MYLAN INC.
Form 10-Q
July 26, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-Q

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

For the quarterly period ended June 30, 2012
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 1-9114
MYLAN INC.
(Exact name of registrant as specified in its charter)

Pennsylvania	25-1211621
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1500 Corporate Drive, Canonsburg, Pennsylvania 15317
(Address of principal executive offices)
(724) 514-1800
(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 þ 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 þ 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	þ	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 þ

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

Class of	Outstanding at
Common Stock $0.50 par value	July 20, 2012 405,887,535

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For the Quarterly Period Ended
June 30, 2012

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PART I — FINANCIAL INFORMATION

MYLAN INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited; in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenues:				
Net revenues	$1,677,985	$1,570,364	$3,251,060	$3,006,873
Other revenues	13,552	3,513	32,885	15,961
Total revenues	1,691,537	1,573,877	3,283,945	3,022,834
Cost of sales	992,358	904,448	1,918,493	1,762,460
Gross profit	699,179	669,429	1,365,452	1,260,374
Operating expenses:				
Research and development	94,361	72,494	175,320	147,804
Selling, general and administrative	359,216	314,220	695,985	594,215
Litigation settlements, net	(12,206)	2,244	(10,033)	26,210
Total operating expenses	441,371	388,958	861,272	768,229
Earnings from operations	257,808	280,471	504,180	492,145
Interest expense	75,666	84,654	158,075	169,064
Other income, net	7,837	7,218	2,145	10,470
Earnings before income taxes and noncontrolling interest	189,979	203,035	348,250	333,551
Income tax provision	50,843	56,049	79,687	82,020
Net earnings	139,136	146,986	268,563	251,531
Net earnings attributable to the noncontrolling interest	(586)	(540)	(934)	(910)
Net earnings attributable to Mylan Inc. common shareholders	$138,550	$146,446	$267,629	$250,621
Earnings per common share attributable to Mylan Inc. common shareholders:				
Basic	$0.33	$0.34	$0.63	$0.58
Diluted	$0.33	$0.33	$0.62	$0.56
Weighted average common shares outstanding:				
Basic	420,281	433,236	423,766	435,192
Diluted	424,394	445,391	428,380	446,932

See Notes to Condensed Consolidated Financial Statements

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MYLAN INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive (Loss) Earnings
(Unaudited; in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net earnings	$139,136	$146,986	$268,563	$251,531
Other comprehensive (loss) earnings, before tax:				
Foreign currency translation adjustment	(218,222)	116,123	(116,784)	279,929
Change in unrecognized (loss) gain and prior service cost related to post-retirement plans	(9)	513	(19)	522
Net unrecognized (loss) gain on derivatives	(34,806)	(1,181)	(12,160)	3,469
Net unrealized gain (loss) on marketable securities	88	237	(80)	(131)
Other comprehensive (loss) earnings, before tax	(252,949)	115,692	(129,043)	283,789
Income tax related to items of other comprehensive (loss) earnings	(11,198)	(154)	(4,008)	1,406
Other comprehensive (loss) earnings, net of tax	(241,751)	115,846	(125,035)	282,383
Comprehensive (loss) earnings	(102,615)	262,832	143,528	533,914
Comprehensive earnings attributable to the noncontrolling interest	(586)	(540)	(934)	(910)
Comprehensive (loss) earnings attributable to Mylan Inc. common shareholders	$(103,201)	$262,292	$142,594	$533,004

See Notes to Condensed Consolidated Financial Statements

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MYLAN INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited; in thousands, except share and per share amounts)

	June 30, 2012	December 31, 2011
ASSETS		
Assets		
Current assets:		
Cash and cash equivalents	$314,330	$375,056
Restricted cash	1,413	9,274
Marketable securities	32,240	30,686
Accounts receivable, net	1,526,315	1,426,438
Inventories	1,473,360	1,396,742
Deferred income tax benefit	195,743	202,899
Prepaid expenses and other current assets	208,526	127,749
Total current assets	3,751,927	3,568,844
Property, plant and equipment, net	1,298,587	1,298,034
Intangible assets, net	2,491,377	2,630,747
Goodwill	3,467,924	3,517,935
Deferred income tax benefit	84,065	39,376
Other assets	508,091	543,207
Total assets	$11,601,971	$11,598,143
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities:		
Trade accounts payable	$678,451	$703,235
Short-term borrowings	406,130	128,054
Income taxes payable	57,740	42,880
Current portion of long-term debt and other long-term obligations	98,379	691,614
Deferred income tax liability	1,132	1,215
Other current liabilities	922,180	996,158
Total current liabilities	2,164,012	2,563,156
Long-term debt	5,165,931	4,479,080
Contingent consideration	393,339	376,110
Other long-term obligations	385,767	366,100
Deferred income tax liability	293,801	308,915
Total liabilities	8,402,850	8,093,361
Equity		
Mylan Inc. shareholders' equity		
Common stock — par value $0.50 per share		
Shares authorized: 1,500,000,000		
Shares issued: 532,294,070 and 530,315,453 as of June 30, 2012 and December 31, 2011	266,147	265,158
Additional paid-in capital	3,834,631	3,795,373
Retained earnings	1,688,149	1,420,520
Accumulated other comprehensive loss	(212,874)	(87,839)
	5,576,053	5,393,212
Noncontrolling interest	13,932	13,007

Less: treasury stock — at cost		
Shares: 126,455,343 and 103,637,016 as of June 30, 2012 and December 31, 2011	2,390,864	1,901,437
Total equity	3,199,121	3,504,782
Total liabilities and equity	$11,601,971	$11,598,143

See Notes to Condensed Consolidated Financial Statements

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MYLAN INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited; in thousands)

	Six Months Ended June 30,	
	2012	2011
Cash flows from operating activities:		
Net earnings	$268,563	$251,531
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	250,956	244,877
Stock-based compensation expense	22,435	21,198
Change in estimated sales allowances	180,391	38,861
Deferred income tax benefit	(57,076)	(54,005)
Other non-cash items	118,935	33,593
Litigation settlements, net	(10,033)	26,210
Changes in operating assets and liabilities:		
Accounts receivable	(288,011)	(300,200)
Inventories	(109,639)	(139,998)
Trade accounts payable	(8,975)	55,559
Income taxes	(32,837)	81,301
Deferred revenue	(14,645)	—
Other operating assets and liabilities, net	(127,426)	(115,581)
Net cash provided by operating activities	192,638	143,346
Cash flows from investing activities:		
Capital expenditures	(98,918)	(111,413)
Purchase of marketable securities	(7,957)	(2,890)
Proceeds from sale of marketable securities	6,568	571
Other items, net	(62,622)	2,132
Net cash used in investing activities	(162,929)	(111,600)
Cash flows from financing activities:		
Purchase of common stock	(499,953)	(349,998)
Change in short-term borrowings, net	283,108	4,924
Proceeds from issuance of long-term debt	835,000	—
Payment of long-term debt	(732,549)	(2,466)
Proceeds from exercise of stock options	27,676	61,166
Other items, net	4,335	4,020
Net cash used in financing activities	(82,383)	(282,354)
Effect on cash of changes in exchange rates	(8,052)	23,495
Net decrease in cash and cash equivalents	(60,726)	(227,113)
Cash and cash equivalents — beginning of period	375,056	662,052
Cash and cash equivalents — end of period	$314,330	$434,939

See Notes to Condensed Consolidated Financial Statements

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MYLAN INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. General

The accompanying unaudited Condensed Consolidated Financial Statements ("interim financial statements") of Mylan Inc. and subsidiaries ("Mylan" or the "Company") were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the Securities and Exchange Commission ("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, financial position and cash flows for the periods presented.

These interim financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. The December 31, 2011 Condensed Consolidated Balance Sheet was derived from audited financial statements.

The interim results of operations for the three and six months ended and the interim cash flows for the six months ended June 30, 2012 are not necessarily indicative of the results to be expected for the full fiscal year or any other future period. The Company computed its provision for income taxes using an estimated effective tax rate for the full year with consideration of certain discrete tax items which occurred within the interim period. The estimated annual effective tax rate for 2012 includes an estimate of the full-year effect of foreign tax credits that the Company anticipates it will claim against its 2012 U.S. tax liabilities.

2. Revenue Recognition and Accounts Receivable

Mylan recognizes net revenue for product 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, 2012. Such allowances were $928.8 million and $763.0 million at June 30, 2012 and December 31, 2011. Other current liabilities include $160.0 million and $147.9 million at June 30, 2012 and December 31, 2011, for certain sales allowances and other adjustments that are paid to indirect customers.

In February 2012, Mylan Pharmaceuticals Inc. ("MPI") entered into a receivable securitization facility (the "Receivables Facility") of up to $300.0 million (which was subsequently expanded to $400.0 million in July 2012). Pursuant to the terms of the Receivables Facility, MPI transfers certain of its domestic receivables, on an ongoing basis, to Mylan Securitization LLC ("Mylan Securitization"), a wholly-owned bankruptcy remote subsidiary. In turn, from time to time, Mylan Securitization sells its interests in such receivables, related assets and collections to certain conduit purchasers, committed purchasers and letter of credit issuers in exchange for cash or letters of credit. Mylan Securitization maintains a subordinated interest, in the form of over collateralization, in a portion of the receivables sold. At June 30, 2012, there were $300.0 million of short-term borrowings outstanding under the Receivables Facility, which are recorded as a secured loan and included in short-term borrowings in the Condensed Consolidated Balance Sheets. The receivables underlying any borrowings are included in accounts receivable, net, in the Condensed Consolidated Balance Sheets. There were $688.7 million of securitized accounts receivable at June 30, 2012.

The Company utilizes proceeds from the sale of its accounts receivable as an alternative to other forms of debt, effectively reducing its overall borrowing costs. MPI has agreed to continue servicing the sold receivables for the financial institution at market rates.

3. Acquisitions

The Respiratory Delivery Platform

On December 23, 2011, Mylan completed its acquisition of the exclusive worldwide rights to develop, manufacture and commercialize a generic equivalent to GlaxoSmithKline's Advair® Diskus and Seretide® Diskus incorporating Pfizer Inc.'s ("Pfizer") proprietary dry powder inhaler delivery platform (the "Respiratory Delivery Platform"). As part of the agreement, Mylan will fund the remaining development and capital requirements to bring the products to market. In accordance with GAAP guidance regarding business combinations, the Company accounted for this transaction as a purchase of a business and utilized the purchase method of accounting. Under the purchase method of accounting, the assets acquired and liabilities assumed in the transaction were recorded at the date of acquisition at the estimate of their respective fair values.

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The total purchase consideration was $348 million. This amount consisted of an initial cash payment of $22 million, approximately $4 million in assumed liabilities, and $322 million of contingent consideration. Pfizer is eligible to receive milestone payments, which are contingent upon future product development achievements including regulatory approvals, market launches, sales targets and profitability. The $322 million of contingent consideration at the acquisition date represents the net present value of expected milestone and profit sharing payments. The purchase price allocation, including the valuation of the contingent payment elements of the purchase price, resulted in in-process research and development ("IPR&D") of $338 million, fixed assets of $8 million and goodwill of $2 million. The impact on our results of operations since the acquisition date was not material.

The amount allocated to acquired IPR&D represents an estimate of the fair value of purchased in-process technology 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 was based on the excess earnings method, which utilizes forecasts of expected net 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.

The project is in the early stages of development, and the expected costs to complete are estimated to be significant. The project is not expected to begin generating a material benefit to the Company until after 2016. There can be no certainty that these assets ultimately will yield a successful product. Failure to successfully complete this project would have a material impact on the IPR&D assets related to it. Additionally, no assurances can be given that the underlying assumptions used to prepare the discounted cash flow analysis will not change in future periods.

4. Stock-Based Incentive Plan

Mylan's shareholders have approved the 2003 Long-Term Incentive Plan (as amended, the "2003 Plan"). Under the 2003 Plan, 55,300,000 shares of common stock are reserved for issuance to key employees, consultants, independent contractors and non-employee directors of Mylan through a variety of incentive awards, including: stock options, stock appreciation rights, restricted shares and units, performance awards, other stock-based awards and short-term cash awards. Stock option awards are granted at the fair value of the shares underlying the options at the date of the grant, generally become exercisable over periods ranging from three years to four years, and generally expire in ten years. In the 2003 Plan, no more than 8,000,000 shares may be issued as restricted shares, restricted units, performance shares and other stock-based awards.

Upon approval of the 2003 Plan, no further grants of stock options have been made under any other plan. However, there are stock options outstanding from frozen or expired plans and other plans assumed through acquisitions.

The following table summarizes stock option activity:

	Number of Shares Under Option	Weighted Average Exercise Price per Share
Outstanding at December 31, 2011	23,599,256	$17.42
Options granted	2,457,343	22.94
Options exercised	(1,978,618)	13.99
Options forfeited	(369,908)	19.68
Outstanding at June 30, 2012	23,708,073	$18.24
Vested and expected to vest at June 30, 2012	22,629,289	$18.12
Options exercisable at June 30, 2012	16,027,140	$16.83

As of June 30, 2012, options outstanding, options vested and expected to vest, and options exercisable had average remaining contractual terms of 6.05 years, 5.93 years and 4.77 years, respectively. Also at June 30, 2012, options outstanding, options vested and expected to vest and options exercisable had aggregate intrinsic values of $85.0 million, $83.3 million and $75.5 million, respectively.

A summary of the status of the Company's nonvested restricted stock and restricted stock unit awards, including performance based restricted stock, as of June 30, 2012 and the changes during the six months ended June 30, 2012 is presented below:

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	Number of Restricted Stock Awards	Weighted Average Grant-Date Fair Value per Share
Nonvested at December 31, 2011	2,520,487	$20.16
Granted	926,512	23.28
Released	(788,398)	16.18
Forfeited	(59,020)	22.33
Nonvested at June 30, 2012	2,599,581	$22.44

As of June 30, 2012, the Company had $63.7 million of total unrecognized compensation expense, net of estimated forfeitures, related to all of its stock-based awards, which will be recognized over the remaining weighted average period of 1.75 years. The total intrinsic value of stock-based awards exercised and restricted stock units converted during the six months ended June 30, 2012 and June 30, 2011 was $34.9 million and $56.2 million.

5. Balance Sheet Components

Selected balance sheet components consist of the following:

(In thousands)	June 30, 2012	December 31, 2011
Inventories:		
Raw materials	$414,577	$ 370,423
Work in process	235,477	253,492
Finished goods	823,306	772,827
	$1,473,360	$ 1,396,742
Property, plant and equipment:		
Land and improvements	$71,401	$ 72,945
Buildings and improvements	675,971	676,028
Machinery and equipment	1,337,312	1,358,163
Construction in progress	267,257	263,948
	2,351,941	2,371,084
Less accumulated depreciation	1,053,354	1,073,050
	$1,298,587	$ 1,298,034
Other current liabilities:		
Legal and professional accruals, including litigation reserves	$141,482	$ 232,670
Payroll and employee benefit plan accruals	193,774	221,458
Accrued sales allowances	160,042	147,938
Accrued interest	73,711	74,754
Fair value of financial instruments	72,202	69,493
Other	280,969	249,845
	$922,180	$ 996,158

6. Earnings per Common Share attributable to Mylan Inc.

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

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On September 15, 2008, concurrent with the sale of $575.0 million aggregate principal amount of Cash Convertible Notes due 2015 (the "Cash Convertible Notes"), Mylan entered into a convertible note hedge and warrant transaction with certain counterparties. Pursuant to the warrant transactions, the Company sold to the counterparties warrants to purchase in the aggregate up to approximately 43.2 million shares of Mylan common stock, subject to anti-dilution adjustments substantially similar to the anti-dilution adjustments for the Cash Convertible Notes, which under most circumstances represents the maximum number of shares that underlie the conversion reference rate for the Cash Convertible Notes. The sold warrants had an exercise price of $20.00 and will be net share settled, meaning that Mylan will issue a number of shares per warrant corresponding to the difference between its share price at each warrant expiration date and the exercise price. The warrants meet the definition of derivatives under the guidance in FASB Accounting Standards Codification ("ASC") 815 Derivatives and Hedging ("ASC 815"); however, because these instruments have been determined to be indexed to the Company's own stock and meet the criteria for equity classification under ASC 815-40 Contracts in Entity's Own Equity, the warrants have been recorded in shareholders' equity in the Condensed Consolidated Balance Sheets.

In September 2011, the Company entered into amendments with the counterparties to exchange the original warrants with an exercise price of $20.00 (the "Old Warrants") with new warrants with an exercise price of $30.00 (the "New Warrants"). Approximately 41.0 million of the Old Warrants were exchanged in the transaction. All other terms and settlement provisions of the Old Warrants remain unchanged in the New Warrants. The New Warrants meet the definition of derivatives under the guidance in ASC 815; however, because these instruments have been determined to be indexed to the Company's own stock and meet the criteria for equity classification under ASC 815-40, the New Warrants have also been recorded in shareholders' equity in the Condensed Consolidated Balance Sheets.

The average market value of the Company's shares did not exceed the exercise price of the New Warrants during the three and six months ended June 30, 2012. For the three and six months ended June 30, 2012, the average market value of the Company's shares exceeded the exercise price of the Old Warrants, and as a result, the Company has included 0.2 million and 0.2 million shares, respectively, in the calculation of diluted earnings per share. For the three and six months ended June 30, 2011, the average market value of the Company's shares exceeded the exercise price of the Old Warrants, and as a result, the Company has included 6.5 million and 5.9 million shares, respectively, in the calculation of diluted earnings per share.

On May 10, 2012, the Company announced that its Board of Directors had approved the repurchase of up to $500.0 million of the Company's common stock in the open market. As of June 30, 2012, the repurchase program was completed with approximately 23.4 million shares of common stock being repurchased for approximately $500.0 million.

Basic and diluted earnings per common share attributable to Mylan Inc. are calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except per share amounts)	2012	2011	2012	2011
Basic earnings attributable to Mylan Inc. common shareholders (numerator):				
Net earnings attributable to Mylan Inc. common shareholders	$138,550	$146,446	$267,629	$250,621
Shares (denominator):				
Weighted average common shares outstanding	420,281	433,236	423,766	435,192
Basic earnings per common share attributable to Mylan Inc. common shareholders	$0.33	$0.34	$0.63	$0.58
Diluted earnings attributable to Mylan Inc. common shareholders (numerator):				
Net earnings attributable to Mylan Inc. common shareholders	$138,550	$146,446	$267,629	$250,621
Shares (denominator):				

Weighted average common shares outstanding	420,281	433,236	423,766	435,192
Stock-based awards and warrants	4,113	12,155	4,614	11,740
Total dilutive shares outstanding	424,394	445,391	428,380	446,932
Diluted earnings per common share attributable to Mylan Inc. common shareholders	$0.33	$0.33	$0.62	$0.56

Additional stock options or restricted stock awards were outstanding during the periods ended June 30, 2012 and June 30, 2011 but were not included in the computation of diluted earnings per share for each respective period, because the effect

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would be anti-dilutive. Such anti-dilutive stock options or restricted stock awards represented 8.2 million and 7.4 million shares for the three and six months ended June 30, 2012, respectively, and 4.9 million and 4.0 million shares for the three and six months ended June 30, 2011, respectively.

7. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the six months ended June 30, 2012 are as follows:

(In thousands)	Generics Segment	Specialty Segment	Total
Balance at December 31, 2011:			
Goodwill	$3,196,428	$706,507	$3,902,935
Accumulated impairment losses	—	(385,000)	(385,000)
	3,196,428	321,507	3,517,935
Foreign currency translation	(50,011)	—	(50,011)
	3,146,417	321,507	3,467,924
Balance at June 30, 2012:			
Goodwill	3,146,417	706,507	3,852,924
Accumulated impairment losses	—	(385,000)	(385,000)
	$3,146,417	$321,507	$3,467,924

Intangible assets consist of the following components:

(In thousands)	Weighted Average Life (Years)	Original Cost	Accumulated Amortization	Net Book Value
June 30, 2012				
Amortized intangible assets:				
Patents and technologies	20	$116,631	$85,551	$31,080
Product rights and licenses	10	3,424,613	1,548,888	1,875,725
Other [1]	8	180,801	50,858	129,943
		3,722,045	1,685,297	2,036,748
IPR&D		454,629	—	454,629
		$4,176,674	$1,685,297	$2,491,377
December 31, 2011				
Amortized intangible assets:				
Patents and technologies	20	$116,631	$82,815	$33,816
Product rights and licenses	10	3,364,263	1,418,492	1,945,771
Other [1]	8	200,663	45,604	155,059
		3,681,557	1,546,911	2,134,646
IPR&D		496,101	—	496,101
		$4,177,658	$1,546,911	$2,630,747

[1] Other intangible assets consist principally of customer lists and contracts.

Amortization expense, which is classified primarily within cost of sales on Mylan's Condensed Consolidated Statements of Operations, for the six months ended June 30, 2012 and June 30, 2011 was $175.0 million and $170.7 million, respectively, and is expected to be approximately $171 million for the remainder of 2012 and $338 million, $331 million, $308 million and $241 million for the years ended December 31, 2013 through 2016, respectively.

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Indefinite-lived intangibles, such as the Company's IPR&D assets, are tested at least annually for impairment, but may be tested whenever certain impairment indicators are present. Impairment is determined to exist when the fair value is less than the carrying value of the assets being tested.

During the six months ended June 30, 2012, approximately $33.0 million was reclassified from acquired IPR&D to product rights and licenses. Also during the six months ended June 30, 2012, the Company paid approximately $70.0 million to acquire products rights and licenses, the majority of which relates to two dermatological products acquired from Valeant Pharmaceuticals.

8. Financial Instruments and Risk Management

Financial Risks

Mylan 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, interest rate risk and equity risk.

In order to manage foreign currency risk, Mylan enters into foreign exchange forward contracts to mitigate risk associated with changes in spot exchange rates of mainly non-functional currency denominated assets or liabilities. The foreign exchange forward contracts are measured at fair value and reported as current assets or current liabilities on the Condensed Consolidated Balance Sheets. Any gains or losses on the foreign exchange forward contracts are recognized in earnings in the period incurred in the Condensed Consolidated Statements of Operations.

The Company has also entered into forward contracts to hedge forecasted foreign currency denominated sales from certain international subsidiaries. These contracts are designated as cash flow hedges to manage foreign currency transaction risk and are measured at fair value and reported as current assets or current liabilities on the Condensed Consolidated Balance Sheets. Any changes in fair value are included in earnings or deferred through accumulated other comprehensive earnings ("AOCE"), depending on the nature and effectiveness of the offset.

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

In December 2011, the Company executed $500.0 million of notional interest rate swaps in order to fix the interest rate on a portion of its variable rate U.S. Term Loans under its senior credit agreement (the "Senior Credit Agreement"). In January 2012, the Company executed a further $350.0 million of notional interest rate swaps in order to fix the interest rate on an additional portion of its variable rate U.S. Term Loans under the Senior Credit Agreement. In June 2012, the Company executed an additional $750.0 million of forward starting swaps to extend the existing swaps to maturities ranging from March 2016 to November 2016. All of these interest rate swaps are designated as cash flow hedges of the variability of interest expense related to the Company's variable rate debt. Any changes in fair value are included in earnings or deferred through AOCE, depending on the nature and effectiveness of the offset. The total notional amount of the Company's effective interest rate swaps on floating-rate debt was $850.0 million and $500.0 million as of June 30, 2012 and December 31, 2011, respectively.

In January 2011, the Company entered into interest rate swaps which convert $500.0 million of the Company's fixed-rate 6.0% Senior Notes due 2018 (the "2018 Senior Notes") to a variable rate. These interest rate swaps are designated as fair value hedges, are measured at fair value and reported as current assets or current liabilities on the Condensed Consolidated Balance Sheets. The change 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. As of June 30, 2012, the total notional amount of the Company's interest rate swaps on fixed-rate debt was $500.0 million.

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 aggregate fair value of all such contracts, which are in a net asset position at June 30, 2012, is $32.5 million. The Company is not subject to any obligations to post collateral under derivative instrument contracts.

The Company maintains significant credit exposure arising from the convertible note hedge on its Cash Convertible Notes. Holders may convert their Cash Convertible Notes subject to certain conversion provisions determined by a) the market price of the Company's common stock, b) specified distributions to common shareholders, c) a fundamental change, as defined in the purchase agreement, or d) certain time periods specified in the purchase agreement. The conversion feature can only be settled in cash and, therefore, it is bifurcated from the Cash Convertible Notes and treated as a separate derivative instrument. In order to offset the cash flow risk associated with the cash conversion feature, the Company entered into a convertible note hedge with certain counterparties. Both the cash conversion feature and the purchased convertible note hedge are measured at

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fair value with gains and losses recorded in the Company's Condensed Consolidated Statements of Operations. Also, in conjunction with the issuance of the Cash Convertible Notes, the Company entered into several warrant transactions with certain counterparties. The warrants meet the definition of derivatives; however, because these instruments have been determined to be indexed to the Company's own stock, and have been recorded in shareholders' equity in the Company's Condensed Consolidated Balance Sheets, the instruments are exempt from the scope of the FASB's guidance regarding accounting for derivative instruments and hedging activities and are not subject to the fair value provisions set forth therein.

At June 30, 2012, the convertible note hedge had a total fair value of $426.1 million, which reflects the maximum loss that would be incurred should the parties fail to perform according to the terms of the contract. The counterparties are highly rated diversified financial institutions. The counterparties are required to post collateral against this obligation should they be downgraded below thresholds specified in the contract. Eligible collateral is comprised of a wide range of financial securities with a valuation discount percentage reflecting the associated risk.

The Company regularly reviews the creditworthiness of its financial counterparties and does not expect to incur a significant loss from failure of any counterparties to perform under any agreements.

Fair Values of Derivative Instruments
Derivatives Designated as Hedging Instruments

	Asset Derivatives			
	June 30, 2012		December 31, 2011	
(In thousands)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Prepaid expenses and other current assets	$36,848	Prepaid expenses and other current assets	$29,773
Total		$36,848		$29,773

	Liability Derivatives			
	June 30, 2012		December 31, 2011	
(In thousands)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Other current liabilities	$4,386	Other current liabilities	$658
Foreign currency forward contracts	Other current liabilities	63,055	Other current liabilities	57,075
Total		$67,441		$57,733

Fair Values of Derivative Instruments
Derivatives Not Designated as Hedging Instruments

	Asset Derivatives			
	June 30, 2012		December 31, 2011	
(In thousands)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	$4,132	Prepaid expenses and other current assets	$3,802
Purchased cash convertible note hedge	Other assets	426,100	Other assets	460,000

Total	$430,232	$463,802

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	Liability Derivatives			
	June 30, 2012		December 31, 2011	
(In thousands)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Other current liabilities	$4,761	Other current liabilities	$11,760
Cash conversion feature of Cash Convertible Notes	Long-term debt	426,100	Long-term debt	460,000
Total		$430,861		$471,760

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

		Amount of Gain or (Loss) Recognized in Earnings on Derivatives			
		Three Months Ended		Six Months Ended	
(In thousands)	Location of Gain or (Loss) Recognized in Earnings on Derivatives	June 30, 2012	2011	June 30, 2012	2011
Interest Rate Swaps	Interest Expense	$1,564	$11,123	$13,459	$4,795
Total		$1,564	$11,123	$13,459	$4,795

		Amount of Gain or (Loss) Recognized in Earnings on Hedging Items			
		Three Months Ended		Six Months Ended	
(In thousands)	Location of Gain or (Loss) Recognized in Earnings on Hedged Items	June 30, 2012	2011	June 30, 2012	2011
2018 Senior Notes	Interest Expense	$1,751	$(11,123)	$(7,074)	$(4,795)
Total		$1,751	$(11,123)	$(7,074)	$(4,795)

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

	Amount of Gain or (Loss) Recognized in AOCE (Net of Tax) on Derivative (Effective Portion)			
	Three Months Ended		Six Months Ended	
(In thousands)	June 30, 2012	2011	June 30, 2012	2011
Foreign currency forward contracts	$(35,453)	$301	$(23,992)	$1,689
Interest rate swaps	(1,027)	568	(2,351)	2,889
Total	$(36,480)	$869	$(26,343)	$4,578

	Location of Gain or (Loss) Reclassified	Amount of Gain or (Loss) Reclassified from AOCE

	from AOCE into Earnings (Effective Portion)	into Earnings (Effective Portion) Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)		2012	2011	2012	2011
Foreign currency forward contracts	Net revenues	$(13,041)	$1,622	$(18,295)	$2,367
Interest rate swaps	Interest expense	(645)	(407)	(1,019)	(2,189)
Total		$(13,686)	$1,215	$(19,314)	$178

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(In thousands)	Location of Gain Excluded from the Assessment of Hedge Effectiveness	Amount of Gain Excluded from the Assessment of Hedge Effectiveness			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2012	2011	2012	2011
Foreign currency forward contracts	Other income, net	$15,360	$5,054	$21,071	$5,088
Total		$15,360	$5,054	$21,071	$5,088

At June 30, 2012, the Company expects that approximately $53.0 million of pre-tax net losses on cash flow hedges will be reclassified from AOCE into earnings during the next 12 months.

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

(In thousands)	Amount of Gain or (Loss) Recognized in AOCE (Net of Tax) on Derivative (Effective Portion)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Foreign currency borrowings	$—	$(13,577)	$—	$(47,296)
Total	$—	$(13,577)	$—	$(47,296)

There was no gain or loss recognized into earnings on derivatives with net investment hedging relationships during the six months ended June 30, 2012 or 2011. The Euro-denominated borrowings that had been designated as a hedge of the net investments in certain Euro functional currency subsidiaries were repaid in November 2011.

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

(In thousands)	Location of Gain or (Loss) Recognized in Earnings on Derivatives	Amount of Gain or (Loss) Recognized in Earnings on Derivatives			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2012	2011	2012	2011
Foreign currency forward contracts	Other income, net	$(13,912)	$2,682	$(8,657)	$14,144
Cash conversion feature of Cash Convertible Notes	Other income, net	85,500	(59,700)	33,900	(109,000)
Purchased cash convertible note hedge	Other income, net	(85,500)	59,700	(33,900)	109,000
Total		$(13,912)	$2,682	$(8,657)	$14,144

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.

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In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.
Financial assets and liabilities carried at fair value are classified in the tables below in one of the three categories described above:

	June 30, 2012			
(In thousands)	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash equivalents:				
Money market funds	$75,297	$—	$—	$75,297
Total cash equivalents	75,297	—	—	75,297
Trading securities:				
Equity securities — exchange traded funds	9,572	—	—	9,572
Total trading securities	9,572	—	—	9,572
Available-for-sale fixed income investments:				
U.S. Treasuries	—	11,505	—	11,505
Corporate bonds	—	7,283	—	7,283
Agency mortgage-backed securities	—	1,291	—	1,291
Other	—	2,538	—	2,538
Total available-for-sale fixed income investments	—	22,617	—	22,617
Available-for-sale equity securities:				
Biosciences industry	51	—	—	51
Total available-for-sale equity securities	51	—	—	51
Foreign exchange derivative assets	—	4,132	—	4,132
Interest rate swap derivative assets	—	36,848	—	36,848
Purchased cash convertible note hedge	—	426,100	—	426,100
Total assets at fair value [(1)]	$84,920	$489,697	$—	$574,617
Financial Liabilities:				
Foreign exchange derivative liabilities	$—	$67,816	$—	$67,816
Interest rate swap derivative liabilities	—	4,386	—	4,386
Cash conversion feature of Cash Convertible Notes	—	426,100	—	426,100
Contingent consideration	—	—	393,339	393,339
Total liabilities at fair value [(1)]	$—	$498,302	$393,339	$891,641

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	December 31, 2011			
(In thousands)	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash equivalents:				
Money market funds	$152,331	$—	$—	$152,331
Total cash equivalents	152,331	—	—	152,331
Trading securities:				
Equity securities — exchange traded funds	6,760	—	—	6,760
Total trading securities	6,760	—	—	6,760
Available-for-sale fixed income investments:				
U.S. Treasuries	—	1,519	—	1,519
Corporate bonds	—	7,192	—	7,192
Agency mortgage-backed securities	—	12,346	—	12,346
Other	—	2,697	—	2,697
Total available-for-sale fixed income investments	—	23,754	—	23,754
Available-for-sale equity securities:				
Biosciences industry	172	—	—	172
Total available-for-sale equity securities	172	—	—	172
Foreign exchange derivative assets	—	3,802	—	3,802
Interest rate swap derivative assets	—	29,773	—	29,773
Purchased cash convertible note hedge	—	460,000	—	460,000
Total assets at fair value [1]	$159,263	$517,329	$—	$676,592
Financial Liabilities:				
Foreign exchange derivative liabilities	$—	$68,835	$—	$68,835
Interest rate swap derivative liabilities	—	658	—	658
Cash conversion feature of Cash Convertible Notes	—	460,000	—	460,000
Contingent consideration	—	—	376,110	376,110
Total liabilities at fair value [1]	$—	$529,493	$376,110	$905,603

(1) The Company chose not to elect the fair value option for its financial assets and liabilities that had not been previously carried at fair value. Therefore, material financial assets and liabilities not carried at fair value, such as short-term and long-term debt obligations and trade accounts receivable and payable, are still reported at their carrying values.

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 the London Exchange at the reporting date and translated to U.S. Dollars 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, none of which experienced any significant downgrades during the six months ended June 30, 2012 that would reduce the receivable amount owed, if

any, to the Company.

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- Foreign exchange derivative assets and liabilities — valued using quoted forward foreign exchange prices at the reporting date. Counterparties to these contracts are highly rated financial institutions, none of which experienced any significant downgrades during the six months ended June 30, 2012 that would reduce the receivable amount owed, if any, to the Company.
- Cash conversion feature of cash convertible notes and purchased convertible note hedge — valued using quoted prices for the Company's cash convertible notes, its implied volatility and the quoted yield on the Company's other long-term debt at the reporting date. Counterparties to the purchased convertible note hedge are highly rated financial institutions, none of which experienced any significant downgrades during the six months ended June 30, 2012 that would reduce the receivable amount owed, if any, to the Company.

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 and other acquisitions made during 2011. The measurement is calculated using unobservable inputs based on the Company's own assumptions. 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, 2012 and December 31, 2011. Discount rates ranging from 3.3% to 10.4% were utilized in the valuation and represent the present value of the estimated future net cash flows using a market rate of return at June 30, 2012. Significant changes in unobservable inputs could result in material changes to the contingent consideration liability. To reflect a change in fair value measurement of contingent consideration during the six months ended June 30, 2012, a net adjustment of approximately $1.5 million was recorded, to increase the liability. For the three and six months ended June 30, 2012, accretion of $7.5 million and $15.7 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 financial assets and liabilities, any future transacted financial asset or liability will be evaluated for the fair value election.

9. Debt

The Receivables Facility

In February 2012, MPI, a wholly owned subsidiary of the Company, entered into a $300.0 million accounts receivable securitization facility, pursuant to (i) a Purchase and Contribution Agreement, between MPI and Mylan Securitization, and (ii) a Receivables Purchase Agreement, among Mylan Securitization, as seller, MPI, as originator and servicer, certain conduit purchasers, committed purchasers and letter of credit issuers from time to time party thereto (collectively, the "Purchasers"), certain purchaser agents from time to time party thereto and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as agent (the "Agent"). The Company agreed to enter into a performance guarantee with respect to the obligations of MPI under these agreements.

Under the Purchase and Contribution Agreement, MPI will sell, on an ongoing basis, certain accounts receivable and the right to the collections on those accounts receivable to Mylan Securitization. Once sold to Mylan Securitization, the accounts receivable and rights to collection described above will be separate and distinct from MPI's own assets and will not be available to MPI's creditors should MPI become insolvent. The servicing, administration and collection of the accounts receivable will be conducted by MPI, as servicer. Under the terms of the Receivables Purchase Agreement, Mylan Securitization may, from time to time, obtain up to $300 million (in the form of cash or letters of credit for the benefit of MPI) from the Purchasers through the sale of its interest in such receivables and collections. The size of the accounts receivable securitization facility may be increased from time to time, upon request by Mylan Securitization and with the consent of the purchaser agents and the Agent, up to a maximum of $500 million. In July 2012, the size of the accounts receivable securitization facility was increased to $400 million. Purchases under the Receivables Purchase Agreement will be repaid as accounts receivable are collected, with new purchases being advanced as new accounts receivable are originated by MPI and sold to Mylan Securitization, with settlement

occurring monthly. Mylan Securitization has the option to reduce the commitments under the Receivables Purchase Agreement. Mylan Securitization's assets have been pledged to the Agent in support of its obligations under the Receivables Purchase Agreement. Any amounts outstanding under the facility will be recorded as a secured loan and the receivables underlying any borrowings will continue to be included in accounts receivable, net, in the Condensed Consolidated Balance Sheets of the Company. The accounts receivable securitization facility has a term of three years. The Receivables Purchase Agreement contains various customary affirmative and negative covenants and also contains customary default and termination provisions, which provide for acceleration of amounts owed under the Receivables Purchase Agreement upon the occurrence of certain specified events, including, but not limited to, failure by Mylan Securitization to pay

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interest and other amounts due, defaults on certain indebtedness, certain judgments, change in control, certain events negatively affecting the overall credit quality of transferred accounts receivable, bankruptcy and insolvency events. As of June 30, 2012, the Condensed Consolidated Balance Sheets include $688.7 million of accounts receivable balances legally sold to Mylan Securitization, as well as $300.0 million of short-term borrowings. The interest rate on borrowings under this facility was approximately 1.01% at June 30, 2012.

Mylan Securitization holds trade accounts receivable whose cash flows are the primary source of repayment for its liabilities. Investors only have recourse to the assets held by Mylan Securitization. The Company is involved in these arrangements to the extent that it originates the accounts receivable and provides servicing activities.

Long-Term Debt

A summary of long-term debt is as follows:

(In thousands)	June 30, 2012	December 31, 2011
U.S. Term Loans	$1,203,125	$1,250,000
Revolving Facility	750,000	—
Cash Convertible Notes	914,556	937,160
Senior Convertible Notes	—	593,983
2017 Senior Notes	550,000	550,000
2018 Senior Notes	826,500	818,774
2020 Senior Notes	1,014,020	1,014,643
Other	2,828	3,666
	5,261,029	5,168,226
Less: Current portion	95,098	689,146
Total long-term debt	$5,165,931	$4,479,080

Senior Credit Facilities

In November 2011, the Company entered into a Senior Credit Agreement with a syndication of banks, which provided $1.25 billion in U.S. Term Loans (the “U.S. Term Loans”) and contains a $1.25 billion revolving facility (the “Revolving Facility,” and together with the U.S. Term Loans, the “Senior Credit Facilities”). Amortization payments due in the first and second quarters of 2012 under the Senior Credit Agreement on the U.S. Term Loans were paid in March 2012 and June 2012, in the amount of $23.4 million for each quarter. At June 30, 2012, the Company had $750.0 million outstanding under the Revolving Facility. The interest rate on the Revolving Facility at June 30, 2012 was 1.85%.

Cash Convertible Notes

At June 30, 2012, the $914.6 million outstanding consists of $488.5 million of Cash Convertible Notes debt ($575.0 million face amount, net of $86.5 million discount) and the bifurcated conversion feature with a fair value of $426.1 million recorded as a liability within long-term debt in the Condensed Consolidated Balance Sheets at June 30, 2012. The Cash Convertible Notes will mature on September 15, 2015, subject to earlier repurchase or conversion. Holders may convert their notes subject to certain conversion provisions determined by the market price of the Company’s common stock, specified distributions to common shareholders, a fundamental change, and certain time periods specified in the purchase agreement. Additionally, the Company has purchased call options, which are recorded as assets at their fair value of $426.1 million within other assets in the Condensed Consolidated Balance Sheets at June 30, 2012. At December 31, 2011, the $937.2 million outstanding consists of $477.2 million of debt ($575.0 million face amount, net of $97.8 million discount) and the bifurcated conversion feature with a fair value of $460.0 million recorded as a liability within other long-term obligations in the Condensed Consolidated Balance Sheets. The purchased call options are assets recorded at their fair value of $460.0 million within other assets in the Condensed Consolidated Balance Sheets at December 31, 2011.

As of June 30, 2012, because the closing price of Mylan's common stock for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day in the June 30, 2012 period, was more than 130% of the applicable conversion reference price of $13.32 at June 30, 2012, the $575.0 million of Cash Convertible Notes are currently convertible. Although the Company's experience is that convertible debentures are not normally converted by investors until close to their maturity date, it is possible that debentures could be converted prior to their maturity date if, for example, a holder perceives

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the market for the debentures to be weaker than the market for the common stock. Upon an investor's election to convert, the Company is required to pay the full conversion value in cash. Should holders elect to convert, the Company intends to draw on its revolving credit facility to fund any principal payments. The amount payable per $1,000 notional bond would be calculated as the product of (1) the conversion reference rate (currently 75.0751) and (2) the average Daily Volume Weighted Average Price per share of common stock for a specified period following the conversion date. Any payment above the principal amount is matched by a convertible note hedge.

Senior Convertible Notes

In March 2012, $600.0 million of Senior Convertible Notes was repaid at maturity. At December 31, 2011, the $594.0 million of debt is net of a $6.0 million discount.

Senior Notes

The Company has entered into interest rate swaps that convert $500.0 million of 2018 Senior Notes principal debt to a variable rate. The variable rate is 3.43% at June 30, 2012. At June 30, 2012, the $826.5 million of 2018 Senior Notes debt is net of a $10.3 million discount and includes a fair value adjustment of $36.8 million associated with the interest rate swaps. At December 31, 2011, the $818.8 million of debt is net of an $11.0 million discount and includes a fair value adjustment of $29.8 million.

At June 30, 2012, the $1.01 billion of 2020 Senior Notes debt includes a $14.0 million premium. At December 31, 2011, the $1.01 billion of debt includes a $14.6 million premium.

Details of the interest rates in effect at June 30, 2012 and December 31, 2011 on the outstanding borrowings under the U.S. Term Loans are in the table below:

	June 30, 2012 Outstanding (In thousands)	Basis	Rate	
U.S. Term Loans:				
Swapped to Fixed Rate - January 2014 [1]	$500,000	Fixed	2.60	%
Swapped to Fixed Rate - March 2014 [1]	350,000	Fixed	2.45	%
Floating Rate	353,125	LIBOR + 2.00%	2.24	%
Total U.S. Term Loans	$1,203,125			

	December 31, 2011 Outstanding (In thousands)	Basis	Rate	
U.S. Term Loans	$1,250,000	LIBOR + 2.00%	2.34	%

(1) Effective January 2012, $500 million of the U.S. Term Loans have been swapped to a fixed rate of 0.60% plus the specified spread under the Senior Credit Agreement (currently 200 basis points), through January 2014. Effective March 2012, an additional $350 million of the U.S. Term Loans have been swapped to a fixed rate of 0.45% plus the specified spread under the Senior Credit Agreement (currently 200 basis points), through March 2014. Effective June 2012, $750 million of the currently effective swaps have been extended to maturities ranging from March 2016 to November 2016, thereby fixing a rate of 0.91% plus the specified spread (currently 200 basis points) on the underlying U.S. Term Loans, for the extension period. These swaps have been designated as cash flow hedges of the variability in interest expense related to our variable rate debt.

At June 30, 2012, the fair value of the Senior Notes was approximately $2.61 billion, and at December 31, 2011, the fair value of the Senior Notes and Senior Convertible Notes was approximately $3.15 billion. At June 30, 2012 and

December 31, 2011, the fair value of the Cash Convertible Notes was approximately $987.9 million and $1.00 billion. The fair values of the Senior Notes and Cash Convertible Notes were valued at quoted market prices from broker or dealer quotations and were classified as Level 2 in the fair value hierarchy.

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Mandatory minimum repayments remaining on the outstanding borrowings under the term loans and notes at June 30, 2012, at notional amounts, are as follows for each of the periods ending December 31:

(In thousands)	U.S. Term Loans	Cash Convertible Notes	2017 Senior Notes	2018 Senior Notes	2020 Senior Notes	Revolving Facility	Total
2012	$46,875	$—	$—	$—	$—	$—	$46,875
2013	93,750	—	—	—	—	—	93,750
2014	125,000	—	—	—	—	—	125,000
2015	187,500	575,000	—	—	—	—	762,500
2016	750,000	—	—	—	—	750,000	1,500,000
Thereafter	—	—	550,000	800,000	1,000,000	—	2,350,000
Total	$1,203,125	$575,000	$550,000	$800,000	$1,000,000	$750,000	$4,878,125

10. Comprehensive Earnings

Components of other comprehensive earnings, before tax, consist of the following:

	Three Months Ended June 30,	
(In thousands)	2012	2011
Defined benefit pension plans:		
Unrecognized gain (loss) and prior service cost arising during the period	$—	$—
Less: Amortization of prior service cost (gain) included in net earnings	9	(513)
Net change in unrecognized (loss) gain and prior service cost related to post-retirement plans	$(9)	$513
Derivatives in cash flow hedging relationships:		
Amount of (loss) gain recognized in AOCE on derivatives (effective portion)	$(48,492)	$34
Less: Reclassification of (loss) gain from AOCE into earnings (effective portion)	(13,686)	1,215
Net unrecognized loss on derivatives	$(34,806)	$(1,181)
Net unrealized gain on marketable securities:		
Unrealized gain on marketable securities	$92	$241
Less: Reclassification for gain included in net earnings	4	4
Net unrealized gain on marketable securities	$88	$237

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(In thousands)	Six Months Ended June 30, 2012	2011
Defined benefit pension plans:		
Unrecognized gain (loss) and prior service cost arising during the period	$—	$—
Less: Amortization of prior service cost (gain) included in net earnings	19	(522)
Net change in unrecognized (loss) gain and prior service cost related to post-retirement plans	$(19)	$522
Derivatives in cash flow hedging relationships:		
Amount of (loss) gain recognized in AOCE on derivatives (effective portion)	$(31,474)	$3,647
Less: Reclassification of (loss) gain from AOCE into earnings (effective portion)	(19,314)	178
Net unrecognized (loss) gain on derivatives	$(12,160)	$3,469
Net unrealized loss on marketable securities:		
Unrealized loss on marketable securities	$(51)	$(127)
Less: Reclassification for gain included in net earnings	29	4
Net unrealized loss on marketable securities	$(80)	$(131)

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

(In thousands)	June 30, 2012	December 31, 2011
Accumulated other comprehensive loss:		
Net unrealized gains on marketable securities, net of tax	$1,028	$1,080
Net unrecognized losses and prior service costs related to post-retirement plans, net of tax	(5,992)	(5,840)
Net unrecognized losses on derivatives, net of tax	(51,766)	(43,719)
Foreign currency translation adjustment	(156,144)	(39,360)
	$(212,874)	$(87,839)

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11. Shareholder's Equity

A summary of the change in shareholders' equity for the six months ended June 30, 2012 and 2011 is as follows:

(In thousands)	Total Mylan Inc. Shareholders' Equity	Noncontrolling Interest	Total
December 31, 2011	$ 3,491,775	$13,007	$3,504,782
Net earnings	267,629	934	268,563
Other comprehensive loss	(125,035)	—	(125,035)
Common stock share repurchase	(499,953)	—	(499,953)
Stock option activity	27,676	—	27,676
Stock compensation expense	22,435	—	22,435
Issuance of restricted stock, net of shares withheld	(4,991)	—	(4,991)
Purchase of subsidiary shares from noncontrolling interest	(9)	(25)	(34)
Tax benefit of stock option plans	5,662	—	5,662
Other	—	16	16
June 30, 2012	$ 3,185,189	$13,932	$3,199,121
December 31, 2010	$ 3,601,879	$13,522	$3,615,401
Net earnings	250,621	910	251,531
Other comprehensive earnings	282,383	—	282,383
Common stock share repurchase	(349,998)	—	(349,998)
Stock option activity	61,166	—	61,166
Stock compensation expense	21,198	—	21,198
Issuance of restricted stock, net of shares withheld	(4,991)	—	(4,991)
Purchase of subsidiary shares from noncontrolling interest	(2,607)	(2,385)	(4,992)
Tax benefit of stock option plans	9,118	—	9,118
Other	—	169	169
June 30, 2011	$ 3,868,769	$12,216	$3,880,985

12. Segment Information

Mylan 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 or transdermal patch form, as well as active pharmaceutical ingredients ("API"). The Specialty Segment engages mainly in the development, manufacture and sale of branded specialty nebulized and injectable products.

The Company's chief operating decision maker evaluates the performance of its segments based on total revenues and segment profitability. Segment profitability represents segment gross profit less direct research and development expenses and direct selling, general and administrative expenses. Certain general and administrative and research and development expenses not allocated to the segments, as well as the operating results of the Company's clean energy investment subsidiary, whose activities qualify for tax credits under section 45 of the Internal Revenue Code ("IRC"), 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.

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The accounting policies of the segments are the same as those described in the "Summary of Significant Accounting Policies" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. Intersegment revenues are accounted for at current market values and are eliminated at the consolidated level.
Presented in the table below is segment information for the periods identified and a reconciliation of segment information to total consolidated information.

(In thousands)	Generics Segment	Specialty Segment	Corporate / Other [1]	Consolidated
Three Months Ended June 30, 2012				
Total revenues				
Third party	$1,489,098	$198,716	$3,723	$1,691,537
Intersegment	388	9,093	(9,481)	—
Total	$1,489,486	$207,809	$(5,758)	$1,691,537
Segment profitability	$413,578	$62,969	$(218,739)	$257,808
Six Months Ended June 30, 2012				
Total revenues				
Third party	$2,910,448	$361,022	$12,475	$3,283,945
Intersegment	743	23,672	(24,415)	—
Total	$2,911,191	$384,694	$(11,940)	$3,283,945
Segment profitability	$832,023	$116,646	$(444,489)	$504,180
Three Months Ended June 30, 2011				
Total revenues				
Third party	$1,441,433	$132,444	$—	$1,573,877
Intersegment	405	17,449	(17,854)	—
Total	$1,441,838	$149,893	$(17,854)	$1,573,877
Segment profitability	$431,617	$46,852	$(197,998)	$280,471
Six Months Ended June 30, 2011				
Total revenues				
Third party	$2,791,904	$230,930	$—	$3,022,834
Intersegment	802	34,284	(35,086)	—
Total	$2,792,706	$265,214	$(35,086)	$3,022,834
Segment profitability	$820,539	$77,644	$(406,038)	$492,145

(1) Includes certain corporate general and administrative and research and development expenses; net charges for litigation settlements; certain intercompany transactions, including eliminations; amortization of intangible assets and certain purchase accounting items; impairment charges; and other expenses not directly attributable to segments. Additionally, included in the Corporate/Other segment for the three and six months ended June 30, 2012 are the operating results of the Company's clean energy investment subsidiary, whose activities qualify for tax credits under section 45 of the IRC.

13. 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 for which Merck KGaA has agreed to indemnify the Company, pursuant to the agreement by which Mylan acquired the former Merck Generics business.

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, another indemnitor or an insurer to pay an indemnified claim, could have a material effect on the Company's financial position, results of operations and cash flows. 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 selling, general and administrative expenses in the Company's Condensed Consolidated Statements of Operations.

Lorazepam and Clorazepate

On June 1, 2005, a jury verdict was rendered against Mylan, Mylan Pharmaceuticals Inc. ("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 where motion practice is currently pending. Plaintiffs have sought to voluntarily dismiss self-funded customers whose presence destroys the District Court's diversity jurisdiction, and have moved for a remittitur (reduction) of approximately $8.1 million from the full damages award. 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. On May 30, 2012, the District Court ordered the amount of the surety bond reduced to $66.6 million to reflect the approximate remittitur amount requested by the plaintiffs.

Pricing and Medicaid Litigation

Beginning in September 2003, Mylan, MPI and/or Mylan Institutional Inc. (formerly known as UDL Laboratories, Inc. and "MII"), together with many other pharmaceutical companies, have been named in civil lawsuits filed by state

attorneys general ("AGs") and municipal bodies within the state of New York alleging generally that the defendants defrauded the state Medicaid systems by allegedly reporting "Average Wholesale Prices" and/or "Wholesale Acquisition Costs" that exceeded the actual selling price of the defendants' prescription drugs, causing state programs to overpay pharmacies and other providers. To date, Mylan, MPI and/or MII have been named as defendants in substantially similar civil lawsuits filed by the AGs of Alabama, Alaska, California, Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Mississippi, Missouri, Oklahoma, South Carolina, Texas, Utah and Wisconsin, and also by the city of New York and approximately 40 counties across New York State. Several of these cases have been transferred to the AWP multi-district litigation proceedings pending in the U.S. District Court for the District of Massachusetts for pretrial proceedings. Other cases will likely be litigated in the state courts in which they were filed. Each of the cases seeks money damages, civil penalties and/or double, treble or punitive damages, counsel fees and costs, equitable relief and/or injunctive relief. Mylan and its subsidiaries have denied liability and are defending each of these actions vigorously.

In May 2008, an amended complaint was filed in the U.S. District Court for the District of Massachusetts by a private plaintiff on behalf of the United States of America against Mylan, MPI, MII and several other generic manufacturers. The original complaint was filed under seal in April 2000, and Mylan, MPI and MII were added as parties in February 2001. The claims against Mylan, MPI, MII and the other generic manufacturers were severed from the April 2000 complaint (which remains under seal) as a result of the federal government's decision not to intervene in the action as to those defendants. The complaint alleged violations of the False Claims Act and set forth allegations substantially similar to those alleged in the state AG cases mentioned in the preceding paragraph and purported to seek nationwide recovery of any and all alleged overpayment of the "federal share" under the Medicaid program, as well as treble damages and civil penalties. In December 2010, the Company completed a settlement of this case (except for the claims related to the California federal share) and the Texas state action mentioned above. This settlement resolved a significant portion of the damages claims asserted against Mylan, MPI and MII in the various pending pricing litigations. In addition, Mylan has reached settlements of the Alabama, Alaska, California (including the "federal share"), Florida, Hawaii, Idaho, Iowa, Kansas, Kentucky, Massachusetts, Mississippi, New York state and county, South Carolina, and Utah state actions. The Company has also reached agreements in principle to settle the Louisiana and Oklahoma actions, which settlements are contingent upon the execution of definitive settlement documents. With regard to the remaining state actions, the Company continues to believe that it has meritorious defenses and is vigorously defending itself in those actions. The Company had accrued approximately $115.0 million at December 31, 2011. As a result of settlement payments of approximately $82.0 million and additional accruals of approximately $20.0 million during the six months ended June 30, 2012, the Company has a remaining accrual of approximately $55.0 million at June 30, 2012. The Company reviews the status of these actions on an ongoing basis, and from time to time, the Company may settle or otherwise resolve these matters on terms and conditions that management believes are in the best interests of the Company. There are no assurances that settlements reached and/or adverse judgments received, if any, will not exceed amounts that may be provided for. However, the range of reasonably possible loss above the amount provided for cannot be estimated.

Mylan Specialty (formerly known as Dey) was named as a defendant in several class actions brought by consumers and third-party payors. Mylan Specialty has reached a settlement of these class actions, which has been 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 Dey 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 Dey was jointly liable with a codefendant and sought recovery of alleged overpayments, together with treble damages, civil penalties and equitable relief. Dey completed a settlement of this action in December 2010. These cases all have generally alleged that Dey falsely reported certain price information concerning certain drugs marketed by Dey, that Dey caused false claims to be made to Medicaid and to Medicare, and that Dey 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 these claims 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 Condensed Consolidated Statements of Operations. At June 30, 2012, the Company has accrued approximately $67.9 million in other current liabilities, which represents its estimate of the

remaining amount of anticipated income tax benefits due to Merck KGaA. Substantially all of Mylan Specialty's known claims with respect to this pricing litigation have been settled.

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, seeking approval to market a generic Modafinil product. These actions allege violations of federal and state laws in connection with the defendants' settlement of patent litigation relating to Modafinil. On March 29, 2010, the Court in the Eastern District of Pennsylvania denied the defendants' motions to dismiss. Fact discovery closed on February 11, 2011. No date has been set for briefing on dispositive motions. Mylan is defending each of these actions vigorously.

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 has subsequently been 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. Mylan is not named as a defendant in the FTC's lawsuit, although the complaint includes certain allegations pertaining to the Mylan/Cephalon settlement.

FTC Minocycline Inquiry

On May 1, 2012, the FTC issued a civil investigative demand to Mylan pertaining to an investigation being conducted to determine whether Medicis Pharmaceutical Corporation, Mylan, and/or other generic companies engaged in unfair methods of competition with regard to Medicis' branded Solodyn products and generic Solodyn products, as well as the 2010 settlement of Medicis' patent infringement claims against Mylan and Matrix Laboratories Ltd. (n/k/a Mylan Laboratories Ltd). Mylan is cooperating with the FTC and is in the process of responding to the requests for information.

Digitek® Recall

On April 25, 2008, Actavis Totowa LLC, a division of Actavis Group, announced a voluntary, nationwide recall of all lots and all strengths of Digitek (Digoxin tablets USP). Digitek was manufactured by Actavis and distributed in the United States by MPI and MII. The Company has tendered its defense and indemnity in all lawsuits and claims arising from this event to Actavis, and Actavis has accepted that tender, subject to a reservation of rights. While the Company is unable to estimate total potential costs with any degree of certainty, such costs could be significant. Following the recall, approximately 1,000 lawsuits were filed against Mylan, MII and Actavis. Most of these cases were transferred to the multi-district litigation proceedings pending in the U.S. District Court for the Southern District of West Virginia for pretrial proceedings. The remaining cases are being litigated in the state courts in which they were filed. Actavis has reached settlements in principle with the plaintiffs in a majority of the claims and lawsuits. Mylan and MII did not contribute monetarily to the settlements, but were dismissed with prejudice from any settled cases. Any lawsuits in which the plaintiffs chose to opt out of the settlement continue to be litigated. As of July 11, 2012, approximately four plaintiffs who opted out of the settlement continue to pursue claims. An adverse outcome in these lawsuits or the inability or denial of Actavis to pay on an indemnified claim could have a materially negative impact on the Company's financial position, results of operations or cash flows, although the range of reasonably possible loss cannot be estimated.

EU Commission Proceedings

On or around July 8, 2009, the European Commission (the "EU Commission" or 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 EEA Agreement by Les Laboratoires Servier ("Servier") as well as possible infringement of Article 81 EC by the Company's Indian subsidiary, Mylan Laboratories Limited (formerly known as Matrix Laboratories Limited), and four

other companies, each of which entered into agreements with Servier relating to the product Perindopril. Mylan Laboratories Limited is cooperating with the EU Commission in connection with the investigation. Mylan Laboratories Limited, Mylan S.A.S. and Generics [U.K.] Ltd. have received requests for information from the EU Commission in connection with this matter, and have responded and are cooperating with the Commission in this investigation. The EU Commission has indicated publicly that it intends to take further steps in connection with its investigation.

In addition, the EU Commission is conducting a pharmaceutical sector inquiry involving approximately 100 companies concerning the introduction of innovative and generic medicines. Mylan S.A.S. has responded to the questionnaires received in connection with the sector inquiry and has produced documents and other information in connection with the inquiry.

On October 6, 2009, the Company received notice that the EU Commission was initiating an investigation pursuant to Article 20(4) of Regulation No. 1/2003 to explore possible infringement of Articles 81 and 82 EC by the Company and its affiliates. Mylan S.A.S., acting on behalf of its Mylan affiliates, has produced documents and other information in connection with the inquiry and continues to respond to other requests for additional information. The Company is cooperating with the Commission in connection with the investigation, and no statement of objections has been filed against the Company in connection with the investigation.

On March 19, 2010, Mylan and Generics [U.K.] Ltd. received notice that the EU Commission had opened proceedings against Lundbeck with respect to alleged unilateral practices and/or agreements related to Citalopram in the European Economic Area. Mylan and Generics [U.K.] Ltd. have responded to requests for information from the EU Commission in connection with any agreements between Lundbeck and Generics [U.K.] Ltd. concerning Citalopram. Both companies have cooperated with the EU Commission. 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 on July 25, 2012. Generics [U.K.] Limited intends to respond to the Statement of Objections and vigorously defend itself against the allegations contained therein.

U.K. Office of Fair Trading

On August 12, 2011 Generics [U.K.] Ltd. received notice that the Office of Fair Trading was opening an investigation to explore the possible infringement of the Competition Act 1998 and Article 101 and 102 on the Functioning of the European Union, with respect to alleged agreements related to Paroxetine. Generics [U.K.] Ltd. has produced documents and information and continues to respond to additional requests for information in connection with this inquiry and is continuing to cooperate with the investigation. No statement of objections has been filed in connection with this investigation.

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 and Amnesteem®. 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. During 2010, the Company accrued $41.0 million in connection with certain settlements and certain remaining claims. The Company has paid approximately $18.2 million during the six months ended June 30, 2012 and approximately $15.0 million during the year ended December 31, 2011.

There are no assurances that settlements reached and/or adverse judgments received, if any, will not exceed amounts that may be provided for. However, the range of reasonably possible loss above the amount provided for cannot be estimated.

Intellectual Property

On February 10, 2012, a jury verdict was rendered in a patent infringement lawsuit filed in the United States District Court for the District of Delaware by Sunovion Pharmaceuticals Inc. (f/k/a Sepracor Inc.) against Mylan Inc., MPI, Dey Inc. and Dey Pharma, L.P. (n/k/a Mylan Specialty L.P.) in relation to Dey’s abbreviated new drug application for levalbuterol hydrochloride (HCl) inhalation solution. The jury awarded $18.0 million in monetary damages for lost profits and royalties, which had been accrued by the Company in 2011. The jury also found that Dey willfully infringed the subject patents. On May 29, 2012, the Company announced that Mylan Specialty L.P. had entered into a settlement agreement with Sunovion Pharmaceuticals Inc. resolving the parties' patent litigation. According to the

terms of the settlement, Mylan Specialty is licensed to continue sales of its concentrate product and will have a royalty-bearing license to sell its non-concentrate product upon receiving final approval from the U.S. Food and Drug Administration. The settlement also releases Mylan from payment of the $18.0 million jury damage award to Sunovion. During the three months ended June 30, 2012, the Company has reversed the previously established accrual. Pursuant to the agreement, pending litigation has been dismissed.

On April 16, 2012, the Federal Circuit reversed and vacated a judgment of invalidity by the United States District Court for the District of Delaware in a patent infringement lawsuit by Eurand, Inc. (n/k/a Aptalis Pharmatech, Inc.), Cephalon, Inc., and Anesta AG against Mylan Inc. and MPI in relation to MPI's abbreviated new drug application for extended-release cyclobenzaprine hydrochloride. On May 12, 2011, the District Court found, after trial, the patents-in-suit invalid as obvious. On May 13, 2011, MPI launched its cyclobenzaprine hydrochloride extended-release capsules. Plaintiffs appealed the District Court's finding of obviousness to the Federal Circuit, and on May 24, 2011, the District Court issued an injunction order enjoining Mylan from selling any additional cyclobenzaprine products pending the Federal Circuit's decision. Plaintiffs were required to post a $10.0 million bond. Mylan appealed the District Court's injunction and filed a motion to stay the injunction pending resolution of the appeal. On May 25, 2011, the Federal Circuit temporarily stayed the injunction pending full briefing on Mylan's motion to stay. On July 7, 2011, the Federal Circuit reinstated the injunction preventing further sales pending a decision on the appeal. On April 16, 2012, the Federal Circuit reversed and vacated the District Court's invalidity judgment and dismissed without prejudice Mylan's appeal of the injunction. The injunction will remain in place for 45-days post-mandate, or until further order of the District Court, whichever occurs sooner. The Company filed a petition for rehearing en banc and on July 25, 2012, the petition was denied.

In these and other 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 (i.e., an "at-risk launch" situation). The risk involved in doing so can be substantial because the remedies available to the owner of a patent for infringement may include, among other things, damages measured by the profits lost by the patent owner and not necessarily by the profits earned by the infringer. In the case of willful infringement, the definition of which is subjective, such 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 in cases involving an "at-risk launch" could have a material adverse effect on our financial position, including our results of operations and cash flows.

Other Litigation

Beaufour Ipsen Pharma ("Ipsen") sued Merck Generiques (now known as Mylan S.A.S.) for unfair competition on October 11, 2007, following Mylan S.A.S.'s receipt of market authorization for Vitalogink earlier in 2007 (prior to Mylan's acquisition of the former Merck Generics business). The Commercial Court of Paris dismissed Ipsen's claim in a January 2008 decision. Ipsen filed an appeal of this decision to the Paris Appeals Court in March 2008. On April 28, 2011, the Paris Appeals Court reversed the decision of the Commercial Court of Paris and found that Mylan S.A.S. is liable for unfair competition and further ordered damages against Mylan S.A.S. in the amount of €17.0 million (approximately $24.0 million), which was subsequently paid by Mylan S.A.S. The Company believes the Court erred in its decision and has filed an appeal, believing that it has meritorious defenses to this claim, and is vigorously defending itself with respect to this matter. The appeal has been accepted and the case is being considered by a section bench of the Supreme Court. A hearing has been scheduled for September 11, 2012.

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. 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 financial position, results of operations or cash flows.

Other Commitments

Effective April 16, 2012, the Company entered into a five-year collective bargaining agreement with the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and its Local Union 8-957 AFL-CIO which agreement governs certain production and maintenance employees at the Company's largest manufacturing site in Morgantown, West Virginia. In conjunction with the new collective

bargaining agreement, the Company notified the trustees of the PACE Industry Union-Management Pension Fund, (the “Plan”), of its intention to withdraw from the Plan. The withdrawal is estimated to result in an aggregate withdrawal liability of approximately $8.4 million, which was recorded during the quarter ended June 30, 2012.

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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 Inc. and subsidiaries (the "Company", "Mylan", "our" or "we") for the periods presented. 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2011, the unaudited interim Condensed Consolidated 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 ("SEC") filings and public disclosures. The interim results of operations for the three and six months ended June 30, 2012 and the interim cash flows for the six months ended June 30, 2012 are not necessarily indicative of the results to be expected for the full fiscal year or any other future period.

This Form 10-Q may contain "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 our market opportunities, strategies, competition and expected activities and expenditures, and at times may be identified by the use of words such as "may", "could", "should", "would", "project", "believ "anticipate", "expect", "plan", "estimate", "forecast", "potential", "intend", "continue" and variations of these words or compa words. Forward-looking statements inherently involve risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the risks described below under "Risk Factors" in Part II, ITEM 1A. The Company undertakes no obligation to update any forward-looking statements for revisions or changes after the filing date of this Form 10-Q.

Executive Overview

Mylan ranks among the leading generic and specialty pharmaceutical companies in the world, offering one of the industry's broadest and highest quality product portfolios, a robust pipeline and a global commercial footprint that spans more than 150 countries and territories. With a workforce of more than 18,000 employees and external contractors, Mylan has attained leading positions in key international markets through its wide array of dosage forms and delivery systems, significant manufacturing capacity, global scale and commitment to customer service. Through its Indian subsidiary, Mylan Laboratories Limited (formerly known as Matrix Laboratories Limited), Mylan operates one of the world's largest active pharmaceutical ingredient ("API") manufacturers with respect to the number of drug master files filed with regulatory agencies. This capability makes Mylan one of only two global generics companies with a comprehensive, vertically integrated supply chain.

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. Specialty engages mainly in the manufacture and sale of branded specialty nebulized and injectable products. Our specialty pharmaceutical business is conducted through our wholly owned subsidiary, Mylan Specialty L.P. We also report in Corporate/Other, revenues and related expenses from our clean energy investment subsidiary, certain research and development 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.

Financial Summary

For the three months ended June 30, 2012, Mylan reported total revenues of $1.69 billion compared to $1.57 billion for the three months ended June 30, 2011. This represents an increase in revenues of $117.7 million, or 7.5%. Consolidated gross profit for the current quarter was $699.2 million, compared to $669.4 million in the comparable prior year period, an increase of $29.8 million, or 4.4%. For the current quarter, earnings from operations were $257.8 million, compared to $280.5 million for the three months ended June 30, 2011, a decrease of $22.7 million, or 8.1%. The net earnings attributable to Mylan Inc. common shareholders for the three months ended June 30, 2012 were $138.6 million, and earnings per diluted share were $0.33. In the quarter ended June 30, 2011, the net earnings

attributable to Mylan Inc. common shareholders were $146.4 million, and earnings per diluted share were $0.33. A more detailed discussion of the Company's financial results can be found below in the section titled "Results of Operations."

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Results of Operations

Three Months Ended June 30, 2012, Compared to Three Months Ended June 30, 2011

Total Revenues and Gross Profit

For the current quarter, Mylan reported total revenues of $1.69 billion compared to $1.57 billion in the comparable prior year period. Total revenues include both net revenues and other revenues from third parties. Third party net revenues for the current quarter were $1.68 billion compared to $1.57 billion for the same prior year period, representing an increase of $107.6 million, or 6.9%. Other third party revenues for the current quarter were $13.6 million compared to $3.5 million in the same prior year period, an increase of $10.0 million. Other revenues for the three months ended June 30, 2012 include $3.7 million of revenue related to our clean energy investment subsidiary, whose activities qualify for tax credits under section 45 of the Internal Revenue Code (“IRC”), which we acquired at the end of 2011.

Mylan’s current quarter revenues were impacted by the effect of foreign currency translation, primarily reflecting changes in the U.S. Dollar as compared to the currencies of Mylan’s Euro-denominated subsidiaries, as well as the currencies of Mylan’s subsidiaries in India, Australia and Japan. The unfavorable impact of foreign currency translation on current quarter total revenues was approximately $73 million, or 5%. New product launches totaled approximately $287 million. On a constant currency basis, revenues from existing products decreased approximately $106 million, which included a decline in pricing of approximately $83 million. The remaining decrease was the result of lower volumes on existing products, principally in the Generics segment.

Cost of sales for the three months ended June 30, 2012 was $992.4 million, compared to $904.4 million in the prior year. Cost of sales for the current quarter is impacted by the amortization of acquired intangible assets, and restructuring and other special items as described further in the section titled “Adjusted Earnings.” These items totaled approximately $123.8 million. Current quarter cost of sales includes the cost of goods sold by our clean energy investment subsidiary of $5.1 million. Prior year cost of sales included similar purchase accounting and restructuring other special items in the amount of $89.2 million. The increase in current year purchase accounting and restructuring and other special items is principally the result of severance programs for certain production employees and costs associated with the ratification of a new collective bargaining agreement with the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and its Local Union 8-957 AFL-CIO (the "Union"), which agreement governs certain employees at our Morgantown, WV manufacturing site, including the withdrawal from a multi-employer pension plan. Excluding these amounts, cost of sales in the current quarter increased to $868.6 million from $815.2 million, corresponding to the increase in sales and higher production volumes.

Gross profit for the three months ended June 30, 2012 was $699.2 million, and gross margins were 41.3%. For the three months ended June 30, 2011, gross profit was $669.4 million, and gross margins were 42.5%. Excluding the purchase accounting and restructuring and other special items discussed in the preceding paragraph, gross margins would have been approximately 49% in the three months ended June 30, 2012 and 48% in the three months ended June 30, 2011. This increase in gross margin was primarily the result of favorable pricing and volume on the EPIPEN® auto-injector in our Specialty segment, the impact of which was approximately 130 basis points, as well as the impact of new product introductions in the current quarter, which increased gross margins by approximately 250 basis points. These increases were offset by lower gross margins on existing products principally as a result of unfavorable pricing.

From time to time, a limited number of our products may represent a significant portion of our net revenues, gross profit and net earnings. Generally, this is due to the timing of new product launches and the amount, if any, of additional competition in the market. Our top ten products in terms of sales, in the aggregate, represented approximately 31% of total revenues in the three months ended June 30, 2012.

Generics Segment

For the current quarter, Generics third party net revenues were $1.48 billion compared to $1.44 billion in the comparable prior year period, an increase of $40.7 million, or 2.8%. Translating Generics third party net revenues for the current quarter at prior year quarter foreign currency exchange rates would have resulted in year-over-year growth

of approximately $114 million, or 8%. Generics sales are derived primarily in or from North America, Europe, the Middle East and Africa (collectively, “EMEA”) and India, Australia, Japan and New Zealand (collectively, “Asia Pacific”).

Third party net revenues from North America were $845.3 million for the current quarter, compared to $749.1 million for the comparable prior year period, representing an increase of $96.2 million, or 12.8%. The increase in current quarter third party net revenues was driven by new product launches, partially offset by lower sales of existing products mainly attributable to lower volumes.

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The increase in current quarter third party net revenues from new product launches totaled approximately $240 million. 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 Mylan's financial results. The most significant new product launched in the current quarter was Doxycycline Hyclate Delayed-release (DR) Tablets USP, 150 mg, the generic version of Mayne Pharma's Doryx® 150 mg product which is marketed by Warner Chilcott.

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. The effect of foreign currency translation was insignificant within North America.

Third party net revenues from EMEA were $326.6 million for the three months ended June 30, 2012, compared to $378.7 million for the comparable prior year period, a decrease of $52.1 million, or 13.7%. Translating current quarter third party net revenues from EMEA at comparable prior year period exchange rates would have resulted in a year-over-year decrease in third party net revenues, excluding the effect of foreign currency, of approximately $14 million, or 3%. This decrease was the result of competitive market conditions, which resulted in lower pricing in a number of European markets in which Mylan operates, partially offset by new product revenue from products launched throughout the region.

Local currency revenues from Mylan's business in France decreased as compared to the prior year as a result of the impact of lower pricing due to an increasingly competitive market, partially offset by new product launches and favorable volume. Despite the competitive market conditions, our market share in France remained relatively stable in the second quarter of 2012, and we remain the market leader.

In Italy, excluding the effect of foreign currency, third party net revenues increased approximately 21% as a result of successful product launches and increased market penetration, which has favorably affected sales volume. Italy is one of the fastest growing markets in Europe. Our growth in Italy outpaced the market in terms of both volume and sales value. In Spain, excluding the effect of foreign currency, third party net revenues increased approximately 14%. Volume growth in Spain on new and existing products offset the unfavorable impact of government-imposed pricing reductions.

In addition to Spain and Italy, certain other markets in which we do business have recently 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, which appear to favor generic products, could help to offset some of this unfavorable effect by potentially increasing rates of generic substitution.

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 revenue and profitability. Under such tender systems, manufacturers submit bids which establish prices for generic pharmaceutical products. Upon winning the tender, the winning company will receive a 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, primarily in Germany, continue to be negatively affected by the impact of tender systems.

In Asia Pacific, third party net revenues were $307.5 million for the three months ended June 30, 2012, compared to $310.9 million for the comparable prior year period, a decrease of $3.4 million, or 1.1%. Excluding the unfavorable effect of foreign currency translation, calculated as described above, net third party revenues would have increased by approximately $29 million, or 9%. This increase is primarily driven by higher third party sales by our operations in India, with growth in third party sales in Japan and New Zealand also contributing, partially offset by lower sales in Australia.

The increase in third party net revenues by our operations in India is due to double-digit growth, excluding the effect of foreign currency, in sales of anti-retroviral ("ARV") finished dosage form ("FDF") generic products, which are used in the treatment of HIV/AIDS. In addition to third party sales, the Asia Pacific region also supplies both FDF generic products and API to Mylan subsidiaries in conjunction with Mylan's vertical integration strategy. Intercompany

revenues recognized by the Asia Pacific region were $67.8 million for the three months ended June 30, 2012, compared to $57.1 million in the prior year. These intercompany sales eliminate within, and therefore are not included in, Generics or consolidated net revenues.

In Japan, third party net revenues, excluding the effect of foreign currency, increased as a result of higher volumes, which served to offset the impact of government imposed price reductions which took place in the first quarter of 2012. In Australia, sales were negatively impacted, by the most significant government-imposed pricing reform in the country's history, partially offset by increased volumes. As in EMEA, both Australia and Japan have undergone government-imposed price reductions which have had, and could continue to have, a negative impact on sales and gross profit in these markets.

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Specialty Segment

For the current quarter, Specialty reported third party net revenues of $198.6 million, an increase of $66.9 million, or 50.8%, from the comparable prior year period of $131.7 million. The increase was the result of higher sales, in terms of both volume and pricing, of the EPIPEN® auto-injector, which is used in the treatment of severe allergic reactions (anaphylaxis). The EPIPEN® auto-injector is the number one prescribed epinephrine auto-injector. The market continues to grow as awareness of the risk of anaphylaxis increases.

Operating Expenses

Research & Development Expense

Research and development expense ("R&D") for the three months ended June 30, 2012 was $94.4 million, compared to $72.5 million in the same prior year period, an increase of $21.9 million. R&D increased due primarily to the expenses related to the development of our respiratory and biologics programs as well as the timing of internal and external product development projects.

Selling, General & Administrative Expense

Selling, general and administrative expense ("SG&A") for the current quarter was $359.2 million, compared to $314.2 million for the same prior year period, an increase of $45.0 million. Primary factors contributing to the increase in SG&A include an increase in payroll and related employee benefit costs of approximately $22.2 million, including costs for retirement and post-employment programs, the fair value adjustment related to the contingent consideration liability of approximately $8.3 million and increased marketing costs of approximately $5.3 million principally related to the EPIPEN® auto-injector.

Litigation Settlements, net

During the three months ended June 30, 2012, the Company recorded a $12.2 million gain, net, for litigation settlements. The net gain in litigation settlements was principally the result of a favorable settlement of the Levalbuterol patent infringement matter, which resulted in an $18 million reduction of a previously established accrual and the receipt of a net payment of approximately $16 million related to a separate patent infringement matter. These items were partially offset by a $20 million charge related to existing pricing litigation matters.

Interest Expense

Interest expense for the three months ended June 30, 2012 totaled $75.7 million, compared to $84.7 million for the three months ended June 30, 2011. The decrease is primarily due to lower interest expense on variable rate debt instruments. Included in interest expense is the amortization of the discounts on our convertible debt instruments and 2018 Senior Notes, net of amortization of the premium on our 2020 Senior Notes, which totals $5.8 million for the current quarter and $12.4 million for the same prior year period. Also included in interest expense for the current quarter is $7.5 million of accretion of our contingent consideration liability related to certain acquisitions.

Other Income, net

Other income, net, was $7.8 million in the current quarter compared to $7.2 million in the comparable prior year period. Other income, net, includes certain foreign exchange transaction gains and losses and interest and dividend income.

Six Months Ended June 30, 2012, Compared to Six Months Ended June 30, 2011

Total Revenues and Gross Profit

For the six months ended June 30, 2012, Mylan reported total revenues of $3.28 billion compared to $3.02 billion in the comparable prior year period. Total revenues include both net revenues and other revenues from third parties. Third party net revenues for the current period were $3.25 billion compared to $3.01 billion for the same prior year period, representing an increase of $244.2 million, or 8.1%. Other third party revenues for the current period were $32.9 million compared to $16.0 million in the same prior year period, an increase of $16.9 million. Other revenues for the six months ended June 30, 2012 include $12.4 million of revenue related to our clean energy investment subsidiary.

Mylan's revenues were impacted by the effect of foreign currency translation, primarily reflecting changes in the U.S. Dollar as compared to the currencies of Mylan's Euro-denominated subsidiaries, as well as the currencies of Mylan's

subsidiaries in India, Australia and Japan, for the six-month period. The unfavorable impact of foreign currency translation on

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total revenues was approximately $98 million, or 3%, for the six-month period. New product launches totaled approximately $508 million. On a constant currency basis, revenues from existing products decreased approximately $165 million, which included a decline in pricing of approximately $202 million, which was partially offset by increased volumes.

Cost of sales for the six months ended June 30, 2012 was $1.92 billion, compared to $1.76 billion in the prior year. Cost of sales for the current period is impacted by the amortization of acquired intangible assets, and restructuring and other special items primarily associated with purchase accounting as described further in the section titled “Adjusted Earnings.” These items totaled approximately $226.2 million. Current period cost of sales includes the cost of goods sold by our clean energy investment subsidiary of $15.8 million. Prior year cost of sales included similar purchase accounting and restructuring and other special items in the amount of $180.1 million. The increase in current year purchase accounting and restructuring and other special items is principally the result of severance programs for certain production employees and costs associated with the ratification of a new collective bargaining agreement with the Union, including the withdrawal from a multi-employer pension plan. Excluding these amounts, cost of sales increased to $1.69 billion from $1.58 billion, corresponding to the increase in sales and higher production volumes.

Gross profit for the six months ended June 30, 2012 was $1.37 billion, and gross margins were 41.6%. For the six months ended June 30, 2011, gross profit was $1.26 billion, and gross margins were 41.7%. Excluding the purchase accounting and other special items discussed in the preceding paragraph, gross margins would have been approximately 48% in the six months ended June 30, 2012 and 2011.

From time to time, a limited number of our products may represent a significant portion of our net revenues, gross profit and net earnings. Generally, this is due to the timing of new product launches 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% of total revenues in the six months ended June 30, 2012.

Generics Segment

For the six months ended June 30, 2012, Generics third party net revenues were $2.89 billion compared to $2.78 billion in the comparable prior year period, an increase of $112.1 million, or 4.0%. Translating Generics third party net revenues for the current period at prior year foreign currency exchange rates would have resulted in year-over-year growth of approximately $210 million, or 8%.

Third party net revenues from North America were $1.62 billion for the six months ended June 30, 2012, compared to $1.42 billion for the comparable prior year period, representing an increase of $198.5 million, or 13.9%. The increase in current year net revenues was driven by new product launches, partially offset by unfavorable volume and pricing on existing products.

The increase in current period third party net revenues from new product launches totaled approximately $430 million. 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 Mylan's financial results. The most significant new products launched in the current year were Escitalopram Tablets USP, 5 mg, 10 mg and 20 mg, the first equivalent product to Forest Laboratories' Lexapro®, which is used for acute and maintenance treatment of major depressive disorder and acute treatment of generalized anxiety disorder, and Doxycycline Hyclate Delayed-release (DR) Tablets USP, 150 mg.

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. Volume and pricing on existing products was negatively impacted by the entrance of additional competition on products that were launched during the six months ended June 30, 2011. The effect of foreign currency translation was insignificant within North America.

Third party net revenues from EMEA were $662.3 million for the six months ended June 30, 2012, compared to $767.8 million for the comparable prior year period, a decrease of $105.5 million, or 13.7%. Translating six-month period third party net revenues from EMEA at comparable prior year period exchange rates would have resulted in a year-over-year decrease in third party net revenues of approximately $53 million, or 7%. This decrease was the result of competitive market conditions, which resulted in lower pricing in a number of European markets in which Mylan

operates.

Local currency revenues from Mylan's business in France decreased as compared to the prior year as a result of the impact of lower pricing due to an increasingly competitive market, partially offset by new product launches. Despite the competitive market conditions, our market share in France remained relatively stable in the current period, and we remain the market leader.

In Italy, excluding the effect of foreign currency, third party net revenues increased approximately 14% as a result of successful product launches and increased market penetration, which has favorably affected sales volume. Italy is one of the fastest growing markets in Europe. Our growth in Italy outpaced the market in terms of both volume and sales value. In Spain, excluding the effect of foreign currency, third party net revenues increased approximately 6%.

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In addition to Spain and Italy, certain other markets in which we do business have recently 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, which appear to favor generic products, could help to offset some of this unfavorable effect by potentially increasing rates of generic substitution.

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 revenue and profitability. Under such tender systems, manufacturers submit bids which establish prices for generic pharmaceutical products. Upon winning the tender, the winning company will receive a 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, primarily in Germany, continue to be negatively affected by the impact of tender systems.

In Asia Pacific, third party net revenues were $606.1 million for the six months ended June 30, 2012, compared to $587.0 million for the comparable prior year period, an increase of $19.2 million, or 3.3%. Excluding the unfavorable effect of foreign currency translation, calculated as described above, the increase was approximately $61 million, or 10%. This increase is primarily driven by higher third party sales by our operations in India, with growth in third party sales in Japan, partially offset by lower sales in Australia.

The increase in third party net revenues by our operations in India is due to double-digit growth, excluding the effect of foreign currency, in sales of ARV FDF generic products, which are used in the treatment of HIV/AIDS. In addition to third party sales, the Asia Pacific region also supplies both FDF generic products and API to Mylan subsidiaries in conjunction with Mylan's vertical integration strategy. Intercompany revenues recognized by the Asia Pacific region were $133.0 million for the six months ended June 30, 2012, compared to $110.0 million in the prior year. These intercompany sales eliminate within, and therefore are not included in, Generics or consolidated net revenues.

In Japan, third party net revenues, excluding the effect of foreign currency, were favorably impacted by higher volumes, which served to offset the impact of government imposed price reductions, which took place in the first quarter of 2012. In Australia, sales were negatively impacted, both in terms of pricing and volume, by the most significant government-imposed pricing reform in the country's history. As in EMEA, both Australia and Japan have undergone government-imposed price reductions which have had, and could continue to have, a negative impact on sales and gross profit in these markets.

Specialty Segment

For the six months ended June 30, 2012, Specialty reported third party net revenues of $360.8 million, an increase of $132.1 million, or 57.7%, from the comparable prior year period of $228.7 million. The increase was the result of higher sales, in terms of both volume and pricing, of the EPIPEN® auto-injector, which is used in the treatment of severe allergic reactions (anaphylaxis). The EPIPEN® auto-injector is the number one prescribed epinephrine auto-injector. The market continues to grow as awareness of the risk of anaphylaxis increases.

Operating Expenses

Research & Development Expense

R&D for the six months ended June 30, 2012 was $175.3 million, compared to $147.8 million in the same prior year period, an increase of $27.5 million. R&D increased due primarily to the expenses related to the development of our respiratory and biologics programs as well as the timing of internal and external product development projects.

Selling, General & Administrative Expense

SG&A for the six months ended June 30, 2012 was $696.0 million, compared to $594.2 million for the same prior year period, an increase of $101.8 million. Primary factors contributing to the increase in SG&A include an increase in certain payroll and related employee benefit costs of approximately $48.9 million, increased selling and marketing

costs of approximately $16.0 million and the fair value adjustment related to the contingent consideration liability of approximately $8.3 million. The increased selling and marketing costs principally relate to the EPIPEN® auto-injector.

Litigation Settlements, net

During the six months ended June 30, 2012, the Company recorded a $10.0 million net gain for litigation settlements. The net gain in litigation settlements was principally the result of a favorable settlement of the Levalbuterol patent infringement

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matter, which resulted in an $18 million reduction of a previously established accrual and the receipt of a net payment of approximately $16 million related to a separate patent infringement matter. These items were partially offset by a $20 million charge related to existing pricing litigation matters.

Interest Expense

Interest expense for the six months ended June 30, 2012 totaled $158.1 million, compared to $169.1 million for the six months ended June 30, 2011. The decrease is primarily due to lower interest expense on variable rate debt instruments. Included in interest expense is the amortization of the discounts on our convertible debt instruments and 2018 Senior Notes, net of amortization of the premium on our 2020 Senior Notes, which totals $17.5 million for the current period and $24.2 million for the same prior year period. Also included in interest expense for the current period is $15.7 million of accretion of our contingent consideration liability related to certain acquisitions.

Other Income, net

Other income, net, was $2.1 million in the six months ended June 30, 2012 compared to $10.5 million in the comparable prior year period. Other income, net, includes certain foreign exchange transaction gains and losses and interest and dividend income.

Adjusted Earnings

Adjusted earnings are an alternative view of performance used by management. Management believes that, primarily due to acquisitions, 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 accounting principles generally accepted in the U.S. ("GAAP"), and management also believes that investors' understanding of our performance is enhanced by these adjusted measures. 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. Actual internal and forecasted operating results and annual budgets include Adjusted Earnings and Adjusted EPS, and the financial performance of the Company is measured by senior management on this basis along with other performance metrics. Management's annual incentive compensation is derived in part based on the Adjusted EPS metric.

Whenever the Company uses such non-GAAP measures, it will provide a reconciliation of non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors and other readers are encouraged to review the related GAAP financial measures and the reconciliation of non-GAAP measures to their most closely applicable 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 GAAP. Additionally, since Adjusted Earnings and Adjusted EPS are not measures determined in accordance with GAAP, they have no standardized meaning prescribed by GAAP and, therefore, may not be comparable to the calculation of similar measures of other companies.

The significant items excluded from Adjusted Earnings and Adjusted EPS include:

Acquisition-Related Items

Adjusted Earnings and Adjusted EPS exclude the ongoing impact of certain amounts recorded in connection with acquisitions. These amounts include the amortization of intangible assets and inventory step-up, as well as intangible asset impairment charges and the accretion and fair value adjustments related to contingent consideration. Amounts also include integration costs, as well as other costs associated with acquisitions, such as severance costs, which are not part of a formal restructuring program. These costs are excluded because management believes that excluding these costs is helpful for understanding the performance of the business.

Restructuring and Other Special Items

Adjusted Earnings and Adjusted EPS exclude costs related to restructuring and other actions as applicable. These amounts include items such as employee separation costs, exit costs and accelerated depreciation associated with facilities to be closed or divested. The Company has undertaken restructurings of different types 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 for understanding the performance of the business. Also excluded from Adjusted Earnings and Adjusted EPS are the operating results of the Company's clean energy investment subsidiary, whose activities qualify for tax credits under section 45 of the IRC; only included is the net tax effect of the subsidiary's activities.

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Litigation Settlements, net

Adjusted Earnings and Adjusted EPS exclude charges and gains related to legal matters, such as those discussed in the Notes to Condensed Consolidated Financial Statements — Note 13, “Contingencies.” Normal, ongoing defense costs of the Company made in the normal course of our business are not excluded from Adjusted Earnings or Adjusted EPS.

A reconciliation between net earnings attributable to Mylan Inc. common shareholders and diluted earnings per share attributable to Mylan Inc. common shareholders, as reported under U.S. GAAP, and Adjusted Earnings and Adjusted EPS for the periods shown follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
(In millions, except per share amounts)	2012		2011		2012		2011	
GAAP net earnings attributable to Mylan Inc. and diluted GAAP EPS	$138.6	$0.33	$146.4	$0.33	$267.6	$0.62	$250.6	$0.56
Purchase accounting related amortization (included in cost of sales)	88.8		87.2		178.3		173.9	
Litigation settlements, net	(12.2)		2.2		(10.0)		26.2	
Interest expense, primarily amortization of convertible debt discount	7.1		12.4		20.6		24.2	
Non-cash accretion and fair value adjustments of contingent consideration liability	15.8		—		24.0		—	
Clean energy investment subsidiary revenue [(a)]	(3.7)		—		(12.4)		—	
Restructuring and other special items included in:								
Cost of sales	35.0		2.0		47.9		6.2	
Research and development expense	1.4		0.2		2.8		0.8	
Selling, general and administrative expense	22.8		12.5		47.4		24.9	
Other income, net	(1.2)		(1.2)		1.1		(1.2)	
Tax effect of the above items and other income tax related items	(38.5)		(30.1)		(88.8)		(77.0)	
Adjusted net earnings attributable to Mylan Inc. and adjusted diluted EPS	$253.9	$0.60	$231.6	$0.52	$478.5	$1.12	$428.6	$0.96
Weighted average diluted common shares outstanding	424.4		445.4		428.4		446.9	

(a) Adjustment represents exclusion of revenue related to our ownership of a clean energy investment subsidiary, whose activities qualify for tax credits under section 45 of the IRC. Amount is included in other revenue.

Net earnings attributable to Mylan Inc. decreased $7.9 million, or 5.4%, to $138.6 million for the three months ended June 30, 2012 as compared to $146.4 million for the prior year comparable period. Diluted earnings per common share attributable to Mylan Inc. remained constant at $0.33 per share for the three months ended June 30, 2012 compared to the prior year comparable period. Adjusted earnings increased $22.3 million, or 9.6%, to $253.9 million for the three months ended June 30, 2012 as compared to adjusted earnings of $231.6 million for the prior year comparable period. Adjusted diluted earnings per common share attributable to Mylan Inc. increased from $0.52 to $0.60 for the three months ended June 30, 2012 compared to the prior year comparable period.

Net earnings attributable to Mylan Inc. increased $17.0 million, or 6.8%, to $267.6 million for the six months ended June 30, 2012 as compared to $250.6 million for the prior year comparable period. Diluted earnings per common share attributable to Mylan Inc. increased from $0.56 to $0.62 for the six months ended June 30, 2012 compared to the prior year comparable period. Adjusted earnings increased $49.9 million, or 11.6%, to $478.5 million for the six months ended June 30, 2012 as compared to adjusted earnings of $428.6 million for the prior year comparable period. Adjusted diluted earnings per common share attributable to Mylan Inc. increased from $0.96 to $1.12 for the six

months ended June 30, 2012 compared to the prior year comparable period.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by operations. 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, interest and principal payments on debt obligations and other cash needs over the next several years. 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.

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Net cash provided by operating activities increased by $49.3 million to $192.6 million for the six months ended June 30, 2012, as compared to net cash provided by operating activities of $143.3 million for the six months ended June 30, 2011. The net increase in cash provided by operating activities was principally due to the following:

- a net decrease in the amount of cash used for accounts receivable, including estimated sales allowances, of $153.7 million reflecting the timing of sales and cash collections;
- an increase in net earnings combined with a net increase in the amount of non-cash expenses of $109.7 million as a result of increased expenses for depreciation and amortization, stock compensation, post employment programs, including severance, and the accretion and fair value adjustments related to the contingent consideration liability; and
- a net decrease of $30.4 million in the amount of cash used through changes in inventory balances.

These items were partially offset by following:

- a net increase in the amount of cash used through changes in income taxes of $114.1 million as a result of the level of estimated tax payments made during the current year;
- a net increase in the amount of cash used through changes in accounts payable of $64.5 million as a result of the timing of cash payments; and
- a net increase in cash used for other operating assets and liabilities of $11.8 million, driven by a decrease in legal and professional accruals, including litigation reserves ($232.7 million at December 31, 2011 as compared to $141.5 million at June 30, 2012), primarily as a result of litigation payments, and a decrease in payroll and employee benefit plan accruals ($221.5 million at December 31, 2011 as compared to $193.8 million at June 30, 2012), primarily as a result of cash payments for incentive compensation programs.

Cash used in investing activities was $162.9 million for the six months ended June 30, 2012, as compared to $111.6 million for the six months ended June 30, 2011, an increase of $51.3 million. Capital expenditures, primarily for equipment, were approximately $98.9 million in the current period. The decrease as compared to 2011 is the result of the timing of expenditures. While there can be no assurance that current expectations will be realized, capital expenditures for the 2012 calendar year are expected to be between $300 million and $400 million.

Also during the six months ended June 30, 2012, the Company paid approximately $70 million to acquire product rights and licenses, the majority of which relates to two dermatological products acquired from Valeant Pharmaceuticals in the first quarter. This cash outflow is included in other investing activities on the Condensed Consolidated Statements of Cash Flows.

Cash used by financing activities was $82.4 million for the six months ended June 30, 2012, as compared to $282.4 million for the six months ended June 30, 2011. During the six months ended 2012, we repaid our $600 million Senior Convertible Notes, which matured in March 2012, and funded the quarterly payment on the U.S. Term Loans as required under the Senior Credit Agreement. Net borrowings under our Revolving Facility totaled $750.0 million, and in addition, we borrowed $300.0 million under our Receivables Facility. The proceeds of these borrowings were principally utilized to fund the Senior Convertible Note payment and the share repurchase program described below.

During the second quarter of 2012, the Company completed a share repurchase program, which was announced on May 10, 2012, by purchasing approximately 23.4 million shares of common stock for approximately $500 million. During the second quarter of 2011, the Company repurchased approximately 14.8 million shares of common stock for approximately $350 million.

The Company has approximately $47 million of long-term debt due for the remainder of 2012 and approximately $93.8 million due in 2013. Our current intention is to repay such amounts at maturity using available liquidity.

As of June 30, 2012, because the closing price of our common stock for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day in the June 30, 2012 period was more than 130% of the applicable conversion reference price of $13.32, the $575.0 million of Cash Convertible Notes were convertible. Although the Company’s experience is that convertible debentures are not normally converted by investors until close to their maturity date, it is possible that debentures could be converted prior to their maturity date if, for example, a holder perceives the market for the debentures to be weaker than the market for the common stock. Upon an investor’s election to convert, the Company is required to pay the full conversion value in cash. The amount payable per $1,000 notional bond would be calculated as the product of (1) the conversion reference rate (currently $75.0751) and (2) the average Daily Volume Weighted Average Price per share of common stock for a specified period following the

conversion date. Any payment above the principal amount is matched by a convertible note hedge. Should holders elect to convert, we intend to draw on our revolving credit facility to fund any principal payments. The facility is a secured revolving credit agreement expiring in November 2016.

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We are involved in various legal proceedings that are considered normal to our business. While it is not feasible to predict the outcome of such proceedings, an adverse outcome in any of these proceedings could materially affect our financial position and results of operations, including our operating cash flow. We have approximately $95 million accrued for such legal contingencies. Additionally, for certain contingencies assumed in conjunction with the acquisition of the former Merck Generics business, Merck KGaA, the seller, has indemnified Mylan. The inability or denial of Merck KGaA to pay on an indemnified claim could have a material effect on our financial position, results of operations or cash flows.

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.

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.

At June 30, 2012 and December 31, 2011, we had $50.3 million and $79.8 million outstanding under existing letters of credit. Additionally, as of June 30, 2012, we had $105.3 million available under the $125.0 million subfacility on our Senior Credit Agreement for the issuance of letters of credit.

Mandatory minimum repayments remaining on the outstanding borrowings under the term loans and notes at notional amounts at June 30, 2012 are as follows for each of the periods ending December 31:

(In thousands)	U.S. Term Loans	Cash Convertible Notes	2017 Senior Notes	2018 Senior Notes	2020 Senior Notes	Revolving Facility	Total
2012	$46,875	$—	$—	$—	$—	$—	$46,875
2013	93,750	—	—	—	—	—	93,750
2014	125,000	—	—	—	—	—	125,000
2015	187,500	575,000	—	—	—	—	762,500
2016	750,000	—	—	—	—	750,000	1,500,000
Thereafter	—	—	550,000	800,000	1,000,000	—	2,350,000
Total	$1,203,125	$575,000	$550,000	$800,000	$1,000,000	$750,000	$4,878,125

The Senior Credit Agreement contains 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 business and insurance, collateral matters and compliance with laws, as well as customary negative covenants for facilities of this type, including limitations on the incurrence of indebtedness and liens, mergers and certain other fundamental changes, investments and loans, acquisitions, transactions with affiliates, dispositions of assets, payments of dividends and other restricted payments, prepayments or amendments to the terms of specified indebtedness and changes in our lines of business. The Senior Credit Agreement contains financial covenants requiring maintenance of a minimum interest coverage ratio and a maximum consolidated leverage ratio. We have been compliant with the financial covenants during 2012, and we expect to remain in compliance for the next twelve months.

In February 2012, the Company entered into a receivable securitization facility (the “Receivables Facility”) of up to $300.0 million. Pursuant to the terms of the Receivables Facility, the Company transfers certain of its domestic receivables, on an ongoing basis, to Mylan Securitization LLC (“Mylan Securitization”), a wholly-owned bankruptcy remote subsidiary. In turn, from time to time, Mylan Securitization sells its interests in such receivables, related assets and collections to certain conduit purchasers, committed purchasers and letter of credit issuers in exchange for cash or letters of credit. Mylan Securitization maintains a subordinated interest, in the form of over collateralization, in a

portion of the receivables sold. Any amounts outstanding under the facility are recorded as a secured loan, and included in short-term borrowings, and the receivables underlying any borrowings are included in accounts receivable, net, in the Condensed Consolidated Balance Sheets. At June 30, 2012, there were $300.0 million of short-term borrowings outstanding under the Receivables Facility. The size of the accounts receivable securitization facility may be increased from time to time, upon request by Mylan Securitization and with the consent of the purchaser agents and the Agent, up to a maximum of $500.0 million. In July 2012, the size of the accounts receivable securitization facility was increased to $400.0 million.

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We are contractually obligated to make potential future development, regulatory and commercial milestone, royalty and/or profit sharing payments in conjunction with collaborative agreements or acquisitions we have entered into with third parties. The most significant of these relates to the potential future consideration related to the Respiratory Delivery Platform. These payments are contingent upon the occurrence of certain future events and, given the nature of these events, it is unclear when, if ever, we may be required to pay such amounts. The amount of contingent consideration accrued was $393.3 million and $376.1 million at June 30, 2012 and December 31, 2011, respectively. In addition, the Company expects to incur approximately $30.0 million to $40.0 million of annual accretion expense related to the increase in the net present value of the contingent consideration liability.

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 the Company's Annual Report filed on Form 10-K.

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, 2012. 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 would have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding legal proceedings, refer to Note 13, “Contingencies,” in the accompanying Notes to Condensed Consolidated Financial Statements in this Quarterly Report.

ITEM 1A. RISK FACTORS

The following risk factors could have a material adverse effect on our business, financial position or results of operations and could cause the market value of our common stock to decline. These risk factors may not include all of the important factors that could affect our business or our industry or that could cause our future financial results to differ materially from historic or expected results or cause the market price of our common stock to fluctuate or decline.

CURRENT ECONOMIC CONDITIONS MAY ADVERSELY AFFECT OUR INDUSTRY, BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Over the past few years, the global economy has undergone a period of significant volatility, and the economic environment may continue to be less favorable than that of past years. In particular, the risk of a debt default by certain European countries and related European financial structuring efforts or deficit reduction programs instituted by the U.S. government could negatively impact the global economy. This has led, and/or could lead, to reduced consumer and customer spending and/or reduced or eliminated third party payor coverage or reimbursement in the foreseeable future, and this may include spending on healthcare. While generic drugs present an ideal alternative to higher-priced branded products, our sales could be negatively impacted if patients forego obtaining healthcare, customers reduce spending or purchases, and/or if third-party payors reduce or eliminate coverage or reimbursement amounts. In addition, reduced consumer and customer spending and/or reduced third party payor coverage or reimbursement, may drive us and our competitors to decrease prices and may reduce the ability of customers to pay due balances. These conditions may have a material adverse effect on our industry, business, financial position and results of operations and may cause the market value of our common stock to decline.

OUR INTEGRATION OF ACQUIRED BUSINESSES INVOLVES A NUMBER OF RISKS. THESE RISKS COULD CAUSE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

There are a number of operational risks associated with the integration of acquired businesses. These risks include, but are not limited to, difficulties in achieving identified financial and operating synergies, cost savings, revenue synergies and growth opportunities; difficulties in consolidating information technology platforms, business applications and corporate infrastructure; our substantial indebtedness and assumed liabilities; challenges associated with operating in new markets; and the unanticipated effects of export controls, exchange rate fluctuations, domestic and foreign political conditions or domestic and foreign economic conditions.

These factors could impair our growth and ability to compete, require us to focus additional resources on integration of operations rather than other profitable areas, or otherwise cause a material adverse effect on our business, financial position and results of operations and could cause a decline in the market value of our common stock.

WE HAVE GROWN AT A VERY RAPID PACE. OUR INABILITY TO PROPERLY MANAGE OR SUPPORT THIS GROWTH MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

We have grown very rapidly over the past few years, through our acquisitions of the former Merck Generics business, the former Matrix Laboratories Limited and Bioniche Pharma. This growth has put significant demands on our processes, systems and people. We expect to make further investments in additional personnel, systems and internal control processes to help manage our growth. Attracting, retaining and motivating key employees in various departments and locations to support our growth are critical to our business, and competition for these people can be

intense. If we are unable to hire and retain qualified employees and if we do not continue to invest in systems and processes to manage and support our rapid growth, there may be a material adverse effect on our business, financial position and results of operations, and the market value of our common stock could decline.

OUR GLOBAL FOOTPRINT EXPOSES US TO ADDITIONAL RISKS WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

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Our operations extend to numerous countries outside the U.S., and operating globally exposes us to certain additional risks including, but not limited to:

- compliance with a variety of national and local laws of countries in which we do business, including restrictions on the import and export of certain intermediates, drugs and technologies;
- changes in laws, regulations, and practices affecting the pharmaceutical industry and the healthcare system, including but not limited to imports, exports, manufacturing, cost, pricing, reimbursement, approval, inspection, and delivery of healthcare;
- fluctuations in exchange rates for transactions conducted in currencies other than the functional currency;
- adverse changes in the economies in which we operate as a result of a slowdown in overall growth, a change in government or economic liberalization policies, or financial, political or social instability in such countries that affects the markets in which we operate, particularly emerging markets;
- wage increases or rising inflation in the countries in which we operate;
- supply disruptions, and increases in energy and transportation costs;
- natural disasters, including droughts, floods and earthquakes in the countries in which we operate;
- communal disturbances, terrorist attacks, riots or regional hostilities in the countries in which we operate; and
- government uncertainty, including as a result of new or changed laws and regulations.

We also face the risk that some of our competitors have more experience with operations in such countries or with international operations generally. Furthermore, whether due to language, cultural or other differences, statements we make may be misinterpreted, misconstrued or taken out of context. Any of the above factors could have a material adverse effect on our business, financial position and results of operations and could cause a decline in the market value of our common stock.

A SIGNIFICANT PART OF OUR BUSINESS IS LOCATED IN INDIA AND IS SUBJECT TO REGULATORY, ECONOMIC, SOCIAL AND POLITICAL UNCERTAINTIES IN INDIA. THESE UNCERTAINTIES CREATE RISKS WHICH COULD CAUSE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

In recent years, Mylan’s Indian subsidiary, Mylan Laboratories Limited, has benefited from many policies of the Government of India and the Indian state governments in the states in which it operates, which are designed to promote foreign investment generally, including significant tax incentives, liberalized import and export duties and preferential rules on foreign investment and repatriation. There is no assurance that such policies will continue. Various factors, such as changes in the current federal government, could trigger significant changes in India’s economic liberalization and deregulation policies and disrupt business and economic conditions in India generally and our business in particular.

In addition, our financial performance may be adversely affected by general economic conditions and economic and fiscal policy in India, including changes in exchange rates and controls, interest rates and taxation policies, as well as social stability and political, economic or diplomatic developments affecting India in the future. In particular, India has experienced significant economic growth over the last several years, but faces major challenges in sustaining that growth in the years ahead. These challenges include the need for substantial infrastructure development and improving access to healthcare and education. Our ability to recruit, train and retain qualified employees and develop and operate our manufacturing facilities in India could be adversely affected if India does not successfully meet these challenges.

Southern Asia has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries, including India and Pakistan, and within the countries themselves. Rioting, military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel and the conduct of our business more difficult. Resulting political tensions could create a greater perception that investments in companies with Indian operations involve a high degree of risk, and that there is a risk of disruption of services provided by companies with Indian operations, which could have a material adverse effect on the market for Mylan Laboratories Limited’s products. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, Mylan Laboratories Limited might

not be able to continue its operations. We generally do not have insurance for losses and interruptions caused by terrorist attacks, military conflicts and wars. These risks could cause a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

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MOVEMENTS IN FOREIGN CURRENCY EXCHANGE RATES COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

A significant portion of our revenues, indebtedness and other liabilities and our costs are denominated in foreign currencies, including the Euro, the Australian Dollar, the British Pound, the Canadian Dollar, the Indian Rupee and the Japanese Yen. We report our financial results in U.S. Dollars. Our results of operations and, in some cases, cash flows, have in the past and may in the future be adversely affected by certain movements in exchange rates. In particular, the risk of a debt default by certain European countries and related European financial restructuring efforts may cause volatility in the value of the Euro. From time to time, we may implement currency hedges intended to reduce our exposure to changes in foreign currency exchange rates. However, our hedging strategies may not be successful, and any of our unhedged foreign exchange exposures will continue to be subject to market fluctuations. These risks could cause a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE ARE SUBJECT TO THE U.S. FOREIGN CORRUPT PRACTICES ACT AND SIMILAR WORLDWIDE ANTI-BRIBERY LAWS, WHICH IMPOSE RESTRICTIONS AND MAY CARRY SUBSTANTIAL PENALTIES. ANY VIOLATIONS OF THESE LAWS, OR ALLEGATIONS OF SUCH VIOLATIONS, COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

The U.S. Foreign Corrupt Practices Act and anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business or other commercial advantage. Our policies mandate compliance with these anti-bribery laws, which often carry substantial penalties. We operate in jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local customs and practices. We cannot assure you that our internal control policies and procedures always will protect us from reckless or other inappropriate acts committed by our affiliates, employees or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

OUR FUTURE REVENUE GROWTH AND PROFITABILITY ARE DEPENDENT UPON OUR ABILITY TO DEVELOP AND/OR LICENSE, OR OTHERWISE ACQUIRE, AND INTRODUCE NEW PRODUCTS ON A TIMELY BASIS IN RELATION TO OUR COMPETITORS' PRODUCT INTRODUCTIONS. OUR FAILURE TO DO SO SUCCESSFULLY COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Our future revenues and profitability will depend, to an extent, upon our ability to successfully develop and/or license, or otherwise acquire and commercialize, new generic and patent or statutorily protected pharmaceutical products in a timely manner. Product development is inherently risky, especially for new drugs for which safety and efficacy have not been established and the market is not yet proven. Likewise, product licensing involves inherent risks including uncertainties due to matters that may affect the achievement of milestones, as well as the possibility of contractual disagreements with regard to the supply of product meeting specifications and terms such as license scope or termination rights. The development and commercialization process, particularly with regard to new drugs, also requires substantial time, effort and financial resources. We, or a partner, may not be successful in commercializing any of such products on a timely basis, if at all, which could adversely affect our business, financial position and results of operations and could cause the market value of our common stock to decline.

Before any prescription drug product, including generic drug products, can be marketed, marketing authorization approval is required by the relevant regulatory authorities and/or national regulatory agencies (for example the FDA in the U.S. and the EMA in the EU). The process of obtaining regulatory approval to manufacture and market new and generic pharmaceutical products is rigorous, time consuming, costly and largely unpredictable. Outside the U.S., the approval process may be more or less rigorous, and the time required for approval may be longer or shorter than that required in the U.S. Bioequivalence studies conducted in one country may not be accepted in other countries, and the

approval of a pharmaceutical product in one country does not necessarily mean that the product will be approved in another country. We, or a partner, may be unable to obtain requisite approvals on a timely basis for new generic or branded products that we may develop, license or otherwise acquire. Moreover, if we obtain regulatory approval for a drug, it may be limited with respect to the indicated uses and delivery methods for which the drug may be marketed, which could in turn restrict our potential market for the drug. Also, for products pending approval, we may obtain raw materials or produce batches of inventory to be used in efficacy and bioequivalence testing, as well as in anticipation of the product's launch. In the event that regulatory approval is denied or delayed, we could be exposed to the risk of this inventory becoming obsolete. The timing and cost of obtaining

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regulatory approvals could adversely affect our product introduction plans, business, financial position and results of operations and could cause the market value of our common stock to decline.

The approval process for generic pharmaceutical products often results in the relevant regulatory agency granting final approval to a number of generic pharmaceutical products at the time a patent claim for a corresponding branded product or other market exclusivity expires. This often forces us to face immediate competition when we introduce a generic product into the market. Additionally, further generic approvals often continue to be granted for a given product subsequent to the initial launch of the generic product. These circumstances generally result in significantly lower prices, as well as reduced margins, for generic products compared to branded products. New generic market entrants generally cause continued price and margin erosion over the generic product life cycle.

In the U.S., the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, provides for a period of 180 days of generic marketing exclusivity for each abbreviated new drug application ("ANDA") applicant that is first-to-file an ANDA containing a certification of invalidity, non-infringement or unenforceability related to a patent listed with respect to a reference drug product, commonly referred to as a Paragraph IV certification. During this exclusivity period, which under certain circumstances may be required to be shared with other applicable ANDA sponsors with Paragraph IV certifications, the FDA cannot grant final approval to other ANDA sponsors holding applications for the same generic equivalent. If an ANDA containing a Paragraph IV certification is successful and the applicant is awarded exclusivity, the applicant generally enjoys higher market share, net revenues and gross margin for that product. However, our ability to obtain 180 days of generic marketing exclusivity may be dependent upon our ability to obtain FDA approval or tentative approval within 30 months of the FDA's acceptance of our ANDA. If we are unable to obtain approval or tentative approval within that time period, we may risk forfeiture of such marketing exclusivity. Even if we obtain FDA approval for our generic drug products, if we are not the first ANDA applicant to challenge a listed patent for such a product, we may lose significant advantages to a competitor that filed its ANDA containing such a challenge. The same would be true in situations where we are required to share our exclusivity period with other ANDA sponsors with Paragraph IV certifications. Such situations could have a material adverse effect on our ability to market that product profitably and on our business, financial position and results of operations, and the market value of our common stock could decline.

In Europe, there is no exclusivity period for the first generic. The EMA or national regulatory agencies may grant marketing authorizations to any number of generics. However, if there are other patents which the brand alleges are relevant, for example, new formulations, the owner of the original brand pharmaceutical may be able to obtain a preliminary injunction in certain European jurisdictions delaying launch of the generic product, depending on local court practices and/or the relevance of the asserted patents.

In addition, in other jurisdictions outside the U.S., we may face similar regulatory hurdles and constraints. If we are unable to navigate our products through all of the regulatory hurdles we face in a timely manner it could adversely affect our product introduction plans, business, financial position and results of operations and could cause the market value of our common stock to decline.

WE EXPEND A SIGNIFICANT AMOUNT OF RESOURCES ON RESEARCH AND DEVELOPMENT EFFORTS THAT MAY NOT LEAD TO SUCCESSFUL PRODUCT INTRODUCTIONS. FAILURE TO SUCCESSFULLY INTRODUCE PRODUCTS INTO THE MARKET COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS, AND THE MARKET VALUE OF OUR COMMON STOCK COULD DECLINE.

Much of our development effort is focused on technically difficult-to-formulate products and/or products that require advanced manufacturing technology, including our generic biologics program and respiratory platform. We conduct research and development primarily to enable us to manufacture and market approved pharmaceuticals in accordance with applicable regulations. We also partner with third parties to develop products. Typically, research expenses related to the development of innovative compounds and the filing of marketing authorization applications for innovative compounds (such as NDAs in the U.S.) are significantly greater than those expenses associated with the development of and filing of marketing authorization applications for generic products (such as ANDAs in the U.S. and abridged applications in Europe). As we and our partners continue to develop new products, our research

expenses will likely increase. Because of the inherent risk associated with research and development efforts in our industry, particularly with respect to new drugs, our, or a partner's, research and development expenditures may not result in the successful introduction of new pharmaceutical products approved by the relevant regulatory bodies. Also, after we submit a marketing authorization application for a new compound or generic product, the relevant regulatory authority may change standards and/or request that we conduct additional studies and, as a result, we may incur total research and development costs to develop a particular product in excess of what we anticipated. Finally, we cannot be certain that any investment made in developing products will be recovered, even if we are successful in

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commercialization. To the extent that we expend significant resources on research and development efforts and are not able, ultimately, to introduce successful new products as a result of those efforts, our business, financial position and results of operations may be materially adversely affected, and the market value of our common stock could decline.

OUR APPROVED PRODUCTS MAY NOT ACHIEVE EXPECTED LEVELS OF MARKET ACCEPTANCE, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR PROFITABILITY, BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Even if we are able to obtain regulatory approvals for our new pharmaceutical products, generic or branded, the success of those products is dependent upon market acceptance. Levels of market acceptance for our new products could be impacted by several factors, including but not limited to:

- the availability of alternative products from our competitors;
- the price of our products relative to that of our competitors;
- the timing of our market entry;
- the ability to market our products effectively to the retail level; and
- the acceptance of our products by government and private formularies.

Some of these factors are not within our control. Additionally, continuing studies of the proper utilization, safety and efficacy of pharmaceutical products are being conducted by the industry, government agencies and others. Such studies, which increasingly employ sophisticated methods and techniques, can call into question the utilization, safety and efficacy of previously marketed products. In some cases, studies have resulted, and may in the future result, in the discontinuance of product marketing or other risk management programs such as the need for a patient registry. These situations, should they occur, could have a material adverse effect on our profitability, business, financial position and results of operations, and could cause the market value of our common stock to decline.

OUR BUSINESS IS HIGHLY DEPENDENT UPON MARKET PERCEPTIONS OF US, OUR BRANDS AND THE SAFETY AND QUALITY OF OUR PRODUCTS. OUR BUSINESS OR BRANDS COULD BE SUBJECT TO NEGATIVE PUBLICITY, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Market perceptions of our business are very important to us, especially market perceptions of our brands and the safety and quality of our products. If we, or our brands, suffer from negative publicity, or if any of our products or similar products which other companies distribute are subject to market withdrawal or recall or are proven to be, or are claimed to be, harmful to consumers, then this could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline. Also, because we are dependent on market perceptions, negative publicity associated with product quality, illness or other adverse effects resulting from, or perceived to be resulting from, our products could have a material adverse impact on our business, financial position and results of operations and could cause the market value of our common stock to decline.

THE ILLEGAL DISTRIBUTION AND SALE BY THIRD PARTIES OF COUNTERFEIT VERSIONS OF OUR PRODUCTS OR OF STOLEN PRODUCTS COULD HAVE A NEGATIVE IMPACT ON OUR REPUTATION AND A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

The drug supply has been increasingly challenged by the vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit products in a growing number of markets and over the Internet. The World Health Organization (“WHO”) estimates that more than 10% of medications being sold globally are counterfeit.

Third parties may illegally distribute and sell counterfeit versions of our products, which do not meet the rigorous manufacturing and testing standards that our products undergo. Counterfeit products are frequently unsafe or ineffective, and can be potentially life-threatening. Counterfeit medicines may contain harmful substances, the wrong dose of the API or no API at all. However, to distributors and users, counterfeit products may be visually indistinguishable from the authentic version.

Reports of adverse reactions to counterfeit drugs or increased levels of counterfeiting could materially affect patient confidence in the authentic product. It is possible that adverse events caused by unsafe counterfeit products will

mistakenly be

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attributed to the authentic product. In addition, thefts of inventory at warehouses, plants or while in-transit, which are not properly stored and which are sold through unauthorized channels could adversely impact patient safety, our reputation and our business.

Public loss of confidence in the integrity of pharmaceutical products as a result of counterfeiting or theft could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

IF WE OR ANY PARTNER FAIL TO ADEQUATELY PROTECT OR ENFORCE OUR INTELLECTUAL PROPERTY RIGHTS, THEN WE COULD LOSE REVENUE UNDER OUR LICENSING AGREEMENTS OR LOSE SALES TO GENERIC COPIES OF OUR BRANDED PRODUCTS. THESE RISKS COULD CAUSE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Our success, particularly in our specialty business, depends in part on our or any partner's ability to obtain, maintain and enforce patents, and protect trade secrets, know-how and other proprietary information. Our ability to commercialize any branded product successfully will largely depend upon our or any partner's ability to obtain and maintain patents of sufficient scope to prevent third-parties from developing substantially equivalent products. In the absence of patent and trade secret protection, competitors may adversely affect our branded products business by independently developing and marketing substantially equivalent products. It is also possible that we could incur substantial costs if we are required to initiate litigation against others to protect or enforce our intellectual property rights.

We have filed patent applications covering composition of, methods of making, and/or methods of using, our branded products and branded product candidates. We may not be issued patents based on patent applications already filed or that we file in the future, and if patents are issued, they may be insufficient in scope to cover our branded products. The issuance of a patent in one country does not ensure the issuance of a patent in any other country. Furthermore, the patent position of companies in the pharmaceutical industry generally involves complex legal and factual questions and has been and remains the subject of much litigation. Legal standards relating to scope and validity of patent claims are evolving and may differ in various countries. Any patents we have obtained, or obtain in the future, may be challenged, invalidated or circumvented. Moreover, the U.S. Patent and Trademark Office or any other governmental agency may commence interference proceedings involving our patents or patent applications. Any challenge to, or invalidation or circumvention of, our patents or patent applications would be costly, would require significant time and attention of our management, could cause a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE FACE VIGOROUS COMPETITION FROM OTHER PHARMACEUTICAL MANUFACTURERS THAT THREATENS THE COMMERCIAL ACCEPTANCE AND PRICING OF OUR PRODUCTS. SUCH COMPETITION COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

The generic pharmaceutical industry is highly competitive. We face competition from many U.S. and foreign manufacturers, some of whom are significantly larger than we are. Our competitors may be able to develop products and processes competitive with or superior to our own for many reasons, including but not limited to the possibility that they may have:

- proprietary processes or delivery systems;
- larger research and development and marketing staffs;
- larger production capabilities in a particular therapeutic area;
- more experience in preclinical testing and human clinical trials;
- more products; or
- more experience in developing new drugs and greater financial resources, particularly with regard to manufacturers of branded products.

Any of these factors and others could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

THE USE OF LEGAL, REGULATORY AND LEGISLATIVE STRATEGIES BY COMPETITORS, BOTH BRAND AND GENERIC, INCLUDING "AUTHORIZED GENERICS" AND CITIZEN'S PETITIONS, AS WELL AS THE POTENTIAL

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IMPACT OF PROPOSED LEGISLATION, MAY INCREASE OUR COSTS ASSOCIATED WITH THE INTRODUCTION OR MARKETING OF OUR GENERIC PRODUCTS, COULD DELAY OR PREVENT SUCH INTRODUCTION AND/OR COULD SIGNIFICANTLY REDUCE OUR PROFIT POTENTIAL. THESE FACTORS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Our competitors, both branded and generic, often pursue strategies to prevent or delay competition from generic alternatives to branded products. These strategies include, but are not limited to:

- entering into agreements whereby other generic companies will begin to market an authorized generic, a generic equivalent of a branded product, at the same time generic competition initially enters the market;
- launching a generic version of their own branded product at the same time generic competition initially enters the market;
- filing citizen's petitions with the FDA or other regulatory bodies, including timing the filings so as to thwart generic competition by causing delays of our product approvals;
- seeking to establish regulatory and legal obstacles that would make it more difficult to demonstrate bioequivalence;
- initiating legislative efforts to limit the substitution of generic versions of brand pharmaceuticals;
- filing suits for patent infringement that may delay regulatory approval of many generic products;
- introducing "next-generation" products prior to the expiration of market exclusivity for the reference product, which often materially reduces the demand for the first generic product for which we seek regulatory approval;
- obtaining extensions of market exclusivity by conducting clinical trials of brand drugs in pediatric populations or by other potential methods;
- persuading regulatory bodies to withdraw the approval of brand name drugs for which the patents are about to expire, thus allowing the brand name company to obtain new patented products serving as substitutes for the products withdrawn; and
- seeking to obtain new patents on drugs for which patent protection is about to expire.

In the U.S., some companies have lobbied Congress for amendments to the Hatch-Waxman legislation that would give them additional advantages over generic competitors. For example, although the term of a company's drug patent can be extended to reflect a portion of the time an NDA is under regulatory review, some companies have proposed extending the patent term by a full year for each year spent in clinical trials rather than the one-half year that is currently permitted.

If proposals like these in the U.S., Europe or in other countries where we operate were to become effective, our entry into the market and our ability to generate revenues associated with new products may be delayed, reduced or eliminated, which could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

OUR COMPETITORS, INCLUDING BRANDED PHARMACEUTICAL COMPANIES, OR OTHER THIRD PARTIES, MAY ALLEGE THAT WE ARE INFRINGING THEIR INTELLECTUAL PROPERTY, FORCING US TO EXPEND SUBSTANTIAL RESOURCES IN RESULTING LITIGATION, THE OUTCOME OF WHICH IS UNCERTAIN. ANY UNFAVORABLE OUTCOME OF SUCH LITIGATION, INCLUDING IN AN "AT-RISK LAUNCH" SITUATION, COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Companies that produce brand pharmaceutical products routinely bring litigation against ANDA or similar applicants that seek regulatory approval to manufacture and market generic forms of their branded products. These companies allege patent infringement or other violations of intellectual property rights as the basis for filing suit against an ANDA or similar applicant. Likewise, patent holders may bring patent infringement suits against companies that are currently marketing and selling their approved generic products. Litigation often involves significant expense and can delay or prevent introduction or sale of our generic products. If patents are held valid and infringed by our products in a particular jurisdiction, we would, unless we could obtain a license from the patent holder, need to cease selling in that jurisdiction and may need to deliver up or destroy existing stock in that jurisdiction.

There may also be situations where we use our business judgment and decide to market and sell products, notwithstanding the fact that allegations of patent infringement(s) have not been finally resolved by the courts (i.e., an "at-risk launch" situation). The risk involved in doing so can be substantial because the remedies available to the owner of a patent for

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infringement may include, among other things, damages measured by the profits lost by the patent owner and not necessarily by the profits earned by the infringer. In the case of a willful infringement, the definition of which is subjective, such 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 in a case such as this or in other similar litigation could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

OUR SPECIALTY BUSINESS DEVELOPS, FORMULATES, MANUFACTURES OR IN-LICENSES AND MARKETS BRANDED PRODUCTS THAT ARE SUBJECT TO RISKS. THESE RISKS COULD CAUSE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Our branded products developed, formulated, manufactured (or alternatively, in-licensed) and marketed by our specialty business may be subject to the following risks, among others:

- limited patent life, or the loss of patent protection;
- competition from generic products;
- reductions in reimbursement rates by third-party payors;
- importation by consumers;
- product liability;
- drug development risks arising from typically greater research and development investments than generics; and
- unpredictability with regard to establishing a market.

In addition, developing and commercializing branded products is generally more costly than generic products. If such business expenditures do not ultimately result in the launch of commercially successful brand products, or if any of the risks above were to occur, there could be a material adverse effect on our business, financial position and results of operations and the market value of our common stock could decline.

A RELATIVELY SMALL GROUP OF PRODUCTS MAY REPRESENT A SIGNIFICANT PORTION OF OUR REVENUES, GROSS PROFIT OR NET EARNINGS FROM TIME TO TIME. IF THE VOLUME OR PRICING OF ANY OF THESE PRODUCTS DECLINES, IT COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Sales of a limited number of our products from time to time represent a significant portion of our revenues, gross profit and net earnings. For the six months ended June 30, 2012 and 2011, our top ten products in terms of sales, in the aggregate, represented approximately 30% and 23%, respectively, of our consolidated total revenues. If the volume or pricing of our largest selling products declines in the future, our business, financial position and results of operations could be materially adversely affected, and the market value of our common stock could decline.

A SIGNIFICANT PORTION OF OUR REVENUES ARE DERIVED FROM SALES TO A LIMITED NUMBER OF CUSTOMERS. ANY SIGNIFICANT REDUCTION OF BUSINESS WITH ANY OF THESE CUSTOMERS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS, AND THE MARKET VALUE OF OUR COMMON STOCK COULD DECLINE.

A significant portion of our revenues are derived from sales to a limited number of customers. If we were to experience a significant reduction in or loss of business with one such customer, or if one such customer were to experience difficulty in paying us on a timely basis, our business, financial position and results of operations could be materially adversely affected, and the market value of our common stock could decline.

WE MAY EXPERIENCE DECLINES IN THE SALES VOLUME AND PRICES OF OUR PRODUCTS AS THE RESULT OF THE CONTINUING TREND TOWARD CONSOLIDATION OF CERTAIN CUSTOMER GROUPS, SUCH AS THE WHOLESALE DRUG DISTRIBUTION AND RETAIL PHARMACY INDUSTRIES, AS WELL AS THE EMERGENCE OF LARGE BUYING GROUPS. THE RESULT OF SUCH DEVELOPMENTS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

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A significant amount of our sales are to a relatively small number of drug wholesalers and retail drug chains. These customers represent an essential part of the distribution chain of generic pharmaceutical products. Drug wholesalers and retail drug chains have undergone, and are continuing to undergo, significant consolidation. This consolidation may result in these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures facing our business. Additionally, the emergence of large buying groups representing independent retail pharmacies and the prevalence and influence of managed care organizations and similar institutions potentially enable those groups to attempt to extract price discounts on our products. The result of these developments may have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE DEPEND TO A LARGE EXTENT ON THIRD-PARTY SUPPLIERS AND DISTRIBUTORS FOR THE RAW MATERIALS, PARTICULARLY THE CHEMICAL COMPOUND(S) COMPRISING THE ACTIVE PHARMACEUTICAL INGREDIENT, THAT WE USE TO MANUFACTURE OUR PRODUCTS AS WELL AS CERTAIN FINISHED GOODS. AN INTERRUPTION IN THE SUPPLY OF SUCH PRODUCTS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

We typically purchase the active pharmaceutical ingredient (i.e., the chemical compounds that produce the desired therapeutic effect in our products) and other materials and supplies that we use in our manufacturing operations, as well as certain finished products, from many different foreign and domestic suppliers.

Additionally, we maintain safety stocks in our raw materials inventory and, in certain cases where we have listed only one supplier in our applications with regulatory agencies, have received regulatory agency approval to use alternative suppliers should the need arise. However, there is no guarantee that we will always have timely and sufficient access to a critical raw material or finished product. An interruption in the supply of a single-sourced raw material, including the active ingredient, or finished product could cause our business, financial position and results of operations to be materially adversely affected, and the market value of our common stock could decline. In addition, our manufacturing capabilities could be impacted by quality deficiencies in the products which our suppliers provide, which could have a material adverse effect on our business, financial position and results of operations, and the market value of our common stock could decline.

We utilize controlled substances in certain of our current products and products in development and therefore must meet the requirements of the Controlled Substances Act of 1970 and the related regulations administered by the DEA in the U.S. as well as similar laws in other countries where we operate. These laws relate to the manufacture, shipment, storage, sale and use of controlled substances. The DEA and other regulatory agencies limit the availability of the active ingredients used in certain of our current products and products in development and, as a result, our procurement quota of these active ingredients may not be sufficient to meet commercial demand or complete clinical trials. We must annually apply to the DEA and other regulatory agencies for procurement quota in order to obtain these substances. Any delay or refusal by the DEA or such regulatory agencies in establishing our procurement quota for controlled substances could delay or stop our clinical trials or product launches, or could cause trade inventory disruptions for those products that have already been launched, which could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE HAVE A LIMITED NUMBER OF MANUFACTURING FACILITIES AND CERTAIN THIRD PARTY SUPPLIERS PRODUCING A SUBSTANTIAL PORTION OF OUR PRODUCTS. PRODUCTION AT ANY ONE OF THESE FACILITIES COULD BE INTERRUPTED, WHICH, DEPENDING ON THE FACILITY, COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

A substantial portion of our capacity as well as our current production is attributable to a limited number of manufacturing facilities and certain third party suppliers. A significant disruption at any one of such facilities within our internal or third party supply chain, even on a short-term basis, whether due to a labor strike, failure to reach acceptable agreement with labor and unions, adverse quality or compliance observation, act of God, civil or political unrest, or other events could impair our ability to produce and ship products to the market on a timely basis and could,

among other consequences, subject us to exposure to claims from customers. Any of these events could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

BECAUSE THE PHARMACEUTICAL INDUSTRY IS HEAVILY REGULATED, WE FACE SIGNIFICANT COSTS AND UNCERTAINTIES ASSOCIATED WITH OUR EFFORTS TO COMPLY WITH APPLICABLE REGULATIONS. SHOULD WE FAIL TO COMPLY, WE COULD EXPERIENCE MATERIAL ADVERSE EFFECTS ON OUR BUSINESS,

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FINANCIAL POSITION AND RESULTS OF OPERATIONS, AND THE MARKET VALUE OF OUR COMMON STOCK COULD DECLINE.

The pharmaceutical industry is subject to regulation by various governmental authorities. For instance, we must comply with requirements of the FDA and similar requirements of similar agencies in our other markets with respect to the research, development, manufacture, quality, safety, labeling, sale, distribution, marketing, advertising, promotion and development of pharmaceutical products. Failure to comply with regulations of the FDA and other regulators could result in fines, disgorgement, unanticipated compliance expenditures, rejection or delay in approval of applications, recall or seizure of products, total or partial suspension of production and/or distribution, our inability to sell products, the return by customers of our products, suspension of the applicable regulator's review of our submissions, enforcement actions, injunctions and criminal prosecution. Under certain circumstances, the regulators may also have the authority to revoke previously granted drug approvals. Although we have internal regulatory compliance programs and policies and have had a favorable compliance history, in all material respects, there is no guarantee that these programs, as currently designed, will meet regulatory agency standards in the future. Additionally, despite our efforts at compliance, from time to time we receive notices of observations of FDA inspections as well as official agency correspondence regarding compliance. There also is no guarantee that we may not be deemed to be deficient in some manner in the future. If we were deemed to be deficient in any significant way, or if any of the noted risks occur, our business, financial position and results of operations could be materially affected and the market value of our common stock could decline.

In Europe we must also comply with regulatory requirements with respect to the manufacture, labeling, sale, distribution, marketing, advertising, promotion and development of pharmaceutical products. Some of these requirements are contained in EU regulations and governed by the EMA. Other requirements are set down in national laws and regulations of the EU Member States. Failure to comply with the regulations can result in a range of fines, penalties, product recalls/suspensions or even criminal liability. Similar laws and regulations exist in most of the markets in which we operate.

In addition to the new drug approval process, government agencies also regulate the facilities and operational procedures that we use to manufacture our products. We must register our facilities with the FDA and other similar regulators. Products manufactured in our facilities must be made in a manner consistent with current good manufacturing practices or similar standards in each territory in which we manufacture. Compliance with such regulations requires substantial expenditures of time, money and effort in such areas as production and quality control to ensure full technical compliance. The FDA and other agencies periodically inspect our manufacturing facilities for compliance. Regulatory approval to manufacture a drug is site-specific. Failure to comply with good manufacturing practices and other regulatory standards at one of our manufacturing facilities could result in an enforcement action brought by the FDA or other regulatory bodies which could include withholding or withdrawing the approval of our submissions or other product applications of that facility, discontinuation of manufacture, recalls, or other adverse actions. If any regulatory body were to withhold or withdraw approval of an application, or require a recall or other adverse product action, or require one of our manufacturing facilities to cease or limit production, our business could be adversely affected. Delay and cost in obtaining FDA or other regulatory approval to manufacture at a different facility also could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

We are subject, as are generally all manufacturers, to various federal, state and local laws regulating working conditions, as well as environmental protection laws and regulations, including those governing the discharge of materials into the environment and those related to climate change. We are also required to comply with data protection and data privacy rules in many countries. Although we have not incurred significant costs associated with complying with such environmental provisions in the past, if changes to such environmental laws and regulations are made in the future that require significant changes in our operations or if we engage in the development and manufacturing of new products requiring new or different environmental or other controls, or if we are found to have violated any applicable rules, we may be required to expend significant funds. Such changes could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

OUR REPORTING AND PAYMENT OBLIGATIONS UNDER THE MEDICARE AND/OR MEDICAID REBATE PROGRAM AND OTHER GOVERNMENTAL PURCHASING AND REBATE PROGRAMS ARE COMPLEX AND MAY INVOLVE SUBJECTIVE DECISIONS THAT COULD CHANGE AS A RESULT OF NEW BUSINESS CIRCUMSTANCES, NEW REGULATORY GUIDANCE, OR ADVICE OF LEGAL COUNSEL. ANY DETERMINATION OF FAILURE TO COMPLY WITH THOSE OBLIGATIONS COULD SUBJECT US TO PENALTIES AND SANCTIONS WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS, AND THE MARKET VALUE OF OUR COMMON STOCK COULD DECLINE.

The regulations regarding reporting and payment obligations with respect to Medicare and/or Medicaid reimbursement and rebates and other governmental programs are complex. Because our processes for these calculations and the judgments

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involved in making these calculations involve, and will continue to involve, subjective decisions and complex methodologies, these calculations are subject to the risk of errors. In addition, they are subject to review and challenge by the applicable governmental agencies, and it is possible that such reviews could result in material changes. The Patient Protection and Affordable Care Act ("PPACA") of 2010 includes a provision requiring the Centers for Medicare and Medicaid Services ("CMS") to publish a weighted average Average Manufacturer Price ("AMP") for all multi-source drugs. The provision was effective October 1, 2010; however, weighted average AMP's have not yet been published by CMS, except in draft form, and have not been implemented for use in the calculation of Federal Upper Limits ("FULs"). Although the weighted average AMP would not reveal Mylan's individual AMP, publishing a weighted average AMP available to customers and the public at large could negatively affect our leverage in commercial price negotiations.

In addition, as also disclosed herein, a number of state and federal government agencies are conducting investigations of manufacturers' reporting practices with respect to Average Wholesale Prices ("AWP") in which they have suggested that reporting of inflated AWP has led to excessive payments for prescription drugs. We and numerous other pharmaceutical companies have been named as defendants in various actions relating to pharmaceutical pricing issues and whether allegedly improper actions by pharmaceutical manufacturers led to excessive payments by Medicare and/or Medicaid.

Any governmental agencies that have commenced, or may commence, an investigation of Mylan relating to the sales, marketing, pricing, quality, or manufacturing of pharmaceutical products could seek to impose, based on a claim of violation of fraud and false claims laws or otherwise, civil and/or criminal sanctions, including fines, penalties and possible exclusion from federal health care programs including Medicare and/or Medicaid. Some of the applicable laws may impose liability even in the absence of specific intent to defraud. Furthermore, should there be ambiguity with regard to how to properly calculate and report payments — and even in the absence of any such ambiguity — a governmental authority may take a position contrary to a position we have taken, and may impose civil and/or criminal sanctions. Any such penalties or sanctions could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE MAY EXPERIENCE REDUCTIONS IN THE LEVELS OF REIMBURSEMENT FOR PHARMACEUTICAL PRODUCTS BY GOVERNMENTAL AUTHORITIES, HMOS OR OTHER THIRD-PARTY PAYORS. IN ADDITION, THE USE OF TENDER SYSTEMS COULD REDUCE PRICES FOR OUR PRODUCTS OR REDUCE OUR MARKET OPPORTUNITIES. ANY SUCH REDUCTIONS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Various governmental authorities (including the U.K. National Health Service and the German statutory health insurance scheme) and private health insurers and other organizations, such as health maintenance organizations ("HMOs") in the U.S., provide reimbursements or subsidies to consumers for the cost of certain pharmaceutical products. Demand for our products depends in part on the extent to which such reimbursement is available. In the U.S., third-party payors increasingly challenge the pricing of pharmaceutical products. This trend and other trends toward the growth of HMOs, managed health care and legislative health care reform create significant uncertainties regarding the future levels of reimbursement for pharmaceutical products. Further, any reimbursement may be reduced in the future, perhaps to the point that market demand for our products declines. Such a decline could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

In addition, a number of markets in which we operate have implemented or may implement tender systems for generic pharmaceuticals in an effort to lower prices. Under such tender systems, manufacturers submit bids which establish prices for generic pharmaceutical products. Upon winning the tender, the winning company will receive a 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.

Certain other countries may consider the implementation of a tender system. Even if a tender system is ultimately not implemented, the anticipation of such could result in price reductions. Failing to win tenders, or the implementation of similar systems in other markets leading to further price declines, could have a material adverse effect on our

business, financial position and results of operations and could cause the market value of our common stock to decline.

LEGISLATIVE OR REGULATORY PROGRAMS THAT MAY INFLUENCE PRICES OF PHARMACEUTICAL PRODUCTS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Current or future federal, state or foreign laws and regulations may influence the prices of drugs and, therefore, could adversely affect the prices that we receive for our products. For example, programs in existence in certain states in the

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U.S. seek to set prices of all drugs sold within those states through the regulation and administration of the sale of prescription drugs. Expansion of these programs, in particular state Medicare and/or Medicaid programs, or changes required in the way in which Medicare and/or Medicaid rebates are calculated under such programs, could adversely affect the prices we receive for our products and could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

In order to control expenditure on pharmaceuticals, most member states in the EU regulate the pricing of products and, in some cases, limit the range of different forms of pharmaceuticals available for prescription by national health services. These controls can result in considerable price differences between member states.

Several countries in which we operate have implemented, or plan to implement, government mandated price reductions. When such price cuts occur, pharmaceutical companies have generally experienced significant declines in revenues and profitability and uncertainties continue to exist within the market. Such price reductions could have an adverse effect on our business, and as uncertainties are resolved or if other countries in which we operate enact similar measures, they could have a further material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

HEALTHCARE REFORM LEGISLATION COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

In recent years, there have been numerous initiatives on the federal and state levels for comprehensive reforms affecting the payment for, the availability of and reimbursement for healthcare services in the U.S., and it is likely that federal and state legislatures and health agencies will continue to focus on health care reform in the future. The PPACA and The Health Care and Education and Reconciliation Act of 2010 (H.R. 4872), which amends the PPACA (collectively the “Health Reform Laws”), were signed into law in March 2010. While the Health Reform Laws may increase the number of patients who have insurance coverage for our products, they also include provisions such as the assessment of a pharmaceutical manufacturer fee and an increase in the amount of rebates that manufacturers pay for coverage of their drugs by Medicaid programs.

We are unable to predict the future course of federal or state healthcare legislation. The Health Reform Laws and further changes in the law or regulatory framework that reduce our revenues or increase our costs could also have a material adverse effect on our business, financial condition and results of operations and cash flows, and could cause the market value of our common stock to decline.

Additionally, we encounter similar regulatory and legislative issues in most other countries. In the EU and some other international markets, the government provides health care at low cost to consumers and regulates pharmaceutical prices, patient eligibility or reimbursement levels to control costs for the government-sponsored health care system. This international system of price regulations may lead to inconsistent prices. Within the EU and in other countries, the availability of our products in some markets at lower prices undermines our sales in some markets with higher prices. Additionally, certain countries set prices by reference to the prices in other countries where our products are marketed. Thus, our inability to secure adequate prices in a particular country may also impair our ability to obtain acceptable prices in existing and potential new markets, and may create the opportunity for third party cross border trade.

If significant additional reforms are made to the U.S. healthcare system, or to the healthcare systems of other markets in which we operate, those reforms could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE ARE INVOLVED IN VARIOUS LEGAL PROCEEDINGS AND CERTAIN GOVERNMENT INQUIRIES AND MAY EXPERIENCE UNFAVORABLE OUTCOMES OF SUCH PROCEEDINGS OR INQUIRIES, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

We are or may be involved in various legal proceedings and certain government inquiries, including, but not limited to, patent infringement, product liability, antitrust matters, breach of contract and claims involving Medicare and/or

Medicaid reimbursements, or laws relating to sales and marketing practices, some of which are described in our periodic reports, that involve claims for, or the possibility of fines and penalties involving substantial amounts of money or other relief, including but not limited to civil or criminal fines and penalties and exclusion from participation in various government healthcare-related programs. If any of these legal proceedings or inquiries were to result in an adverse outcome, the impact could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

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With respect to product liability, we maintain a combination of self-insurance (including through our wholly-owned captive insurance subsidiary) and commercial insurance to protect against and manage a portion of the risks involved in conducting our business. Although we carry insurance, we believe that no reasonable amount of insurance can fully protect against all such risks because of the potential liability inherent in the business of producing pharmaceuticals for human consumption. To the extent that a loss occurs, depending on the nature of the loss and the level of insurance coverage maintained, it could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

In addition, in limited circumstances, entities we acquired in the acquisition of the former Merck Generics business are party to litigation in matters under which we are entitled to indemnification by Merck KGaA. However, there are risks inherent in such indemnities and, accordingly, there can be no assurance that we will receive the full benefits of such indemnification, which could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

IF THE INTERCOMPANY TERMS OF CROSS BORDER ARRANGEMENTS WE HAVE AMONG OUR SUBSIDIARIES ARE DETERMINED TO BE INAPPROPRIATE, OUR TAX LIABILITY MAY INCREASE, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

We have potential tax exposures resulting from the varying application of statutes, regulations and interpretations which include exposures on intercompany terms of cross border arrangements among our subsidiaries in relation to various aspects of our business, including manufacturing, marketing, sales and delivery functions. Although our cross border arrangements between affiliates are based upon internationally accepted standards, tax authorities in various jurisdictions may disagree with and subsequently challenge the amount of profits taxed in their country, which may result in increased tax liability, including accrued interest and penalties, which would cause our tax expense to increase. This could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

UNANTICIPATED CHANGES IN OUR TAX PROVISIONS OR EXPOSURE TO ADDITIONAL INCOME TAX LIABILITIES COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

We are subject to income taxes in the U.S. and many foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The final determination of any tax audits or related litigation could be materially different from our historical income tax provisions and accruals.

Additionally, changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in our overall profitability, changes in the valuation of deferred tax assets and liabilities, the results of audits and the examination of previously filed tax returns by taxing authorities and continuing assessments of our tax exposures could impact our tax liabilities and affect our income tax expense, which could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

CHANGES IN INCOME TAX LAWS AND TAX RULINGS MAY HAVE A SIGNIFICANTLY ADVERSE IMPACT ON OUR EFFECTIVE TAX RATE AND INCOME TAX EXPENSE, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

In February 2012, President Obama submitted his budget to Congress and released his framework for business tax reform. While the President’s budget proposal was defeated in Congress, it included measures which would defer the deduction of interest expense related to deferred income; determine the foreign tax credit on a pooling basis; tax currently excess returns associated with transfers of intangibles offshore; and limit earnings stripping by expatriated entities. In addition, there were proposals made to encourage manufacturing in the U.S., including reduced rates of tax and increased deductions related to manufacturing. We cannot determine whether these proposals will be modified or

enacted, whether other proposals unknown at this time will be made or the extent to which the corporate tax rate might be reduced and ameliorate the adverse impact of some of these proposals. If enacted, and depending on its precise terms, such legislation could materially increase our overall effective income tax rate and income tax expense. This could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE MAY DECIDE TO SELL ASSETS, WHICH COULD ADVERSELY AFFECT OUR PROSPECTS AND OPPORTUNITIES FOR GROWTH, AND WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR

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BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

We may from time to time consider selling certain assets if (a) we determine that such assets are not critical to our strategy, or (b) we believe the opportunity to monetize the asset is attractive or for various reasons including we want to reduce indebtedness. We have explored and will continue to explore the sale of certain non-core assets. Although our intention is to engage in asset sales only if they advance our overall strategy, any such sale could reduce the size or scope of our business, our market share in particular markets or our opportunities with respect to certain markets, products or therapeutic categories. As a result, any such sale could have an adverse effect on our business, prospects and opportunities for growth, financial position and results of operations and could cause the market value of our common stock to decline.

WE HAVE SIGNIFICANT INDEBTEDNESS AND WILL BE REQUIRED TO APPLY VARYING PORTIONS OF OUR CASH FLOW FROM OPERATIONS TO SERVICE OUR INDEBTEDNESS. OUR CREDIT FACILITIES, SENIOR UNSECURED NOTES, OTHER OUTSTANDING INDEBTEDNESS AND ANY ADDITIONAL INDEBTEDNESS WE INCUR IN THE FUTURE IMPOSE, OR MAY IMPOSE, SIGNIFICANT OPERATING AND FINANCIAL RESTRICTIONS, WHICH MAY PREVENT US FROM CAPITALIZING ON BUSINESS OPPORTUNITIES. OUR SUBSTANTIAL INDEBTEDNESS COULD LEAD TO ADVERSE CONSEQUENCES THAT MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Our high level of indebtedness could have important consequences, including but not limited to:

- increasing our vulnerability to general adverse economic and industry conditions;
- requiring us to dedicate a substantial portion of our cash flow from operations and proceeds of any equity issuances to payments on our indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes;
- making it difficult for us to optimally capitalize and manage the cash flow for our businesses;
- limiting our flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate;
- making it difficult for us to meet the leverage and interest coverage ratios required by our Senior Credit Agreement;
- limiting our ability to borrow money or sell stock to fund our working capital, capital expenditures, acquisitions and debt service requirements and other financing needs;
- increasing our vulnerability to increases in interest rates in general because a substantial portion of our indebtedness bears interest at floating rates;
- requiring us to sell assets in order to pay down debt;
- restricting us from exploiting business opportunities;
- increasing our cost of borrowings; and
- placing us at a competitive disadvantage to our competitors that have less debt.

Our ability to service our indebtedness will depend on our future operating performance and financial results, which will be subject, in part, to factors beyond our control, including interest rates and general economic, financial and business conditions. If we do not have sufficient cash flow to service our indebtedness, we may need to refinance all or part of our existing indebtedness, borrow more money or sell securities, some or all of which may not be available to us at acceptable terms or at all. In addition, we may need to incur additional indebtedness in the future in the ordinary course of business. Although the terms of our Senior Credit Agreement and our bond indentures allow us to incur additional debt, this is subject to certain limitations which may preclude us from incurring the amount of indebtedness we otherwise desire.

In addition, if we incur additional debt, the risks described above could intensify. If global credit markets return to their recent levels of contraction, future debt financing may not be available to us when required or may not be available on acceptable terms, and as a result we may be unable to grow our business, take advantage of business opportunities, respond to competitive pressures or satisfy our obligations under our indebtedness. Any of the foregoing could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

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Our credit facilities, senior unsecured notes, other outstanding indebtedness and any additional indebtedness we incur in the future impose, or may impose, significant operating and financial restrictions on us. These restrictions limit our ability to, among other things, incur additional indebtedness, make investments, pay certain dividends, prepay other indebtedness, sell assets, incur certain liens, enter into agreements with our affiliates or restricting our subsidiaries' ability to pay dividends, merge or consolidate. In addition, our Senior Credit Agreement requires us to maintain specified financial ratios. We cannot assure you that these covenants will not adversely affect our ability to finance our future operations or capital needs or to pursue available business opportunities. A breach of any of these covenants or our inability to maintain the required financial ratios could result in a default under the related indebtedness. If a default occurs, the relevant lenders could elect to declare our indebtedness, together with accrued interest and other fees, to be immediately due and payable. These factors could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

THE TOTAL AMOUNT OF INDEBTEDNESS RELATED TO OUR OUTSTANDING CASH CONVERTIBLE NOTES DUE 2015 (THE "CASH CONVERTIBLE NOTES") WILL INCREASE IF OUR STOCK PRICE INCREASES. ALSO, WE HAVE ENTERED INTO NOTE HEDGES AND WARRANT TRANSACTIONS IN CONNECTION WITH THE CASH CONVERTIBLE NOTES IN ORDER TO HEDGE SOME OF THE RISK ASSOCIATED WITH THE POTENTIAL INCREASE OF INDEBTEDNESS AND SETTLEMENT VALUE. SUCH TRANSACTIONS HAVE BEEN CONSUMMATED WITH CERTAIN COUNTERPARTIES, MAINLY HIGHLY RATED FINANCIAL INSTITUTIONS. ANY INCREASE IN INDEBTEDNESS, NET EXPOSURE RELATED TO THE RISK OR FAILURE OF ANY COUNTERPARTIES TO PERFORM THEIR OBLIGATIONS, COULD HAVE ADVERSE EFFECTS ON US, INCLUDING UNDER OUR DEBT AGREEMENTS, AND COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Under applicable accounting rules, the cash conversion feature that is a term of the Cash Convertible Notes must be recorded as a liability on our balance sheet and periodically marked to fair value. If our stock price increases, the liability associated with the cash conversion feature would increase and, because this liability must be periodically marked to fair value on our balance sheet, the total amount of indebtedness related to the notes that is shown on our balance sheet would also increase. This could have adverse effects on us, including under our existing and any future debt agreements. For example, our senior credit facilities contain covenants that restrict our ability to incur debt, make capital expenditures, pay dividends and make investments if, among other things, our leverage ratio, exceeds certain levels. In addition, the interest rate we pay under our senior credit facilities increases if our leverage ratio increases. Because the leverage ratio under our senior credit facilities is calculated based on a definition of total indebtedness as defined under accounting principles generally accepted in the United States of America ("GAAP"), if the amount of our total indebtedness were to increase, our leverage ratio would also increase. As a result, we may not be able to comply with such covenants in the future, which could, among other things, restrict our ability to grow our business, take advantage of business opportunities or respond to competitive pressures. Any of the foregoing could have a material adverse effect on our business, financial position and results of operations and could cause the market value of the notes and our common stock to decline.

In connection with the issuance of the Cash Convertible Notes, we entered into note hedge and warrant transactions with certain financial institutions, each of which we refer to as a counterparty. The Cash Convertible Note hedge is comprised of purchased cash-settled call options that are expected to reduce our exposure to potential cash payments required to be made by us upon the cash conversion of the notes. We have also entered into respective warrant transactions with the counterparties pursuant to which we will have sold to each counterparty warrants for the purchase of shares of our common stock. Together, each of the note hedges and warrant transactions are expected to provide us with some protection against increases in our stock price over the conversion price per share. However, there is no assurance that these transactions will remain in effect at all times. Also, although we believe the counterparties are highly rated financial institutions, there are no assurances that the counterparties will be able to perform their respective obligations under the agreement we have with each of them. Any net exposure related to conversion of the notes or any failure of the counterparties to perform their obligations under the agreements we have with them could have a material adverse effect on our business, financial position and results of operations and could

cause the market value of our common stock to decline.

ANY FUTURE ACQUISITIONS OR DIVESTITURES WOULD INVOLVE A NUMBER OF INHERENT RISKS. THESE RISKS COULD CAUSE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

We may continue to seek to expand our product line through complementary or strategic acquisitions of other companies, products or assets, including those in rapidly developing economies, or through joint ventures, licensing agreements or other arrangements or may determine to divest certain products or assets. Any such acquisitions, joint ventures or other

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business combinations may involve significant challenges in integrating the new company's operations, and divestitures could be equally challenging. Either process may prove to be complex and time consuming and require substantial resources and effort. It may also disrupt our ongoing businesses, which may adversely affect our relationships with customers, employees, regulators and others with whom we have business or other dealings.

We may be unable to realize synergies or other benefits, including tax savings, expected to result from any acquisitions, joint ventures or other transactions or investments we may undertake, or be unable to generate additional revenue to offset any unanticipated inability to realize these expected synergies or benefits. Realization of the anticipated benefits of acquisitions or other transactions could take longer than expected, and implementation difficulties, unforeseen expenses, complications and delays, market factors or deterioration in domestic and global economic conditions could alter the anticipated benefits of any such transactions. We may also compete for certain acquisition targets with companies having greater financial resources than us or other advantages over us that may prevent us from acquiring a target. We also may inherit legal, regulatory and other risks that accrued prior to the acquisition, whether known or unknown to us. These factors could impair our growth and ability to compete, require us to focus additional resources on integration of operations rather than other profitable areas, or otherwise cause a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE ENTER INTO VARIOUS AGREEMENTS IN THE NORMAL COURSE OF BUSINESS WHICH PERIODICALLY INCORPORATE PROVISIONS WHEREBY WE INDEMNIFY THE OTHER PARTY TO THE AGREEMENT. IN THE EVENT THAT WE WOULD HAVE TO PERFORM UNDER THESE INDEMNIFICATION PROVISIONS, IT COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

In the normal course of business, we periodically enter into employment, legal settlement, and other agreements which incorporate indemnification provisions. We maintain insurance coverage which we believe will effectively mitigate our obligations under certain of these indemnification provisions. However, should our obligation under an indemnification provision exceed our coverage or should coverage be denied, our business, financial position and results of operations could be materially adversely affected and the market value of our common stock could decline.

OUR FUTURE SUCCESS IS HIGHLY DEPENDENT ON OUR CONTINUED ABILITY TO ATTRACT AND RETAIN KEY PERSONNEL. ANY FAILURE TO ATTRACT AND RETAIN KEY PERSONNEL COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

It is important that we attract and retain qualified personnel in order to develop new products and compete effectively. If we fail to attract and retain key scientific, technical or management personnel, our business could be affected adversely. Additionally, while we have employment agreements with certain key employees in place, their employment for the duration of the agreement is not guaranteed. If we are unsuccessful in retaining our key employees, it could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE ARE IN THE PROCESS OF ENHANCING AND FURTHER DEVELOPING OUR GLOBAL ENTERPRISE RESOURCE PLANNING SYSTEMS AND ASSOCIATED BUSINESS APPLICATIONS. AS WITH ANY ENHANCEMENTS OF SIGNIFICANT SYSTEMS, DIFFICULTIES ENCOUNTERED COULD RESULT IN BUSINESS INTERRUPTIONS, AND COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

We are enhancing and further developing our global enterprise resource planning ("ERP") systems and associated applications to provide more operating efficiencies and effective management of our business operations. Such changes to ERP systems and related software carry risks such as cost overruns, project delays and business interruptions and delays. If we experience a material business interruption as a result of our ERP enhancements, it could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

WE MUST MAINTAIN ADEQUATE INTERNAL CONTROLS AND BE ABLE, ON AN ANNUAL BASIS, TO PROVIDE AN ASSERTION AS TO THE EFFECTIVENESS OF SUCH CONTROLS. FAILURE TO MAINTAIN ADEQUATE INTERNAL CONTROLS OR TO IMPLEMENT NEW OR IMPROVED CONTROLS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

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Effective internal controls are necessary for Mylan to provide reasonable assurance with respect to its financial reports. We are spending a substantial amount of management time and resources to comply with laws, regulations and standards relating to corporate governance and public disclosure. In the U.S., such regulations include the Sarbanes-Oxley Act of 2002, SEC regulations and the NASDAQ listing standards. In particular, Section 404 of the Sarbanes-Oxley Act of 2002 requires management's annual review and evaluation of our internal control over financial reporting and attestation as to the effectiveness of these controls by our independent registered public accounting firm. If we fail to maintain the adequacy of our internal controls, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting. Additionally, internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, this could have a material adverse effect on our business, financial position and results of operations, and the market value of our common stock could decline.

THERE ARE INHERENT UNCERTAINTIES INVOLVED IN ESTIMATES, JUDGMENTS AND ASSUMPTIONS USED IN THE PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GAAP. ANY FUTURE CHANGES IN ESTIMATES, JUDGMENTS AND ASSUMPTIONS USED OR NECESSARY REVISIONS TO PRIOR ESTIMATES, JUDGMENTS OR ASSUMPTIONS OR CHANGES IN ACCOUNTING STANDARDS COULD LEAD TO A RESTATEMENT OR REVISION TO PREVIOUSLY CONSOLIDATED FINANCIAL STATEMENTS, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

The Consolidated and Condensed Consolidated Financial Statements included in the periodic reports we file with the SEC are prepared in accordance with GAAP. The preparation of financial statements in accordance with GAAP involves making estimates, judgments and assumptions that affect reported amounts of assets, liabilities, revenues, expenses and income. Estimates, judgments and assumptions are inherently subject to change in the future and any necessary revisions to prior estimates, judgments or assumptions could lead to a restatement. Furthermore, although we have recorded reserves for litigation related contingencies based on estimates of probable future costs, such litigation related contingencies could result in substantial further costs. Also, any new or revised accounting standards may require adjustments to previously issued financial statements. Any such changes could result in corresponding changes to the amounts of liabilities, revenues, expenses and income. Any such changes could have a material adverse effect on our business, financial position and results of operations and could cause the market value of our common stock to decline.

CHARGES TO EARNINGS RESULTING FROM ACQUISITIONS COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COULD CAUSE THE MARKET VALUE OF OUR COMMON STOCK TO DECLINE.

Under the GAAP business combination accounting standards, we recognize the identifiable assets acquired, the liabilities assumed, and any non-controlling interests in acquired companies generally at their acquisition date fair values and, in each case, separately from goodwill. Goodwill as of the acquisition date is measured as the excess amount of consideration transferred, which is also generally measured at fair value, and the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. Our estimates of fair value are based upon assumptions believed to be reasonable but which are inherently uncertain. After we complete an acquisition, the following factors could result in material charges and adversely affect our operating results and may adversely affect our cash flows:

- costs incurred to combine the operations of companies we acquire, such as transitional employee expenses and employee retention, redeployment or relocation expenses;

- impairment of goodwill or intangible assets, including acquired in-process research and development;
- amortization of intangible assets acquired;
- a reduction in the useful lives of intangible assets acquired;
- identification of or changes to assumed contingent liabilities, including, but not limited to, contingent purchase price consideration, income tax contingencies and other non-income tax contingencies, after our final determination of the amounts for these contingencies or the conclusion of the measurement period (generally up to one year from the acquisition date), whichever comes first;charges to our operating results to eliminate certain duplicative pre-acquisition activities, to restructure our operations or to reduce our cost structure;

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- charges to our operating results resulting from expenses incurred to effect the acquisition; and
- accretion of contingent consideration liabilities.

A significant portion of these adjustments could be accounted for as expenses that will decrease our net income and earnings per share for the periods in which those costs are incurred. Such charges could cause a material adverse effect on our business, financial position and results of operations and could cause the market value of the common stock to decline.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities:

Period	Total Number of Shares Purchased[1][2]	Average Price Paid per Share[3]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
April 1 - April 30, 2012	—	$—	—	$—
May 1 - May 31, 2012	20,284,923	$21.43	20,284,923	65,375,548
June 1 - June 30, 2012	3,106,100	$21.02	3,106,100	—
Total	23,391,023	$21.37	23,391,023	$—

(1) On May 10, 2012, the Company announced that its Board of Directors had approved the repurchase of up to $500 million of the Company's common stock in the open market. The repurchase was completed by June 30, 2012.

(2) The number of shares purchased is based on the purchase date and not the settlement date.

(3) Average price per share includes commissions.

ITEM 6. EXHIBITS

3.1	Amended and Restated Articles of Incorporation of the registrant, as amended to date, filed as Exhibit 3.1 to the Report on Form 10-Q for the quarter ended June 30, 2009, and incorporated herein by reference.
3.2	Bylaws of the registrant, as amended to date, filed as Exhibit 3.2 to the Report on Form 10-Q for the quarter ended June 30, 2009, and incorporated herein by reference.
4.1(a)	Rights Agreement dated as of August 22, 1996, between the registrant and American Stock Transfer & Trust Company, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on September 3, 1996, and incorporated herein by reference.
4.1(b)	Amendment to Rights Agreement dated as of November 8, 1999, between the registrant and American Stock Transfer & Trust Company, filed as Exhibit 1 to Form 8-A/A filed with the SEC on March 31, 2000, and incorporated herein by reference.
4.1(c)	Amendment No. 2 to Rights Agreement dated as of August 13, 2004, between the registrant and American Stock Transfer & Trust Company, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on August 16, 2004, and incorporated herein by reference.
4.1(d)	

	Amendment No. 3 to Rights Agreement dated as of September 8, 2004, between the registrant and American Stock Transfer & Trust Company, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on September 9, 2004, and incorporated herein by reference.
4.1(e)	Amendment No. 4 to Rights Agreement dated as of December 2, 2004, between the registrant and American Stock Transfer & Trust Company, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on December 3, 2004, and incorporated herein by reference.
4.1(f)	Amendment No. 5 to Rights Agreement dated as of December 19, 2005, between the registrant and American Stock Transfer & Trust Company, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on December 19, 2005, and incorporated herein by reference.

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4.2(a)	Indenture, dated as of July 21, 2005, between the registrant and The Bank of New York, as trustee, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on July 27, 2005, and incorporated herein by reference.
4.2(b)	Second Supplemental Indenture, dated as of October 1, 2007, among the registrant, the Subsidiaries of the registrant listed on the signature page thereto and The Bank of New York, as trustee, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on October 5, 2007, and incorporated herein by reference.
4.3	Registration Rights Agreement, dated as of July 21, 2005, among the registrant, the Guarantors party thereto and Merrill Lynch, Pierce, Fenner & Smith Incorporated, BNY Capital Markets, Inc., KeyBanc Capital Markets (a Division of McDonald Investments Inc.), PNC Capital Markets, Inc. and SunTrust Capital Markets, Inc., filed as Exhibit 4.2 to the Report on Form 8-K filed with the SEC on July 27, 2005, and incorporated herein by reference.
4.4(a)	Indenture, dated as of September 15, 2008, among the registrant, the guarantors named therein and Bank of New York Mellon as trustee, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on September 15, 2008, and incorporated herein by reference.
4.4(b)	First Supplemental Indenture, dated November 29, 2011, by and among the registrant, Somerset Pharmaceuticals, Inc. and The Bank of New York Mellon, as trustee, to the Indenture, dated as of September 15, 2008, among the registrant, the guarantors named therein and The Bank of New York Mellon, as trustee, filed as Exhibit 4.3 to Form 8-K filed with the SEC on November 30, 2011, and incorporated herein by reference.
4.5(a)	Indenture, dated as of May 19, 2010, among the registrant, the guarantors named therein and The Bank of New York Mellon as trustee, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on May 19, 2010, and incorporated herein by reference.
4.5(b)	First Supplemental Indenture, dated November 29, 2011, by and among the registrant, Somerset Pharmaceuticals, Inc. and The Bank of New York Mellon, as trustee, to the Indenture, dated as of May 19, 2010, among the registrant, the guarantors named therein and The Bank of New York Mellon, as trustee, filed as Exhibit 4.2 to Form 8-K filed with the SEC on November 30, 2011, and incorporated herein by reference.
4.6(a)	Indenture, dated as of November 24, 2010, among the registrant, the guarantors named therein and The Bank of New York Mellon as trustee, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on November 24, 2010, and incorporated herein by reference.
4.6(b)	First Supplemental Indenture, dated November 29, 2011, by and among the registrant, Somerset Pharmaceuticals, Inc. and The Bank of New York Mellon, as trustee, to the Indenture, dated as of November 24, 2010, among the registrant, the guarantors named therein and The Bank of New York Mellon, as trustee, filed as Exhibit 4.1 to Form 8-K filed with the SEC on November 30, 2011, and incorporated herein by reference.
4.7(a)	Indenture, dated as of March 7, 2007, among the registrant, the guarantors thereto and The Bank of New York Mellon, as trustee, filed as Exhibit 4.1 to the Report on Form 8-K filed with the SEC on March 7, 2007, and incorporated herein by reference.

4.7(b)	First Supplemental Indenture, dated November 29, 2011, by and among the registrant, Somerset Pharmaceuticals, Inc., Dey, Inc., Dey Pharma, L.P., Dey Limited Partner, Inc., EMD, Inc., Mylan Delaware Inc., Mylan LHC Inc. and The Bank of New York Mellon, as trustee, to the Indenture, dated March 7, 2007, among the registrant, the guarantors thereto and The Bank of New York Mellon, as trustee, filed as Exhibit 4.4 to Form 8-K filed with the SEC on November 30, 2011, and incorporated herein by reference.
10.1	Amendment No. 1 to Receivables Purchase Agreement, dated as of July 20, 1012, by and 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 Letter of Credit Issuer from time to time a party thereto, the Purchaser Agents from time to time party thereto and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Agent.

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10.2	Amendment No. 1 to Purchase and Contribution Agreement, dated as of July 20, 2012, between Mylan Pharmaceuticals Inc., as Originator and as Servicer, and Mylan Securitization LLC, as Buyer.
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

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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 Inc.
(Registrant)

By: /s/ Heather Bresch
Heather Bresch
Chief Executive Officer
(Principal Executive Officer)

July 26, 2012

/s/ John D. Sheehan
John D. Sheehan
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

July 26, 2012

/s/ Daniel C. Rizzo, Jr.
Daniel C. Rizzo, Jr.
Senior Vice President, Chief Accounting
Officer and Corporate Controller
(Principal Accounting Officer)

July 26, 2012

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EXHIBIT INDEX

10.1	Amendment No. 1 to Receivables Purchase Agreement, dated as of July 20, 1012, by and 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 Letter of Credit Issuer from time to time a party thereto, the Purchaser Agents from time to time party thereto and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Agent.
10.2	Amendment No. 1 to Purchase and Contribution Agreement, dated as of July 20, 2012, between Mylan Pharmaceuticals Inc., as Originator and as Servicer, and Mylan Securitization LLC, as Buyer.
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