

Dear Colleagues,

As we continue to manage through recent well publicized challenges – I want to reiterate once again that I believe strongly in Valeant’s future. Valeant is a dynamic organization – we will get past these current challenges – and we will be a better company for it.

Being a dynamic company of course means that we must always look for ways to strengthen and improve performance across our organization. We must adapt to headwinds that, as described on our preliminary fourth quarter 2015 earnings call, are impacting anticipated growth rates in certain franchises and geographies. We must move with more urgency to integrate prior acquisitions. And, perhaps most important, we must listen better to our customers.

As part of this effort, I want to tell you about a strategic repositioning of some of our commercial efforts, which will result in changes to some of our sales teams.

First, we are dedicated to the success of ADDYI, which was launched last October. While the former team did a great job getting regulatory approval for ADDYI, and despite our best efforts with respect to commercialization, sales of ADDYI have not met our expectations yet. Tracy Valorie and her team, along with the executive leadership team, are keenly focused on access and are moving forward with improvements and enhancements to our sales and marketing plans. As such, we believe that a re-launch of ADDYI later this year is warranted. On April 15, our contract with the non-Valeant third-party contract sales organization that Sprout had been using will end. In their place, we will instead build out and train our own dedicated sales team to educate prescribers about the unique benefits of this important product. In the interim period prior to the re-launch, ADDYI will remain available, including through our new fulfillment program with Walgreens. During this transition and beyond, we remain strongly committed to educating health professionals and women about HSDD and ADDYI and to ensuring that ADDYI remains affordable and accessible to premenopausal women who want a medical treatment option for HSDD. We will update you as plans proceed.

In Dermatology, we are proud of our leading position and the deep, trust-based relationships we have established with the doctors who prescribe and recommend our products. We have grown in the space and added more products, however, we have received increasing feedback from doctors that we have too many people calling on them to discuss closely related products. Accordingly, we are taking steps to streamline the dermatology sales team to create a more effective and efficient commercial organization.

As you may know, earlier this year we expanded the sales force to promote Xifaxan® for HE indication. Given our increased focus on the Xifaxan® HE, we are now moving ahead with the planned integration of the institutional team with our GI sales force. This will enable even closer collaboration with community and hospital sales reps for the promotion of Xifaxan®, as well as Relistor®.

Specific details will be communicated today to the small number of people in our sales force impacted by this realignment. We expect there will be new opportunities for some of those affected to take on different roles within the company, as we continue to move forward with our growth plans.

As always, I am grateful to the 22,000 of you who contribute to Valeant every day in so many ways. I ask that you continue doing all you can to support our customers, patients, physicians and each other. We have great opportunities ahead.

Regards,
Mike