BAUSCH Health

Valeant Agrees To Sell Obagi Medical Products Business

July 17, 2017

LAVAL, Quebec, July 17, 2017 /PRNewswire/ -- Valeant Pharmaceuticals International, Inc. (NYSE: VRX and TSX: VRX) ("Valeant" or the "Company") today announced that certain affiliates of the Company have entered into an agreement to sell its Obagi Medical Products business for $190 million in cash to Haitong International Zhonghua Finance Acquisition Fund I, L.P. (the "Fund"). Limited partners of the Fund include industry veterans in other geographic markets, such as China Regenerative Medicine International Limited (SEHK: 8158).

"The sale of Obagi marks additional progress in our efforts to streamline our operations and reduce debt," Joseph C. Papa, chairman and CEO, Valeant. "As we continue to transform Valeant, we will remain focused on the core businesses that will drive high value for our shareholders."

Obagi Medical Products is a global specialty pharmaceutical company founded by leading skin care experts in 1988. Obagi products are designed to help minimize the appearance of premature skin aging, skin damage, hyperpigmentation, acne and sun damage and are primarily available through dermatologists, plastic surgeons, medical spas and other skin care professionals. More information can be found at
www.obagi.com
.

Valeant will use proceeds from the sale to permanently repay term loan debt under its Senior Secured Credit Facility. The transaction is expected to close in the second half of 2017, subject to customary closing conditions, including receipt of applicable regulatory approvals.

The Company currently estimates that the full-year 2017 revenue and Adjusted EBITDA (non-GAAP) for the Obagi business would have been approximately $85 million and $30 million, respectively.

In this transaction, Morgan Stanley & Co. LLC served as financial advisor to Valeant, and Norton Rose Fulbright acted as legal advisor to Valeant.

China Regenerative Medicine International Limited (SEHK: 8158) is engaged in the research, development and commercialization of innovative bio-medical, healthcare products and medical techniques. CRMI operates seven production plants in mainland China and Hong Kong, and the business is organized across four strategic areas, encompassing tissue engineering, cell therapy, cosmetics and hospital management. More information about China Regenerative Medicine International can be found at
www.crmi.hk
.

About Valeant
Valeant Pharmaceuticals International, Inc. (NYSE/TSX:VRX) is a multinational specialty pharmaceutical company that develops, manufactures and markets a broad range of pharmaceutical products primarily in the areas of dermatology, gastrointestinal disorders, eye health, neurology and branded generics. More information about Valeant can be found at

www.valeant.com

.

Forward-looking Statements

This press release may contain forward-looking statements which may generally be identified by the use of the words "anticipates," "expects," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," "target," or "continue" and variations or similar expressions. These statements are based upon the current expectations and beliefs of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties discussed in the Company's most recent annual or quarterly report and detailed from time to time in Valeant's other filings with the Securities and Exchange Commission and the Canadian Securities Administrators, which factors are incorporated herein by reference. Readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak only as of the date hereof. Valeant undertakes no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect actual outcomes, unless required by law. In addition, the revenue and Adjusted EBITDA (non-GAAP) amounts set out above are based on the current expectations and beliefs of management, which management believes are reasonable in the circumstances, and are subject to certain risk and uncertainties, including those described above. These amounts have been included to provide information relating to the anticipated impact of the sale of the Obagi business on those measures for the Company as a whole, and they may not be appropriate for any other purpose.

Non-GAAP Information

To supplement the financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), the Company has presented Adjusted EBITDA (non-GAAP) in this press release. Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization, as further adjusted to exclude certain non-recurring and/or unusual items. We cannot predict the amount of such non-recurring or unusual items at this time. The Company does not provide reconciliations of projected Adjusted EBITDA (non-GAAP) to projected GAAP net income (loss) (its most directly comparable GAAP financial measure), due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. The Company uses Adjusted EBITDA both to assess the current financial performance of the Company and to forecast future results as part of its guidance. The Company believes that Adjusted EBITDA (non-GAAP) focuses management on the Company's underlying operational results and business performance. In addition, cash bonuses for the Company's executive officers and other key employees are based, in part, on the achievement of certain Adjusted EBITDA (non-GAAP) targets.

The Company believes non-GAAP measures, such as Adjusted EBITDA (non-GAAP), are useful to investors in their assessment of our operating performance and the valuation of our Company. However, these measures do not have any standardized meaning under GAAP and other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar non-GAAP measures. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation. They should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

Investor Contacts:	
Arthur Shannon	Elif McDonald
arthur.shannon@valeant.com	elif.mcdonald@valeant.com
514-856-3855	514-856-3855
877-281-6642 (toll free)	877-281-6642 (toll free)

Media Contact:
Lainie Keller
lainie.keller@valeant.com
908-927-0617

View original content with multimedia: http://www.prnewswire.com/news-releases/valeant-agrees-to-sell-obagi-medical-products-business-300488706.html

SOURCE Valeant Pharmaceuticals International, Inc.

Investor Inquiries
ir@bauschhealth.com
877-281-6642
514-856-3855 (Canada)

Media inquiries
Corporate.communications@bauschhealth.com
908-569-3692