# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Washington, DC 20549**

# Form 10-Q

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

**For the quarterly period ended September 30, 2017**

**OR**

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

**For the transition period from_____to_____**

**Commission File Number 333-199861**

# MYLAN N.V.

*(Exact name of registrant as specified in its charter)*

| **The Netherlands** | **98-1189497** |
|---|---|
| *(State or other jurisdiction of incorporation or organization)* | *(I.R.S. Employer Identification No.)* |

**Building 4, Trident Place, Mosquito Way, Hatfield, Hertfordshire, AL10 9UL, England**
*(Address of principal executive offices)*

**+44 (0) 1707-853-000**
*(Registrant's telephone number, including area code)*

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☑ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ (Do not check if a smaller reporting company) | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to us the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 2, 2017, there were 536,436,323 of the issuer's €0.01 nominal value ordinary shares outstanding.

**MYLAN N.V. AND SUBSIDIARIES**

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**For the Quarterly Period Ended**
**September 30, 2017**


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**PART I — FINANCIAL INFORMATION**

**MYLAN N.V. AND SUBSIDIARIES**
**Condensed Consolidated Statements of Operations**
(Unaudited; in millions, except per share amounts)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | |
| Net sales | $ 2,956.3 | $ 3,029.5 | $ 8,570.2 | $ 7,745.5 |
| Other revenues | 30.8 | 27.6 | 98.6 | 63.6 |
| Total revenues | 2,987.1 | 3,057.1 | 8,668.8 | 7,809.1 |
| Cost of sales | 1,809.0 | 1,773.8 | 5,180.3 | 4,447.1 |
| Gross profit | 1,178.1 | 1,283.3 | 3,488.5 | 3,362.0 |
| Operating expenses: | | | | |
| Research and development | 182.3 | 199.1 | 580.9 | 632.2 |
| Selling, general and administrative | 664.6 | 656.9 | 1,916.8 | 1,787.6 |
| Litigation settlements and other contingencies, net | 15.2 | 558.0 | (25.8) | 556.4 |
| Total operating expenses | 862.1 | 1,414.0 | 2,471.9 | 2,976.2 |
| Earnings (loss) from operations | 316.0 | (130.7) | 1,016.6 | 385.8 |
| Interest expense | 131.8 | 144.4 | 406.3 | 305.0 |
| Other expense, net | 4.6 | 50.2 | 34.4 | 184.0 |
| Earnings (loss) before income taxes | 179.6 | (325.3) | 575.9 | (103.2) |
| Income tax provision (benefit) | 91.3 | (205.5) | 124.2 | (165.7) |
| Net earnings (loss) | $ 88.3 | $ (119.8) | $ 451.7 | $ 62.5 |
| Earnings (loss) per ordinary share: | | | | |
| Basic | $ 0.17 | $ (0.23) | $ 0.84 | $ 0.12 |
| Diluted | $ 0.16 | $ (0.23) | $ 0.84 | $ 0.12 |
| Weighted average ordinary shares outstanding: | | | | |
| Basic | 535.2 | 523.6 | 534.9 | 505.9 |
| Diluted | 537.0 | 523.6 | 537.0 | 515.2 |

*See Notes to Condensed Consolidated Financial Statements*

**MYLAN N.V. AND SUBSIDIARIES**
**Condensed Consolidated Statements of Comprehensive Earnings**
(Unaudited; in millions)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Net earnings (loss) | $ 88.3 | $ (119.8) | $ 451.7 | $ 62.5 |
| Other comprehensive earnings (loss), before tax: | | | | |
| Foreign currency translation adjustment | 423.0 | 290.6 | 1,831.9 | 645.5 |
| Change in unrecognized gain (loss) and prior service cost related to defined benefit plans | 1.1 | 0.1 | 2.4 | (0.3) |
| Net unrecognized (loss) gain on derivatives in cash flow hedging relationships | (4.5) | 22.8 | 29.2 | (22.9) |
| Net unrecognized loss on derivatives in net investment hedging relationships | (72.1) | (10.4) | (203.2) | (10.4) |
| Net unrealized (loss) gain on marketable securities | (8.9) | 21.5 | 3.5 | 32.5 |
| Other comprehensive earnings, before tax | 338.6 | 324.6 | 1,663.8 | 644.4 |
| Income tax (benefit) provision | (5.8) | 13.7 | 11.3 | 0.5 |
| Other comprehensive earnings, net of tax | 344.4 | 310.9 | 1,652.5 | 643.9 |
| Comprehensive earnings | $ 432.7 | $ 191.1 | $ 2,104.2 | $ 706.4 |

*See Notes to Condensed Consolidated Financial Statements*

**MYLAN N.V. AND SUBSIDIARIES**
**Condensed Consolidated Balance Sheets**
(Unaudited; in millions, except share and per share amounts)

| | September 30, 2017 | December 31, 2016 |
|---|---|---|
| **ASSETS** | | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | $ 614.9 | $ 998.8 |
| Accounts receivable, net | 3,220.2 | 3,310.9 |
| Inventories | 2,548.1 | 2,456.4 |
| Prepaid expenses and other current assets | 883.4 | 756.4 |
| Total current assets | 7,266.6 | 7,522.5 |
| Property, plant and equipment, net | 2,310.0 | 2,322.2 |
| Intangible assets, net | 15,270.5 | 14,447.8 |
| Goodwill | 9,984.7 | 9,231.9 |
| Deferred income tax benefit | 559.8 | 633.2 |
| Other assets | 427.3 | 568.6 |
| Total assets | $ 35,818.9 | $ 34,726.2 |
| | | |
| **LIABILITIES AND EQUITY** | | |
| Liabilities | | |
| Current liabilities: | | |
| Trade accounts payable | $ 1,276.1 | $ 1,348.1 |
| Short-term borrowings | — | 46.4 |
| Income taxes payable | 14.8 | 97.7 |
| Current portion of long-term debt and other long-term obligations | 793.0 | 290.0 |
| Other current liabilities | 2,900.1 | 3,258.5 |
| Total current liabilities | 4,984.0 | 5,040.7 |
| Long-term debt | 13,992.4 | 15,202.9 |
| Deferred income tax liability | 2,138.4 | 2,006.4 |
| Other long-term obligations | 1,412.5 | 1,358.6 |
| Total liabilities | 22,527.3 | 23,608.6 |
| Equity | | |
| Mylan N.V. shareholders' equity | | |
| Ordinary shares — nominal value €0.01 per ordinary share | | |
| Shares authorized: 1,200,000,000 | | |
| Shares issued: 537,660,870 and 536,639,291 as of September 30, 2017 and December 31, 2016 | 6.0 | 6.0 |
| Additional paid-in capital | 8,570.5 | 8,499.3 |
| Retained earnings | 5,393.8 | 4,942.1 |
| Accumulated other comprehensive loss | (611.2) | (2,263.7) |
| | 13,359.1 | 11,183.7 |
| Noncontrolling interest | — | 1.4 |
| Less: Treasury stock — at cost | | |
| Ordinary shares: 1,311,193 as of September 30, 2017 and December 31, 2016 | 67.5 | 67.5 |
| Total equity | 13,291.6 | 11,117.6 |
| Total liabilities and equity | $ 35,818.9 | $ 34,726.2 |

*See Notes to Condensed Consolidated Financial Statements*

**MYLAN N.V. AND SUBSIDIARIES**
**Condensed Consolidated Statements of Cash Flows**
(Unaudited; in millions)

| | Nine Months Ended September 30, | |
|---|---|---|
| | **2017** | **2016** |
| Cash flows from operating activities: | | |
| Net earnings | $ 451.7 | $ 62.5 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,279.8 | 1,046.4 |
| Share-based compensation expense | 64.2 | 71.1 |
| Deferred income tax expense (benefit) | 17.4 | (356.6) |
| Loss from equity method investments | 77.2 | 85.5 |
| Other non-cash items | 265.4 | 226.1 |
| Litigation settlements and other contingencies, net | (45.2) | 558.6 |
| Write off of financing fees | — | 35.8 |
| Unrealized losses on acquisition-related foreign currency derivatives | — | 128.6 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 216.2 | 183.3 |
| Inventories | (87.9) | (336.7) |
| Trade accounts payable | (187.4) | (45.0) |
| Income taxes | (149.3) | 51.3 |
| Other operating assets and liabilities, net | (332.8) | (13.2) |
| Net cash provided by operating activities | 1,569.3 | 1,697.7 |
| Cash flows from investing activities: | | |
| Cash paid for acquisitions, net | (71.6) | (6,151.7) |
| Capital expenditures | (156.4) | (239.5) |
| Proceeds from the sale of assets | 31.1 | — |
| Change in restricted cash | 12.6 | (50.5) |
| Purchase of marketable securities | (8.9) | (22.8) |
| Proceeds from the sale of marketable securities | 8.9 | 15.8 |
| Cash paid for Meda's unconditional deferred payment | — | (308.0) |
| Settlement of acquisition-related foreign currency derivatives | — | (128.6) |
| Payments for product rights and other, net | (558.8) | (196.3) |
| Net cash used in investing activities | (743.1) | (7,081.6) |
| Cash flows from financing activities: | | |
| Payments of long-term debt | (1,747.3) | (1,067.0) |
| Change in short-term borrowings, net | (48.3) | 48.6 |
| Taxes paid related to net share settlement of equity awards | (7.4) | (12.9) |
| Contingent consideration payments | (10.1) | (15.5) |
| Payments of financing fees | (8.7) | (95.3) |
| Proceeds from issuance of long-term debt | 555.8 | 6,519.8 |
| Proceeds from exercise of stock options | 12.8 | 11.1 |
| Acquisition of noncontrolling interest | — | (1.0) |
| Other items, net | (0.7) | 1.6 |
| Net cash (used in) provided by financing activities | (1,253.9) | 5,389.4 |
| Effect on cash of changes in exchange rates | 43.8 | 15.1 |
| Net (decrease) increase in cash and cash equivalents | (383.9) | 20.6 |
| Cash and cash equivalents — beginning of period | 998.8 | 1,236.0 |
| Cash and cash equivalents — end of period | $ 614.9 | $ 1,256.6 |

*See Notes to Condensed Consolidated Financial Statements*

**MYLAN N.V. AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

## 1. General

The accompanying unaudited Condensed Consolidated Financial Statements ("interim financial statements") of Mylan N.V. and subsidiaries ("Mylan" or the "Company") were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") for reporting on Form 10-Q; therefore, as permitted under these rules, certain footnotes and other financial information included in audited financial statements were condensed or omitted. The interim financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the interim results of operations, comprehensive earnings, financial position and cash flows for the periods presented.

These interim financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto in Mylan N.V.'s Annual Report on Form 10-K for the year ended December 31, 2016, as amended. The December 31, 2016 Condensed Consolidated Balance Sheet was derived from audited financial statements.

The interim results of operations and comprehensive earnings for the three and nine months ended September 30, 2017 and cash flows for the nine months ended September 30, 2017 are not necessarily indicative of the results to be expected for the full fiscal year or any other future period.

## 2. Revenue Recognition and Accounts Receivable

The Company recognizes net sales when title and risk of loss pass to its customers and when provisions for estimates, including discounts, sales allowances, price adjustments, returns, chargebacks and other promotional programs are reasonably determinable.

Accounts receivable are presented net of allowances relating to these provisions. No significant revisions were made to the methodology used in determining these provisions or the nature of the provisions during the nine months ended September 30, 2017. Such allowances were $1.92 billion and $2.05 billion at September 30, 2017 and December 31, 2016, respectively. Other current liabilities include $808.9 million and $809.0 million at September 30, 2017 and December 31, 2016, respectively, for certain sales allowances and other adjustments that are settled in cash.

Accounts receivable, net was comprised of the following at September 30, 2017 and December 31, 2016, respectively:

| *(In millions)* | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Trade receivables, net | $ 2,822.6 | $ 3,015.4 |
| Other receivables | 397.6 | 295.5 |
| **Accounts receivable, net** | $ 3,220.2 | $ 3,310.9 |

Through its wholly owned subsidiary Mylan Pharmaceuticals Inc. ("MPI"), the Company has access to a $400 million accounts receivable securitization facility (the "Receivables Facility"). The receivables underlying any borrowings are included in accounts receivable, net, in the Condensed Consolidated Balance Sheets. There were $785.6 million and $1.13 billion of securitized accounts receivable at September 30, 2017 and December 31, 2016, respectively.

## 3. Recent Accounting Pronouncements

In August 2017, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The objective of this update is to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. The amendments in this update also make certain targeted improvements to simplify the application of the hedge accounting guidance in current U.S. GAAP based on feedback received from preparers, auditors, users, and other stakeholders. This guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, with early adoption permitted, including adoption in any interim period. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

In May 2017, the FASB issued Accounting Standards Update 2017-09, *Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting* ("ASU 2017-09"), which amends the scope of modification accounting for share-based payment arrangements. ASU 2017-09 provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting under Accounting Standards Codification 718. Specifically, an entity would not apply modification accounting if the fair value, vesting conditions and classification of the awards are the same immediately before and after the modification. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted, including adoption in any interim period. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

In March 2017, the FASB issued Accounting Standards Update 2017-07, *Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, which requires companies to disaggregate the service cost component from the other components of net benefit cost and disclose the amount of net benefit cost that is included in the income statement or capitalized in assets, by line item. This guidance requires companies to report the service cost component in the same line item(s) as other compensation costs and to report other pension-related costs (which include interest costs, amortization of pension-related costs from prior periods and gains or losses on plan assets) separately and exclude them from the subtotal of operating income. This guidance also allows only the service cost component to be eligible for capitalization when applicable. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. This guidance should be applied retrospectively for the presentation of the service cost component and the other components of net periodic pension cost and net periodic postretirement benefit cost in the income statement and prospectively, on and after the effective date, for the capitalization of the service cost component of net periodic pension cost and net periodic postretirement benefit in assets. The update allows a practical expedient that permits a company to use the amounts disclosed in its pension and other postretirement plan note for the prior comparative periods as the estimation basis for applying the retrospective presentation requirements. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

In January 2017, the FASB issued Accounting Standards Update 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"), which simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test which previously required measurement of any goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Under ASU 2017-04, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying value and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; without exceeding the total amount of goodwill allocated to that reporting unit. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The Company has elected to early adopt this guidance as of January 1, 2017 and is applying it on a prospective basis. The adoption did not have a material impact on its condensed consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update 2017-01, *Business Combinations (Topic 805) Clarifying the Definition of a Business*, which narrows the definition of a business and requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, which would not constitute the acquisition of a business. The guidance also requires a business to include at least one substantive process and narrows the definition of outputs. This guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. The Company has elected to early adopt this guidance as of January 1, 2017 and will apply it on a prospective basis. The adoption did not have a material impact on its condensed consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update 2016-09, *Compensation - Stock Compensation (Topic 718)* ("ASU 2016-09"), which simplifies the accounting for share-based compensation payments. The new standard requires all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) to be recognized as income tax expense or benefit on the income statement. The tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur. ASU 2016-09 also addresses the classification of excess tax benefits in the statement of cash flows. As required, the Company applied the provisions of ASU 2016-09 on a prospective basis as of January 1, 2017 and the adoption did not have a material impact on its condensed consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (updated with Accounting Standards Update 2015-14, 2016-08, 2016-10, 2016-12 and 2016-20), which revises accounting guidance on revenue recognition that will supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principal 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 December 15, 2017, and for interim periods within those fiscal years, and can be applied using a full retrospective or modified retrospective approach. The Company has substantially completed its review of revenue arrangements and currently is finalizing the quantification of any impact. Although the Company is continuing to assess the impact of the new standard, based upon its preliminary assessment, the Company believes that there may be arrangements under which the Company will recognize revenue earlier under the new standard, however such arrangements are not expected to be a significant part of the Company's operations. In addition, upon implementation there may be certain changes in the presentation of certain items, including changes related to the classification of certain costs in the consolidated statements of operations. The Company currently expects to adopt the standard using the modified retrospective approach.

## 4. Acquisitions and Other Transactions

### *Meda AB*

On February 10, 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 AB (publ.) ("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 kronor ("SEK" or "kr") 83.6 billion (based on a SEK/USD exchange rate of 8.4158) or $9.9 billion at announcement. On August 2, 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 July 29, 2016, and the Company declared the Offer unconditional. On August 5, 2016, settlement occurred with respect to the Meda shares duly tendered by July 29, 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 June 16, 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 August 23, 2016.

On November 1, 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. Mylan expects to pay an additional approximately $0.9 million plus interest to such former Meda shareholders and, in accordance with Swedish law, pay the fees of the arbitrators and costs of other parties to the compulsory acquisition proceeding. Mylan expects that the award will become final in mid-December 2017, at which time Mylan will cause the bank guarantee to be released, definitively concluding the compulsory acquisition proceeding. As of September 30, 2017, the Company continues to maintain the bank guarantee as required by Swedish law.

On August 5, 2016, the total purchase price was approximately $6.92 billion, net of cash acquired, which includes cash consideration paid of approximately $5.3 billion, the issuance of approximately 26.4 million Mylan N.V. ordinary shares

at a fair value of approximately $1.3 billion based on the closing price of the Company's ordinary shares on August 5, 2016, as reported by the NASDAQ Global Select Stock Market ("NASDAQ") and an assumed liability of approximately $431.0 million related to the November Offer and the compulsory acquisition proceeding for the non-tendered Meda shares. In accordance with U.S. GAAP, 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.

During the nine months ended September 30, 2017, adjustments were made to the preliminary purchase price 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)* | Preliminary Purchase Price Allocation as of December 31, 2016 [a] | Measurement Period Adjustments [b] | Purchase Price Allocation as of September 30, 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 December 31, 2016 Annual Report on Form 10-K, as amended.

(b) The measurement period adjustments recorded during the nine months ended September 30, 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 over-the-counter ("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 emerging markets, which includes countries in Africa, as well as countries throughout Asia and the Middle East, and is complemented by Mylan's 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 December 31, 2016.

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 as defined by U.S. GAAP. 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.

***Renaissance Topicals Business***

On June 15, 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 approximately 25 products, an active pipeline of approximately 25 products, and an established U.S. sales and marketing infrastructure targeting dermatologists. The Topicals Business also provided an integrated manufacturing and development platform. In accordance with U.S. GAAP, 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 U.S. GAAP 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 final resolution of the contingent consideration has not been completed at September 30, 2017. The $50 million contingent payment remains in escrow and is classified as restricted cash included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets at September 30, 2017 and December 31, 2016.

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)*** | | |
|---|---|---|
| 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 in-process research and development ("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 asset. The acquired IPR&D projects are in various stages of completion and the estimated costs to complete these projects total approximately $48 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 as defined by U.S. GAAP.

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. The acquisition did not have a material impact on a pro forma basis for the three and nine month periods ended September 30, 2016.

***Unaudited Pro Forma Financial Results***

The following table presents supplemental unaudited pro forma information for the acquisition of Meda, as if it had occurred on January 1, 2015. The unaudited pro forma results reflect 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 unaudited pro forma results do not include any anticipated synergies which may be achievable, or have been achieved, subsequent to the closing of the Meda transaction. Accordingly, the unaudited pro forma results are not necessarily indicative of the results that actually would have occurred had the acquisitions been completed on the stated dates above, nor are they indicative of the future operating results of Mylan N.V. and its subsidiaries.

| *(Unaudited, in millions, except per share amounts)* | Three Months Ended September 30, 2016 | Nine Months Ended September 30, 2016 |
|---|---|---|
| Total revenues | $ 3,168.6 | $ 9,008.2 |
| Net (loss) earnings | $ (111.4) | $ 132.0 |
| (Loss) earnings per ordinary share: | | |
| Basic | $ (0.21) | $ 0.25 |
| Diluted | $ (0.21) | $ 0.25 |
| Weighted average ordinary shares outstanding: | | |
| Basic | 533.9 | 526.9 |
| Diluted | 533.9 | 536.2 |

***Other Transactions***

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

On March 29, 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 June 2, 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 June 19, 2017, the Company completed the acquisition of a portfolio of four generic pharmaceutical products in the U.S. The acquisition price was $277.9 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 September 29, 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 October 3, 2017, the Company completed the acquisition of a U.S. based developer and manufacturer of active pharmaceutical ingredients (“API”) for approximately $189 million, which includes $15 million of contingent payments based

on the achievement of certain financial results of the acquired business following the closing of the transaction. The Company will account for this transaction as the acquisition of a business. Due to the limited time since the acquisition date and limitations on access to the financial information prior to the acquisition date, the initial accounting for the business combination was incomplete at November 6, 2017. As a result, the Company was unable to provide amounts recognized as of the acquisition date for major classes of assets and liabilities acquired resulting from the acquisition, including information related to contingencies and goodwill. The Company anticipates that the majority of the goodwill will be assigned to the North America and Rest of World segments and does not currently expect the goodwill recognized to be deductible for income tax purposes. The acquisition does not have a material impact on the Company's results of operations on a pro forma basis for the three and nine month periods ended September 30, 2017 and 2016.

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 December 31, 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. The Company does not expect that a material adjustment to this liability will be necessary upon closing of the transaction in early 2018.

## 5. 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, restricted stock 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. Since approval of the 2003 Plan, no further grants of stock options have been made under any other previous plan.

The following table summarizes stock option and SAR (together, "stock awards") activity:

| | Number of Shares Under Stock Awards | | Weighted Average Exercise Price per Share |
|---|---|---|---|
| Outstanding at December 31, 2016 | 7,699,441 | $ | 33.38 |
| Granted | 905,521 | | 42.93 |
| Exercised | (659,621) | | 19.62 |
| Forfeited | (381,659) | | 49.16 |
| Outstanding at September 30, 2017 | 7,563,682 | $ | 34.92 |
| Vested and expected to vest at September 30, 2017 | 7,314,174 | $ | 34.53 |
| Exercisable at September 30, 2017 | 5,707,402 | $ | 31.37 |

As of September 30, 2017, stock awards outstanding, stock awards vested and expected to vest, and stock awards exercisable had average remaining contractual terms of 5.7 years, 5.6 years and 4.7 years, respectively. Also, at September 30, 2017, stock awards outstanding, stock awards vested and expected to vest, and stock awards exercisable each had an aggregate intrinsic value of $36.6 million.

A summary of the status of the Company's nonvested restricted ordinary shares and restricted stock unit awards, including PSUs (collectively, "restricted stock awards"), as of September 30, 2017 and the changes during the nine months ended September 30, 2017 are presented below:

| | Number of Restricted Stock Awards | Weighted Average Grant-Date Fair Value per Share |
|---|---|---|
| Nonvested at December 31, 2016 | 5,667,830 | $ 42.46 |
| Granted | 1,402,907 | 44.04 |
| Released | (500,854) | 52.29 |
| Forfeited | (274,034) | 45.96 |
| Nonvested at September 30, 2017 | 6,295,849 | $ 41.88 |

As of September 30, 2017, the Company had $139.7 million of total unrecognized compensation expense, net of estimated forfeitures, related to all of its stock-based awards, which will be recognized over the remaining weighted average vesting period of 1.9 years. The total intrinsic value of stock awards exercised and restricted stock units released during the nine months ended September 30, 2017 and 2016 was $34.7 million and $49.1 million, respectively.

## 6. Pensions and Other Postretirement Benefits

*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 generally provided retirement benefits through defined contribution plans.

The Company also sponsors other postretirement benefit plans including plans that provide for postretirement supplemental medical coverage. Benefits from these plans are provided to employees and their spouses and dependents who meet various minimum age and service requirements. In addition, the Company sponsors other plans that provide for life insurance benefits and postretirement medical coverage for certain officers and management employees.

*Net Periodic Benefit Cost*

Components of net periodic benefit cost for the three and nine months ended September 30, 2017 and 2016 were as follows:

| | Pension and Other Postretirement Benefits | | | |
|---|---|---|---|---|
| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| *(In millions)* | 2017 | 2016 | 2017 | 2016 |
| Service cost | $ 5.0 | $ 4.8 | $ 15.1 | $ 12.6 |
| Interest cost | 3.7 | 2.8 | 11.2 | 5.7 |
| Expected return on plan assets | (3.5) | (3.0) | (10.6) | (7.0) |
| Amortization of prior service costs | 0.1 | 0.1 | 0.2 | 0.2 |
| Recognized net actuarial losses | 0.2 | 0.2 | 0.5 | 0.7 |
| Net periodic benefit cost | $ 5.5 | $ 4.9 | $ 16.4 | $ 12.2 |

The Company is making the minimum mandatory contributions to its U.S. defined benefit pension plans in the 2017 plan year. The Company expects to make total benefit payments of approximately $30.4 million from pension and postretirement benefit plans. The Company anticipates making contributions to pension and other postretirement benefit plans of approximately $30.2 million in 2017.

## 7. Balance Sheet Components

Selected balance sheet components consist of the following:

***Inventories***

| *(In millions)* | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Raw materials | $ 885.1 | $ 783.4 |
| Work in process | 381.0 | 436.0 |
| Finished goods | 1,282.0 | 1,237.0 |
| **Inventories** | $ 2,548.1 | $ 2,456.4 |

***Prepaid and other current assets***

| *(In millions)* | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Prepaid expenses | $ 153.6 | $ 169.1 |
| Restricted cash | 135.9 | 148.1 |
| Available-for-sale securities | 87.6 | 83.7 |
| Fair value of financial instruments | 82.5 | 62.2 |
| Trading securities | 32.7 | 29.6 |
| Other current assets | 391.1 | 263.7 |
| **Prepaid expenses and other current assets** | $ 883.4 | $ 756.4 |

Prepaid expenses consist primarily of prepaid rent, insurance and other individually insignificant items.

***Property, plant and equipment, net***

| *(In millions)* | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Machinery and equipment | $ 2,310.3 | $ 2,227.9 |
| Buildings and improvements | 1,175.5 | 1,106.5 |
| Construction in progress | 277.0 | 328.8 |
| Land and improvements | 146.9 | 144.7 |
| Gross property, plant and equipment | 3,909.7 | 3,807.9 |
| Accumulated depreciation | 1,599.7 | 1,485.7 |
| **Property, plant and equipment, net** | $ 2,310.0 | $ 2,322.2 |

***Other assets***

| *(In millions)* | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Equity method investments, clean energy investments | $ 274.8 | $ 320.6 |
| Equity method investments, Sagent Agila | — | 75.8 |
| Other long-term assets | 152.5 | 172.2 |
| **Other assets** | $ 427.3 | $ 568.6 |

***Trade accounts payable***

| *(In millions)* | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Accounts payable | $ 799.0 | $ 939.5 |
| Other payables | 477.1 | 408.6 |
| **Trade accounts payable** | $ 1,276.1 | $ 1,348.1 |

***Other current liabilities***

| *(In millions)* | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Accrued sales allowances | $ 808.9 | $ 809.0 |
| Legal and professional accruals, including litigation accruals | 473.7 | 720.4 |
| Payroll and employee benefit plan accruals | 373.4 | 409.8 |
| Contingent consideration | 119.4 | 256.9 |
| Accrued interest | 167.7 | 41.0 |
| Restructuring | 55.8 | 138.6 |
| Equity method investments, clean energy investments | 67.0 | 64.7 |
| Fair value of financial instruments | 10.1 | 15.3 |
| Compulsory acquisition proceeding | — | 70.2 |
| Other | 824.1 | 732.6 |
| **Other current liabilities** | $ 2,900.1 | $ 3,258.5 |

On March 31, 2017, the Company announced that Meridian Medical Technologies (“Meridian”), a Pfizer company that manufactures 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 U.S. Food and Drug Administration (“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 extends 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 September 30, 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)* | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Employee benefit liabilities | $ 432.9 | $ 396.7 |
| Contingent consideration | 351.7 | 307.7 |
| Equity method investments, clean energy investments | 264.8 | 302.3 |
| Tax contingencies | 247.7 | 239.3 |
| Other | 115.4 | 112.6 |
| **Other long-term obligations** | $ 1,412.5 | $ 1,358.6 |

## 8. Equity Method Investments

The Company has five equity method investments in limited liability companies that own refined coal production plants (the “clean energy investments”), who’s activities qualify for income tax credits under Section 45 of the U.S. Internal Revenue Code of 1986, as amended.

Since December 2013, 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 nine months ended September 30, 2017, the Company recognized a loss of $5.7 million as a component of net losses from equity method investments. Additionally, during the nine months ended September 30, 2017, the Company received a dividend payment of $8.4 million from Sagent Agila, which reduced the carrying value of the equity investment. In the second quarter of 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.

Summarized financial information, in the aggregate, for the Company's significant equity method investments on a 100% basis for the three and nine months ended September 30, 2017 and 2016 are as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| ***(In millions)*** | **2017** | **2016** | **2017** | **2016** |
| Total revenues | $ 129.3 | $ 170.0 | $ 352.0 | $ 418.2 |
| Gross loss | (2.4) | (3.0) | (8.8) | (3.8) |
| Operating and non-operating expense | 6.5 | 6.3 | 16.9 | 16.3 |
| Net loss | $ (8.9) | $ (9.3) | $ (25.7) | $ (20.1) |

The Company's net losses from its equity method investments includes amortization expense related to the excess of the cost basis of the Company's investment over the underlying assets of each individual investee. For the three months ended September 30, 2017 and 2016, the Company recognized net losses from equity method investments of $22.4 million and $29.7 million, respectively. For the nine months ended September 30, 2017 and 2016, the Company recognized net losses from equity method investments of $77.2 million and $85.5 million, respectively, which was recognized as a component of other expense, net in the Condensed Consolidated Statements of Operations. The Company recognizes the income tax credits and benefits from the clean energy investments as part of its provision for income taxes.

## 9. Earnings per Ordinary Share

Basic earnings per ordinary share is computed by dividing net earnings by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per ordinary share is computed by dividing net earnings 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 April 15, 2016, in connection with the expiration and settlement of the Company's equity classified warrants, the Company issued approximately 17.0 million Mylan N.V. ordinary shares. The dilutive impact of the warrants, prior to settlement, is included in the calculation of diluted earnings per ordinary share based upon the average market value of the Company's ordinary shares during the period as compared to the exercise price. For the nine months ended September 30, 2016, 6.6 million warrants were included in the calculation of diluted earnings per ordinary share.

Basic and diluted earnings per ordinary share are calculated as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(In millions, except per share amounts)* | 2017 | 2016 | 2017 | 2016 |
| **Basic earnings (numerator):** | | | | |
| Net earnings (loss) | $ 88.3 | $ (119.8) | $ 451.7 | $ 62.5 |
| **Shares (denominator):** | | | | |
| Weighted average ordinary shares outstanding | 535.2 | 523.6 | 534.9 | 505.9 |
| Basic earnings (loss) per ordinary share | $ 0.17 | $ (0.23) | $ 0.84 | $ 0.12 |
| **Diluted earnings (numerator):** | | | | |
| Net earnings (loss) | $ 88.3 | $ (119.8) | $ 451.7 | $ 62.5 |
| **Shares (denominator):** | | | | |
| Weighted average ordinary shares outstanding | 535.2 | 523.6 | 534.9 | 505.9 |
| Share-based awards and warrants | 1.8 | — | 2.1 | 9.3 |
| Total dilutive shares outstanding | 537.0 | 523.6 | 537.0 | 515.2 |
| Diluted earnings (loss) per ordinary share | $ 0.16 | $ (0.23) | $ 0.84 | $ 0.12 |

Additional stock awards and restricted stock awards were outstanding during the three and nine months ended September 30, 2017 and 2016, but were not included in the computation of diluted earnings per ordinary share for each respective period because the effect would be anti-dilutive. Excluded shares at September 30, 2017 include certain share-based compensation awards and restricted ordinary shares whose performance conditions had not been fully met. Such excluded shares and anti-dilutive awards represented 8.9 million shares and 8.6 million shares for the three and nine months ended September 30, 2017, respectively, and 13.9 million shares and 7.3 million shares for the three and nine months ended September 30, 2016, respectively.

## 10. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the nine months ended September 30, 2017 are as follows:

| *(In millions)* | North America Segment | Europe Segment | Rest of World Segment | Total |
|---|---|---|---|---|
| Balance at December 31, 2016: | | | | |
| Goodwill | $ 3,990.4 | $ 3,859.1 | $ 1,767.4 | $ 9,616.9 |
| Accumulated impairment losses | (385.0) | — | — | (385.0) |
| | 3,605.4 | 3,859.1 | 1,767.4 | 9,231.9 |
| Reclassifications [1] | (199.0) | 371.8 | (172.8) | — |
| Measurement period adjustments | — | 7.7 | — | 7.7 |
| Divestiture | — | (1.3) | — | (1.3) |
| Foreign currency translation | 52.9 | 614.6 | 78.9 | 746.4 |
| | $ 3,459.3 | $ 4,851.9 | $ 1,673.5 | $ 9,984.7 |
| Balance at September 30, 2017: | | | | |
| Goodwill | $ 3,844.3 | $ 4,851.9 | $ 1,673.5 | $ 10,369.7 |
| Accumulated impairment losses | (385.0) | — | — | (385.0) |
| | $ 3,459.3 | $ 4,851.9 | $ 1,673.5 | $ 9,984.7 |

[1] The reclassifications in the year-to-date period relate to the allocation of goodwill for the Meda acquisition.

Intangible assets consist of the following components at September 30, 2017 and December 31, 2016:

| *(In millions)* | Weighted Average Life (Years) | Original Cost | Accumulated Amortization | Net Book Value |
|---|---|---|---|---|
| **September 30, 2017** | | | | |
| Amortized intangible assets: | | | | |
| Product rights and licenses | 15 | $ 19,193.0 | $ 4,947.7 | $ 14,245.3 |
| Patents and technologies | 20 | 116.7 | 112.0 | 4.7 |
| Other [1] | 6 | 505.3 | 404.1 | 101.2 |
| | | 19,815.0 | 5,463.8 | 14,351.2 |
| In-process research and development | | 919.3 | — | 919.3 |
| | | $ 20,734.3 | $ 5,463.8 | $ 15,270.5 |
| **December 31, 2016** | | | | |
| Amortized intangible assets: | | | | |
| Product rights and licenses | 15 | $ 16,968.4 | $ 3,585.7 | $ 13,382.7 |
| Patents and technologies | 20 | 116.6 | 108.5 | 8.1 |
| Other [1] | 6 | 465.9 | 330.0 | 135.9 |
| | | 17,550.9 | 4,024.2 | 13,526.7 |
| In-process research and development | | 921.1 | — | 921.1 |
| | | $ 18,472.0 | $ 4,024.2 | $ 14,447.8 |

[1] Other intangible assets consist principally of customer lists, contractual rights and other contracts.

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

Inc.'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 March 28, 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 September 30, 2017, the Company has an IPR&D asset of $347.2 million and a related contingent consideration liability of $361.0 million. The Company performed an analysis and valuation of the IPR&D asset and the fair value of the related contingent consideration liability 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 September 30, 2017. Additionally, no fair value adjustment was required for the contingent consideration during the three months ended September 30, 2017. In the second quarter of 2017, a fair value adjustment was required for the contingent consideration liability resulting in a gain of approximately $88.1 million 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 determined based upon detailed valuations employing the income approach which utilized Level 3 inputs, as defined in Note 11 - *Financial Instruments and Risk Management*. 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.

During the three months ended June 30, 2017, the Company performed its annual impairment review of its IPR&D assets acquired as part of the Topicals Business and recorded an impairment charge in the amount of $13.0 million, which has been recorded as a component of amortization expense in the nine months ended September 30, 2017. The impairment charge resulted from the Company's updated estimate of the fair value of these assets, which was based upon updated forecasts and future development plans, compared with the assigned fair values as of the acquisition date, June 15, 2016. The fair value was determined based upon detailed valuations employing the income approach which utilized Level 3 inputs, as defined in Note 11 - *Financial Instruments and Risk Management*. These valuations reflect, among other things, the impact of changes to the development programs, the projected development and regulatory time frames and the current competitive environment. Changes in any of the Company's assumptions may result in a further reduction to the estimated fair values of these IPR&D assets and could result in additional future impairment charges.

The Company has performed its annual goodwill impairment test as of April 1, 2017 on a quantitative basis for its four reporting units, North America Generics, North America Specialty, Europe and Rest of World. As of the date of our annual impairment test, the allocation of the Company's total goodwill was as follows: North America Generics $2.89 billion, North America Specialty $0.35 billion, Europe $4.30 billion and Rest of World $1.79 billion. The fair value of the North America Generics, North America Specialty and Rest of World reporting units was substantially in excess of the respective unit's carrying value. For the Europe reporting unit, the estimated fair value exceeded its carrying value by approximately $800 million or 6%. The excess fair value over the carrying value declined from the prior year primarily as a result of an increase in the discount rate utilized in the income approach from 8.5% to 9.0% and an increase in the estimated tax rate from 22.0% to 24.0%. Additionally, the net assets acquired as part of the Meda acquisition, the majority of which were allocated to the Europe reporting unit, were included in the April 1, 2017 impairment test for the first time. As it relates to the income approach for the Europe reporting unit at April 1, 2017, the Company forecasted cash flows for the next 5 years. During the forecast period, the revenue compound annual growth rate was approximately 4%. A terminal value year was calculated with a 2.0% revenue growth rate applied. Under the market-based approach, we utilized an estimated range of market multiples of 9.0 to 10.5 times EBITDA plus a control premium of 15%. If all other assumptions are held constant, a reduction in the terminal value growth rate by 2.0% or an increase in discount rate by 1.5% would result in an impairment charge for the Europe reporting unit.

In estimating each reporting unit's fair value, the Company performed an extensive valuation analysis, utilizing both income and market-based approaches. The determination of the fair value of the reporting units requires the Company to make significant estimates and assumptions that affect the reporting unit's expected future cash flows. These estimates and assumptions, utilizing Level 3 inputs, primarily include, but are not limited to, market multiples, control premiums, the discount rate, terminal growth rates, operating income before 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 reporting units.

Amortization expense, which is classified primarily within cost of sales in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2017 and 2016 totaled:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(In millions)* | 2017 | 2016 | 2017 | 2016 |
| Intangible asset amortization expense | $ 369.4 | $ 364.3 | $ 1,065.6 | $ 852.9 |

Intangible asset amortization expense over the remainder of 2017 and for the years ended December 31, 2018 through 2021 is estimated to be as follows:

| *(In millions)* | |
|---|---|
| 2017 | $ 339 |
| 2018 | 1,341 |
| 2019 | 1,248 |
| 2020 | 1,129 |
| 2021 | 1,050 |

## 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 and interest rate risk.

***Foreign Currency Risk Management***

In order to manage certain foreign currency risks, 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 Condensed Consolidated Balance Sheets. Any gains or losses on the foreign exchange forward contracts are recognized in earnings in the period incurred in the Condensed 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 Condensed 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 Condensed Consolidated Statements of Operations.

During the nine months ended September 30, 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 nine months ended September 30, 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 Management***

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

*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 variability in future cash flows attributable to changes in interest rates or foreign currencies. 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 Condensed Consolidated Statements of Operations.

*Fair Value Hedging Relationships*

The Company's interest rate swaps designated as fair value hedges convert the fixed rate on a portion of the Company's fixed-rate senior notes to a variable rate. Any changes in the fair value of these derivative instruments, as well as the offsetting change in fair value of the portion of the fixed-rate debt being hedged, is included in interest expense.

The Company regularly reviews the creditworthiness of its financial counterparties and does not expect to incur a significant loss from the failure of any counterparties to perform under any agreements. The Company is not subject to any obligations to post collateral under derivative instrument contracts. 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 records all derivative instruments on a gross basis in the Condensed Consolidated Balance Sheets. Accordingly, there are no offsetting amounts that net assets against liabilities.

**The Effect of Derivative Instruments on the Condensed Consolidated Balance Sheets**
**Fair Values of Derivative Instruments**
**Derivatives Designated as Hedging Instruments**

| | Asset Derivatives | | | |
|---|---|---|---|---|
| | September 30, 2017 | | December 31, 2016 | |
| *(In millions)* | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| Interest rate swaps | Prepaid expenses and other current assets | $ 25.3 | Prepaid expenses and other current assets | $ 26.2 |
| Foreign currency forward contracts | Prepaid expenses and other current assets | 43.8 | Prepaid expenses and other current assets | 21.9 |
| **Total** | | $ 69.1 | | $ 48.1 |

## The Effect of Derivative Instruments on the Condensed Consolidated Balance Sheets
## Fair Values of Derivative Instruments
## Derivatives Not Designated as Hedging Instruments

| | Asset Derivatives | | | |
|---|---|---|---|---|
| | September 30, 2017 | | December 31, 2016 | |
| *(In millions)* | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| Foreign currency forward contracts | Prepaid expenses and other current assets | $ 13.4 | Prepaid expenses and other current assets | $ 14.0 |
| **Total** | | $ 13.4 | | $ 14.0 |

| | Liability Derivatives | | | |
|---|---|---|---|---|
| | September 30, 2017 | | December 31, 2016 | |
| *(In millions)* | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| Foreign currency forward contracts | Other current liabilities | $ 10.1 | Other current liabilities | $ 15.3 |
| **Total** | | $ 10.1 | | $ 15.3 |

## The Effect of Derivative Instruments on the Condensed Consolidated Statements of Operations
## Derivatives in Fair Value Hedging Relationships

| | | Amount of Gain (Loss) Recognized in Earnings on Derivatives | | | |
|---|---|---|---|---|---|
| | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| *(In millions)* | Location of Gain (Loss) Recognized in Earnings on Derivatives | 2017 | 2016 | 2017 | 2016 |
| Interest rate swaps | Interest expense | $ (2.5) | $ (9.7) | $ (1.0) | $ 30.2 |
| **Total** | | $ (2.5) | $ (9.7) | $ (1.0) | $ 30.2 |

| | | Amount of Gain (Loss) Recognized in Earnings on Hedged Items | | | |
|---|---|---|---|---|---|
| | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| *(In millions)* | Location of Gain (Loss) Recognized in Earnings on Hedged Items | 2017 | 2016 | 2017 | 2016 |
| 2023 Senior Notes (3.125% coupon) | Interest expense | $ 2.5 | $ 9.7 | $ 1.0 | $ (30.2) |
| **Total** | | $ 2.5 | $ 9.7 | $ 1.0 | $ (30.2) |

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

| | Amount of Gain (Loss) Recognized in AOCE (Net of Tax) on Derivative (Effective Portion) | | | |
|---|---|---|---|---|
| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| *(In millions)* | 2017 | 2016 | 2017 | 2016 |
| Foreign currency forward contracts | $ (8.8) | $ 2.9 | $ 7.5 | $ (16.3) |
| Interest rate swaps | (3.3) | (0.9) | (2.0) | (38.0) |
| **Total** | $ (12.1) | $ 2.0 | $ 5.5 | $ (54.3) |

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

| | Amount of Gain (Loss) Recognized in AOCE (Net of Tax) on Derivative (Effective Portion) | | | |
|---|---|---|---|---|
| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| *(In millions)* | 2017 | 2016 | 2017 | 2016 |
| Foreign currency borrowings and forward contracts | $ (72.1) | $ (8.1) | $ (203.2) | $ (8.1) |
| **Total** | $ (72.1) | $ (8.1) | $ (203.2) | $ (8.1) |

## The Effect of Derivative Instruments on the Condensed Consolidated Statements of Operations
## Derivatives in Cash Flow Hedging Relationships

| | | Amount of Gain (Loss) Reclassified from AOCE into Earnings (Effective Portion) | | | |
|---|---|---|---|---|---|
| | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| *(In millions)* | Location of Gain (Loss) Reclassified from AOCE into Earnings (Effective Portion) | 2017 | 2016 | 2017 | 2016 |
| Foreign currency forward contracts | Net sales | $ 2.0 | $ (10.7) | $ (3.8) | $ (34.2) |
| Interest rate swaps | Interest expense | (1.9) | (2.3) | (5.5) | (6.6) |
| **Total** | | $ 0.1 | $ (13.0) | $ (9.3) | $ (40.8) |

| | | Amount of Gain (Loss) Excluded from the Assessment of Hedge Effectiveness | | | |
|---|---|---|---|---|---|
| | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| *(In millions)* | Location of Gain (Loss) Excluded from the Assessment of Hedge Effectiveness | 2017 | 2016 | 2017 | 2016 |
| Foreign currency forward contracts | Other expense, net | $ 3.3 | $ 8.9 | $ 6.9 | $ 26.0 |
| **Total** | | $ 3.3 | $ 8.9 | $ 6.9 | $ 26.0 |

At September 30, 2017, the Company expects that approximately $11 million of pre-tax net gains on cash flow hedges will be reclassified from AOCE into earnings during the next twelve months.

## The Effect of Derivative Instruments on the Condensed Consolidated Statements of Operations
## Derivatives Not Designated as Hedging Instruments

| | | Amount of Gain (Loss) Recognized in Earnings on Derivatives | | | |
|---|---|---|---|---|---|
| | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| *(In millions)* | Location of Gain (Loss) Recognized in Earnings on Derivatives | 2017 | 2016 | 2017 | 2016 |
| Foreign currency option and forward contracts | Other expense, net | $ (43.0) | $ (36.8) | $ (60.1) | $ (98.3) |
| **Total** | | $ (43.0) | $ (36.8) | $ (60.1) | $ (98.3) |

***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.

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

| | September 30, 2017 | | | |
|---|---|---|---|---|
| ***(In millions)*** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Recurring fair value measurements** | | | | |
| **Financial Assets** | | | | |
| Cash equivalents: | | | | |
| Money market funds | $ 170.8 | $ — | $ — | $ 170.8 |
| Total cash equivalents | 170.8 | — | — | 170.8 |
| Trading securities: | | | | |
| Equity securities — exchange traded funds | 32.7 | — | — | 32.7 |
| Total trading securities | 32.7 | — | — | 32.7 |
| Available-for-sale fixed income investments: | | | | |
| Corporate bonds | — | 17.0 | — | 17.0 |
| U.S. Treasuries | — | 7.4 | — | 7.4 |
| Agency mortgage-backed securities | — | 4.3 | — | 4.3 |
| Asset backed securities | — | 1.9 | — | 1.9 |
| Other | — | 1.7 | — | 1.7 |
| Total available-for-sale fixed income investments | — | 32.3 | — | 32.3 |
| Available-for-sale equity securities: | | | | |
| Marketable securities | 55.3 | — | — | 55.3 |
| Total available-for-sale equity securities | 55.3 | — | — | 55.3 |
| Foreign exchange derivative assets | — | 57.2 | — | 57.2 |
| Interest rate swap derivative assets | — | 25.3 | — | 25.3 |
| Total assets at recurring fair value measurement | $ 258.8 | $ 114.8 | $ — | $ 373.6 |
| **Financial Liabilities** | | | | |
| Foreign exchange derivative liabilities | $ — | $ 10.1 | $ — | $ 10.1 |
| Contingent consideration | — | — | 471.1 | 471.1 |
| Total liabilities at recurring fair value measurement | $ — | $ 10.1 | $ 471.1 | $ 481.2 |

| | December 31, 2016 | | | |
|---|---|---|---|---|
| *(In millions)* | 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 |

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 prices from broker or dealer quotations or transparent pricing sources at the reporting date.
- *Available-for-sale fixed income investments* — valued at the quoted market prices 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.
- *Foreign exchange derivative assets and liabilities* — valued using quoted forward foreign exchange prices and spot rates at the reporting date. Counterparties to these contracts are highly rated financial institutions.
- *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.

*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 respiratory delivery platform, the acquisition of Agila Specialties Private Limited ("Agila"), the acquisition of certain female healthcare businesses from Famy Care Limited (such businesses "Jai Pharma Limited"), the acquisition of the Topicals Business and certain other acquisitions. The measurement is calculated using unobservable inputs based on the Company's own assumptions. For the respiratory delivery platform, Jai Pharma Limited, the Topicals Business and certain other acquisitions, 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 share payments occur which are discounted using a market rate of return. At September 30, 2017 and December 31, 2016, discount rates ranging from 0.5% to 10.0% were utilized in the valuations. Significant changes in unobservable inputs could result in material changes to the contingent consideration liability.

A rollforward of the activity in the Company's fair value of contingent consideration from December 31, 2016 to September 30, 2017 is as follows:

| *(In millions)* | Current Portion [1] | Long-Term Portion [2] | Total Contingent Consideration |
|---|---|---|---|
| **Balance at December 31, 2016** | $ 256.9 | $ 307.7 | $ 564.6 |
| Payments | (36.1) | (0.2) | (36.3) |
| Reclassifications | (38.5) | 38.5 | — |
| Accretion | — | 20.8 | 20.8 |
| Fair value adjustments [3] | (62.9) | (15.1) | (78.0) |
| **Balance at September 30, 2017** | $ 119.4 | $ 351.7 | $ 471.1 |

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

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

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

***2017 Significant Changes to Contingent Consideration:*** During the nine months ended September 30, 2017, the Company recorded a fair value gain of $88.1 million related to the respiratory delivery platform contingent consideration offset by a fair value loss of $9.9 million related to Jai Pharma Limited contingent consideration. In addition, the Company made payments of approximately $12.5 million related to the Agila contingent consideration and payments of approximately $20.0 million related to the Jai Pharma Limited contingent consideration.

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

## 12. Debt

### *Long-Term Debt*

A summary of long-term debt is as follows:

| *(In millions)* | Interest Rate as of September 30, 2017 | September 30, 2017 | December 31, 2016 |
|---|---|---|---|
| **Current portion of long-term debt:** | | | |
| Meda 2.0kr billion Term Loan | | $ — | $ 219.6 |
| 2018 Senior Notes * | 2.600% | 649.8 | — |
| Meda Medium Term Notes due 2018 | 2.356% | 72.2 | — |
| Other | | 2.2 | 3.7 |
| Deferred financing fees | | (1.4) | — |
| Current portion of long-term debt | | $ 722.8 | $ 223.3 |
| | | | |
| **Non-current portion of long-term debt:** | | | |
| 2016 Term Loans due 2019[a] ** | 2.610% | $ 100.0 | $ 1,600.0 |
| Meda Medium Term Notes due 2019 | 1.173% | 91.4 | 146.4 |
| 2018 Floating Rate Euro Notes[b] ** | 0.541% | 590.7 | 526.0 |
| 2018 Senior Notes * | 2.600% | — | 649.6 |
| 2018 Senior Notes ** | 3.000% | 499.7 | 499.6 |
| 2019 Senior Notes ** | 2.500% | 999.4 | 999.1 |
| 2019 Senior Notes * | 2.550% | 499.6 | 499.5 |
| 2020 Floating Rate Euro Notes[c] ** | 0.172% | 590.7 | — |
| 2020 Euro Senior Notes ** | 1.250% | 883.1 | 785.7 |
| 2020 Senior Notes ** | 3.750% | 499.9 | 499.9 |
| 2021 Senior Notes ** | 3.150% | 2,248.0 | 2,247.7 |
| 2023 Senior Notes * | 3.125% | 774.4 | 775.3 |
| 2023 Senior Notes * | 4.200% | 498.7 | 498.6 |
| 2024 Euro Senior Notes ** | 2.250% | 1,178.6 | 1,049.2 |
| 2026 Senior Notes ** | 3.950% | 2,234.6 | 2,233.5 |
| 2028 Euro Senior Notes ** | 3.125% | 877.7 | 781.1 |
| 2043 Senior Notes * | 5.400% | 497.1 | 497.0 |
| 2046 Senior Notes ** | 5.250% | 999.8 | 999.8 |
| Other | | 7.2 | 7.1 |
| Deferred financing fees | | (78.2) | (92.2) |
| Long-term debt | | $ 13,992.4 | $ 15,202.9 |

(a) The 2016 Term Loans bear interest at LIBOR plus a base rate, which margins can fluctuate based on the Company's credit ratings. The Company voluntarily prepaid $400 million of the aggregate principal amount of the 2016 Term Loans in the fourth quarter of 2016. An additional $1.50 billion was voluntarily prepaid during the nine months ended September 30, 2017 utilizing proceeds from the issuance of the 2020 Floating Rate Euro Notes and cash on-hand.

(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.

For additional information, see Note 8 *Debt* in Mylan N.V.'s Annual Report filed on Form 10-K for the year ended December 31, 2016, as amended.

***Commercial Paper Program***

On June 8, 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 pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended. For additional information, see Note 12 *Debt* in the Company's Quarterly Report filed on Form 10-Q for the quarter ended June 30, 2017. At September 30, 2017, the Company had no amounts outstanding under the CP program.

***2016 Revolving Facility, Receivables Facility and 2016 Term Facility***

At September 30, 2017 and December 31, 2016, the Company had no amounts outstanding under the $2.0 billion revolving credit facility (the "2016 Revolving Facility") and had no short-term borrowings under the $400 million Receivables Facility in the Condensed Consolidated Balance Sheets. At September 30, 2017, the Company had $100 million outstanding under the $2.0 billion term credit facility (the "2016 Term Facility"). For additional information, see Note 8 *Debt* in the Company's Annual Report filed on Form 10-K for the year ended December 31, 2016, as amended.

The 2016 Term Facility and 2016 Revolving Facility contain a maximum consolidated leverage ratio financial covenant requiring maintenance of a maximum 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"). The Company is in compliance at September 30, 2017.

Following the Meda acquisition (a qualifying acquisition), the leverage ratio changed to 4.25 to 1.00 through June 30, 2017. On November 3, 2017, the Company entered into amendments to the agreements for the 2016 Term Facility and 2016 Revolving Facility to extend the leverage ratio covenant of 4.25 to 1.00 through the December 31, 2018 reporting period. The Company expects to remain in compliance for the next twelve months.

***Euro Notes***

On May 24, 2017, the Company completed its offering of €500 million aggregate principal amount of 2020 Floating Rate Euro Notes. For additional information, see Note 12 *Debt* in the Company's Quarterly Report filed on Form 10-Q for the quarter ended June 30, 2017.

During the nine months ended September 30, 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 $64.8 million, $36.2 million, $97.1 million, $129.5 million and $97.1 million, respectively. Refer to Note 11 *Financial Instruments and Risk Management* for further discussion of the foreign currency risk management of these instruments.

***Fair Value***

At September 30, 2017 and December 31, 2016, the fair value of the Company's 2.600% Senior Notes due 2018, 3.000% Senior Notes due 2018, 2.500% Senior Notes due 2019, 2.550% Senior Notes due 2019, 3.750% Senior Notes due 2020, 3.150% Senior Notes due 2021, 3.125% Senior Notes due 2023, 4.200% Senior Notes due 2023, 3.950% Senior Notes due 2026, 5.400% Senior Notes due 2043 and 5.250% Senior Notes due 2046 (collectively, the "Senior Notes"), 1.250% Euro Senior Notes due 2020, 2.250% Euro Senior Notes due in 2024, 3.125% Euro Senior Notes due in 2028, 2018 Floating Rate Euro Notes and 2020 Floating Rate Euro Notes (collectively, the "Euro Notes") was approximately $15.0 billion and $13.2 billion, respectively. The fair values of the Senior Notes and Euro 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 of similar debt issues, the fair values of the Company's 2016 Term Loans and the Meda borrowings, determined based on Level 2 inputs, approximate their carrying values at September 30, 2017 and December 31, 2016.

Mandatory minimum repayments remaining on the notional amount of outstanding long-term debt at September 30, 2017 are as follows for each of the periods ending December 31:

| *(In millions)* | Total |
|---|---|
| 2017 | $ — |
| 2018 | 1,813 |
| 2019 | 1,691 |
| 2020 | 1,977 |
| 2021 | 2,250 |
| Thereafter | 7,068 |
| Total | $ 14,799 |

## 13. Comprehensive Earnings

Accumulated other comprehensive loss, as reflected on the Condensed Consolidated Balance Sheets, is comprised of the following:

| *(In millions)* | September 30, 2017 | December 31, 2016 |
|---|---|---|
| Accumulated other comprehensive loss: | | |
| Net unrealized gain on marketable securities, net of tax | $ 16.6 | $ 14.5 |
| Net unrecognized gains (losses) and prior service cost related to defined benefit plans, net of tax | 1.4 | (0.5) |
| Net unrecognized losses on derivatives in cash flow hedging relationships, net of tax | (18.8) | (38.6) |
| Net unrecognized losses on derivatives in net investment hedging relationships, net of tax | (204.6) | (1.4) |
| Foreign currency translation adjustment | (405.8) | (2,237.7) |
| | $ (611.2) | $ (2,263.7) |

Components of accumulated other comprehensive loss, before tax, consist of the following, for the three and nine months ended September 30, 2017 and 2016:

| | Three Months Ended September 30, 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)* | Foreign Currency Forward Contracts | Interest Rate Swaps | Total | | | | | |
| Balance at June 30, 2017, net of tax | | | $ (17.1) | $ (132.5) | $ 22.3 | $ 0.5 | $ (828.8) | $ (955.6) |
| Other comprehensive (loss) earnings before reclassifications, before tax | | | (4.4) | (72.1) | (8.9) | 0.8 | 423.0 | 338.4 |
| Amounts reclassified from accumulated other comprehensive earnings (loss), before tax: | | | | | | | | |
| Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales | (2.0) | | (2.0) | | | | | (2.0) |
| Gain on interest rate swaps classified as cash flow hedges, included in interest expense | | 1.9 | 1.9 | | | | | 1.9 |
| Amortization of prior service costs included in SG&A | | | | | | 0.1 | | 0.1 |
| Amortization of actuarial loss included in SG&A | | | | | | 0.2 | | 0.2 |
| Net other comprehensive (loss) earnings, before tax | | | (4.5) | (72.1) | (8.9) | 1.1 | 423.0 | 338.6 |
| Income tax (benefit) provision | | | (2.8) | — | (3.2) | 0.2 | — | (5.8) |
| Balance at September 30, 2017, net of tax | | | $ (18.8) | $ (204.6) | $ 16.6 | $ 1.4 | $ (405.8) | $ (611.2) |

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

| | Nine Months Ended September 30, 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)* | Foreign Currency Forward Contracts | Interest Rate Swaps | Total | | | | | |
| Balance at December 31, 2016, net of tax | | | $ (38.6) | $ (1.4) | $ 14.5 | $ (0.5) | $ (2,237.7) | $ (2,263.7) |
| Other comprehensive earnings (loss) before reclassifications, before tax | | | 19.9 | (203.2) | 3.5 | 1.7 | 1,831.9 | 1,653.8 |
| 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 | 3.8 | | 3.8 | | | | | 3.8 |
| Gain on interest rate swaps classified as cash flow hedges, included in interest expense | | 5.5 | 5.5 | | | | | 5.5 |
| Amortization of prior service costs included in SG&A | | | | | | 0.2 | | 0.2 |
| Amortization of actuarial loss included in SG&A | | | | | | 0.5 | | 0.5 |
| Net other comprehensive earnings (loss), before tax | | | 29.2 | (203.2) | 3.5 | 2.4 | 1,831.9 | 1,663.8 |
| Income tax provision | | | 9.4 | — | 1.4 | 0.5 | — | 11.3 |
| Balance at September 30, 2017, net of tax | | | $ (18.8) | $ (204.6) | $ 16.6 | $ 1.4 | $ (405.8) | $ (611.2) |

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

| | Three Months Ended September 30, 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)* | Foreign Currency Forward Contracts | Interest Rate Swaps | Total | | | | | |
| Balance at June 30, 2016, net of tax | | | $ (46.7) | $ — | $ 6.0 | $ (15.2) | $ (1,375.4) | $ (1,431.3) |
| Other comprehensive earnings (loss) before reclassifications, before tax | | | 9.8 | (10.4) | 21.5 | (0.2) | 290.6 | 311.3 |
| 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 | 10.7 | | 10.7 | | | | | 10.7 |
| Gain on interest rate swaps classified as cash flow hedges, included in interest expense | | 2.3 | 2.3 | | | | | 2.3 |
| Amortization of prior service costs included in SG&A | | | | | | — | | — |
| Amortization of actuarial gain included in SG&A | | | | | | 0.3 | | 0.3 |
| Net other comprehensive earnings (loss), before tax | | | 22.8 | (10.4) | 21.5 | 0.1 | 290.6 | 324.6 |
| Income tax provision (benefit) | | | 8.0 | (2.3) | 8.0 | — | — | 13.7 |
| Balance at September 30, 2016, net of tax | | | $ (31.9) | $ (8.1) | $ 19.5 | $ (15.1) | $ (1,084.8) | $ (1,120.4) |

| | Nine Months Ended September 30, 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)* | Foreign Currency Forward Contracts | Interest Rate Swaps | Total | | | | | |
| Balance at December 31, 2015, net of tax | | | $ (18.1) | $ — | $ (1.0) | $ (14.9) | $ (1,730.3) | $ (1,764.3) |
| Other comprehensive (loss) earnings before reclassifications, before tax | | | (63.7) | (10.4) | 32.5 | (1.2) | 645.5 | 602.7 |
| 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 | 34.2 | | 34.2 | | | | | 34.2 |
| Gain on interest rate swaps classified as cash flow hedges, included in interest expense | | 6.6 | 6.6 | | | | | 6.6 |
| Amortization of prior service costs included in SG&A | | | | | | 0.2 | | 0.2 |
| Amortization of actuarial gain included in SG&A | | | | | | 0.7 | | 0.7 |
| Net other comprehensive (loss) earnings, before tax | | | (22.9) | (10.4) | 32.5 | (0.3) | 645.5 | 644.4 |
| Income tax (benefit) provision | | | (9.1) | (2.3) | 12.0 | (0.1) | — | 0.5 |
| Balance at September 30, 2016, net of tax | | | $ (31.9) | $ (8.1) | $ 19.5 | $ (15.1) | $ (1,084.8) | $ (1,120.4) |

## 14. Shareholders' Equity

A summary of the changes in shareholders' equity for the nine months ended September 30, 2017 and 2016 is as follows:

| *(In millions)* | Total Mylan N.V. Shareholders' Equity | Noncontrolling Interest | Total |
|---|---|---|---|
| December 31, 2016 | $ 11,116.2 | $ 1.4 | $ 11,117.6 |
| Net earnings | 451.7 | — | 451.7 |
| Other comprehensive earnings, net of tax | 1,652.5 | — | 1,652.5 |
| Stock option activity | 12.8 | — | 12.8 |
| Share-based compensation expense | 64.2 | — | 64.2 |
| Issuance of restricted stock, net of shares withheld | (5.8) | — | (5.8) |
| Other | — | (1.4) | (1.4) |
| September 30, 2017 | $ 13,291.6 | $ — | $ 13,291.6 |

| *(In millions)* | Total Mylan N.V. Shareholders' Equity | Noncontrolling Interest | Total |
|---|---|---|---|
| December 31, 2015 | $ 9,764.4 | $ 1.4 | $ 9,765.8 |
| Net earnings | 62.5 | — | 62.5 |
| Other comprehensive earnings, net of tax | 643.9 | — | 643.9 |
| Stock option activity | 11.1 | — | 11.1 |
| Share-based compensation expense | 71.1 | — | 71.1 |
| Issuance of restricted stock, net of shares withheld | (9.6) | — | (9.6) |
| Tax benefit of stock option plans | 2.2 | — | 2.2 |
| Issuance of ordinary shares to purchase Meda | 1,281.7 | — | 1,281.7 |
| Other | — | 0.1 | 0.1 |
| September 30, 2016 | $ 11,827.3 | $ 1.5 | $ 11,828.8 |

## 15. Segment Information

As a result of our acquisition of Meda and the integration of our portfolio across our branded, generics and OTC platforms in all of our regions, effective October 1, 2016, the Company expanded its reportable segments. The Company has three reportable segments on a geographic basis as follows: North America, Europe and Rest of World. Our North America segment is made up of our operations in the U.S. and Canada and includes the operations of our previously reported Specialty segment. Our Europe segment is made up of our operations in 35 countries within the region. Our Rest of World segment is primarily made up of our operations in India, Australia, Japan and New Zealand. Also included in our Rest of World segment are our operations in emerging markets, which include countries in Africa (including South Africa) as well as Brazil and other countries throughout Asia and the Middle East. Comparative segment financial information has been recast for prior periods to conform to this revised segment reporting.

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 selling, general and administrative (“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 Condensed 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 the “Summary of Significant Accounting Policies” included in Mylan N.V.’s Annual Report on Form 10-K for the year ended December 31, 2016, as amended. 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)* | North America | Europe | Rest of World | Corporate / Other | Consolidated |
|---|---|---|---|---|---|
| **Three Months Ended September 30, 2017** | | | | | |
| Third party net sales | $ 1,172.2 | $ 1,040.8 | $ 743.3 | $ — | $ 2,956.3 |
| Other revenue | 20.0 | 8.9 | 1.9 | — | 30.8 |
| Intersegment | 15.5 | 18.4 | 87.7 | (121.6) | — |
| Total | $ 1,207.7 | $ 1,068.1 | $ 832.9 | $ (121.6) | $ 2,987.1 |
| | | | | | |
| Segment profitability | $ 575.8 | $ 290.3 | $ 133.9 | $ (684.0) | $ 316.0 |
| | | | | | |
| **Nine Months Ended September 30, 2017** | | | | | |
| Third party net sales | $ 3,666.7 | $ 2,887.1 | $ 2,016.4 | $ — | $ 8,570.2 |
| Other revenue | 67.3 | 25.0 | 6.3 | — | 98.6 |
| Intersegment | 60.5 | 87.6 | 275.4 | (423.5) | — |
| Total | $ 3,794.5 | $ 2,999.7 | $ 2,298.1 | $ (423.5) | $ 8,668.8 |
| | | | | | |
| Segment profitability | $ 1,810.5 | $ 776.8 | $ 437.1 | $ (2,007.8) | $ 1,016.6 |

| *(In millions)* | North America | Europe | Rest of World | Corporate / Other | Consolidated |
|---|---|---|---|---|---|
| **Three Months Ended September 30, 2016** | | | | | |
| Third party net sales | $ 1,505.5 | $ 841.2 | $ 682.8 | $ — | $ 3,029.5 |
| Other revenue | 21.6 | 3.9 | 2.1 | — | 27.6 |
| Intersegment | 10.3 | 53.2 | 105.0 | (168.5) | — |
| Total | $ 1,537.4 | $ 898.3 | $ 789.9 | $ (168.5) | $ 3,057.1 |
| | | | | | |
| Segment profitability | $ 784.7 | $ 252.6 | $ 115.6 | $ (1,283.6) | $ (130.7) |
| | | | | | |
| **Nine Months Ended September 30, 2016** | | | | | |
| Third party net sales | $ 4,064.5 | $ 2,026.4 | $ 1,654.6 | $ — | $ 7,745.5 |
| Other revenue | 54.3 | 4.5 | 4.8 | — | 63.6 |
| Intersegment revenue | 24.5 | 104.0 | 291.9 | (420.4) | — |
| Total | $ 4,143.3 | $ 2,134.9 | $ 1,951.3 | $ (420.4) | $ 7,809.1 |
| | | | | | |
| Segment profitability | $ 2,141.2 | $ 495.1 | $ 221.5 | $ (2,472.0) | $ 385.8 |

## 16. Subsidiary Guarantors

The following tables present condensed consolidating financial information for (a) Mylan N.V., the issuer of the 3.000% Senior Notes due 2018, 2.500% Senior Notes due 2019, 3.750% Senior Notes due 2020, 3.150% Senior Notes due 2021, 3.950% Senior Notes due 2026 and 5.250% Senior Notes due 2046 (collectively, the "Mylan N.V. Senior Notes"), which are guaranteed on a senior unsecured basis by Mylan Inc.; (b) Mylan Inc., the issuer of the 2.600% Senior Notes due 2018, 2.550% Senior Notes due 2019, 3.125% Senior Notes due 2023, 4.200% Senior Notes due 2023 and 5.400% Senior Notes due 2043 (collectively, the "Mylan Inc. Senior Notes"), which are guaranteed on a senior unsecured basis by Mylan N.V.; and (c) all other subsidiaries of the Company on a combined basis, none of which guarantee the Mylan N.V. Senior Notes or guarantee the Mylan Inc. Senior Notes ("Non-Guarantor Subsidiaries"). The consolidating adjustments primarily relate to eliminations of investments in subsidiaries and intercompany balances and transactions. The condensed consolidating financial statements present investments in subsidiaries using the equity method of accounting.

The following financial information presents the unaudited Condensed Consolidating Statements of Operations for the three and nine months ended September 30, 2017 and 2016, the unaudited Condensed Consolidating Statements of Comprehensive Earnings for the three and nine months ended September 30, 2017 and 2016, the unaudited Condensed Consolidating Balance Sheets as of September 30, 2017 and December 31, 2016 and the unaudited Condensed Consolidating Statements of Cash Flows for the nine months ended September 30, 2017 and 2016. This unaudited condensed consolidating financial information has been prepared and presented in accordance with SEC Regulation S-X Rule 3-10 "Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered."

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
### Three Months Ended September 30, 2017

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Net sales | $ — | $ — | $ — | $ 2,956.3 | $ — | $ 2,956.3 |
| Other revenues | — | — | — | 30.8 | — | 30.8 |
| Total revenues | — | — | — | 2,987.1 | — | 2,987.1 |
| Cost of sales | — | — | — | 1,809.0 | — | 1,809.0 |
| Gross profit | — | — | — | 1,178.1 | — | 1,178.1 |
| Operating expenses: | | | | | | |
| Research and development | — | — | — | 182.3 | — | 182.3 |
| Selling, general and administrative | 6.5 | 184.3 | — | 473.8 | — | 664.6 |
| Litigation settlements and other contingencies, net | — | 17.0 | — | (1.8) | — | 15.2 |
| Total operating expenses | 6.5 | 201.3 | — | 654.3 | — | 862.1 |
| (Loss) earnings from operations | (6.5) | (201.3) | — | 523.8 | — | 316.0 |
| Interest expense | 93.3 | 26.7 | — | 11.8 | — | 131.8 |
| Other (income) expense, net | (122.3) | (44.7) | — | 171.6 | — | 4.6 |
| Earnings (loss) before income taxes | 22.5 | (183.3) | — | 340.4 | — | 179.6 |
| Income tax provision (benefit) | 2.4 | (0.6) | — | 89.5 | — | 91.3 |
| Earnings of equity interest subsidiaries | 68.2 | 129.9 | — | — | (198.1) | — |
| Net earnings (loss) | $ 88.3 | $ (52.8) | $ — | $ 250.9 | $ (198.1) | $ 88.3 |

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
## Nine Months Ended September 30, 2017

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Net sales | $ — | $ — | $ — | $ 8,570.2 | $ — | $ 8,570.2 |
| Other revenues | — | — | — | 98.6 | — | 98.6 |
| Total revenues | — | — | — | 8,668.8 | — | 8,668.8 |
| Cost of sales | — | — | — | 5,180.3 | — | 5,180.3 |
| Gross profit | — | — | — | 3,488.5 | — | 3,488.5 |
| Operating expenses: | | | | | | |
| Research and development | — | — | — | 580.9 | — | 580.9 |
| Selling, general and administrative | 32.4 | 477.6 | — | 1,406.8 | — | 1,916.8 |
| Litigation settlements and other contingencies, net | — | 17.0 | — | (42.8) | — | (25.8) |
| Total operating expenses | 32.4 | 494.6 | — | 1,944.9 | — | 2,471.9 |
| (Loss) earnings from operations | (32.4) | (494.6) | — | 1,543.6 | — | 1,016.6 |
| Interest expense | 285.6 | 77.8 | — | 42.9 | — | 406.3 |
| Other (income) expense, net | (331.3) | (161.5) | — | 527.2 | — | 34.4 |
| Earnings (loss) before income taxes | 13.3 | (410.9) | — | 973.5 | — | 575.9 |
| Income tax provision | 1.4 | 5.1 | — | 117.7 | — | 124.2 |
| Earnings of equity interest subsidiaries | 439.8 | 788.8 | — | — | (1,228.6) | — |
| Net earnings | $ 451.7 | $ 372.8 | $ — | $ 855.8 | $ (1,228.6) | $ 451.7 |

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
### Three Months Ended September 30, 2016

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Net sales | $ — | $ — | $ — | $ 3,029.5 | $ — | $ 3,029.5 |
| Other revenues | — | — | — | 27.6 | — | 27.6 |
| Total revenues | — | — | — | 3,057.1 | — | 3,057.1 |
| Cost of sales | — | — | — | 1,773.8 | — | 1,773.8 |
| Gross profit | — | — | — | 1,283.3 | — | 1,283.3 |
| Operating expenses: | | | | | | |
| Research and development | — | — | — | 199.1 | — | 199.1 |
| Selling, general and administrative | 43.1 | 134.0 | — | 479.8 | — | 656.9 |
| Litigation settlements and other contingencies, net | — | — | — | 558.0 | — | 558.0 |
| Total operating expenses | 43.1 | 134.0 | — | 1,236.9 | — | 1,414.0 |
| (Loss) earnings from operations | (43.1) | (134.0) | — | 46.4 | — | (130.7) |
| Interest expense | 70.7 | 40.9 | — | 32.8 | — | 144.4 |
| Other (income) expense, net | (31.4) | (102.7) | — | 184.3 | — | 50.2 |
| Loss from operations | (82.4) | (72.2) | — | (170.7) | — | (325.3) |
| Income tax provision (benefit) | — | 8.1 | — | (213.6) | — | (205.5) |
| (Loss) earnings of equity interest subsidiaries | (37.4) | 442.9 | — | — | (405.5) | — |
| Net (loss) earnings | $ (119.8) | $ 362.6 | $ — | $ 42.9 | $ (405.5) | $ (119.8) |

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
## Nine Months Ended September 30, 2016

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Net sales | $ — | $ — | $ — | $ 7,745.5 | $ — | $ 7,745.5 |
| Other revenues | — | — | — | 63.6 | — | 63.6 |
| Total revenues | — | — | — | 7,809.1 | — | 7,809.1 |
| Cost of sales | — | — | — | 4,447.1 | — | 4,447.1 |
| Gross profit | — | — | — | 3,362.0 | — | 3,362.0 |
| Operating expenses: | | | | | | |
| Research and development | — | — | — | 632.2 | — | 632.2 |
| Selling, general and administrative | 75.8 | 499.2 | — | 1,212.6 | — | 1,787.6 |
| Litigation settlements and other contingencies, net | — | — | — | 556.4 | — | 556.4 |
| Total operating expenses | 75.8 | 499.2 | — | 2,401.2 | — | 2,976.2 |
| (Loss) earnings from operations | (75.8) | (499.2) | — | 960.8 | — | 385.8 |
| Interest expense | 115.1 | 126.3 | — | 63.6 | — | 305.0 |
| Other expense (income), net | 53.6 | (305.7) | — | 436.1 | — | 184.0 |
| (Loss) earnings before income taxes | (244.5) | (319.8) | — | 461.1 | — | (103.2) |
| Income tax provision (benefit) | — | 22.1 | — | (187.8) | — | (165.7) |
| Earnings of equity interest subsidiaries | 307.0 | 1,055.7 | — | — | (1,362.7) | — |
| Net earnings | $ 62.5 | $ 713.8 | $ — | $ 648.9 | $ (1,362.7) | $ 62.5 |

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS
### Three Months Ended September 30, 2017

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Net earnings (loss) | $ 88.3 | $ (52.8) | $ — | $ 250.9 | $ (198.1) | $ 88.3 |
| Other comprehensive earnings (loss), before tax: | | | | | | |
| Foreign currency translation adjustment | 423.0 | — | — | 423.0 | (423.0) | 423.0 |
| Change in unrecognized gain and prior service cost related to defined benefit plans | 1.1 | 0.1 | — | 1.2 | (1.3) | 1.1 |
| Net unrecognized (loss) gain on derivatives in cash flow hedging relationships | (4.5) | 1.9 | — | (6.4) | 4.5 | (4.5) |
| Net unrecognized loss on derivatives in net investment hedging relationships | (72.1) | — | — | — | — | (72.1) |
| Net unrealized loss on marketable securities | (8.9) | (8.9) | — | — | 8.9 | (8.9) |
| Other comprehensive earnings (loss), before tax | 338.6 | (6.9) | — | 417.8 | (410.9) | 338.6 |
| Income tax (benefit) provision | (5.8) | 2.5 | — | (8.0) | 5.5 | (5.8) |
| Other comprehensive earnings (loss), net of tax | 344.4 | (9.4) | — | 425.8 | (416.4) | 344.4 |
| Comprehensive earnings (loss) | $ 432.7 | $ (62.2) | $ — | $ 676.7 | $ (614.5) | $ 432.7 |

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS
## Nine Months Ended September 30, 2017

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Net earnings | $ 451.7 | $ 372.8 | $ — | $ 855.8 | $ (1,228.6) | $ 451.7 |
| Other comprehensive earnings (loss), before tax: | | | | | | |
| Foreign currency translation adjustment | 1,831.9 | — | — | 1,831.9 | (1,831.9) | 1,831.9 |
| Change in unrecognized gain and prior service cost related to defined benefit plans | 2.4 | 0.3 | — | 2.1 | (2.4) | 2.4 |
| Net unrecognized gain on derivatives in cash flow hedging relationships | 29.2 | 5.5 | — | 23.7 | (29.2) | 29.2 |
| Net unrecognized loss on derivatives in net investment hedging relationships | (203.2) | — | — | — | — | (203.2) |
| Net unrealized gain (loss) on marketable securities | 3.5 | 3.7 | — | (0.2) | (3.5) | 3.5 |
| Other comprehensive earnings, before tax | 1,663.8 | 9.5 | — | 1,857.5 | (1,867.0) | 1,663.8 |
| Income tax provision (benefit) | 11.3 | (3.5) | — | 14.8 | (11.3) | 11.3 |
| Other comprehensive earnings, net of tax | 1,652.5 | 13.0 | — | 1,842.7 | (1,855.7) | 1,652.5 |
| Comprehensive earnings | $ 2,104.2 | $ 385.8 | $ — | $ 2,698.5 | $ (3,084.3) | $ 2,104.2 |

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS
### Three Months Ended September 30, 2016

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Net (loss) earnings | $ (119.8) | $ 362.6 | $ — | $ 42.9 | $ (405.5) | $ (119.8) |
| Other comprehensive earnings (loss), before tax: | | | | | | |
| Foreign currency translation adjustment | 290.6 | 1.5 | — | 289.0 | (290.5) | 290.6 |
| Change in unrecognized gain (loss) and prior service cost related to defined benefit plans | 0.1 | 0.2 | — | (0.1) | (0.1) | 0.1 |
| Net unrecognized gain on derivatives in cash flow hedging relationships | 22.8 | 2.3 | — | 20.5 | (22.8) | 22.8 |
| Net unrecognized loss on derivatives in net investment hedging relationships | (10.4) | — | — | (10.4) | 10.4 | (10.4) |
| Net unrealized gain (loss) on marketable securities | 21.5 | 21.5 | — | (0.1) | (21.4) | 21.5 |
| Other comprehensive earnings, before tax | 324.6 | 25.5 | — | 298.9 | (324.4) | 324.6 |
| Income tax provision | 13.7 | 8.7 | — | 3.9 | (12.6) | 13.7 |
| Other comprehensive earnings, net of tax | 310.9 | 16.8 | — | 295.0 | (311.8) | 310.9 |
| Comprehensive earnings | $ 191.1 | $ 379.4 | $ — | $ 337.9 | $ (717.3) | $ 191.1 |

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS
**Nine Months Ended September 30, 2016**

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Net earnings | $ 62.5 | $ 713.8 | $ — | $ 648.9 | $ (1,362.7) | $ 62.5 |
| Other comprehensive earnings (loss), before tax: | | | | | | |
| Foreign currency translation adjustment | 645.5 | — | — | 645.5 | (645.5) | 645.5 |
| Change in unrecognized (loss) gain and prior service cost related to defined benefit plans | (0.3) | 0.2 | — | (0.6) | 0.4 | (0.3) |
| Net unrecognized (loss) gain on derivatives in cash flow hedging relationships | (22.9) | (49.8) | — | 26.9 | 22.9 | (22.9) |
| Net unrealized loss on derivatives in net investment hedging relationships | (10.4) | — | — | (10.4) | 10.4 | (10.4) |
| Net unrealized gain on marketable securities | 32.5 | 31.5 | — | 0.9 | (32.4) | 32.5 |
| Other comprehensive earnings (loss), before tax | 644.4 | (18.1) | — | 662.3 | (644.2) | 644.4 |
| Income tax provision (benefit) | 0.5 | (6.8) | — | 6.3 | 0.5 | 0.5 |
| Other comprehensive earnings (loss), net of tax | 643.9 | (11.3) | — | 656.0 | (644.7) | 643.9 |
| Comprehensive earnings | $ 706.4 | $ 702.5 | $ — | $ 1,304.9 | $ (2,007.4) | $ 706.4 |

## UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
## As of September 30, 2017

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | $ — | $ 82.2 | $ — | $ 532.7 | $ — | $ 614.9 |
| Accounts receivable, net | — | 4.8 | — | 3,215.4 | — | 3,220.2 |
| Inventories | — | — | — | 2,548.1 | — | 2,548.1 |
| Intercompany receivables | 329.2 | 447.8 | — | 12,224.7 | (13,001.7) | — |
| Prepaid expenses and other current assets | 9.9 | 250.4 | — | 623.1 | — | 883.4 |
| Total current assets | 339.1 | 785.2 | — | 19,144.0 | (13,001.7) | 7,266.6 |
| Property, plant and equipment, net | — | 300.7 | — | 2,009.3 | — | 2,310.0 |
| Investments in subsidiaries | 19,248.7 | 10,991.2 | — | — | (30,239.9) | — |
| Intercompany notes and interest receivable | 7,832.5 | 10,156.1 | — | 1,722.6 | (19,711.2) | — |
| Intangible assets, net | — | — | — | 15,270.5 | — | 15,270.5 |
| Goodwill | — | 17.1 | — | 9,967.6 | — | 9,984.7 |
| Other assets | 4.4 | 91.5 | — | 891.2 | — | 987.1 |
| Total assets | $ 27,424.7 | $ 22,341.8 | $ — | $ 49,005.2 | $ (62,952.8) | $ 35,818.9 |
| | | | | | | |
| **LIABILITIES AND EQUITY** | | | | | | |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Trade accounts payable | $ — | $ 36.3 | $ — | $ 1,239.8 | $ — | $ 1,276.1 |
| Short-term borrowings | — | — | — | — | — | — |
| Income taxes payable | — | 3.7 | — | 11.1 | — | 14.8 |
| Current portion of long-term debt and other long-term obligations | — | 648.6 | — | 144.4 | — | 793.0 |
| Intercompany payables | 650.4 | 12,290.5 | — | 60.8 | (13,001.7) | — |
| Other current liabilities | 138.0 | 363.3 | — | 2,398.8 | — | 2,900.1 |
| Total current liabilities | 788.4 | 13,342.4 | — | 3,854.9 | (13,001.7) | 4,984.0 |
| Long-term debt | 11,641.3 | 2,252.7 | — | 98.4 | — | 13,992.4 |
| Intercompany notes payable | 1,703.4 | 3,296.2 | — | 14,711.6 | (19,711.2) | — |
| Other long-term obligations | — | 58.4 | — | 3,492.5 | — | 3,550.9 |
| Total liabilities | 14,133.1 | 18,949.7 | — | 22,157.4 | (32,712.9) | 22,527.3 |
| | | | | | | |
| Total equity | 13,291.6 | 3,392.1 | — | 26,847.8 | (30,239.9) | 13,291.6 |
| | | | | | | |
| Total liabilities and equity | $ 27,424.7 | $ 22,341.8 | $ — | $ 49,005.2 | $ (62,952.8) | $ 35,818.9 |

## UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
## As of December 31, 2016

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | $ 0.3 | $ 12.3 | $ — | $ 986.2 | $ — | $ 998.8 |
| Accounts receivable, net | — | 12.3 | — | 3,298.6 | — | 3,310.9 |
| Inventories | — | — | — | 2,456.4 | — | 2,456.4 |
| Intercompany receivables | 215.9 | 416.0 | — | 10,506.6 | (11,138.5) | — |
| Prepaid expenses and other current assets | — | 256.4 | — | 500.0 | — | 756.4 |
| Total current assets | 216.2 | 697.0 | — | 17,747.8 | (11,138.5) | 7,522.5 |
| Property, plant and equipment, net | — | 360.3 | — | 1,961.9 | — | 2,322.2 |
| Investments in subsidiaries | 15,606.2 | 8,277.8 | — | — | (23,884.0) | — |
| Intercompany notes and interest receivable | 7,952.3 | 9,817.3 | — | 16.7 | (17,786.3) | — |
| Intangible assets, net | — | — | — | 14,447.8 | — | 14,447.8 |
| Goodwill | — | 17.1 | — | 9,214.8 | — | 9,231.9 |
| Other assets | 5.2 | 51.9 | — | 1,144.7 | — | 1,201.8 |
| Total assets | $ 23,779.9 | $ 19,221.4 | $ — | $ 44,533.7 | $ (52,808.8) | $ 34,726.2 |
| | | | | | | |
| **LIABILITIES AND EQUITY** | | | | | | |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Trade accounts payable | $ 3.9 | $ 69.6 | $ — | $ 1,274.6 | $ — | $ 1,348.1 |
| Short-term borrowings | — | — | — | 46.4 | — | 46.4 |
| Income taxes payable | — | — | — | 97.7 | — | 97.7 |
| Current portion of long-term debt and other long-term obligations | — | 0.2 | — | 289.8 | — | 290.0 |
| Intercompany payables | 416.0 | 10,722.5 | — | — | (11,138.5) | — |
| Other current liabilities | 90.9 | 388.8 | — | 2,778.8 | — | 3,258.5 |
| Total current liabilities | 510.8 | 11,181.1 | — | 4,487.3 | (11,138.5) | 5,040.7 |
| Long-term debt | 12,151.5 | 2,897.6 | — | 153.8 | — | 15,202.9 |
| Intercompany notes payable | — | 3,870.9 | — | 13,915.4 | (17,786.3) | — |
| Other long-term obligations | — | 58.1 | — | 3,306.9 | — | 3,365.0 |
| Total liabilities | 12,662.3 | 18,007.7 | — | 21,863.4 | (28,924.8) | 23,608.6 |
| Total equity | 11,117.6 | 1,213.7 | — | 22,670.3 | (23,884.0) | 11,117.6 |
| Total liabilities and equity | $ 23,779.9 | $ 19,221.4 | $ — | $ 44,533.7 | $ (52,808.8) | $ 34,726.2 |

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
## Nine Months Ended September 30, 2017

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Cash flows from operating activities: | | | | | | |
| Net cash (used in) provided by operating activities | $ (175.1) | $ (338.8) | $ — | $ 2,083.2 | $ — | $ 1,569.3 |
| Cash flows from investing activities: | | | | | | |
| Capital expenditures | — | (31.4) | — | (125.0) | — | (156.4) |
| Change in restricted cash | — | — | — | 12.6 | — | 12.6 |
| Purchase of marketable securities | — | — | — | (8.9) | — | (8.9) |
| Proceeds from the sale of assets | — | — | — | 31.1 | — | 31.1 |
| Proceeds from the sale of marketable securities | — | — | — | 8.9 | — | 8.9 |
| Cash paid for acquisitions, net | (71.6) | — | — | — | — | (71.6) |
| Investments in affiliates | — | (21.1) | — | — | 21.1 | — |
| Dividends from affiliates | 168.1 | — | — | — | (168.1) | — |
| Loans to affiliates | (143.7) | (364.1) | — | (2,558.0) | 3,065.8 | — |
| Repayments of loans from affiliates | 1,066.4 | 0.3 | — | 943.6 | (2,010.3) | — |
| Payments for product rights and other, net | — | (0.3) | — | (558.5) | — | (558.8) |
| Net cash provided by (used in) investing activities | 1,019.2 | (416.6) | — | (2,254.2) | 908.5 | (743.1) |
| Cash flows from financing activities: | | | | | | |
| Payments of financing fees | (8.3) | (0.4) | — | — | — | (8.7) |
| Change in short-term borrowings, net | — | — | — | (48.3) | — | (48.3) |
| Proceeds from issuance of long-term debt | 554.5 | — | — | 1.3 | — | 555.8 |
| Payments of long-term debt | (1,500.0) | — | — | (247.3) | — | (1,747.3) |
| Proceeds from exercise of stock options | 12.8 | — | — | — | — | 12.8 |
| Taxes paid related to net share settlement of equity awards | (7.4) | — | — | — | — | (7.4) |
| Contingent consideration payments | — | — | — | (10.1) | — | (10.1) |
| Capital contribution from affiliates | — | — | — | 21.1 | (21.1) | — |
| Capital payments to affiliates | — | — | — | (168.1) | 168.1 | — |
| Payments on borrowings from affiliates | — | (1,664.4) | — | (345.9) | 2,010.3 | — |
| Proceeds from borrowings from affiliates | 104.0 | 2,497.5 | — | 464.3 | (3,065.8) | — |
| Other items, net | — | (7.4) | — | 6.7 | — | (0.7) |
| Net cash (used in) provided by financing activities | (844.4) | 825.3 | — | (326.3) | (908.5) | (1,253.9) |
| Effect on cash of changes in exchange rates | — | — | — | 43.8 | — | 43.8 |
| Net (decrease) increase in cash and cash equivalents | (0.3) | 69.9 | — | (453.5) | — | (383.9) |
| Cash and cash equivalents — beginning of period | 0.3 | 12.3 | — | 986.2 | — | 998.8 |
| Cash and cash equivalents — end of period | $ — | $ 82.2 | $ — | $ 532.7 | $ — | $ 614.9 |

## UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
## Nine Months Ended September 30, 2016

| *(In millions)* | Mylan N.V. | Mylan Inc. | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Cash flows from operating activities: | | | | | | |
| Net cash (used in) provided by operating activities | $ (1.6) | $ 724.7 | $ — | $ 974.6 | $ — | $ 1,697.7 |
| Cash flows from investing activities: | | | | | | |
| Capital expenditures | — | (64.8) | — | (174.7) | — | (239.5) |
| Change in restricted cash | — | (49.5) | — | (1.0) | — | (50.5) |
| Purchase of marketable securities | — | (4.1) | — | (18.7) | — | (22.8) |
| Cash paid for Meda's unconditional deferred payment | — | — | — | (308.0) | — | (308.0) |
| Proceeds from the sale of marketable securities | — | — | — | 15.8 | — | 15.8 |
| Cash paid for acquisitions, net | (5,278.5) | (931.3) | — | 58.1 | — | (6,151.7) |
| Settlement of acquisition-related foreign currency derivatives | (128.6) | — | — | — | — | (128.6) |
| Investments in affiliates | — | (43.6) | — | — | 43.6 | — |
| Dividends from affiliates | 135.6 | — | — | — | (135.6) | — |
| Loans to affiliates | (7,971.9) | (417.0) | — | (726.3) | 9,115.2 | — |
| Repayments of loans from affiliates | 6,838.3 | 442.6 | — | 1,031.3 | (8,312.2) | — |
| Payments for product rights and other, net | — | (0.4) | — | (195.9) | — | (196.3) |
| Net cash used in investing activities | (6,405.1) | (1,068.1) | — | (319.4) | 711.0 | (7,081.6) |
| Cash flows from financing activities: | | | | | | |
| Payments of financing fees | (95.3) | — | — | — | — | (95.3) |
| Change in short-term borrowings, net | — | — | — | 48.6 | — | 48.6 |
| Proceeds from issuance of long-term debt | 6,478.8 | — | — | 41.0 | — | 6,519.8 |
| Payments of long-term debt | — | (500.0) | — | (567.0) | — | (1,067.0) |
| Proceeds from exercise of stock options | 11.1 | — | — | — | — | 11.1 |
| Taxes paid related to net share settlement of equity awards | (12.9) | — | — | — | — | (12.9) |
| Contingent consideration payments | — | — | — | (15.5) | — | (15.5) |
| Capital contribution from affiliates | — | — | — | 43.6 | (43.6) | — |
| Capital payments to affiliates | — | — | — | (135.6) | 135.6 | — |
| Payments on borrowings from affiliates | — | (1,361.8) | — | (6,950.4) | 8,312.2 | — |
| Proceeds from borrowings from affiliates | 25.0 | 1,380.8 | — | 7,709.4 | (9,115.2) | — |
| Acquisition of noncontrolling interest | — | — | — | (1.0) | — | (1.0) |
| Other items, net | — | (12.9) | — | 14.5 | — | 1.6 |
| Net cash provided by (used in) financing activities | 6,406.7 | (493.9) | — | 187.6 | (711.0) | 5,389.4 |
| Effect on cash of changes in exchange rates | — | — | — | 15.1 | — | 15.1 |
| Net (decrease) increase in cash and cash equivalents | — | (837.3) | — | 857.9 | — | 20.6 |
| Cash and cash equivalents — beginning of period | — | 870.5 | — | 365.5 | — | 1,236.0 |
| Cash and cash equivalents — end of period | $ — | $ 33.2 | $ — | $ 1,223.4 | $ — | $ 1,256.6 |

## 17. Restructuring

On December 5, 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. 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. In the fourth quarter of 2017, the Company committed to additional actions and now anticipates total aggregate pre-tax charges for committed restructuring activities ranging between $375.0 million and $450.0 million, inclusive of the 2016 and year to date 2017 restructuring charges of $262.4 million. 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 December 31, 2016 to September 30, 2017:

| *(In millions)* | Employee Related Costs | Other Exit Costs | Total |
|---|---|---|---|
| Balance at December 31, 2016: | $ 138.6 | $ 1.6 | $ 140.2 |
| Charges | 9.6 | 13.5 | 23.1 |
| Reclassifications | (8.3) | 8.3 | — |
| Cash payment | (54.2) | (1.0) | (55.2) |
| Utilization | — | (19.8) | (19.8) |
| Foreign currency translation | (9.8) | — | (9.8) |
| Balance at March 31, 2017: | $ 75.9 | $ 2.6 | $ 78.5 |
| Charges | 13.2 | 3.0 | 16.2 |
| Cash payment | (32.4) | (1.9) | (34.3) |
| Utilization | — | (1.8) | (1.8) |
| Foreign currency translation | (4.4) | — | (4.4) |
| Balance at June 30, 2017: | $ 52.3 | $ 1.9 | $ 54.2 |
| Charges [1] | 20.0 | 53.4 | 73.4 |
| Reclassifications | — | — | — |
| Cash payment | (14.2) | (0.7) | (14.9) |
| Utilization | — | (53.4) | (53.4) |
| Foreign currency translation | (3.3) | — | (3.3) |
| Balance at September 30, 2017: | $ 54.8 | $ 1.2 | $ 56.0 |

[1] For the three months ended September 30, 2017, total restructuring charges in North America, Europe, Rest of World, and Corporate / Other were approximately $5.6 million, $16.3 million, $19.1 million, and $32.4 million respectively. For the nine months ended September 30, 2017, total restructuring charges in North America, Europe, Rest of World and Corporate / Other were approximately $12.8 million, $32.9 million, $33.7 million and $33.3 million, respectively.

At September 30, 2017 and December 31, 2016, accrued liabilities for restructuring and other cost reduction programs were primarily included in other current liabilities on the Condensed Consolidated Balance Sheets.

## 18. 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, 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 Condensed Consolidated Balance Sheets, except for milestone and royalty obligations reflected as acquisition related contingent consideration. Refer to Note 11 *Financial Instruments and Risk Management* for contingent consideration amounts recorded. 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. 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. There have been no significant changes to our collaboration and licensing agreements as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016, as amended.

## 19. Litigation

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, Abbott Laboratories' non-U.S. developed markets specialty 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 Laboratories, 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 Condensed Consolidated Statements of Operations.

***Lorazepam and Clorazepate***

On June 1, 2005, a jury verdict was rendered against Mylan, MPI, and co-defendants Cambrex Corporation and Gyma Laboratories 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 active pharmaceutical ingredient 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 December 20, 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 January 24, 2008. In post-trial filings, the plaintiffs requested that the verdict be trebled and that request was granted on January 24, 2008. On February 6, 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 January 18, 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 June 13, 2011, Mylan filed a certiorari petition with the U.S. Supreme Court requesting review of the judgment of the D.C. Circuit. On October 3, 2011, the certiorari petition was denied. The case is now proceeding before the District Court. On January 14, 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 February 13, 2013. On July 29, 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 August 18, 2017, reducing approximately $9.5 million from the full damages award. The Court entered final judgment on August 30, 2017 in the amount of approximately $67 million (not including post-judgment interest and fees and costs). Mylan filed a notice of appeal on September 15, 2017 with the United States Court of Appeals for the District of Columbia Circuit. The total accrual for this matter at September 30, 2017 is approximately $29 million, which includes a $17 million charge recorded in the third quarter of 2017 as a result of the final judgment.

In connection with the Company's appeal of the judgment, the Company submitted a surety bond underwritten by a third-party insurance company in the amount of $74.5 million in February 2008. On May 30, 2012, the District Court ordered the amount of the surety bond reduced to $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 September 30, 2017, the Company has accrued approximately $63.3 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 March 24, 2015, Mylan reached a settlement in principle with the putative indirect purchasers, and on November 20, 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. 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 December 31, 2016. The settlement with the retailer opt-out plaintiffs has been completed. On February 3, 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 August 29, 2017. The parties are engaging in a continuing dialogue to resolve this matter according to the terms of the settlement agreement. On June 8, 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 June 29, 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 October 15, 2015, and the case was subsequently settled.

On July 10, 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 May 16, 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 June 30, 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 July 21, 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 October 31, 2016. On April 20, 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 June 27, 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 July 21, 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 December 8, 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 February 17, 2017, the plaintiff filed in the 19th Judicial District Court a motion for appeal, which the Judicial District Court granted on February 21, 2017. The appeal was lodged with the First Circuit Court of Appeal on April 4, 2017. Briefing on the appeal has been completed and an oral argument was held November 1, 2017.

On July 28, 2016, United Healthcare filed a complaint against Mylan 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 January 6, 2017, the case was transferred to the Eastern District of Pennsylvania. Mylan filed its answer to the complaint on March 31, 2017.

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 July 11, 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 March 29, 2007, the FTC issued a subpoena, and on April 26, 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 February 13, 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 July 1, 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 June 17, 2015.

The Company has a total accrual of approximately $112.5 million related to this matter at September 30, 2017, which is included in other current liabilities in the Condensed 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 August 22, 2014. Mylan and the other defendants filed motions to dismiss the amended complaint on October 10, 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 September 23, 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 October 22, 2015; however they have since abandoned and dismissed their appeal of the District Court's dismissal of claims asserted against Mylan. The putative direct purchaser class filed an amended complaint on January 8, 2016. Defendants' motion to dismiss was filed on January 28, 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 February 8, 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 September 10, 2015, Mylan N.V. received a subpoena from the SEC seeking documents with regard to certain related party matters. Mylan is fully cooperating 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 October 7, 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 (the "Medicaid Drug Rebate Program Settlement"). On August 17, 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 provides 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 allocates money to the Medicaid programs of all 50 states and establishes 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. 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 ("OIG-HHS"). 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 April 1, 2017. The Company recorded an accrual of $465 million related to the settlement during the year ended December 31, 2016 and recorded an additional accrual for interest related to the settlement amount during the nine months ended September 30, 2017.

*Department of Veterans Affairs Request for Information*

On June 30, 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 October 7, 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 November 15, 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 February 6, 2017, Mylan received a subpoena from the SEC in this matter, seeking additional documents. Mylan is fully cooperating with the SEC.

On April 25, 2017, Mylan received a comment letter from the staff of the SEC's Division of Corporation Finance with respect to Mylan's Annual Report on Form 10-K for the year ended December 31, 2016 requesting information regarding Mylan's accounting treatment for the Medicaid Drug Rebate Program Settlement with the DOJ. The Company responded to the comment letter in May 2017 and will continue to cooperate fully with the SEC.

*FTC Request for Information*

On November 18, 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 March 20, 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 May 30, 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 October 13, 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 January 19, 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 April 30, 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 October 17, 2017. 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 April 24, 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 is pending. We believe that the claims in this lawsuit are without merit and intend to defend against them vigorously.

On September 29, 2017, plaintiffs in a pending putative class action brought against certain pharmacy benefit managers ("PBMs") defendants 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 Mylan Pharmaceuticals Inc. 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 motion 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 $228.4 million related to this matter at September 30, 2017, which is included in other current liabilities in the Condensed Consolidated Balance Sheets. During the three months ended September 30, 2017, the Company made payments of approximately $255.2 million related to this matter. Subsequent to September 30, 2017, the Company made additional payments of approximately $217.5 million, which was accrued for at September 30, 2017. 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 19 *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.

***Opioid Subpoena, Missouri State AG Civil Investigative Demand and Congressional Request***

On July 27, 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 January 1, 2013 to December 31, 2016. On August 29, 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 January 1, 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.

***Drug Pricing Matters***

*Department of Justice Subpoena*

On December 3, 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 September 8, 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 March 2, 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 August 15, 2017. Mylan is no longer a named defendant in the pravastatin lawsuits. Defendants' Motions to Dismiss briefing is ongoing. The Company believes that the claims in these lawsuits are without merit and intends to defend against them vigorously.

A complaint was filed on January 31, 2017 by putative classes of direct and indirect purchasers against Mylan Pharmaceuticals Inc. and other pharmaceutical manufacturers in the United States District Court for the District of Connecticut. Plaintiffs generally allege anticompetitive conduct and RICO violations with respect to, among other things, certain Doxycycline products. This case has been transferred to the above-mentioned MDL. Mylan Pharmaceuticals Inc. believes that the claims in this lawsuit are without merit and intends to defend against them vigorously.

*Attorneys General Litigation*

On December 21, 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 December 14, 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 March 1, 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 July 17, 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 October 31, 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. 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 May 16, 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 are being prepared by the Company and the IRS, and will be filed with the Tax Court. 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 July 8, 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 July 30, 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 July 9, 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 March 19, 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 July 25, 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 June 19, 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 October 8, 2015. On September 8, 2016, the General Court dismissed all appeals against the European Commission's decision. Mylan filed an appeal of the decision on November 18, 2016 to the European Court of Justice. The United Kingdom has applied to intervene in this proceeding. The Company has accrued approximately $8.8 million and $8.2 million as of September 30, 2017 and December 31, 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 August 12, 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 April 19, 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 October 21, 2014 and a hearing with regard to the SSO took place on December 19, 2014. The CMA issued a decision on February 12, 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 was accrued for at September 30, 2017. Generics [U.K.] Limited has appealed the decision. The hearing before the Competition Appeals Tribunal concluded on March 30, 2017 and the parties are presently awaiting a decision.

*Nefopam*

On October 10, 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 October 16, 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 $10.9 million and $31.5 million at September 30, 2017 and December 31, 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 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 ("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 October 3, 2017, Mylan 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 October 6, 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, Mylan filed petitions with the Patent Trial and Appeal Board requesting *inter partes* review of the claims of three asserted patents. On August 24, 2016 and September 1, 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 January 30, 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 January 17, 2017, Plaintiffs filed suit against Mylan 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, and the case remains pending. A trial date has been scheduled for October 9, 2018. On October 3, 2017, Mylan received final FDA approval and launched its 40 mg/mL glatiramer acetate product in the United States.

On October 19, 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 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 is set for January 2018.

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 $8.8 million accrued related to these various other legal proceedings at September 30, 2017.

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

The following discussion and analysis addresses material changes in the financial condition and results of operations of Mylan N.V. and subsidiaries for the periods presented. Unless context requires otherwise, the "Company", "Mylan", "our", or "we" refer to Mylan N.V. and its subsidiaries. This discussion and analysis should be read in conjunction with the Consolidated Financial Statements, the related Notes to Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Mylan N.V.'s Annual Report on Form 10-K for the year ended December 31, 2016, as amended, the unaudited interim financial statements and related Notes included in Part I — ITEM 1 of this Quarterly Report on Form 10-Q ("Form 10-Q") and our other Securities and Exchange Commission (the "SEC") filings and public disclosures. The interim results of operations and comprehensive earnings for the three and nine months ended September 30, 2017 and cash flows for the nine months ended September 30, 2017 are not necessarily indicative of the results to be expected for the full fiscal year or any other future period.

This Form 10-Q 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 the acquisition of Meda AB (publ.) ("Meda") by Mylan (the "Meda Transaction"), Mylan's acquisition (the "EPD Transaction") of Mylan Inc. and Abbott Laboratories' non-U.S. developed markets specialty and branded generics business (the "EPD Business"), the potential benefits and synergies of the EPD Transaction and the Meda Transaction, future opportunities for Mylan and products, and any other statements regarding 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," "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: the ability to meet expectations regarding the accounting and tax treatments of the EPD Transaction and the Meda Transaction; 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; actions and decisions of healthcare and pharmaceutical regulators; the integration of the EPD Business and Meda being more difficult, time-consuming, or costly than expected; operating costs, customer loss, and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients, or suppliers) being greater than expected following the EPD Transaction and the Meda Transaction; the retention of certain key employees of the EPD Business and Meda being difficult; the possibility that Mylan may be unable to achieve expected synergies and operating efficiencies in connection with the EPD Transaction, the Meda Transaction, and the December 2016 announced restructuring program in certain locations, within the expected time-frames or at all and to successfully integrate the EPD Business and Meda; expected or targeted future financial and operating performance and results; the capacity 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"); any regulatory, legal, or other impediments to Mylan's ability to bring new products, including but not limited to generic Advair and Glatiramer Acetate Injection 20 mg/mL and 40 mg/mL, to market, including ongoing and unresolved allegations of patent infringement around our launch of Glatiramer Acetate Injection 40 mg/mL; success of clinical trials and Mylan's ability to execute on new product opportunities, including but not limited to generic Advair and Glatiramer Acetate Injection 20 mg/mL and 40 mg/mL; any changes in or difficulties with our inventory of, and our ability to manufacture and distribute, the EpiPen® Auto-Injector and EpiPen Jr® Auto-Injector (collectively, "EpiPen® Auto-Injector") to meet anticipated demand; the potential impact of any change in patient access to the EpiPen® Auto-Injector and the introduction of a generic version of the EpiPen® Auto-Injector; the scope, timing, and outcome of any ongoing legal proceedings, including government investigations, and the impact of any such proceedings on financial condition, results of operations, and/or cash flows; 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; changes in third-party relationships; the impact of competition; changes in the economic and financial conditions of the businesses of Mylan; the inherent challenges, risks, and costs in identifying, acquiring, and integrating complementary or strategic acquisitions of other companies, products, or assets and in achieving anticipated synergies; uncertainties and matters beyond the control of management; 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 accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 Mylan's Annual Report on Form 10-K for the year ended December 31, 2016, as amended and our other

filings with the SEC. You can access Mylan's filings with the SEC through the SEC website at www.sec.gov, 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 may 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 on Form 10-Q and shall not be deemed "filed" under the Exchange Act. Mylan undertakes no obligation to update any statements herein for revisions or changes after the filing date of this Form 10-Q.

**Executive Overview**

Mylan is a leading global pharmaceutical company, which develops, licenses, manufactures, markets and distributes generic, 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.

Mylan offers one of the industry's broadest product portfolios, including generic, brand name and OTC products in a variety of dosage forms and therapeutic categories. The Company's product portfolio includes more than 7,500 marketed products globally, and reaches 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 complex products such as injectables.

Generic products, particularly in the U.S., generally contribute most significantly to revenues and gross margins at the time of their launch, even more so in periods of market exclusivity, or in periods of limited generic competition. As such, the timing of new product introductions can have a significant impact on the Company's financial results. The entrance into the market of additional competition generally has a negative impact on the volume and pricing of the affected products. Additionally, pricing is often affected by factors outside of the Company's control.

For branded products, the majority of the 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. OTC products also participate in a competitive environment that includes both branded and private label products. In the OTC space, value is realized through innovation, access and consumer activation.

Certain markets within Europe in which we do business have undergone government-imposed price reductions, and further government-imposed price reductions are expected in the future. Such measures, along with the tender systems discussed below, are likely to have a negative impact on sales and gross profit in these markets. However, government initiatives in certain markets that appear to favor generic products could help to mitigate this unfavorable effect by increasing rates of generic substitution and penetration. In France, we remain the generics market leader.

A number of markets in which we operate in Europe have implemented, or may implement, tender systems for generic pharmaceuticals in an effort to lower prices. Generally speaking, tender systems can have an unfavorable impact on sales and profitability. Under such tender systems, manufacturers submit bids that establish prices for generic pharmaceutical products. Upon winning the tender, the winning company will receive priority placement 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. The loss of a tender by a third party to whom we supply API can also have a negative impact on our sales and profitability. Sales continue to be negatively affected by the impact of tender systems.

As in Europe, both Australia and Japan have undergone government-imposed price reductions that have had, and could continue to have, a negative impact on sales and gross profit in these markets.

The acquisition of Meda significantly increased our operations and revenues throughout Europe, but particularly in France, Italy, Germany and Sweden. Additionally, through the acquisition, we have significantly expanded and strengthened our presence in emerging markets including China, Southeast Asia and the Middle East. These markets provide opportunities for future growth and expansion and are complemented by Mylan's historical presence in India, Brazil and certain countries in Africa (including South Africa).

Effective October 1, 2016, the Company expanded its reportable segments and now reports in three segments on a geographic basis as follows: North America, Europe and Rest of World. Comparative segment financial information have been recast for prior periods to conform to this revised segment structure.

From time to time, a limited number of our products may represent a significant portion of our net sales, gross profit and net earnings. Generally, this is due to the timing of new product introductions and the amount, if any, of additional competition in the market. Our top ten products in terms of sales, in the aggregate, represented approximately 23% and 30% of the Company's net sales for the three months ended September 30, 2017 and 2016, respectively. For the nine months ended September 30, 2017 and 2016, our top ten products in terms of sales, in the aggregate, represented approximately 22% and 30%, respectively.

*Recent Developments*

In the fourth quarter of 2016, the Company announced restructuring programs in certain locations representing initial steps in a series of actions that are anticipated to further streamline our 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. During the three and nine months ended September 30, 2017, the Company recorded pre-tax charges of $73.4 million and $112.7 million, respectively. Included within the charges during the nine months ended September 30, 2017 were $64.9 million for non-cash asset impairment charges with the remaining charges primarily related to severance and employee benefits. For the charges recognized during the three months ended September 30, 2017, $53.4 million were non-cash asset impairment charges and the remaining charges were primarily related to severance and employee benefits. The continued restructuring actions are expected to be implemented through fiscal year 2018. In the fourth quarter of 2017, the Company committed to additional actions and now anticipates total aggregate pre-tax charges for committed restructuring activities ranging between $375.0 million and $450.0 million, inclusive of the 2016 and year to date 2017 restructuring charges of $262.4 million. In addition, management believes the potential annual savings from these committed restructuring activities will be between approximately $350.0 million and $425.0 million once fully implemented, with the majority of these savings improving operating cash flow. At this time, the expenses related to the additional restructuring activities cannot be reasonably estimated.

On August 17, 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 October 7, 2016 (the "Medicaid Drug Rebate Program Settlement"). The settlement resolves claims relating to the classification of EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program.

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

**Financial Summary**

The tables below are a summary of the Company's financial results for the three and nine months ended September 30, 2017 compared to the prior year period:

| | Three Months Ended September 30, | | | |
|---|---|---|---|---|
| ***(In millions, except per share amounts)*** | **2017** | **2016** | **Change** | **% Change** |
| Total revenues | $ 2,987.1 | $ 3,057.1 | $ (70.0) | (2)% |
| Gross profit | 1,178.1 | 1,283.3 | (105.2) | (8)% |
| Earnings (loss) from operations | 316.0 | (130.7) | 446.7 | 342 % |
| Net earnings (loss) | 88.3 | (119.8) | 208.1 | 174 % |
| Diluted earnings per ordinary share | $ 0.16 | $ (0.23) | $ 0.39 | 170 % |

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| ***(In millions, except per share amounts)*** | **2017** | **2016** | **Change** | **% Change** |
| Total revenues | $ 8,668.8 | $ 7,809.1 | $ 859.7 | 11% |
| Gross profit | 3,488.5 | 3,362.0 | 126.5 | 4% |
| Earnings from operations | 1,016.6 | 385.8 | 630.8 | 164% |
| Net earnings | 451.7 | 62.5 | 389.2 | 623% |
| Diluted earnings per ordinary share | $ 0.84 | $ 0.12 | $ 0.72 | 600% |

A detailed discussion of the Company's financial results can be found below in the section titled "Results of Operations." As part of this discussion, we also report sales performance using the non-GAAP financial measures of "constant currency" third party net sales and total revenues. This measure provides information on the change in net sales assuming that foreign currency exchange rates had not changed between the prior and current period. The comparisons presented at constant currency rates reflect comparative local currency sales at the prior year's foreign exchange rates. We routinely evaluate our third party net sales performance at constant currency so that sales results can be viewed without the impact of foreign currency exchange rates, thereby facilitating a period-to-period comparison of our operational activities, and believe that this presentation also provides useful information to investors for the same reason. The following table compares third party net sales on an actual and constant currency basis for each reportable segment and consolidated total revenues on an actual and constant currency basis for the three and nine months ended September 30, 2017 and 2016.

More information about non-GAAP measures used by the Company as part of this discussion, including adjusted cost of sales, adjusted gross margins, adjusted earnings and adjusted EPS (all of which are defined below) can be found in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - Use of Non-GAAP Financial Measures."

## Results of Operations

### *Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016*

| *(In millions)* | Three Months Ended September 30, 2017 | 2016 | % Change | 2017 Currency Impact [1] | 2017 Constant Currency Revenues | Constant Currency % Change [2] |
|---|---|---|---|---|---|---|
| Third party net sales | | | | | | |
| North America [3] | $ 1,172.2 | $ 1,505.5 | (22)% | $ (3.1) | $ 1,169.1 | (22)% |
| Europe [3] | 1,040.8 | 841.2 | 24 % | (45.5) | 995.3 | 18 % |
| Rest of World [3] | 743.3 | 682.8 | 9 % | (6.2) | 737.1 | 8 % |
| Total third party net sales [3] | 2,956.3 | 3,029.5 | (2)% | $ (54.8) | $ 2,901.5 | (4)% |
| Other third party revenues | 30.8 | 27.6 | 12 % | (0.5) | 30.3 | 10 % |
| Consolidated total revenues | $ 2,987.1 | $ 3,057.1 | (2)% | $ (55.3) | $ 2,931.8 | (4)% |

(1) Currency impact is shown as unfavorable (favorable).

(2) The constant currency percentage change is derived by translating third party net sales or revenues for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2017 constant currency third party net sales or revenues to the corresponding amount in the prior year.

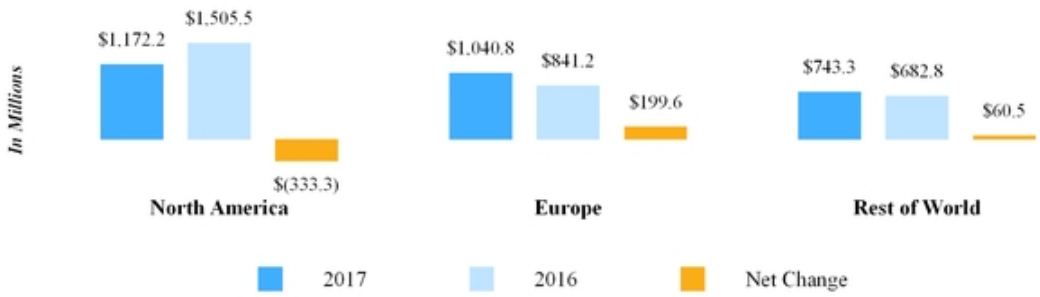
(3) Effective October 1, 2016, the Company expanded its reportable segments as follows: North America, Europe and Rest of World. As a result, the amounts previously reported under the Specialty segment have been recast to North America and amounts related to Brazil are included in Rest of World for all periods presented.

#### *Total Revenues*

For the current quarter, Mylan reported total revenues of $2.99 billion, compared to $3.06 billion for the comparable prior year period, representing a decrease of $70.0 million, or 2%. Total revenues include both net sales and other revenues from third parties. Third party net sales for the current quarter were $2.96 billion, compared to $3.03 billion for the comparable prior year period, representing a decrease of $73.2 million, or 2%. Other third party revenues for the current quarter were $30.8 million, compared to $27.6 million for the comparable prior year period, an increase of $3.2 million.

The decrease in total revenues was due primarily to a 22% decline in third party net sales in the North America segment. This result was partially offset by third party net sales growth in the Europe segment of 24%, and in the Rest of World segment of 9%. The incremental impact on third party net sales from the acquisition of Meda was approximately $163.6 million. Net sales of existing products and new product introductions decreased in total by approximately $291.6 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 current quarter 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 and India, which was partially offset by the unfavorable impact from changes in the Japanese Yen. The favorable impact of foreign currency translation on current quarter total revenues was approximately $55.3 million resulting in a decrease in constant currency total revenues of approximately $125.3 million, or 4%.

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 three months ended September 30, 2017 and 2016 and the increase (decrease) period over period:




*North America Segment*

Third party net sales from North America decreased by $333.3 million or 22% during the three months ended September 30, 2017 when compared to the prior year period, including the decrease in sales of the EpiPen® Auto-Injector of $245.1 million. Incremental net sales from the acquisition of Meda were approximately $8.2 million in the current quarter. Net sales were negatively impacted in the current quarter due to a decline in sales of existing products as a result of lower pricing and volume, partially offset by new product introductions. As anticipated, our North American generics business experienced higher price erosion than previous quarters, including the impact of the loss of market exclusivity of armodafinil. Sales of the EpiPen® Auto-Injector declined in the current quarter 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. The impact of foreign currency translation on current period third party net sales was less than 1% within North America.

*Europe Segment*

Third party net sales from Europe increased by $199.6 million or 24% during the three months ended September 30, 2017 when compared to the prior year period. The increase included the result of the incremental net sales from the acquisition of Meda which totaled approximately $117.2 million. The remaining increase in net sales was the result of new product introductions combined with favorable volume and pricing on existing products. The favorable impact of foreign currency translation on current period third party net sales was $45.5 million, or 5% within Europe. Constant currency third party net sales increased by approximately $154.1 million, or 18% when compared to the prior year period.

*Rest of World Segment*

Third party net sales from Rest of World increased by $60.5 million, or 9% during the three months ended September 30, 2017 when compared to the prior year period. This increase was partially driven by incremental net sales from the acquisition of Meda which totaled approximately $38.2 million. In addition, net sales were positively impacted by new products and increased net sales in emerging markets, which were driven primarily by higher volumes. These increases were partially offset by lower pricing and volumes on existing products from our anti-retroviral (“ARV”) franchise, including active pharmaceutical ingredients. Net sales in Australia increased as a result of sales of new products. Net sales in Japan increased slightly as a result of sales of new products and favorable volumes. Overall, third party net sales from Rest of World were favorably impacted by the effect of foreign currency translation by approximately $6.2 million, or 1% during the three months ended September 30, 2017. Constant currency third party net sales increased by approximately $54.3 million, or 8%.

In addition to third party net sales, the Rest of World segment supplies finished dosage form (“FDF”) generic products and API, primarily from Mylan India, to Mylan subsidiaries in conjunction with the Company’s vertical integration strategy. Intercompany sales related to this strategy were approximately $117.4 million and $133.9 million in the three months ended September 30, 2017 and 2016, respectively. These intercompany sales are eliminated in consolidation and therefore are not included in the consolidated third party net sales.

***Cost of Sales and Gross Profit***

Cost of sales increased from $1.77 billion for the three months ended September 30, 2016 to $1.81 billion for the three months ended September 30, 2017. Significant components of cost of sales were purchase accounting related amortization of acquired intangible assets, acquisition related costs, restructuring and other special items, which are described further in the section titled *Use of Non-GAAP Financial Measures*. Gross profit for the three months ended September 30, 2017 was $1.18 billion and gross margins were 39%. For the three months ended September 30, 2016, gross profit was $1.28 billion and gross margins were 42%. Gross margins were negatively impacted in the current quarter by lower gross profit from the sales of existing products in North America, including the EpiPen® Auto-Injector which reduced gross profit by approximately 435 basis points, partially offset by lower purchase accounting amortization by approximately 200 basis points as a result of the prior year amortization of the step-up in the fair value of acquired inventory. Adjusted gross margins were approximately 53% for the three months ended September 30, 2017, compared to approximately 57% for the three months ended September 30, 2016. For the quarter ended September 30, 2017, adjusted gross margins were negatively impacted in the current quarter as a result of lower gross profit from the sales of existing products in North America, including the EpiPen® Auto-Injector which reduced adjusted gross profit by approximately 335 basis points, partially offset by the contributions from acquired businesses and new product introductions.

A reconciliation between cost of sales, as reported under U.S. GAAP, and adjusted cost of sales and adjusted gross margin for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 is as follows:

| | Three Months Ended September 30, | |
|---|---|---|
| ***(In millions)*** | **2017** | **2016** |
| **U.S. GAAP cost of sales** | $ 1,809.0 | $ 1,773.8 |
| Deduct: | | |
| Purchase accounting amortization and other related items | (361.4) | (421.5) |
| Restructuring related costs | (21.0) | (9.7) |
| Acquisition related items | 0.2 | (8.5) |
| Other special items | (12.3) | (12.0) |
| Adjusted cost of sales | $ 1,414.5 | $ 1,322.1 |
| Adjusted gross profit [(a)] | $ 1,572.6 | $ 1,735.0 |
| Adjusted gross margin [(a)] | 53% | 57% |

[(a)] Adjusted gross profit is calculated as total revenues less adjusted cost of sales. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues.

***Operating Expenses***

*Research & Development Expense*

R&D expense for the three months ended September 30, 2017 was $182.3 million, compared to $199.1 million for the comparable prior year period, a decrease of $16.8 million. This decrease was primarily due to lower expenditures related to the Company's respiratory programs due to the timing of clinical activities when compared to the prior year period. The decrease was partially offset by the incremental impact of the Meda acquisition of approximately $4.1 million in the current quarter.

*Selling, General & Administrative Expense*

Selling, general and administrative expense ("SG&A") for the current quarter was $664.6 million, compared to $656.9 million for the comparable prior year period, an increase of $7.7 million. The increase included additional expense related to the Meda acquisition which increased SG&A by approximately $35.5 million in the current quarter. Partially offsetting this increase were lower acquisition related costs, including consulting and legal costs, and the benefit of integration activities in the current quarter.

*Litigation Settlements and Other Contingencies, Net*

During the three months ended September 30, 2017 and 2016, the Company recorded a charge, net of $15.2 million and $558.0 million, respectively. The net charge for the three months ended September 30, 2017, consists primarily of an increase to an accrual for an anti-trust related matter. The net charge in the prior year period was primarily related to the Medicaid Drug Rebate Program Settlement and the settlement with Strides Arcolab regarding substantially all outstanding regulatory, warranty and indemnity claims (the "Strides Settlement") related to the acquisition of Agila Specialties Private Limited ("Agila").

***Interest Expense***

Interest expense for the three months ended September 30, 2017 totaled $131.8 million, compared to $144.4 million for the three months ended September 30, 2016, a decrease of $12.6 million. The decrease in the current quarter is primarily due to lower long-term debt balances in relation to the prior year period.

***Other Expense, Net***

Other expense, net, was $4.6 million in the current quarter, compared to $50.2 million for the comparable prior year period. Other expense, net, includes losses from equity affiliates, foreign exchange gains and losses, interest, and other investment gains and losses. Other expense, net was comprised of the following for the three months ended September 30, 2017 and 2016, respectively:

| | Three Months Ended September 30, | |
|---|---|---|
| ***(In millions)*** | **2017** | **2016** |
| Losses from equity affiliates, primarily clean energy investments | $ 22.4 | $ 29.7 |
| Foreign exchange (gains)/losses, net | (14.9) | 27.8 |
| Other gains, net | (2.9) | (7.3) |
| **Other expense, net** | $ 4.6 | $ 50.2 |

In the prior year period, other expense, net included foreign exchange losses of $27.8 million which included $44.4 million of mark-to-market losses related to the Company's SEK non-designated foreign currency contracts related to the Meda acquisition partially offset by foreign currency gains.

***Income Tax Provision (Benefit)***

For the three months ended September 30, 2017, the Company recognized an income tax provision of $91.3 million, compared to an income tax benefit of $205.5 million for the comparable prior year period. The effective tax rate for the three months ended September 30, 2017 versus the comparable prior year period was impacted by the changing mix of income earned in jurisdictions with differing tax rates, and changes in 2017 valuation allowances applied to certain tax attributes. In addition, during the third quarter of 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 three months ended September 30, 2016. In addition to the benefit recognized for the merger of the aforementioned entities, the effective tax rate for the three months ended September 30, 2016 was impacted by the accrual for the Medicaid Drug Rebate Program Settlement.

***Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016***

| *(In millions)* | Nine Months Ended September 30, 2017 | 2016 | % Change | 2017 Currency Impact [1] | 2017 Constant Currency Revenues | Constant Currency % Change [2] |
|---|---|---|---|---|---|---|
| Third party net sales | | | | | | |
| North America [3] | $ 3,666.7 | $ 4,064.5 | (10)% | $ (2.3) | $ 3,664.4 | (10)% |
| Europe [3] | 2,887.1 | 2,026.4 | 42 % | (2.4) | 2,884.7 | 42 % |
| Rest of World [3] | 2,016.4 | 1,654.6 | 22 % | (27.0) | 1,989.4 | 20 % |
| Total third party net sales [3] | 8,570.2 | 7,745.5 | 11 % | (31.7) | 8,538.5 | 10 % |
| Other third party revenues | 98.6 | 63.6 | 55 % | — | 98.6 | 55 % |
| Consolidated total revenues | $ 8,668.8 | $ 7,809.1 | 11 % | $ (31.7) | $ 8,637.1 | 11 % |

(1) Currency impact is shown as unfavorable (favorable).

(2) The constant currency percentage change is derived by translating third party net sales or revenues for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2017 constant currency third party net sales or revenues to the corresponding amount in the prior year.

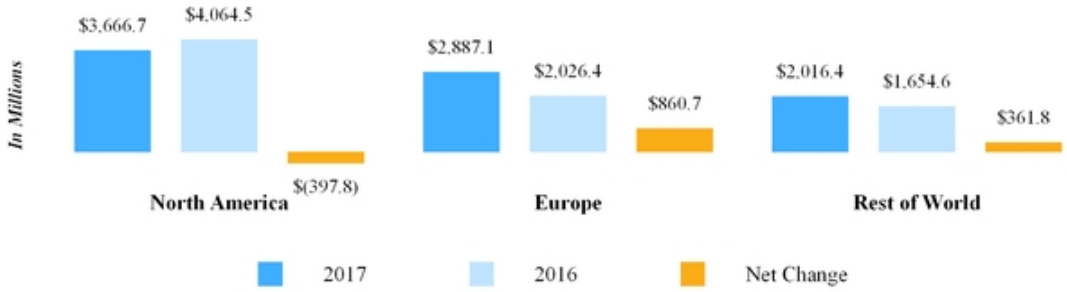
(3) Effective October 1, 2016, the Company expanded its reportable segments as follows: North America, Europe and Rest of World. As a result, the amounts previously reported under the Specialty segment have been recast to North America and amounts related to Brazil are included in Rest of World for all periods presented.

***Total Revenues***

For the nine months ended September 30, 2017, Mylan reported total revenues of $8.67 billion, compared to $7.81 billion for the comparable prior year period, representing an increase of $859.7 million, or 11%. Total revenues include both net sales and other revenues from third parties. Third party net sales for the nine months ended September 30, 2017 were $8.57 billion, compared to $7.75 billion for the comparable prior year period, representing an increase of $824.7 million, or 11%. Other third party revenues for the nine months ended September 30, 2017 were $98.6 million, compared to $63.6 million for the comparable prior year period, an increase of $35.0 million. The increase in other third party revenues was principally the result of an 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 42%, and in the Rest of World segment of 22%. Third party net sales decreased in the North America segment by 10%. Contributing to the overall increase in total revenues were net sales from the acquisitions of Meda and the non-sterile, topicals-focused business (the “Topicals Business”) of Renaissance Acquisition Holdings, LLC of approximately $1.40 billion. This increase was partially offset by a net decrease in net sales from existing products and lower new product introductions of approximately $609.4 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 India, Australia, and the European Union, which was partially offset by the unfavorable impact from changes in Japan and the United Kingdom. The favorable impact of foreign currency translation on current year total revenues was approximately $31.7 million. Constant currency total revenue growth for the nine months ended September 30, 2017 was approximately $828.0 million, or 11%.

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 nine months ended September 30, 2017 and 2016 and the increase (decrease) period over period:




*North America Segment*

Third party net sales from North America decreased by $397.8 million or 10% during the nine months ended September 30, 2017 when compared to the prior year, including the decrease in sales of the EpiPen® Auto-Injector of $523.5 million. Net sales of existing products decreased due to lower pricing and volume. This was partially offset by net sales from the acquisitions of Meda and the Topicals Business, totaling approximately $340.0 million. As anticipated, for the nine months ended September 30, 2017, the U.S. generics products experienced price erosion in the high-single-digits. Sales of the EpiPen® Auto-Injector declined in the nine month period 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. The impact of foreign currency translation on the current period third party net sales was insignificant within North America.

*Europe Segment*

Third party net sales from Europe increased by $860.7 million or 42% during the nine months ended September 30, 2017 when compared to the prior year period. This increase was primarily the result of net sales from the acquisition of Meda of approximately $833.2 million during the nine months ended September 30, 2017. Net sales of existing products increased as a result of new product sales and favorable pricing, slightly offset by lower volume. Overall, the favorable impact of foreign currency translation on current period third party net sales was not significant to the Europe segment.

*Rest of World Segment*

Third party net sales from Rest of World increased by $361.8 million or 22% during the nine months ended September 30, 2017 when compared to the prior year period. This increase was primarily the result of 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 volumes in Australia, emerging markets, and from our ARV franchise. Throughout the segment, sales from new products, particularly from our ARV franchise and in Australia, and higher volumes on existing products more than offset lower pricing. Sales from existing products in Japan were flat as higher volumes were offset by unfavorable pricing. The favorable impact of foreign currency translation was $27.0 million, or 2%. Constant currency third party net sales increased by approximately $334.8 million, or 20%.

In addition to third party net sales, the Rest of World segment also supplies FDF generic products and API, primarily from Mylan India, to Mylan subsidiaries in conjunction with the Company’s vertical integration strategy. Intercompany sales related to this strategy were approximately $331.1 million and $308.3 million in the nine months ended September 30, 2017 and 2016, respectively. These intercompany sales are eliminated in consolidation and are not included in the consolidated third party net sales.

***Cost of Sales and Gross Profit***

Cost of sales increased from $4.45 billion for the nine months ended September 30, 2016 to $5.18 billion for the nine months ended September 30, 2017. Cost of sales was primarily impacted by purchase accounting related amortization of acquired intangible assets, acquisition related costs, restructuring, and other special items, which are described further in the section titled *Use of Non-GAAP Financial Measures*. Gross profit for the nine months ended September 30, 2017 was $3.49 billion and gross margins were 40%. For the nine months ended September 30, 2016, gross profit was $3.36 billion and gross margins were 43%. Gross margins were negatively impacted in the current period by increased amortization expense as a result of the acquisitions of Meda and the Topicals Business by approximately 162 basis points, lower gross profit from the sales of existing products in North America, including the EpiPen® Auto-Injector which reduced gross profit by approximately 318 basis points, partially offset by the contributions from the acquisitions noted above. Adjusted gross margins were approximately 53% for the nine months ended September 30, 2017, compared to approximately 56% for the nine months ended September 30, 2016. Adjusted gross margins were negatively impacted in the current period as a result of lower gross profit from the sales of existing products in North America, including the EpiPen® Auto-Injector which reduced adjusted gross profit by approximately 245 basis points, partially offset by the contributions from the acquisitions noted above.

A reconciliation between cost of sales, as reported under U.S. GAAP, and adjusted cost of sales and adjusted gross margin for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 is as follows:

| | Nine Months Ended September 30, | |
|---|---|---|
| ***(In millions)*** | **2017** | **2016** |
| **U.S. GAAP cost of sales** | $ 5,180.3 | $ 4,447.1 |
| Deduct: | | |
| Purchase accounting amortization and other related items | (1,054.9) | (914.8) |
| Acquisition related items | (1.9) | (39.8) |
| Restructuring related costs | (37.3) | (13.8) |
| Other special items | (39.2) | (34.1) |
| Adjusted cost of sales | $ 4,047.0 | $ 3,444.6 |
| Adjusted gross profit [(a)] | $ 4,621.8 | $ 4,364.5 |
| Adjusted gross margin [(a)] | 53% | 56% |

[(a)] Adjusted gross profit is calculated as total revenues less adjusted cost of sales. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues.

***Operating Expenses***

*Research & Development Expense*

R&D expense for the nine months ended September 30, 2017 was $580.9 million, compared to $632.2 million for the comparable prior year period, a decrease of $51.3 million. The decrease was due to lower expenditures related to the Company's respiratory and biologics programs due to the timing of clinical activities when compared to the prior year period. Offsetting the decrease was the impact from the acquisitions of Meda and the Topicals Business, which increased R&D expense by approximately $33.9 million in the current year period.

Additionally, during the nine months ended September 30, 2017, the Company entered into a joint development and marketing agreement for a respiratory product resulting in approximately $50 million in R&D expense. In the prior year period, the Company made an upfront payment to Momenta Pharmaceuticals, Inc. ("Momenta") for $45 million related to the Company's collaboration agreement with Momenta which was entered into on January 8, 2016.

*Selling, General & Administrative Expense*

SG&A for the nine months ended September 30, 2017 was $1.92 billion, compared to $1.79 billion for the comparable prior year period, an increase of $129.2 million. The increase is due primarily to additional expense related to the acquisitions of Meda and the Topicals Business which increased SG&A by approximately $284.0 million. Partially offsetting this increase were lower acquisition related costs, including consulting and legal costs, and the benefit of integration activities in the current period.

*Litigation Settlements and Other Contingencies, Net*

During the nine months ended September 30, 2017, the Company recorded a net gain of $25.8 million, while during the nine months ended September 30, 2016, the Company recorded a net charge of $556.4 million, respectively. The net gain recognized during the nine months ended September 30, 2017, consists of a gain of approximately $88.1 million for a fair value adjustment related to the contingent consideration for the exclusive worldwide rights to develop, manufacture and commercialize a generic equivalent to GlaxoSmithKline's Advair Diskus® and Seretide Diskus® incorporating Pfizer Inc.'s proprietary dry powder inhaler delivery platform (the "respiratory delivery platform"). The fair value adjustment was the result of changes to assumptions relating to the timing of the product launch along with other competitive and market factors. Offsetting this gain were litigation accruals of approximately $52.5 million primarily related to the modafinil settlement, the Medicaid Drug Rebate Program Settlement, an increase to an accrual for an anti-trust related matter, and a fair value loss of $9.9 million related to contingent consideration for the acquisition of certain female healthcare businesses from Famy Care Limited (such businesses "Jai Pharma Limited"). The net charge recognized during the nine months ended September 30, 2016 was primarily related to the Medicaid Drug Rebate Program Settlement and the Strides Settlement.

***Interest Expense***

Interest expense for the nine months ended September 30, 2017 totaled $406.3 million, compared to $305.0 million for the nine months ended September 30, 2016, an increase of $101.3 million. The increase in the current year is primarily due to approximately $218.1 million of interest related to the issuance of the senior notes in June 2016 and the Euro senior notes issued in November 2016. This increase was partially offset by 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.

***Other Expense, Net***

Other expense, net, was $34.4 million for the nine months ended September 30, 2017, compared to $184.0 million for the comparable prior year period. Other expense, net, includes losses from equity affiliates, foreign exchange gains and losses and interest and dividend income. Other expense, net was comprised of the following for the nine months ended September 30, 2017 and 2016, respectively:

| | Nine Months Ended September 30, | |
|---|---|---|
| ***(In millions)*** | **2017** | **2016** |
| Losses from equity affiliates, primarily clean energy investments | $ 77.2 | $ 85.5 |
| Foreign exchange (gains)/losses, net | (33.0) | 81.6 |
| Write off of deferred financing fees | — | 33.2 |
| Other gains, net | (9.8) | (16.3) |
| **Other expense, net** | $ 34.4 | $ 184.0 |

In the prior year period, other expense, net included foreign exchange losses of $81.6 million which included $128.6 million of unrealized mark-to-market losses related to the Company's SEK non-designated foreign currency contracts that were entered into to economically hedge the SEK purchase price for the Meda acquisition, partially offset by foreign currency gains and the write off of approximately $33.2 million of financing fees related to the termination of the bridge credit agreement relating to the Meda acquisition.

***Income Tax Provision (Benefit)***

For the nine months ended September 30, 2017, the Company recognized an income tax provision of $124.2 million, compared to an income tax benefit of $165.7 million for the comparable prior year period. The income tax provision for the nine months ended September 30, 2017 versus the comparable prior year period was impacted by the changing mix of income earned in jurisdictions with differing tax rates, changes in 2017 valuation allowances applied to certain tax attributes, statutory releases of certain tax uncertainties, and the revaluation of deferred tax assets and liabilities in countries that changed their statutory corporate tax rate. During the nine months ended September 30, 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 nine months ended September 30, 2016. In addition to the benefit recognized for the merger of the aforementioned entities, the effective tax rate for the nine months ended September 30, 2016 was also impacted by the Medicaid Drug Rebate Program Settlement, a changing mix of income earned in jurisdictions with differing tax rates, and statutory releases of certain tax uncertainties.

**Use of Non-GAAP Financial Measures**

Whenever the Company uses non-GAAP financial measures, we provide a reconciliation of the non-GAAP financial measures to their most directly comparable U.S. GAAP financial measure. Investors and other readers are encouraged to review the related U.S. GAAP financial measures and the reconciliation of non-GAAP measures to their most directly comparable U.S. GAAP measure and should consider non-GAAP measures only as a supplement to, not as a substitute for or as a superior measure to, measures of financial performance prepared in accordance with U.S. GAAP. Additionally, since these are not measures determined in accordance with U.S. GAAP, non-GAAP financial measures have no standardized meaning across companies, or as prescribed by U.S. GAAP and, therefore, may not be comparable to the calculation of similar measures or measures with the same title used by other companies.

Management uses these measures internally for forecasting, budgeting, measuring its operating performance, and incentive-based awards. In addition, primarily due to acquisitions, we believe that an evaluation of our ongoing operations (and comparisons of our current operations with historical and future operations) would be difficult if the disclosure of our financial results was limited to financial measures prepared only in accordance with U.S. GAAP. We believe that non-GAAP financial measures are useful supplemental information for our investors and when considered together with our U.S. GAAP financial measures and the reconciliation to the most directly comparable U.S. GAAP financial measure, provide a more complete understanding of the factors and trends affecting our operations. The financial performance of the Company is measured by senior management, in part, using adjusted metrics as described below, along with other performance metrics. Management’s annual incentive compensation is derived, in part, based on the adjusted EPS metric.

**Adjusted Cost of Sales and Adjusted Gross Margin**

We use the non-GAAP financial measure “adjusted cost of sales” and the corresponding non-GAAP financial measure “adjusted gross margin.” The principal items excluded from adjusted cost of sales include restructuring, acquisition related and other special items and purchase accounting amortization and other related items, which are described in greater detail below.

**Adjusted Earnings and Adjusted EPS**

Adjusted net earnings (“adjusted earnings”) is a non-GAAP financial measure and provides an alternative view of performance used by management. Management believes that, primarily due to acquisition activity, an evaluation of the Company’s ongoing operations (and comparisons of its current operations with historical and future operations) would be difficult if the disclosure of its financial results were limited to financial measures prepared only in accordance with U.S. GAAP. Management believes that adjusted earnings and adjusted earnings per diluted share (“adjusted EPS”) are two of the most important internal financial metrics related to the ongoing operating performance of the Company, and are therefore useful to investors and that their understanding of our performance is enhanced by these adjusted measures. Actual internal and forecasted operating results and annual budgets used by management include adjusted earnings and adjusted EPS.

The significant items excluded from adjusted cost of sales, adjusted earnings and adjusted EPS include:

***Purchase Accounting Amortization and Other Related Items***

The ongoing impact of certain amounts recorded in connection with acquisitions is excluded from adjusted cost of sales, adjusted earnings and adjusted EPS. These amounts include the amortization of intangible assets, inventory step-up and intangible asset impairment charges, including in-process research and development.

***Upfront and Milestone-Related R&D Expenses***

These expenses and payments are excluded from adjusted earnings and adjusted EPS because they generally occur at irregular intervals and are not indicative of the Company's ongoing operations. Also included in this adjustment are certain expenses related to the Company's collaboration agreement with Momenta including certain milestone related costs. Such costs include payments related to Mylan's future decisions, on a product by product basis, to continue with the development of such product in the collaboration after certain R&D work is performed. Related amounts are excluded from adjusted earnings as Mylan considers such payments as additional upfront buy-in payments for the products.

***Accretion of Contingent Consideration Liability and Other Fair Value Adjustments***

The impact of changes to the fair value of contingent consideration and accretion expense are excluded from adjusted earnings and adjusted EPS because they are not indicative of the Company's ongoing operations due to the variability of the amounts and the lack of predictability as to the occurrence and/or timing and management believes it is helpful to understanding the underlying, ongoing operational performance of the business.

***Restructuring, Acquisition Related and Other Special Items***

Costs related to restructuring, acquisition and integration activities and other actions are excluded from adjusted cost of sales, adjusted earnings and adjusted EPS, as applicable. These amounts include items such as:

- Costs related to formal restructuring programs and actions, including costs associated with facilities to be closed or divested, employee separation costs, impairment charges, accelerated depreciation, incremental manufacturing variances, equipment relocation costs and other restructuring related costs;

- Certain acquisition related remediation and integration and planning costs, as well as other costs associated with acquisitions such as advisory and legal fees and certain financing related costs, and other business transformation and/or optimization initiatives, which are not part of a formal restructuring program, including employee separation and post-employment costs;

- The pre-tax loss of the Company's 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"); only included in adjusted earnings and adjusted EPS is the net tax effect of the entity's activities; and

- Certain costs to further develop and optimize our global enterprise resource planning systems, operations and supply chain.

The Company has undertaken restructurings and other optimization initiatives of differing types, scope and amount during the covered periods and, therefore, these charges should not be considered non-recurring; however, management excludes these amounts from adjusted earnings and adjusted EPS because it believes it is helpful to understanding the underlying, ongoing operational performance of the business.

***Litigation Settlements, Net***

Charges and gains related to legal matters, such as those discussed in the Notes to interim financial statements — Note 19 *Litigation* are generally excluded from adjusted earnings and adjusted EPS. Normal, ongoing defense costs of the Company made in the normal course of our business are not excluded.

***Reconciliation of Adjusted Net Earnings and Adjusted EPS***

A reconciliation between net earnings and diluted earnings per share, as reported under U.S. GAAP, and adjusted earnings and adjusted EPS for the periods shown follows:

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| *(In millions, except per share amounts)* | 2017 | | 2016 | | 2017 | | 2016 | |
| U.S. GAAP net earnings and U.S. GAAP EPS | $ 88.3 | $ 0.16 | $ (119.8) | $ (0.23) | $ 451.7 | $ 0.84 | $ 62.5 | $ 0.12 |
| Purchase accounting related amortization (primarily included in cost of sales) [a] | 370.7 | | 427.1 | | 1,074.9 | | 931.8 | |
| Litigation settlements, net [b] | 15.2 | | 468.0 | | 52.5 | | 466.4 | |
| Interest expense (primarily related to clean energy investment financing) | 5.5 | | 5.5 | | 19.5 | | 18.9 | |
| Accretion of contingent consideration liability and other fair value adjustments [c] | 4.9 | | 100.4 | | (57.6) | | 120.7 | |
| Clean energy investments pre-tax loss | 22.4 | | 23.8 | | 66.4 | | 69.4 | |
| Acquisition related costs (primarily included in SG&A and cost of sales) [d] | 15.2 | | 110.5 | | 60.1 | | 346.7 | |
| Restructuring related costs [e] | 73.4 | | 24.2 | | 112.7 | | 45.1 | |
| Other special items included in: | | | | | | | | |
| Cost of sales | 12.3 | | 12.0 | | 39.2 | | 34.1 | |
| Research and development expense [f] | 15.2 | | 22.0 | | 90.1 | | 98.4 | |
| Selling, general and administrative expense | 4.0 | | (2.0) | | 12.7 | | 0.3 | |
| Other expense, net | (3.3) | | (1.4) | | 1.8 | | 1.3 | |
| Tax effect of the above items and other income tax related items | (34.1) | | (343.9) | | (244.5) | | (490.5) | |
| Adjusted net earnings and adjusted EPS | $ 589.7 | $ 1.10 | $ 726.4 | $ 1.38 | $ 1,679.5 | $ 3.13 | $ 1,705.1 | $ 3.31 |
| Weighted average diluted ordinary shares outstanding | 537.0 | | 523.6 | | 537.0 | | 515.2 | |

Significant items for the three and nine months ended September 30, 2017 include the following:

[a] The increase in purchase accounting related amortization for the nine month period is due to the amortization expense associated with the intangible assets related to the Topicals Business and Meda acquisitions. The decrease in purchase accounting related amortization for the three month period is primarily related to approximately $56 million of inventory step-up amortization related to the Topicals Business and Meda acquisitions in the prior year period.

[b] Litigation settlements, net decrease is due to an accrual for the Medicaid Drug Rebate Settlement in the prior year periods.

[c] Change to contingent consideration liability is due to a gain recognized for the fair value adjustment of $88.1 million for the respiratory delivery platform contingent liability included in the nine months ended September 30, 2017. The three and nine months ended September 30, 2016 include approximately $90 million related to the Strides Settlement.

[d] Acquisition related costs incurred in 2016 primarily relate to the acquisition of the Topicals Business (June 2016) and costs related to the Meda acquisition. These costs primarily related to consulting, professional, and legal costs. Acquisition related costs incurred in 2017 consist primarily of integration activities.

[e] Refer to Note 17 *Restructuring* included in Item 1 in this Form 10-Q. Of the total amount, approximately $21.0 million is included in cost of sales, $1.1 million is included in R&D, and $51.3 million is included in SG&A for the three months ended September 30, 2017. For the nine months ended September 30, 2017, approximately $37.3 million is included in cost of sales, $2.4 million is included in R&D and $73.0 million is included in SG&A.

[f] R&D expense for the three months ended September 30, 2017 includes $8.0 million related to Momenta collaboration expense. For the nine months ended September 30, 2017, R&D expense includes an upfront expense of approximately $50 million related to a joint development and marketing agreement for a respiratory product, $22.5 million related to Momenta

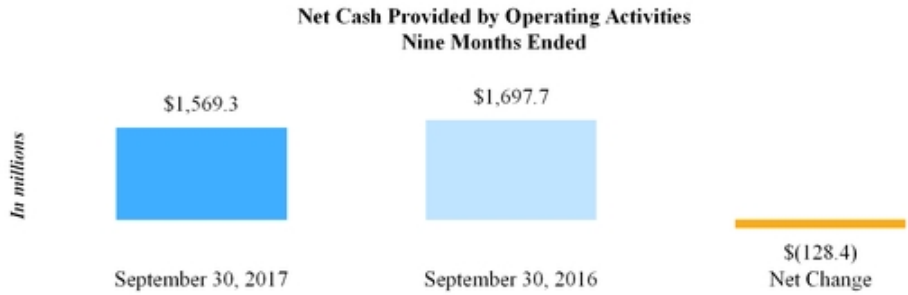
collaboration expense and other similar smaller agreements. For the nine months ended September 30, 2016, R&D expense includes a $45 million upfront payment to Momenta and $15 million of milestone payments to Theravance Biopharma. In addition, included in this amount for the three and nine months ended September 30, 2016 is approximately $9.0 million and $22.3 million, respectively, of R&D expense incurred related to the Company's collaboration with Momenta.

***Liquidity and Capital Resources***

Our primary source of liquidity is cash provided by operations, which was $1.57 billion for the nine months ended September 30, 2017. We believe that cash provided by operating activities and available liquidity will continue to allow us to meet our needs for working capital, capital expenditures and interest and principal payments on debt obligations. Nevertheless, our ability to satisfy our working capital requirements and debt service obligations, or fund planned capital expenditures, will substantially depend upon our future operating performance (which will be affected by prevailing economic conditions), and financial, business and other factors, some of which are beyond our control.

*Operating Activities*

Net cash provided by operating activities decreased by $128.4 million to $1.57 billion for the nine months ended September 30, 2017, as compared to net cash provided by operating activities of $1.70 billion for the nine months ended September 30, 2016. Cash provided by operating activities is derived by net earnings adjusted for non-cash operating items, gains and losses attributed to investing and financing activities and changes in operating assets and liabilities resulting from timing differences between the receipts and payments of cash, including changes in cash primarily reflecting the timing of cash collections from customers, payments to vendors and employees and tax payments in the ordinary course of business.




The net decrease in cash provided by operating activities was principally due to the following:

- a decrease in non-cash items of $136.7 million, principally a result of a decrease in litigation settlements and other contingencies expense, net of $603.8 million related to the accrual for the Medicaid Drug Rebate Program Settlement and the Strides Settlement related to the acquisition of Agila recognized in the prior year period and a decrease of $128.6 million related to unrealized losses on acquisition-related foreign currency derivatives recognized in the prior year period partially offset by increased depreciation and amortization as a result of acquisitions of $233.4 million and an increase in the deferred income tax benefit of $374.0 million;
- a decrease in other operating assets and liabilities, net of $319.6 million, principally a result of payments made of approximately $255.2 million related to the Medicaid Drug Rebate Program Settlement and payments of other accruals;
- a net increase in the amount of cash used through changes in trade accounts payable of $142.4 million as a result of the timing of cash payments; and
- a net increase in the amount of cash used through changes in income taxes of $200.6 million as a result of the level and timing of estimated tax payments made during the current period.

These items were partially offset by the following:

- an increase in net earnings for the nine months ended September 30, 2017 of $389.2 million when compared to the prior year period, principally as a result of an increase in earnings from operations;
- a net decrease of $248.8 million in the amount of cash used through changes in inventory balances; and

- a net increase in the amount of cash provided by accounts receivable, including estimated sales allowances of $32.9 million, reflecting the timing of sales, cash collections and disbursements related to sales allowances.

*Investing Activities*

Cash used in investing activities was $743.1 million for the nine months ended September 30, 2017, as compared to $7.08 billion for the nine months ended September 30, 2016, a net decrease of $6.34 billion.


**In 2017, significant items in investing activities included the following:**

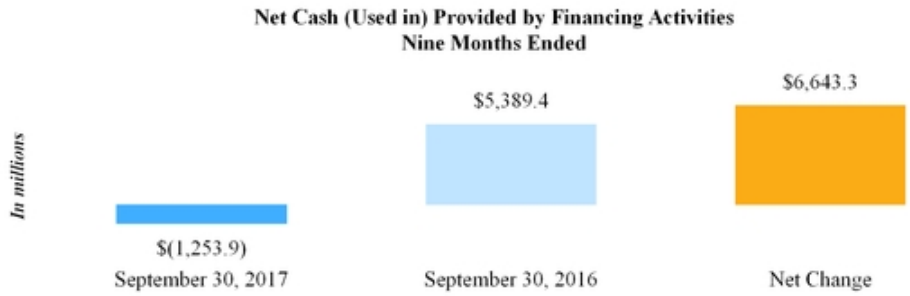
- cash paid for acquisitions, net totaling approximately $71.6 million related to the acquisition of the remaining non-tendered shares of Meda in the compulsory acquisition proceeding;
- payments for product rights and other, net totaling approximately $558.8 million, which included a payment of $50.0 million related to the acquisition of intellectual property rights for the Cold-EEZE® brand cold remedy line, payments of $168.0 million related to the acquisition of additional intellectual property rights and marketing authorizations outside of the U.S. and a payment of $277.9 million related to the acquisition of a portfolio of generic product rights in the U.S.;
- proceeds from the sale of certain European assets for approximately $31.1 million;
- restricted cash decrease of $12.6 million in the current year due to amounts released from escrow for the payment of certain claims related to the Agila Specialties Private Limited (“Agila”) contingent consideration; and
- capital expenditures, primarily for equipment and facilities, totaling approximately $156.4 million. While there can be no assurance that current expectations will be realized, capital expenditures for the 2017 calendar year are expected to be approximately $300 million to $350 million.

**In 2016, significant items in investing activities included the following:**

- cash paid for acquisitions totaling approximately $6.15 billion related to the Company’s acquisitions of Meda and the Topicals Business;
- restricted cash increase of approximately $50.5 million related to amounts deposited in escrow for potential contingent consideration payments in connection with the acquisition of the Topicals Business;
- payments for product rights and other, net totaling approximately $196.3 million which included payments of $57.9 million to acquire a marketed pharmaceutical product and $90 million related to the acquisition of certain European intellectual property rights and marketing authorizations;
- capital expenditures, primarily for equipment and facilities, totaling approximately $239.5 million;
- cash paid for Meda's unconditional deferred payment of approximately $308.0 million; and
- cash paid for settlement of acquisition-related foreign currency derivatives of approximately $128.6 million.

*Financing Activities*

Cash used in financing activities was $1.25 billion for the nine months ended September 30, 2017, compared to cash provided by financing activities of $5.39 billion for the nine months ended September 30, 2016, a net decrease of $6.64 billion.




**In 2017, significant items in financing activities included the following:**

- proceeds of €500 million related to the issuance of the 2020 Floating Rate Euro Notes;
- voluntarily prepayments of $1.5 billion of the 2016 Term Loans and $245 million of the Meda 2.0kr billion Term Loan; and
- net repayments of short-term borrowings of $48.3 million.

**In 2016, significant items in financing activities included the following:**

- proceeds from long-term debt of $6.5 billion which was attributable to the Company's issuance of $1.00 billion aggregate principal amount of 2.500% Senior Notes due 2019, $2.25 billion aggregate principal amount of 3.150% Senior Notes due 2021, $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 in the second quarter of 2016 in anticipation of the completion of the offer to acquire all of the outstanding shares of Meda;
- payments of the principal amount of $500.0 million on the 1.800% Senior Notes due 2016 which matured on June 24, 2016 and $567.0 million of Meda's bank loans;
- net short-term borrowings of $48.6 million; and
- payments of financing fees which totaled $95.3 million primarily related to a bridge credit agreement related to the Meda acquisition.

*Capital Resources*

Our cash and cash equivalents at our non-U.S. operations totaled $516.8 million at September 30, 2017. A portion of these funds represented earnings considered to be permanently reinvested to support the growth strategies of our non-U.S. subsidiaries. The Company anticipates having sufficient U.S. liquidity, including existing borrowing capacity under its revolving credit facility dated as of November 22, 2016 (as amended, supplemented or otherwise modified from time to time, the "2016 Revolving Facility"), among the Company, certain affiliates and subsidiaries of the Company from time to time party thereto as guarantors, each lender from time to time party thereto and Bank of America, N.A., as administrative agent, including the commercial paper program, and the Receivables Facility (as defined below) combined with cash to be generated from operations, to fund foreseeable U.S. cash needs without requiring the repatriation of non-U.S. cash. If these funds are ultimately needed for the Company's operations in the U.S., the Company may be required to accrue and pay U.S. taxes to repatriate these funds. If funds are needed from the Company's subsidiaries that do not have an ultimate U.S. parent, the Company will generally not be required to accrue and pay taxes to repatriate these funds because its foreign parent would not be subject to tax on receipt of these distributions.

The Company has access to $2.0 billion under the 2016 Revolving Facility which also includes a $200 million subfacility for the issuance of letters of credit and a $175 million sublimit for swingline borrowings. As of September 30, 2017, we had $192.1 million available under the $200 million subfacility on our 2016 Revolving Facility for the issuance of letters of credit. Up to $1.65 billion of the 2016 Revolving Facility may be used to support future borrowing under our commercial paper program.

In addition to the 2016 Revolving Facility, MPI, a wholly owned subsidiary of the Company, has a $400 million receivables facility (the "Receivables Facility"), which will expire in January 2018. Although from time-to-time, the available amount of the Receivables Facility may be less than $400 million based on accounts receivable concentration limits and other eligibility requirements. Under the terms of the Receivables Facility, MPI sells certain accounts receivable to Mylan Securitization LLC, a wholly owned special purpose entity which in turn sells a percentage of ownership interest in the receivables to financial institutions and commercial paper conduits sponsored by financial institutions. As of September 30, 2017, the Company had no amounts outstanding under the Receivables Facility.

At September 30, 2017, our long-term debt totaled $13.99 billion, as compared to $15.20 billion at December 31, 2016. Total long-term debt is calculated net of deferred financing which were $79.6 million and $92.2 million at September 30, 2017 and December 31, 2016, respectively. The decrease in long-term debt was due to the prepayment of a portion of the 2016 Term Loans during the nine months ended September 30, 2017 offset by the issuance of the 2020 Floating Rate Euro Notes. The total long-term debt balance at September 30, 2017 was comprised primarily of $100 million of term loans, $91.4 million of Medium Term Notes acquired from Meda, $12.69 billion of fixed rate senior notes and $1.18 billion of floating rate senior notes. In addition, at September 30, 2017, we had $722.8 million of long-term debt classified as current and payable within the next twelve months, as compared to $223.3 million at December 31, 2016. The increase to the current portion of long-term debt is due to the reclassification of the 2.600% Senior Notes due 2018 which mature in June 2018 offset by the prepayment of the Meda 2.0kr billion Term Loan. In addition to the current portion of long-term debt, the Company has significant debt maturities in the fourth quarter of 2018, as the Floating Rate Euro Notes mature in November 2018 and the 3.000% Senior Notes due 2018 mature in December 2018. The Company intends to utilize available liquidity to fund these repayments.

For additional information regarding our debt agreements refer to Note 12 *Debt* in Item 1 in this Form 10-Q.

*Long-term Debt Maturity*

Mandatory minimum repayments remaining on the outstanding notional amount of long-term debt at September 30, 2017 are as follows for each of the periods ending December 31:


The Company's term loan credit facility dated as of November 22, 2016 (as amended, supplemented or otherwise modified from time to time, the "2016 Term Facility"), among the Company, certain affiliates and subsidiaries of the Company from time to time party thereto as guarantors, each lender from time to time party thereto and Goldman Sachs Bank USA, as administrative agent and 2016 Revolving Facility 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.

The 2016 Term Facility and 2016 Revolving Facility contain a maximum consolidated leverage ratio financial covenant requiring maintenance of a maximum 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"). The Company is in compliance at September 30, 2017.

Following the Meda acquisition (a qualifying acquisition), the leverage ratio changed to 4.25 to 1.00 through June 30, 2017. On November 3, 2017, the Company entered into amendments to the agreements for the 2016 Term Facility and 2016

Revolving Facility to extend the leverage ratio covenant of 4.25 to 1.00 through the December 31, 2018 reporting period. The Company expects to remain in compliance for the next twelve months.

*Business Acquisitions, 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, 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 Condensed Consolidated Balance Sheets, except for milestone and royalty obligations reflected as acquisition contingent consideration. 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.

Our most significant contingent payment relates to the potential future consideration related to our December 2011 acquisition of the respiratory delivery platform. These payments are contingent upon the occurrence of certain future events and the ultimate success of the respective projects. 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. The Company has also recorded contingent consideration related to the acquisition of the Topicals Business, the acquisition of Jai Pharma Limited, the acquisition of Agila Specialties Private Limited (“Agila”) and certain other acquisitions. The amount of contingent consideration recorded was $471.1 million and $564.6 million at September 30, 2017 and December 31, 2016, respectively. In addition, the Company expects to incur approximately $25 million to $30 million of annual accretion expense related to the increase in the net present value of the contingent consideration liability.

In conjunction with the Company’s Generic Drug User Fee Agreement goal date, on March 28, 2017, the Company received a complete response letter from the FDA regarding its Abbreviated New Drug Application for the respiratory delivery platform. As of September 30, 2017, the Company has an IPR&D asset of $347.2 million and a related contingent consideration liability of $361.0 million. The Company performed an analysis and valuation of the IPR&D asset and the fair value of the related contingent consideration liability 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 September 30, 2017. Additionally, no fair value adjustment was required for the contingent consideration during the three months ended September 30, 2017. In the second quarter of 2017, a fair value adjustment was required for the contingent consideration liability resulting in a gain of approximately $88.1 million 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 determined based upon detailed valuations employing the income approach which utilized Level 3 inputs, as defined in Note 11 - *Financial Instruments and Risk Management*. 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.

In October 2017, the Company finalized an agreement to acquire the perpetual license to Betadine in certain European markets. An estimated liability of approximately $300 million for the purchase of these rights was accrued for on the Meda acquisition opening balance sheet. The Company does not expect that a material adjustment to this liability will be necessary upon closing of the transaction in early 2018.

On October 3, 2017, the Company completed the acquisition of a U.S. based developer and manufacturer of API for approximately $189 million, which includes $15 million of contingent payments based on the achievement of certain financial results of the acquired business following the closing of the transaction.

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.

*Other Commitments*

We are 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 financial or other penalties or charges (civil and criminal) against the Company, including the possibility of not being able to conduct business in a specific jurisdiction. While it is not possible to predict the outcome of such proceedings, an adverse outcome in any of these proceedings could materially affect our business, financial condition, results of operations, and cash flows and could cause the market value of our ordinary shares to decline. We have approximately $402 million accrued for legal contingencies at September 30, 2017. In October, we paid approximately $217.5 million related to the Medicaid Drug Rebate Program Settlement. 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 and the EPD Business, and certain other acquisitions. The inability or denial of Merck KGaA, Strides Arcolab, Abbott Laboratories or another indemnitor or insurer to pay on an indemnified claim could have a material adverse effect on our business, financial condition, results of operations, cash flows and/or ordinary share price.

We are continuously evaluating the potential acquisition of products, as well as companies, as a strategic part of our future growth. Consequently, we may utilize current cash reserves or incur additional indebtedness to finance any such acquisitions, which could impact future liquidity. In addition, on an ongoing basis, we review our operations including the evaluation of potential divestitures of products and businesses as part of our future strategy. Any divestitures could impact future liquidity.

## ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

For a discussion of the Company's market risk, see "Item 7A. Quantitative and Qualitative Disclosures about Market Risk" in Mylan N.V.'s Annual Report filed on Form 10-K for the year ended December 31, 2016, as amended.

## ITEM 4. *CONTROLS AND PROCEDURES*

An evaluation was performed under the supervision and with the participation of the Company's management, including the Principal Executive Officer and the Principal Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2017. Based upon that evaluation, the Principal Executive Officer and the Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective.

Management identified the following change in the Company's internal control over financial reporting ("ICFR") that occurred during the quarter that has materially affected, or is reasonably likely to materially affect, the Company's ICFR. During the quarter ended September 30, 2017, the Company continued to implement and utilize a new Enterprise Resource Planning ("ERP") system in certain countries, which, when completed, will handle the business, financial and administrative processes for the Company. The Company has modified and will continue to modify its internal controls relating to its business and financial processes throughout the entire ERP system implementation, which is expected to progress through the end of 2017. While the Company believes that this new system and the related changes to internal controls will ultimately strengthen its ICFR, there are inherent risks in implementing any new ERP system and the Company will continue to evaluate and test control changes in order to provide certification as of its fiscal year ending December 31, 2017 on the effectiveness of its ICFR.

## PART II — OTHER INFORMATION

### ITEM 1. *LEGAL PROCEEDINGS*

For information regarding legal proceedings, refer to Note 19 *Litigation*, in the accompanying Notes to interim financial statements in this Quarterly Report.

### ITEM 1A. *RISK FACTORS*

There have been no material changes in the Company's risk factors from those disclosed in Mylan's Annual Report on Form 10-K for the year ended December 31, 2016, as amended.

### ITEM 5. *OTHER INFORMATION*

On November 3, 2017, the Company entered into an amendment (the "Revolving Loan Amendment") to the 2016 Revolving Facility. In addition, on November 3, 2017, the Company entered into an amendment (the "Term Loan Amendment") to the 2016 Term Facility. The Revolving Loan Amendment and the Term Loan Amendment increased the maximum consolidated leverage ratio from 3.75 to 1.00 to 4.25 to 1.00 through the December 31, 2018 reporting period in the maximum consolidated leverage ratio financial covenant, which requires maintenance of a maximum ratio of consolidated total indebtedness as of the end of any quarter to consolidated EBITDA for the trailing four quarters (as defined in the 2016 Revolving Facility and 2016 Term Facility). The Company is in compliance with this covenant at September 30, 2017, and expects to remain in compliance for the next twelve months.

The foregoing description does not purport to be complete and its qualified in its entirety by reference to the Revolving Loan Amendment and Term Loan Amendment, which are attached hereto as Exhibit 10.3 and Exhibit 10.4, respectively, and which are incorporated herein by reference.

**ITEM 6. *EXHIBITS***

| | |
|---|---|
| 10.1 | Settlement Agreement with the U.S. Department of Justice and two relators finalizing the Medicaid drug rebate settlement, dated August 16, 2017, filed as Exhibit 10.1 to the Report on Form 8-K filed with the SEC on August 21, 2017, and incorporated herein by reference. |
| 10.2 | Corporate Integrity Agreement between the Office of Inspector General of the Department of Health and Human Services and Mylan Inc. and Mylan Specialty L.P., dated August 16, 2017, filed as Exhibit 10.2 to the Report on Form 8-K filed with the SEC on August 21, 2017, and incorporated herein by reference. |
| 10.3 | Amendment, dated as of September 30, 2017, to the revolving credit facility dated as of November 22, 2016, among the Company, certain affiliates and subsidiaries of the Company from time to time party thereto as guarantors, each lender from time to time party thereto and Bank of America, N.A., as administrative agent. |
| 10.4 | Amendment, dated as of September 30, 2017, to the term loan credit facility dated as of November 22, 2016, among the Company, certain affiliates and subsidiaries of the Company from time to time party thereto as guarantors, each lender from time to time party thereto and Goldman Sachs Bank USA, as administrative agent. |
| 31.1 | Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32 | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase |
| 101.DEF | XBRL Taxonomy Definition Linkbase |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Mylan N.V.
(Registrant)

By: /s/ HEATHER BRESCH

Heather Bresch
Chief Executive Officer
*(Principal Executive Officer)*

November 6, 2017

/s/ KENNETH S. PARKS

Kenneth S. Parks
Chief Financial Officer
*(Principal Financial Officer)*

November 6, 2017

**AMENDMENT TO REVOLVING CREDIT AGREEMENT**

AMENDMENT dated as of November 3, 2017 (this "Amendment"), to the Revolving Credit Agreement dated as of November 22, 2016 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among MYLAN N.V., a public limited liability company (*naamloze vennootschap*) incorporated and existing under the laws of the Netherlands, with its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Dutch chamber of commerce under number 61036137 (the "Borrower"), certain Affiliates and Subsidiaries of the Borrower from time to time party thereto as Guarantors, each Lender from time to time party thereto (the "Lenders"), each Issuing Bank from time to time party thereto and BANK OF AMERICA, N.A., as Administrative Agent (the "Agent").

**W I T N E S S E T H :**

WHEREAS, the parties hereto desire to amend the Credit Agreement as set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1 . *Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after this Amendment becomes effective pursuant to Section 6 hereof, refer to the Credit Agreement as amended hereby. This Amendment shall constitute a "Loan Document" for all purposes under the Credit Agreement.

SECTION 2 . *Amendment to Credit Agreement.* Subject to Section 6 hereof, Section 6.07 of the Credit Agreement is hereby amended and restated as follows:

> "Financial Covenant. Commencing with the first fiscal quarter ending after the Closing Date, the Borrower will not permit the Consolidated Leverage Ratio on the last day of the fiscal quarter set forth below to be greater than the ratio set forth opposite such date:

| Fiscal Quarter End | Consolidated Leverage Ratio |
|---|---|
| December 31, 2016 | 3.75:1.00 |
| March 31, 2017 | 3.75:1.00 |
| June 30, 2017 | 3.75:1.00 |
| September 30, 2017 | 4.25:1.00 |
| December 31, 2017 | 4.25:1.00 |
| March 31, 2018 | 4.25:1.00 |
| June 30, 2018 | 4.25:1.00 |
| September 30, 2018 | 4.25:1.00 |
| December 31, 2018 | 4.25:1.00 |
| March 31, 2019 and the last day of each fiscal quarter ending thereafter | 3.75:1.00 |

; provided that in lieu of the foregoing, for any such date occurring after a Qualified Acquisition, on or prior to the last day of the third full fiscal quarter of the Borrower after the consummation of such Qualified Acquisition, the Borrower will not permit the Consolidated Leverage Ratio as of such date to exceed 4.25 to 1.00."

SECTION 3 . *Representations of Borrower.* The Borrower represents and warrants that (i) the representations and warranties of the Borrower set forth in Article III of the Credit Agreement (other than Sections 3.04(b) and 3.06) will be true and correct in all material respects (except to the extent that any representation and warranty that is qualified by materiality shall be true and correct in all respects) on and as of the Amendment Effective Date (as defined below) (as if each reference therein to a "Loan Document" included a reference to this Amendment), except where any representation and warranty is expressly made as of a specific earlier date, such representation and warranty shall be true in all material respects as of any such earlier date and (ii) no Default or Event of Default shall have occurred and be continuing immediately prior to giving effect to this Amendment (provided that for the purposes of making this representation and warranty (i) the maximum Consolidated Leverage Ratio as of September 30, 2017 shall be deemed to be 4.25:1.00 and (ii) section 3.05(b) of the Credit Agreement shall be subject to the matters set forth in the Schedule hereto) and no Default or Event of Default will result from the execution, delivery and effectiveness of this Amendment.

SECTION 4 . *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of New York (without regard to the conflict of law principles thereof to the extent that the application of the laws of another jurisdiction would be required thereby).

SECTION 5 . *Counterparts*. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 6 . *Effectiveness.* (a) This Amendment shall become effective as of the date set forth above on the date (the "Amendment Effective Date") when the Agent shall have received (i) from

each of the Borrower and the Required Lenders a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to the Agent) that such party has signed a counterpart hereof and (ii) the fees previously agreed with the Borrower.

(b) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, any Guarantor or any other party under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Article VIII and section 9.03 of the Credit Agreement shall apply to the Agent's role and responsibility in connection with this Amendment to the same extent as the Administrative Agent under the Credit Agreement.

(c) Nothing herein shall be deemed to entitle the Borrower or any Guarantor to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

MYLAN N.V., as Borrower

By: /s/ John Miraglia
Name: John Miraglia
Title: Treasurer

MYLAN INC., as Guarantor

By: /s/ John Miraglia
Name: John Miraglia
Title: Treasurer

BANK OF AMERICA, N.A., as
Administrative Agent

By: /s/ Maurice E. Washington

Name: Maurice E. Washington

Title: Vice President

BANK OF AMERICA, N.A., individually
as a Lender, as the Swingline Lender
and as the Issuing Bank

By: /s/ Yinghua Zhang

Name: Yinghua Zhang

Title: Director

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Lender Name

By: /s/ Jaime Johnson
Name: Jaime Johnson
Title: Director

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

BNP PARIBAS
Lender Name

By: /s/ Michael R. Hoffman
Name: Michael R. Hoffman
Title: Director

For Lenders that require an additional signature:

By: /s/ Todd Grossnickle
Name: Todd Grossnickle
Title: Director

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

CITIBANK, N.A.
Lender Name

By: /s/ Patricia Guerra Heh
Name: Patricia Guerra Heh
Title: Vice President

For Lenders that require an additional signature:

By: _____
Name:
Title:

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

Commerzbank AG, New York Branch
Lender Name

By: /s/ Pedro Bell
Name: Pedro Bell
Title: Director

For Lenders that require an additional signature:

By: /s/ Matthew Ward
Name: Matthew Ward
Title: Director

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

DANSKE BANK A/S
Lender Name

By: /s/ P. Madhavan
Name: P. Madhavan
Title: Director

For Lenders that require an additional signature:

By: /s/ S. Smith
Name: S. Smith
Title: Director

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

DEUTSCHE BANK AG NEW YORK BRANCH
Lender Name

By: /s/ Ming K. Chu
Name: Ming K. Chu
Title: Director

For Lenders that require an additional signature:

By: /s/ Virginia Cosenza
Name: Virginia Cosenza
Title: Vice President

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

DNB Capital LLC
Lender Name

By: /s/ Phillip F. Kurpiewski
Name: Phillip F. Kurpiewski
Title: Senior Vice President

For Lenders that require an additional signature:

By: /s/ Caroline Adams
Name: Caroline Adams
Title: First Vice President

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

GOLDMAN SACHS BANK USA
Lender Name

By: /s/ Chris Lam
Name: Chris Lam
Title: Authorized Signatory

For Lenders that require an additional signature:

By: _____
Name:
Title:

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

ING (Ireland) DAC
Lender Name

By: /s/ Sean Hassett
Name: Sean Hassett
Title: Director

For Lenders that require an additional signature:

By: /s/ Ciaran Dunne
Name: Ciaran Dunne
Title: Director

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

JPMorgan Chase Bank, N.A.
Lender Name

By: /s/ Deborah R. Winkler
Name: Deborah R. Winkler
Title: Executive Director

For Lenders that require an additional signature:

By: _____
Name:
Title:

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

Mizuho Bank, Ltd.
Lender Name

By: /s/ Bertram H. Tang
Name: Bertram H. Tang
Title: Authorized Signatory

For Lenders that require an additional signature:

By: _____
Name:
Title:

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

MORGAN STANLEY BANK, N.A.
Lender Name

By: /s/ Alice Lee
Name: Alice Lee
Title: Authorized Signatory

For Lenders that require an additional signature:

By: _____
Name:
Title:

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

PNC Bank, National Association
Lender Name

By: /s/ David B. Keith
Name: David B. Keith
Title: Senior Vice President

For Lenders that require an additional signature:

By: _____
Name:
Title:

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

Skandinaviska Enskilda Banken AB (publ)
Lender Name

By: /s/ Penny Neville-Park
Name: Penny Neville-Park
Title: Authorised Signatory

For Lenders that require an additional signature:

By: /s/ Simon Hickman
Name: Simon Hickman
Title: Authorised Signatory

**AMENDMENT TO TERM CREDIT AGREEMENT**

AMENDMENT dated as of November 3, 2017 (this "Amendment"), to the Term Credit Agreement dated as of November 22, 2016 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among MYLAN N.V., a public limited liability company (*naamloze vennootschap*) incorporated and existing under the laws of the Netherlands, with its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Dutch chamber of commerce under number 61036137 (the "Borrower"), certain Affiliates and Subsidiaries of the Borrower from time to time party thereto as Guarantors, each Lender from time to time party thereto (the "Lenders") and GOLDMAN SACHS BANK USA, as Administrative Agent (the "Agent").

**W I T N E S S E T H :**

WHEREAS, the parties hereto desire to amend the Credit Agreement as set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1 . *Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after this Amendment becomes effective pursuant to Section 6 hereof, refer to the Credit Agreement as amended hereby. This Amendment shall constitute a "Loan Document" for all purposes under the Credit Agreement.

SECTION 2 . *Amendment to Credit Agreement.* Subject to Section 6 hereof, Section 6.07 of the Credit Agreement is hereby amended and restated as follows:

> "Financial Covenant. Commencing with the first fiscal quarter ending after the Closing Date, the Borrower will not permit the Consolidated Leverage Ratio on the last day of the fiscal quarter set forth below to be greater than the ratio set forth opposite such date:

| Fiscal Quarter End | Consolidated Leverage Ratio |
|---|---|
| December 31, 2016 | 3.75:1.00 |
| March 31, 2017 | 3.75:1.00 |
| June 30, 2017 | 3.75:1.00 |
| September 30, 2017 | 4.25:1.00 |
| December 31, 2017 | 4.25:1.00 |
| March 31, 2018 | 4.25:1.00 |
| June 30, 2018 | 4.25:1.00 |
| September 30, 2018 | 4.25:1.00 |
| December 31, 2018 | 4.25:1.00 |
| March 31, 2019 and the last day of each fiscal quarter ending thereafter | 3.75:1.00 |

; provided that in lieu of the foregoing, for any such date occurring after a Qualified Acquisition, on or prior to the last day of the third full fiscal quarter of the Borrower after the consummation of such Qualified Acquisition, the Borrower will not permit the Consolidated Leverage Ratio as of such date to exceed 4.25 to 1.00."

SECTION 3 . *Representations of Borrower.* The Borrower represents and warrants that (i) the representations and warranties of the Borrower set forth in Article III of the Credit Agreement (other than Sections 3.04(b) and 3.06) will be true and correct in all material respects (except to the extent that any representation and warranty that is qualified by materiality shall be true and correct in all respects) on and as of the Amendment Effective Date (as defined below) (as if each reference therein to a "Loan Document" included a reference to this Amendment), except where any representation and warranty is expressly made as of a specific earlier date, such representation and warranty shall be true in all material respects as of any such earlier date and (ii) no Default or Event of Default shall have occurred and be continuing immediately prior to giving effect to this Amendment (provided that for the purposes of making this representation and warranty (i) the maximum Consolidated Leverage Ratio as of September 30, 2017 shall be deemed to be 4.25:1.00 and (ii) section 3.05(b) of the Credit Agreement shall be subject to the matters set forth in the Schedule hereto) and no Default or Event of Default will result from the execution, delivery and effectiveness of this Amendment.

SECTION 4 . *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of New York (without regard to the conflict of law principles thereof to the extent that the application of the laws of another jurisdiction would be required thereby).

SECTION 5 . *Counterparts*. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 6 . *Effectiveness.* (a) This Amendment shall become effective as of the date set forth above on the date (the "Amendment Effective Date") when the Agent shall have received (i) from

each of the Borrower and the Required Lenders a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to the Agent) that such party has signed a counterpart hereof and (ii) the fees previously agreed with the Borrower.

(b) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, any Guarantor or any other party under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Article VIII and section 9.03 of the Credit Agreement shall apply to the Agent's role and responsibility in connection with this Amendment to the same extent as the Administrative Agent under the Credit Agreement.

(c) Nothing herein shall be deemed to entitle the Borrower or any Guarantor to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

MYLAN N.V., as Borrower

By: /s/ John Miraglia
Name: John Miraglia
Title: Treasurer

MYLAN INC., as Guarantor

By: /s/ John Miraglia
Name: John Miraglia
Title: Treasurer

GOLDMAN SACHS BANK USA,
individually as a Lender and as
Administrative Agent

By: /s/ Elizabeth Fischer

Name: Elizabeth Fischer

Title: Authorized Signatory

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND GOLDMAN SACHS BANK USA, AS ADMINISTRATIVE AGENT

BANK OF AMERICA, N.A.
Lender Name

By: /s/ Yinghua Zhang
Name: Yinghua Zhang
Title: Director

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The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Lender Name

By: /s/ Jaime Johnson
Name: Jaime Johnson
Title: Director

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND GOLDMAN SACHS BANK USA, AS ADMINISTRATIVE AGENT

BNP PARIBAS
Lender Name

By: /s/ Michael R. Hoffman
Name: Michael R. Hoffman
Title: Director

For Lenders that require an additional signature:

By: /s/ Todd Grossnickle
Name: Todd Grossnickle
Title: Director

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND GOLDMAN SACHS BANK USA, AS ADMINISTRATIVE AGENT

CITIBANK, N.A.
Lender Name

By: /s/ Patricia Guerra Heh
Name: Patricia Guerra Heh
Title: Vice President

For Lenders that require an additional signature:

By: _____
Name:
Title:

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND GOLDMAN SACHS BANK USA, AS ADMINISTRATIVE AGENT

Commerzbank AG, New York Branch
Lender Name

By: /s/ Matthew Ward
Name: Matthew Ward
Title: Director

For Lenders that require an additional signature:

By: /s/ Pedro Bell
Name: Pedro Bell
Title: Director

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DANSKE BANK A/S
Lender Name

By: /s/ P. Madhavan
Name: P. Madhavan
Title: Director

For Lenders that require an additional signature:

By: /s/ S. Smith
Name: S. Smith
Title: Director

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND GOLDMAN SACHS BANK USA, AS ADMINISTRATIVE AGENT

DEUTSCHE BANK AG NEW YORK BRANCH
Lender Name

By: /s/ Ming K. Chu
Name: Ming K. Chu
Title: Director

For Lenders that require an additional signature:

By: /s/ Virginia Cosenza
Name: Virginia Cosenza
Title: Vice President

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND GOLDMAN SACHS BANK USA, AS ADMINISTRATIVE AGENT

DNB Capital LLC
Lender Name

By: /s/ Phillip F. Kurpiewski
Name: Phillip F. Kurpiewski
Title: Senior Vice President

For Lenders that require an additional signature:

By: /s/ Caroline Adams
Name: Caroline Adams
Title: First Vice President

LENDER SIGNATURE PAGE TO THE AMENDMENT TO THE CREDIT AGREEMENT DATED AS OF NOVEMBER 22, 2016, AMONG MYLAN N.V., THE GUARANTORS FROM TIME TO TIME PARTY THERETO, THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS OR ENTITIES FROM TIME TO TIME PARTY THERETO AND GOLDMAN SACHS BANK USA, AS ADMINISTRATIVE AGENT

ING Bank, a Branch of ING-DiBa AG
Lender Name

By: /s/ Wouter Jansen
Name: Wouter Jansen
Title: Director

For Lenders that require an additional signature:

By: /s/ Olga Boroyikov
Name: Olga Boroyikov
Title: Vice President

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JPMorgan Chase Bank, N.A.
Lender Name

By: /s/ Deborah R. Winkler
Name: Deborah R. Winkler
Title: Executive Director

For Lenders that require an additional signature:

By: _____
Name:
Title:

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Mizuho Bank, Ltd.
Lender Name

By: /s/ Bertram H. Tang
Name: Bertram H. Tang
Title: Authorized Signatory

For Lenders that require an additional signature:

By: _____
Name:
Title:

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MORGAN STANLEY BANK, N.A.
Lender Name

By: /s/ Alice Lee
Name: Alice Lee
Title: Authorized Signatory

For Lenders that require an additional signature:

By: _____
Name:
Title:

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PNC Bank, National Association
Lender Name

By: /s/ David B. Keith
Name: David B. Keith
Title: Senior Vice President

For Lenders that require an additional signature:

By: _____
Name:
Title:

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Skandinaviska Enskilda Banken AB (publ)
Lender Name

By: /s/ Penny Neville-Park
Name: Penny Neville-Park
Title: Authorised Signatory

For Lenders that require an additional signature:

By: /s/ Simon Hickman
Name: Simon Hickman
Title: Authorised Signatory

**Exhibit 31.1**

**Certification of Principal Executive Officer Pursuant to**
**Section 302 of the Sarbanes-Oxley Act of 2002**

I, Heather Bresch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mylan N.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ HEATHER BRESCH

Heather Bresch
Chief Executive Officer
*(Principal Executive Officer)*

Date: November 6, 2017

**Exhibit 31.2**

**Certification of Principal Financial Officer Pursuant to**
**Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kenneth S. Parks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mylan N.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ KENNETH S. PARKS

Kenneth S. Parks
Chief Financial Officer
*(Principal Financial Officer)*

Date: November 6, 2017

**Exhibit 32**

**Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Mylan N.V. (the "Company") for the period ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ HEATHER BRESCH

Heather Bresch
Chief Executive Officer
*(Principal Executive Officer)*

/s/ KENNETH S. PARKS

Kenneth S. Parks
Chief Financial Officer
*(Principal Financial Officer)*

Date: November 6, 2017

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished in accordance with Securities and Exchange Commission Release No. 34-47551 and shall not be considered filed as part of the Form 10-Q.