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**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 June 30, 2016

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**

*(State or other jurisdiction of incorporation or organization)*

**98-1189497**

*(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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

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 August 5, 2016, there were 534,911,497 of the issuer's €0.01 nominal value ordinary shares outstanding.

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MYLAN N.V. AND SUBSIDIARIES

INDEX TO FORM 10-Q  
For the Quarterly Period Ended  
June 30, 2016

	<u>Page</u>
<b>PART I — FINANCIAL INFORMATION</b>	
ITEM 1.	Condensed Consolidated Financial Statements (unaudited)
	<a href="#">Condensed Consolidated Statements of Operations — Three and Six Months Ended June 30, 2016 and 2015</a> 3
	<a href="#">Condensed Consolidated Statements of Comprehensive Earnings — Three and Six Months Ended June 30, 2016 and 2015</a> 4
	<a href="#">Condensed Consolidated Balance Sheets — June 30, 2016 and December 31, 2015</a> 5
	<a href="#">Condensed Consolidated Statements of Cash Flows — Six Months Ended June 30, 2016 and 2015</a> 6
	<a href="#">Notes to Condensed Consolidated Financial Statements</a> 7
ITEM 2.	<a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a> 54
ITEM 3.	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a> 77
ITEM 4.	<a href="#">Controls and Procedures</a> 77
<b>PART II — OTHER INFORMATION</b>	
ITEM 1.	<a href="#">Legal Proceedings</a> 78
ITEM 1A.	<a href="#">Risk Factors</a> 78
ITEM 6.	<a href="#">Exhibits</a> 79
	<a href="#">SIGNATURES</a> 80

**PART I — FINANCIAL INFORMATION**

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
<b>Revenues:</b>				
Net sales	\$ 2,539.9	\$ 2,357.0	\$ 4,716.0	\$ 4,211.6
Other revenues	20.8	14.7	36.0	31.8
Total revenues	2,560.7	2,371.7	4,752.0	4,243.4
Cost of sales	1,389.0	1,363.6	2,673.3	2,405.2
Gross profit	1,171.7	1,008.1	2,078.7	1,838.2
<b>Operating expenses:</b>				
Research and development	179.5	168.2	433.1	338.1
Selling, general and administrative	581.4	564.2	1,130.7	1,047.4
Litigation settlements, net	(0.1)	(0.9)	(1.6)	16.8
Total operating expenses	760.8	731.5	1,562.2	1,402.3
Earnings from operations	410.9	276.6	516.5	435.9
Interest expense	90.3	93.9	160.6	173.4
Other expense, net	117.5	2.0	133.8	20.5
Earnings before income taxes and noncontrolling interest	203.1	180.7	222.1	242.0
Income tax provision	34.7	12.8	39.8	17.5
Net earnings	168.4	167.9	182.3	224.5
Net earnings attributable to the noncontrolling interest	—	(0.1)	—	(0.1)
Net earnings attributable to Mylan N.V. ordinary shareholders	\$ 168.4	\$ 167.8	\$ 182.3	\$ 224.4
<b>Earnings per ordinary share attributable to Mylan N.V. ordinary shareholders:</b>				
Basic	\$ 0.33	\$ 0.34	\$ 0.37	\$ 0.49
Diluted	\$ 0.33	\$ 0.32	\$ 0.36	\$ 0.46
<b>Weighted average ordinary shares outstanding:</b>				
Basic	504.4	490.1	497.1	454.0
Diluted	509.7	521.9	509.6	482.8

*See Notes to Condensed Consolidated Financial Statements*

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Net earnings	\$ 168.4	\$ 167.9	\$ 182.3	\$ 224.5
Other comprehensive (loss) earnings, before tax:				
Foreign currency translation adjustment	(147.1)	224.3	354.9	(378.3)
Change in unrecognized (loss) gain and prior service cost related to defined benefit plans	(0.1)	3.8	(0.4)	3.9
Net unrecognized gain (loss) on derivatives	3.4	51.3	(45.7)	16.8
Net unrealized gain (loss) on marketable securities	6.6	(0.3)	11.0	(0.2)
Other comprehensive (loss) earnings, before tax	(137.2)	279.1	319.8	(357.8)
Income tax provision (benefit)	3.6	19.8	(13.2)	6.8
Other comprehensive (loss) earnings, net of tax	(140.8)	259.3	333.0	(364.6)
Comprehensive earnings (loss)	27.6	427.2	515.3	(140.1)
Comprehensive earnings attributable to the noncontrolling interest	—	(0.1)	—	(0.1)
Comprehensive earnings (loss) attributable to Mylan N.V. ordinary shareholders	\$ 27.6	\$ 427.1	\$ 515.3	\$ (140.2)

*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)

	June 30, 2016	December 31, 2015
<b>ASSETS</b>		
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,361.9	\$ 1,236.0
Accounts receivable, net	2,917.4	2,689.1
Inventories	2,191.3	1,951.0
Prepaid expenses and other current assets	716.1	596.6
Total current assets	12,186.7	6,472.7
Property, plant and equipment, net	2,057.6	1,983.9
Intangible assets, net	7,716.5	7,221.9
Goodwill	5,830.2	5,380.1
Deferred income tax benefit	326.3	457.6
Other assets	719.0	751.5
Total assets	<u>\$ 28,836.3</u>	<u>\$ 22,267.7</u>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Current liabilities:		
Trade accounts payable	\$ 1,017.6	\$ 1,109.6
Short-term borrowings	55.9	1.3
Income taxes payable	121.4	92.4
Current portion of long-term debt and other long-term obligations	654.7	1,077.0
Other current liabilities	1,925.0	1,841.9
Total current liabilities	3,774.6	4,122.2
Long-term debt	12,772.8	6,295.6
Deferred income tax liability	682.5	718.1
Other long-term obligations	1,275.1	1,366.0
Total liabilities	<u>18,505.0</u>	<u>12,501.9</u>
Equity		
Mylan N.V. shareholders' equity		
Ordinary shares — nominal value €0.01 per ordinary share		
Shares authorized: 1,200,000,000		
Shares issued: 509,731,928 and 491,928,095 as of June 30, 2016 and December 31, 2015	5.7	5.5
Additional paid-in capital	7,178.6	7,128.6
Retained earnings	4,644.4	4,462.1
Accumulated other comprehensive loss	(1,431.3)	(1,764.3)
	10,397.4	9,831.9
Noncontrolling interest	1.4	1.4
Less: Treasury stock — at cost		
Shares: 1,311,193 as of June 30, 2016 and December 31, 2015	67.5	67.5
Total equity	<u>10,331.3</u>	<u>9,765.8</u>
Total liabilities and equity	<u>\$ 28,836.3</u>	<u>\$ 22,267.7</u>

*See Notes to Condensed Consolidated Financial Statements*

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

	Six Months Ended	
	June 30,	
	2016	2015
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 182.3	\$ 224.5
<b>Adjustments to reconcile net earnings to net cash provided by operating activities:</b>		
Depreciation and amortization	600.5	433.7
Share-based compensation expense	51.9	50.3
Deferred income tax benefit	(92.1)	(76.3)
Loss from equity method investments	55.8	49.7
Other non-cash items	85.5	142.9
Litigation settlements, net	2.4	16.8
Write off of financing fees	35.8	—
Unrealized losses on acquisition-related foreign currency derivatives	84.2	—
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(100.6)	(134.1)
Inventories	(235.5)	(231.4)
Trade accounts payable	(137.6)	77.4
Income taxes	18.7	(151.0)
Other operating assets and liabilities, net	(54.2)	(20.8)
Net cash provided by operating activities	497.1	381.7
<b>Cash flows from investing activities:</b>		
Capital expenditures	(121.0)	(122.0)
Change in restricted cash	(50.6)	(11.2)
Purchase of marketable securities	(17.3)	(51.6)
Proceeds from sale of marketable securities	10.9	21.6
Cash paid for acquisitions, net	(943.3)	—
Payments for product rights and other, net	(180.0)	(104.6)
Net cash used in investing activities	(1,301.3)	(267.8)
<b>Cash flows from financing activities:</b>		
Payments of financing fees	(92.3)	(83.6)
Change in short-term borrowings, net	54.7	105.6
Proceeds from convertible note hedge	—	667.9
Proceeds from issuance of long-term debt	6,478.8	305.0
Payments of long-term debt	(500.0)	(973.6)
Proceeds from exercise of stock options	6.8	86.4
Taxes paid related to net share settlement of equity awards	(12.7)	(31.7)
Contingent consideration payments	(15.5)	—
Acquisition of noncontrolling interest	(0.2)	(10.6)
Other items, net	0.8	48.0
Net cash provided by financing activities	5,920.4	113.4
Effect on cash of changes in exchange rates	9.7	(13.1)
Net increase in cash and cash equivalents	5,125.9	214.2
Cash and cash equivalents — beginning of period	1,236.0	225.5
Cash and cash equivalents — end of period	\$ 6,361.9	\$ 439.7
<b>Supplemental disclosures of cash flow information —</b>		
<b>Non-cash transactions:</b>		
Ordinary shares issued for acquisition	\$ —	\$ 6,305.8

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. For periods prior to February 27, 2015, the Company’s interim financial statements present the accounts of Mylan Inc. and subsidiaries.

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, 2015, as amended. The December 31, 2015 Condensed Consolidated Balance Sheet was derived from audited financial statements.

The interim results of operations and comprehensive earnings for the three and six months ended June 30, 2016 and cash flows for the six months ended June 30, 2016 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 revisions were made to the methodology used in determining these provisions during the six months ended June 30, 2016. Such allowances were \$1.79 billion and \$1.84 billion at June 30, 2016 and December 31, 2015, respectively. Other current liabilities include \$726.5 million and \$681.8 million at June 30, 2016 and December 31, 2015, respectively, for certain sales allowances and other adjustments that are paid to customers.

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 \$895.4 million and \$914.2 million of securitized accounts receivable at June 30, 2016 and December 31, 2015, respectively.

**3. Recent Accounting Pronouncements**

In March 2016, the Financial Accounting Standards Board (“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. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016, with early adoption permitted. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases (Topic 840)* (“ASU 2016-02”), which provides principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. This guidance is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

In January 2016, the FASB issued Accounting Standards Update 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASU 2016-01”), which requires that most equity investments be measured at fair value, with subsequent changes in fair value recognized in net income (other than those accounted for under equity method of accounting). The amendments in this update also require an entity to present separately in other comprehensive earnings the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. ASU 2016-01 also impacts financial liabilities under the fair value option and the presentation and disclosure requirements for financial instruments. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09” updated with “ASU 2015-14”, “ASU 2016-08”, “ASU 2016-10” and “ASU 2016-12”), 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 is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

#### 4. Acquisitions and Other Transactions

##### *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 provides 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 provides 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 \$50 million contingent payment has been paid into escrow. The preliminary allocation of the \$972.7 million purchase price to the assets acquired and liabilities assumed for the Topicals Business is as follows:



## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

(In millions)

Current assets (excluding inventories)	\$ 68.8
Inventories	74.2
Property, plant and equipment	54.8
Identified intangible assets	467.0
In-process research and development	275.0
Goodwill	307.3
Other assets	0.9
Total assets acquired	1,248.0
Current liabilities	(65.0)
Deferred tax liabilities	(203.6)
Other noncurrent liabilities	(6.7)
Net assets acquired	\$ 972.7

The preliminary fair value estimates for the assets acquired and liabilities assumed were based upon preliminary calculations, valuations and assumptions that are subject to change as the Company obtains additional information during the measurement period (up to one year from the acquisition date). The primary areas of those preliminary estimates that are not yet finalized relate to the finalization of the valuation of intangible assets, the finalization of the working capital adjustment and income taxes.

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 IPR&D asset. The acquired IPR&D projects are in various stages of completion and the estimated costs to complete these projects total approximately \$65 million, which is expected to be incurred through 2018. 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 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 \$307.3 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 Generics segment. None of the goodwill recognized in this transaction is currently expected to be deductible for income tax purposes. Acquisition related costs of approximately \$2.7 million were incurred during the six months ended June 30, 2016 related to this transaction, which were recorded as a component of selling, general and administrative expense ("SG&A") in the Condensed Consolidated Statements of Operations. The acquisition did not have a material impact on the Company's results of operations since the acquisition date or on a pro forma basis for the three and six month periods ended June 30, 2016 and 2015.

**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

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

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 is now 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 Company has initiated compulsory acquisition proceedings for the remaining shares in Meda in accordance with the Swedish Companies Act and has acted to have the Meda shares delisted from Nasdaq Stockholm.

Total consideration for the Meda shares acquired on August 5, 2016 was approximately \$6.6 billion, which includes cash consideration of approximately \$5.3 billion and the issuance of approximately 26.4 million Mylan N.V. ordinary shares. In accordance with U.S. GAAP, the Company will use 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 will be recorded at their respective estimated fair values at the acquisition date. Acquisition related costs of approximately \$146.8 million were incurred during the six months ended June 30, 2016, respectively, related to this transaction which were recorded as components of SG&A, interest expense and other expense, net in the Condensed Consolidated Statements of Operations. These costs include approximately \$84.2 million of unrealized mark-to-market losses on non-designated foreign currency forward and option contracts entered into in order to economically hedge the SEK purchase price of the Offer (explained further in Note 11 *Financial Instruments and Risk Management*) and approximately \$45.2 million of financing fees related to the terminated 2016 Bridge Credit Agreement (explained further in Note 12 *Debt*).

Due to the limited time since the acquisition date and limitations on access to Meda’s financial information prior to the acquisition date, the initial accounting for the business combination was incomplete at August 9, 2016. As a result, the Company was unable to provide amounts recognized as of the acquisition date for major classes of assets and liabilities acquired and resulting from the acquisition, including information related to contingencies and goodwill. Also, because the initial accounting for the acquisition is incomplete, the Company was unable to provide the supplemental pro forma revenue and earnings of the combined entity. The Company will include such information in the Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.

**Jai Pharma Limited**

On November 20, 2015, the Company completed the acquisition of certain female healthcare businesses from Famy Care Limited (such businesses “Jai Pharma Limited”), which was a specialty women’s healthcare company with global leadership in generic oral contraceptive products, through its wholly owned subsidiary Mylan Laboratories Limited for a cash payment of \$750 million plus additional contingent payments of up to \$50 million for the filing for approval with, and receipt of approval from, the U.S. Food and Drug Administration of a product under development by Jai Pharma Limited.

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 \$711.1 million, which excludes the \$50 million paid into escrow at closing that is contingent upon at least one of two former principal shareholders of Jai Pharma Limited continuing to provide consulting services to Jai Pharma Limited for the two year post-closing period, which amount is being treated as compensation expense over the service period. The U.S. GAAP purchase price also excludes \$7 million of working capital and other adjustments and includes estimated contingent consideration of approximately \$18 million related to the \$50 million contingent payment. During the six months ended June 30, 2016, adjustments were made to the preliminary purchase price allocation recorded at November 20, 2015. The adjustments recorded in respect of goodwill, current liabilities and deferred tax liabilities are reflected in the “measurement period adjustments” column of the table below. As of June 30, 2016, the preliminary allocation of the \$711.1 million purchase price to the assets acquired and liabilities assumed for Jai Pharma Limited is as follows:

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

<i>(In millions)</i>	Preliminary Purchase Price Allocation as of November 20, 2015 <sup>(a)</sup>	Measurement Period Adjustments <sup>(b)</sup>	Preliminary Purchase Price Allocation as of June 30, 2016 (as adjusted)
Current assets (excluding inventories)	\$ 25.7	\$ —	\$ 25.7
Inventories	4.9	—	4.9
Property, plant and equipment	17.2	—	17.2
Identified intangible assets	437.0	—	437.0
In-process research and development	98.0	—	98.0
Goodwill	317.2	8.1	325.3
Other assets	0.7	—	0.7
Total assets acquired	900.7	8.1	908.8
Current liabilities	(9.1)	(1.9)	(11.0)
Deferred tax liabilities	(180.5)	(6.2)	(186.7)
Net assets acquired	\$ 711.1	\$ —	\$ 711.1

(a) As previously reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as amended.

(b) The measurement period adjustments were recorded in the first quarter of 2016 and are related to the recognition of certain goodwill, current liabilities and adjustments to deferred tax liabilities to reflect facts and circumstances that existed as of the acquisition date.

The goodwill of \$325.3 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 Generics segment. None of the goodwill recognized is currently expected to be deductible for income tax purposes. The preliminary fair value estimates for the assets acquired and liabilities assumed were based upon preliminary calculations, valuations and assumptions that are subject to change as the Company obtains additional information during the measurement period (up to one year from the acquisition date). The primary areas of those preliminary estimates that are not yet finalized relate to the finalization of the working capital adjustment and income taxes. On a pro forma basis, the acquisition did not have a material impact on the Company's results of operations for the three and six months ended June 30, 2015.

**EPD Business**

On February 27, 2015 (the "EPD Transaction Closing Date"), the Company completed the acquisition of Mylan Inc. and Abbott Laboratories' non-U.S. developed markets specialty and branded generics business (the "EPD Business") in an all-stock transaction. Mylan N.V.'s purchase price for the EPD Business, which was on a debt-free basis, was \$6.31 billion based on the closing price of Mylan Inc.'s stock as of the EPD Transaction Closing Date, as reported by the NASDAQ Global Select Stock Market (the "NASDAQ").

The operating results of the EPD Business have been included in the Company's Condensed Consolidated Statements of Operations since February 27, 2015. The revenues of the acquired EPD Business for the period from the acquisition date to June 30, 2015 were \$549.5 million and the net loss, net of tax, was \$81.6 million. The net loss, net of tax, includes the effects of the purchase accounting adjustments and acquisition related costs.

**Unaudited Pro Forma Financial Results**

The following table presents supplemental unaudited pro forma information as if the acquisition of the EPD Business had occurred on January 1, 2014. 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 EPD Transaction Closing Date. Accordingly, the unaudited pro forma results are not necessarily indicative of the results that actually would have occurred had the acquisition been completed on January 1, 2014, nor are they indicative of the future operating results of Mylan N.V.

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

	Three Months Ended	Six Months Ended
	June 30, 2015	
<i>(Unaudited, in millions, except per share amounts)</i>		
Total revenues	\$ 2,371.6	\$ 4,490.3
Net earnings attributable to Mylan N.V. ordinary shareholders	\$ 216.2	\$ 293.1
Earnings per ordinary share attributable to Mylan N.V. ordinary shareholders:		
Basic	\$ 0.44	\$ 0.60
Diluted	\$ 0.41	\$ 0.56
Weighted average ordinary shares outstanding:		
Basic	490.1	490.7
Diluted	521.9	519.5

**Other Transactions**

During the second quarter of 2016, the Company entered into an agreement to acquire a marketed pharmaceutical product for an upfront payment of approximately \$57.9 million, which is included in investing activities in the Condensed Consolidated Statements of Cash Flows. The Company accounted for this transaction as an asset acquisition and will amortize the product right over a weighted useful life of five years.

On January 8, 2016, the Company entered into an agreement with Momenta Pharmaceuticals, Inc. (“Momenta”) to develop, manufacture and commercialize up to six of Momenta’s current biosimilar candidates, including Momenta’s biosimilar candidate, ORENCIA® (abatacept). As part of the agreement, Mylan made an up-front cash payment of \$45 million to Momenta. Under the terms of the agreement, Momenta is eligible to receive additional contingent milestone payments of up to \$200 million. The Company and Momenta will jointly be responsible for product development and will equally share in the costs and profits related to the products. Under the agreement, Mylan will lead the worldwide commercialization efforts.

In accordance with ASC 730, *Research and Development*, the Company is accounting for the contingent milestone payments as non-refundable advance payments for services to be used in future research and development (“R&D”) activities, which are required to be capitalized until the related services have been performed. More specifically, as costs are incurred within the scope of the collaboration, the Company will record its share of the costs as R&D expense. In addition to the upfront cash payment, during the three and six months ended June 30, 2016 the Company incurred approximately \$9.4 million and \$13.3 million, respectively, of R&D expense related to this collaboration. To the extent the contingent milestone payments made by the Company exceed the liability incurred, a prepaid asset will be reflected on the Company’s Condensed Consolidated Balance Sheet. To the extent the contingent milestone payments made by the Company are less than the expense incurred, the difference between the payment and the expense will be recorded as a liability on the Company’s Condensed Consolidated Balance Sheet.

**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 shares and units, performance awards, other stock-based awards and short-term cash awards. Stock option awards are granted at the fair market value of the 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. Upon approval of the 2003 Plan, no further grants of stock options have been made under any other previous plans.

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

The following table summarizes stock option and SAR (“stock awards”) activity:

	Number of Shares Under Stock Awards	Weighted Average Exercise Price per Share
Outstanding at December 31, 2015	7,732,499	\$ 31.85
Granted	710,409	46.29
Exercised	(295,018)	23.32
Forfeited	(99,059)	50.91
Outstanding at June 30, 2016	<u>8,048,831</u>	\$ 33.21
Vested and expected to vest at June 30, 2016	7,720,804	\$ 32.58
Exercisable at June 30, 2016	5,770,143	\$ 27.19

As of June 30, 2016, stock awards outstanding, stock awards vested and expected to vest and stock awards exercisable had average remaining contractual terms of 6.2 years, 6.1 years and 5.2 years, respectively. Also, at June 30, 2016, stock awards outstanding, stock awards vested and expected to vest and stock awards exercisable had aggregate intrinsic values of \$103.9 million, \$103.5 million and \$101.5 million, respectively.

A summary of the status of the Company’s nonvested restricted stock and restricted stock unit awards, including performance restricted stock units and restricted ordinary shares (collectively, “restricted stock awards”), as of June 30, 2016 and the changes during the six months ended June 30, 2016 are presented below:

	Number of Restricted Stock Awards	Weighted Average Grant-Date Fair Value per Share
Nonvested at December 31, 2015	4,474,436	\$ 40.70
Granted	2,619,678	45.12
Released	(1,067,077)	42.52
Forfeited	(230,715)	41.37
Nonvested at June 30, 2016	<u>5,796,322</u>	\$ 42.47

As of June 30, 2016, the Company had \$179.6 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 2.6 years. The total intrinsic value of stock awards exercised and restricted stock units released during the six months ended June 30, 2016 and 2015 was \$44.4 million and \$241.9 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 an historic small fully frozen defined benefit pension plan in the U.S., and employees in the U.S. and Puerto Rico are provided retirement benefits through defined contribution plans. As a result of the EPD Transaction during 2015 and the acquisition of Meda, the Company acquired several additional funded and unfunded defined benefit pension plans both in and outside the U.S.

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

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
*Net Periodic Benefit Cost*

Components of net periodic benefit cost for the three and six months ended June 30, 2016 and 2015 were as follows:

<i>(In millions)</i>	<b>Pension and Other Postretirement Benefits</b>			
	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Service cost	\$ 3.9	\$ 2.8	\$ 7.8	\$ 5.6
Interest cost	1.5	1.2	3.0	2.4
Expected return on plan assets	(2.0)	(1.4)	(4.0)	(2.8)
Plan curtailment, settlement and termination	—	0.3	—	0.6
Amortization of prior service costs	0.1	0.1	0.2	0.2
Recognized net actuarial losses	0.2	0.3	0.4	0.6
Net periodic benefit cost	<u>\$ 3.7</u>	<u>\$ 3.3</u>	<u>\$ 7.4</u>	<u>\$ 6.6</u>

The Company is not required to make any mandatory contributions to its U.S. defined benefit pension plan in 2016. However, the Company expects to make total benefit payments of approximately \$11.7 million and contributions to pension and other postretirement benefit plans of approximately \$14.2 million in 2016.

**7. Balance Sheet Components**

Selected balance sheet components consist of the following:

<i>(In millions)</i>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
<b>Inventories:</b>		
Raw materials	\$ 688.7	\$ 592.4
Work in process	435.2	387.0
Finished goods	1,067.4	971.6
	<u>\$ 2,191.3</u>	<u>\$ 1,951.0</u>
<b>Property, plant and equipment:</b>		
Land and improvements	\$ 134.8	\$ 124.5
Buildings and improvements	997.2	950.6
Machinery and equipment	2,077.7	1,928.4
Construction in progress	274.8	290.5
	<u>3,484.5</u>	<u>3,294.0</u>
Less accumulated depreciation	1,426.9	1,310.1
	<u>\$ 2,057.6</u>	<u>\$ 1,983.9</u>
<b>Other current liabilities:</b>		
Legal and professional accruals, including litigation accruals	\$ 119.3	\$ 122.6
Payroll and employee benefit plan accruals	317.4	367.9
Accrued sales allowances	726.5	681.8
Accrued interest	38.1	25.1
Fair value of financial instruments	97.4	19.8
Other	626.3	624.7
	<u>\$ 1,925.0</u>	<u>\$ 1,841.9</u>

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

Contingent consideration included in other current liabilities totaled \$37.5 million and \$35.0 million at June 30, 2016 and December 31, 2015, respectively. During the six months ended June 30, 2016, the Company recorded contingent consideration of \$16 million in other current liabilities related to the acquisition of the Topicals Business and made \$15.5 million of contingent consideration payments. Contingent consideration included in other long-term obligations was \$513.2 million and \$491.4 million at June 30, 2016 and December 31, 2015, respectively. Included in prepaid expenses and other current assets in the Condensed Consolidated Balance Sheets was \$156.1 million and \$106.6 million of restricted cash at June 30, 2016 and December 31, 2015, respectively. During the second quarter of 2016, the Company recorded restricted cash of approximately \$50 million related to amounts deposited in escrow, for potential contingent consideration payments related to the acquisition of the Topicals Business. An additional \$100 million of restricted cash was classified in other long-term assets at June 30, 2016 and December 31, 2015, principally related to amounts deposited in escrow, or restricted amounts, for potential contingent consideration payments related to the acquisition of Agila Specialties Private Limited (“Agila”), which the Company acquired in 2013 from Strides Arcolab Limited (“Strides Arcolab”).

## 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”), whose activities qualify for income tax credits under Section 45 of the Internal Revenue Code, as amended. The carrying value of the clean energy investments totaled \$352.7 million and \$379.3 million at June 30, 2016 and December 31, 2015, respectively, and are included in other assets in the Condensed Consolidated Balance Sheets. Liabilities related to these clean energy investments totaled \$391.2 million and \$419.3 million at June 30, 2016 and December 31, 2015, respectively. Of these liabilities, \$327.7 million and \$357.0 million are included in other long-term obligations in the Condensed Consolidated Balance Sheets at June 30, 2016 and December 31, 2015, respectively. The remaining \$63.5 million and \$62.3 million are included in other current liabilities in the Condensed Consolidated Balance Sheets at June 30, 2016 and December 31, 2015, respectively.

In addition, the Company holds a 50% interest in Sagent Agila LLC (“Sagent Agila”), which is accounted for using the equity method of accounting. Sagent Agila was established to allow for the development, manufacturing and distribution of certain generic injectable products in the U.S. market. The carrying value of the investment in Sagent Agila included in other assets totaled \$86.0 million and \$96.2 million at June 30, 2016 and December 31, 2015, respectively, in the Condensed Consolidated Balance Sheets.

Summarized financial information, in the aggregate, for the Company’s significant equity method investments on a 100% basis for the three and six months ended June 30, 2016 and 2015 are as follows:

<i>(In millions)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Total revenues	\$ 104.2	\$ 132.8	\$ 248.2	\$ 286.5
Gross (loss) profit	(0.5)	(0.7)	(0.8)	(0.5)
Operating and non-operating expense	4.3	5.7	10.0	11.8
Net loss	\$ (4.8)	\$ (6.4)	\$ (10.8)	\$ (12.3)

The Company’s net losses from the six equity method investments includes amortization expense related to the excess of the cost basis of the Company’s investment to the underlying assets of each individual investee. For the three months ended June 30, 2016 and 2015, the Company’s share of the net loss of the equity method investments was \$24.9 million and \$25.0 million, respectively. For the six months ended June 30, 2016 and 2015, the Company’s share of the net loss of the equity method investments was \$55.8 million and \$49.7 million, respectively, which was recognized as a component of other expense, net. The Company recognizes the income tax credits and benefits from the clean energy investments as part of its provision for income taxes.

## 9. Earnings per Ordinary Share Attributable to Mylan N.V.

Basic earnings per ordinary share is computed by dividing net earnings attributable to Mylan N.V. ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per ordinary share is computed by dividing net earnings attributable to Mylan N.V. ordinary shareholders by the weighted average number

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

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 September 15, 2008, concurrent with the sale of \$575 million aggregate principal amount of Cash Convertible Notes due 2015 (the “Cash Convertible Notes”), Mylan Inc. entered into convertible note hedge and warrant transactions with certain counterparties. In connection with the consummation of the EPD Transaction, the terms of the convertible note hedge were adjusted so that the cash settlement value would be based on Mylan N.V. ordinary shares. The terms of the warrant transactions were also adjusted so that, from and after the consummation of the EPD Transaction, the Company could settle the obligations under the warrant transactions by delivering Mylan N.V. ordinary shares. Pursuant to the warrant transactions, and a subsequent amendment in 2011, there were approximately 43.2 million warrants outstanding, with approximately 41.0 million of the warrants that had an exercise price of \$30.00. The remaining warrants had an exercise price of \$20.00. The warrants met the definition of derivatives under the FASB’s guidance regarding accounting for derivative instruments and hedging activities; however, because these instruments were determined to be indexed to the Company’s own ordinary shares and met the criteria for equity classification under the FASB’s guidance regarding contracts in an entity’s own equity, the warrants were recorded in shareholders’ equity in the Condensed Consolidated Balance Sheets. On April 15, 2016, in connection with the expiration and settlement of the warrants, the Company issued approximately 17.0 million Mylan N.V. ordinary shares. The impact of the issuance of these ordinary shares is included in the calculation of basic earnings per share. For the three and six months ended June 30, 2016, 14.0 million and 7.0 million ordinary shares, respectively, issued to settle the warrants were included in the calculation of basic earnings per ordinary share. 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 three and six months ended June 30, 2016, 2.8 million and 9.8 million warrants, respectively, were included in the calculation of diluted earnings per ordinary share. For the three and six months ended June 30, 2015, 25.1 million and 23.0 million warrants, respectively, were included in the calculation of diluted earnings per ordinary share.

Basic and diluted earnings per ordinary share attributable to Mylan N.V. are calculated as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
<i>(In millions, except per share amounts)</i>	2016	2015	2016	2015
<b>Basic earnings attributable to Mylan N.V. ordinary shareholders (numerator):</b>				
Net earnings attributable to Mylan N.V. ordinary shareholders	\$ 168.4	\$ 167.8	\$ 182.3	\$ 224.4
<b>Shares (denominator):</b>				
Weighted average ordinary shares outstanding	504.4	490.1	497.1	454.0
Basic earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	\$ 0.33	\$ 0.34	\$ 0.37	\$ 0.49
<b>Diluted earnings attributable to Mylan N.V. ordinary shareholders (numerator):</b>				
Net earnings attributable to Mylan N.V. ordinary shareholders	\$ 168.4	\$ 167.8	\$ 182.3	\$ 224.4
<b>Shares (denominator):</b>				
Weighted average ordinary shares outstanding	504.4	490.1	497.1	454.0
Share-based awards and warrants	5.3	31.8	12.5	28.8
Total dilutive shares outstanding	509.7	521.9	509.6	482.8
Diluted earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	\$ 0.33	\$ 0.32	\$ 0.36	\$ 0.46

Additional stock awards and restricted stock awards were outstanding during the periods ended June 30, 2016 and 2015, 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 June 30, 2016 include certain share-based compensation awards and restricted ordinary shares whose performance conditions had not been fully met. Such excluded and anti-dilutive awards represented 7.1 million shares and 6.8 million shares for the three and six months ended June 30, 2016, respectively, and 3.2 million shares and 3.1 million shares for the three and six months ended June 30, 2015, respectively.



**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
**10. Goodwill and Intangible Assets**

The changes in the carrying amount of goodwill for the six months ended June 30, 2016 are as follows:

<i>(In millions)</i>	<b>Generics Segment</b>	<b>Specialty Segment</b>	<b>Total</b>
<b>Balance at December 31, 2015:</b>			
Goodwill	\$ 5,031.0	\$ 734.1	\$ 5,765.1
Accumulated impairment losses	—	(385.0)	(385.0)
	5,031.0	349.1	5,380.1
Acquisitions	307.3	—	307.3
Measurement period adjustments	8.1	—	8.1
Foreign currency translation	134.7	—	134.7
	<u>\$ 5,481.1</u>	<u>\$ 349.1</u>	<u>\$ 5,830.2</u>
<b>Balance at June 30, 2016:</b>			
Goodwill	\$ 5,481.1	\$ 734.1	\$ 6,215.2
Accumulated impairment losses	—	(385.0)	(385.0)
	<u>\$ 5,481.1</u>	<u>\$ 349.1</u>	<u>\$ 5,830.2</u>

Intangible assets consist of the following components at June 30, 2016 and December 31, 2015:

<i>(In millions)</i>	<b>Weighted Average Life (Years)</b>	<b>Original Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
<b>June 30, 2016</b>				
Amortized intangible assets:				
Product rights and licenses	11	\$ 9,629.0	\$ 3,124.9	\$ 6,504.1
Patents and technologies	20	116.6	106.1	10.5
Other <sup>(1)</sup>	6	487.3	270.3	217.0
		10,232.9	3,501.3	6,731.6
In-process research and development		984.9	—	984.9
		<u>\$ 11,217.8</u>	<u>\$ 3,501.3</u>	<u>\$ 7,716.5</u>
<b>December 31, 2015</b>				
Amortized intangible assets:				
Product rights and licenses	11	\$ 8,848.6	\$ 2,652.7	\$ 6,195.9
Patents and technologies	20	116.6	103.8	12.8
Other <sup>(1)</sup>	6	465.3	189.8	275.5
		9,430.5	2,946.3	6,484.2
In-process research and development		737.7	—	737.7
		<u>\$ 10,168.2</u>	<u>\$ 2,946.3</u>	<u>\$ 7,221.9</u>

<sup>(1)</sup> Other intangible assets consist principally of customer lists, contractual rights and other contracts.

Amortization expense, which is classified primarily within cost of sales in the Condensed Consolidated Statements of Operations, for the three and six months ended June 30, 2016 was \$246.3 million and \$488.6 million, respectively, and \$215.0 million and \$345.5 million for the three and six months ended June 30, 2015, respectively. Amortization expense is expected to be approximately \$512 million for the remainder of 2016 and \$872 million, \$820 million, \$734 million and \$631 million for the years ended December 31, 2017 through 2020, respectively, which includes the impact from the acquisition of the Topicals Business and excludes the impact of the Meda Transaction.

During the six months ended June 30, 2016, approximately \$20.7 million was reclassified from acquired IPR&D to product rights and licenses.

## 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 foreign currency risk, the Company enters into foreign exchange forward contracts to mitigate risk associated with changes in spot exchange rates of mainly non-functional currency denominated assets or liabilities. The foreign exchange forward contracts are measured at fair value and reported as current assets or current liabilities on the 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.

In the second quarter of 2016, in order to economically hedge the foreign currency exposure associated with the expected payment of the Swedish krona-denominated cash portion of the purchase price of the Offer, the Company entered into a series of non-designated foreign exchange forward and option contracts with a total notional amount of 43.9kr billion. During the second quarter of 2016, the Company recognized unrealized mark-to-market losses of \$84.2 million for the changes in fair value related to these contracts which is included in other expense, net 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.

### *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. 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.

In September 2015, the Company entered into a series of forward starting swaps to hedge against changes in interest rates related to future debt issuances. These swaps were designated as cash flow hedges of expected future issuances of long-term bonds. The Company executed \$500 million of notional value swaps with an effective date of June 2016 and an additional \$500 million of notional value swaps with an effective date of November 2016. Both sets of swaps had a maturity of 10 years. As discussed further in Note 12 *Debt*, during the second quarter of 2016, the Company issued \$2.25 billion in an aggregate principal amount of 3.950% Senior Notes due 2026 and the Company terminated these swaps. As a result of this termination, the Company recorded losses of \$64.9 million in AOCE, which are being amortized over the life of the 3.950% Senior Notes due 2026. In addition, during the second quarter of 2016, approximately \$2.1 million of hedge ineffectiveness related to these forward starting swaps was recorded in interest expense on the Condensed Consolidated Statements of Operations.

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
*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**

<i>(In millions)</i>	Asset Derivatives			
	June 30, 2016		December 31, 2015	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Prepaid expenses and other current assets	\$ 76.2	Prepaid expenses and other current assets	\$ 36.3
Foreign currency forward contracts	Prepaid expenses and other current assets	7.5	Prepaid expenses and other current assets	8.4
<b>Total</b>		<b>\$ 83.7</b>		<b>\$ 44.7</b>

**Liability Derivatives**

<i>(In millions)</i>	Liability Derivatives			
	June 30, 2016		December 31, 2015	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Other current liabilities	\$ —	Other current liabilities	\$ 10.5
<b>Total</b>		<b>\$ —</b>		<b>\$ 10.5</b>

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

<i>(In millions)</i>	Asset Derivatives			
	June 30, 2016		December 31, 2015	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	\$ 20.6	Prepaid expenses and other current assets	\$ 20.0
<b>Total</b>		<b>\$ 20.6</b>		<b>\$ 20.0</b>

**Liability Derivatives**

<i>(In millions)</i>	Liability Derivatives			
	June 30, 2016		December 31, 2015	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency option and forward contracts	Other current liabilities	\$ 97.4	Other current liabilities	\$ 9.3
<b>Total</b>		<b>\$ 97.4</b>		<b>\$ 9.3</b>

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
**The Effect of Derivative Instruments on the Condensed Consolidated Statements of Operations  
Derivatives in Fair Value Hedging Relationships**

<i>(In millions)</i>	Location of Gain (Loss) Recognized in Earnings on Derivatives	Amount of Gain (Loss) Recognized in Earnings on Derivatives			
		Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2016	2015	2016	2015
Interest rate swaps	Interest expense	\$ 10.3	\$ (15.9)	\$ 39.9	\$ 4.6
<b>Total</b>		<b>\$ 10.3</b>	<b>\$ (15.9)</b>	<b>\$ 39.9</b>	<b>\$ 4.6</b>

<i>(In millions)</i>	Location of Loss (Gain) Recognized in Earnings on Hedged Items	Amount of (Loss) Gain Recognized in Earnings on Hedged Items			
		Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2016	2015	2016	2015
2023 Senior Notes (3.125% coupon)	Interest expense	\$ (10.3)	\$ 20.5	\$ (39.9)	\$ 4.6
<b>Total</b>		<b>\$ (10.3)</b>	<b>\$ 20.5</b>	<b>\$ (39.9)</b>	<b>\$ 4.6</b>

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

<i>(In millions)</i>		Amount of (Loss) Gain Recognized in AOCE (Net of Tax) on Derivative (Effective Portion)			
		Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2016	2015	2016	2015
Foreign currency forward contracts		\$ (14.8)	\$ (14.4)	\$ (19.2)	\$ (15.2)
Interest rate swaps		(1.2)	35.7	(37.1)	3.3
<b>Total</b>		<b>\$ (16.0)</b>	<b>\$ 21.3</b>	<b>\$ (56.3)</b>	<b>\$ (11.9)</b>

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

<i>(In millions)</i>	Location of Loss Reclassified from AOCE into Earnings (Effective Portion)	Amount of Loss Reclassified from AOCE into Earnings (Effective Portion)			
		Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2016	2015	2016	2015
Foreign currency forward contracts	Net sales	\$ (12.9)	\$ (10.6)	\$ (23.5)	\$ (22.3)
Interest rate swaps	Interest expense	(5.2)	(0.1)	(4.3)	(0.3)
<b>Total</b>		<b>\$ (18.1)</b>	<b>\$ (10.7)</b>	<b>\$ (27.8)</b>	<b>\$ (22.6)</b>

<i>(In millions)</i>	Location of Gain Excluded from the Assessment of Hedge Effectiveness	Amount of Gain Excluded from the Assessment of Hedge Effectiveness			
		Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2016	2015	2016	2015
Foreign currency forward contracts	Other expense, net	\$ 9.8	\$ 14.8	\$ 17.1	\$ 23.4
<b>Total</b>		<b>\$ 9.8</b>	<b>\$ 14.8</b>	<b>\$ 17.1</b>	<b>\$ 23.4</b>

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

At June 30, 2016, the Company expects that approximately \$42.5 million of pre-tax net losses on cash flow hedges will be reclassified from AOCE into earnings during the next twelve months.

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

<i>(In millions)</i>	Location of (Loss) or Gain Recognized in Earnings on Derivatives	Amount of (Loss) or Gain Recognized in Earnings on Derivatives			
		Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2016	2015	2016	2015
Foreign currency option and forward contracts	Other expense, net	\$ (46.5)	\$ 7.5	\$ (61.5)	\$ 7.6
Cash conversion feature of Cash Convertible Notes	Other expense, net	—	291.9	—	164.2
Purchased cash convertible note hedge	Other expense, net	—	(291.9)	—	(164.2)
<b>Total</b>		<u>\$ (46.5)</u>	<u>\$ 7.5</u>	<u>\$ (61.5)</u>	<u>\$ 7.6</u>

**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.

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

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

(In millions)	June 30, 2016			
	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>				
<b>Financial Assets</b>				
Cash equivalents:				
Money market funds	\$ 6,132.0	\$ —	\$ —	\$ 6,132.0
Total cash equivalents	6,132.0	—	—	6,132.0
Trading securities:				
Equity securities — exchange traded funds	27.5	—	—	27.5
Total trading securities	27.5	—	—	27.5
Available-for-sale fixed income investments:				
U.S. Treasuries	—	6.5	—	6.5
Corporate bonds	—	16.1	—	16.1
Agency mortgage-backed securities	—	4.8	—	4.8
Asset backed securities	—	1.9	—	1.9
Other	—	1.3	—	1.3
Total available-for-sale fixed income investments	—	30.6	—	30.6
Available-for-sale equity securities:				
Marketable securities	36.1	—	—	36.1
Total available-for-sale equity securities	36.1	—	—	36.1
Foreign exchange derivative assets	—	28.1	—	28.1
Interest rate swap derivative assets	—	76.2	—	76.2
Total assets at recurring fair value measurement	\$ 6,195.6	\$ 134.9	\$ —	\$ 6,330.5
<b>Financial Liabilities</b>				
Foreign exchange derivative liabilities	\$ —	\$ 97.4	\$ —	\$ 97.4
Contingent consideration	—	—	550.7	550.7
Total liabilities at recurring fair value measurement	\$ —	\$ 97.4	\$ 550.7	\$ 648.1

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

<i>(In millions)</i>	December 31, 2015			
	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>				
<b>Financial Assets</b>				
Cash equivalents:				
Money market funds	\$ 923.3	\$ —	\$ —	\$ 923.3
Total cash equivalents	923.3	—	—	923.3
Trading securities:				
Equity securities — exchange traded funds	22.8	—	—	22.8
Total trading securities	22.8	—	—	22.8
Available-for-sale fixed income investments:				
U.S. Treasuries	—	4.7	—	4.7
Corporate bonds	—	15.7	—	15.7
Agency mortgage-backed securities	—	3.9	—	3.9
Asset backed securities	—	2.3	—	2.3
Other	—	1.4	—	1.4
Total available-for-sale fixed income investments	—	28.0	—	28.0
Available-for-sale equity securities:				
Marketable securities	26.0	—	—	26.0
Total available-for-sale equity securities	26.0	—	—	26.0
Foreign exchange derivative assets	—	28.4	—	28.4
Interest rate swap derivative assets	—	36.3	—	36.3
<b>Total assets at recurring fair value measurement</b>	<b>\$ 972.1</b>	<b>\$ 92.7</b>	<b>\$ —</b>	<b>\$ 1,064.8</b>
<b>Financial Liabilities</b>				
Foreign exchange derivative liabilities	\$ —	\$ 9.3	\$ —	\$ 9.3
Interest rate swap derivative liabilities	—	10.5	—	10.5
Contingent consideration	—	—	526.4	526.4
<b>Total liabilities at recurring fair value measurement</b>	<b>\$ —</b>	<b>\$ 19.8</b>	<b>\$ 526.4</b>	<b>\$ 546.2</b>

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

- *Cash equivalents* — valued at observable net asset value prices.
- *Trading securities* — valued at the active quoted market price from broker or dealer quotations or transparent pricing sources at the reporting date.
- *Available-for-sale fixed income investments* — valued at the quoted market price from broker or dealer quotations or transparent pricing sources at the reporting date.
- *Available-for-sale equity securities* — valued using quoted stock prices from public exchanges at the reporting date and translated to the U.S. Dollar at prevailing spot exchange rates.
- *Interest rate swap derivative assets and liabilities* — valued using the LIBOR/EURIBOR yield curves at the reporting date. Counterparties to these contracts are highly rated financial institutions.
- *Foreign exchange derivative assets and liabilities* — valued using quoted forward foreign exchange prices and spot rates at the reporting date. Counterparties to these contracts are highly rated financial institutions.

**MYLAN N.V. AND SUBSIDIARIES****Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

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, the acquisition of 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 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. A discounted cash flow method was used to value contingent consideration at June 30, 2016 and December 31, 2015, which was calculated as the present value of the estimated future net cash flows using a market rate of return. Discount rates ranging from 1.5% to 9.8% were utilized in the valuations. For the contingent consideration related to the acquisition of Agila and the acquisition of the Topicals Business, significant unobservable inputs in the valuation include the probability of future payments to the seller of amounts withheld at the closing date. Significant changes in unobservable inputs could result in material changes to the contingent consideration liability. During the three and six months ended June 30, 2016, accretion of \$10.3 million and \$20.3 million, respectively, was recorded in interest expense in the Condensed Consolidated Statements of Operations. During the three and six months ended June 30, 2015, accretion of \$9.6 million and \$18.8 million, respectively, was recorded in interest expense in the Condensed Consolidated Statements of Operations.

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*****Receivables Facility***

The Receivables Facility has a committed balance of \$400 million, 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. As of June 30, 2016 and December 31, 2015, the Company had no short-term borrowings under the Receivables Facility in the Condensed Consolidated Balance Sheets.



**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
**Long-Term Debt**

A summary of long-term debt is as follows:

<i>(In millions)</i>	<u>Coupon</u>	<u>June 30, 2016</u>	<u>December 31, 2015</u>
2015 Term Loans		\$ 1,600.0	\$ 1,600.0
2014 Term Loan		800.0	800.0
2016 Senior Notes <sup>(a)</sup> *	1.800%	—	500.1
2016 Senior Notes <sup>(b)</sup> *	1.350%	500.0	499.9
2018 Senior Notes <sup>(c)</sup> *	2.600%	649.4	649.3
2018 Senior Notes <sup>(c)</sup> **	3.000%	499.5	499.4
2019 Senior Notes <sup>(d)</sup> **	2.500%	998.9	—
2019 Senior Notes <sup>(e)</sup> *	2.550%	499.3	499.2
2020 Senior Notes <sup>(f)</sup> **	3.750%	499.9	499.8
2021 Senior Notes <sup>(g)</sup> **	3.150%	2,247.4	—
2023 Senior Notes <sup>(e)</sup> *	3.125%	825.2	785.2
2023 Senior Notes <sup>(h)</sup> *	4.200%	498.5	498.4
2026 Senior Notes <sup>(i)</sup> **	3.950%	2,232.8	—
2043 Senior Notes <sup>(j)</sup> *	5.400%	497.0	497.0
2046 Senior Notes <sup>(k)</sup> **	5.250%	999.8	—
Other		4.7	4.3
Deferred financing fees		(78.3)	(38.3)
Total long-term debt, including current portion of long-term debt		13,274.1	7,294.3
Less current portion		501.3	998.7
Total long-term debt		<u>\$ 12,772.8</u>	<u>\$ 6,295.6</u>

- (a) Instrument was due on June 24, 2016, and the Company paid the principal amount of \$500.0 million and final interest payment of \$4.5 million at that time using available cash on hand.
- (b) Instrument is callable by the Company at any time at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.125% plus, in each case, accrued and unpaid interest. Instrument is due on November 29, 2016 and is included in current portion of long-term debt and other long-term obligations in the Condensed Consolidated Balance Sheets at June 30, 2016.
- (c) Instrument is callable by the Company at any time at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.30% plus, in each case, accrued and unpaid interest.
- (d) Instrument is callable by the Company at any time at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.25% plus, in each case, accrued and unpaid interest.
- (e) Instrument is callable by the Company at any time at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.20% plus, in each case, accrued and unpaid interest.
- (f) Instrument is callable by the Company at any time prior to the date that is one month prior to the instrument's maturity date at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.35% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
- (g) Instrument is callable by the Company at any time prior to the date that is one month prior to the instrument's maturity date at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.30% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

- (h) Instrument is callable by the Company at any time prior to August 29, 2023 at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.25% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
  - (i) Instrument is callable by the Company at any time prior to the date that is three months prior to the instrument's maturity date at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.35% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
  - (j) Instrument is callable by the Company at any time prior to May 29, 2043 at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.25% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
  - (k) Instrument is callable by the Company at any time prior to the date that is six months prior the instrument's maturity date at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.40% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
- \* Instrument was issued by Mylan Inc.  
\*\* Instrument was issued by Mylan N.V.

**Issuance of June 2016 Senior Notes**

During the second quarter of 2016, in anticipation of the completion of the Offer, Mylan N.V. issued \$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 (collectively, the "June 2016 Senior Notes") in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), to qualified institutional buyers in accordance with Rule 144A and to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The June 2016 Senior Notes were issued pursuant to an indenture, dated as of June 9, 2016 (the "Indenture"), among the Company, Mylan Inc., as guarantor (the "Guarantor"), and The Bank of New York Mellon, as trustee. The June 2016 Senior Notes were guaranteed by Mylan Inc. upon issuance. In addition, the Company entered into a registration rights agreement, dated as of June 9, 2016 pursuant to which the Company and Mylan Inc. will use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the June 2016 Senior Notes for new notes with the same aggregate principal amount and terms identical in all material respects and to cause the exchange offer registration statement to be declared effective by the SEC and to consummate the exchange offer not later than 365 days following the date of issuance of the June 2016 Senior Notes.

The Indenture contains covenants that, among other things, restrict the Company's ability and the ability of certain of its subsidiaries to enter into sale and leaseback transactions; create liens; consolidate, merge or sell all or substantially all of the Company's assets; and with respect to such subsidiaries only, guarantee certain of our or our other subsidiaries' outstanding obligations or incur certain obligations without also guaranteeing our obligations under the June 2016 Senior Notes on a senior basis. The Indenture also provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants, payment defaults or acceleration of other indebtedness, failure to pay certain judgments and certain events of bankruptcy and insolvency. These covenants and events of default are subject to a number of important qualifications, limitations and exceptions that are described in the Indenture. If an event of default with respect to the June 2016 Senior Notes of a series occurs under the Indenture, the principal amount of all of the June 2016 Senior Notes of such series then outstanding, plus accrued and unpaid interest, if any, to the date of acceleration, may become immediately due and payable.

The 2.500% Senior Notes due 2019 mature on June 7, 2019, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 2.500% Senior Notes due 2019 bear interest at a rate of 2.500% per annum, accruing from June 9, 2016. Interest on the 2.500% Senior Notes due 2019 is payable semi-annually in arrears on June 7 and December 7 of each year, commencing on December 7, 2016. The 3.150% Senior Notes due 2021 mature on June 15, 2021, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 3.150% Senior Notes due 2021 bear interest at a rate of 3.150% per annum, accruing from June 9, 2016. Interest on the 3.150% Senior Notes due 2021 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016. The 3.950% Senior Notes due 2026

**MYLAN N.V. AND SUBSIDIARIES****Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

mature on June 15, 2026, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 3.950% Senior Notes due 2026 bear interest at a rate of 3.950% per annum, accruing from June 9, 2016. Interest on the 3.950% Senior Notes due 2026 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016. The 5.250% Senior Notes due 2046 mature on June 15, 2046, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 5.250% Senior Notes due 2046 bear interest at a rate of 5.250% per annum, accruing from June 9, 2016. Interest of the 5.250% Senior Notes due 2046 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016.

At June 30, 2016, the outstanding balance of the 2.500% Senior Notes due 2019, 3.150% Senior Notes due 2021, 3.950% Senior Notes due 2026 and 5.250% Senior Notes due 2046 was \$998.9 million, \$2.25 billion, \$2.23 billion and \$999.8 million, respectively, which includes discounts of \$1.1 million, \$2.6 million, \$17.2 million and \$0.2 million, respectively. During the six months ended June 30, 2016, the Company incurred approximately \$45.0 million in financing fees, which were recorded as deferred financing costs in the Condensed Consolidated Balance Sheets.

**2016 Bridge Credit Agreement**

In connection with the Offer, on February 10, 2016, the Company entered into a Bridge Credit Agreement (the "2016 Bridge Credit Agreement"), among the Company, as borrower, Mylan Inc., as guarantor, Deutsche Bank AG Cayman Islands Branch, as administrative agent and a lender, Goldman Sachs Bank USA, as a lender, Goldman Sachs Lending Partners LLC, as a lender, and other lenders party thereto from time to time. The Company incurred total financing and ticking fees of approximately \$45.2 million related to the 2016 Bridge Credit Agreement. During the first quarter of 2016, the Company wrote off approximately \$3.0 million of financing fees related to the Tranche B Loans (as defined in the 2016 Bridge Credit Agreement) in conjunction with the termination of the Tranche B Loans. The remaining commitments under the 2016 Bridge Credit Agreement were permanently terminated in their entirety in connection with the completion of the offering of the June 2016 Senior Notes. As a result of the termination of the 2016 Bridge Credit Agreement, the Company expensed the remaining \$30.2 million of unamortized financing fees related to the 2016 Bridge Credit Agreement to other expense, net in the Condensed Consolidated Statements of Operations during the second quarter of 2016.

**Revolving Facility**

On December 19, 2014, the Company entered into a revolving credit agreement, which was amended on May 1, 2015, and further amended on June 19, 2015 and October 28, 2015 (the "Revolving Credit Agreement") with a syndicate of lenders, which contains a \$1.65 billion revolving facility (the "Revolving Facility"), which expires on December 19, 2019. The Revolving Facility includes a \$150 million subfacility for the issuance of letters of credit and a \$125 million subfacility for swingline borrowings.

At June 30, 2016 and December 31, 2015, the Company had no amounts outstanding under the Revolving Facility. The interest rate under the Revolving Facility is LIBOR (determined in accordance with the Revolving Credit Agreement) plus 1.325% per annum. In addition, the Revolving Facility has a facility fee which is 0.175%.

**2015 Term Loans**

On July 15, 2015, the Company entered into a term credit agreement, which was amended on October 28, 2015 (the "2015 Term Credit Agreement") among the Company, as guarantor, Mylan Inc. (the "Borrower"), certain lenders and PNC Bank, National Association as the administrative agent. The 2015 Term Credit Agreement provided for a term loan credit facility under which the Borrower obtained loans in the aggregate amount of \$1.6 billion, consisting of (i) a closing date term loan in the amount of \$1.0 billion, borrowed on July 15, 2015 and (ii) a delayed draw term loan (together the "2015 Term Loans") in the amount of \$600.0 million, borrowed on September 15, 2015. The 2015 Term Loans mature on July 15, 2017, subject to extension to December 19, 2017.

The loans under the 2015 Term Credit Agreement bear interest at LIBOR (determined in accordance with the 2015 Term Credit Agreement) plus 1.375% per annum.

**2014 Term Loan**

On December 19, 2014, the Company entered into a term credit agreement, which was amended on May 1, 2015, and further amended on October 28, 2015 (the "2014 Term Credit Agreement"), with a syndicate of banks which provided an \$800

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

million term loan (the “2014 Term Loan”). The 2014 Term Loan matures on December 19, 2017 and has no required amortization payments. The 2014 Term Loan bears interest at LIBOR (determined in accordance with the 2014 Term Credit Agreement) plus 1.375% per annum.

**Amendment to the Revolving Credit Facility, 2015 Term Loans and 2014 Term Loan**

On February 22, 2016, the Company and Mylan Inc. (the “Borrower”) entered into (i) Amendment No. 3 (the “Revolving Amendment”) to the Revolving Credit Agreement, among the Borrower, the Company, certain lenders and issuing banks and Bank of America, N.A., as administrative agent, (ii) Amendment No. 2 (the “2015 Term Amendment”) to the 2015 Term Credit Agreement, among the Borrower, the Company, certain lenders and PNC Bank, National Association, as administrative agent and (iii) Amendment No. 3 (the “2014 Term Amendment”) to the 2014 Term Credit Agreement, among the Borrower, the Company, certain lenders and Bank of America, N.A., as administrative agent. The Revolving Amendment, 2015 Term Amendment and 2014 Term Amendment provide that the Company’s acquisition of Meda constitutes a Qualified Acquisition (as defined in each of the Revolving Credit Agreement, the 2014 Term Credit Agreement and the 2015 Term Credit Agreement) and amends the event of default provisions to provide that any “change of control” put rights under any indebtedness of any Acquired Entity or Business (as defined in each of the Revolving Credit Agreement, the 2014 Term Credit Agreement and the 2015 Term Credit Agreement) or its subsidiaries that are triggered as a result of the acquisition of any Acquired Entity or Business will not result in an event of default so long as any such indebtedness that is put in accordance with the terms of such indebtedness is paid as required by the terms of such indebtedness.

**Fair Value**

At June 30, 2016 and December 31, 2015, the fair value of the Company’s 1.350% Senior Notes due 2016, 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”) was approximately \$11.14 billion and \$4.80 billion, respectively. The fair values of the Senior 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 2015 Term Loans and 2014 Term Loan, determined based on Level 2 inputs, approximate their carrying values at June 30, 2016 and December 31, 2015.

Mandatory minimum repayments remaining on the outstanding long-term debt at June 30, 2016, excluding the discounts and premiums, are as follows for each of the periods ending December 31:

<i>(In millions)</i>	<b>Total</b>
2016	\$ 500
2017	2,400
2018	1,150
2019	1,500
2020	500
Thereafter	7,250
<b>Total</b>	<b>\$ 13,300</b>

**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
**13. Comprehensive Earnings**

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

<i>(In millions)</i>	June 30, 2016	December 31, 2015
Accumulated other comprehensive loss:		
Net unrealized gain (loss) on marketable securities, net of tax	\$ 6.0	\$ (1.0)
Net unrecognized losses and prior service cost related to defined benefit plans, net of tax	(15.2)	(14.9)
Net unrecognized losses on derivatives, net of tax	(46.7)	(18.1)
Foreign currency translation adjustment	(1,375.4)	(1,730.3)
	<u>\$ (1,431.3)</u>	<u>\$ (1,764.3)</u>

Components of accumulated other comprehensive loss, before tax, consist of the following, for the three and six months ended June 30, 2016 and 2015:

<i>(In millions)</i>	Three Months Ended June 30, 2016						
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Marketable Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
	Foreign Currency Forward Contracts	Interest Rate Swaps	Total				
Balance at March 31, 2016 net of tax			\$ (48.9)	\$ 1.8	\$ (15.1)	\$ (1,228.3)	\$ (1,290.5)
Other comprehensive (loss) earnings before reclassifications, before tax			(14.7)	6.6	(0.4)	(147.1)	(155.6)
Amounts reclassified from accumulated other comprehensive (loss) earnings, before tax:							
Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales	12.9		12.9				12.9
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		5.2	5.2				5.2
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 earnings (loss), before tax			3.4	6.6	(0.1)	(147.1)	(137.2)
Income tax provision			1.2	2.4	—	—	3.6
Balance at June 30, 2016, net of tax			<u>\$ (46.7)</u>	<u>\$ 6.0</u>	<u>\$ (15.2)</u>	<u>\$ (1,375.4)</u>	<u>\$ (1,431.3)</u>

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

	Six Months Ended June 30, 2016						
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Marketable Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
	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			(73.5)	11.0	(1.0)	354.9	291.4
Amounts reclassified from accumulated other comprehensive (loss) earnings, before tax:							
Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales	23.5		23.5				23.5
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		4.3	4.3				4.3
Amortization of prior service costs included in SG&A					0.2		0.2
Amortization of actuarial loss included in SG&A					0.4		0.4
Net other comprehensive (loss) earnings, before tax			(45.7)	11.0	(0.4)	354.9	319.8
Income tax (benefit) provision			(17.1)	4.0	(0.1)	—	(13.2)
Balance at June 30, 2016, net of tax			\$ (46.7)	\$ 6.0	\$ (15.2)	\$ (1,375.4)	\$ (1,431.3)

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

	Three Months Ended June 30, 2015						
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Marketable Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
	Foreign Currency Forward Contracts	Interest Rate Swaps	Total				
<i>(In millions)</i>							
Balance at March 31, 2015, net of tax			\$ (49.8)	\$ 0.4	\$ (19.5)	\$ (1,542.0)	\$ (1,610.9)
Other comprehensive earnings (loss) before reclassifications, before tax			40.6	(0.3)	4.1	224.3	268.7
Amounts reclassified from accumulated other comprehensive loss, before tax:							
Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales	(10.6)		(10.6)				(10.6)
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		(0.1)	(0.1)				(0.1)
Amortization of prior service costs included in SG&A					0.2		0.2
Amortization of actuarial loss included in SG&A					0.1		0.1
Amounts reclassified from accumulated other comprehensive loss, before tax			(10.7)	—	0.3	—	(10.4)
Net other comprehensive earnings (loss), before tax			51.3	(0.3)	3.8	224.3	279.1
Income tax provision			19.1	—	0.7	—	19.8
Balance at June 30, 2015, net of tax			<u>\$ (17.6)</u>	<u>\$ 0.1</u>	<u>\$ (16.4)</u>	<u>\$ (1,317.7)</u>	<u>\$ (1,351.6)</u>

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

	Six Months Ended June 30, 2015						
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Marketable Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
	Foreign Currency Forward Contracts	Interest Rate Swaps	Total				
Balance at December 31, 2014, net of tax			\$ (28.4)	\$ 0.3	\$ (19.5)	\$ (939.4)	\$ (987.0)
Other comprehensive (loss) earnings before reclassifications, before tax			(5.8)	(0.2)	4.4	(378.3)	(379.9)
Amounts reclassified from accumulated other comprehensive loss, before tax:							
Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales	(22.3)		(22.3)				(22.3)
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		(0.3)	(0.3)				(0.3)
Amortization of prior service costs included in SG&A					0.2		0.2
Amortization of actuarial loss included in SG&A					0.3		0.3
Amounts reclassified from accumulated other comprehensive loss, before tax			(22.6)	—	0.5	—	(22.1)
Net other comprehensive earnings (loss), before tax			16.8	(0.2)	3.9	(378.3)	(357.8)
Income tax provision			6.0	—	0.8	—	6.8
Balance at June 30, 2015, net of tax			\$ (17.6)	\$ 0.1	\$ (16.4)	\$ (1,317.7)	\$ (1,351.6)

**14. Shareholders' Equity**

A summary of the changes in shareholders' equity for the six months ended June 30, 2016 and 2015 is as follows:

<i>(In millions)</i>	Total Mylan N.V. Shareholders' Equity	Noncontrolling Interest	Total
December 31, 2015	\$ 9,764.4	\$ 1.4	\$ 9,765.8
Net earnings	182.3	—	182.3
Other comprehensive earnings, net of tax	333.0	—	333.0
Stock option activity	6.5	—	6.5
Share-based compensation expense	51.9	—	51.9
Shares withheld for taxes on share-based compensation	(9.6)	—	(9.6)
Tax benefit of stock option plans	1.4	—	1.4
June 30, 2016	\$ 10,329.9	\$ 1.4	\$ 10,331.3



**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

<i>(In millions)</i>	Total Mylan N.V. Shareholders' Equity	Noncontrolling Interest	Total
December 31, 2014	\$ 3,255.9	\$ 20.1	\$ 3,276.0
Net earnings	224.4	0.1	224.5
Other comprehensive loss, net of tax	(364.6)	—	(364.6)
Stock option activity	86.5	—	86.5
Share-based compensation expense	50.3	—	50.3
Shares withheld for taxes on share-based compensation	(36.6)	—	(36.6)
Tax benefit of stock option plans	48.0	—	48.0
Issuance of ordinary shares to purchase the EPD Business	6,305.8	—	6,305.8
Purchase of subsidiary shares from noncontrolling interest	—	(18.7)	(18.7)
Other	(1.8)	(0.1)	(1.9)
June 30, 2015	<u>\$ 9,567.9</u>	<u>\$ 1.4</u>	<u>\$ 9,569.3</u>

On April 3, 2015, the Company and Stichting Preferred Shares Mylan (the “Foundation”) entered into a call option agreement (the “Call Option Agreement”). Pursuant to the terms of the Call Option Agreement, Mylan N.V. granted the Foundation a call option (the “Option”), permitting the Foundation to acquire from time-to-time Mylan N.V. preferred shares up to a maximum number equal to the total number of Mylan N.V. ordinary shares issued at such time to the extent such shares are not held by the Foundation. In response to Teva Pharmaceutical Industries Ltd.’s (“Teva”) unsolicited expression of interest to acquire Mylan on July 23, 2015, the Foundation exercised the Option and acquired 488,388,431 Mylan preferred shares pursuant to the terms of the Call Option Agreement. Each Mylan ordinary share and preferred share was entitled to one vote on each matter properly brought before a general meeting of shareholders. On July 27, 2015, Teva announced its entry into an agreement to acquire the Generic Drug Unit of Allergan plc and the withdrawal of its unsolicited, non-binding expression of interest to acquire Mylan. On September 19, 2015, the Foundation requested the redemption of the Mylan preferred shares issued. Mylan ordinary shareholders approved the redemption of the preferred shares on January 7, 2016 at an extraordinary general meeting of shareholders and on March 17, 2016, the redemption of the Mylan preferred shares became effective. The Foundation will continue to have the right to exercise the Option in the future in response to a new threat to the interests of Mylan, its businesses and its stakeholders from time to time.

With effect from February 27, 2015, the general meeting authorized the board to repurchase Company shares for a maximum period of 18 months, with such authorization expiring on August 27, 2016 (the “Share Repurchase Authorization”). More specifically, the general meeting authorized the board to repurchase the maximum number of ordinary shares allowed under Dutch law and applicable securities regulations on the NASDAQ for a period of 18 months. On June 24, 2016, at the annual general meeting, the Company’s shareholders approved an extension of the Share Repurchase Authorization, which will now expire on December 24, 2017. On July 27, 2016, the board approved the commensurate extension of the Share Repurchase Program (as defined below).

On November 16, 2015, the Company announced that its board of directors approved the repurchase of up to \$1.0 billion of the Company’s ordinary shares either in the open market through privately-negotiated transactions or in one of more self tender offers (the “Share Repurchase Program”). At June 30, 2016, the Share Repurchase Program has approximately \$932.5 million remaining for ordinary share repurchases. The Share Repurchase Program does not obligate the Company to acquire any particular amount of ordinary shares.

## 15. Segment Information

The Company has two segments, “Generics” and “Specialty.” The Generics segment primarily develops, manufactures, sells and distributes generic or branded generic pharmaceutical products in tablet, capsule, injectable, transdermal patch, gel, cream or ointment form, as well as active pharmaceutical ingredients (“API”). The Specialty segment engages mainly in the development and sale of branded specialty nebulized and injectable products.

The Company’s chief operating decision maker is the Chief Executive Officer, who evaluates the performance of the Company’s segments based on total revenues and segment profitability. Segment profitability represents segment gross profit

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

less direct R&D expenses and direct SG&A. Certain general and administrative and R&D expenses not allocated to the segments, net charges for litigation settlements, impairment charges and other expenses not directly attributable to the segments, are reported in Corporate/Other. Additionally, amortization of intangible assets and other purchase accounting related items, as well as any 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, 2015, 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.

<i>(In millions)</i>	<u>Generics Segment</u>	<u>Specialty Segment</u>	<u>Corporate / Other<sup>(1)</sup></u>	<u>Consolidated</u>
<b>Three Months Ended June 30, 2016</b>				
Total revenues				
Third party	\$ 2,147.6	\$ 413.1	\$ —	\$ 2,560.7
Intersegment	(0.4)	3.1	(2.7)	—
Total	<u>\$ 2,147.2</u>	<u>\$ 416.2</u>	<u>\$ (2.7)</u>	<u>\$ 2,560.7</u>
Segment profitability	\$ 660.6	\$ 250.9	\$ (500.6)	\$ 410.9
<b>Six Months Ended June 30, 2016</b>				
Total revenues				
Third party	\$ 4,084.4	\$ 667.6	\$ —	\$ 4,752.0
Intersegment	2.2	6.4	(8.6)	—
Total	<u>\$ 4,086.6</u>	<u>\$ 674.0</u>	<u>\$ (8.6)</u>	<u>\$ 4,752.0</u>
Segment profitability	\$ 1,124.4	\$ 380.2	\$ (988.1)	\$ 516.5
<b>Three Months Ended June 30, 2015</b>				
Total revenues				
Third party	\$ 2,063.7	\$ 308.0	\$ —	\$ 2,371.7
Intersegment	2.3	2.6	(4.9)	—
Total	<u>\$ 2,066.0</u>	<u>\$ 310.6</u>	<u>\$ (4.9)</u>	<u>\$ 2,371.7</u>
Segment profitability	\$ 594.7	\$ 163.9	\$ (482.0)	\$ 276.6
<b>Six Months Ended June 30, 2015</b>				
Total revenues				
Third party	\$ 3,718.9	\$ 524.5	\$ —	\$ 4,243.4
Intersegment	3.8	4.6	(8.4)	—
Total	<u>\$ 3,722.7</u>	<u>\$ 529.1</u>	<u>\$ (8.4)</u>	<u>\$ 4,243.4</u>
Segment profitability	\$ 1,045.5	\$ 266.1	\$ (875.7)	\$ 435.9

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<sup>(1)</sup> Includes certain corporate general and administrative and R&D expenses; litigation settlements, net; certain intercompany transactions, including eliminations; amortization of intangible assets and certain purchase accounting items; impairment charges; and other expenses not directly attributable to segments.

## 16. Subsidiary Guarantors

The following tables present unaudited condensed consolidating financial information for (a) the Company (for purposes of this discussion and these tables, “Parent Guarantor”); (b) Mylan Inc., the issuer of certain Senior Notes (for the purposes of this discussion and these tables, the “Issuer”) (Refer to Note 12 *Debt* for further discussion of the Senior Note issuances); and (c) all other subsidiaries of the Parent Guarantor on a combined basis, none of which guaranteed the Cash Convertible Notes or guarantee the Senior Notes (“Non-Guarantor Subsidiaries”). The consolidating adjustments primarily relate to eliminations of investments in subsidiaries and intercompany balances and transactions. The unaudited condensed consolidating financial statements present investments in subsidiaries using the equity method of accounting. Mylan Inc. is an indirect wholly owned subsidiary of the Company and the Company fully and unconditionally guaranteed on a senior unsecured basis the Senior Notes issued by Mylan Inc.

In addition, the Company’s 3.000% Senior Notes due December 2018 and the 3.750% Senior Notes due December 2020 (collectively, the “December 2015 Senior Notes”) and June 2016 Senior Notes are guaranteed on a senior unsecured basis by Mylan Inc. In connection with the offering of the December 2015 Senior Notes and June 2016 Senior Notes, the Company entered into separate registration rights agreements pursuant to which the Company and Mylan Inc. will use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the December 2015 Senior Notes and June 2016 Senior Notes for new notes with the same aggregate principal amount and terms substantially identical in all material respects and to cause the exchange offer registration statement to be declared effective by the SEC and to consummate the exchange offer not later than 365 days following the respective dates of issuance of the December 2015 Senior Notes and the June 2016 Senior Notes.

The following financial information presents the related unaudited Condensed Consolidating Statements of Operations for the three and six months ended June 30, 2016 and 2015, the unaudited Condensed Consolidating Statements of Comprehensive Earnings for the three and six months ended June 30, 2016 and 2015, the unaudited Condensed Consolidating Balance Sheets as of June 30, 2016 and December 31, 2015 and the unaudited Condensed Consolidating Statements of Cash Flows for the six months ended June 30, 2016 and 2015. 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.”

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

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

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Revenues:</b>						
Net sales	\$ —	\$ —	\$ —	\$ 2,539.9	\$ —	\$ 2,539.9
Other revenues	—	—	—	20.8	—	20.8
Total revenues	—	—	—	2,560.7	—	2,560.7
Cost of sales	—	—	—	1,389.0	—	1,389.0
Gross profit	—	—	—	1,171.7	—	1,171.7
<b>Operating expenses:</b>						
Research and development	—	—	—	179.5	—	179.5
Selling, general and administrative	19.8	187.4	—	374.2	—	581.4
Litigation settlements, net	—	—	—	(0.1)	—	(0.1)
Total operating expenses	19.8	187.4	—	553.6	—	760.8
(Losses) earnings from operations	(19.8)	(187.4)	—	618.1	—	410.9
Interest expense	31.1	43.9	—	15.3	—	90.3
Other expense (income), net	90.8	(97.5)	—	124.2	—	117.5
(Losses) earnings before income taxes	(141.7)	(133.8)	—	478.6	—	203.1
Income tax provision	—	4.9	—	29.8	—	34.7
Earnings of equity interest subsidiaries	310.1	457.7	—	—	(767.8)	—
Net earnings attributable to Mylan N.V. ordinary shareholders	\$ 168.4	\$ 319.0	\$ —	\$ 448.8	\$ (767.8)	\$ 168.4

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS  
Six Months Ended June 30, 2016

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Revenues:</b>						
Net sales	\$ —	\$ —	\$ —	\$ 4,716.0	\$ —	\$ 4,716.0
Other revenues	—	—	—	36.0	—	36.0
Total revenues	—	—	—	4,752.0	—	4,752.0
Cost of sales	—	—	—	2,673.3	—	2,673.3
Gross profit	—	—	—	2,078.7	—	2,078.7
<b>Operating expenses:</b>						
Research and development	—	—	—	433.1	—	433.1
Selling, general and administrative	32.9	365.1	—	732.7	—	1,130.7
Litigation settlements, net	—	—	—	(1.6)	—	(1.6)
Total operating expenses	32.9	365.1	—	1,164.2	—	1,562.2
(Losses) earnings from operations	(32.9)	(365.1)	—	914.5	—	516.5
Interest expense	44.4	85.4	—	30.8	—	160.6
Other expense (income), net	84.9	(201.4)	—	250.3	—	133.8
(Losses) earnings before income taxes	(162.2)	(249.1)	—	633.4	—	222.1
Income tax provision	—	13.9	—	25.9	—	39.8
Earnings of equity interest subsidiaries	344.5	614.3	—	—	(958.8)	—
Net earnings attributable to Mylan N.V. ordinary shareholders	\$ 182.3	\$ 351.3	\$ —	\$ 607.5	\$ (958.8)	\$ 182.3

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS  
Three Months Ended June 30, 2015

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Revenues:</b>						
Net sales	\$ —	\$ —	\$ —	\$ 2,357.0	\$ —	\$ 2,357.0
Other revenues	—	—	—	14.7	—	14.7
Total revenues	—	—	—	2,371.7	—	2,371.7
Cost of sales	—	—	—	1,363.6	—	1,363.6
Gross profit	—	—	—	1,008.1	—	1,008.1
<b>Operating expenses:</b>						
Research and development	—	—	—	168.2	—	168.2
Selling, general and administrative	—	216.1	—	348.1	—	564.2
Litigation settlements, net	—	—	—	(0.9)	—	(0.9)
Total operating expenses	—	216.1	—	515.4	—	731.5
(Losses) earnings from operations	—	(216.1)	—	492.7	—	276.6
Interest expense	11.9	66.6	—	15.4	—	93.9
Other expense, net	—	—	—	2.0	—	2.0
(Losses) earnings before income taxes	(11.9)	(282.7)	—	475.3	—	180.7
Income tax (benefit) provision	—	(8.0)	—	20.8	—	12.8
Earnings of equity interest subsidiaries	179.8	465.4	—	—	(645.2)	—
Net earnings	167.9	190.7	—	454.5	(645.2)	167.9
Net earnings attributable to noncontrolling interest	(0.1)	—	—	(0.1)	0.1	(0.1)
Net earnings attributable to Mylan N.V. ordinary shareholders	<u>\$ 167.8</u>	<u>\$ 190.7</u>	<u>\$ —</u>	<u>\$ 454.4</u>	<u>\$ (645.1)</u>	<u>\$ 167.8</u>

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
**UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS**
**Six Months Ended June 30, 2015**

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Revenues:</b>						
Net sales	\$ —	\$ —	\$ —	\$ 4,211.6	\$ —	\$ 4,211.6
Other revenues	—	—	—	31.8	—	31.8
Total revenues	—	—	—	4,243.4	—	4,243.4
Cost of sales	—	—	—	2,405.2	—	2,405.2
Gross profit	—	—	—	1,838.2	—	1,838.2
<b>Operating expenses:</b>						
Research and development	—	—	—	338.1	—	338.1
Selling, general and administrative	—	417.1	—	630.3	—	1,047.4
Litigation settlements, net	—	—	—	16.8	—	16.8
Total operating expenses	—	417.1	—	985.2	—	1,402.3
(Losses) earnings from operations	—	(417.1)	—	853.0	—	435.9
Interest expense	11.9	130.3	—	31.2	—	173.4
Other expense, net	—	—	—	20.5	—	20.5
(Losses) earnings before income taxes	(11.9)	(547.4)	—	801.3	—	242.0
Income tax (benefit) provision	—	(41.9)	—	59.4	—	17.5
Earnings of equity interest subsidiaries	236.4	748.3	—	—	(984.7)	—
Net earnings	224.5	242.8	—	741.9	(984.7)	224.5
Net earnings attributable to noncontrolling interest	(0.1)	—	—	(0.1)	0.1	(0.1)
Net earnings attributable to Mylan N.V. ordinary shareholders	<u>\$ 224.4</u>	<u>\$ 242.8</u>	<u>\$ —</u>	<u>\$ 741.8</u>	<u>\$ (984.6)</u>	<u>\$ 224.4</u>

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

**UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS**  
**Three Months Ended June 30, 2016**

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net earnings	\$ 168.4	\$ 319.0	\$ —	\$ 448.8	\$ (767.8)	\$ 168.4
Other comprehensive (loss) earnings, before tax:						
Foreign currency translation adjustment	(147.1)	(1.5)	—	(145.5)	147.0	(147.1)
Change in unrecognized loss and prior service cost related to defined benefit plans	(0.1)	—	—	(0.2)	0.2	(0.1)
Net unrecognized gain (loss) on derivatives	3.4	6.3	—	(2.9)	(3.4)	3.4
Net unrealized gain on marketable securities	6.6	6.2	—	0.4	(6.6)	6.6
Other comprehensive (loss) earnings, before tax	(137.2)	11.0	—	(148.2)	137.2	(137.2)
Income tax provision (benefit)	3.6	4.7	—	(1.0)	(3.7)	3.6
Other comprehensive (loss) earnings, net of tax	(140.8)	6.3	—	(147.2)	140.9	(140.8)
Comprehensive earnings attributable to Mylan N.V. ordinary shareholders	<u>\$ 27.6</u>	<u>\$ 325.3</u>	<u>\$ —</u>	<u>\$ 301.6</u>	<u>\$ (626.9)</u>	<u>\$ 27.6</u>



## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

**UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS**  
**Six Months Ended June 30, 2016**

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net earnings	\$ 182.3	\$ 351.3	\$ —	\$ 607.5	\$ (958.8)	\$ 182.3
Other comprehensive earnings (loss), before tax:						
Foreign currency translation adjustment	354.9	(1.5)	—	356.4	(354.9)	354.9
Change in unrecognized (loss) gain and prior service cost related to defined benefit plans	(0.4)	0.2	—	(0.6)	0.4	(0.4)
Net unrecognized (loss) gain on derivatives	(45.7)	(52.1)	—	6.4	45.7	(45.7)
Net unrealized gain on marketable securities	11.0	10.0	—	0.9	(10.9)	11.0
Other comprehensive earnings (loss), before tax	319.8	(43.4)	—	363.1	(319.7)	319.8
Income tax (benefit) provision	(13.2)	(15.6)	—	2.4	13.2	(13.2)
Other comprehensive earnings (loss), net of tax	333.0	(27.8)	—	360.7	(332.9)	333.0
Comprehensive earnings attributable to Mylan N.V. ordinary shareholders	<u>\$ 515.3</u>	<u>\$ 323.5</u>	<u>\$ —</u>	<u>\$ 968.2</u>	<u>\$ (1,291.7)</u>	<u>\$ 515.3</u>

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS  
Three Months Ended June 30, 2015

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net earnings	\$ 167.9	\$ 190.7	\$ —	\$ 454.5	\$ (645.2)	\$ 167.9
Other comprehensive earnings (loss), before tax:						
Foreign currency translation adjustment	224.3	—	—	224.3	(224.3)	224.3
Change in unrecognized gain and prior service cost related to defined benefit plans	3.8	0.1	—	3.7	(3.8)	3.8
Net unrecognized gain (loss) on derivatives	51.3	57.1	—	(5.8)	(51.3)	51.3
Net unrealized loss on marketable securities	(0.3)	—	—	(0.3)	0.3	(0.3)
Other comprehensive earnings, before tax	279.1	57.2	—	221.9	(279.1)	279.1
Income tax provision (benefit)	19.8	21.3	—	(1.5)	(19.8)	19.8
Other comprehensive earnings, net of tax	259.3	35.9	—	223.4	(259.3)	259.3
Comprehensive earnings	427.2	226.6	—	677.9	(904.5)	427.2
Comprehensive earnings attributable to the noncontrolling interest	(0.1)	—	—	(0.1)	0.1	(0.1)
Comprehensive earnings attributable to Mylan N.V. ordinary shareholders	<u>\$ 427.1</u>	<u>\$ 226.6</u>	<u>\$ —</u>	<u>\$ 677.8</u>	<u>\$ (904.4)</u>	<u>\$ 427.1</u>

## MYLAN N.V. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS  
Six Months Ended June 30, 2015

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net earnings	\$ 224.5	\$ 242.8	\$ —	\$ 741.9	\$ (984.7)	\$ 224.5
Other comprehensive (loss) earnings, before tax:						
Foreign currency translation adjustment	(378.3)	—	—	(378.3)	378.3	(378.3)
Change in unrecognized gain and prior service cost related to defined benefit plans	3.9	0.1	—	3.8	(3.9)	3.9
Net unrecognized gain on derivatives	16.8	6.2	—	10.6	(16.8)	16.8
Net unrealized loss on marketable securities	(0.2)	—	—	(0.2)	0.2	(0.2)
Other comprehensive (loss) earnings, before tax	(357.8)	6.3	—	(364.1)	357.8	(357.8)
Income tax provision	6.8	2.7	—	4.1	(6.8)	6.8
Other comprehensive (loss) earnings, net of tax	(364.6)	3.6	—	(368.2)	364.6	(364.6)
Comprehensive (loss) earnings	(140.1)	246.4	—	373.7	(620.1)	(140.1)
Comprehensive earnings attributable to the noncontrolling interest	(0.1)	—	—	(0.1)	0.1	(0.1)
Comprehensive (loss) earnings attributable to Mylan N.V. ordinary shareholders	<u>\$ (140.2)</u>	<u>\$ 246.4</u>	<u>\$ —</u>	<u>\$ 373.6</u>	<u>\$ (620.0)</u>	<u>\$ (140.2)</u>

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
**UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET**
**As of June 30, 2016**

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>						
Assets						
Current assets:						
Cash and cash equivalents	\$ —	\$ 27.7	\$ —	\$ 6,334.2	\$ —	\$ 6,361.9
Accounts receivable, net	—	11.1	—	2,906.3	—	2,917.4
Inventories	—	—	—	2,191.3	—	2,191.3
Intercompany receivables	1,775.5	350.0	—	9,330.8	(11,456.3)	—
Prepaid expenses and other current assets	4.0	240.7	—	471.4	—	716.1
Total current assets	1,779.5	629.5	—	21,234.0	(11,456.3)	12,186.7
Property, plant and equipment, net	—	325.4	—	1,732.2	—	2,057.6
Investments in subsidiaries	16,433.0	15,786.8	—	—	(32,219.8)	—
Intercompany notes and interest receivable	—	9,713.4	—	18.5	(9,731.9)	—
Intangible assets, net	—	0.5	—	7,716.0	—	7,716.5
Goodwill	—	17.1	—	5,813.1	—	5,830.2
Other assets	—	92.4	—	952.9	—	1,045.3
Total assets	\$ 18,212.5	\$ 26,565.1	\$ —	\$ 37,466.7	\$ (53,408.0)	\$ 28,836.3
<b>LIABILITIES AND EQUITY</b>						
Liabilities						
Current liabilities:						
Trade accounts payable	\$ —	\$ 54.5	\$ —	\$ 963.1	\$ —	\$ 1,017.6
Short-term borrowings	—	—	—	55.9	—	55.9
Income taxes payable	—	14.4	—	107.0	—	121.4
Current portion of long-term debt and other long-term obligations	—	587.1	—	67.6	—	654.7
Intercompany payables	350.0	11,106.3	—	—	(11,456.3)	—
Other current liabilities	103.3	290.0	—	1,531.7	—	1,925.0
Total current liabilities	453.3	12,052.3	—	2,725.3	(11,456.3)	3,774.6
Long-term debt	7,427.9	5,342.3	—	2.6	—	12,772.8
Intercompany notes payable	—	18.5	—	9,713.4	(9,731.9)	—
Other long-term obligations	—	52.0	—	1,905.6	—	1,957.6
Total liabilities	7,881.2	17,465.1	—	14,346.9	(21,188.2)	18,505.0
Total equity	10,331.3	9,100.0	—	23,119.8	(32,219.8)	10,331.3
Total liabilities and equity	\$ 18,212.5	\$ 26,565.1	\$ —	\$ 37,466.7	\$ (53,408.0)	\$ 28,836.3

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
**UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET  
As of December 31, 2015**

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>						
Assets						
Current assets:						
Cash and cash equivalents	\$ —	\$ 870.5	\$ —	\$ 365.5	\$ —	\$ 1,236.0
Accounts receivable, net	—	14.4	—	2,674.7	—	2,689.1
Inventories	—	—	—	1,951.0	—	1,951.0
Intercompany receivables	1,097.5	283.2	—	8,936.4	(10,317.1)	—
Other current assets	0.3	244.8	—	351.5	—	596.6
Total current assets	1,097.8	1,412.9	—	14,279.1	(10,317.1)	6,472.7
Property, plant and equipment, net	—	324.4	—	1,659.5	—	1,983.9
Investments in subsidiaries	9,947.7	8,007.7	—	—	(17,955.4)	—
Intercompany notes and interest receivable	—	9,704.4	—	18.7	(9,723.1)	—
Intangible assets, net	—	0.5	—	7,221.4	—	7,221.9
Goodwill	—	17.1	—	5,363.0	—	5,380.1
Other assets	—	135.3	—	1,073.8	—	1,209.1
Total assets	\$ 11,045.5	\$ 19,602.3	\$ —	\$ 29,615.5	\$ (37,995.6)	\$ 22,267.7
<b>LIABILITIES AND EQUITY</b>						
Liabilities						
Current liabilities:						
Trade accounts payable	\$ —	\$ 33.5	\$ —	\$ 1,076.1	\$ —	\$ 1,109.6
Short-term borrowings	—	—	—	1.3	—	1.3
Income taxes payable	—	—	—	92.4	—	92.4
Current portion of long-term debt and other long-term obligations	—	1,010.1	—	66.9	—	1,077.0
Intercompany payables	283.2	10,033.9	—	—	(10,317.1)	—
Other current liabilities	2.0	320.1	—	1,519.8	—	1,841.9
Total current liabilities	285.2	11,397.6	—	2,756.5	(10,317.1)	4,122.2
Long-term debt	994.5	5,298.4	—	2.7	—	6,295.6
Intercompany notes payable	—	18.7	—	9,704.4	(9,723.1)	—
Other long-term obligations	—	122.2	—	1,961.9	—	2,084.1
Total liabilities	1,279.7	16,836.9	—	14,425.5	(20,040.2)	12,501.9
Total equity	9,765.8	2,765.4	—	15,190.0	(17,955.4)	9,765.8
Total liabilities and equity	\$ 11,045.5	\$ 19,602.3	\$ —	\$ 29,615.5	\$ (37,995.6)	\$ 22,267.7

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
**UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS**  
**Six Months Ended June 30, 2016**

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Cash flows from operating activities:</b>						
Net cash (used in) provided by operating activities	\$ (34.7)	\$ (318.4)	\$ —	\$ 850.2	\$ —	\$ 497.1
<b>Cash flows from investing activities:</b>						
Capital expenditures	—	(42.1)	—	(78.9)	—	(121.0)
Change in restricted cash	—	(49.5)	—	(1.1)	—	(50.6)
Purchase of marketable securities	—	(3.9)	—	(13.4)	—	(17.3)
Proceeds from sale of marketable securities	—	—	—	10.9	—	10.9
Cash paid for acquisitions, net	—	(917.9)	—	(25.4)	—	(943.3)
Investments in affiliates	—	(48.4)	—	—	48.4	—
Loans to affiliates	(6,485.6)	(2,689.8)	—	2,722.3	6,453.1	—
Repayments of loans from affiliates	62.8	34.0	—	7.1	(103.9)	—
Payments for product rights and other, net	—	(0.2)	—	(179.8)	—	(180.0)
Net cash (used in) provided by investing activities	(6,422.8)	(3,717.8)	—	2,441.7	6,397.6	(1,301.3)
<b>Cash flows from financing activities:</b>						
Payments of financing fees	(92.3)	—	—	—	—	(92.3)
Change in short-term borrowings, net	—	—	—	54.7	—	54.7
Proceeds from issuance of long-term debt	6,478.8	—	—	—	—	6,478.8
Payments of long-term debt	—	(500.0)	—	—	—	(500.0)
Proceeds from exercise of stock options	6.8	—	—	—	—	6.8
Taxes paid related to net share settlement of equity awards	(12.7)	—	—	—	—	(12.7)
Contingent consideration payments	—	—	—	(15.5)	—	(15.5)
Capital contribution from affiliates	—	—	—	48.4	(48.4)	—
Payments on borrowings from affiliates	(29.5)	(69.9)	—	(4.5)	103.9	—
Proceeds from borrowings from affiliates	105.0	3,763.3	—	2,584.8	(6,453.1)	—
Acquisition of noncontrolling interest	—	—	—	(0.2)	—	(0.2)
Other items, net	1.4	—	—	(0.6)	—	0.8
Net cash provided by financing activities	6,457.5	3,193.4	—	2,667.1	(6,397.6)	5,920.4
Effect on cash of changes in exchange rates	—	—	—	9.7	—	9.7
Net (decrease) increase in cash and cash equivalents	—	(842.8)	—	5,968.7	—	5,125.9
Cash and cash equivalents — beginning of period	—	870.5	—	365.5	—	1,236.0
Cash and cash equivalents — end of period	\$ —	\$ 27.7	\$ —	\$ 6,334.2	\$ —	\$ 6,361.9

**MYLAN N.V. AND SUBSIDIARIES**
**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**
**UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS**  
**Six Months Ended June 30, 2015**

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Cash flows from operating activities:</b>						
Net cash (used in) provided by operating activities	\$ —	\$ (726.2)	\$ —	\$ 1,107.9	\$ —	\$ 381.7
<b>Cash flows from investing activities:</b>						
Capital expenditures	—	(37.1)	—	(84.9)	—	(122.0)
Change in restricted cash	—	—	—	(11.2)	—	(11.2)
Purchase of marketable securities	—	(28.9)	—	(22.7)	—	(51.6)
Proceeds from sale of marketable securities	—	—	—	21.6	—	21.6
Investments in affiliates	—	(257.9)	—	—	257.9	—
Loans to affiliates	(33.1)	(2,583.7)	—	(3,446.5)	6,063.3	—
Repayments of loans from affiliates	—	196.4	—	20.8	(217.2)	—
Payments for product rights and other, net	—	—	—	(104.6)	—	(104.6)
Net cash used in investing activities	(33.1)	(2,711.2)	—	(3,627.5)	6,104.0	(267.8)
<b>Cash flows from financing activities:</b>						
Payments of financing fees	(60.9)	(22.7)	—	—	—	(83.6)
Change in short-term borrowings, net	—	—	—	105.6	—	105.6
Proceeds from convertible note hedge	—	667.9	—	—	—	667.9
Proceeds from issuance of long-term debt	—	305.0	—	—	—	305.0
Payments of long-term debt	—	(973.6)	—	—	—	(973.6)
Proceeds from exercise of stock options	33.1	53.3	—	—	—	86.4
Taxes paid related to net share settlement of equity awards	—	(25.8)	—	(5.9)	—	(31.7)
Capital contribution from affiliates	—	—	—	257.9	(257.9)	—
Proceeds from borrowings from affiliates	60.9	3,479.6	—	2,522.8	(6,063.3)	—
Payments on borrowings from affiliates	—	(20.8)	—	(196.4)	217.2	—
Acquisition of noncontrolling interest	—	—	—	(10.6)	—	(10.6)
Other items, net	—	48.0	—	—	—	48.0
Net cash provided by financing activities	33.1	3,510.9	—	2,673.4	(6,104.0)	113.4
Effect on cash of changes in exchange rates	—	—	—	(13.1)	—	(13.1)
Net increase in cash and cash equivalents	—	73.5	—	140.7	—	214.2
Cash and cash equivalents — beginning of period	0.1	112.9	—	112.5	—	225.5
Cash and cash equivalents — end of period	\$ 0.1	\$ 186.4	\$ —	\$ 253.2	\$ —	\$ 439.7
<b>Supplemental disclosures of cash flow information —</b>						
<b>Non-cash transactions:</b>						
Ordinary shares issued for acquisition	\$ 6,305.8	\$ —	\$ —	\$ —	\$ —	\$ 6,305.8

## 17. Contingencies

### Legal Proceedings

The Company is involved in various disputes, governmental and/or regulatory inquiries and proceedings and litigation matters that arise from time to time, some of which are described below. The Company is also party to certain litigation matters including those for which Merck KGaA or Strides Arcolab has agreed to indemnify the Company, pursuant to the respective sale and purchase agreements.

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 matters through litigation or other means is inherently uncertain, and it is not possible to predict the ultimate resolution of any such proceeding. It is possible that an unfavorable resolution of any of the matters described below, or the inability or denial of Merck KGaA, Strides Arcolab, 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. Unless otherwise disclosed below, the Company is unable to predict the outcome of the respective litigation or to provide an estimate of the range of reasonably possible losses. 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 has been accrued for by the Company. The jury found that Mylan and its co-defendants willfully violated Massachusetts, Minnesota and Illinois state antitrust laws in connection with API supply agreements entered into between the Company and its API supplier (Cambrex) and broker (Gyma) for two drugs, Lorazepam and Clorazepate, in 1997, and subsequent price increases on these drugs in 1998. The case was brought by four health insurers who opted out of earlier class action settlements agreed to by the Company in 2001 and represents the last remaining antitrust claims relating to Mylan's 1998 price increases for Lorazepam and Clorazepate. Following the verdict, the Company filed a motion for judgment as a matter of law, a motion for a new trial, a motion to dismiss two of the insurers and a motion to reduce the verdict. On 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.

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 June 30, 2016, 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 claims related to Merck KGaA.

**Modafinil Antitrust Litigation and FTC Inquiry**

Beginning in April 2006, Mylan and four other drug manufacturers have been 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 allege violations of federal antitrust and state laws in connection with the generic defendants’ settlement of patent litigation with Cephalon relating to modafinil. Discovery has closed. On June 23, 2014, the court granted the defendants’ motion for partial summary judgment dismissing plaintiffs’ claims that the defendants had engaged in an overall conspiracy to restrain trade (and denied the corresponding plaintiffs’ motion). On January 28, 2015, the District Court denied the defendants’ summary judgment motions based on factors identified in the Supreme Court’s *Actavis* decision. In an order of June 1, 2015, vacated and reissued on June 11, 2015, the District Court denied the indirect purchaser plaintiffs’ motion for class certification. The indirect purchaser plaintiffs filed a petition for leave to appeal the certification decision, which was denied by the Court of Appeals for the Third Circuit on December 21, 2015. On July 27, 2015, the District Court granted the direct purchaser plaintiffs’ motion for class certification. On October 9, 2015, the Third Circuit granted defendants’ petition for leave to appeal the class certification decision. On October 16, 2015, defendants filed a motion to stay the liability trial, which had been set to begin on February 2, 2016, with the District Court pending the appeal of the decision to certify the direct purchaser class; this motion was denied on December 17, 2015. On December 17, 2015, the District Court approved the form and manner of notice to the certified class of direct purchasers; the notice was subsequently issued to the class. On December 21, 2015, the defendants filed a motion to stay with the Court of Appeals for the Third Circuit, which was granted on January 25, 2016; the trial is now stayed and the case has been placed in suspense. The appeal was fully briefed on April 28, 2016. Oral arguments on the appeal took place on July 12, 2016 and a decision remains pending. 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. Plaintiffs have not yet moved for preliminary approval of that settlement. At June 30, 2016, the Company has accrued approximately \$16.0 million related to this settlement.

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. The motion is now fully briefed.

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 July 21, 2016, the plaintiff filed an application for a supervisory writ

**MYLAN N.V. AND SUBSIDIARIES****Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

regarding the granting of defendants' exceptions. On June 30, 2016, the plaintiff filed a supplemental and 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. 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 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 and for expedited hearing. On August 3, 2016, the defendants filed a motion to strike and joint peremptory exceptions to the amended petition.

On July 28, 2016, United Healthcare filed a complaint against Mylan and four other drug manufacturers in the United States 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.

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.

***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 remains pending on the outcome of the indirect purchasers' appeal against the defendants remaining in that case.

***Shareholders Class Action***

On June 11, 2015, City of Riviera Beach General Employees Retirement System and Doris Arnold (collectively, the "plaintiffs") filed a purported class action complaint against Mylan and directors of Mylan Inc. (the "Directors") in the Washington County, Pennsylvania, Court of Common Pleas (the "Pennsylvania Court"), on behalf of certain former shareholders of Mylan Inc. The complaint alleged both breach of fiduciary duty by the Directors and breach of contract by Mylan and the Directors, relating to certain public disclosures made in connection with the EPD Transaction and the organization of, and Call Option Agreement with, the Foundation. The plaintiffs asked the Pennsylvania Court to: find that the Directors breached their fiduciary duties and that Mylan and the Directors breached the purported contract, rescind the vote of Mylan Inc.'s former shareholders approving the EPD Transaction, award compensatory damages and award Plaintiffs their costs relating to the lawsuit. On June 22, 2015, Mylan and the Directors removed the case to the U.S. District Court for the Western District of Pennsylvania (the "District Court"). The plaintiffs filed an amended complaint in the District Court on July 10, 2015, that included the same basic causes of action and requested relief, dropped allegations against some of the Directors named in the original complaint and asserted the breach of contract claim not on behalf of a purported class of former shareholders of Mylan Inc. but on behalf of a purported subclass of such shareholders who held shares of Mylan continuously for a specified period following consummation of the EPD Transaction. On July 21, 2015, a second purported class action complaint against the same defendants, asserting the same basic claims and requesting the same basic relief on behalf of the

**MYLAN N.V. AND SUBSIDIARIES****Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

same purported class and subclass, was filed by a different plaintiff in the District Court. On August 28, 2015, the District Court consolidated the three actions, and, on September 4, 2015, the plaintiffs in the consolidated action filed a consolidated amended complaint (the “Consolidated Amended Complaint”) against the same defendants, asserting the same basic claims and requesting the same basic relief on behalf of the same purported class and subclass, but asserting the breach of contract claim against only Mylan. On September 30, 2015, two of the plaintiffs in the consolidated action filed a motion for partial summary judgment, on the breach of contract claim against Mylan (the “Motion for Partial Summary Judgment”). On October 23, 2015, the District Court approved the voluntary dismissal of a third purported class action, commenced on August 28, 2015 against Mylan and the Directors, alleging federal securities and breach of contract claims against all defendants and breach of fiduciary duty claims against the Directors, all arising out of the same basic alleged facts and requesting the same basic relief on behalf of certain former shareholders of Mylan Inc. On November 25, 2015, the defendants filed a Motion to Dismiss the Consolidated Amended Complaint, and Mylan filed an Opposition to the Motion for Partial Summary Judgment and a Motion to Deny Summary Judgment. On December 21, 2015, the District Court consolidated the action with a fourth purported class action, commenced on November 24, 2015 by, among others, the plaintiff in the third action, against the same defendants, alleging only breach of contract arising out of the same basic alleged facts, and requesting the same basic relief on behalf of certain former shareholders of Mylan Inc. In consolidating the actions, the District Court ordered, among other things, that the Consolidated Amended Complaint would remain the operative complaint in the consolidated action and that the Motion for Partial Summary Judgment and Motion to Dismiss were not disturbed by the consolidation. A Report and Recommendation was issued by the Magistrate Judge on May 10, 2016, recommending to the District Court that the defendants’ Motion to Dismiss the plaintiffs’ Consolidated Amended Complaint be granted and that the case be dismissed with prejudice. The Magistrate Judge further recommended that the District Court deny the plaintiffs’ Motion for Partial Summary Judgment as moot. Briefing on the plaintiffs’ objections to the Report and Recommendation was completed on June 7, 2016. We believe that the claims in this lawsuit are without merit and intend to continue to defend against them vigorously.

***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 cooperating with the SEC in its investigation, and we are unable to predict the outcome of this matter at this time.

***Drug Pricing Matters******Department of Justice/Connecticut Subpoenas***

On December 3, 2015, a subsidiary of Mylan N.V. received a subpoena from the Antitrust Division of the U.S. Department of Justice (“DOJ”) seeking information relating to the marketing, pricing, and sale of our generic Doxycycline products and any communications with competitors about such products. The Company is fully cooperating with DOJ’s inquiry.

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. The Company is fully cooperating with Connecticut’s inquiry.

***United States District Court for the Eastern District of Pennsylvania and Rhode Island Litigation***

Beginning in March 2016, fourteen putative class action complaints have been filed in the United States District Court for the Eastern District of Pennsylvania and one filed in the District of Rhode Island by indirect purchasers against Mylan Inc., Mylan Pharmaceuticals Inc. and other pharmaceutical manufacturers, alleging conspiracies to fix, raise, maintain and stabilize the prices of certain Doxycycline and Digoxin products and to allocate markets and customers for those products. In addition, three putative class action complaints have been filed in the same court by direct purchasers against Mylan and other pharmaceutical manufacturers. Plaintiffs have petitioned the Judicial Panel on Multidistrict Litigation (“JPML”) to establish a Multidistrict Litigation proceeding for these matters. A hearing before the JPML took place on July 28, 2016 and it was subsequently ordered that the cases be transferred to the Eastern District of Pennsylvania. Mylan and its subsidiary intend to deny liability and to defend these actions vigorously.

**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 Laboratoires 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. The briefing on appeal is complete and we are awaiting the scheduling of the hearing date.

*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 has appealed the Commission’s decision to the General Court of the EU. Briefing on the appeal has been completed and a hearing took place on October 8, 2015. The Company has accrued approximately \$8.8 million and \$9.8 million as of June 30, 2016 and December 31, 2015, respectively, related to this matter. 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. 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.

**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

## Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

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 June 30, 2016. Generics [U.K.] Limited has appealed the decision. A hearing is scheduled to commence on February 27, 2017 before the Competition Appeals Tribunal.

***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 its Fentanyl Transdermal System, Phenytoin, Propoxyphene and Alendronate. 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 \$10.0 million and \$9.5 million at June 30, 2016 and December 31, 2015, 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***

In certain situations, the Company has used its business judgment 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, including but not limited to certain proceedings assumed as a result of the acquisition of the former Merck Generics business, Agila and the EPD Business. The Company has approximately \$10 million accrued related to these various other legal proceedings. While it is not possible to predict the ultimate outcome of such other proceedings, the ultimate outcome of any such proceeding is not currently expected to be material to the Company's business, financial condition, results of operations, cash flows and/or ordinary share price.

**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, 2015, 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 for the three and six months ended June 30, 2016 and cash flows for the six months ended June 30, 2016 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: uncertainties related to the Meda Transaction; the possibility that Mylan will not be able to repurchase, repay or refinance Meda’s outstanding debt obligations on favorable terms or at all; 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; 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 and the Meda Transaction 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 to market; success of clinical trials and Mylan’s ability to execute on new product opportunities; any changes in or difficulties with our inventory of, and our ability to manufacture and distribute, the EpiPen® Auto-Injector to meet anticipated demand; the scope, timing, and outcome of any ongoing legal proceedings 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, 2015, as amended, Mylan’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, and our other filings with the SEC. These risks and uncertainties also include those risks and uncertainties that are discussed in the offer document that was approved by the Swedish Financial Supervisory Authority and published by Mylan on June 16, 2016 (“the “Offer Document”), the Registration Statement on Form S-4 which was declared effective on June 16, 2016 (the “Registration Statement”), and the EU Prospectus that was approved by the Netherlands Authority for the Financial



Markets and published by Mylan on June 16, 2016 (the “EU Prospectus”). On July 21, 2016, Mylan published supplements to each of the Offer Document and the EU Prospectus. You can access Mylan’s filings with the SEC through the SEC website at [www.sec.gov](http://www.sec.gov), and Mylan strongly encourages you to do so. 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, branded generic and specialty pharmaceuticals. 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 more than 2,700 marketed products, to customers in more than 165 countries and territories. We operate a global, high quality vertically-integrated manufacturing platform, which includes more than 50 manufacturing and research and development (“R&D”) facilities around the world and one of the world’s largest active pharmaceutical ingredient (“API”) operations. We also operate a strong R&D network that has consistently delivered a robust product pipeline. Additionally, Mylan has a specialty business that is focused on respiratory and allergy therapies.

Mylan has two segments, “Generics” and “Specialty.” Generics primarily develops, manufactures, sells and distributes generic or branded generic pharmaceutical products in tablet, capsule, injectable or transdermal patch form, as well as API. Our generic pharmaceutical business is conducted primarily in the United States (“U.S.”), Canada and Brazil (collectively, “North America”); Europe; and India, Australia, Japan and New Zealand as well as our export activity into emerging markets (collectively, “Rest of World”). Beginning in 2016, revenue from the Company’s Brazilian operation is included in the North America region. All prior period revenue from the Company’s Brazilian operations has been recast from the Rest of World region to the North America region to conform to the presentation for the current period. This change had no impact on Mylan’s segment reporting. Our API business is conducted through Mylan Laboratories Limited, which is included within Rest of World in our Generics segment. Specialty engages mainly in the development and sale of branded specialty injectable and nebulized products. We also report in Corporate/Other certain R&D expenses, general and administrative expenses, litigation settlements, amortization of intangible assets and certain purchase accounting items, impairment charges, if any, and other items not directly attributable to the segments.

## 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 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 is now 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). The Company has initiated compulsory acquisition proceedings for the remaining shares in Meda in accordance with the Swedish Companies Act and has acted to have the Meda shares delisted from Nasdaq Stockholm.

Refer to Note 4 *Acquisitions and Other Transactions* in Item 1. Notes to Condensed Consolidated Financial Statements for additional information regarding significant recent events, including other acquisitions and transactions.

**Financial Summary**

The tables below are a summary of the Company's financial results for the three and six months ended June 30, 2016 compared to the prior year period:

<i>(In millions, except per share amounts)</i>	<b>Three Months Ended</b>			
	<b>June 30,</b>			
	<b>2016</b>	<b>2015</b>	<b>Change</b>	<b>% Change</b>
Total revenues	\$ 2,560.7	\$ 2,371.7	\$ 189.0	8%
Gross profit	1,171.7	1,008.1	163.6	16%
Earnings from operations	410.9	276.6	134.3	49%
Net earnings attributable to Mylan N.V. ordinary shareholders	168.4	167.8	0.6	—%
Diluted earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	\$ 0.33	\$ 0.32	\$ 0.01	3%

Earnings from operations increased for the three months ended June 30, 2016 compared to the prior year period due to higher total revenues and gross profit. Net earnings attributable to Mylan N.V. ordinary shareholders was negatively impacted in the current quarter by increased non-operating expenses including unrealized mark-to-market losses on the Company's Swedish krona ("SEK") denominated foreign currency contracts and the write off of financing fees related to the termination of the 2016 Bridge Credit Agreement (as defined below). The increase in diluted earnings per ordinary share attributable to Mylan N.V. ordinary shareholders for the three months ended June 30, 2016 compared to the prior year period was primarily the result of higher earnings from operations and a lower average share count due to less diluted shares, partially offset by higher non-operating expenses.

<i>(In millions, except per share amounts)</i>	<b>Six Months Ended</b>			
	<b>June 30,</b>			
	<b>2016</b>	<b>2015</b>	<b>Change</b>	<b>% Change</b>
Total revenues	\$ 4,752.0	\$ 4,243.4	\$ 508.6	12 %
Gross profit	2,078.7	1,838.2	240.5	13 %
Earnings from operations	516.5	435.9	80.6	18 %
Net earnings attributable to Mylan N.V. ordinary shareholders	182.3	224.4	(42.1)	(19)%
Diluted earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	\$ 0.36	\$ 0.46	\$ (0.10)	(22)%

The decrease in diluted earnings per ordinary share attributable to Mylan N.V. ordinary shareholders for the six months ended June 30, 2016 compared to the prior year period was primarily the result of higher operating expenses, including amortization expense related to acquisitions completed during 2015, unrealized mark-to-market losses related to the Company's SEK denominated foreign currency contracts, the write off of financing fees related to the termination of the 2016 Bridge Credit Agreement and a higher average share count due to the impact of the ordinary shares issued in the EPD Transaction.

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 measure 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 the geographic regions within the Generics segment and consolidated total revenues on an actual and constant currency basis for the three and six months ended June 30, 2016 and 2015.

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 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 June 30, 2016 Compared to Three Months Ended June 30, 2015

(In millions)	Three Months Ended					
	June 30,			2016 Constant Currency Revenues <sup>(2)</sup>		
	2016	2015	% Change	2016 Currency Impact <sup>(1)</sup>		% Change
<b>Generics:</b>						
Third party net sales						
North America <sup>(3)</sup>	\$ 1,010.0	\$ 948.5	6 %	\$ 4.8	\$ 1,014.8	7 %
Europe	604.2	571.0	6 %	(5.6)	598.6	5 %
Rest of World <sup>(3)</sup>	523.2	535.6	(2)%	1.0	524.2	(2)%
Total third party net sales	2,137.4	2,055.1	4 %	0.2	2,137.6	4 %
Other third party revenues	10.2	8.6	19 %	—	10.2	19 %
Total third party revenues	2,147.6	2,063.7	4 %	0.2	2,147.8	4 %
Intersegment sales <sup>(4)</sup>	(0.4)	2.3	NM	0.1	(0.3)	NM
Generics total revenues	2,147.2	2,066.0	4 %	0.3	2,147.5	4 %
<b>Specialty:</b>						
Third party net sales	402.5	301.9	33 %	—	402.5	33 %
Other third party revenues	10.6	6.1	74 %	—	10.6	74 %
Total third party revenues	413.1	308.0	34 %	—	413.1	34 %
Intersegment sales <sup>(4)</sup>	3.1	2.6	NM	—	3.1	NM
Specialty total revenues	416.2	310.6	34 %	—	416.2	34 %
Elimination of intersegment sales <sup>(4)</sup>	(2.7)	(4.9)	NM	—	(2.7)	NM
Consolidated total revenues	\$ 2,560.7	\$ 2,371.7	8 %	\$ 0.3	\$ 2,561.0	8 %

<sup>(1)</sup> Currency impact is shown as unfavorable (favorable).

<sup>(2)</sup> The constant currency revenue change is derived by translating third party net sales for the current period at prior year comparative period exchange rates.

<sup>(3)</sup> Beginning in the first quarter of 2016, the Company reclassified sales from its Brazilian operation from Rest of World to North America. The amount reclassified for the three months ended June 30, 2015 was approximately \$11.1 million.

<sup>(4)</sup> The percentage changes in intersegment sales are considered not meaningful (or, "NM") in terms of the Company's total revenue as intersegment sales eliminate in consolidation.

### Total Revenues

For the current quarter, Mylan reported total revenues of \$2.56 billion, compared to \$2.37 billion for the comparable prior year period, representing an increase of \$189.0 million, or 8%. Total revenues include both net sales and other revenues from third parties. Third party net sales for the current quarter were \$2.54 billion, compared to \$2.36 billion for the comparable

prior year period, representing an increase of \$182.9 million, or 8%. Other third party revenues for the current quarter were \$20.8 million, compared to \$14.7 million for the comparable prior year period, an increase of \$6.1 million.

The increase in total revenues included third party net sales growth in Generics of 4% and Specialty of 33% as a result of net sales from products launched subsequent to July 1, 2015 (“new products”), and to a lesser extent, net sales from acquisitions, which together totaled approximately \$237.3 million. This increase was partially offset by the net impact of decreased Generics pricing and the realization of the benefits of customer contract negotiations in Specialty totaling approximately \$39.6 million, and a decline in volumes on existing products of approximately \$15.0 million. Mylan’s current quarter total revenues were not significantly impacted by the effect of foreign currency translation.

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 34% and 30% of the Company’s total revenues for the three months ended June 30, 2016 and 2015, respectively.

*Generics Segment*

For the current quarter, Generics third party net sales were \$2.14 billion, compared to \$2.06 billion for the comparable prior year period, an increase of \$82.3 million, or 4%. In the Generics segment, the impact of foreign currency translation on current period third party net sales was insignificant and constant currency third party net sales increased by approximately \$82.5 million, or 4% when compared to the prior year period. The graph below shows Generics third party net sales by region for the three months ended June 30, 2016 and 2015 and the increase (decrease) period over period:



Third party net sales from North America increased by \$61.5 million or 6% during the three months ended June 30, 2016 when compared to the prior year period. This increase was principally due to net sales from significant new product introductions as a result of leveraging our strong global platform. This increase was partially offset by lower pricing and volumes on existing products. The unfavorable impact of foreign currency translation on current period third party net sales was approximately \$4.8 million, or 1% within North America. As such, constant currency third party net sales increased by approximately \$66.3 million, or 7% when compared to the prior year period.

Products 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.

Third party net sales from Europe increased by \$33.2 million or 6% during the three months ended June 30, 2016 when compared to the prior year period. The increase in third party net sales was primarily the result of net sales from new product introductions, totaling approximately \$25.5 million in the second quarter of 2016. In addition, there were higher volumes on existing products, while pricing was essentially flat in the second quarter of 2016 as a result of our diversified product portfolio. The favorable impact of foreign currency translation on current period third party net sales was approximately \$5.6 million, or 1% within Europe. As such, constant currency third party net sales increased by approximately \$27.6 million, or 5% when compared to the prior year period.

Third party net sales from Mylan's business in France increased when compared to the prior year period primarily as a result of new product introductions, and we remain the generics market leader. In Italy, third party net sales decreased slightly when compared to the prior year period as a result of lower sales on existing products, partially offset by new product introductions.

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.

Third party net sales from Rest of World decreased by \$12.4 million, or 2%, during the three months ended June 30, 2016 compared to the prior year period. New product introductions across the region and higher sales in Japan and emerging markets positively impacted sales in the current quarter. Lower pricing and sales volumes in the region, including the anti-retroviral ("ARV") franchise, unfavorably impacted third party net sales. However, sales within our ARV franchise progressively improved throughout the quarter as HIV tender volumes increased, and on a sequential basis sales increased over 30% from the first quarter of 2016. Third party net sales from Rest of World were not significantly impacted by the effect of foreign currency translation during the three months ended June 30, 2016. As such, constant currency third party net sales decreased by approximately \$11.9 million, or 2%.

In addition to third party net sales, the Rest of World region also supplies finished dosage form ("FDF") generic products and API to Mylan subsidiaries in conjunction with the Company's vertical integration strategy. Intercompany sales recognized by Rest of World were approximately \$220.1 million and \$157.6 million in the three months ended June 30, 2016 and 2015, respectively. These intercompany sales eliminate within, and therefore are not included in, Generics or consolidated third party net sales.

In Japan, third party net sales increased as a result of higher volumes on existing products and net sales from new products. This increase was partially offset by unfavorable pricing on existing products. In Australia, third party net sales declined slightly as a result of lower pricing. 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.

A number of markets in which we operate 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 preferential reimbursement for a period of time. The tender system often results in companies underbidding one another by proposing low pricing in order to win the tender. 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.

### Specialty Segment

The graph below shows Specialty third party net sales for the three months ended June 30, 2016 and 2015 and the increase period over period:



Specialty third party net sales increased by \$100.6 million or 33% during the three months ended June 30, 2016 when compared to the prior year period. The increase was primarily the result of higher unit volumes and the realization of the benefits of customer contract negotiations over the last several quarters related to the EpiPen® Auto-Injector, which is used in the treatment of severe allergic reactions (anaphylaxis), and higher sales of the Perforomist® Inhalation Solution and ULTIVA®.

### Cost of Sales and Gross Profit

Cost of sales increased from \$1.36 billion for the three months ended June 30, 2015 to \$1.39 billion for the three months ended June 30, 2016, corresponding to the increase in sales. Cost of sales was primarily impacted by purchase accounting related amortization of acquired intangible assets, acquisition related costs and 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 June 30, 2016 was \$1.17 billion and gross margins were 46%. For the three months ended June 30, 2015, gross profit was \$1.01 billion and gross margins were 43%. Gross margins were positively impacted in the current quarter by new product introductions by approximately 225 basis points and approximately 100 basis points resulting from higher EpiPen® Auto-Injector sales in the second quarter of 2016. Adjusted gross margins were approximately 56% for the three months ended June 30, 2016, compared to approximately 54% for the three months ended June 30, 2015. For the quarter ended June 30, 2016, new product introductions and higher sales within Specialty positively impacted adjusted gross margins by approximately 150 basis points and approximately 70 basis points, respectively.

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 June 30, 2016 compared to the three months ended June 30, 2015 is as follows:

<i>(In millions)</i>	Three Months Ended	
	June 30,	
	2016	2015
<b>U.S. GAAP cost of sales</b>	<b>\$ 1,389.0</b>	<b>\$ 1,363.6</b>
Deduct:		
Purchase accounting related amortization	(249.7)	(242.7)
Acquisition related costs	(12.8)	(26.6)
Restructuring & other special items	(11.0)	(6.6)
Adjusted cost of sales	<b>\$ 1,115.5</b>	<b>\$ 1,087.7</b>
Adjusted gross profit <sup>(a)</sup>	<b>\$ 1,445.2</b>	<b>\$ 1,284.0</b>
Adjusted gross margin <sup>(a)</sup>	<b>56%</b>	<b>54%</b>

<sup>(a)</sup> 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 June 30, 2016 was \$179.5 million, compared to \$168.2 million for the comparable prior year period, an increase of \$11.3 million. The increase is primarily due to the continued development of our respiratory, insulin and biologics programs. R&D expense also increased due to expenses of approximately \$9.4 million in the second quarter of 2016 related to the Company's collaboration agreement entered into on January 8, 2016 with Momenta Pharmaceuticals, Inc. ("Momenta").

#### *Selling, General & Administrative Expense*

Selling, general and administrative expense ("SG&A") for the current quarter was \$581.4 million, compared to \$564.2 million for the comparable prior year period, an increase of \$17.2 million. The increase in SG&A is primarily due to increased employee compensation expense of approximately \$34.3 million including increased employee related costs as we invest in our continued growth as well as increased depreciation expense as a result of information technology related capital expenditures. These increases were partially offset by decreases in consulting and professional services expense of approximately \$13.7 million and legal expense of approximately \$14.3 million, primarily due to higher acquisition related costs incurred in the prior year period.

#### *Litigation Settlements, Net*

During the three months ended June 30, 2016 and 2015, the Company recorded a \$0.1 million gain, net, and a \$0.9 million gain, net, respectively. In the current year period, the Company resolved a number of litigation matters for immaterial amounts. In the prior year period, the gain was primarily related to the settlement of a patent infringement matter.

#### *Interest Expense*

Interest expense for the three months ended June 30, 2016 totaled \$90.3 million, compared to \$93.9 million for the three months ended June 30, 2015. The decrease is primarily due to lower amortization of discounts as a result of the repayment of the Company's \$575 million aggregate principal amount of Cash Convertible Notes due 2015 (the "Cash Convertible Notes"), and the result of the refinancing of certain debt instruments in 2015, partially offset by approximately \$13.8 million of interest related to the issuance of the June 2016 Senior Notes (as defined below).

### Other Expense, Net

Other expense, net, was \$117.5 million in the current quarter, compared to \$2.0 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. In the second quarter of 2016, other expense, net included foreign exchange losses of \$67.9 million which included \$84.2 million of unrealized mark-to-market losses related to the Company's SEK non-designated foreign currency contracts partially offset by foreign currency gains, the write off of approximately \$30.2 million of financing fees related to the termination of the 2016 Bridge Credit Agreement and losses from equity affiliates of \$24.9 million, primarily attributed to the Company's clean energy investments. These items were partially offset by interest income and other individually insignificant gains. In the second quarter of 2015, other expense, net, included foreign exchange gains of \$21.4 million offset by losses from equity affiliates of \$25.0 million, primarily attributed to the Company's clean energy investments.

### Income Tax Provision

Income tax provision was \$34.7 million for the three months ended June 30, 2016, compared to \$12.8 million for the comparable prior year period. The effective tax rate was 17% and 7% for the three months ended June 30, 2016 and 2015, respectively. The effective tax rate for the three months ended June 30, 2016 versus the comparable prior quarter period was impacted by the changing mix of income earned in jurisdictions with differing tax rates, and the revaluation of deferred tax assets and liabilities in countries and states that changed their statutory corporate tax rate.

### Six Months Ended June 30, 2016 Compared to Six Months Ended June 30, 2015

(In millions)	Six Months Ended					
	June 30,			2016 Currency Impact <sup>(1)</sup>	2016 Constant Currency Revenues <sup>(2)</sup>	% Change
2016	2015	% Change				
<b>Generics:</b>						
Third party net sales						
North America <sup>(3)</sup>	\$ 1,929.7	\$ 1,803.5	7 %	\$ 12.0	\$ 1,941.7	8 %
Europe	1,191.9	977.3	22 %	2.3	1,194.2	22 %
Rest of World <sup>(3)</sup>	944.0	917.9	3 %	18.4	962.4	5 %
Total third party net sales	4,065.6	3,698.7	10 %	32.7	4,098.3	11 %
Other third party revenues	18.8	20.2	(7)%	0.3	19.1	(5)%
Total third party revenues	4,084.4	3,718.9	10 %	33.0	4,117.4	11 %
Intersegment sales <sup>(4)</sup>	2.2	3.8	NM	0.2	2.4	NM
Generics total revenues	4,086.6	3,722.7	10 %	33.2	4,119.8	11 %
<b>Specialty:</b>						
Third party net sales	650.4	512.9	27 %	—	650.4	27 %
Other third party revenues	17.2	11.6	48 %	—	17.2	48 %
Total third party revenues	667.6	524.5	27 %	—	667.6	27 %
Intersegment sales <sup>(4)</sup>	6.4	4.6	NM	—	6.4	NM
Specialty total revenues	674.0	529.1	27 %	—	674.0	27 %
Elimination of intersegment sales <sup>(4)</sup>	(8.6)	(8.4)	NM	(0.2)	(8.8)	NM
Consolidated total revenues	\$ 4,752.0	\$ 4,243.4	12 %	\$ 33.0	\$ 4,785.0	13 %

- (1) Currency impact is shown as unfavorable (favorable).
- (2) The constant currency revenue change is derived by translating third party net sales for the current period at prior year comparative period exchange rates.
- (3) Beginning in the first quarter of 2016, the Company reclassified sales from its Brazilian operation from Rest of World to North America. The amount reclassified for the six months ended June 30, 2015 was approximately \$21.3 million.
- (4) The percentage changes in intersegment sales are considered not meaningful (or, “NM”) in terms of the Company’s total revenue as intersegment sales eliminate in consolidation.

### **Total Revenues**

For the six months ended June 30, 2016, Mylan reported total revenues of \$4.75 billion, compared to \$4.24 billion for the comparable prior year period, representing an increase of \$508.6 million, or 12%. Total revenues include both net sales and other revenues from third parties. Third party net sales for the six months ended June 30, 2016 were \$4.72 billion, compared to \$4.21 billion for the comparable prior year period, representing an increase of \$504.4 million, or 12%. Other third party revenues for the six months ended June 30, 2016 were \$36.0 million, compared to \$31.8 million for the comparable prior year period, an increase of \$4.2 million.

The increase in total revenues included third party net sales growth in Generics of 10% and Specialty of 27%. Contributing to this increase was net sales from new products and other acquisitions, and to a lesser extent, the two additional months of net sales from the EPD Business (“incremental EPD Business sales”) in the Generics segment when compared to the six months ended June 30, 2015, which totaled approximately \$628.5 million. Net sales from existing products decreased approximately \$92.2 million as a result of the net impact of a decline in Generics pricing and the realization of the benefits of customer contract negotiations in Specialty totaling approximately \$79.1 million, and a decline in volume of approximately \$13.1 million. Mylan’s total revenues were unfavorably 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 Canada, Europe, India, and Australia, partially offset by the strengthening of the Japanese Yen. The unfavorable impact of foreign currency translation on current year total revenues was approximately \$32.9 million, or 1% resulting in an increase in constant currency total revenues of approximately \$541.5 million, or 13%.

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 30% and 28% of the Company’s total revenues for the six months ended June 30, 2016 and 2015, respectively.

### **Generics Segment**

For the six months ended June 30, 2016, Generics third party net sales were \$4.07 billion, compared to \$3.70 billion for the comparable prior year period, an increase of \$366.9 million, or 10%. In the Generics segment, the unfavorable impact of foreign currency translation on current period third party net sales was approximately \$32.7 million, or 1%. As such, constant currency third party net sales increased by approximately \$399.6 million, or 11% when compared to the prior year period. The graph below shows Generics third party net sales by region for the six months ended June 30, 2016 and 2015 and the increase period over period:



Third party net sales from North America increased by \$126.2 million or 7% during the six months ended June 30, 2016 when compared to the prior year period. This increase was principally due to net sales from significant new product introductions as a result of our strong global platform, and to a lesser extent, the incremental EPD Business sales, totaling approximately \$313.6 million. This increase was partially offset by lower pricing and volumes on existing products. The unfavorable impact of foreign currency translation on the current period third party net sales was approximately \$12.0 million or 1% when compared to the prior year period. As such, constant currency third party net sales increased by approximately \$138.2 million, or 8% when compared to the prior year period.

Products 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.

Third party net sales from Europe increased by \$214.6 million or 22% during the six months ended June 30, 2016 when compared to the prior year period. This increase was primarily the result of the incremental EPD Business sales, and to a lesser extent, net sales from new products, totaling approximately \$203.8 million during the six months ended June 30, 2016. In addition, there were higher volumes on existing products, while pricing was essentially flat in the first half of 2016 as a result of our diversified product portfolio. Third party net sales from Europe were not significantly impacted by the effect of foreign currency translation during the six months ended June 30, 2016. As such, constant currency third party net sales increased by approximately \$216.9 million, or 22% when compared to the prior year period.

Third party net sales from Mylan's business in France increased when compared to the prior year as a result of incremental EPD Business sales, higher volumes on existing products and new product introductions. Our market share in France increased for the six months ended June 30, 2016, and we remain the generics market leader. In Italy, third party net sales increased when compared to the prior year period as a result of incremental EPD Business sales, and to a lesser extent, new product introductions, which was partially offset by lower sales of existing products.

Certain markets in 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.

Third party net sales from Rest of World increased by \$26.1 million or 3% during the six months ended June 30, 2016 when compared to the prior year period. This increase was primarily driven by the incremental EPD Business sales, and to a lesser extent, new product introductions across the region, together totaling \$111.0 million, combined with higher sales in Japan and emerging markets. These increases were partially offset by lower pricing and sales volumes in the region, including the ARV franchise. However, sales within our ARV franchise progressively grew throughout the first half of the year, and on a sequential basis second quarter sales increased over 30% from the first quarter of 2016. The unfavorable impact of foreign currency translation on current year third party net sales was approximately \$18.4 million, or 2%. As such, constant currency third party net sales increased by approximately \$44.5 million, or 5%.



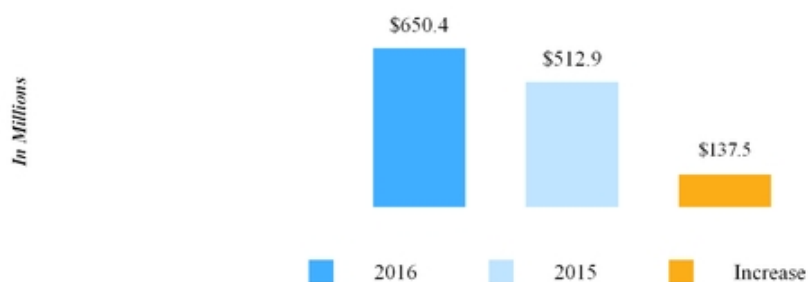
In addition to third party net sales, the Rest of World region also supplies FDF generic products and API to Mylan subsidiaries in conjunction with the Company's vertical integration strategy. Intercompany sales recognized by Rest of World were approximately \$435.1 million and \$316.5 million in the six months ended June 30, 2016 and 2015, respectively. These intercompany sales eliminate within, and therefore are not included in, Generics or consolidated third party net sales.

In Japan and Australia, third party net sales increased as a result of the incremental EPD Business sales, higher volumes on existing products and net sales from new products. This increase was partially offset by unfavorable pricing on existing products. 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.

A number of markets in which we operate 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 preferential reimbursement for a period of time. The tender system often results in companies underbidding one another by proposing low pricing in order to win the tender. Additionally, 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.

### *Specialty Segment*

The graph below shows Specialty third party net sales for the six months ended June 30, 2016 and 2015 and the increase period over period:



Specialty third party net sales increased by \$137.5 million or 27% during the six months ended June 30, 2016 when compared to the prior year period. The increase was primarily the result of higher unit volumes and the realization of the benefits of customer contract negotiations over the last several quarters related to the EpiPen® Auto-Injector, which is used in the treatment of severe allergic reactions (anaphylaxis), and higher sales of the Performist® Inhalation Solution and ULTIVA®.

### *Cost of Sales and Gross Profit*

Cost of sales increased from \$2.41 billion for the six months ended June 30, 2015 to \$2.67 billion for the six months ended June 30, 2016, corresponding to the increase in sales. Cost of sales was primarily impacted by purchase accounting related amortization of acquired intangible assets, acquisition related costs and restructuring and other special items, which are described further in the section titled *Use of Non-GAAP Financial Measures*. In addition to the increase in net sales, the increase in cost of sales was also impacted by the acquisition related amortization expense of Jai Pharma Limited and an additional two months of amortization expense related to the EPD Business as compared to the prior year period. Gross profit for the six months ended June 30, 2016 was \$2.08 billion and gross margins were 44%. For the six months ended June 30, 2015, gross profit was \$1.84 billion and gross margins were 43%. Gross margins were positively impacted in the current year by new product introductions and higher sales within Specialty which positively impacted gross margins by approximately 210 and 75 basis points, respectively. These increases were partially offset by increased amortization expense which negatively impacted gross margins by approximately 215 basis points. Adjusted gross margins were approximately 55% for the six months ended June 30, 2016, compared to approximately 54% for the six months ended June 30, 2015. For the six months ended June 30, 2016, new product introductions and higher sales within Specialty positively impacted adjusted gross margins by approximately 140 and 35 basis points, respectively.

A reconciliation between cost of sales, as reported under U.S. GAAP, and adjusted cost of sales and adjusted gross margin for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 is as follows:

<i>(In millions)</i>	Six Months Ended	
	June 30,	
	2016	2015
<b>U.S. GAAP cost of sales</b>	\$ 2,673.3	\$ 2,405.2
Deduct:		
Purchase accounting related amortization	(493.3)	(382.9)
Acquisition related costs	(31.3)	(38.9)
Restructuring & other special items	(26.2)	(14.6)
Adjusted cost of sales	<u>\$ 2,122.5</u>	<u>\$ 1,968.8</u>
Adjusted gross profit <sup>(a)</sup>	<u>\$ 2,629.5</u>	<u>\$ 2,274.6</u>
Adjusted gross margin <sup>(a)</sup>	<u>55%</u>	<u>54%</u>

<sup>(a)</sup> 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 six months ended June 30, 2016 was \$433.1 million, compared to \$338.1 million for the comparable prior year period, an increase of \$95.0 million. During the six months ended June 30, 2016, the Company made an upfront payment to Momenta for \$45 million related to the Company's collaboration agreement and incurred approximately \$13.3 million of additional R&D expense related to the collaboration. The additional two months of expense related to the EPD Business in the current year increased R&D expense by approximately \$9 million. R&D expense also increased due to the continued development of our respiratory, insulin and biologics programs. During the six months ended June 30, 2016, the Company incurred approximately \$15 million of milestone payments related to the collaboration with Theravance Biopharma, Inc. ("Theravance Biopharma"). In the prior year period, the Company incurred a \$15 million upfront licensing payment related to the collaboration with Theravance Biopharma.

#### *Selling, General & Administrative Expense*

SG&A for the six months ended June 30, 2016 was \$1.13 billion, compared to \$1.05 billion for the comparable prior year period, an increase of \$83.3 million. Factors contributing to the increase in SG&A include the additional two months of expense related to the EPD Business, which increased SG&A by approximately \$66.6 million in 2016. In addition, the increase in SG&A is due to increased employee compensation expense of approximately \$32.4 million including increased employee related costs as we invest in our continued growth as well as increased depreciation expense as a result of information technology related capital expenditures. These increases were partially offset by decreases in consulting and professional services expense of approximately \$22.6 million and legal expense of approximately \$18.6 million, primarily due to higher acquisition related costs incurred in the prior year period.

#### *Litigation Settlements, Net*

During the six months ended June 30, 2016 and 2015, the Company recorded a \$1.6 million gain, net, and \$16.8 million charge, net, respectively. During the six months ended June 30, 2016 the gain was primarily related to the settlement of an intellectual property matter and a number of resolved immaterial litigation matters. In the prior year period, the charge was primarily related to the settlement of an antitrust matter, partially offset by a gain related to the settlement of a patent infringement matter.

### ***Interest Expense***

Interest expense for the six months ended June 30, 2016 totaled \$160.6 million, compared to \$173.4 million for the six months ended June 30, 2015. The decrease is primarily due to lower amortization of discounts as a result of the repayment of the Company's Cash Convertible Notes in September 2015, and the result of the refinancing of certain debt instruments in 2015, partially offset by approximately \$13.8 million of interest related to the issuance of the June 2016 Senior Notes.

### ***Other Expense, Net***

Other expense, net, was \$133.8 million for the six months ended June 30, 2016, compared \$20.5 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. In the current year, other expense, net, included losses from equity affiliates of approximately \$55.8 million, principally related to the Company's clean energy investments, foreign exchange losses of approximately \$53.7 million which included \$84.2 million of unrealized mark-to-market losses related to the Company's SEK non-designated foreign currency contracts offset by foreign exchange gains and the write off of approximately \$33.2 million of financing fees related to the termination of the 2016 Bridge Credit Agreement. These items were partially offset by interest income and other individually insignificant gains. In the prior year, other expense, net included losses from equity affiliates of approximately \$49.7 million, principally from the Company's clean energy investments, partially offset by foreign exchange gains of approximately \$25.1 million.

### ***Income Tax Provision***

Income tax provision was \$39.8 million for the six months ended June 30, 2016, compared to \$17.5 million for the comparable prior year period. The effective tax rate was 18% and 7% for the six months ended June 30, 2016 and 2015, respectively. The effective tax rate for the six months ended June 30, 2016 was impacted by the changing mix of income earned in jurisdictions with differing tax rates and the revaluation of deferred tax assets and liabilities in countries and states that changed their statutory corporate tax rate.

## **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 set forth below 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 attributable to Mylan N.V. ("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. 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 management also believes that investors' understanding of our performance is enhanced by these adjusted measures. Actual internal and forecasted operating results and annual budgets 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 and inventory step-up, intangible asset impairment charges (including in-process research and development), accretion and the fair value adjustments related to contingent consideration.

***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.

***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:

- Exit costs associated with facilities to be closed or divested, including 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 17 *Contingencies* 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 Earnings and Adjusted EPS

A reconciliation between net earnings attributable to Mylan N.V. ordinary shareholders and diluted earnings per share attributable to Mylan N.V. ordinary shareholders, as reported under U.S. GAAP, and adjusted earnings and adjusted EPS for the periods shown follows:

(In millions, except per share amounts)	Three Months Ended June 30,				Six Months Ended June 30,			
	2016		2015		2016		2015	
U.S. GAAP net earnings attributable to Mylan N.V. and U.S. GAAP diluted EPS	\$ 168.4	\$ 0.33	\$ 167.8	\$ 0.32	\$ 182.3	\$ 0.36	\$ 224.4	\$ 0.46
Purchase accounting related amortization (primarily included in cost of sales)	255.4		246.6		504.7		390.6	
Litigation settlements, net	(0.1)		(0.9)		(1.6)		16.8	
Interest expense	7.7		16.2		13.4		28.4	
Non-cash accretion of contingent consideration liability	10.3		9.6		20.3		18.8	
Clean energy investments pre-tax loss <sup>(a)</sup>	20.1		21.7		45.6		44.2	
Acquisition related costs (primarily included in other expense, net) <sup>(b)</sup>	174.6		72.6		236.2		151.4	
Restructuring and other special items included in:								
Cost of sales	11.0		6.7		26.2		14.7	
Research and development expense <sup>(c)</sup>	10.4		—		76.5		17.9	
Selling, general and administrative expense	12.2		24.9		19.0		32.7	
Other expense, net	0.5		1.1		2.7		8.1	
Tax effect of the above items and other income tax related items	(78.1)		(92.0)		(146.6)		(164.6)	
Adjusted net earnings attributable to Mylan N.V. and adjusted diluted EPS	\$ 592.4	\$ 1.16	\$ 474.3	\$ 0.91	\$ 978.7	\$ 1.92	\$ 783.4	\$ 1.62
Weighted average diluted ordinary shares outstanding	509.7		521.9		509.6		482.8	

<sup>(a)</sup> Adjustment represents exclusion of the pre-tax loss related to Mylan's clean energy investments and related financing, the activities of which qualify for income tax credits under Section 45 of the Code. The amount is included in other expense, net in the Condensed Consolidated Statements of Operations.

<sup>(b)</sup> Acquisition related costs primarily relate to ongoing acquisition and integration activities. Acquisition related costs included in other expense, net include approximately \$84.2 million of unrealized mark-to-market losses related to the Company's SEK non-designated foreign currency contracts and approximately \$37.9 million and \$45.2 million related to the amortization and write off of deferred financing fees related to the termination of the 2016 Bridge Credit Agreement for the three and six months ended June 30, 2016, respectively. Acquisition related costs for the three and six months ended June 30, 2016, also includes approximately \$12.5 million of interest expense, net of interest income, related to the issuance of June 2016 Senior Notes for the period prior to the anticipated completion date of the Offer.

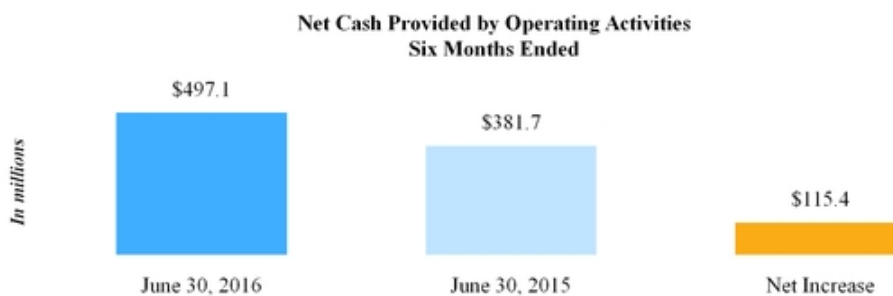
<sup>(c)</sup> R&D expense includes a \$45 million upfront payment to Momenta and \$15 million of milestone payments to Theravance Biopharma for the six months ended June 30, 2016. In addition, included in this amount for the three and six months ended June 30, 2016 is approximately \$9.4 million and \$13.3 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 \$497.1 million for the six months ended June 30, 2016. 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

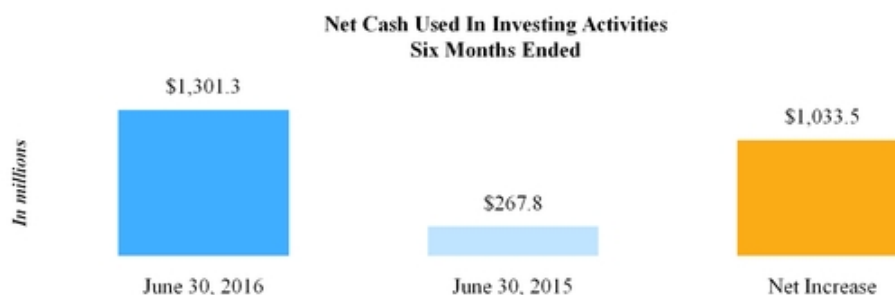


Net cash provided by operating activities increased by \$115.4 million to \$497.1 million for the six months ended June 30, 2016, as compared to net cash provided by operating activities of \$381.7 million for the six months ended June 30, 2015. The net increase in cash provided by operating activities was principally due to the following:

- an increase in non-cash expenses of \$206.9 million. The increase in non-cash expenses was principally the result of increased depreciation and amortization as a result of acquisitions completed during 2015, write off of certain financing fees, the unrealized mark-to-market losses on acquisition-related foreign currency derivatives and a number of other non-cash charges including the accretion of the contingent consideration liability and increased losses in equity method investments, which were partially offset by decreased litigation settlements, increased deferred tax benefits and increased inventory reserves;
- a net increase in the amount of cash provided by changes in income taxes payable of \$169.7 million as a result of a lower amount of estimated tax payments made during the current year; and
- a net increase in the amount of cash provided by changes in accounts receivable, including estimated sales allowances, of \$33.5 million, reflecting the timing of sales, cash collections and disbursements related to sales allowances.

These items were partially offset by the following:

- a net increase in the amount of cash used through changes in trade accounts payable of \$215.0 million as a result of the timing of cash payments; and
- a net increase in the amount of cash used through changes in other operating assets and liabilities of \$33.4 million principally as a result of the timing of certain payroll related payments.

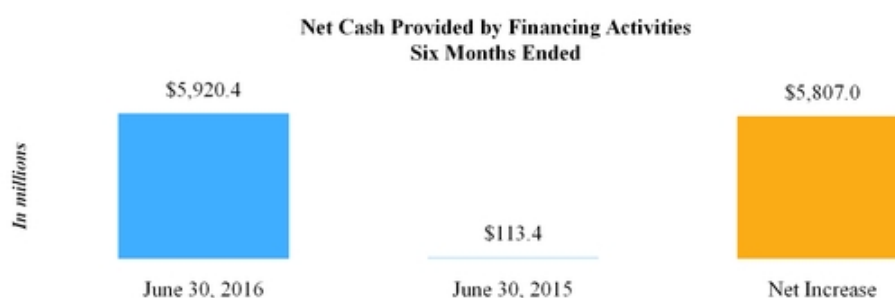


Cash used in investing activities was \$1.30 billion for the six months ended June 30, 2016, as compared to \$267.8 million for the six months ended June 30, 2015, a net increase of \$1.03 billion. The net increase in cash used in investing activities was principally the result of the following:

- an increase in net cash paid for acquisitions of \$943.3 million which relates to the Company's acquisition of the non-sterile, topicals-focused business of Renaissance Acquisition Holdings, LLC (the "Topicals Business");
- an increase in payments for product rights and other investing activities, net, which totaled \$180.0 million for the six months ended June 30, 2016, as compared to \$104.6 million in the prior year period. In the current year, the Company paid \$57.9 million to acquire a marketed pharmaceutical product and \$90 million to acquire certain European intellectual property rights and marketing authorizations, which was accrued for at December 31, 2015;
- an increase in the change in restricted cash which totaled \$50.6 million for the six months ended June 30, 2016, as compared to \$11.2 million in the prior year period. In the current year, restricted cash increased approximately \$50 million related to amounts deposited in escrow for potential contingent consideration payments in connection with the acquisition of the Topicals Business; and
- a decrease in proceeds from the sale of marketable securities which totaled \$10.9 million for the six months ended June 30, 2016, as compared to \$21.6 million in the prior year period.

These items were partially offset by the following:

- a decrease in the purchase of marketable securities, which totaled \$17.3 million during the six months ended June 30, 2016, as compared to \$51.6 million in the prior year period. This change is primarily attributable to the Company's investment in Theravance Biopharma's common stock in the prior year; and
- a decrease in capital expenditures, primarily for equipment and facilities, which totaled approximately \$121.0 million in the current period, compared to \$122.0 million in the comparable prior year period. While there can be no assurance that current expectations will be realized, capital expenditures for the 2016 calendar year are expected to be approximately \$400 million to \$500 million.

*Financing Activities*

Cash provided by financing activities was \$5.92 billion for the six months ended June 30, 2016, compared to cash provided by financing activities of \$113.4 million for the six months ended June 30, 2015, a net increase of \$5.81 billion. The net increase in cash provided by financing activities was principally the result of the following:

- an increase in proceeds from long-term debt of \$6.2 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 (collectively, the "June 2016 Senior Notes") in the second quarter of 2016 in anticipation of the completion of the Offer. In the prior year period, the Company received proceeds of approximately \$305 million under the Revolving Facility; and
- a decrease in payments of long-term debt, which totaled \$500.0 million for the six months ended June 30, 2016, as compared to \$973.6 million for the six months ended June 30, 2015. In the current year, the Company paid the principal amount of \$500.0 million on the 1.800% Senior Notes due 2016 which matured on June 24, 2016. In the prior year, the Company made payments of approximately \$145 million on the Revolving Facility and paid \$828.5 million in connection with the conversion of a portion of the Cash Convertible Notes.

These items were partially offset by the following:

- a decrease in proceeds from the cash convertible note hedge which totaled \$667.9 million in the prior year and zero in the current year as the cash convertible note hedge settled in the third quarter of 2015 in conjunction with the maturity and full redemption of the Cash Convertible Notes;
- a decrease in proceeds from the exercise of stock options which totaled \$6.8 million in the current year, as compared to \$86.4 million in the prior year period; and
- a decrease in net short-term borrowings, which totaled \$54.7 million in the current year as compared to \$105.6 million in the prior year period due to reduced borrowings under the Company's accounts receivable securitization facility.

*Capital Resources*

Excluding funds from the June 2016 Senior Notes, our cash and cash equivalents at our non-U.S. operations totaled \$1.56 billion at June 30, 2016. The Company anticipates having sufficient U.S. liquidity, including existing borrowing capacity and 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.



### *Issuance of June 2016 Senior Notes*

During the second quarter of 2016, in anticipation of the completion of the Offer, Mylan N.V. issued the June 2016 Senior Notes in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), to qualified institutional buyers in accordance with Rule 144A and to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The June 2016 Senior Notes were issued pursuant to an indenture, dated as of June 9, 2016 (the “Indenture”), among the Company, Mylan Inc., as guarantor (the “Guarantor”), and The Bank of New York Mellon, as trustee. The June 2016 Senior Notes were guaranteed by Mylan Inc. upon issuance. In addition, the Company entered into a registration rights agreement, dated as of June 9, 2016, pursuant to which the Company and Mylan Inc. will use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the June 2016 Senior Notes for new notes with the same aggregate principal amount and terms identical in all material respects and to cause the exchange offer registration statement to be declared effective by the SEC and to consummate the exchange offer not later than 365 days following the date of issuance of the June 2016 Senior Notes.

The Indenture contains covenants that, among other things, restrict the Company’s ability and the ability of certain of its subsidiaries to enter into sale and leaseback transactions; create liens; consolidate, merge or sell all or substantially all of the Company’s assets; and with respect to such subsidiaries only, guarantee certain of our or our other subsidiaries’ outstanding obligations or incur certain obligations without also guaranteeing our obligations under the June 2016 Senior Notes on a senior basis. The Indenture also provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants, payment defaults or acceleration of other indebtedness, failure to pay certain judgments and certain events of bankruptcy and insolvency. These covenants and events of default are subject to a number of important qualifications, limitations and exceptions that are described in the Indenture. If an event of default with respect to the June 2016 Senior Notes of a series occurs under the Indenture, the principal amount of all of the June 2016 Senior Notes of such series then outstanding, plus accrued and unpaid interest, if any, to the date of acceleration, may become immediately due and payable.

The 2.500% Senior Notes due 2019 mature on June 7, 2019, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 2.500% Senior Notes due 2019 bear interest at a rate of 2.500% per annum, accruing from June 9, 2016. Interest on the 2.500% Senior Notes due 2019 is payable semi-annually in arrears on June 7 and December 7 of each year, commencing on December 7, 2016. The 3.150% Senior Notes due 2021 mature on June 15, 2021, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 3.150% Senior Notes due 2021 bear interest at a rate of 3.150% per annum, accruing from June 9, 2016. Interest on the 3.150% Senior Notes due 2021 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016. The 3.950% Senior Notes due 2026 mature on June 15, 2026, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 3.950% Senior Notes due 2026 bear interest at a rate of 3.950% per annum, accruing from June 9, 2016. Interest on the 3.950% Senior Notes due 2026 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016. The 5.250% Senior Notes due 2046 mature on June 15, 2046, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 5.250% Senior Notes due 2046 bear interest at a rate of 5.250% per annum, accruing from June 9, 2016. Interest of the 5.250% Senior Notes due 2046 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016.

At June 30, 2016, the outstanding balance of the 2.500% Senior Notes due 2019, 3.150% Senior Notes due 2021, 3.950% Senior Notes due 2026 and 5.250% Senior Notes due 2046 was \$998.9 million, \$2.25 billion, \$2.23 billion and \$999.8 million, respectively, which includes discounts of \$1.1 million, \$2.6 million, \$17.2 million and \$0.2 million, respectively. During the six months ended June 30, 2016, the Company incurred approximately \$45.0 million in financing fees, which were recorded as deferred financing costs in the Condensed Consolidated Balance Sheets.

### *2016 Bridge Credit Agreement*

In connection with the Offer, on February 10, 2016, the Company entered into a Bridge Credit Agreement (the “2016 Bridge Credit Agreement”), among the Company, as borrower, Mylan Inc., as guarantor, Deutsche Bank AG Cayman Islands Branch, as administrative agent and a lender, Goldman Sachs Bank USA, as a lender, Goldman Sachs Lending Partners LLC, as a lender, and other lenders party thereto from time to time. The Company incurred total financing and ticking fees of approximately \$45.2 million related to the 2016 Bridge Credit Agreement. During the first quarter of 2016, the Company wrote off approximately \$3.0 million of financing fees related to the Tranche B Loans (as defined in the 2016 Bridge Credit Agreement) in conjunction with the termination of the Tranche B Loans. The remaining commitments under the 2016 Bridge Credit Agreement were permanently terminated in their entirety in connection with the completion of the offering of the June

2016 Senior Notes. As a result of the termination of the 2016 Bridge Credit Agreement, the Company expensed the remaining \$30.2 million of unamortized financing fees related to the 2016 Bridge Credit Agreement to other expense, net in the Condensed Consolidated Statements of Operations during the second quarter of 2016.

#### *Revolving Facility*

On December 19, 2014, the Company entered into a revolving credit agreement, which was amended on May 1, 2015, and further amended on June 19, 2015, October 28, 2015 and February 22, 2016 (the “Revolving Credit Agreement”) with a syndicate of lenders, which contains a \$1.65 billion revolving facility (the “Revolving Facility”), which expires on December 19, 2019. At June 30, 2016 and December 31, 2015, we had no amounts outstanding under the Revolving Facility. The interest rate under the Revolving Facility is LIBOR (determined in accordance with the Revolving Credit Agreement) plus 1.325% per annum. In addition, the Revolving Facility has a facility fee which is 0.175%. At June 30, 2016 and December 31, 2015, we had a total of \$11.1 million outstanding under existing letters of credit. Additionally, as of June 30, 2016, we had \$143.8 million available under the \$150 million subfacility on our Revolving Facility for the issuance of letters of credit.

#### *Amendment to the Revolving Credit Facility, 2015 Term Loan and 2014 Term Loan*

On February 22, 2016, the Company and Mylan Inc. (the “Borrower”) entered into (i) Amendment No. 3 (the “Revolving Amendment”) to the Company’s Revolving Credit Agreement dated December 19, 2014, as amended on May 1, 2015, further amended on June 19, 2015 and further amended on October 28, 2015 (as amended further by the Revolving Amendment, the “Revolving Credit Agreement”) which provided for a \$1.65 billion revolving facility (the “Revolving Facility”), among the Borrower, the Company, certain lenders and issuing banks and Bank of America, N.A., as administrative agent, (ii) Amendment No. 2 (the “2015 Term Amendment”) to the Company’s Term Credit Agreement dated July 15, 2015, as amended on October 28, 2015 (as amended further by the 2015 Term Amendment, the “2015 Term Credit Agreement”) which provided for a delayed-draw term loan credit facility including loans totaling \$1.6 billion (the “2015 Term Loans”), among the Borrower, the Company, certain lenders and PNC Bank, National Association, as administrative agent, and (iii) Amendment No. 3 (the “2014 Term Amendment”) to the Company’s Term Credit Agreement dated December 19, 2014, as amended on May 1, 2015 and further amended on October 28, 2015 (as amended further by the 2014 Term Amendment, the “2014 Term Credit Agreement”) which provided for an \$800 million term loan (the “2014 Term Loan”), among the Borrower, the Company, certain lenders and Bank of America, N.A., as administrative agent. The Revolving Amendment, 2015 Term Amendment and 2014 Term Amendment provide that the Company’s acquisition of Meda constitutes a Qualified Acquisition (as defined in each of the Revolving Credit Agreement, the 2014 Term Credit Agreement and the 2015 Term Credit Agreement) and amends the event of default provisions to provide that any “change of control” put rights under any indebtedness of any Acquired Entity or Business (as defined in each of the Revolving Credit Agreement, the 2014 Term Credit Agreement and the 2015 Term Credit Agreement) or its subsidiaries that are triggered as a result of the acquisition of any Acquired Entity or Business will not result in an event of default so long as any such indebtedness that is put in accordance with the terms of such indebtedness is paid as required by the terms of such indebtedness.

#### *Meda Debt*

Upon settlement of the Offer on August 5, 2016, Meda became a controlled subsidiary of Mylan. As described in the Registration Statement, Meda is party to certain debt obligations, all of which remained outstanding following the settlement of the Offer. As of June 30, 2016, approximately SEK 28.35 billion aggregate principal amount of Meda’s outstanding debt obligations and committed bank facilities contained change of control provisions that were triggered upon settlement of the Offer.

The settlement of the Offer constituted a change of control under the Facilities Agreement, dated as of December 17, 2014 (as amended on October 29, 2015, the “Facilities Agreement”), among Meda, as borrower, the lenders party thereto (the “Lenders”) and Danske Bank A/S, as agent (“Danske”). As of June 30, 2016, there was SEK 20.31 billion aggregate principal amount of loans outstanding under the Facilities Agreement. In accordance with the terms of the Facilities Agreement, Meda is negotiating with Danske and the Lenders to agree to terms and conditions acceptable for continuing the Facilities Agreement. If no agreement is reached within 30 days of Danske’s receipt of notice from Meda of such change of control, each Lender may cancel its commitments and request repayment of its loans under the Facilities Agreement by notice to Meda, with repayment to be made not less than 30 days after such notice to Meda.

The settlement of the Offer constituted a Change of Control (as defined in the Loan Agreement referred to below) under the Loan Agreement, dated as of September 17, 2014 (the “Loan Agreement”), between Meda, as borrower, and AB

Svensk Exportkredit (publ), as lender (“Svensk Exportkredit”). As of June 30, 2016, there was SEK 2 billion aggregate principal amount of loans outstanding under the Loan Agreement. In accordance with the terms of the Loan Agreement, Meda may negotiate with Svensk Exportkredit to agree to terms and conditions acceptable for continuing the Loan Agreement. If no agreement is reached within 30 days of Svensk Exportkredit’s receipt of notice from Meda of the Change of Control, Svensk Exportkredit may cancel its commitment and demand repayment of the loans under the Loan Agreement by notice to Meda, with repayment to be made not less than 30 days after such notice to Meda. The loans under the Loan Agreement will be repaid in accordance with the terms thereof.

The settlement of the Offer constituted a change of control under the terms of the notes issued by Meda under its MTN Program. In accordance with the terms of the notes, Meda notified the noteholders of the occurrence of the change of control on August 5, 2016. As a result of such change of control, each noteholder has an individual right (a “put right”) to demand early redemption of the notes at their principal amount, together with accrued interest up to and including the date of redemption. The date of redemption for the notes of the noteholders that choose to exercise their put rights will be November 3, 2016. Each noteholder that wishes to exercise a put right must inform Meda thereof no later than October 4, 2016. The distribution of the redemption amount will be administered by Euroclear Sweden AB.

The settlement of the Offer constituted an Acceleration Event (as defined in the Rottapharm Agreement referred to below) under the Sale and Purchase Agreement, dated as of July 30, 2014 (the “Rottapharm Agreement”), among Fidim S.r.l., Meda Pharma S.p.A and Meda, the occurrence of which accelerated a deferred payment of €275 million relating to Meda’s acquisition of Rottapharm S.p.A. which otherwise would have been payable in January 2017.

Mylan anticipates that it will have sufficient liquidity to repurchase, repay or refinance any of the foregoing Meda debt obligations to the extent required.

#### *Long-term Debt Maturity*

Mandatory minimum repayments remaining on the outstanding long-term debt at June 30, 2016, excluding the discounts and premiums, are as follows for each of the periods ending December 31:



The Company’s next significant debt maturity is in the fourth quarter of 2016, as the Company’s 1.350% Senior Notes due 2016 mature. The Company intends to utilize available liquidity to fund the repayment of the 1.350% Senior Notes due 2016.

The Company’s 2015 Term Loans, 2014 Term Loan and 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 2015 Term Loans, 2014 Term Loan and Revolving Facility contain a maximum consolidated leverage ratio financial covenant. We have been compliant with these financial covenants during the six months ended June 30, 2016, and we expect to remain in compliance for the next twelve months.

## *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 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 \$550.7 million and \$526.4 million at June 30, 2016 and December 31, 2015, respectively. In addition, the Company expects to incur approximately \$35 million to \$40 million of annual accretion expense related to the increase in the net present value of the contingent consideration liability.

On January 8, 2016, the Company entered into an agreement with Momenta to develop, manufacture and commercialize up to six of Momenta’s current biosimilar candidates, including Momenta’s biosimilar candidate, ORENCIA® (abatacept). Mylan paid an up-front cash payment of \$45 million to Momenta. Under the terms of the agreement, Momenta is eligible to receive additional contingent milestone payments of up to \$200 million. The Company and Momenta will jointly be responsible for product development and will equally share in the costs and profits related to the products. Under the agreement, Mylan will lead the worldwide commercialization efforts.

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 legal proceedings that are considered normal to our business. While it is not possible to predict the outcome of such proceedings, an adverse outcome in any of these proceedings could materially affect our financial position, results of operations, and operating cash flow and could cause the market value of our ordinary shares to decline. We have approximately \$60 million accrued for such legal contingencies. For certain contingencies assumed in conjunction with the acquisition of the former Merck Generics business, Merck KGaA, the seller, has agreed to indemnify Mylan. Strides Arcolab Limited (“Strides Arcolab”) has also agreed to indemnify Mylan for certain contingencies related to our acquisition of Agila. The inability or denial of Merck KGaA, Strides Arcolab, 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, 2015, 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 June 30, 2016. 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 has not identified any changes in the Company's internal control over financial reporting that occurred during the quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **PART II — OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

For information regarding legal proceedings, refer to Note 17 *Contingencies*, 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, 2015, as amended, and Mylan's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.

**ITEM 6. EXHIBITS**

- 4.1 Indenture, dated as of June 9, 2016, among the Company, as issuer, Mylan Inc., as guarantor, and The Bank of New York Mellon, as trustee, filed as Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on June 15, 2016, and incorporated herein by reference.
- 4.2 Registration Rights Agreement, dated as of June 9, 2016, among the Company, as issuer, Mylan Inc., as guarantor, and Deutsche Bank Securities Inc., Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the initial purchasers of the \$1 billion aggregate principal amount of the Company's 2.500% Senior Notes due 2019, \$2.25 billion aggregate principal amount of the Company's 3.150% Senior Notes due 2021, \$2.25 billion aggregate principal amount of the Company's 3.950% Senior Notes due 2026, and \$1 billion aggregate principal amount of the Company's 5.250% Senior Notes due 2046, filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on June 15, 2016, and incorporated herein by reference.
- 10.1 Retirement and Consulting Agreement, dated April 13, 2016, between Mylan Inc. and John D. Sheehan.\*
- 10.2 Executive Employment Agreement, dated April 27, 2016 and effective June 6, 2016, between Mylan Inc. and Kenneth S. Parks.\*
- 10.3 Transition and Succession Agreement, dated April 27, 2016 and effective June 6, 2016, between Mylan Inc. and Kenneth S. Parks.\*
- 10.4 Amendment No. 1, dated May 20, 2016, to the Amended and Restated Receivables Purchase Agreement, dated January 27, 2015, among Mylan Pharmaceuticals Inc., individually and as Servicer, Mylan Securitization LLC, as Seller, the Conduit Purchasers from time to time party thereto, the Committed Purchasers from time to time party thereto, the Purchaser Agents from time to time party thereto, the LOC Issuers from time to time party thereto, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Agent.
- 10.5 Letter Agreement, dated June 3, 2016, among Mylan N.V., Mylan Inc., and Robert J. Coury.\*
- 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
- \* Denotes management contract or compensatory plan or arrangement.

**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

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

August 9, 2016

/s/ Kenneth S. Parks

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

August 9, 2016



**EXHIBIT INDEX**

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**RETIREMENT AND CONSULTING AGREEMENT**

This Retirement and Consulting Agreement (“Agreement”) is made by and between John D. Sheehan (“Sheehan”) and Mylan Inc. (the “Company”) (collectively referred to as the “Parties” or individually referred to as a “Party”).

**RECITALS**

WHEREAS, Sheehan and the Company executed an Executive Employment Agreement on July 31, 2013 (the “Employment Agreement”) which, among other matters, provides for certain terms and conditions regarding Sheehan’s employment with, and separation from, the Company, including without limitation obligations that survive termination of the Employment Agreement and termination of Sheehan’s employment with the Company, as specified in Section 21 of this Agreement;

WHEREAS, Sheehan announced his intention to voluntarily retire from employment with the Company effective as of April 1, 2016 (the “Retirement Date”);

WHEREAS, the Company wishes to continue to utilize Sheehan’s services in a consulting capacity for twelve months after the Retirement Date; and

WHEREAS, the Company and Sheehan wish to reach an agreement regarding the terms of Sheehan’s retirement and consultancy to the Company.

NOW, THEREFORE, in consideration of the mutual promises made herein and intending to be legally bound hereby, the Company and Sheehan hereby agree as follows:

**COVENANTS**

1. Consideration and Other Terms of Retirement. Provided that Sheehan executes this Agreement within twenty-one days following the Retirement Date, does not revoke his acceptance of this Agreement during the seven-day revocation period identified in Section 24 below, performs consulting services as provided herein, and does not commit a material breach of this Agreement, as described in Section 12 below:

a. The Company agrees to pay Sheehan an amount equal to six hundred and fifty thousand dollars (\$650,000) in four equal quarterly installments. Each installment shall be paid no later than thirty (30) days after the close of each fiscal quarter (i.e., July 30th, October 30th, January 30th and April 30th), in each case less applicable deductions and withholdings.

b. Except as specified in this paragraph, all equity and cash bonus awards will be treated in accordance with the terms of the 2003 Long-Term Incentive Plan, as amended and the applicable award agreements. The Company will treat Sheehan’s termination of service with the Company as a “Retirement” for purposes of stock options granted under the 2003 Long-Term Incentive Plan, as amended, (i.e., all unvested stock options will vest as of the Effective Date and all stock options will remain exercisable through the applicable expiration dates).

c. Sheehan’s group benefits, other than medical, dental, vision and prescription, shall cease at the end of the month of the Retirement Date (meaning April 30, 2016). The Company will pay the cost of Sheehan’s medical, dental, vision and prescription benefits under the health benefit provisions of Title X of the Consolidated Omnibus Budget

Reconciliation Act of 1985, as amended, through the end of the month of the first anniversary of the Retirement Date (meaning April 30, 2017), unless Sheehan becomes eligible for such coverage under another plan.

d. Except as specified herein, Sheehan's participation in all benefits and incidents of employment, including, but not limited to, the accrual of bonuses, vacation, and paid time off, and any additional 401(k) plan contributions, shall cease as of the Retirement Date. Vested amounts payable to Sheehan under the Company's 401(k) and other retirement plans or agreements (including the vested benefit under Sheehan's Retirement Benefit Agreement) will be paid in accordance with the terms of such plans and agreements and applicable law.

2. Payment of Salary and Receipt of All Benefits. Sheehan acknowledges and represents that, other than the consideration to be paid pursuant to this Agreement, the Retirement Benefit Agreement, Sheehan's final regular pay on the Company's next regularly scheduled payroll date after the Retirement date and payment for all unused and accrued vacation time as of March 31, 2016 (which will be included in Sheehan's final regular pay on the Company's next regularly scheduled payroll date after the Retirement Date, subject to applicable deductions and withholding), the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, reimbursable expenses, stock, stock options, vesting, shares pursuant to vested restricted stock units, and any and all other benefits and compensation due to Sheehan by the Company and its affiliates. Sheehan acknowledges that all equity-based awards (other than stock options) that are unvested as of the Retirement Date will be forfeited as of the Retirement Date. To receive reimbursement for any final Company-related travel expenses, Sheehan must submit a final report of all such outstanding expenses within thirty (30) calendar days after the Retirement Date, accompanied by receipts and otherwise subject to the Company's expense reimbursement policy.

3. Release of Claims. In consideration of the payments to be made under Sections 1(a) through (c) of this Agreement, which Sheehan acknowledges he would not otherwise be entitled to receive, Sheehan agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Sheehan by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, direct and indirect parents and subsidiaries, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, predecessor and successor corporations and assigns, and all persons acting with or on behalf of them (collectively, the "Releasees"). The parties acknowledge and agree that the amounts paid for Sheehan's consulting services under this Agreement are in lieu of any payments for consulting or similar services under any other plan or agreement during the consulting period covered by this Agreement. Sheehan, on his own behalf and on behalf of his heirs, family members, executors, agents, and assigns, hereby and forever releases and discharges the Releasees from any and all claims, complaints, charges, duties, obligations, demands, or causes of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Sheehan may possess against any of the Releasees arising from any omissions, acts, failures to act, facts, or damages that have occurred up until and including the date Sheehan executes this Agreement, including, without limitation:

a. any and all claims relating to or arising from Sheehan's employment relationship with the Company and/or any of the Releasees and the termination of that relationship;

b. any and all claims relating to, or arising from, Sheehan's right to purchase, or actual purchase of shares of stock of the Company and/or any of the Releasees,

including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims under any policy, agreement, understanding or promise, written or oral, formal or informal, between any Releasee and Sheehan existing as of the date hereof (whether arising before, on or after the date Sheehan executes this Agreement);

e. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the laws and Constitution of the Commonwealth of Pennsylvania, each as amended, or any other federal, state or local law, regulation ordinance or common law;

f. any and all claims for violation of the federal or any state constitution;

g. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

h. any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Sheehan as a result of this Agreement;

i. any and all claims for attorneys' fees and costs; and

j. any other claims whatsoever.

Sheehan agrees that the Release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This Release does not extend to any obligations incurred under this Agreement, Sheehan's Retirement Benefit Agreement, surviving rights of Sheehan under his Employment Agreement, including but not limited to indemnification rights, any claims accruing after execution of this Agreement, or any rights Sheehan may have under any D&O insurance policy maintained by the Company and/or any of the Releasees. This Release does not release claims that cannot be released as a matter of law, including, but not limited to, Sheehan's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation

does not give Sheehan the right to recover any monetary damages against the Company and/or any of the Releasees; and Sheehan's release of claims herein bars Sheehan from recovering such monetary relief from the Company and/or any of the Releasees). Sheehan represents that he has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this Section.

4. Acknowledgment that Waiver of Claims is Knowing and Voluntary. Sheehan acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("ADEA") and that this waiver and release is knowing and voluntary. Sheehan agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the date Sheehan executes this Agreement. Sheehan acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Sheehan was already entitled. Sheehan further acknowledges that he has been advised by this writing that: (a) he should consult with an attorney prior to executing this Agreement; (b) he has twenty-one (21) days within which to consider this Agreement; (c) he has seven (7) days following his execution of this Agreement to revoke this Agreement and may do so by writing to the Company's Chief Legal Officer; (d) this Agreement shall not be effective until after the revocation period has expired without revocation; and (e) nothing in this Agreement prevents or precludes Sheehan from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Sheehan signs this Agreement and returns it to the Company in less than the 21-day period identified above, Sheehan hereby acknowledges that he has freely and voluntarily chosen to waive the time period allotted for considering this Agreement.

5. Unknown Claims. Sheehan acknowledges that he has been advised to consult with legal counsel and that he is familiar with the principle that a general release does not extend to claims that the releaser does not know or suspect to exist in his favor at the time of executing the release, which, if known by him, must have materially affected his settlement with the Releasee. Sheehan, being aware of said principle, agrees to expressly waive any rights he may have to that effect, as well as under any other statute or common law principles of similar effect.

6. No Pending or Future Lawsuits. Sheehan represents that he has no lawsuits, claims, or actions pending in his name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Sheehan also represents that he does not intend to bring any claims on his own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

7. Consulting Services. The Company and Sheehan agree that, commencing as of the Effective Date, Sheehan will be available at reasonable times and upon reasonable notice to perform the consulting services described herein on behalf of the Company and/or any of its subsidiaries and affiliates until close of business on April 1, 2017. In the event Sheehan accepts employment with, or agrees to provide services for consideration to, any person or entity during the period from the Retirement Date through April 1, 2017, Sheehan shall notify the Company within five (5) business days and the Company shall have the option at its sole discretion to terminate the consulting services set forth in this Section 7. In the event that the Company terminates Sheehan's consulting services pursuant to the immediately preceding sentence, Sheehan shall receive all accrued payments set forth in Section 1(a) in respect of completed fiscal quarters and payment for the remainder of the fiscal quarter in which the Company terminates Sheehan's consulting services, but shall no longer be eligible to receive payments in respect of future fiscal quarters. Except as provided in Section 12 or as required by applicable law, Sheehan

shall not be required to repay to the Company any amounts actually paid by the Company to Sheehan pursuant to Section 1(a).

a. Sheehan shall provide such business and commercial consulting and other services as may reasonably be required of Sheehan by the Company's Executive Chairman or Chief Executive Officer or his or her designee, which services shall include without limitation the provision of historic and background information applicable to the Company and /or any subsidiary or affiliate's business affairs, business decisions, or operations known to Sheehan by virtue of his employment with the Company or otherwise.

b. Sheehan shall use his best efforts in his performance of services hereunder, including such care, resources, effort, knowledge and expertise as a reasonably prudent person experienced in and knowledgeable of such matters and duties of the kind and character contemplated herein would exercise under the circumstances.

c. The Parties acknowledge and agree that the consideration provided in this Agreement constitutes adequate and complete compensation for Sheehan's consulting and other services as set forth herein.

d. The Company shall reimburse Sheehan for reasonable expenses directly related to the provision of services, which expenses or costs are approved by the Company's Executive Chairman or Chief Executive Officer or his or her designee. Sheehan shall provide to the Company's Executive Chairman or Chief Executive Officer or his or her designee, on a monthly basis, documentation (in reasonable detail) of all expenses for which reimbursement is requested, and such approved expenses shall be paid to Sheehan as promptly as reasonably practicable after receipt of such documentation.

e. Nothing in this Agreement shall be construed to create an employment relationship between Sheehan and the Company after the Retirement Date. As of the Effective Date, and until close of business on April 1, 2017, (a) Sheehan shall be an independent contractor and shall have no authority to enter into contracts on behalf of the Company, bind the Company to any third parties, or act as an agent on behalf of the Company in any regard; (b) Sheehan shall not be entitled to receive any compensation or medical or other benefits as a Company employee; (c) Sheehan shall remain subject to the continuing obligations set forth in the Employment Agreement, as specified in Section 21 of this Agreement; and (d) the level of Sheehan's services shall be consistent with the incurrence of a "separation from service" (as defined in Section 409A of the Internal Revenue Code) as of the Retirement Date (meaning no more than 20% of the average level of services Sheehan performed over the previous 36 months) and in no event shall exceed 35 hours per month without the mutual agreement of the parties.

8. Confidentiality. Sheehan reaffirms and agrees to observe and abide by the "Agreement Relating to Patents, Copyrights, Inventions, Confidentiality and Proprietary Information" entered into between Sheehan and the Company and any and all amendments and supplements thereto, and surviving Section 5 of the Employment Agreement (collectively, the "Confidentiality Agreement").

9. Trade Secrets and Confidential Information/Company Property/Inquiries. Sheehan's signature below constitutes his representation that as of April 1, 2016, he shall (a) remove from any and all devices, records, files, folders, cameras, media, internet sites, electronic or digital devices, and any and all other sources, all documents, tapes, photographs, recordings, images, reproductions, electronic files, and other items provided to Sheehan by the Company

and/or any of the Releasees, developed or obtained by Sheehan in connection with his employment with and consultancy on behalf of the Company, or otherwise belonging to the Company and/or any of the Releasees, and (b) return all documents, tapes, photographs, recordings, images, reproductions, electronic files, and other items provided to Sheehan by the Company, developed or obtained by Sheehan in connection with his employment with and consultancy for the Company, or otherwise belonging to the Company, including but not limited to any personal computer(s), BlackBerry, iPhone, iPad, tapes, photographs, recordings, images, reproductions, electronic files, and other items. Sheehan further represents that he will not misuse or disclose any of the Company's and/or any of the Releasees' confidential, proprietary, or trade secret information to any third party other than a law enforcement or authorized regulatory agency of the United States Government or any state or local government. In addition, Sheehan will abide by the Company's external communication policy, such that in the event he receives any media, financial community or other third-party inquiries regarding the Company, except as provided in Section 10 of this Agreement, he will not respond (nor will he initiate any such contact) and will promptly notify the Company's Global Public Affairs Department at 724.514.1968 or gpa@mylan.com.

10. Limits on Cooperation; Compliance. Sheehan agrees that he will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party, other than a law enforcement or authorized regulatory agency of the United States Government or any state or local government, against any of the Releasees. Sheehan may, however, respond to a lawful subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement or as otherwise required by law. Sheehan agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone, other than a law enforcement or authorized regulatory agency of the United States Government or any state or local government, for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Sheehan shall state no more than that he cannot provide counsel or assistance. If approached for counsel or assistance as aforementioned, whether by private parties or law enforcement or regulatory agencies, Sheehan shall immediately notify the Company of such an occurrence, and provide information to the Company regarding any such communication. While Sheehan may respond to inquiries by law enforcement or regulatory agencies, Sheehan shall notify any such agencies of Sheehan's obligations with respect to confidentiality under this Agreement, the Confidentiality Agreement, the Employment Agreement, and any other applicable agreements, and Sheehan shall continue to honor such obligations in the course of responding to law enforcement or regulatory agency inquiries, as lawfully permitted. Furthermore, Sheehan hereby represents that he is not aware of any violation of any Company policy or the Company's Code of Conduct in any event which could cause harm (financial or otherwise) to any of the Mylan Companies (defined below) or their respective properties, shareholders, employees or prospects, other than matters which he has previously reported to the Office of Global Compliance or the Mylan Legal Department.

Sheehan shall use his best efforts to cooperate with and respond to the Company's reasonable requests for information or follow-up assistance pertaining to work Sheehan performed on behalf of the Company and/or any subsidiary or affiliate, or other matters in which Sheehan was involved or of which he was otherwise aware, prior to the Retirement Date. Sheehan's cooperation shall include without limitation Sheehan's cooperation with requests of legal counsel for the Company and/or any subsidiary or affiliate regarding any legal matters or proceedings of any kind currently pending or which may arise after the Retirement Date.

Sheehan's cooperation shall include but not be limited to making himself available for interviews or testimony if reasonably requested by the Company's Legal or Compliance Departments. The Company will reimburse Sheehan for any expenses incurred by Sheehan in connection with such requests or assistance if approved by the Company's Legal Department and supported by required documentation. No payment made to Sheehan hereunder is intended to be or shall be interpreted as a payment for particular testimony or assistance with respect to the legal matters specified above or any other matter. Sheehan understands that he is to provide his good faith assistance, and agrees to provide truthful responses to any requests for information or testimony.

11. Non-Disparagement. Sheehan agrees to refrain from any disparaging statements, including but not limited to statements that amount to libel or slander, about the Company, its direct and indirect parents, subsidiaries or affiliated companies, and/or any of its or their current or former employees, officers, or directors, and/or any of the other Releasees including, without limitation, the business, products, intellectual property, financial standing, future, or other employment, compensation, benefit, or personnel practices of the Company and/or any of the Releasees. Sheehan further agrees to refrain from any disparaging statements, including but not limited to libel or slander, about any of the Releasees that pertain to any personal or confidential matters that may cause embarrassment to any of the Releasees or may result in any adverse effect on the professional or personal reputation of any of the Releasees. The foregoing restrictions shall not apply to any testimony that Sheehan is compelled by law to give (whether written or verbal).

12. Breach.

a. Material Breach of Agreement. In addition to the rights provided in the "Attorneys' Fees" section below, Sheehan acknowledges and agrees that if, in the Company's judgment, Sheehan has committed any material breach of this Agreement, which shall include without limitation any breach of Sections 8, 9, 10 and 11 of this Agreement, and any breach of surviving Sections 5 (confidentiality) and 6 (noncompetition) of the Employment Agreement, the Company shall be entitled to immediately recover and/or cease providing the payments and consideration provided to Sheehan under this Agreement (including, for the avoidance of doubt, canceling any stock options Sheehan holds) and to obtain damages, except as provided by law.

b. Sheehan also acknowledges and agrees that his compliance with Sections 8, 9, 10 and 11 of this Agreement and surviving Sections 5 and 6 of the Employment Agreement is of the essence. The Parties agree that if the Company and/or any of the Releasees proves that Sheehan breached, intends to breach, or will breach any of these provisions (Sections 8, 9, 10 or 11 of this Agreement or surviving Sections 5 or 6 of the Employment Agreement), without limiting any other remedies available to the Company and/or any of the Releasees, the Company and/or any of the Releasees shall be entitled to an injunction restraining Sheehan from any future or further breaches and an award of its costs spent enforcing the applicable provision(s), including all reasonable attorneys' fees associated with the enforcement action as provided in Section 20, without regard to whether the Company and/or any of the Releasees can establish actual damages from Sheehan's breach. Any such individual breach or disclosure shall not excuse Sheehan from his obligations hereunder, nor permit him to make additional disclosures. Sheehan expressly agrees and warrants that he will not, in violation of the terms of Sections 8, 9, 10 or 11 of this Agreement or surviving Section 5 of the Employment Agreement, disclose, orally or in writing, directly or indirectly, any of the Company's confidential, proprietary or trade secret information to any third party other than a law enforcement or authorized regulatory agency of the United States Government or any state or local government. Sheehan warrants that he has not encouraged or assisted any attorneys or their clients in the presentation or prosecution of any disputes against the Company and/or any of the Releasees.



13. No Admission of Liability/Compromise. No action taken by the Company and/or any of the Releasees, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company and/or any of the Releasees of any fault or liability.

14. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

15. Choice of Law and Forum. This Agreement shall be construed and enforced according to, and the rights and obligations of the parties shall be governed in all respects by, the laws of the Commonwealth of Pennsylvania without reference to the principles of conflicts of law thereof. Any controversy, dispute or claim arising out of or relating to this Agreement, or the breach hereof, including a claim for injunctive relief, or any claim which, in any way arises out of or relates to, Sheehan's employment with the Company or retirement from said employment (whether such dispute arises under any federal, state or local statute or regulation, or at common law), including but not limited to statutory claims for discrimination, shall be resolved by arbitration in accordance with the then current rules of the American Arbitration Association respecting employment disputes pertaining at the time the dispute arises, *provided however*, that either party may seek an injunction in aid of arbitration with respect to enforcement of Sections 8, 9, 10 and/or 11 of this Agreement from any court of competent jurisdiction. The Parties agree that the hearing of any such dispute will be held in Pennsylvania. The decision of the arbitrator(s) will be final and binding on all parties and any award rendered shall be enforceable upon confirmation by a court of competent jurisdiction. Any arbitration proceedings, decision or award rendered hereunder, and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. Sheehan and the Company expressly consent to the jurisdiction of any such arbitrator over them.

16. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Sheehan or made on his behalf under the terms of this Agreement. Sheehan agrees and understands that he is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Sheehan further agrees to indemnify and hold the Company harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Sheehan's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs. Sheehan shall be treated consistently with other senior executives of Mylan (i) with respect to tax preparation assistance for tax returns filed in the U.K. as a result of the provision of services in the U.K. as an officer of Mylan N.V. or the Company and (ii) in the event tax responsibilities in the U.K. as a result of services performed in the U.K. as an officer of Mylan N.V. or the Company result in incremental tax liabilities (as compared to the tax liabilities that would exist if Sheehan performed such services solely in the U.S.).

17. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Sheehan represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that

there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

18. No Representations. Sheehan represents that he has had an opportunity to consult with an attorney and has carefully read and understands the scope and effect of the provisions of this Agreement. Sheehan has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

19. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

20. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA or otherwise prohibited by law, in the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action. Such costs and expenses shall be paid to the prevailing party as soon as practicable after the legal action is resolved and in no event later than March 15 of the year following resolution of the legal action.

21. Entire Agreement. This Agreement, the surviving provisions of the Employment Agreement (i.e., Sections 5, 6, 7, 8, 10, 11, 17, and 18), Sheehan's Retirement Benefit Agreement, and the Confidentiality Agreement represent the entire agreement and understanding between the Company and Sheehan concerning the subject matter of this Agreement and Sheehan's employment with and retirement from the Company and the events leading thereto and associated therewith, and supersede and replace any and all prior negotiations, representations, agreements and understandings concerning the subject matter of such agreements, Sheehan's relationship with the Company, and Sheehan's obligations following employment with the Company. Sheehan acknowledges, reaffirms and agrees to observe and abide by all obligations that survive termination of the Employment Agreement.

22. No Oral Modification. This Agreement may only be amended in a writing signed by Sheehan and the Company.

23. Governing Law. The laws of the Commonwealth of Pennsylvania govern this Agreement, without regard for choice-of-law provisions. Sheehan consents to personal and exclusive jurisdiction and venue in the Commonwealth of Pennsylvania.

24. Effective Date. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Sheehan signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date").

25. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

26. Voluntary Execution of Agreement. Sheehan understands and agrees that he executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company and/or any of the Releasees or any third party, with the full intent of releasing all of his claims against the Company and any of the other Releasees. Sheehan acknowledges that: (a) he has read this Agreement; (b) he has been represented in the preparation, negotiation and execution of this Agreement by legal counsel of his own choice or has elected not to retain legal counsel; (c) he understands the terms and consequences of this Agreement and of the releases it contains; (d) he is fully aware of the legal and binding effect of this Agreement and (e) he has been given the toll-free telephone number of the Pennsylvania Bar Association to help him identify a qualified lawyer (800-692-7375).

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Dated: April 13, 2016

By /s/ John D. Sheehan  
John D. Sheehan

MYLAN INC:

Dated: April 13, 2016

By /s/ Bradley L. Wideman  
Name:Bradley L. Wideman  
Title: Vice President, Assoc. General Counsel and Asst.  
Secretary

**Confidential**

**EXECUTIVE EMPLOYMENT  
AGREEMENT**

This Executive Employment Agreement (the "Agreement") is dated as of June 6, 2016, by and between Mylan Inc. (the "Company" or "Mylan") and Kenneth S. Parks ("Executive").

RECITALS:

WHEREAS, the Company wishes to employ Executive as Chief Financial Officer but may be interested in utilizing Executive in other capacities, in order to avail itself of Executive's skills and abilities in light of the Company's business needs; and

WHEREAS, the Company is engaged in a business which is global in nature, involving businesses, business lines, operations, sales, customers, suppliers, manufacturing, research, technology, and intellectual property located throughout the United States and internationally; and

NOW, THEREFORE, in consideration of the promises and mutual obligations of the parties contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive agree as follows:

1. Employment of Executive; Best Efforts. The Company agrees to employ Executive, and Executive accepts employment by the Company, as of June 6, 2016 (the "Effective Date"), on the terms and conditions provided herein. Effective as of the Effective Date, Executive shall serve as Chief Financial Officer, or in such other capacity that permits the Company to avail itself of Executive's skills and abilities in light of the Company's business needs and consistent with the terms and conditions provided herein. In such roles, Executive shall have the duties, roles and responsibilities traditionally assigned to or commensurate with such roles and shall report to the Chief Executive Officer of Mylan N.V. Executive's principal office shall be in the Pittsburgh metropolitan area, provided Executive shall travel in connection with his employment in accordance with the reasonable direction of the Executive Chairman or the Chief Executive Officer of Mylan N.V., commensurate with the activities of his position.

2. Effective Date; Term of Employment. This Agreement shall commence and be effective as of the Effective Date and shall remain in effect, unless earlier terminated in accordance with the terms of this Agreement, through the third anniversary of the Effective Date (the "Third Anniversary"). Thereafter, this Agreement shall automatically renew for one (1) year periods (each period referred to as a "Renewal Term") unless this Agreement is terminated in accordance with the terms of this Agreement. For purposes of this Agreement, "Term of Employment" shall mean the period commencing on the Effective Date and ending on the date this Agreement is terminated in accordance with Section 9(e) of this Agreement or the date Executive's employment and/or this Agreement is otherwise terminated. If for any reason Executive is not employed by the Company on the Effective Date, this Agreement shall be null and void and of no force and effect.

3. Performance of Duties; Best Efforts. During the term of this Agreement, Executive shall devote his full working time and attention to the business and affairs of Mylan and the performance of his duties hereunder, serve Mylan faithfully and to the best of his ability, and use his best efforts to promote Mylan's interests. During the term of this Agreement,

Executive agrees to promptly and fully disclose to Mylan, and not to divert to Executive's own use or benefit or the use or benefit of others, any business opportunities involving any existing or prospective line of business, customer, supplier, product, or activity of Mylan or any business opportunities that otherwise could be afforded to Mylan.

4. Executive's Compensation. Executive's compensation shall be the following:

(a) Annual Base Salary. Executive's annual base salary (the "Annual Base Salary") shall be Six-Hundred Thousand Dollars (\$600,000), payable in accordance with the Company's normal payroll practices for its executive officers. The Annual Base Salary may be increased from time to time at the discretion of the Compensation Committee (the "Committee") of the Board of Directors of Mylan N.V. (the "Board"), or any other committee authorized by the Board.

(b) Annual Bonus. Executive shall be eligible to participate in the Company's annual discretionary executive incentive or bonus plan as in effect from time to time, with the opportunity to receive an annual award in respect of each fiscal year of the Company ending during the Term of Employment in accordance with the terms and conditions of such plan and subject to Executive's continued employment with the Company through the date such award is paid, with a target bonus opportunity equal to 100% of Annual Base Salary. Any such discretionary bonus shall be paid no later than March 15th of the year following the fiscal year to which the annual award relates. Subject to the discretion of the Committee or the Board (or their appropriate delegates), Executive shall be eligible to receive a full annual award, without proration, in respect of fiscal year 2016.

(c) Equity Awards. Upon commencement of employment, and in accordance with applicable law, Executive shall be eligible to receive, subject to approval by the Committee or the Board, an equity award with a grant date target value equal to 250% of Annual Base Salary (the "Initial Equity Award"). The Initial Equity Award shall consist of a mix of awards determined in the sole discretion of the Committee or the Board, and with the grant date, grant date price and, if applicable, exercise price, determined by the Committee or the Board, and otherwise subject to the terms and conditions of Mylan's Amended and Restated 2003 Long-Term Incentive Plan. Executive shall be eligible to receive future annual equity grants with a grant date target value equal to 250% of Annual Base Salary, subject to the sole discretion of the Committee and the Board and subject to such other terms and conditions as they may determine.

(d) Signing Bonus. Upon commencement of employment, Executive shall receive a lump sum payment in the amount of three-hundred seventy-five thousand dollars (\$375,000), provided however, that if Executive's employment with the Company terminates for any reason, and with or without Cause (as defined herein), Executive shall, within seven (7) days from the termination of his employment with the Company, pay to the Company (i) three-hundred seventy-five thousand dollars (\$375,000), if such termination occurs on or prior to the first anniversary of the Effective Date, (ii) two-hundred fifty thousand dollars (\$250,000), if such termination occurs after the first anniversary, but prior to the second anniversary, of the Effective Date, and (iii) one-hundred twenty-five thousand dollars (\$125,000), if such termination occurs on or after the second anniversary of the Effective Date, but prior to the Third Anniversary.

(e) Fringe Benefits and Expense Reimbursement. Executive shall receive benefits and perquisites of employment similar to those as have been customarily provided to the Company's other executive officers (excluding the Executive Chairman, if any), including but not limited to, health insurance coverage, short-term disability benefits, and twenty-five (25) vacation

days (pro-rated for 2016), in each case in accordance with the plan documents or policies that govern such benefits. Without limiting the foregoing, Executive shall receive an auto allowance in the gross amount of \$1,600 per month. The Company shall reimburse Executive for all ordinary and necessary business expenses in accordance with established Company policy and procedures.

5. Confidentiality. Executive expressly acknowledges and agrees that, by reason of Executive's position and employment with the Company, Executive may have a heightened level of access to the directors and senior executive officers ("Covered Persons") of Mylan and its affiliate companies and parents and subsidiaries (collectively, the "Mylan Companies"), and that Executive consequently may have a heightened level of access to and/or knowledge of highly confidential, proprietary, and non-public discussions, information, assessments and evaluations, strategies, and/or materials (hereafter "Covered Information"), the disclosure of which will or may injure the Mylan Companies and/or their shareholders. Executive further acknowledges and agrees that the business interests of the Mylan Companies require a highly confidential relationship between the Company and Executive and the fullest protection and confidential treatment by Executive of the Mylan Companies' non-public: financial data and information; customer strategies, plans, and information; supplier strategies, plans, and information; market strategies, plans, and information; marketing and/or promotional techniques, strategies, plans, policies, and methods; pricing strategies, plans, and information; purchasing strategies, plans, and information; supply chain strategies, plans, and information; sales strategies, plans, techniques, policies, and information; employee lists; other policies and procedures; business records; advertising strategies, plans, techniques, and information; computer records, programs, and systems; trade secrets; know how; research and development plans, strategies, techniques, and information; intellectual property and/or assessments of strategies relating to intellectual property, regardless of the owner of such intellectual property; regulatory plans, strategies, and information; product plans and strategies, including launch plans and assessments; business development plans, activities, and strategies; plans and programs; sources of supply; earnings and other performance results, assessments, and projections; risk assessments; Board and management deliberations, assessments, and strategies; communications among or with Covered Persons regarding any and all matters referenced in this paragraph; and all other proprietary or confidential information and trade secrets, Covered Information, and other knowledge of the business of the Mylan Companies (all of which are hereinafter jointly termed "Confidential Information") which have been or may be in whole or in part conceived, learned, received, or obtained by Executive in the course of Executive's employment with the Company. Accordingly, Executive agrees to keep secret and treat as confidential all Confidential Information whether or not copyrightable or patentable, and agrees not to disclose or use or aid others in learning of or using any Confidential Information except in the ordinary course of the Mylan Companies' business and in furtherance of the Mylan Companies' interests. For example, and not by way of limitation, during the term of this Agreement and at all times thereafter, except insofar as is necessary consistent with Executive's responsibilities and the Mylan Companies' best interests:

- (a) Executive will not, directly or indirectly, use or disclose any Confidential Information to anyone outside the Mylan Companies;
- (b) Executive will not make copies of or otherwise disclose the contents of documents containing or constituting Confidential Information;
- (c) As to documents which are delivered to Executive or which are made available to or obtained by him as a part of the working relationships and duties of Executive within the business of the Mylan Companies, Executive will treat such documents confidentially

and will treat such documents as proprietary and confidential, not to be reproduced, disclosed or used without appropriate authority of the Company;

(d) Executive will not advise others that the information and/or know how included in Confidential Information is known to or used by the Mylan Companies; and

(e) Executive will not in any manner disclose or use Confidential Information for Executive's own or any third party's account and will not aid, assist or abet others in the use of Confidential Information for their account or benefit, or for the account or benefit of any person or entity other than the Company.

The obligations set forth in this paragraph are in addition to any other agreements Executive may have with the Company and any and all rights the Company may have under state or federal statutes or common law.

6. Non-Competition and Non-Solicitation. Executive agrees that during the Term of Employment and for a period ending one (1) year after termination of Executive's employment with the Company for any reason, or longer as provided in Section 8 of this Agreement, and notwithstanding termination or expiration of this Agreement:

(a) Executive shall not, directly or indirectly, whether for himself or for any other person, company, corporation or other entity, be or become employed or associated in any way (including but not limited to the association set forth in (i)-(vii) of this subsection) with any business or organization which is directly or indirectly engaged in the research, development, manufacture, production, marketing, promotion or sale of any product the same as or similar to those of the Mylan Companies, or which competes or intends to compete in any line of business with the Mylan Companies. Notwithstanding the foregoing, Executive may during the period in which this paragraph is in effect own stock or other interests in corporations or other entities that engage in businesses the same or substantially similar to those engaged in by the Mylan Companies, provided that Executive does not, directly or indirectly (including without limitation as the result of ownership or control of another corporation or other entity), individually or as part of a group (as that term is defined in Section 13(d) of the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "Exchange Act")) (i) control or have the ability to control the corporation or other entity, (ii) provide to the corporation or entity, whether as an Executive, consultant or otherwise, advice or consultation, (iii) provide to the corporation or entity any confidential or proprietary information regarding the Mylan Companies or its businesses or regarding the conduct of businesses similar to those of the Mylan Companies, (iv) hold or have the right by contract or arrangement or understanding with other parties to hold a position on the board of directors or other governing body of the corporation or entity or have the right by contract or arrangement or understanding with other parties to elect one or more persons to any such position, (v) hold a position as an officer of the corporation or entity, (vi) have the purpose to change or influence the control of the corporation or entity (other than solely by the voting of his shares or ownership interest) or (vii) have a business or other relationship, by contract or otherwise, with the corporation or entity other than as a passive investor in it; provided, however, that Executive may vote his shares or ownership interest in such manner as he chooses provided that such action does not otherwise violate the prohibitions set forth in this sentence.

(b) Executive will not, either directly or indirectly, either for himself or for any other person, partnership, firm, company, corporation or other entity, contact, solicit, divert, or take away any of the customers or suppliers of the Mylan Companies.



(c) Executive will not solicit, entice or otherwise induce any employee of the Mylan Companies to leave the employ of the Mylan Companies for any reason whatsoever; nor will Executive directly or indirectly aid, assist or abet any other person or entity in soliciting or hiring any employee of the Mylan Companies, nor will Executive otherwise interfere with any contractual or other business relationships between the Mylan Companies and its employees.

The obligations set forth in this Section 6 survive termination or expiration of this Agreement and termination of Executive's employment and are in addition to any and all rights the Company may have under state or federal statutes, common law or other agreements.

7. Severability. In the event that any section, subsection, or provision hereof or of any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or an arbitrator validly selected pursuant to Section 18 of this Agreement to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said section, subsection, or provision. It is the intent of the parties that each section, subsection, and provision of this Agreement be a separate and distinct promise and that unenforceability of any one section, subsection, or provision shall have no effect on the enforceability of another. Although the parties mutually agree that the post employment covenants in Sections 5 and 6 of this Agreement are reasonable, necessary, and drawn narrowly to protect the Mylan Companies' legitimate interests, if a court of competent jurisdiction or an arbitrator validly selected pursuant to Section 18 of this Agreement nevertheless finds that such covenants are in whole or in part unreasonable or overly broad, the parties agree that such court or arbitrator shall have the power to equitably reform such covenants in order to narrow the scope, including without limitation, the duration, of such restriction as may be deemed necessary to protect the Mylan Companies' interests to the maximum extent deemed allowable by law. Notwithstanding the foregoing, in the event that the entirety of Section 6(a) is declared by a court of competent jurisdiction or arbitrator validly selected pursuant to Section 18 of this Agreement to be illegal, unenforceable, or void, the Company shall be relieved of any obligations to provide post-employment payments and benefits to Executive as set forth in Section 8(a) or 8(c), other than the Accrued Amounts (as defined below)

8. Injunctive Relief. The parties agree that in the event of Executive's violation of Sections 5 and/or 6 of this Agreement or any subsection thereunder, that the damage to the Company will be irreparable and that money damages will be difficult or impossible to ascertain. Accordingly, in addition to whatever other remedies the Company may have at law or in equity, Executive recognizes and agrees that the Company shall be entitled to a temporary restraining order and a temporary and permanent injunction enjoining and prohibiting any acts not permissible pursuant to those sections of this Agreement. Executive agrees that should either party seek to enforce or determine its rights because of an act of Executive which the Company believes to be in contravention of Sections 5 and/or 6 of this Agreement or any subsection thereunder, the duration of the restrictions imposed thereby shall be extended for a time period equal to the period necessary to obtain judicial enforcement of the Company's rights.

9. Termination of Employment.

(a) Resignation. (i) Executive may resign from employment at any time upon 90 days written notice to the Chief Executive Officer. During the 90-day notice period Executive shall continue to perform his duties under this Agreement and shall abide by all other terms and conditions of this Agreement. Additionally, Executive shall use his best efforts to effect a smooth and effective transition to whoever will replace Executive. Mylan reserves the right to accelerate the effective date of Executive's resignation. (ii) If Executive resigns without

“Good Reason” (as defined below), Mylan shall have no liability or obligation to Executive under this Agreement other than that Mylan shall pay Executive’s wages and benefits through the effective date of Executive’s termination of employment (the “Accrued Amounts”). Executive, however, will continue to be bound by all provisions of this Agreement that survive termination of employment. For purposes of this Agreement “Good Reason” shall mean: (a) a reduction of Executive’s Annual Base Salary below the Annual Base Salary stipulated in this Agreement, unless other executive officers of the Company are required to accept a similar reduction; or (b) the assignment of duties to Executive that are inconsistent with those of an executive officer. (iii) If Executive resigns with Good Reason and complies in all respects with his obligations hereunder, Mylan shall pay Executive a lump sum amount equal to his then-current Annual Base Salary, plus a prorated annual bonus for the fiscal year in which Executive’s termination occurs (the “Pro Rata Bonus”), such Pro Rata Bonus to be determined by reference to the bonus that Executive would have earned based on actual performance for the relevant fiscal year had Executive’s employment not terminated for Good Reason, with the resulting amount pro-rated to reflect the number of days elapsed in the fiscal year, through and including the date on which Executive’s termination of employment occurs. Subject to Section 9(h), any such Pro Rata Bonus payment shall be made if and when such bonus payments are made to other executives of the Company for the relevant fiscal year. For 12 months following Executive’s termination of employment, Mylan shall also continue to provide to Executive and/or Executive’s dependents the health insurance benefits that were provided to them immediately prior to Executive’s termination of employment (taking into account any required employee contributions, co-payments and similar costs imposed on Executive) (the “Continuation Benefits”); provided, however, that Mylan’s obligation to provide the Continuation Benefits shall end at such time as Executive obtains health insurance benefits through another employer or otherwise in connection with rendering services for a third party and provided, further, that the parties agree to cooperate such that the Continuation Benefits are, to the extent practicable, provided in a manner so as to minimize adverse tax consequences to the Company under Section 4980D of the Internal Revenue Code (the “Code”). In each case, Executive will continue to be bound by all provisions of this Agreement that survive termination of employment.

(b) Termination for Cause. If Mylan determines to terminate Executive’s employment during the term of this Agreement for “Cause” (as defined below) the Company shall have no liability to Executive other than to pay the Accrued Amounts. Executive, however, shall continue to be bound by all provisions of this Agreement that survive termination of employment. For purposes of this Agreement, “Cause” shall mean: (i) Executive’s willful and gross misconduct with respect to the business or affairs of any of the Mylan Companies; (ii) Executive’s insubordination, gross neglect of duties, dishonesty or deliberate disregard of any material rule or policy of any of the Mylan Companies; (iii) Executive’s conviction (including a plea of nolo contendere) for the commission of a crime involving moral turpitude; or (iv) Executive’s conviction (including a plea of nolo contendere) of any felony.

(c) Termination Without Cause. Mylan may terminate Executive’s employment at any time without Cause and, provided Executive complies in all respects with his obligations hereunder, Mylan shall pay Executive a lump sum amount equal to his then-current Annual Base Salary, plus a Pro Rata Bonus. Subject to Section 9(h), any such Pro Rata Bonus payment shall be made if and when such bonus payments are made to other executives of the Company for the relevant fiscal year. For 12 months following Executive’s termination of employment, Mylan shall also provide to Executive and/or Executive’s dependents the Continuation Benefits; provided, however, that Mylan’s obligation to provide the Continuation Benefits shall end at such time as Executive obtains health insurance benefits through another employer or otherwise in connection with rendering services for a third party and provided,

further, that the parties agree to cooperate such that the Continuation Benefits are, to the extent practicable, provided in a manner so as to minimize adverse tax consequences to the Company under Section 4980D of the Code. Executive will continue to be bound by all provisions of this Agreement that survive termination of employment.

(d) Death or Incapacity. The employment of Executive shall automatically terminate upon Executive's death or upon the occurrence of a disability that renders Executive incapable of performing the essential functions of his position within the meaning of the Americans With Disabilities Act of 1990. For all purposes of this Agreement, any such termination shall be treated in the same manner as a termination without Cause, as described in Section 9(c) above, and Executive, or Executive's estate, as applicable, shall receive all consideration, compensation and benefits that would be due and payable to Executive for a termination without Cause, provided, however, that such consideration, compensation and benefits shall be reduced by any death or disability benefits (as applicable) that Executive or his estate or beneficiaries (as applicable) are entitled to pursuant to plans or arrangements of the Company.

(e) Non-Renewal. If the Company elects not to renew this Agreement, it may provide notice of nonrenewal no later than 30 days prior to the [Second] Anniversary or end of any Renewal Term, as applicable, and Executive's employment shall terminate as of the [Second] Anniversary or the end of any Renewal Term, as applicable, and the Company shall pay Executive a lump sum amount equal the Annual Base Salary, which amount shall be paid within 30 days following Executive's separation from the Company (subject to Section 9(h) below). For 12 months following a nonrenewal of this Agreement, Mylan shall also provide to Executive and/o Executive's dependents the Continuation Benefits; provided, however, that Mylan's obligation to provide the Continuation Benefits shall end at such time as Executive obtains health insurance benefits through another employer or otherwise in connection with rendering services for a third party and provided, further, that the parties agree to cooperate such that the Continuation Benefits are, to the extent practicable, provided in a manner so as to minimize adverse tax consequences to the Company under Section 4980D of the Code. Executive will continue to be bound by all provisions of this Agreement that survive termination of employment.

(f) Return of Company Property. Upon the termination of Executive's employment for any reason, Executive shall immediately return to Mylan all records, memoranda, files, notes, papers, correspondence, reports, documents, books, diskettes, hard drives, electronic and digital files and materials of any kind, and all copies or abstracts thereof that Executive has concerning any or all of the Mylan Companies' business. Executive shall also immediately return all keys, identification cards or badges, Company leased or owned automobiles (if any), and other Company property.

(g) No Duty to Mitigate. There shall be no requirement on the part of Executive to seek other employment or otherwise mitigate damages in order to be entitled to the full amount of any payments and benefits to which Executive is otherwise entitled under any contract and, except as set forth herein with respect to the Continuation Benefits, the amount of such payments and benefits shall not be reduced by any compensation or benefits received by Executive from other employment.

(h) Release. (i) In order to receive any payments or benefits under this Section 9, other than the Accrued Amounts, Executive shall be required to execute in advance the Company's customary general release and waiver of any and all claims of any kind, known and unknown, against the Company, its current and former parents, subsidiaries, affiliates,

predecessors, and successors, and their respective current and former officers, directors, agents, employees, investors, attorneys, shareholders, fiduciaries, benefit plans, plan administrators, insurers, trustees, and all persons acting with or on behalf of any of them (the "Releasees"), arising out of or relating in any way to (i) Executive's employment with any of the Mylan Companies, (ii) any acts or omissions of any of the Releasees during the course of Executive's employment with any of the Mylan Companies, or (iii) the termination of Executive's employment with any of the Mylan Companies, including but not limited to a release and waiver of any and all such claims of any kind arising under all federal, state or local statutes, other laws, regulations, or the common law; provided, however, that the release and waiver of claims shall exclude claims relating to vested pension benefits, deferred compensation arrangements, workers' compensation benefits, unemployment compensation benefits, claims that arise after the release and waiver is signed by Executive, and claims that cannot be released or waived under applicable law.

(ii) Subject to any six-month delay required pursuant to Section 20 of this Agreement, payment of the amounts due to Employee under Sections 9 of this Agreement, other than the Accrued Amounts, shall commence on the first payroll date occurring after the sixtieth (60th) day following Employee's termination of employment (or, in the discretion of the Company, such earlier date as is permitted by Section 409A of Code); provided that the release has been executed and has become non-revocable prior to any payment hereunder. Unless otherwise provided by the Company, if the release and waiver of claims does not become effective and irrevocable prior to the first payment date specified above, Employee shall not be entitled to any payments or benefits pursuant to Sections 9 of this Agreement, other than the Accrued Amounts. In addition, payments and the Continuation Benefits pursuant to Section 9 of this Agreement, shall be expressly contingent upon Employee's continued performance of Employee's obligations under this Agreement, including, but not limited to, Sections 5, 6 and 9(f) of this Agreement.

10. Indemnification. The Company shall maintain D&O liability coverage pursuant to which Executive shall be a covered insured. Executive shall receive indemnification in accordance with Mylan N.V.'s Articles of Association (the "Articles") in effect as of the date of this Agreement. Such indemnification shall be contractual in nature and shall remain in effect notwithstanding any future change to the Articles.

To the extent not otherwise limited by the Articles in effect as of the date of this Agreement, in the event that Executive is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, (including those brought by or in the right of the Company or Mylan N.V.) whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he is or was an officer, employee or agent of or is or was serving any Mylan Company, or is or was serving at the request of the Company or another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, Executive shall be indemnified and held harmless by applicable Mylan Company to the fullest extent authorized by law against all expenses, liabilities and losses (including attorneys fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith. Such right shall be a contract right and shall include the right to be paid by the applicable Mylan Company expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses incurred by Executive in his capacity as a director or officer (and not in any other capacity in which service was or is rendered by Executive

while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding will be made only upon delivery to the applicable Mylan Company of an undertaking, by or on behalf of Executive, to repay all amounts to the applicable Mylan Company so advanced if it should be determined ultimately that Executive is not entitled to be indemnified under this section or otherwise.

Promptly after receipt by Executive of notice of the commencement of any action, suit or proceeding for which Executive may be entitled to be indemnified, Executive shall notify the applicable Mylan Company in writing of the commencement thereof (but the failure to notify such Mylan Company shall not relieve it from any liability which it may have under this Section 10 unless and to the extent that it has been prejudiced in a material respect by such failure or from the forfeiture of substantial rights and defenses). If any such action, suit or proceeding is brought against Executive and he notifies the applicable Mylan Company of the commencement thereof, such Mylan Company will be entitled to participate therein, and, to the extent it may elect by written notice delivered to Executive promptly after receiving the aforesaid notice from Executive, to assume the defense thereof with counsel reasonably satisfactory to Executive, which may be the same counsel as counsel to such Mylan Company. Notwithstanding the foregoing, Executive shall have the right to employ his own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of Executive unless (i) the employment of such counsel shall have been authorized in writing by the applicable Mylan Company, (ii) the applicable Mylan Company shall not have employed counsel reasonably satisfactory to Executive to take charge of the defense of such action within a reasonable time after notice of commencement of the action or (iii) Executive shall have reasonably concluded, after consultation with counsel to Executive, that a conflict of interest exists which makes representation by counsel chosen by the applicable Mylan Company not advisable (in which case such Mylan Company shall not have the right to direct the defense of such action on behalf of Executive), in any of which events such fees and expenses of one additional counsel shall be borne by the applicable Mylan Company. Anything in this Section 10 to the contrary notwithstanding, the applicable Mylan Company shall not be liable for any settlement of any claim or action effected without its written consent.

11. Other Agreements. This Agreement, together with the Agreement Relating to Patents, Copyrights, Inventions, Confidentiality and Proprietary Information (“Confidentiality Agreement”) and the Transition and Succession Agreement, sets forth the entire agreement and understanding between the Mylan Companies and Employee with respect to the subject matter herein and supersedes all prior written and oral agreements, discussions, or representations between the Mylan Companies and Employee concerning the subjects addressed herein (collectively, “Prior Arrangements”). To the extent that there is any conflict between the terms of this Agreement, the Confidentiality Agreement, the Transition and Succession Agreement, and any Prior Arrangement, this Agreement shall govern and control.

12. Notices. All notices hereunder to the parties hereto shall be in writing sent by certified mail, return receipt requested, postage prepaid, and by fax, addressed to the respective parties at the following addresses:

If to the Company:	Mylan Inc. 1000 Mylan Blvd. Canonsburg, Pennsylvania 15317 Attn: Global General Counsel Fax: 724-514-1871
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If to Executive:

at the most recent address on record at the Company

Either party may, by written notice complying with the requirements of this section, specify another or different person or address for the purpose of notification hereunder. All notices shall be deemed to have been given and received on the day a fax is sent or, if mailed only, on the third business day following such mailing.

13. Withholding. All payments required to be made by the Company hereunder to Executive or his dependents, beneficiaries, or estate will be subject to the withholding of such amounts relating to tax and/or other payroll deductions as may be required by law.

14. Modification and Waiver. This Agreement may not be changed or terminated, nor shall any change, termination or attempted waiver of any of the provisions contained in this Agreement be binding unless in writing and signed by the party against whom the same is sought to be enforced, nor shall this section itself be waived verbally. This Agreement may be amended only by a written instrument duly executed by or on behalf of the parties hereto.

15. Construction of Agreement. This Agreement and all of its provisions were subject to negotiation and shall not be construed more strictly against one party than against another party regardless of which party drafted any particular provision.

16. Successors and Assigns. This Agreement and all of its provisions, rights and obligations shall be binding upon and inure to the benefit of the parties hereto and the Company's successors and assigns. This Agreement may be assigned by the Company to any person, firm or corporation which shall become the owner of substantially all of the assets of the Company or which shall succeed to the business of the Company; provided, however, that in the event of any such assignment the Company shall obtain an instrument in writing from the assignee in which such assignee assumes the obligations of the Company hereunder and shall deliver an executed copy thereof to Executive. No right or interest to or in any payments or benefits hereunder shall be assignable by Executive; provided, however, that this provision shall not preclude him from designating one or more beneficiaries to receive any amount that may be payable after his death and shall not preclude the legal representative of his estate from assigning any right hereunder to the person or persons entitled thereto under his will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his estate. The term "beneficiaries" as used in this Agreement shall mean a beneficiary or beneficiaries so designated to receive any such amount, or if no beneficiary has been so designated, the legal representative of Executive's estate. No right, benefit, or interest hereunder, shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt, or obligation, or to execution, attachment, levy, or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void, and of no effect.

17. Choice of Law. This Agreement shall be construed and enforced according to, and the rights and obligations of the parties shall be governed in all respects by, the laws of the Commonwealth of Pennsylvania.

18. Disputes, Arbitration, and Consent to Jurisdiction.

(a) Any controversy, dispute or claim arising out of or relating to this Agreement, or the breach hereof, including a claim for injunctive relief, or any claim which, in any way arises out of or relates to, Executive's employment with the Company or the termination of said employment, including but not limited to statutory claims for discrimination, shall be resolved by arbitration in accordance with the then current rules of the American Arbitration Association respecting employment disputes except that the parties shall be entitled to engage in all forms of discovery permitted under the Pennsylvania Rules of Civil Procedure (as such rules may be in effect from time to time). Executive agrees that Executive may only commence an action in arbitration, or assert counterclaims in an arbitration, on an individual basis and, thus, Executive hereby waives Executive's right to commence or participate in any class or collective action(s) against the Mylan Companies, as permitted by law. The hearing of any such dispute will be held in Pittsburgh, Pennsylvania, and the losing party shall bear the costs, expenses and counsel fees of such proceeding. Executive and Company agree for themselves, their, employees, successors and assigns and their accountants, attorneys and experts that any arbitration hereunder will be held in complete confidence and, without the other party's prior written consent, will not be disclosed, in whole or in part, to any other person or entity except as may be required by law. The decision of the arbitrator(s) will be final and binding on all parties. Executive and the Company expressly consent to the jurisdiction of any such arbitrator over them.

(b) Notwithstanding the foregoing, either party may request a court of competent jurisdiction to issue such temporary or interim relief (including temporary restraining orders and preliminary injunctions) as may be appropriate, either before arbitration is commenced or pending the outcome of arbitration, whether either party alleges or claims a violation of this Agreement or any other agreement regarding trade secrets, confidential information, non-competition or non-solicitation. No such request shall be a waiver of the right to submit any claim, dispute or controversy to arbitration.

(c) In the event either party commences any court action as permitted by subparagraph (b) above, each of the parties hereto irrevocably submits to the exclusive jurisdiction of (i) the Court of Common Pleas of Washington County, Pennsylvania and (ii) the United States District Court for the Western District of Pennsylvania, for the purposes of any suit, action, or other proceeding arising out of in or any way relating to this Agreement or Executive's employment, and agrees not to commence any action, suit or proceeding relating thereto except in such courts. Each of the parties hereto further agrees that service of any process, summons, notice or document hand delivered or sent by U.S. certified mail to such party's respective address set forth in Section 12 of this Agreement will be effective service of process for any action, suit or proceeding in Pennsylvania with respect to any matters to which it has submitted to jurisdiction as set forth in the immediately preceding sentence. Each of the parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in (i) the Court of Common Pleas of Washington County, Pennsylvania or (ii) the United States District Court for the Western District of Pennsylvania, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that such action, suit or proceeding brought in such court has been brought in an inconvenient forum.

19. Non-Disparagement. During the term hereof and thereafter, Executive agrees to refrain from any disparaging statements, including but not limited to statements that amount to libel or slander, about any of the Mylan Companies and/or any of their respective employees, officers, or directors.

20. Conditions to Payment and Acceleration; Section 409A of the Code. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement and no payments shall be due to Executive under Section 9 of this Agreement until Executive would be considered to have incurred a “separation from service” from the Company within the meaning of Section 409A of the Code. For purposes of this Agreement, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in Section 9 that are due within the “short term deferral period” as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. To the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following Executive’s termination of employment shall instead be paid on the first business day after the date that is six months following Executive’s termination of employment (or death, if earlier). To the extent required to avoid an accelerated or additional tax under Section 409A of the Code, amounts reimbursable to Executive under this Agreement shall be paid to Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Executive) during any one year may not affect amounts reimbursable or provided in any subsequent year; provided, however, that with respect to any reimbursements for any taxes which Executive would become entitled to under the terms of the Agreement, the payment of such reimbursements shall be made by the Company no later than the end of the calendar year following the calendar year in which Executive remits the related taxes.

21. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way affect the interpretation of any of the terms or conditions of this Agreement.

22. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

*[Signature page follows]*



IN WITNESS WHEREOF, the undersigned have executed this Agreement on the day and year first above mentioned, to be effective as of the Effective Date.

MYLAN INC.

/s/ Robert J. Coury

By: Robert J. Coury

Its: Executive Chairman

EXECUTIVE:

/s/ Kenneth S. Parks

Kenneth S. Parks

**TRANSITION AND SUCCESSION AGREEMENT**

THIS TRANSITION AND SUCCESSION AGREEMENT (this "Agreement") is entered into effective as of the 6th day of June, 2016, by and between Mylan Inc., a Pennsylvania corporation (the "Company"), and Kenneth S. Parks (the "Executive").

WHEREAS, the Board of Directors of Mylan N.V. (the "Board") has determined that it is in the best interests of the Company and the shareholders of Mylan N.V. to assure that the Company and Mylan N.V. will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined herein), to ensure the Executive's full attention and dedication to the Company and Mylan N.V. in the event of any threatened or actual Change of Control and to provide the Executive with compensation and benefits arrangements upon a Change of Control.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions.

- (a) "Effective Date" means the first date during the Change of Control Period (as defined herein) on which a Change of Control occurs. Notwithstanding anything in this Agreement to the contrary, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (1) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (2) otherwise arose in connection with or anticipation of a Change of Control, then "Effective Date" means the date immediately prior to the date of such termination of employment. For the sake of clarity, it is understood that if the Executive's employment terminates prior to the Effective Date other than as described in the preceding sentence, this Agreement shall thereupon be null and void and of no further force and effect.
- (b) "Change of Control Period" means the period commencing on the date hereof and ending on the third anniversary of the date hereof; provided, however, that, commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof, the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless, at least 60 days prior to a Renewal Date no less than three years from the date hereof, the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.
- (c) "Affiliated Company" means any company controlled by, controlling or under common control with the Company.
- (d) "Change of Control" means:

- (1) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding ordinary shares of Mylan N.V. (the “Outstanding Ordinary Shares”) or (B) the combined voting power of the then-outstanding voting securities of Mylan N.V. entitled to vote generally in the election of directors (the “Outstanding Voting Securities”); provided, however, that, for purposes of this Section 1(d), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from Mylan N.V., (ii) any acquisition by Mylan N.V., (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliated Company or (iv) any acquisition by any corporation pursuant to a transaction that complies with Sections 1(d)(3)(A), 1(d)(3)(B) and 1(d)(3)(C);
- (2) Individuals who, as of the date hereof, constitute the Board (the Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by Mylan N.V.’s shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;
- (3) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving Mylan N.V. or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of Mylan N.V., or the acquisition of assets or stock of another entity by Mylan N.V. or any of its subsidiaries (each, a “Business Combination”), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Ordinary Shares and the Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns Mylan N.V. or all or substantially all of Mylan N.V.’s assets either directly or through one or more

subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Ordinary Shares and the Outstanding Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan (or related trust) of the Company, Mylan N.V. or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(4) Approval by the shareholders of Mylan N.V. of a complete liquidation or dissolution of Mylan N.V.

(e) “Employment Agreement” means the Executive Employment Agreement effective as of June 6, 2016, by and between the Company and the Executive, and any extension or modification thereof or any successor agreement thereto.

2. Employment Period; Employment Agreement. The Company hereby agrees to continue the Executive in its employ, subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of the Effective Date (the “Employment Period”), provided the Employment Period shall terminate sooner upon the Executive’s termination of employment for any reason. Upon the Effective Date, the Employment Agreement, with the exception of Section 10 thereof (relating to indemnification), which shall survive in all respects, shall be null and void and of no further force or effect, provided the Executive shall be paid all amounts earned and due to the Executive thereunder within twenty-four (24) hours of the Effective Date, subject in all respects to Section 6 below.

3. Terms of Employment.

(a) Position and Duties.

(1) During the Employment Period, (A) the Executive’s position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respect with the most significant of those held, exercised and assigned at any time during the 180-day period immediately preceding the Effective Date and (B) the Executive’s services shall be performed at the office where the Executive was employed immediately

preceding the Effective Date or at any other location less than 30 miles from such office.

- (2) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and Affiliated Companies and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period, it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that, to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

- (1) Base Salary. During the Employment Period, the Annual Base Salary shall be reviewed at least annually, beginning no more than 12 months after the Executive's last salary review. The Annual Base Salary shall be paid at such intervals as the Company pays executive salaries generally. During the Employment Period, the Annual Base Salary shall be reviewed at least annually, beginning no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date. Any increase in the Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. The Annual Base Salary shall not be reduced after any such increase and the term "Annual Base Salary" shall refer to the Annual Base Salary as so increased.
- (2) Annual Bonus. In addition to the Annual Base Salary, the Executive shall participate in a bonus program during the Employment Period and have a bonus which is no less favorable than the bonus for other employees of his level at the Company and its Affiliated Companies.
- (3) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all cash incentive, equity incentive, savings and retirement plans, practices,

policies, and programs applicable generally to other peer executives of the Company and the Affiliated Companies (with such appropriate deviations by virtue of country of residence, commensurate with deviations in place prior to the Effective Date), but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and the Affiliated Companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and the Affiliated Companies.

- (4) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and the Affiliated Companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and the Affiliated Companies (with such appropriate deviations by virtue of country of residence, commensurate with deviations in place prior to the Effective Date), but in no event shall such plans, practices, policies and programs provide the Executive with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and the Affiliated Companies. If, on or prior to the Executive's Date of Termination (as defined herein), the Executive has attained at least age 50 with at least 20 years of service with the Company (including all cumulative service, notwithstanding any breaks in service) the Executive shall be entitled to retiree medical and life insurance benefits at least equal to those that were provided to peer executives of the Company and the Affiliated Companies and their dependents (taking into account any required employee contributions, co-payments and similar costs imposed on the executives and the executives' dependents and the tax treatment of participation in the plans, programs, practices and policies by the executive and the executives' dependents) (with such appropriate deviations by virtue of country of residence, commensurate with deviations in place prior to

the Effective Date), in accordance with the retiree medical plans, programs, practices and policies of the Company and the Affiliated Companies in effect as of the Date of Termination.

- (5) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and the Affiliated Companies in effect for the Executive at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and the Affiliated Companies.
- (6) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and the Affiliated Companies in effect for the Executive at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and the Affiliated Companies.
- (7) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and the Affiliated Companies at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and the Affiliated Companies.
- (8) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and the Affiliated Companies as in effect for the Executive at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and the Affiliated Companies.

4. Termination of Employment.

- (a) Death or Disability. The Executive's employment shall terminate automatically if the Executive dies during the Employment Period. If either the Company or the Executive (or his legal representative) determines in good faith that the Disability (as defined herein) of the Executive has occurred during the Employment Period, such party may give the other party written notice ("Disability Notice") in accordance with Section 12(b) of his or its intention that the Executive's employment be terminated. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of the Disability Notice by the Executive or by the Company, as the case may be (the "Disability Effective Date"), provided that, within 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties.

"Disability" means the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the party providing the Disability Notice and reasonably acceptable to the other party.

- (b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. "Cause" means:

- (1) the willful and continued failure of the Executive to perform substantially the Executive's duties (as contemplated by Section 3(a)(1)(A)) with the Company or any Affiliated Company (other than any such failure resulting from incapacity due to physical or mental illness or following the Executive's delivery of a Notice of Termination for Good Reason (as defined herein)), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company that specifically identifies the manner in which the Board or the Chief Executive Officer of the Company believes that the Executive has not substantially performed the Executive's duties, or
- (2) the willful engaging by the Executive in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company.

In the case of clauses (1) and (2), the applicable conduct shall constitute cause only if such conduct has not been cured within 30 days after a written demand for substantial performance is delivered to the Executive by the Company that specifically identifies the manner in which the Company believes that the Executive has grossly neglected his duties or has engaged in gross misconduct.

For purposes of this Section 4(b), no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be



done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer of the Company or its parent or a senior officer of the Company or its parent or based upon the advice of counsel for the Company or its parent shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board (excluding the Executive, if the Executive is a member of the Board) at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel for the Executive, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in Section 4(b)(1) or 4(b)(2), and specifying the particulars thereof in detail.

- (c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason or by the Executive voluntarily without Good Reason. "Good Reason" means:
- (1) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3(a), or any other diminution in such position (or removal from such position), authority, duties or responsibilities (whether or not occurring solely as a result of Mylan N.V. ceasing to be a publicly traded entity or becoming a subsidiary or a division of a publicly traded entity), excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive;
  - (2) any failure by the Company to comply with any of the provisions of Section 3(b), other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive;
  - (3) the Company's requiring the Executive (i) to be based at any office or location other than as provided in Section 3(a)(1)(B), (ii) to be based at a location other than the principal executive offices of the Company if the Executive was employed at such location immediately preceding the Effective Date, or (iii) to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

- (4) the failure by the Company to pay to the Executive any portion of any installment of deferred compensation, or lump sum under any deferred compensation program of the Company within 7 days after the Executive provides the Company with written notice of the failure to pay such compensation when it is due;
- (5) the failure by the Company to provide the Executive with the number of paid vacation days and holidays to which the Executive was entitled as of the Effective Date;
- (6) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement;
- (7) any failure by the Company to comply with and satisfy Section 11(c);
- (8) if Mylan N.V. (or the entity effectuating a Change of Control) continues to exist and be a company registered under the Exchange Act after the Effective Date and continues to have in effect an equity-compensation plan, the failure of Mylan N.V. (or the entity effectuating the Change of Control) to grant to the Executive equity-based compensation with respect to a number of ordinary shares of Mylan N.V. (or shares of common stock of the entity effectuating the Change of Control) or value at least as great as that which the Executive received during the three calendar years immediately prior to the Effective Date, which equity-based compensation is on terms, including pricing relative to the market price at the time of grant, that is at least as favorable to the Executive as the terms of the grant last made to the Executive prior to the Effective Date; or
- (9) failure to include the Executive in any program or plan of benefits (including, but not limited to, stock option and deferred compensation plans), and failure to provide the Executive similar levels of benefit amounts or coverage, which benefits are either provided or otherwise offered to peer executives of the Company and the Affiliated Companies following the Effective Date.
- (10) the Executive's termination of employment for Disability.

For purposes of this Section 4(c), any good faith determination of Good Reason made by the Executive shall be conclusive. The Executive's mental or physical incapacity following the occurrence of an event described above shall not affect the Executive's ability to terminate employment for Good Reason.

- (d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason (other than Disability, which is addressed in Section 4(a)), shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b). "Notice of Termination"

means a written notice that (1) indicates the specific termination provision in this Agreement relied upon, (2) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (3) if the Date of Termination (as defined herein) is other than the date of receipt of such notice, specifies the Date of Termination (which Date of Termination shall be not more than 30 days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's respective rights hereunder.

- (e) Date of Termination. "Date of Termination" means (1) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified in the Notice of Termination (which date shall not be more than 30 days after the giving of such notice), as the case may be, (2) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (3) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

5. Obligations of the Company upon Termination.

- (a) Good Reason, Death or Disability; Other Than for Cause. If, during the Employment Period, the Company terminates the Executive's employment other than for Cause or the Executive resigns for Good Reason or if the Executive's employment is terminated as a result of the Executive's death or Disability:
- (1) the Company shall pay to the Executive (or the Executive's estate or beneficiary, in the event of the Executive's death), in a lump sum in cash within 30 days after the Date of Termination (or, if required by Section 409A of the Code to avoid the imposition of additional taxes, on the date that is six (6) months following the Date of Termination), the aggregate of the following amounts:
    - (A) the sum of (i) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, and (ii) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case, to the extent not

therefore paid (the sum of the amounts described in subclauses (i) and (ii) the “Accrued Obligations”); and

- (B) the amount equal to three (3) times the sum of: (i) the Executive’s then-current Annual Base Salary, plus (ii) an amount equal to the highest bonus determined to date under Section 4(b) of the Employment Agreement or paid to the Executive hereunder (in the case of death or the Executive’s Disability, reduced (but not below zero) by any disability or death benefits that the Executive or the Executive’s estate or beneficiaries are entitled to pursuant to plans or arrangements of the Company);
- (2) for three years after the Executive’s Date of Termination (or such shorter period as required by Section 409A of the Code to avoid the imposition of additional taxes), the Company shall continue to provide benefits to the Executive and/or the Executive’s dependents at least equal to those that were provided to them (taking into account any required employee contributions, co-payments and similar costs imposed on the Executive and the Executive’s dependents and the tax treatment of participation in the plans, programs, practices and policies by the Executive and the Executive’s dependents) by or on behalf of the Company and or the Affiliated Companies in accordance with the benefit plans, programs, practices and policies (including those provided under the Employment Agreement) in effect immediately prior to a Change of Control or, if more favorable to the Executive, as in effect any time thereafter with respect to other peer executives of the Company and the Affiliated Companies and their dependents; provided, however, that, if the Executive becomes reemployed with another employer and is eligible to receive such benefits under another employer provided plan, program, practice or policy, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan, program, practice or policy during such applicable period of eligibility; and
- (3) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any Other Benefits (as defined in Section 6).

Notwithstanding the above, to the extent the Executive is terminated (i) prior to the date on which a Change of Control occurs or (ii) following a Change of Control but prior to a change in ownership or control of the Company within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), amounts payable to the Executive hereunder, to the extent not in excess of the amount that the Executive would have received under any other pre-Change-of-Control severance plan or arrangement with the Company had such plan or arrangement been applicable, shall be paid at

the time and in the manner provided by such plan or arrangement and the remainder shall be paid to the Executive in accordance with the provisions of this Section 5(a).

- (b) Cause; Other Than for Good Reason. If the Executive's employment is terminated for Cause during the Employment Period, the Company shall provide to the Executive (1) the Executive's Annual Base Salary through the Date of Termination, (2) the amount of any compensation previously deferred by the Executive, and (3) the Other Benefits, in each case, to the extent theretofore unpaid, and shall have no other severance obligations under this Agreement. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, the Company shall provide to the Executive the Accrued Obligations and the timely payment or delivery of the Other Benefits, and shall have no other severance obligations under this Agreement. In such case, all the Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.
- (c) Conditions to Payment and Acceleration; Section 409A of the Code. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary; to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement and no payments shall be due to the Executive under Section 5 of this Agreement until the Executive would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. For purposes of this Agreement, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in Section 5 that are due within the "short term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. To the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Executive's termination of employment shall instead be paid on the first business day after the date that is six months following the Executive's termination of employment (or death, if earlier). To the extent required to avoid an accelerated or additional tax under Section 409A of the Code, amounts reimbursable to the Executive under this Agreement shall be paid to the Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to the Executive) during any

one year may not affect amounts reimbursable or provided in any subsequent year; provided, however, that with respect to any reimbursements for any taxes which the Executive would become entitled to under the terms of the Agreement, the payment of such reimbursements shall be made by the Company no later than the end of the calendar year following the calendar year in which the Executive remits the related taxes.

6. Employment Agreement; Non-Exclusivity of Rights. The Executive shall be entitled to the higher of the benefits and compensation payable under this Agreement or those payable under the Employment Agreement as if the Change of Control were deemed a termination without Cause (as defined therein). It is the intent of the parties that nothing in this Agreement or in the Employment Agreement shall affect any right the Executive may have with respect to: (i) any vested or other benefits that the Executive is entitled to receive under any plan, policy, practice or program of or any other contract or agreement with the Company or the Affiliated Companies at or subsequent to a Change of Control (“Other Benefits”); and (ii) continuing or future participation in any plan, program, policy or practice provided by the Company or the Affiliated Companies and for which the Executive may qualify. If the Executive’s employment is terminated by reason of the Executive’s Disability (or death), with respect to the provision of the Other Benefits, the term “Other Benefits” shall include, and the Executive (or the estate or beneficiary of the Executive, in the event of the Executive’s death) shall be entitled after the Disability Effective Date (or upon the Executive’s death) to receive, disability (or death) benefits and other benefits at least equal to the most favorable of those generally provided by the Company and the Affiliated Companies to disabled executives (or to the estates and beneficiaries of deceased executives) and/or their families in accordance with such plans, programs, practices and policies relating to disability (or death), if any, as in effect generally with respect to other peer executives of the Company and the Affiliated Companies and their families at any time during the 180-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive’s family, as in effect at any time thereafter generally with respect to other peer executives of the Company and the Affiliated Companies and their families.
7. No Set-Off; Company’s Obligations; Mitigation. The Company’s obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right or action that the Company or its parent may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred (within 10 days following the Company’s receipt of an invoice from the Executive), to the full extent permitted by law, all legal fees and expenses that the Executive may reasonably incur as a result of any contest or disagreement (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any

contest by the Executive about the amount of any payment pursuant to this Agreement), plus, in each case, interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code. No obligation of the Company under this Agreement to pay the Executive's fees or expenses shall in any manner confer upon the Company any right to select or approve any of the attorneys or accountants engaged by the Executive.

8. Section 280G Matters. Notwithstanding any other provision of this Agreement,

- (a) In the event it is determined by an independent nationally recognized public accounting firm, which is engaged and paid for by the Company or its parent prior to the consummation of any transaction constituting a Change of Control (which for purposes of this Section 8 shall mean a change in ownership or control as determined in accordance with the regulations promulgated under Section 280G of the Code), which accounting firm shall in no event be the accounting firm for the entity seeking to effectuate the Change of Control (the "Accountant"), which determination shall be certified by the Accountant and set forth in a certificate delivered to the Executive not less than ten business days prior to the Change of Control setting forth in reasonable detail the basis of the Accountant's calculations (including any assumptions that the Accountant made in performing the calculations), that part or all of the consideration, compensation or benefits to be paid to the Executive under this Agreement constitute "parachute payments" under Section 280G(b)(2) of the Code, then, if the aggregate present value of such parachute payments, singularly or together with the aggregate present value of any consideration, compensation or benefits to be paid to the Executive under any other plan, arrangement or agreement which constitute "parachute payments" (collectively, the "Parachute Amount") exceeds the maximum amount that would not give rise to any liability under Section 4999 of the Code, the amounts constituting "parachute payments" which would otherwise be payable to the Executive or for his benefit shall be reduced to the maximum amount that would not give rise to any liability under Section 4999 of the Code (the "Reduced Amount"); provided that such amounts shall not be so reduced if the Accountant determines that without such reduction the Executive would be entitled to receive and retain, on a net after-tax basis (including, without limitation, any excise taxes payable under Section 4999 of the Code), an amount which is greater than the amount, on a net after-tax basis, that the Executive would be entitled to retain upon receipt of the Reduced Amount. In connection with making determinations under this Section 8, the Accountant shall take into account any positions to mitigate any excise taxes payable under Section 4999 of the Code, such as the value of any reasonable compensation for services to be rendered by the Executive before or after the Change of Control, including any amounts payable to the Executive following the Executive's termination of employment hereunder with respect to any non-competition provisions that may apply to the Executive, and the Company shall cooperate in the valuation of any such services, including any non-competition provisions.

- (b) If the determination made pursuant to Section 8(a) results in a reduction of the payments that would otherwise be paid to the Executive except for the application of Section 8(a), the Company shall promptly give the Executive notice of such determination. Such reduction in payments shall be first applied to reduce any cash payments that the Executive would otherwise be entitled to receive (whether pursuant to this Agreement or otherwise) and shall thereafter be applied to reduce other payments and benefits, in each case, in reverse order beginning with the payments or benefits that are to be paid the furthest in time from the date of such determination, unless, to the extent permitted by Section 409A of the Code, the Executive elects to have the reduction in payments applied in a different order; provided that, in no event may such payments be reduced in a manner that would result in subjecting the Executive to additional taxation under Section 409A of the Code.
- (c) As a result of the uncertainty in the application of Sections 280G and 4999 of the Code at the time of a determination hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the Executive's benefit pursuant to this Agreement which should not have been so paid or distributed (each, an "Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the Executive's benefit pursuant to this Agreement could have been so paid or distributed (each, an "Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accountant, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Executive which the Accountant believes has a high probability of success, determines that an Overpayment has been made, any such Overpayment paid or distributed by the Company to or for the Executive's benefit shall be repaid by the Executive to the Company together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code; provided, however, that no such repayment shall be required if and to the extent such deemed repayment would not either reduce the amount on which the Executive is subject to tax under Sections 1 and 4999 of the Code or generate a refund of such taxes. In the event that the Accountant, based on controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the Executive's benefit together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code.

9. Covenants of Executive.

- (a) Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or the Affiliated Companies, and their respective businesses, which information, knowledge or data shall have been obtained by the Executive during the Executive's employment by the Company or the Affiliated Companies and which information, knowledge or



data shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those persons designated by the Company. In no event shall an asserted violation of the provisions of this Section 9 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

- (b) Non-Competition. In consideration for the protections provided to the Executive under this Agreement, the Executive agrees that from the Date of Termination until the first anniversary thereof (the "Covenant Period"), the Executive will not, directly or indirectly, own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as an officer, employee, partner, director or otherwise with, or (other than through the ownership of not more than five percent (5%) of the voting stock of any publicly held corporation) have any financial interest in, or aid or assist anyone else in the conduct of, a business which at the time of such termination competes in the United States with a business conducted by the Company or any group, division, parent or subsidiary of the Company ("Company Group") as of the Date of Termination. Notwithstanding the foregoing, the Executive's employment by a business that competes with the business of the Company or its parent, or the retention of the Executive as a consultant by any such business shall not violate this Section 9(b) if the Executive's duties and actions for the business are solely for groups, divisions or subsidiaries that are not engaged in a business that competes with a business conducted by the Company or its parent. No business shall be deemed to be a business conducted by the Company or its parent unless the Company or its parent was engaged in the business as of the Date of Termination and continues to be engaged in the business and at least twenty-five percent (25%) of the Company's or its parent's consolidated gross sales and operating revenues, or net income, is derived from, or at least twenty-five percent (25%) of the Company's or its parent's consolidated assets are devoted to, such business and no business shall be deemed to compete with a business conducted by the Company or its parent unless at least twenty-five percent (25%) of the consolidated gross sales and operating revenues, or net income, of any consolidated group that includes the business, is derived from, or at least twenty-five percent (25%) of the consolidated assets of any such consolidated group are devoted to, such business.
- (c) Non-Solicitation. During the Covenant Period, the Executive shall not solicit on the Executive's behalf or on behalf of any other person the services, as employee, consultant or otherwise of any person who on the Date of Termination is employed by the Company Group, whether or not such person would commit any breach of his contract of service in leaving such

employment, except for any employee (i) whose employment is terminated by the Company or any successor thereof prior to such solicitation of such employee, (ii) who initiates discussions regarding such employment without any solicitation by the Executive, (iii) who responds to any public advertisement unless such advertisement is designed to target, or has the effect of targeting, employees of the Company, or (iv) who is initially solicited for a position other than by the Executive and without any suggestion or advice from the Executive. Nothing herein shall restrict businesses that employ the Executive or retain the Executive as an executive from soliciting from time to time employees of the Company Group, if (A) such solicitation occurs in the ordinary course of filling the business's employment needs, and (B) the solicitation is made by persons at the business other than the Executive who have not become aware of the availability of any specific employees as a result of the advice of the Executive.

- (d) Continuation of Employment. The Executive agrees not to voluntarily terminate employment with the Company (other than (i) as a result of an event that would constitute Good Reason that is at the request of a third party that has taken steps reasonably calculated to effectuate a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control or (ii) by reason of non-extension or non-renewal of the Employment Agreement or such other employment agreement entered into by and between the Executive and the Company from time to time) from such time as the Company has entered into an agreement that would result in a Change of Control until the Change of Control; provided, that such provision shall cease to apply upon the termination of such agreement or if the Change of Control has not occurred within one year following the execution of such agreement

10. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Executive shall be entitled to seek specific performance of the Executive's right to be paid any amounts or provided with any benefits due to the Executive hereunder during the pendency of any dispute or controversy arising under or in connection with this Agreement.

11. Successors.

- (a) This Agreement is personal to the Executive, and, without the prior written consent of the Company, shall not be assignable by the Executive; provided, however, the Executive may designate one or more beneficiaries to receive amounts payable hereunder after his death. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.
- (b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in Section 11(c),

without the prior written consent of the Executive this Agreement shall not be assignable by the Company.

- (c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Mylan N.V. to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. For purposes of this Section 11(c), "Mylan N.V." means Mylan N.V. and any successor to its business and/or assets that assumes and agrees to perform this Agreement by operation of law or otherwise.

12. Miscellaneous.

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified other than by a written agreement executed by the parties hereto or their respective successors, permitted assigns and legal representatives.

- (b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

if to the Executive:

at the most recent address on record at the Company;

if to the Company:

Mylan Inc.  
1000 Mylan Blvd.  
Canonsburg, PA 15317  
Attention: Global General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

- (c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability, provided that in lieu of any such invalid or unenforceable

term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

- (d) The Company may withhold from any amounts payable under this Agreement such United States federal, state or local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.
- (e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason under Section 4(c), shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.
- (f) The Executive and the Company acknowledge that, except as provided in the Employment Agreement or any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a), prior to the Effective Date, the Executive's employment may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the date of the Effective Date, except for any agreements providing for retirement benefits and as otherwise specifically provided herein (including without limitation in Section 6), this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

MYLAN INC.

EXECUTIVE:

/s/ Robert J. Coury

/s/ Kenneth S. Parks

By: Robert J. Coury

Kenneth S. Parks

Its: Executive Chairman

**AMENDMENT NO. 1 TO AMENDED AND RESTATED  
RECEIVABLES PURCHASE AGREEMENT**

This AMENDMENT NO. 1 TO AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT, dated as of May 20, 2016 (this "Amendment"), is among MYLAN PHARMACEUTICALS INC. ("MPI"), individually and as initial servicer (in such capacity, the "Servicer"), MYLAN SECURITIZATION LLC ("Seller"), VICTORY RECEIVABLES CORPORATION ("Victory"), as a conduit purchaser (in such capacity, the "Conduit Purchaser"), PNC BANK, NATIONAL ASSOCIATION ("PNC"), as a committed purchaser, THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK BRANCH ("BTMUNY"), as a committed purchaser (each of PNC and BTMUNY in the capacity of a committed purchaser, individually, a "Committed Purchaser" and collectively, the "Committed Purchasers" and collectively with the Conduit Purchaser, the "Purchasers"), PNC, as a purchaser agent, BTMUNY, as a purchaser agent (each of PNC and BTMUNY in the capacity of a purchaser agent, individually, a "Purchaser Agent" and collectively, the "Purchaser Agents"), BTMUNY, as agent on behalf of the Secured Parties (in such capacity, the "Agent"), and PNC, as an issuer of Letters of Credit (in such capacity, the "LOC Issuer").

W I T N E S S E T H:

**WHEREAS**, the parties hereto are parties to that certain Amended and Restated Receivables Purchase Agreement, dated as of January 27, 2015 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Agreement"); and

**WHEREAS**, the parties hereto wish to amend the Agreement upon the terms hereof.

**NOW, THEREFORE**, in exchange for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged and confirmed), each of the parties hereto hereby agree as follows:

A G R E E M E N T:

1. Definitions. Unless otherwise defined or provided herein, capitalized terms used herein have the meanings attributed thereto in (or by reference in) the Agreement.

2. Amendments. The Agreement is hereby amended as follows:

(a) The following new Section 7.5(m) is hereby added to the Agreement immediately following existing Section 7.5(l) thereof:

(l) Specified Receivables, Etc. On or before each Reporting Date, the Servicer shall include in each Information Package delivered to Agent and each Purchaser Agent, each of (i) a listing of all Specified Obligor as of the Cut-Off Date for the related Settlement Period, (ii) the Specified Amount with respect to each Specified Obligor as of the Cut-Off Date for the related Settlement Period and (iii) a listing of each Specified Receivable as of the Cut-Off Date for the related Settlement Period. The Specified Amount with respect to each Obligor shall be calculated by the Servicer in the ordinary course as reasonably

determined by the Servicer in accordance with the definition of “Specified Amounts”.

(b) The following new defined terms and definitions thereof are hereby added to Appendix A of the Agreement in appropriate alphabetical order:

“Non-Current Receivable” means, at any time of determination, a Receivable as to which any payment, or part thereof, remains unpaid for 31 or more days from the original due date for such payment with respect to such Receivable.

“Non-Specified Obligor” means, at any time of determination, any Obligor at such time that is not a Specified Obligor.

“Specified Amounts” means, at any time of determination, with respect to any Obligor, the aggregate amount of all terms discounts, indirect rebates, direct rebates (net of any direct rebate recovery), penalty payments and other amounts owing as a result of any failure to deliver any goods or furnish any services by any Originator to such Obligor, in each case, then owing to such Obligor by an Originator under any related Contract or any key promotional program.

“Specified Obligor” means, at any time of determination, any Obligor for which either (A) each of (i) the aggregate Unpaid Balance of all Non-Current Receivables owing by such Obligor fails to exceed the Specified Amounts with respect to such Obligor at such time, (ii) the aggregate Unpaid Balance of all Non-Current Receivables owing by such Obligor at such time is greater than \$0 and (iii) such Obligor has been designated as a “Specified Obligor” in the most recently delivered Information Package or (B) each of (i) at any time within sixty (60) days of such time of determination, the aggregate Unpaid Balance of all Non-Current Receivables owing by such Obligor at such time failed to exceed the Specified Amounts with respect to such Obligor at such time, (ii) the Agent and each Purchaser Agent in their sole discretion consent in writing to the inclusion of such Obligor as a Specified Obligor following request for such inclusion from the Seller or the Servicer; provided, however, that the Agent or any Purchaser Agent may immediately upon notice to the Seller or the Servicer terminate any Obligor as a Specified Obligor that was designated as a Specified Obligor pursuant to clause (B) above and thereafter such Obligor shall cease to be a Specified Obligor and (iii) such Obligor has been designated as a “Specified Obligor” in the most recently delivered Information Package.

“Specified Receivable” means, at any time of determination, a Receivable, the Obligor of which is a Specified Obligor at such time.

(c) The definition of “Adjusted Contractual Dilution Estimate” set forth in Appendix A of the Agreement is hereby replaced in its entirety with the following:

“Adjusted Contractual Dilution Estimate” means, for any Settlement Period, (i) if a Ratings Event has occurred and is continuing, an amount equal to the Contractual Dilution Estimate for such Settlement Period, minus the portion, if any, of the Contractual Dilution Estimate for such Settlement Period related solely to the Specified Obligors (but solely to the extent that no Pool Receivable of such Specified Obligor constitutes an Eligible Receivable at such time) and (ii) otherwise, an amount equal to the Contractual Dilution Estimate for such Settlement Period, minus the sum of (A) the Direct Check Rebate Estimate for such Settlement Period, plus (B) the Failure to Supply Check Payment Estimate for such Settlement Period, plus (C) the portion, if any, of the Contractual Dilution Estimate for such Settlement Period related solely to the Specified Obligors (but solely to the extent that no Pool Receivable of such Specified Obligor constitutes an Eligible Receivable at such time).

(d) Clause (p) of the definition of “Eligible Receivable” set forth in Appendix A of the Agreement is hereby replaced in its entirety with the following:

(p) which is none of (i) a Supplier Receivable, (ii) an Affiliate Receivable or (iii) a Specified Receivable; and

(e) Clause (a) of the definition of “Defaulted Receivable” set forth in Appendix A of the Agreement is hereby replaced in its entirety with the following:

(a) as to which any payment, or part thereof, remains unpaid for 91 or more days from the original due date for such payment with respect to such Pool Receivable that is owing by a Non-Specified Obligor,

(f) Clause (a) of the definition of “Delinquent Receivable” set forth in Appendix A of the Agreement is hereby replaced in its entirety with the following:

(a) as to which any payment, or part thereof, remains unpaid for between 61 or more days from the original due date for such payment with respect to such Pool Receivable that is owing by a Non-Specified Obligor and

(g) Exhibit 3.1(a) of the Agreement is hereby replaced in its entirety with Exhibit 3.1(a) attached hereto.

3. Representations and Warranties. Each of Seller, MPI, the Servicer and Performance Guarantor represents and warrants to each of the other parties hereto as of the date hereof, both before and immediately after giving effect to this Amendment, as follows:

(a) The representations and warranties made by it in the Agreement and each of the other Transaction Documents to which it is a party are true and correct both as of the date hereof and immediately after giving effect to this Amendment.



(b) The execution and delivery by it of this Amendment and the performance of its respective obligations under this Amendment and the Agreement (as amended hereby), each as applicable, and the other Transaction Documents to which it is a party are within its organizational powers and have been duly authorized by all necessary action on its part, and this Amendment and the Agreement (as amended hereby), and the other Transaction Documents to which it is a party are its valid and legally binding obligations, enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, and other similar Laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at Law.

(c) No Event of Default or Unmatured Event of Default has occurred and is continuing, or would occur as a result of this Amendment or the transactions contemplated hereby.

(d) Both before and immediately after giving effect to this Amendment, the sum of the aggregate Purchasers' Total Investment on the date hereof and the Required Reserves on the date hereof will not exceed the Net Pool Balance on the date hereof.

4. Conditions to Effectiveness. This Amendment shall become effective as of April 30, 2016 above written upon satisfaction of the following conditions precedent:

(a) Execution of Amendment. The Agent shall have received a counterpart of this Amendment duly executed by each of the parties hereto.

(b) No Defaults. No Event of Default or Unmatured Event of Default shall have occurred and be continuing either before or immediately after giving effect to this Amendment.

(c) Representations and Warranties True. The representations and warranties of Seller, MPI and the Servicer contained in the Agreement, and of Seller, MPI, the Servicer and Performance Guarantor contained in this Amendment, in each case, shall be true and correct both as of the date hereof and immediately after giving effect to this Amendment.

5. Reference to and Effect on the Agreement and the other Transaction Documents.

(a) Each reference in the Agreement to "this Agreement," "herein," "hereof" and words of like import and each reference in the other Transaction Documents to "Receivables Purchase Agreement", "Purchase Agreement", "thereunder", "thereof" or words of like import referring to the Agreement shall mean and be a reference to the Agreement, as amended hereby.

(b) Each of the Agreement and the other Transaction Documents (except as specifically amended herein) is hereby ratified and confirmed in all respects by each of the parties hereto and shall remain in full force and effect in accordance with its respective terms.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of or amendment to any right, power or remedy of the Agent, any Purchaser, any Purchaser Agent or the LOC Issuer under, nor constitute a waiver of or amendment to, any other provision or condition under any Transaction Document.

(d) To the extent that the consent of any party hereto, in any capacity, is required under any Transaction Document or any other agreement entered into in connection with any Transaction Document with respect to any of the amendments set forth herein, such party hereby grants such consent.

6. Transaction Document. This Amendment shall be a Transaction Document under (and as defined in) the Agreement.

7. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of Seller, the Servicer, MPI, the Purchasers, the Purchaser Agents, the LOC Issuer and the Agent, and their respective successors and assigns.

8. Costs and Expenses. The Seller agrees to pay on demand all reasonable and documented out-of-pocket costs and expenses incurred by or on behalf of the Agent, each Purchaser, each Purchaser Agent and the LOC Issuer in connection with the preparation, negotiation, execution and delivery of this Amendment and any other documents to be delivered in connection herewith, including reasonable attorneys' fees and expenses of a single counsel.

9. Governing Law. **THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF).**

10. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Delivery of an executed counterpart hereof by facsimile or other electronic means shall be equally effective as delivery of an originally executed counterpart.

11. Severability. Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Agreement or any provision hereof or thereof.

13. Reaffirmation of Performance Guaranty. After giving effect to this Amendment, and the transactions contemplated hereby, all of the provisions of the Performance Guaranty shall remain in full force and effect and the Performance Guarantor hereby ratifies and affirms the Performance Guaranty and acknowledges that the Performance Guaranty has continued and shall continue in full force and effect in accordance with its terms.

[Signatures Follow]

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**MYLAN PHARMACEUTICALS INC.,**  
individually and as initial Servicer

By: /s/ Colleen Ostrowski  
Name: Colleen Ostrowski  
Title: Treasurer

**MYLAN SECURITIZATION LLC,**  
as Seller

By: /s/ Colleen Ostrowski  
Name: Colleen Ostrowski  
Title: Director

**VICTORY RECEIVABLES CORPORATION,**  
as a Conduit Purchaser

By: /s/ David V. DeAngelis  
Name: David V. DeAngelis  
Title: Vice President

**THE BANK OF TOKYO-MITSUBISHI UFJ,  
LTD., NEW YORK BRANCH,**  
as Purchaser Agent for the BTMU Group

By: /s/ Van Dusenbury  
Name: Van Dusenbury  
Title: Managing Director

**THE BANK OF TOKYO-MITSUBISHI UFJ,  
LTD., NEW YORK BRANCH,**  
as Agent

By: /s/ Van Dusenbury  
Name: Van Dusenbury  
Title: Managing Director

**THE BANK OF TOKYO-MITSUBISHI UFJ,  
LTD., NEW YORK BRANCH,**  
as a Committed Purchaser

By: /s/ Van Dusenbury  
Name: Van Dusenbury  
Title: Managing Director

**PNC BANK, NATIONAL ASSOCIATION**  
as Purchaser Agent for the PNC Group

By: /s/ Michael Brown  
Name: Michael Brown  
Title: Senior Vice President

**PNC BANK, NATIONAL ASSOCIATION**  
as a Committed Purchaser and as a LOC Issuer

By: /s/ Michael Brown  
Name: Michael Brown  
Title: Senior Vice President

**ACKNOWLEDGED AND AGREED TO:**

**MYLAN INC.,**

as Performance Guarantor

By: /s/ Colleen Ostrowski

Name: Colleen Ostrowski

Title: Treasurer

S - 4

*Amendment  
No. 1 to Mylan A&R Receivables  
Purchase Agreement*

June 3, 2016

Robert J. Coury  
Chairman of the Board of Directors  
Mylan N.V.  
Building 4, Trident Place, Mosquito Way  
Hatfield, Hertfordshire AL10 9UL  
United Kingdom

Dear Robert:

Reference is made to the Third Amended and Restated Executive Employment Agreement, effective as of January 1, 2014 (the "Employment Agreement"), between Robert J. Coury ("Chairman") and Mylan Inc. ("Mylan US"). Capitalized terms used but not defined in this letter agreement shall have the meanings assigned to them in the Employment Agreement.

This letter agreement shall be effective as of the date first written above (the "Effective Date") and shall terminate at the close of business on the fifth anniversary of the Transition Date ("Initial Term"), unless earlier terminated in accordance with the terms of this letter agreement or extended by mutual agreement of Mylan NV and Chairman.

1. Transition to Non-Executive Chairman. Effective as of June 24, 2016 (the "Transition Date"), Chairman shall transition (the "Transition") from his current role of Executive Chairman of the Board of Directors (the "Board") of Mylan N.V. ("Mylan NV" and, collectively with Mylan US and their respective subsidiaries and affiliates, "Mylan") and an executive and employee of Mylan US to the role of chairman of the Board and a non-employee and non-executive director, subject to Chairman's re-election to the Board by the Annual General Meeting. As of the Transition Date, Chairman shall cease to be an officer or employee of Mylan and shall no longer actively participate in any employee benefit plan or program sponsored or maintained solely for the benefit of employees of Mylan, except to the extent of Chairman's earned, accrued or vested rights therein or as set forth herein or as otherwise determined by the Board.

Following the Transition Date, Chairman shall continue to have all of the authority and duties held prior to the Transition Date in his capacity as chairman of the Board and as set forth in the "Articles of Association of Mylan N.V." (the "Articles") and "Rules for the Board of Directors of Mylan N.V." (the "Board Rules") (including, but not limited to, leadership of the Board, direct involvement on behalf of the Board in all material transactions involving Mylan, providing guidance to the senior executive management team and other matters considered significant by the Board from time to time) but shall cease to have the authority or duties held prior to the Transition Date solely in his capacity as an executive or employee of Mylan (including, but not limited to, the authority to execute contracts on behalf of Mylan and any direct reporting relationship with respect to any Mylan employees, in each case unless authorized by the Board). Following the Transition Date, Chairman shall not provide any services to Mylan other than in his capacity as chairman of the Board. Chairman hereby acknowledges and agrees that the Transition shall not constitute "Good Reason" (or any other similar term) for purposes of any compensation or benefit plan, program or agreement sponsored



or maintained by Mylan, including for purposes of the Employment Agreement, this letter agreement and the Award Agreement attached hereto as Exhibit B.

2. Compensation Payable as a Result of Cessation of Employment. Mylan and Chairman acknowledge and agree that Chairman's cessation of employment on the Transition Date constitutes a "separation from service" under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to such employment (but not his service as a member of the Board) for all purposes of the Employment Agreement and any other employee benefit plans or programs sponsored or maintained by Mylan. For purposes of clarity, the payments and benefits to which Chairman is entitled upon such cessation of employment, Termination of Employment, Retirement or any similar term on the Transition Date under the Employment Agreement, the Retirement Benefit Agreement between Chairman and Mylan US, as amended to date (the "RBA"), the Amended and Restated Mylan N.V. 2003 Long Term Incentive Plan, as amended (the "LTIP") or other employee benefit plans or programs sponsored or maintained by Mylan include, but are not limited to, those set forth on Exhibit A. In addition, Chairman shall receive the cash incentive award granted pursuant to Section 3(c) of the Employment Agreement (the "Cash Performance Incentive Award") on December 30, 2016, subject to Chairman's continued service as chairman of the Board through such date or as otherwise specified herein. Finally, no compensation earned following the Transition Date will be in respect of services rendered by Chairman prior to the Transition Date.

3. Compensation for Service Following Transition Date. In order to retain Chairman's leadership following the Transition Date, in lieu of the future compensation to which Chairman would otherwise have been entitled for future services throughout the remaining term of the Employment Agreement and as consideration for the reinforcement and extension of the duration of certain restrictive covenants pursuant to Section 5 of this letter agreement, Chairman shall be entitled to the compensation set forth below during the Initial Term:

(a) Chairman Retainer. Chairman shall receive a cash retainer of \$450,000 on the first day of each fiscal quarter (or the first business day following such date if such date is not a business day) (the "Chairman Retainer").

(b) Retention RSU Award. Effective upon the close of the Annual General Meeting on June 24, 2016 and notwithstanding the results of such meeting, Chairman shall be granted an award of 1,000,000 restricted stock units (the "Chairman Retention RSUs") under the LTIP. Except as set forth in Section 7 below, 75% of the Retention RSUs shall vest on the third anniversary of the Transition Date and 25% of the Retention RSUs shall vest on the fifth anniversary of the Transition Date, in each case subject to Chairman's continued service as chairman of the Board on such date, and shall be subject to the other terms and conditions set forth in the Award Agreement attached hereto as Exhibit B.

(c) Certain Perquisites; Expense Reimbursement and Other Benefits. Chairman shall continue to receive such perquisites as were provided to him immediately prior to the Transition Date. Because of persistent and serious security concerns, Chairman shall continue to be entitled to usage of Mylan's aircraft for Chairman and Chairman's family for business and personal purposes (which shall be in addition to the

benefit described on Exhibit A) and personal security services. Mylan shall reimburse Chairman for all ordinary and necessary business expenses in accordance with established Mylan policy and procedures. In addition, during the period Chairman remains chairman of the Board, Mylan shall provide Chairman with office space and an executive assistant, and Chairman shall be entitled to retain all electronic devices and computers he holds on the Transition Date, in each case to assist Chairman in the performance of his duties hereunder.

4. Confidentiality. Chairman recognizes and acknowledges that the business interests of Mylan require a confidential relationship between Mylan and Chairman and the fullest protection and confidential treatment of the financial data, customer information, supplier information, market information, marketing and/or promotional techniques and methods, pricing information, purchase information, sales policies, employee lists, policy and procedure information, records, advertising information, computer records, trade secrets, know-how, plans and programs, sources of supply and other knowledge of the business of Mylan (all of which are hereinafter jointly termed "Confidential Information") which have or may in whole or in part be conceived, learned or obtained by Chairman in the course of Chairman's employment with Mylan US prior to the Transition Date and continued service as chairman of the Board following the Transition Date. Accordingly, Chairman agrees to keep secret and treat as confidential all Confidential Information whether or not copyrightable or patentable, and agrees not to knowingly use or aid others in learning of or using any Confidential Information except in the ordinary course of business and in furtherance of Mylan's interests. During the period Chairman remains a member of the Board and at all times thereafter, except insofar as Chairman believes in good faith that disclosure is consistent with Mylan's business interests:

(a) Chairman will not knowingly disclose any Confidential Information to anyone outside Mylan;

(b) Chairman will not make copies of or otherwise knowingly disclose the contents of documents containing or constituting Confidential Information;

(c) As to documents which are delivered to Chairman or which are made available to him as a necessary part of the working relationships and duties of Chairman within the business of Mylan, Chairman will treat such documents confidentially and will treat such documents as proprietary and confidential, not to be knowingly reproduced, disclosed or used without appropriate authority of Mylan;

(d) Chairman will not knowingly advise others that the information and/or know-how included in Confidential Information is known to or used by Mylan; and

(e) Chairman will not in any manner knowingly disclose or use Confidential Information for Chairman's own account and will not knowingly aid, assist or abet others in the use of Confidential Information for their account or benefit, or for the account or benefit of any person or entity other than Mylan.

The obligations set forth in this paragraph are in addition to any other agreements Chairman may have with Mylan and any and all rights Mylan may have under state or federal statutes or common law. Anything herein to the contrary notwithstanding, the provisions of this section shall not apply (i) when disclosure is required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with actual or apparent jurisdiction to order Chairman to disclose or make accessible any information, (ii) with respect to any other litigation, arbitration or mediation involving this Agreement or other agreement between Chairman and Mylan, including, but not limited to, the enforcement of any such agreement, (iii) as to information that becomes generally known to the public or within the relevant trade or industry other than due to Chairman's violation of this section or (iv) as to information that is or becomes available to Chairman on a non-confidential basis from a source which is entitled to disclose it to Chairman.

5. Non-Competition and Non-Solicitation. During the period Chairman remains chairman of the Board and for a period ending two (2) years after Chairman ceases to serve in that role for any reason:

(a) Chairman shall not whether for himself or for any other person, company, corporation or other entity be or become associated in any way (including but not limited to the associations set forth in (i)-(vii) of this subsection) with any business or organization which is directly or indirectly engaged in the research, development, manufacture, production, marketing, promotion or sale of any product the same as or similar to those of Mylan, or which competes or has announced an intention to compete in any line of business with Mylan. Notwithstanding the foregoing, Chairman may during the period in which this paragraph is in effect own stock or other interests in corporations or other entities that engage in businesses the same or substantially similar to those engaged in by Mylan, provided that Chairman does not, directly or indirectly (including without limitation as the result of ownership or control of another corporation or other entity), individually or as part of a group (as that term is defined in Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder) (i) control or have the ability to control the corporation or other entity, (ii) provide to the corporation or entity, whether as an executive, consultant or otherwise, advice or consultation, (iii) provide to the corporation or entity any confidential or proprietary information regarding Mylan or its businesses or regarding the conduct of businesses similar to those of Mylan, (iv) hold or have the right by contract or arrangement or understanding with other parties to hold a position on the board of directors or other governing body of the corporation or entity or have the right by contract or arrangement or understanding with other parties to elect one or more persons to any such position, (v) hold a position as an officer of the corporation or entity, (vi) have the purpose to change or influence the control of the corporation or entity (other than solely by the voting of his shares or ownership interest) or (vii) have a business or other relationship, by contract or otherwise, with the corporation or entity other than as a passive investor in it; provided, however, that Chairman may vote his shares or ownership interest in such manner as he chooses provided that such action does not otherwise violate the prohibitions set forth in this sentence.

(b) Chairman will not either for himself or for any other person, partnership, firm, company, corporation or other entity, contact, solicit, divert or take away any of the customers or suppliers of Mylan.

(c) Chairman will not solicit, entice or otherwise induce any employee of Mylan to leave the employ of Mylan for any reason whatsoever; nor will Chairman knowingly aid, assist or abet any other person or entity in soliciting or hiring any employee of Mylan, nor will Chairman otherwise interfere with any contractual or other business relationships between Mylan and its employees.

6. Severability. Should a court of competent jurisdiction determine that any section or sub-section of this letter agreement is unenforceable because one or all of them are vague or overly broad, the parties agree that this letter agreement may and shall be enforced to the maximum extent permitted by law. It is the intent of the parties that each section and sub-section of this letter agreement be a separate and distinct promise and that unenforceability of any one subsection shall have no effect on the enforceability of another.

7. Cessation of Chairman Services. Chairman shall continue as a member of the Board, subject to his election to the Board by the Annual General Meeting pursuant to the terms and procedures set forth in the Articles and other organizational documents, and as chairman of the Board, subject to the Board's election of Chairman to serve in that role.

(a) In the event Chairman ceases to serve in the role of chairman of the Board during the Initial Term for any reason (including death or disability), other than as the result of a voluntary resignation from such role without Good Reason or involuntary removal from such role for Cause, Chairman shall receive the payments and benefits set forth below.

(i) Chairman Retainer. Within three (3) business days of such cessation, Mylan NV shall pay Chairman a lump sum amount in cash equal to the Chairman Retainer payments that Chairman would have received for each remaining fiscal quarter through the end of the Initial Term.

(ii) Chairman Retention RSUs. The Chairman Retention RSUs shall immediately vest upon such cessation and shall be settled in Mylan NV ordinary shares within three (3) business days of such cessation.

(iii) One-Time Performance-Based Incentive Award. All unvested Early Exercise Shares shall immediately vest upon such cessation and become freely transferable.

(iv) Cash Performance Incentive Award. Mylan US shall pay Chairman the full amount of the unpaid Cash Performance Incentive Award within three (3) business days of such cessation.

(b) In the event Chairman ceases to serve in the role of chairman of the Board during the Initial Term as a result of a voluntary resignation from such role without Good Reason or removal from such role for Cause, Chairman shall not receive

the Chairman Retainer for any future fiscal quarters and shall forfeit any unvested Retention RSUs, any unvested Early Exercise Shares and the unpaid Cash Performance Incentive Award.

(c) For purposes of this Section 7, the term “Good Reason” shall mean: (i) any material diminution of Chairman’s duties or authority as chairman of the Board (including as a result of any amendment to the Articles or the Board Rules or as a result of Mylan NV ceasing to be a publicly-traded entity), excluding for this purpose any isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Board or Mylan after receipt of notice from Chairman, (ii) failure to nominate Chairman as a member of the Board, removal of Chairman from (or failure to elect Chairman) to the position of chairman of the Board or the appointment of an individual other than Chairman to serve as chairman of the Board, (iii) any reduction in Chairman’s compensation after the Effective Date, excluding for this purpose any isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Board or Mylan after receipt of notice from Chairman, (iv) any obligation of Chairman to relocate his principal place of service or travel more frequently in relation to his principal place of employment or frequency of travel prior to the Transition Date, excluding for this purpose any isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Board or Mylan after receipt of notice from Chairman, (v) any breach by Mylan of any provision of this letter agreement or any other agreement to which Chairman is a party (including the Employment Agreement), excluding for this purpose any isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Board or Mylan after receipt of notice from Chairman or (vi) any failure of Mylan to comply with and satisfy Section 17 of this letter agreement. Chairman’s continued service as chairman of the Board shall not constitute consent to, or a waiver of rights with respect to, any act of failure to act constituting Good Reason hereunder. In the event of a dispute concerning the existence of “Good Reason,” any claim by Chairman that “Good Reason” exists shall be presumed correct unless Mylan establishes by clear and convincing evidence that Good Reason does not exist.

(d) For purposes of this Section 7, the term “Cause” shall mean: (i) Chairman’s willful and continued gross neglect of his duties (other than resulting from incapacity due to physical or mental illness or following Chairman’s delivery of a notice of resignation for Good Reason (as defined herein)), (ii) the willful engaging by Chairman in illegal conduct that is materially and demonstrably injurious to Mylan or (iii) the willful engaging by Chairman in gross misconduct that is materially and demonstrably injurious to Mylan which, in the case of clauses (i), (ii) and (iii), has not been cured within 30 days after a written demand for substantial performance is delivered to Chairman by the Board that specifically identifies the manner in which the Board believes that Chairman has grossly neglected his duties or has engaged in illegal conduct or gross misconduct. No act, or failure to act, on the part of Chairman shall be considered “willful” unless it is done, or omitted to be done, by Chairman in bad faith and without reasonable belief that Chairman’s action or omission was in the best interests of Mylan. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for Mylan shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith

and in the best interests of Mylan. The cessation of service of Chairman shall not be deemed to be for Cause unless and until there shall have been delivered to Chairman a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board (excluding Chairman) at a meeting of the Board called and held for such purpose (after reasonable notice is provided to Chairman and Chairman is given an opportunity, together with counsel for Chairman, to be heard before the Board), finding that, in the good faith opinion of the Board, Cause exists and specifying the particulars thereof in detail. In the event of a dispute concerning the existence of "Cause," any claim by Chairman that "Cause" does not exist shall be presumed correct unless Mylan NV establishes by clear and convincing evidence that Cause exists.

8. Mutual Release of Claims. Chairman, on his own behalf and on behalf of his heirs, family members, executors, agents, and assigns, hereby and forever releases and discharges Mylan and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, direct and indirect parents and subsidiaries, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, predecessor and successor corporations and assigns, and all persons acting with or on behalf of them (collectively, the "Mylan Released Parties") from any and all claims, complaints, charges, duties, obligations, demands, or causes of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Chairman may possess against any of the Mylan Released Parties arising from any omissions, acts, failures to act, facts, or damages that have occurred up until and including the date Chairman executes this letter agreement, including, without limitation:

(a) any and all claims relating to or arising from Chairman's employment relationship with Mylan and/or any of the Mylan Released Parties and the cessation of that relationship;

(b) any and all claims relating to, or arising from, Chairman's right to purchase, or actual purchase of shares of stock or ordinary shares of Mylan and/or any of the Mylan Released Parties, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(d) any and all claims under any policy, agreement, understanding or promise, written or oral, formal or informal, between any Mylan Released Parties and Chairman existing

as of the date hereof (whether arising before, on or after the date Chairman executes this letter agreement);

(e) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the laws and Constitution of the Commonwealth of Pennsylvania, each as amended, or any other federal, state or local law, regulation ordinance or common law;

(f) any and all claims for violation of the federal or any state constitution;

(g) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(h) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Chairman as a result of this letter agreement, except as specified herein;

(i) any and all claims for attorneys' fees and costs; and

(j) any other claims whatsoever.

Chairman agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This Release does not extend to any of Chairman's rights under this letter agreement, the RBA, the Indemnification Agreement between Chairman and Mylan NV, dated as of February 27, 2015 ("Indemnification Agreement"), resolutions of the Board, or surviving rights of Chairman under the Employment Agreement (including Section 9 and any other indemnification rights thereof or therein), any claims accruing after execution of this letter agreement, any rights Chairman may have under any D&O insurance policy maintained by Mylan and/or any of the Mylan Released Parties, any of Chairman's rights contained in any other agreements between Chairman and Mylan, or any of Chairman's rights under any plans and programs sponsored or maintained by Mylan, as determined in accordance with any such plans and programs. This Release does not release claims that cannot be released as a matter of law, including, but not limited to, Chairman's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against Mylan (with the understanding that any such filing or participation does not give Chairman the right to recover any monetary damages against Mylan and/or any of the Mylan Released Parties; and Chairman's release of claims herein bars Chairman from recovering such monetary relief from Mylan and/or any of the Mylan Released Parties). Chairman represents that he has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this section.

Mylan NV and Mylan US, on their own behalf and on behalf of any of their subsidiaries and affiliates hereby and forever release and discharge Chairman from any and all claims, complaints, charges, duties, obligations, demands, or causes of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Mylan may possess against Chairman arising from any omissions, acts, failures to act, facts, or damages that have occurred up until and including the date Mylan executes this letter agreement, other than any claims arising from criminal conduct or claims that cannot be released under applicable law or any rights Mylan may have to recover compensation under Mylan's "clawback" policy or similar provision of applicable law.

9. Return of Company Property. Upon Chairman's cessation of service as a member of the Board, Chairman shall promptly return to Mylan NV all records, memoranda, files, notes, papers, correspondence, reports, documents, books, diskettes, hard drives, electronic files, and all copies or abstracts thereof that Chairman has concerning Mylan NV's business. Chairman shall also promptly return all keys, identification cards or badges and other Mylan NV property. Anything to the contrary notwithstanding, nothing in this paragraph shall prevent Chairman from retaining a home computer and security system, papers and other materials of a personal nature, including personal diaries, calendars and contact lists, information relating to Chairman's compensation or relating to reimbursement of expenses, information that Chairman reasonably believes may be needed for tax purposes, and copies of plans, programs and agreements relating to Chairman's service.

10. Indemnification. Mylan NV shall maintain D&O liability coverage pursuant to which Chairman shall be a covered insured. Chairman shall receive indemnification in accordance with the Articles in effect as of the date of this letter agreement. Such indemnification shall be contractual in nature and shall remain in effect notwithstanding any future change to the Articles.

To the extent not otherwise limited by the Articles in effect as of the date of this letter agreement, in the event that Chairman is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, (including those brought by or in the right of Mylan) whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he is or was a director or officer of Mylan, or is or was serving at the request of Mylan as a director, officer, employee or agent of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, Chairman shall be indemnified and held harmless by Mylan NV to the fullest extent authorized by law, including, but not limited to Dutch law, as may be amended from time to time (but, in the case of such amendment, only to the extent that such amendment permits Mylan NV to provide broader indemnification rights than such law permitted Mylan NV to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, excise taxes pursuant to the Employee Retirement Income Security Act of 1974, as amended, or penalties and amounts paid in settlement) reasonably incurred or suffered by Chairman in connection therewith; provided, however, that Mylan NV shall indemnify Chairman in connection with a proceeding (or part thereof) initiated by Chairman only if such proceeding (or part thereof) was authorized by the Board. Such right shall be a contract right and shall



include the right to be paid by Mylan NV expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses incurred by Chairman in his capacity as a director or officer (and not in any other capacity in which service was or is rendered by Chairman while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding will be made only upon delivery to Mylan NV of an undertaking, by or on behalf of Chairman, to repay all amounts Mylan NV so advanced if it should be determined ultimately that Chairman is not entitled to be indemnified under this section or otherwise.

Promptly after receipt by Chairman of notice of the commencement of any action, suit or proceeding for which Chairman may be entitled to be indemnified, Chairman shall notify Mylan NV in writing of the commencement thereof (but the failure to notify Mylan NV shall not relieve it from any liability which it may have under this section unless and to the extent that it has been prejudiced in a material respect by such failure or from the forfeiture of substantial rights and defenses). If any such action, suit or proceeding is brought against Chairman and he notifies Mylan NV of the commencement thereof, Mylan NV will be entitled to participate therein, and, to the extent it may elect by written notice delivered to Chairman promptly after receiving the aforesaid notice from Chairman, to assume the defense thereof with counsel reasonably satisfactory to Chairman, which may be the same counsel as counsel to Mylan NV. Notwithstanding the foregoing, Chairman shall have the right to employ his own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of Chairman unless (i) the employment of such counsel shall have been authorized in writing by Mylan NV, (ii) Mylan NV shall not have employed counsel reasonably satisfactory to Chairman to take charge of the defense of such action within a reasonable time after notice of commencement of the action or (iii) Chairman shall have reasonably concluded, after consultation with counsel to Chairman, that a conflict of interest exists which makes representation by counsel chosen by Mylan NV not advisable (in which case Mylan NV shall not have the right to direct the defense of such action on behalf of Chairman), in any of which events such fees and expenses of one additional counsel shall be borne by Mylan NV.

If a claim under this Section 10 is not paid in full by Mylan NV within sixty days after a written claim has been received by Mylan NV, except in the case of a claim for a payment of expenses, in which case the applicable period shall be twenty days, Chairman may at any time thereafter bring suit against Mylan NV to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, Chairman also shall be entitled to be paid the expense of prosecuting or defending such suit, including attorney's fees.

Anything in this section to the contrary notwithstanding, Mylan NV shall not be liable for any settlement of any claim or action effected without its written consent.

11. Legal Fees. Mylan shall reimburse Chairman for all costs (including but not limited to reasonable legal fees and expenses) incurred by Chairman in disputing in good faith any issue hereunder relating to the cessation of Chairman's service, in seeking in good faith to obtain or enforce any benefit or right provided by this letter agreement or any agreement or arrangement referenced herein or in connection with any tax audit or proceeding. Such reimbursements shall be made promptly upon delivery of Chairman's written request for payment accompanied by appropriate evidence of the costs so incurred.

12. Other Agreements. The rights and obligations contained in this letter agreement are in addition to and not in place of any rights or obligations contained in any other agreements between Chairman and Mylan (including the Employment Agreement and Indemnification Agreement and including the provisions of Section 3(b) of the Transition and Succession Agreement between Chairman and Mylan US, which shall continue to apply and shall be deemed incorporated into this letter agreement *mutatis mutandi*.)

13. Notices. All notices hereunder to the parties hereto shall be in writing sent by certified mail, return receipt requested, postage prepaid, and by fax (receipt confirmed), addressed to the respective parties at the following addresses:

MYLAN NV:

Mylan NV  
Building 4, Trident Place, Mosquito Way  
Hatfield, Hertfordshire AL10 9UL  
United Kingdom

With a copy to:

Mylan Inc.  
1000 Mylan Boulevard  
Canonsburg, PA 15317  
Attention: Senior Vice President and Global General Counsel  
Fax: 724-514-1871

CHAIRMAN:

Chairman's most recent home address or fax number on file with Mylan NV.

Either party may, by written notice complying with the requirements of this section, specify another or different person or address for the purpose of notification hereunder. All notices shall be deemed to have been given and received on the day a fax is sent or, if mailed only, on the third business day following such mailing.

14. Withholding. All payments required to be made by Mylan hereunder to Chairman or his dependents, beneficiaries, or estate will be subject to the withholding of such amounts relating to tax and/or other payroll deductions, if required by applicable law.

15. Modification and Waiver. This letter agreement may not be changed or terminated orally, nor shall any change, termination or attempted waiver of any of the provisions contained in this letter agreement be binding unless in writing and signed by the party against whom the same is sought to be enforced, nor shall this section itself be waived verbally. This letter agreement may be amended only by a written instrument duly executed by or on behalf of the parties hereto.

16. Construction of Agreement. This letter agreement and all of its provisions were subject to negotiation and shall not be construed more strictly against one party than against another party regardless of which party drafted any particular provision.

17. Successors and Assigns. This letter and all of its provisions, rights and obligations shall be binding upon and inure to the benefit of the parties hereto and Mylan NV's successors and assigns. This letter agreement may be assigned by Mylan NV to any person, firm or corporation which shall become the owner of substantially all of the assets of Mylan NV or which shall succeed to the business of Mylan NV; provided, however, that in the event of any such assignment Mylan NV shall obtain an instrument in writing from the assignee in which such assignee assumes the obligations of Mylan NV hereunder and shall deliver an executed copy thereof to Chairman. No right or interest to or in any payments or benefits hereunder shall be assignable by Chairman; provided, however, that this provision shall not preclude him from designating one or more beneficiaries to receive any amount that may be payable after his death and shall not preclude the legal representative of his estate from assigning any right hereunder to the person or persons entitled thereto under his will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his estate. The term "beneficiaries" as used in this letter agreement shall mean a beneficiary or beneficiary or beneficiaries so designated to receive any such amount, or if no beneficiary has been so designated, the legal representative of Chairman's estate. No right, benefit, or interest hereunder, shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt, or obligation, or to execution, attachment, levy, or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void, and of no effect.

18. Governing Law. This letter agreement shall be construed and enforced according to, and the rights and obligations of the parties shall be governed in all respects by, the laws of the State of New York. The parties irrevocably submit to the exclusive jurisdiction of the state and federal courts located in New York County, New York solely in respect of the interpretation and enforcement of the provisions of this letter agreement and in respect of the transactions contemplated by this letter agreement and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement of this letter agreement that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a court. The parties hereby consent to and grant any such court exclusive jurisdiction over the person of such parties and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in any manner as may be permitted by law, shall be valid and sufficient service thereof. Chairman and Mylan NV (on its behalf and on behalf of its affiliates) each hereby waives any right to a trial by jury with respect to any dispute.

19. Headings. The headings of the sections of this letter agreement have been inserted for convenience of reference only and shall in no way affect the interpretation of any of the terms or conditions of this letter agreement.

20. Execution in Counterparts. This letter agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

21. Section 409A. The intent of the parties is that payments and benefits under this letter agreement be exempt from or comply with Section 409A of the Code, to the extent subject thereto, and, accordingly, to the maximum extent permitted, this letter agreement shall be interpreted and administered to be in compliance therewith and each of the parties shall report the payments and benefits under this letter agreement as exempt from or compliant with Section 409A of the Code. For purposes of this letter agreement, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in this letter agreement that are due within the “short term deferral period” as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. In the event that any payments hereunder or under any other employee benefit plans or programs sponsored or maintained by Mylan or the terms or provisions thereof (the “Total Payments”) give rise to penalty taxes and/or interest imposed under Section 409A of the Code or any similar provision of applicable state law (a “Tax Penalty”), then Chairman shall be entitled to receive an additional payment or payments in an amount such that the net amount of such additional payment or payments received by Chairman, after deduction of any federal, state, local and foreign income and employment taxes and any additional penalty or excise taxes on such additional payment or payments, shall be equal to such Tax Penalty. In the event of any audit or proceeding with respect to application of Section 409A of the Code or any similar provision of applicable state law to the Total Payments, Mylan shall be entitled to, at its own expense, control such audit or proceeding and Chairman shall cooperate with Mylan in connection with such audit or proceeding; provided, however, that Mylan shall not be entitled to settle any such audit or proceeding without the written consent of Chairman (which shall not be unreasonably withheld, conditioned or delayed). To the extent required in order to avoid any Tax Penalty, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this letter agreement during the six-month period immediately following Chairman’s separation from service shall instead be paid on the first business day after the date that is six months following Chairman’s separation from service (or death, if earlier). To the extent required to avoid any Tax Penalty, amounts reimbursable to Chairman under this letter agreement shall be paid to Chairman on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Chairman) during any one year may not effect amounts reimbursable or provided in any subsequent year and such benefits may not be liquidated or exchanged for another benefit; provided, however, that with respect to any reimbursements for any taxes which Chairman would become entitled to under the terms of the letter agreement, the payment of such reimbursements shall be made by Mylan NV no later than the end of the calendar year following the calendar year in which Chairman remits the related taxes.

[*Signature Page Follows*]

above. IN WITNESS WHEREOF, the undersigned have executed this letter agreement on the day and year first written

MYLAN N.V.,

by

/s/ Wendy Cameron

Name: Wendy Cameron

Title: Chair of the Compensation Committee

MYLAN INC., solely for purposes of Sections 1, 2, 8, 11 and 13 through 20

by

/s/ Wendy Cameron

Name: Wendy Cameron

Title: Authorized Signatory

/s/ Robert J. Coury

Robert J. Coury

Payments and Benefits Upon Cessation of Employment

1. Accrued Salary. Chairman shall be paid his base salary through the Transition Date in accordance with Mylan's customary payroll practices.
2. Pro Rata Annual Bonus for 2016. Chairman shall be paid a pro rata annual bonus for 2016, which shall be determined by reference to the bonus Chairman would have earned based on actual performance for 2016 and pro rated to reflect the number of days elapsed in the 2016 fiscal year through the Transition Date. The pro rata bonus shall be paid as soon as practicable following the Board's certification of applicable performance metrics for 2016, but in no event later than March 15, 2017.
3. Severance Amount. Chairman shall be paid the previously earned and vested Severance Amount on the date that is six (6) months following the Transition Date.
4. Retirement Benefit Agreement. Chairman shall be paid the accrued and vested benefit under the RBA on the first business day that is six (6) months following the Transition Date.
5. 401(k) Restoration Plan. Chairman shall be paid the accrued and vested deferred amounts under the 401(k) Restoration Plan, as amended, pursuant to the terms of such plan and Chairman's deferral elections thereunder.
6. Equity-Based Awards. Because Chairman previously satisfied the requirements for "Retirement" under the LTIP, Chairman's outstanding equity-based awards (other than the One-Time Performance-Based Incentive Award) shall be treated as follows:
  - (a) Stock Options. All unvested stock options held on the Transition Date shall vest, and each unexercised stock option shall remain exercisable for the full term of such stock option (i.e. ten (10) years from the grant date).
  - (b) Restricted Stock Units. All unvested restricted stock units held on the Transition Date shall vest and shall be settled on the date that is six (6) months following the Transition Date (in the case of performance-based restricted stock units, with such vesting based on "target" level performance).
7. One-Time Performance-Based Incentive Award. Pursuant to the terms of the One-Time Performance-Based Incentive Award, Chairman shall retain the Early Exercise Shares held on the Transition Date and such Early Exercise Shares shall remain unvested until the applicable vesting requirements are satisfied or as otherwise specified herein.
8. Welfare Benefits. Chairman shall receive or shall be provided with the previously earned and vested Welfare Benefit Continuation Payments through the Welfare Benefit Continuation Period. Following the Welfare Benefit Continuation Period, Chairman shall participate in the Supplemental Health Insurance Plan (or other successor or replacement plan provided to current or former executive officers of Mylan) on the terms and conditions set

forth in such plan, and shall make premium contributions on the same basis as other participants in such plan.

9. Aircraft Usage. For a period of three years after the Transition Date, Chairman shall be entitled to use of corporate aircraft comparable to that made available to Chairman immediately prior to the Transition Date for his personal use for an aggregate of 70 hours per year (defined by wheels-up with Chairman and/or Chairman's family on the aircraft). As soon as practicable following the end of each anniversary of the Transition Date (but no later than December 31st of the applicable calendar year), Mylan US shall pay Chairman the value of any unused aircraft benefits provided pursuant to the previous sentence, with each hour valued at \$8,650 (such value to be increased by 8% per year (compounded) commencing in 2007). Notwithstanding the foregoing, if Mylan US and Chairman agree that it is required by Section 409A of the Code, to avoid the imposition of additional taxes, the provision of any benefits pursuant to this subsection shall not begin until the date that is six (6) months following the Transition Date and Mylan US shall reimburse Chairman for reasonable costs incurred by Chairman to independently obtain such benefits during the six (6) months following the date on which the Transition Date occurs (with the cost of airplane use described above being deemed reasonable for this purpose).

**Mylan N.V.**  
**Chairman Retention RSU Award**  
**Award Agreement**

Mylan N.V. (the “Company”) hereby grants to Robert J. Coury (the “Participant”), effective as of June 24, 2016 (the “Grant Date”), the restricted stock unit award (the “Chairman Retention RSUs”) as set forth in this Award Agreement. The Chairman Retention RSUs are subject to the terms and conditions set forth in this Award Agreement and in the Company’s 2003 Long-Term Incentive Plan, as amended (the “Plan”). In the event of any inconsistency between the terms of this Award Agreement and the terms of the Plan, the terms of the Plan shall govern except to the extent specifically set forth herein. Capitalized terms used but not defined in this Award Agreement shall have the meanings ascribed to them in the Plan. Notwithstanding the foregoing, the Chairman Retention RSUs shall be subject to the terms of the letter agreement, effective as of June 3, 2016 (the “Letter Agreement”), between Participant, the Company and Mylan Inc.

1. Certain Terms of the Chairman Retention RSUs.

<b>Number of RSUs:</b>	1,000,000
<b>Vesting Dates:</b>	75% of the Chairman Retention RSUs shall vest on June 24, 2019 25% of the Chairman Retention RSUs shall vest on June 24, 2021

2. Grant. The Chairman Retention RSUs entitle the Participant, subject to the terms and conditions hereof, to receive from the Company on each Vesting Date the number of ordinary shares of the Company (“Ordinary Shares”) equal to the number of Chairman Retention RSUs that vest on the applicable Vesting Date as shown in the table above. As soon as practicable (but no later than three (3) business days) following a Vesting Date, the Company shall issue or transfer such Ordinary Shares to the Participant, which shares shall not be subject to any further vesting requirements. The Company shall evidence the Ordinary Shares by book entry. No fractional Ordinary Shares shall be issued or delivered. Any Chairman Retention RSUs that are not vested after giving effect to this Section 2 shall be forfeited and shall not be eligible to vest under any other section of this Award Agreement.

3. No Other Vesting or Settlement. Subject to any provision to the contrary in the Letter Agreement, the Chairman Retention RSUs shall not be vested or settled except as provided in Section 2 of this Award Agreement.

4. Service Vesting Condition. Notwithstanding any provisions to the contrary in the Plan, the vesting of the Chairman Retention RSUs shall be subject to the Participant’s continued service as chairman of the Board of Directors of the Company through each applicable Vesting Date (the “Service Vesting Condition”). Notwithstanding the foregoing or anything in this Award Agreement, the Letter Agreement or the Plan to the contrary, in the



event Participant ceases to serve in the role of Chairman of the Board during the Initial Term for any reason (including death or disability), other than as the result of a voluntary resignation from such role without Good Reason or involuntary removal from such role for Cause (in each case as defined in the Letter Agreement), the Chairman Retention RSUs shall immediately vest upon such cessation and shall be settled in Ordinary Shares within three (3) business days of such cessation, as described in Section 7 of the Letter Agreement.

5. Expiration and Forfeiture. Any Chairman Retention RSUs that are not vested pursuant to Section 4 of this Award Agreement shall be forfeited on each applicable Vesting Date. Subject to any provision to the contrary in the Letter Agreement (including Section 7 thereof), and notwithstanding anything to the contrary in the Plan, in the event the Participant's service as chairman of the Board terminates for any reason at a time when any outstanding Chairman Retention RSUs are unvested, such Chairman Retention RSUs shall be immediately forfeited, unless otherwise determined by the Company in its sole discretion.

6. Rights as Shareholder. The Participant shall have no rights as a shareholder with respect to the Ordinary Shares covered by the Chairman Retention RSUs until the Participant shall become the holder of record with respect to any such Ordinary Shares.

7. Nontransferability. The Chairman Retention RSUs may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated ("Transfer"), other than by will or by the laws of descent and distribution, except as provided in the Plan. If any prohibited Transfer, whether voluntary or involuntary, of the Chairman Retention RSUs is attempted to be made, or if any attachment, execution, garnishment, or lien shall be attempted to be issued against or placed upon the Chairman Retention RSUs, the Participant's right to such Chairman Retention RSUs shall be immediately forfeited to the Company, and this Award Agreement shall be null and void.

8. Requirements of Law. The granting of the Chairman Retention RSUs and the issuance of Ordinary Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The Chairman Retention RSUs shall be null and void to the extent the grant of the Chairman Retention RSUs or settlement thereof is prohibited under the laws of the country of the Participant's residence.

9. Administration. This Award Agreement and the Participant's rights hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan, as well as to any provision in the Letter Agreement that specifically references this Award Agreement. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Award Agreement, all of which shall be binding upon the Participant.

10. Continuation of Service. This Award Agreement shall not confer upon the Participant any right to continuation of service as chairman of the Board or as a member of the Board of the Company or any of its Affiliates, nor shall this Award Agreement interfere in any way with any right of the Company to terminate the Participant's service at any time.

11. Plan; Prospectus and Related Documents; Electronic Delivery.

(a) A copy of the Plan will be furnished upon written or oral request made to the Senior Vice President and Global General Counsel, Mylan N.V., 1000 Mylan Boulevard, Canonsburg, PA 15317, or by fax at 724-514-1871.

(b) As required by applicable securities laws, the Company is delivering to the Participant a prospectus in connection with this Award, which delivery is being made electronically. The Participant can access the prospectus on the Merrill Lynch intranet system. A paper copy of the prospectus may also be obtained without charge by contacting the Human Relations Department at the address or telephone number listed above. By accepting this Award Agreement, the Participant shall be deemed to have consented to receive the prospectus electronically.

(c) By accepting this Award Agreement, the Participant agrees and consents, to the fullest extent permitted by law, in lieu of receiving documents in paper format to accept electronic delivery of any documents that the Company may be required to deliver in connection with the Chairman Retention RSUs and any other Awards granted to the Participant under the Plan. Electronic delivery of a document may be via a Company e-mail or by reference to a location on a Company intranet or internet site to which the Participant has access.

12. Amendment, Modification, Suspension, and Termination. The Board of Directors shall have the right at any time in its sole discretion, subject to certain restrictions, to alter, amend, modify, suspend, or terminate the Plan in whole or in part, and the Committee shall have the right at any time in its sole discretion to alter, amend, modify, suspend or terminate the terms and conditions of any Award; provided, however, that no such action shall adversely affect in any material way the Participant's Award without the Participant's written consent.

13. Applicable Law. Notwithstanding anything in the Plan to the contrary, including Section 11.12 of the Plan, the validity, construction, interpretation, and enforceability of this Award Agreement and all matters related to the Chairman Retention RSUs, including determinations made pursuant to the terms of the Plan, shall be determined and governed by the laws of the State of New York without giving effect to the principles of conflicts of law, subject to any provision to the contrary in the Letter Agreement.

14. Entire Agreement. This Award Agreement, the Plan, the Letter Agreement and the rules and procedures adopted by the Committee contain all of the provisions applicable to the Chairman Retention RSUs and no other statements, documents or practices may modify, waive or alter such provisions unless expressly set forth in writing, signed by an authorized officer of the Company and delivered to the Participant.

15. Section 409A of the Code. The delivery of Ordinary Shares pursuant to this Award Agreement is intended to comply with Section 409A of the Code, and this Award Agreement shall be interpreted, operated and administered consistent with this intent. Notwithstanding the preceding, the Company makes no representations concerning the tax consequences of this Award Agreement under Section 409A of the Code or any other federal, state, local, foreign or other taxes. Tax consequences will depend, in part, upon the application

of the relevant tax law to the relevant facts and circumstances. The Participant should consult a competent and independent tax advisor regarding the tax consequences of this Award Agreement.

16. Limitation of Liability. The Participant agrees that any liability of the officers, the Committee and the Board of Directors of the Company to the Participant under this Award Agreement shall be limited to those actions or failure to take action which constitute self dealing, willful misconduct or recklessness.

17. Dutch Payment Obligation. Upon the issuance of Ordinary Shares, the Participant shall be obligated under Dutch law to pay to the Company the nominal value of EUR 0.01 per Share (the "Dutch Payment Obligation"). The Company hereby grants the Participant the right to receive an equivalent payment from the Company and shall set-off the Dutch Payment Obligation against the right to such payment (resulting in a net payment of zero (0)). The Participant's right to a payment from the Company cannot be used for any purpose other than as described above and cannot be assigned, transferred, pledged or sold. The Company shall also be entitled to satisfy the Dutch Payment Obligation in any other manner permitted under Dutch law (including by charging such amount against the Company's reserves).

18. Agreement to Participate. By accepting this Award Agreement, the Participant agrees to participate in the Plan, be subject to the provisions of this Award Agreement and to abide by all of the governing terms and provisions of the Plan and this Award Agreement, subject to any provision in the Letter Agreement. Additionally, by accepting this Award Agreement, the Participant acknowledges that he or she has reviewed the Plan and this Award Agreement, and he or she fully understands all of the rights under the Plan and this Award Agreement, the Company's remedies if the Participant violates the terms of this Award Agreement, and all of the terms and conditions which may limit the Participant's eligibility to retain and receive the Chairman Retention RSUs and/or Ordinary Shares issued pursuant to the Plan and this Award Agreement, subject to any provision in the Letter Agreement.

Please refer any questions regarding the Chairman Retention RSUs to the Senior Vice President and Global General Counsel, Mylan N.V., 1000 Mylan Boulevard, Canonsburg, PA 15317, or by fax at 724-514-1871.

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**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

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Heather Bresch

Chief Executive Officer

*(Principal Executive Officer)*

Date: August 9, 2016

**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

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Kenneth S. Parks

Chief Financial Officer

*(Principal Financial Officer)*

Date: August 9, 2016

**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 June 30, 2016 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

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

/s/ Kenneth S. Parks

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

Date: August 9, 2016

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.