Bausch Health Announces Resolution Of XIFAXAN® Intellectual Property Litigation

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Salix Will Maintain Market Exclusivity for XIFAXAN® (rifaximin) 550 mg Tablets Until 2028[1]

BRIDGEWATER, N.J., Sept. 12, 2018 /PRNewswire/ -- Bausch Health Companies Inc. (NYSE/TSX: BHC) ("Bausch Health" or the "Company") along with its wholly owned subsidiary, Salix Pharmaceuticals ("Salix"), which is one of the largest specialty pharmaceutical companies in the world committed to the prevention and treatment of gastrointestinal diseases, together with Salix's licensors Cedars-Sinai Medical Center and Alfasigma SpA (collectively the "Salix Parties"), have agreed to resolve the outstanding intellectual property litigation with Actavis Laboratories FL, Inc. ("Actavis"), regarding XIFAXAN® (rifaximin) 550 mg tablets. Under the terms of the agreement, the Salix Parties will grant Actavis a non-exclusive license effective Jan. 1, 2028[1] to the Salix Parties' intellectual property relating to XIFAXAN 550 mg tablets in the United States.

Bausch Health will not make any financial payments or other transfers of value as part of the agreement. Actavis acknowledges the validity of the licensed patents. Final patent expiry on XIFAXAN 550 mg tablets is late 2029.

"This agreement reflects the strong intellectual property rights protecting XIFAXAN, which is important for our company, and more importantly, the patients we serve," said Joseph C. Papa, chairman and CEO, Bausch Health. "We have always believed in the durability of the XIFAXAN franchise, and this agreement supports our continued investment in the research and development of new indications for XIFAXAN to benefit patients."

Under the terms of the agreement, beginning Jan. 1, 2028[1], Actavis will have the option to: (1) market a royalty-free generic version of XIFAXAN 550 mg tablets, should it receive approval from the U.S. Food and Drug Administration on its Abbreviated New Drug Application, or (2) to market an authorized generic version of XIFAXAN 550 mg tablets with drug supply being provided by Salix. In the case an authorized generic is marketed, the volume of the authorized generic will be subject to manufacturing and supply quantities until final patent expiry, and Bausch Health will receive an undisclosed share of the economics from Actavis on its sales of an authorized generic.

The parties have agreed to dismiss all litigation related to XIFAXAN, and all intellectual property protecting XIFAXAN will remain intact and enforceable. The Company remains confident in the strength of the XIFAXAN patents, and will continue to vigorously defend its intellectual property.

"Alfasigma strongly protects its intellectual property rights regarding XIFAXAN, and we are pleased to have successfully resolved this matter in favor of patients, our company and partners," said Pier Vincenzo Colli, CEO, Alfasigma.

About Alfasigma
Alfasigma, is an Italy-based integrated multinational pharmaceutical company with 2017 revenues in excess of €1 billion and 2,800 employees globally. Outside of its core Italian market, Alfasigma has 16 subsidiaries in Europe, Asia, North and Central America and Africa, and has

authorised distributors in more than 70 countries. More than 44% of Alfasigma turnover comes from internally developed proprietary products, one of which is XIFAXAN.

About Bausch Health
Bausch Health Companies Inc. (NYSE/TSX: BHC) is a global company whose mission is to improve people's lives with our health care products. We develop, manufacture and market a range of pharmaceutical, medical device and over-the-counter products, primarily in the therapeutic areas of eye health, gastroenterology and dermatology. We are delivering on our commitments as we build an innovative company dedicated to advancing global health. More information can be found at
www.bauschhealth.com
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Forward-looking Statements
This news 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 the Company's other filings with the Securities and Exchange Commission and the Canadian Securities Administrators, which factors are incorporated herein by reference. In addition, certain material factors and assumptions have been applied in making these forward-looking statements, including that the risks and uncertainties outlined above will not cause actual results or events to differ materially from those described in these forward-looking statements. The Company believes that the material factors and assumptions reflected in these forward-looking statements are reasonable, but 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. Bausch Health undertakes no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this news release or to reflect actual outcomes, unless required by law.

The XIFAXAN 550 mg product and the XIFAXAN trademark are licensed by Alfasigma SpA. to Salix Pharmaceuticals or its affiliates.

[1]Actavis will be able to begin marketing the medicine earlier if another generic rifaximin product is granted approval and starts selling or distributing such generic rifaximin product before Jan. 1, 2028.

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