

# Perrigo®



Fourth Quarter & Calendar Year 2017 Non-GAAP Reconciliations  
 March 1, 2018

**TABLE I**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP**  
**MEASURES**  
**SELECTED CONSOLIDATED INFORMATION**  
(in millions, except per share amounts)  
(unaudited)

Three Months Ended December 31, 2017

<b>Consolidated</b>	<b>Net Sales</b>	<b>Gross Profit</b>	<b>R&amp;D Expense</b>	<b>DSG&amp;A Expense</b>	<b>Restructuring, Impairment Charges, and Other Operating Income</b>	<b>Operating Income</b>	<b>Interest, Other, and Change in financial assets</b>	<b>Income Tax Expense</b>	<b>Net Income</b>	<b>Diluted Earnings per Share</b>
<b>Reported</b>	\$ 1,283.0	\$ 512.7	\$ 46.9	\$ 301.3	\$ 6.0	\$ 158.5	\$ 26.7	\$ 58.7	\$ 73.1	\$ 0.52
As a % of reported net sales		40.0%	3.7%	23.5%		12.4%	2.1%	4.6%	5.7%	
Effective tax rate							44.5%			
<i>Adjustments:</i>										
Amortization expense related primarily to acquired intangible assets	\$ —	\$ 55.9	\$ (0.2)	\$ (34.0)	\$ —	\$ 90.1	\$ —	\$ —	\$ 90.1	\$ 0.64
Change in financial assets	—	—	—	—	—	—	(0.7)	—	0.7	—
Impairment charges	—	—	—	—	(0.1)	0.1	—	—	0.1	—
Restructuring charges	—	—	—	—	(6.3)	6.3	—	—	6.3	0.04
Operating results attributable to held-for-sale business*	(4.1)	(3.3)	(1.7)	(0.9)	—	(0.7)	—	—	(0.7)	—
Gain/Loss on divestitures	—	—	—	—	0.3	(0.3)	—	—	(0.3)	—
Unusual litigation	—	—	—	0.2	—	(0.2)	—	—	(0.2)	—
Acquisition charges and contingent consideration adjustments	—	—	—	0.7	0.1	(0.8)	—	—	(0.8)	(0.01)
Milestone revenue related to royalty rights	—	—	—	—	—	—	10.0	—	(10.0)	(0.07)
Non-GAAP tax adjustments**	—	—	—	—	—	—	—	(21.9)	21.9	0.16
<b>Adjusted</b>	\$ 1,278.9	\$ 565.3	\$ 45.0	\$ 267.3	\$ —	\$ 253.0	\$ 36.0	\$ 36.8	\$ 180.2	\$ 1.28
As a % of adjusted net sales		44.2%	3.5%	20.9%		19.8%	2.8%	2.9%	14.1%	
Effective tax rate							16.9%			

**Diluted weighted average shares outstanding**  
**Reported 141.2**

\*Held-for-sale business includes the Israel API business.

\*\*The non-GAAP tax adjustments include the following: (1) \$15.7 million effect on non-GAAP income taxes related to the interim tax accounting requirements within ASC 740; (2) \$(10.0) million of tax effect related to audit settlements and other discrete items; (3) \$12.5 million net impact related to valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures; (4) \$6.8 million of tax effects of pretax non-GAAP adjustments, including the sale of assets, that are calculated based upon the specific rate of the applicable jurisdiction of the pretax item; and (5) \$(3.1) million of tax adjustments related to tax reform.

**TABLE I (CONTINUED)**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SELECTED CONSOLIDATED INFORMATION**  
(in millions, except per share amounts)  
(unaudited)

**Three Months Ended December 31, 2016**

<b>Consolidated</b>	<b>Net Sales</b>	<b>Gross Profit</b>	<b>R&amp;D Expense</b>	<b>DSG&amp;A Expense</b>	<b>Restructuring, Impairment Charges, and Other Operating Income</b>	<b>Operating Income (Loss)</b>	<b>Interest, Other, and Change in financial assets</b>	<b>Income Tax Expense (Benefit)</b>	<b>Net Income (Loss)</b>	<b>Diluted Earnings (Loss) per Share</b>
<b>Reported</b>	\$ 1,331.2	\$ 487.7	\$ 41.6	\$ 315.4	\$ 615.3	\$ (484.6)	\$ 1,159.3	\$ (284.8)	\$ (1,359.1)	\$ (9.48)
As a % of reported net sales		36.6%	3.1%	23.7%		(36.4)%	87.1%	(21.4)%	(102.1)%	
Effective tax rate								17.3%		
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 62.0	\$ (0.1)	\$ (32.8)	\$ —	\$ 94.9	\$ —	\$ —	\$ 94.9	\$ 0.67
Change in financial assets		—	—	—	—	—	(1,115.6)	—	1,115.6	7.78
Acquisition charges and contingent consideration adjustments		—	—	(3.0)	—	3.0	(0.3)	—	3.3	0.02
Unusual litigation		—	—	(18.4)	—	18.4	—	—	18.4	0.13
Impairment charges		—	—	—	(602.2)	602.2	1.7	—	600.5	4.18
Gain/Loss on divestitures		—	—	—	—	—	7.8	—	(7.8)	(0.05)
Operating results attributable to held-for-sale businesses*		4.2	—	(7.3)	—	11.5	—	—	11.5	0.08
Restructuring charges		—	—	—	(13.1)	13.1	—	—	13.1	0.09
Non-GAAP tax adjustments***		—	—	—	—	—	—	312.9	(312.9)	(2.18)
<b>Adjusted</b>		<b>\$ 553.9</b>	<b>\$ 41.5</b>	<b>\$ 253.9</b>	<b>\$ —</b>	<b>\$ 258.5</b>	<b>\$ 52.9</b>	<b>\$ 28.1</b>	<b>\$ 177.5</b>	<b>\$ 1.24</b>
As a % of reported net sales		41.6%	3.1%	19.1%		19.4%	4.0%	2.1%	13.3%	
Effective tax rate								13.7%		

**Diluted weighted average shares outstanding**

**Reported** 143.4

Effect of dilution as reported amount was a loss, while adjusted amount was income\*\*

**Adjusted** 143.6

**For Comparative Purposes\*\*\*\***

	<b>Net Sales</b>
<b>Reported</b>	\$ 1,331.2
Operating results attributable to held-for-sale businesses	(19.0)
<b>Adjusted</b>	\$ 1,312.2

\*Held-for-sale businesses include the European sports brand and India API business.

\*\*In the period of a net loss, diluted shares outstanding equal basic shares outstanding.

\*\*\*The non-GAAP tax adjustments include the following: (1) \$(187.1) million of tax effects of pretax non-GAAP adjustments that are calculated based upon the specific rate of the applicable jurisdiction of the pretax item; (2) a \$20.6 million effect on non-GAAP income taxes related to the interim tax accounting requirements within ASC 740, Income Taxes; (3) discrete income tax adjustments of \$(26.9) million related to jurisdictional tax rate changes in France & Italy; (4) \$102.6 million net impact of valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures; and (5) \$(222.1) million valuation allowance release due to the divestiture of the Tysabri® financial asset. The GAAP tax benefit recorded in the current quarter related to these items has been excluded from non-GAAP net income.

\*\*\*\*2016 net sales adjustment made for 2017 adjusted net sales comparison purposes only and does not change any other prior year since the API business was not held-for-sale in 2016.

**TABLE I (CONTINUED)**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SELECTED CONSOLIDATED INFORMATION**  
(in millions, except per share amounts)  
(unaudited)

**Twelve Months Ended December 31, 2017**

<b>Consolidated</b>	<b>Net Sales</b>	<b>Gross Profit</b>	<b>R&amp;D Expense</b>	<b>DSG&amp;A Expense</b>	<b>Restructuring, Impairment Charges, and Other Operating Income</b>	<b>Operating Income</b>	<b>Interest, Other, and Change in financial assets</b>	<b>Pretax Income</b>	<b>Income Tax Expense</b>	<b>Net Income</b>	<b>Diluted Earnings per Share</b>
<b>Reported</b>	\$ 4,946.2	\$ 1,979.5	\$ 167.7	\$ 1,146.5	\$ 67.1	\$ 598.2	\$ 318.1	\$ 280.1	\$ 160.5	\$ 119.6	\$ 0.84
As a % of reported net sales		40.0%	3.4%	23.2%		12.1%	6.4%	5.7%	3.2%	2.4%	
Effective tax rate									57.3%		
<i>Adjustments:</i>											
Amortization expense related primarily to acquired intangible assets	\$ —	\$ 221.8	\$ (1.2)	\$ (132.5)	\$ —	\$ 355.5	\$ —	\$ 355.5	\$ —	\$ 355.5	\$ 2.49
Acquisition charges and contingent consideration adjustments	—	(0.1)	—	0.7	18.1	(18.9)	—	(18.9)	—	(18.9)	(0.13)
Restructuring charges	—	—	—	—	(61.0)	61.0	—	61.0	—	61.0	0.43
Gain/Loss on divestitures	—	—	—	(0.2)	23.3	(23.1)	1.7	(24.8)	—	(24.8)	(0.17)
Milestone revenue related to royalty rights	—	—	—	—	—	—	10.0	(10.0)	—	(10.0)	(0.07)
Operating results attributable to held-for-sale business*	(20.7)	(11.5)	(4.1)	(5.6)	—	(1.8)	1.3	(3.1)	—	(3.1)	(0.02)
Change in financial assets	—	—	—	—	—	—	(24.9)	24.9	—	24.9	0.17
Unusual litigation	—	—	—	9.0	—	(9.0)	—	(9.0)	—	(9.0)	(0.06)
Impairment charges	—	—	—	—	(47.5)	47.5	—	47.5	—	47.5	0.33
Loss on early debt extinguishment	—	—	—	—	—	—	(135.2)	135.2	—	135.2	0.95
Loss on hedges related to debt tender	—	—	—	—	—	—	(5.9)	5.9	—	5.9	0.04
Non-GAAP tax adjustments**	—	—	—	—	—	—	—	—	(18.9)	18.9	0.13
<b>Adjusted</b>	\$ 4,925.5	\$ 2,189.7	\$ 162.4	\$ 1,017.9	\$ —	\$ 1,009.4	\$ 165.1	\$ 844.3	\$ 141.6	\$ 702.7	\$ 4.93
As a % of adjusted net sales		44.5%	3.3%	20.7%		20.5%	3.4%	17.1%	2.9%	14.3%	
Effective tax rate									16.8%		
<b>For Comparative Purposes***</b>	<b>Net Sales</b>										
<b>Adjusted</b>	\$ 4,925.5										
Operating results attributable to held-for-sale businesses Q1 and Q2	(34.9)										
<b>Adjusted</b>	\$ 4,890.6										
											<b>Diluted weighted average shares outstanding</b>
											<b>Reported</b>
											<b>142.6</b>

\*Held-for-sale business includes the Israel API business.

\*\*The non-GAAP tax adjustments include the following: (1) \$2.8 million of tax effect related to audit settlements and other discrete items; (2) \$97.2 million net impact related to valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures; (3) \$(78.0) million of tax effects of pretax non-GAAP adjustments, including the sale of assets, that are calculated based upon the specific rate of the applicable jurisdiction of the pretax item; and (4) \$(3.1) million of tax adjustments related to tax reform.

\*\*\*YTD 2017 adjusted net sales adjustment made for Q1 and Q2 2017 made for YTD 2017 adjusted net sales are for comparison purposes only and does not change any other prior year since the API business was not held-for-sale during Q1 and Q2 of 2017.

**TABLE I (CONTINUED)**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SELECTED CONSOLIDATED INFORMATION**  
(in millions, except per share amounts)  
(unaudited)

	Twelve Months Ended December 31, 2016										
<b>Consolidated</b>	<b>Net Sales</b>	<b>Gross Profit</b>	<b>R&amp;D Expense</b>	<b>DSG&amp;A Expense</b>	<b>Restructuring, Impairment Charges, and Other Operating Income</b>	<b>Operating Income (Loss)</b>	<b>Interest, Other, and Change in financial assets</b>	<b>Income Tax Expense (Benefit)</b>	<b>Net Income (Loss)</b>	<b>Diluted Earnings (Loss) per Share</b>	
<b>Reported</b>	\$ 5,280.6	\$ 2,051.8	\$ 184.0	\$ 1,205.5	\$ 2,662.0	\$ (1,999.7)	\$ 2,848.6	\$ (835.5)	\$ (4,012.8)	\$ (28.01)	
As a % of reported net sales		38.9%	3.5%	22.8%		(37.9)%	53.9%	(15.8)%	(76.0)%		
Effective tax rate								17.2%			
<i>Adjustments:</i>											
Amortization expense primarily related to acquired intangible assets	\$ —	\$ 226.7	\$ (0.8)	\$ (136.4)	\$ —	\$ 363.9	\$ —	\$ —	\$ 363.9	\$ 2.59	
Acquisition charges and contingent consideration adjustments	—	4.7	—	(19.4)	—	24.1	(1.1)	—	25.2	0.18	
Operating results for held-for-sale businesses*	(112.8)	(11.4)	(1.2)	(25.6)	—	15.4	—	—	15.4	0.11	
Impairment charges	—	—	—	—	(2,631.0)	2,631.0	(22.4)	—	2,653.4	18.48	
Unusual litigation	—	—	—	(18.4)	—	18.4	—	—	18.4	0.13	
Losses on equity method investments	—	—	—	—	—	—	(4.2)	—	4.2	0.03	
Restructuring charges	—	—	—	—	(31.0)	31.0	—	—	31.0	0.22	
Gain/Loss on divestitures	—	—	—	—	—	—	7.7	—	(7.7)	(0.05)	
Change in financial assets	—	—	—	—	—	—	(2,608.2)	—	2,608.2	18.16	
Non-GAAP tax adjustments***	—	—	—	—	—	—	—	971.2	(971.2)	(6.77)	
<b>Adjusted</b>	<b>\$ 5,167.8</b>	<b>\$ 2,271.8</b>	<b>\$ 182.0</b>	<b>\$ 1,005.7</b>	<b>\$ —</b>	<b>\$ 1,084.1</b>	<b>\$ 220.4</b>	<b>\$ 135.7</b>	<b>\$ 728.0</b>	<b>\$ 5.07</b>	
As a % of adjusted net sales		44.0%	3.5%	19.5%		21.0%	4.3%	2.6%	14.1%		
Effective tax rate								15.7%			

**For Comparative Purposes\*\*\*\***

	<b>Net Sales</b>	<b>Diluted weighted average shares outstanding</b>	
<b>Adjusted</b>	\$ 5,167.8	<b>Reported</b>	<b>143.3</b>
Operating results attributable to held-for-sale businesses	(76.1)		0.3
<b>Adjusted</b>	<b>\$ 5,091.7</b>	<b>Adjusted</b>	<b>143.6</b>

Effect of dilution as reported amount was a loss, while adjusted amount was income\*\*

\*Held-for-sale businesses include the U.S. VMS business, European sports brand, and India API business.

\*\*In the period of a net loss, diluted shares outstanding equal basic shares outstanding.

\*\*\* The non-GAAP tax adjustment includes the following: (1) \$(802.5) million of tax effects of pretax non-GAAP adjustments that are calculated based upon the specific rate of the applicable jurisdiction of the pretax item; (2) discrete income tax adjustments of \$(49.3) million related to jurisdictional tax rate changes in Italy, UK, Germany & France; (3) \$102.7 million net impact of valuation allowances on deferred tax assets commensurate with non-GAAP pre-tax measures; and (4) \$(222.1) million valuation allowance release due to the divestiture of the Tysabri® financial asset. The GAAP tax benefit recorded in the current quarter related to these items has been excluded from non-GAAP net income.

\*\*\*\*2016 net sales adjustment made for 2017 adjusted net sales comparison purposes only and does not change any other prior year since the API business was not held-for-sale in 2016.

**TABLE II**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SELECTED SEGMENT INFORMATION**  
(in millions)  
(unaudited)

	Three Months Ended December 31, 2017					Three Months Ended December 31, 2016				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
<b>Consumer Healthcare Americas</b>										
<b>Reported</b>	\$ 643.5	\$ 219.5	\$ 17.5	\$ 61.6	\$ 141.4	\$ 626.8	\$ 210.0	\$ 18.1	\$ 81.5	\$ 83.3
As a % of reported net sales		34.1%	2.7%	9.6%	22.0%		33.5%	2.9%	13.0%	13.3%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 12.1		\$ (4.8)	\$ 16.9		\$ 12.6		\$ (5.2)	\$ 17.7
Unusual litigation		—		10.2	(10.2)		—		(10.2)	10.2
Impairment charges		—		—	—		—		—	27.1
Restructuring charges		—		—	0.2		—		—	(0.1)
Acquisition charges and contingent consideration adjustments		—		(1.7)	0.5		—		(1.2)	1.2
<b>Adjusted</b>		\$ 231.6		\$ 65.3	\$ 148.8		\$ 222.6		\$ 64.9	\$ 139.4
As a % of reported net sales		36.0%		10.1%	23.1%		35.5%		10.4%	22.2%

	Three Months Ended December 31, 2017					Three Months Ended December 31, 2016				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income (Loss)
<b>Consumer Healthcare International</b>										
<b>Reported</b>	\$ 374.1	\$ 172.5	\$ 10.5	\$ 154.1	\$ 3.7	\$ 419.5	\$ 151.3	\$ 9.9	\$ 173.1	\$ (76.1)
As a % of reported net sales		46.1%	2.8%	41.2%	1.0%		36.1%	2.3%	41.3%	(18.1)%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 22.0	\$ (0.2)	\$ (29.6)	\$ 51.8		\$ 20.8	\$ (0.1)	\$ (27.5)	\$ 48.4
Impairment charges		—	—	—	—		—	—	—	34.1
Unusual litigation		—	—	—	—		—	—	(8.2)	8.2
Operating results attributable to held-for-sale business*		—	—	—	—		3.6	—	(6.8)	10.3
Restructuring charges		—	—	—	3.8		—	—	—	10.5
Acquisition charges and contingent consideration adjustments		—	—	2.4	(2.0)		—	—	(1.0)	1.0
<b>Adjusted</b>		\$ 194.5	\$ 10.3	\$ 126.9	\$ 57.3		\$ 175.7	\$ 9.8	\$ 129.6	\$ 36.4
As a % of reported net sales		52.0%	2.7%	33.9%	15.3%		41.9%	2.3%	30.9%	8.7%

\*Held-for-sale business includes the European sports brand.

**TABLE II (CONTINUED)**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SELECTED SEGMENT INFORMATION**  
(in millions)  
(unaudited)

	Three Months Ended December 31, 2017					Three Months Ended December 31, 2016				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income (Loss)
<b>Prescription Pharmaceuticals</b>										
<b>Reported</b>	\$ 261.3	\$ 117.6	\$ 17.6	\$ 31.5	\$ 68.1	\$ 265.9	\$ 121.0	\$ 11.8	\$ 23.3	\$ (258.5)
As a % of reported net sales		45.0%	6.7%	12.1%	26.1%		45.5%	4.4%	8.7%	(97.3)%
<i>Adjustments:</i>										
Amortization expense primarily related to acquired intangible assets		\$ 21.4		\$ 0.4	\$ 21.0		\$ 28.0		\$ (0.1)	\$ 28.1
Unusual litigation		—		(10.0)	10.0		—		—	—
Gain on divestitures		—		—	(0.3)		—		—	—
Restructuring charges		—		—	(0.1)		—		—	2.1
Impairment charges		—		—	0.1		—		—	342.4
Acquisition charges and contingent consideration adjustments		—		—	0.7		—		(0.9)	0.9
<b>Adjusted</b>		\$ 139.0		\$ 21.9	\$ 99.5		\$ 149.0		\$ 22.3	\$ 115.0
As a % of reported net sales		53.2%		8.4%	38.1%		56.1%		8.4%	43.2%



**TABLE II (CONTINUED)**  
**PERRIGO COMPANY PLC**  
**RECONCILIATION OF NON-GAAP MEASURES**  
**SELECTED SEGMENT INFORMATION**  
(in millions)  
(unaudited)

	Twelve Months Ended December 31, 2017					Twelve Months Ended December 31, 2016				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income
<b>Consumer Healthcare Americas</b>										
<b>Reported</b>	\$ 2,429.9	\$ 817.8	\$ 66.0	\$ 279.1	\$ 445.0	\$ 2,507.1	\$ 825.2	\$ 74.2	\$ 309.0	\$ 399.8
As a % of reported net sales		33.7%	2.7%	11.5%	18.3%		32.9%	3.0%	12.3%	15.9%
<b>Adjustments:</b>										
Amortization expense primarily related to acquired intangible assets		\$ 48.8		\$ (19.2)	\$ 68.0	\$ —	\$ 50.3	\$ —	\$ (20.7)	\$ 71.0
Unusual litigation		—		10.2	(10.2)	—	—	—	(10.2)	10.2
Impairment charges		—		—	4.5	—	—	—	(0.3)	37.0
Operating results attributable to held-for-sale business*		—		—	—	(110.2)	(17.6)	(1.2)	(10.7)	(5.7)
Restructuring charges		—		—	27.4	—	—	—	—	5.6
Acquisition charges and contingent consideration adjustments		—		(1.7)	(2.4)	—	4.7	—	(1.5)	6.3
<b>Adjusted</b>		\$ 866.6		\$ 268.4	\$ 532.3	\$ 2,396.9	\$ 862.6	\$ 73.0	\$ 265.6	\$ 524.2
As a % of reported net sales (2017) / As a % of adjusted net sales (2016)		35.7%		11.0%	21.9%		36.0%	3.0%	11.1%	21.9%

\*Held-for-sale business includes the U.S. VMS business.

	Twelve Months Ended December 31, 2017					Twelve Months Ended December 31, 2016				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income (Loss)
<b>Consumer Healthcare International</b>										
<b>Reported</b>	\$ 1,491.0	\$ 682.0	\$ 41.8	\$ 604.9	\$ 12.5	\$ 1,652.2	\$ 693.4	\$ 41.5	\$ 676.0	\$ (2,087.4)
As a % of reported net sales		45.7%	2.8%	40.6%	0.8%		42.0%	2.5%	40.9%	(126.3)%
<b>Adjustments:</b>										
Amortization expense primarily related to acquired intangible assets		\$ 84.7	\$ (1.2)	\$ (113.3)	\$ 199.2	\$ —	\$ 68.1	\$ (0.8)	\$ (115.3)	\$ 184.2
Unusual litigation		—	—	8.8	(8.8)	—	—	—	(8.2)	8.2
Impairment charges		—	—	—	4.8	—	—	—	—	2,042.4
Restructuring charges		—	—	—	17.1	—	—	—	—	20.9
Operating results attributable to held-for-sale business*		0.5	—	—	0.5	(0.2)	4.3	—	(13.7)	18.0
Acquisition charges and contingent consideration adjustments		—	—	2.4	(1.5)	—	—	—	(1.9)	1.9
<b>Adjusted</b>		\$ 767.2	\$ 40.6	\$ 502.8	\$ 223.8	\$ 1,652.0	\$ 765.8	\$ 40.7	\$ 536.9	\$ 188.2
As a % of reported net sales (2017) / As a % of adjusted net sales (2016)		51.5%	2.7%	33.7%	15.0%		46.4%	2.5%	32.5%	11.4%

\*Held-for-sale business includes the European sports brand.



TABLE II (CONTINUED)  
PERRIGO COMPANY PLC  
RECONCILIATION OF NON-GAAP MEASURES  
SELECTED SEGMENT INFORMATION  
(in millions)  
(unaudited)

	Twelve Months Ended December 31, 2017					Twelve Months Ended December 31, 2016				
	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income	Net Sales	Gross Profit	R&D Expense	DSG&A Expense	Operating Income (Loss)
<b>Prescription Pharmaceuticals</b>										
<b>Reported</b>	\$ 969.7	\$ 449.7	\$ 53.2	\$ 86.3	\$ 307.6	\$ 1,042.8	\$ 501.1	\$ 61.4	\$ 95.4	\$ (0.2)
As a % of reported net sales		46.4%	5.5%	8.9%	31.7%		48.1%	5.9%	9.2%	—%
<b>Adjustments:</b>										
Amortization expense primarily related to acquired intangible assets		\$ 86.7		\$ —	\$ 86.7		\$ 106.4		\$ (0.4)	\$ 106.7
Unusual litigation		—		(10.0)	10.0		—		—	—
Gain on divestitures		—		—	(23.3)		—		—	—
Restructuring charges		—		—	5.8		—		—	2.1
Impairment charges		—		—	34.9		—		—	342.4
Acquisition charges and contingent consideration adjustments		(0.1)		—	(15.0)		—		(5.9)	5.9
<b>Adjusted</b>		\$ 536.3		\$ 76.3	\$ 406.7		\$ 607.5		\$ 89.1	\$ 456.9
As a % of reported net sales		55.3%		7.9%	41.9%		58.3%		8.5%	43.8%