTC AB	Sweden	100%
Mylan AB	Sweden	100%
Mylan Sweden Holdings AB	Sweden	100%
Recip AB	Sweden	100%
Recip Läkemedel AB	Sweden	100%
Safe Breath International AB	Sweden	100%
Scandinavian Pharmaceuticals-Generics AB	Sweden	100%
Scandpharm Marketing AB	Sweden	100%
BGP Products GmbH (Switzerland)	Switzerland	100%
BGP Products Operations GmbH	Switzerland	100%
BGP Products Switzerland GmbH	Switzerland	100%
Meda Pharma GmbH	Switzerland	100%
Meda Pharmaceuticals Switzerland GmbH	Switzerland	100%

Mylan GmbH	Switzerland	100%
Mylan Holdings GmbH	Switzerland	100%
Meda Pharmaceuticals Taiwan Ltd.	Taiwan Province of China	100%
Mylan (Taiwan) Ltd.	Taiwan Province of China	100%
DPT Laboratories, Ltd.	Texas, USA	100%
Mylan Bertek Pharmaceuticals Inc.	Texas, USA	100%
Rottapharm Thailand Ltd	Thailand	100%
Meda Pharma Llaç Sanayi ve Ticaret Ltd. Sirketi	Turkey	100%
Meda Pharmaceuticals MEA FZ-LLC	United Arab Emirates	100%
Mylan FZ-LLC	United Arab Emirates	100%
Agila Specialties UK Limited	United Kingdom	100%
BeechMere Pharmaceuticals Ltd.	United Kingdom	100%
Famy Care Europe Limited	United Kingdom	100%
Generics (U.K.) Limited	United Kingdom	100%
Meda Pharmaceuticals Limited	United Kingdom	100%
Mylan Holdings Acquisition Limited	United Kingdom	100%
Mylan Holdings Acquisition 2 Limited	United Kingdom	100%
Mylan Holdings Ltd.	United Kingdom	100%
Mylan Pharma UK Limited	United Kingdom	100%
Mylan Products Limited	United Kingdom	100%
Mylan UK Healthcare Limited	United Kingdom	100%
Viatris Pharmaceuticals Limited	United Kingdom	100%
VUK Pharmaceuticals Limited	United Kingdom	100%
American Triumvirate Insurance Company	Vermont, USA	100%
Mylan International Holdings, Inc.	Vermont, USA	100%
MP Air, Inc.	West Virginia, USA	100%
Mylan Pharmaceuticals Inc.	West Virginia, USA	100%
Mylan Technologies, Inc.	West Virginia, USA	100%
Mylan ASI LLC	Wyoming, USA	100%

*This entity represents an investment in associate.

Mylan N.V.

Company Financial Statements

31 December 2017

Company Income Statements

For the year ended 31 December

(In millions of USD)	Note	2017	2016
Income from subsidiaries after taxes	2	$ 580.1	$ 912.4
Total (other income) / expenses after taxes		(82.5)	194.9
Profit attributable to equity holders		$ 662.6	$ 717.5

Company Balance Sheets

(In millions of USD)	Note	As at 31 December 2017	As at 31 December 2016
Assets			
Non-current assets:			
Investments in subsidiaries	2	$ 19,789.3	$ 15,693.5
Intercompany notes and interest receivable		7,822.6	7,952.3
Other assets		4.9	5.2
		27,616.8	23,651.0
Current assets:			
Loans to and other receivables from subsidiaries		317.2	215.9
Cash and cash equivalents		—	0.3
Other current assets		5.6	—
		322.8	216.2
Total assets		$ 27,939.6	$ 23,867.2
Equity and liabilities			
Equity:			
Mylan N.V. shareholders' equity		$ 6.0	$ 6.0
Additional paid-in capital		9,524.2	9,435.1
Retained earnings		4,447.0	3,779.7
Accumulated other comprehensive loss		(49.1)	(1,949.8)
		13,928.1	11,271.0
Non-controlling interest		—	1.4
Less: Treasury stock — at cost		567.7	67.5
Total equity	5	13,360.4	11,204.9
Non-current liabilities:			
Long-term debt	6	10,614.3	12,151.5
Notes payable to subsidiaries		2,166.9	—
Current liabilities:			
Current portion of long-term debt and other long-term obligations		1,097.8	—
Loans from and other payables to subsidiaries		664.7	416.0
Trade account payables		—	3.9
Other current liabilities	4	35.5	90.9
Total liabilities		14,579.2	12,662.3
Total equity and liabilities		$ 27,939.6	$ 23,867.2

1. General information

New Moon B.V. ("New Moon") was incorporated as a limited liability company under the laws of the Netherlands (besloten vennootschap met beperkte aansprakelijkheid) on 07 July 2014. The registered office of New Moon was in Potters Bar, England and its corporate seat was in Amsterdam, the Netherlands. The principal activity of New Moon was to act as a holding and finance company. New Moon entered into an Amended and Restated Business Transfer Agreement and Plan of Merger, dated 04 November 2014, by and among New Moon, Mylan Inc., Moon of PA Inc. ("Merger Sub"), and Abbott Laboratories ("Abbott") (together with the disclosure letters thereto, the "BTA"), pursuant to which, among other things, (a) New Moon acquired the non-US developed markets specialty and branded generics business (the "EPD Business") of Abbott in consideration for 110 million ordinary shares of New Moon (the "Business Transfer") and (b) Merger Sub merged with and into Mylan Inc. (the "Merger"), with Mylan Inc. surviving the Merger and continuing as a wholly owned subsidiary of New Moon, and (c) in the Merger the outstanding common shares of Mylan Inc. were exchanged on a one-to-one basis for ordinary shares of New Moon (clauses (a), (b) and (c) collectively, the "Transaction"). New Moon was incorporated for the purpose of holding Mylan Inc. and the Business following consummation of the Transaction. On 27 February 2015, the transaction was completed and New Moon was converted into a public limited liability company (naamloze vennootschap) under the laws of the Netherlands and renamed "Mylan N.V." (the "Company"). Mylan N.V.'s corporate seat is located in Amsterdam, the Netherlands, its principal executive offices are located in Hatfield, Hertfordshire, England and its global headquarters are located in Canonsburg, Pennsylvania. Mylan N.V.'s shares are publicly traded on the NASDAQ Global Select Stock Market ("NASDAQ") in the U.S. under the symbol "MYL". Our ordinary shares were also traded on the Tel Aviv Stock Exchange ("TASE") in Israel. On 10 November 2017, however, the Company announced that is was voluntarily delisting the Company's ordinary shares from trading on the TASE and the TASE delisting became effective on 12 February 2018.

Group structure

New Moon was a wholly owned subsidiary of New Moon Holdings LLC. a limited liability company organized under the laws of Delaware, U.S.A. New Moon Holdings LLC. was a wholly owned subsidiary of Mylan Inc.

Basis of presentation

The Company Financial Statements have been prepared in accordance with the provisions of Part 9, Book 2, of the Dutch Civil Code. The Company uses the option of Article 362.8 of Part 9, Book 2, of the Dutch Civil Code to prepare the Company financial statements, using the same accounting policies as in the Consolidated Financial Statements. Valuation is based on recognition and measurement requirements of accounting standards adopted by the EU (i.e., only IFRS that is adopted for use in the EU at the date of authorization) as explained further in the notes to the Consolidated Financial Statements. The Company presents a condensed income statement, using the facility of Article 402 of Part 9, Book 2, of the Dutch Civil Code.

Assets and liabilities presented are stated at the nominal value, unless otherwise stated. Investments in group companies in the Company Financial Statements are accounted for using the equity method.

2. Investments in subsidiaries

(In millions of USD)	Group companies
Balance as at 31 December 2015	$ 8,978.8
Income from Group companies after tax	912.4
Capital contributions	5,802.3
Total changes	6,714.7
Balance as at 31 December 2016	15,693.5
Income from Group companies after tax	580.1
Capital contributions	3,515.7
Total changes	4,095.8
Balance as at 31 December 2017	$ 19,789.3

In August 2016, Mylan N.V. acquired Meda AB (publ.) (the "Meda acquisition") as disclosed in Note 4 to the Consolidated Financial Statements.

3. Loans to and other receivables from subsidiaries

In May 2017, Mylan N.V. issued €500 million aggregate principal amount of senior unsecured debt securities, comprised of floating rate Senior Notes due 2020. (Refer to Note 6.)

In November 2016, Mylan N.V. issued €3.0 billion aggregate principal amount of senior unsecured debt securities, comprised of floating rate Senior Notes due 2018, 1.250% Senior Notes due 2020, 2.250% Senior Notes due 2024 and 3.125% Senior Notes due 2028. (Refer to Note 6.)

In June 2016, Mylan N.V. issued $6.5 billion aggregate principal amount of senior unsecured debt securities, comprised of 2.500% Senior Notes due 2019, 3.150% Senior Notes due 2021, 3.950% Senior Notes due 2026 and 5.250% Senior Notes due 2046 (collectively, the "June 2016 Senior Notes"). (Refer to Note 6.)

(In millions of USD)	Loans to and other receivables from subsidiaries
Balance as at 31 December 2015	$ 1,097.5
New loans	11,157.0
Repayments and intercompany settlements	(4,086.3)
Total changes	7,070.7
Balance as at 31 December 2016	8,168.2
New loans	(658.1)
Repayments and intercompany settlements	629.7
Total changes	(28.4)
Balance as at 31 December 2017	$ 8,139.8

4. Balance sheet components

Other current liabilities totaled $35.5 million and $90.9 million as at 31 December 2017 and 2016, respectively, and was made up of interest payable on long term debt.

5. Equity

For a breakdown of equity, reference is made to the Consolidated Statements of Equity and the Notes to the Consolidated Financial Statements. Components of equity can be agreed to the equity on the Consolidated Balance Sheet as at 31 December 2017.

Legal Reserves

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity of $13.4 billion and $11.2 billion as at 31 December 2017 and 2016, respectively. Legal reserves are considered non-distributable to shareholders.

As at 31 December 2017, such limitations relate to ordinary shares of $6.0 million. The unrealized gains and losses included in accumulated other comprehensive earnings (loss) is included in the legal reserve to the extent that it does not represent a deficit balance. Accumulated unrealized losses related to currency translation differences, treasury stock and cash flow hedges amounted to $616.8 million as of 31 December 2017, and was therefore not included as a legal reserve.

6. Long-term debt

Issuance of 2017 Euro Notes

On 24 May 2017, the Company completed its offering of €500 million aggregate principal amount of Floating Rate Senior Notes due 2020, issued pursuant to the indenture dated 24 May 2017 (the "2017 Euro Notes Indenture"). The 2020 Floating Rate Euro Notes will mature on 24 May 2020 and cannot be redeemed prior to maturity at the option of the Company.

The 2020 Floating Rate Euro Notes were issued in a private offering exempt from the registration requirements of the Securities Act to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The 2020 Floating Rate Euro Notes are the Company's senior unsecured indebtedness and are guaranteed on a senior unsecured basis by Mylan Inc.

The 2020 Floating Rate Euro Notes bear interest at a rate per annum, reset quarterly, equal to the sum of (i) three-month EURIBOR (as defined in the 2017 Euro Notes Indenture) plus (ii) 0.50%, provided, however, that the minimum interest rate is zero. Interest on the 2020 Floating Rate Euro Notes is payable quarterly in arrears on each 24 February 24, 24 May, 24 August and 24 November. The interest rate at 31 December 2017 was approximately 0.17% per annum.

The Company utilized the net proceeds from the 2020 Floating Rate Euro Notes offering to repay a portion of the term loans under the 2016 Term Facility and to pay associated fees and expenses.

Issuance of 2016 Euro Notes

On 22 November 2016, the Company completed its offering of €500 million aggregate principal amount of Floating Rate Senior Notes due 2018, €750 million aggregate principal amount of 1.250% Senior Notes due 2020, €1.0 billion aggregate principal amount of 2.250% Senior Notes due 2024 and €750 million aggregate principal amount of 3.125% Senior Notes due 2028, issued pursuant to the indenture dated 22 November 2016 (the "2016 Euro Notes Indenture"). The 2018 Floating Rate Euro Notes, 2020 Euro Notes, 2024 Euro Notes, and 2028 Euro Notes, together, are referred to as the "November 2016 Euro Notes."

The November 2016 Euro Notes were issued in a private offering exempt from the registration requirements of the Securities Act, to persons outside of the United States pursuant to Regulation S under the Securities Act. The November 2016 Euro Notes are the Company's senior unsecured indebtedness and are guaranteed on a senior unsecured basis by Mylan Inc.

The 2018 Floating Rate Euro Notes bear interest at a rate per annum, reset quarterly, equal to the sum of (i) three-month EURIBOR (as defined in the 2016 Euro Notes Indenture) plus (ii) 0.870%; provided, however, that the minimum interest rate is zero. Interest on the 2018 Floating Rate Euro Notes is payable quarterly in arrears on each 22 February, 22 May, 22 August and 22 November. The 2018 Floating Rate Euro Notes will mature on 22 November, 2018. The interest rate on the 2018 Floating Rate Euro Notes at 31 December 2017 was approximately 0.541% per annum. The 2018 Floating Rate Euro Notes cannot be redeemed at the option of the Company.

The 2020 Euro Notes will mature on 23 November 2020, the 2024 Euro Notes will mature on 22 November 2024 and the 2028 Euro Notes will mature on 22 November 2028. Interest on the 2020 Euro Notes is payable annually in arrears on 23 November

of each year. Interest on the 2024 Euro Notes and the 2028 Euro Notes is payable annually in arrears on 22 November of each year. The 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes are redeemable, in whole or in part, at any time at our option, at the redemption prices set forth in the 2016 Euro Notes Indenture.

The Company utilized the net proceeds from the November 2016 Euro Notes offering to repay or otherwise refinance indebtedness, to pay related fees and expenses and for general corporate purposes.

At 31 December 2017, the outstanding balance of the 2018 Floating Rate Euro Notes, 2020 Floating Rate Euro Notes, 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes was approximately $600.2 million, $600.2 million, $897.6 million, $1.20 billion and $892.0 million, respectively, converted at the 31 December 2017 EUR to USD spot exchange rate. At 31 December 2017, discounts on the 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes were approximately $2.8 million, $2.8 million and $8.4 million, respectively, converted at the 31 December 2017 EUR to USD spot exchange rate. During the year ended 31 December 2017, the Company recorded mark-to-market losses related to the 2018 Floating Rate Euro Notes, 2020 Floating Rate Euro Notes, 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes of approximately $74.3 million, $45.7 million, $111.4 million, $148.5 million and $111.4 million, respectively. During the year ended 31 December 2016, the Company recorded mark-to-market losses related to the 2018 Floating Rate Euro Notes, 2020 Euro Notes, 2024 Euro Notes and 2028 Euro Notes of approximately $5.3 million, $8.0 million, $10.7 million, and $8.0 million, respectively. Refer to Note 11 *Financial Instruments and Risk Management* for further discussion of the foreign currency risk management of these instruments. During the year ended 31 December 2016, the Company incurred approximately $15.6 million in financing fees related to the Euro Notes, which were recorded as deferred financing fees in the Consolidated Balance Sheets.

Issuance of June 2016 Senior Notes

On 09 June 2016, the Company completed its offering of $1.00 billion aggregate principal amount of 2.500% Senior Notes due 2019 (the “2019 Senior Notes”), $2.25 billion aggregate principal amount of 3.150% Senior Notes due 2021 (the “2021 Senior Notes”), $2.25 billion aggregate principal amount of 3.950% Senior Notes due 2026 and $1.00 billion aggregate principal amount of 5.250% Senior Notes due 2046 (the “2046 Senior Notes” and together with the 2019 Senior Notes, the 2021 Senior Notes and the 2026 Senior Notes, (the “June 2016 Senior Notes”), issued pursuant to an indenture, dated as of 09 June 2016 (the “June 2016 Indenture”).

The June 2016 Senior Notes were issued in a private offering exempt from the registration requirements of the Securities Act to qualified institutional buyers in accordance with Rule 144A and to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The June 2016 Senior Notes are the Company’s senior unsecured indebtedness and are guaranteed on a senior unsecured basis by Mylan Inc.

In addition, the Company entered into a registration rights agreement, dated as of 09 June 2016, pursuant to which the Company and Mylan Inc. were required to use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the June 2016 Senior Notes for new notes with the same aggregate principal amount and terms substantially identical in all material respects. In December 2016, the Company and Mylan Inc. filed a registration statement with the SEC with respect to such an offer, which was declared effective on 03 January 2017. The exchange offer expired on 31 January 2017 and settled on 03 February 2017.

The 2019 Senior Notes will mature on 07 June 2019. Interest on the 2019 Senior Notes is payable semi-annually in arrears on 07 June and 07 December of each year. The 2021 Senior Notes will mature on 15 June 2021, the 2026 Senior Notes will mature on 15 June 2026 and the 2046 Senior Notes will mature on 15 June 2046. Interest on the 2021 Senior Notes, the 2026 Senior Notes and the 2046 Senior Notes is payable semi-annually in arrears on 15 June and 15 December of each year. The June 2016 Senior Notes are redeemable, in whole or in part, at any time at our option, at the redemption prices set forth in the June 2016 Indenture.

At 31 December 2017, the outstanding balances of the 2019 Senior Notes, 2021 Senior Notes, 2026 Senior Notes and 2046 Senior Notes include discounts of $0.5 million, $1.8 million, $15.0 million and $0.2 million, respectively.

The Company utilized the net proceeds from this offering to fund the Offer, to pay related fees and expenses and for general corporate purposes.

7. Loans from and other payables to subsidiaries

Loans from and other payables to subsidiaries represents amounts owed by the parent company to subsidiaries for payments made on behalf of the parent company primarily related to expenses attributable to Mylan N.V. and treasury stock purchased.

8. Income taxes

A provision for income taxes has not been recorded, as the Company does not anticipate taxable income on any of its tax filings, required in order to realize any tax benefit for the expenses recorded in the Company Income Statements.

9. Guarantees

Mylan Inc. is the issuer of the Senior Notes, excluding the June 2016 Senior Notes and December 2015 Senior Notes. As discussed above in Note 1, New Moon was incorporated on 07 July 2014 as an indirect wholly owned subsidiary of Mylan Inc. for the purpose of consummating the acquisition of the EPD Business. Upon closing of the acquisition of the EPD Business, on 27 February 2015, Mylan Inc. became an indirect wholly owned subsidiary of Mylan N.V., and Mylan N.V. fully and unconditionally guarantees the Senior Notes. In addition, Mylan N.V.'s June 2016 Senior Notes and December 2015 Senior Notes are guaranteed on a senior unsecured basis by Mylan Inc.

10. Directors remuneration

Information regarding remuneration for Directors of Mylan N.V. can be found in Note 28, *Remuneration* to the Consolidated Financial Statements included herein.

11. Other information

Profit appropriation provisions

Pursuant to the Articles and subject to applicable law, in the event that the Company makes distributions to the shareholders and other persons entitled to the distributable profits of the Company, such distributions shall be made as follows:

a. First, with respect to holders of preferred shares in the Company's capital, a dividend in an amount per preferred share equal to any accrued and unpaid Dividend Amount (as defined in the Articles and as described below) with respect to the then-current fiscal year and any prior fiscal year. To the extent that the profit of the Company is not sufficient to fully make a distribution as set forth in this paragraph a., such deficit shall be paid from the reserves of the Company. If, in any given fiscal year, the profit or the distributable reserves (as the case may be) of the Company are not sufficient to make the distributions set forth in this paragraph a., this paragraph a. shall apply in each subsequent fiscal year until such distributions have been made in full.

b. Second, Mylan's board of directors (the "Board") shall determine which part of the profit of the Company remaining after application as set forth in paragraph a. shall be reserved.

Pursuant to the Articles, the profit, as it appears from the profit and loss account of the Company adopted by the Company's general meeting of shareholders (the "General Meeting"), shall be at the disposal of the General Meeting to the extent not distributed in accordance with paragraph a. above and not reserved in accordance with paragraph b. above, provided that the General Meeting may only resolve to dispose of such profit and loss upon the recommendation and proposal of the Board.

In the Articles, the term "**Dividend Amount**" is defined as follows: with respect to any preferred share, (i) a percentage equal to (1) the higher of (x) twelve months LIBOR as published by ICE Benchmark Administration Limited or (y) twelve months EURIBOR as published by European Money Markets Institute, each calculated based on the number of days such rate applied during the fiscal year to which the Dividend Amount relates, provided that such rate can never be below zero percent, plus (2) a premium to be determined by the Board in line with market conditions on the date the preferred shares were first issued, provided that such premium may not exceed five hundred basis points, multiplied by (ii) the Redemption Amount (as defined in the Articles and as described below).

In the Articles, the term "**Redemption Amount"** is defined as follows: an amount per preferred share (which shall be the same amount for all preferred shares) determined by the General Meeting at the General Meeting authorizing the issuance of such

preferred shares (or if the General Meeting has delegated to the Board the authority to authorize the issuance of such preferred shares, as determined by the Board) as the amount paid for such preferred share.

Events after the balance sheet date

The Company was authorized to repurchase up to $1 billion of the Company's ordinary shares under its repurchase program that was previously approved by the Company's Board of Directors and announced on 16 November 2015 (the "Share Repurchase Program"), but was not obligated to acquire any particular amount of ordinary shares. During 2017, the Company repurchased approximately 12.4 million ordinary shares at a cost of approximately $500.2 million. In January 2018, the Company repurchased an additional 9.8 million ordinary shares at a cost of approximately $432.0 million and on 09 January 2018, the Share Repurchase Program was completed.

The following table provides the amounts of senior unsecured debt issued by Mylan Inc., and guaranteed by Mylan N.V., on 09 April 2018 (the "April 2018 Senior Notes"). The April 2018 Senior Notes were issued pursuant to an indenture dated 09 April 2018. The April 2018 Senior Notes were issued in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") to qualified institutional buyers in accordance with Rule 144A under the Securities Act and to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The Company has entered into a registration rights agreement, dated as of 09 April 2018 pursuant to which Mylan Inc. and Mylan N.V. are required to use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the April 2018 Senior Notes for new notes with the same aggregate principal amount and terms substantially identical in all material respects.

(In millions)	Interest Rate	Principal Amount
2028 Senior Notes [(1)]	4.550%	$ 750.0
2048 Senior Notes [(1)]	5.200%	750.0
Total Senior Notes		$ 1,500.0

(1) Redeemable, in whole or in part, at our option at any time prior to three months (in the case of the 2028 Senior Notes) or six months (in the case of the 2048 Senior Notes) of the maturity date at the greater of 100% of the principal amount or the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus an incremental spread of 0.30% (in the case of the 2028 Senior Notes) or 0.35% (in the case of the 2048 Senior Notes), plus, in each case, accrued and unpaid interest.

On 28 April 2018, the Company redeemed all of the outstanding $650 million principal amount of Mylan Inc.'s 2.600% senior notes due 2018, all of the outstanding $500 million principal amount of Mylan N.V.'s 3.000% senior notes due 2018 and $350 million of the outstanding $500 million principal amount of Mylan Inc.'s 2.550% senior notes due 2019. The redemption of these notes was funded with the net proceeds from the April 2018 Senior Notes offering.

On 23 May 2018, Mylan Inc. a indirect wholly-owned subsidiary of Mylan N.V. completed the offering of €500,000,000 aggregate principal amount of its 2.125% Senior Notes due 2025. In connection with this offering the Company disclosed its intent to redeem all of the remaining outstanding $150 million principal amount of Mylan Inc.'s 2.550% Senior Notes due 2019 and $450 million of the outstanding $1.0 billion principal amount of Mylan N.V.'s 2.500% Senior Notes due 2019.

11. OTHER INFORMATION

11.1 Independent auditor's report

To the General Meeting of Shareholders of Mylan N.V.

REPORT ON THE ACCOMPANYING FINANCIAL STATEMENTS 2017

Our opinion

We have audited the accompanying financial statements 2017 of Mylan N.V., having its corporate seat in Amsterdam, The Netherlands. The financial statements include the Consolidated Financial Statements and the Company Financial Statements.

In our opinion:

- The accompanying Consolidated Financial Statements give a true and fair view of the financial position of Mylan N.V. as at 31 December 2017, and of its result and its cash flows for 2017 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying Company Financial Statements give a true and fair view of the financial position of Mylan N.V. as at 31 December 2017, and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The Consolidated Financial Statements comprise:

1. The consolidated statement of financial position as at 31 December 2017.
2. The following statements for 2017: the consolidated income statements, the consolidated statements of comprehensive earnings (loss), consolidated statements of equity and consolidated statements of cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheets as at 31 December 2017.
2. The company income statements for 2017.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Mylan N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE FINANCIAL STATEMENTS

In addition to the financial statements and our auditor's report thereon, the financial statements are accompanied by other information that consists of:

- Dutch Statutory Board Report.
- Corporate governance paragraph.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Dutch Statutory Board Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Utrecht, 30 May 2018

Deloitte Accountants B.V.

Signed on the original: A.J. Heitink

11.2 Profit appropriation provisions

See Note 11 *Other Information - Profit appropriation provisions* included in section 10 of this report.

11.3 Special rights of control under the Articles

Not applicable. The Articles do not grant any party special rights of control (*zeggenschap*) in respect of the Company.

11.4 Shares carrying limited economic entitlement

The preferred shares in the Company's capital carry a limited entitlement to the Company's profit and reserves, as discussed in section 11.2. As at 31 December 2017, no preferred shares in the Company's capital were issued.

Signature page to the board report of Mylan N.V. for the fiscal year ended 31 December 2017

/s/ ROBERT J. COURY
Robert J. Coury

/s/ HEATHER BRESCH
Heather Bresch

/s/ MARK W. PARRISH
Mark W. Parrish

/s/ RAJIV MALIK
Rajiv Malik

/s/ MELINA HIGGINS
Melina Higgins

/s/ NEIL DIMICK
Neil Dimick

/s/ JOELLEN LYONS DILLON
JoEllen Lyons Dillon

/s/ WENDY CAMERON
Wendy Cameron

/s/ HON. ROBERT J. CINDRICH
Hon. Robert J. Cindrich

/s/ RANDALL L. VANDERVEEN, PH.D.
Randall L. Vanderveen, Ph.D.

/s/ SJOERD S. VOLLEBREGT
Sjoerd S. Vollebregt