Global Social Responsibility at Mylan
2016 Overview
Mylan a champion for better health

This publication, issued on May 22, 2017, describes our long-standing commitment to making the world a better place and provides multiple examples of how we continue to bring that commitment to life. It succeeds our inaugural publication, which came out in 2015.

As one of many examples of Mylan’s continuing commitment to its stakeholders, the company currently is implementing a companywide global social responsibility program, and we continue to enhance our reporting capabilities. This is not a formal report; nonetheless, we believe this updated summary clearly demonstrates our passion for holding ourselves accountable for constantly improving how we operate – and setting an example for like-minded people and organizations everywhere.

As a part of our ongoing work, we recently signed on to the United Nations Global Compact. We look forward in 2018 to communicating our progress against this commitment.

To learn more, contact us at communications@mylan.com.
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01 Introduction
A message from
Heather Bresch, Mylan’s CEO

At Mylan, changing the world for the better is in our DNA, and it’s why we view what we do as a cause and not just as a business.

Ever since our founding more than 55 years ago, we have been championing people’s access to high quality medicine. As our footprint and capabilities have grown, so have our opportunities and responsibilities. Today we aspire to touch the lives of 7 billion people by delivering better health for a better world. To help us reach this goal, we have been building upon our strong foundation in pharmaceuticals and transforming into a healthcare company.

We believe that access to healthcare should be a right, not a privilege. That makes our mission very personal to everyone who has ever worked here. After all, each of the 7 billion people we’re trying to reach is somebody’s mother, brother, friend or neighbor – and, quite often, our own. Internally, we use the expression 7B:1 to signify the nature and importance of our work, both to us and to the stakeholders we serve.

While a great deal of progress has been made over the years to expand access to healthcare, there’s still much to be done in developing and developed countries alike.

People in the developing world, for instance, still too often lose their lives to treatable diseases, such as HIV/AIDS, malaria and tuberculosis. Further, women and children are frequently and disproportionately marginalized with respect to access to medical care. Indeed, HIV remains the leading cause of death among women of reproductive age, and it is the second leading cause of death among adolescents.

In contrast, people in the developed world are more apt to suffer and die from chronic conditions like diabetes and cardiovascular disease. As the world grows wealthier – by 2030, 500 million new households are expected to achieve middle- or upper-income status – the number of people afflicted by chronic conditions will rise.

OUR MISSION
At Mylan, we are committed to setting new standards in healthcare. Working together around the world to provide 7 billion people access to high quality medicine, we:

> Innovate to satisfy unmet needs;
> Make reliability and service excellence a habit;
> Do what’s right, not what’s easy; and
> Impact the future through passionate global leadership.

2. Euromonitor
Mylan, as a highly differentiated global company with a long track record of doing good, is uniquely positioned to address the world’s most pressing health concerns.

We have, for example, an extensive portfolio of more than 7,500 marketed products. We offer our products in more than 165 countries and territories and have a world-class supply chain. Our science is strong, resulting in a robust pipeline that includes products for which demand is growing rapidly, such as more-affordable versions of insulin analogs, biologics and respiratory therapies. We are able to manufacture tens of billions of doses of medicine annually, all to stringent quality standards.

We also have deep roots in shaping public policy to address the many barriers that can stand in the way of access, which are described at right.

Our willingness to speak out and act has been abundantly apparent in recent months in the U.S. The nation’s healthcare system is undergoing extraordinary change and shifting greater costs to consumers. Americans are understandably concerned. They are demanding greater transparency and accountability by all of the system’s many participants.

Mylan felt the full weight of those concerns with respect to the price of our EpiPen® Auto-Injector. In response, we took immediate action last year to expand patient access to this important product, which treats life-threatening allergic reactions, and introduced the authorized generic of the EpiPen device at half of the wholesale acquisition cost.

Mylan’s response was consistent with our major and long-standing role in addressing healthcare costs in the nation, where generics now make up 89% of prescriptions dispensed but only 27% of total medicine spending.²

However, until the entire healthcare system is reformed, many families will continue to struggle to pay for medications. So we will continue doing our part – in the U.S. and beyond – to fight on multiple fronts to expand access.

We will continue doing our part – in the U.S. and beyond – to fight on multiple fronts to expand access.

³. 2016 GPhA Savings Study QuintilesIMS Institute on behalf of the GPhA, now the Association for Accessible Medicines
Moreover, consistent with our long-standing focus on doing good, we recently strengthened our commitment to operating in a socially responsible manner. Specifically, we are enhancing associated programs and providing greater transparency into the progress we are making.

We also have joined the world’s largest business community for sustainable development, the United Nations Global Compact. In doing so, we pledge to keep taking a principled approach to our business with respect to human rights, labor, environment and anti-corruption. In 2018, we look forward to publishing our first official communication on our progress.

Making the world a better place takes courage and persistence. I am proud of our roots and of the many access barriers we have torn down. I am proud of the candid conversations we have started about the need and opportunity to overhaul healthcare delivery as we know it. I am proud to call myself a Mylan employee and ambassador for change.

To my fellow employees, I would like to take this opportunity to extend my deep appreciation to you – Mylan’s most valuable asset – for your contributions to our shared cause. I look forward to working side by side with you as we champion everyone’s right to better health.

And to everyone, thank you for your interest in our company.

Heather Bresch  
CEO

OUR EVOLUTION

1961  
Founded by Milan “Mike” Puskar and Don Panoz in White Sulphur Springs, West Virginia, U.S.

1973  
Became a publicly traded company

1984  
Received our first branded product approval

2007  
Went global with the acquisitions of Matrix Laboratories and Merck Generics

2010  
Acquired Bioniche Pharma, an injectable pharmaceutical company

2012  
Championed the U.S. Food and Drug Administration Safety and Innovation Act

2013  
Acquired Agila Specialties and became a global injectables leader

2015  
Acquired Abbott’s non-U.S. developed markets specialty and branded generics business, and Famy Care’s women’s healthcare business

2016  
Acquired Meda and Renaissance’s non-sterile topicals-focused specialty and generics business
Policy Perspective

In our experience, one of the most powerful ways to be a champion for patients in need is by speaking out on their behalf. Within the pharmaceutical and healthcare space, this generally means advocating for patient access and innovating to provide more-affordable, high quality medicines. Through our policy work, we stand up for the right of people everywhere to enjoy better health.

Informing our work is our belief in the importance of cooperating in good faith with everyone who has a stake in a particular issue, including patients, healthcare providers, governments, trade associations, other companies, workers and investors. So to every conversation we bring an open mind, deep experience and the resolve to do what’s right, not what’s easy – no matter how long it takes. It’s an approach that gets results.

In the U.S., for instance, we co-founded the generic industry trade association that was instrumental in shaping groundbreaking legislation called the Hatch-Waxman Act. Passed in 1984, the law paved the way for widespread access to generic medicine – and substantial savings for the entire healthcare system. More recently, we spearheaded efforts to make sure that all pharmaceutical facilities, regardless of where in the world they are located, are held to the same quality standard, playing a tremendous role in strengthening the global drug supply chain and making it safer. Today in the U.S., we are helping drive a long overdue national conversation about reforming healthcare to ensure patients experience savings at the pharmacy counter. In Europe, we have worked with governments facing budget constraints to develop policies that expand access to and encourage the use of generics. We also have championed efforts to introduce paperless prescriptions, improve patient adherence and support early diagnosis of HIV.

We have consulted with Australia’s government to expedite patients’ access to medicine, in some cases by up to two years. By sharing with Japan’s health ministers the U.S. experience in increasing generic utilization, we were able to help them drive substantial improvement in their country. In India, we are actively involved in shaping guidelines designed to accelerate patient access to generic and biosimilar medicines. These are just a few examples.

Providing Passionate Leadership

Successes like these demonstrate another belief: that passionate leadership truly can make the world a healthier place.

We live it through deep and sustained involvement with various industry trade associations. Our CEO has served twice as chair of the U.S. Association for Accessible Medicines, formerly the Generic Pharmaceutical Association (GPhA). The head of our European business is president of Medicines for Europe. Many other Mylan leaders serve within trade groups in their respective countries across the globe.

We work closely as well with international organizations. A great example is The Global Fund to Fight AIDS, Tuberculosis and Malaria, where we participate on or head up various committees. In addition, Mylan helped lead the way last year to secure formal representation of the generics industry in the Assembly of the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH). We also remain actively engaged with World Trade Organization working groups.
REMOVING BARRIERS TO ACCESS

Removing access barriers, examples of which appear in Heather’s letter on page 6, is the basis for all our policy work.

For instance, we want to make sure that international trade agreements don’t lock in excessive intellectual property protections, such as patent terms or provisions relating to data access, market access or approvals that make bringing generics to market an especially difficult or lengthy process. That’s why we have participated in the negotiations of many international trade agreements, including the Trans-Pacific Partnership.

We also are eager to expand patient access to biosimilars. These next-generation medicines are safe, effective and less expensive versions of biologic drugs, many of which treat serious diseases such as cancer, diabetes and rheumatoid arthritis. By the end of 2019, global spending on biologics is expected to reach more than $445 billion, an outlay that we believe can be reduced substantially through market competition.

In conjunction with trade associations and through our own efforts, we have worked extensively in the U.S., Europe and in other global forums on biosimilar-related policy issues. Examples include scientific standards, product naming, interchangeability, and patient and healthcare provider education.

In the U.S., we also have worked closely with state lawmakers to give entities like schools and restaurants the ability to stock and administer epinephrine auto-injectors. These treat life-threatening anaphylactic reactions, which can strike at any time.

With respect to pricing, systems vary widely by market. Some use relatively straightforward approaches, such as tendering. Others have very complex systems. Mylan’s stance, regardless of market, is that barriers to access must come down. We are doing our part: The average price per dose of our products globally in 2016 was just 16 cents.

In the U.S., where pricing currently is the subject of much discussion, we are advocating for greater transparency and reforms that will put market dynamics to work for patients.

HARMONIZING REGULATIONS

It is incumbent upon all participants in the healthcare systems around the world to do their part to help ensure that medications are available, affordable and of high quality.

Eliminating redundant regulatory programs can help. So we have joined others and collaborated with regulators in the U.S. and Europe on a framework for cooperation among their respective agencies. That effort recently yielded a mutual recognition program in which markets accept the results of one another’s manufacturing inspections.

In addition, we partner with multiple health authorities, industry trade groups and international organizations to drive towards convergence of regulatory standards and practices. We contribute by shaping proposals and facilitating industry understanding and implementation of regulatory expectations as they evolve. As a part of this process, we help prepare technical reports, speak publicly and advocate for balanced regulatory positions.

5. Internal estimate
SPOTLIGHT ON THE U.S.

While Mylan may not yet be a household name, our products can be found in most U.S. homes. In 2016, one out of every 13 prescriptions – brand-name or generic – was filled with a Mylan product. That’s more than were filled in the nation by Pfizer, GlaxoSmithKline, Johnson & Johnson, AstraZeneca, Merck, Sanofi and Lilly combined.

As remarkable, the prescriptions we filled represented more than 22 billion doses. Their price, on average, was just 25 cents per dose.1

With respect to generics, these important pharmaceuticals saved the U.S. healthcare system $1.46 trillion from 2006 to 2015, and $227 billion in 2015 alone. Over that same period, Mylan’s average share of the generics prescription industry was 11.8%, which translates to approximately $170 billion in savings.

To help make such savings possible, we have invested generously to bring greater access and competition to the market. Between 2008 and 2017, for instance, we anticipate having made a global investment of approximately $5 billion in R&D, and approximately $3 billion in capital expenditures.

These amounts far exceed our sales and marketing expenditures in the U.S. or anywhere else. Further, over the past five years, we experienced an average annual price decrease of 1% across our entire U.S. business (brands and generics).

1. internal estimate

HEALTHCARE SPEND
100% = $3 TRILLION

Pharmaceuticals represent ~10% of total healthcare spend, and generic medicines account for less than 3% of total system costs.

Data from Centers for Medicare & Medicaid Services. "National Health Expenditure Fact Sheet." Dec. 3, 2015 and 2016 GPhA Savings Study QuintilesIMS Institute on behalf of the GPhA, now the Association for Accessible Medicines.
About Mylan

Mylan is a global healthcare company focused on making high quality medicines available to everyone who needs them. The company was founded in the U.S. in 1961 and became a leading manufacturer of generic pharmaceuticals. Today, we are passionate champions for better health everywhere, with a platform unmatched in the industry.

WORLD-CLASS SUPPLY CHAIN
Our proven supply chain helps ensure that our medicines are available whenever and wherever needed – from large cities to rural outposts, and in developed and developing nations alike. Our distribution centers reliably ship products to more than 60,000 customers. We credit our supply chain with helping us, for instance, provide affordable antiretroviral (ARV) medicine to half of all people on treatment for HIV/AIDS in developing countries.

SUBSTANTIAL RESEARCH AND DEVELOPMENT CAPABILITIES
We have a strong track record of developing new products, particularly complex and difficult-to-formulate medicines. We employ approximately 3,000 scientists and regulatory affairs experts globally who continually innovate, and we partner with other leading companies to augment our expertise. Between 2008 and 2017, we expect to have invested more than $5 billion in R&D. As a result, we have a robust pipeline, including such as more-affordable versions of insulin analogs, biologics and respiratory therapies.

EXPANSIVE COMMERCIAL FOOTPRINT
We offer our products in more than 165 countries and territories. Our global sales force of more than 5,000 calls on customers of all types, including retail and pharmacy establishments, wholesalers, governments, institutions and physicians. In 2016, six of our franchises each generated approximately $1 billion or more in revenue: Central Nervous System and Anesthesia, Respiratory and Allergy, Infectious Disease, Cardiovascular, Gastroenterology, and Diabetes and Metabolism.

POWERFUL, HIGH QUALITY MANUFACTURING PLATFORM
Our 50 plants around the world manufacture tens of billions of doses of medicine annually, and each site adheres to stringent quality standards, regardless of location. Further, our platform is vertically integrated – meaning we produce active pharmaceutical ingredients (APIs) and finished products – allowing us to rigorously manage per-dosage costs. Between 2008 and 2017, we expect to have invested approximately $3 billion in capital expenditures, which includes a significant investment in our manufacturing platform.

PASSIONATE POLICY LEADERSHIP
Our deep roots in shaping public policy continue to help break down barriers to access. We focus on advocacy, education and policy efforts designed to expand generic utilization, biosimilar interchangeability and entity prescribing, and to stem the tide of HIV/AIDS and other diseases.

CHAMPIONS FOR BETTER HEALTH
Our most valuable asset is our global workforce of more than 35,000, each member of which is a passionate supporter of our cause to deliver better health for a better world. Led by executives of long tenure and deep industry experience, our entire team prides itself on being relentless, committed, passionate and unconventional.

UNIQUE CORPORATE CULTURE
Uniting our champions around the world is Mylan’s unique culture and sometimes unconventional style. In a world of watchers, we’re doers who are constantly motivated by the urge to make a difference. We understand that a cause is much harder than a job, so when creative solutions and tough decisions are called for, we rise to the occasion. When the way forward is unclear, we figure it out. When challenges arise, we don’t blink; we simply remain focused on executing to deliver on our commitments. After all, 7 billion people are depending on us.

Between 2008 and 2017, we expect to have invested more than $5 billion in R&D.

GLOBAL SOCIAL RESPONSIBILITY AT MYLAN
OUR VALUES

INNOVATION
We are unconventional, visionary and bold. We “connect the dots” others overlook. We see possibilities and bring them to life. We love to challenge the status quo and introduce new and better ways to help people everywhere enjoy a higher quality of life. Having the courage to be a force for constructive change is in our DNA.

INTEGRITY
Doing what’s right is sacred to us. We behave responsibly, even when nobody’s looking. We set high standards from which we never back down. This uncompromising ethical stance helps to keep our products pure, our workers safe and the environment clean.

RELIABILITY
Dependable. Reliable. Call it what you will, we’ve made it a habit. We strive to be there through thick and thin, rain or shine, delivering on every promise, every time. That’s why people around the corner and across the world count on Mylan.

SERVICE
We understand that “it’s not about us” – it’s about helping others – and we believe there’s no situation we can’t handle. We would do whatever it takes, work ‘round the clock, cross any river and spare no effort – all to meet someone’s need. We wrap our high quality products in high quality service.

TEAMWORK
Together, we can run faster, reach higher and achieve more than any one of us can alone. We relish opportunities to collaborate because it’s invigorating, enlightening and powerful. When we join forces and plow through boundaries, we move mountains.

We understand that “it’s not about us” – it’s about helping others – and we believe there’s no situation we can’t handle.

OUR STRATEGY
We look forward to continuing to grow our business responsibly through our proven strategy. Count on us to keep:

> Leveraging our differentiated global operating platform;
> using our powerful commercial presence to keep expanding the world’s access to our growing portfolio of products;
> making significant investments in multiple long-term growth drivers;
> pursuing business-development deals that add value and ensure ongoing financial flexibility;
> working to maintain our strong track record of delivering exceptional shareholder returns; and
> putting our commitment to global social responsibility into action by championing better health for a better world.
### Mylan by the Numbers

**>7,500** MARKETED PRODUCTS

**>165** COUNTRIES & TERRITORIES

**~50%** OF ALL PEOPLE IN DEVELOPING COUNTRIES BEING TREATED FOR HIV/AIDS RELY ON A MYLAN ARV PRODUCT

**>1,800** ADDITIONAL NEW PRODUCT SUBMISSIONS ARE PENDING

**>6,100** more submissions are planned

**~3,000** SCIENTISTS AND REGULATORY AFFAIRS EXPERTS; MULTIPLE STATE-OF-THE-ART R&D CENTERS

**~3,000** SCIENTISTS AND REGULATORY AFFAIRS EXPERTS; MULTIPLE STATE-OF-THE-ART R&D CENTERS

**>35,000** GLOBAL WORKFORCE

**$11B** 2016 REVENUES

**1.5B** COMPLEX-PRODUCT UNITS

**500M** INJECTABLES UNITS

**4,800** KILOLITERS OF APIs

**80B** ORAL SOLID DOSES

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**Therapeutic franchises whose 2016 revenues totaled ~$1 billion or more:** Central Nervous System and Anesthesia, Respiratory and Allergy, Infectious Disease, Cardiovascular, Gastroenterology, and Diabetes and Metabolism

**Cardiovascular**

**CNS & Anesthesia**

**Dermatology**

**Diabetes & Metabolism**

**Gastroenterology**

**Immunology**

**Infectious Disease**

**Oncology**

**Respiratory & Allergy**

**Women’s Healthcare**

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Ticker: MYL (NASDAQ, TASE)
02
Standing On Our Principles
Acting With Integrity

At Mylan, we do what’s right, not what’s easy. We call this acting with integrity, and we have many great examples of how we have upheld this commitment over the years.

Doing what’s right also is part of our DNA. In fact, it was the central philosophy of the person after whom Mylan is named – co-founder Milan “Mike” Puskar. He made clear that, “We do it right, or we don’t do it at all,” laying what proved to be an ideal foundation through which to deliver better health for a better world.

Mylan is committed to conducting business in accordance with the highest standards of ethics and integrity and in compliance with applicable laws. To us, ethics in business is much more than following the rules. It is leading by example, setting the tone at the top, having the courage to make difficult decisions, living our values and creating the right culture in our organization.

GOOD GOVERNANCE

Our compliance program is a great expression of Mylan’s commitment to doing what’s right. The program starts with our board of directors, which has an established compliance committee comprising non-executive independent members. The committee oversees our chief compliance officer’s efforts to manage and continually enhance our global compliance program. Our chief compliance officer serves on Mylan’s executive governance team and reports to the board’s compliance committee and to our CEO. This structure provides broad perspective as well as independence.

We also have a dedicated team of compliance professionals located throughout the regions where we operate. We believe having “boots on the ground” is the best way to be successful in our ambition and to demonstrate our commitment to acting with integrity. Given the tremendous variety of markets and cultures we touch, this practice also ensures the relevance of our actions and provides our employees with a local contact who can support them in making the proper decisions.

Employees also can turn for guidance to Mylan’s Code of Business Conduct and Ethics, which was revised in 2016 and is provided in an interactive format. The code sets forth guiding principles that inform our policies and standards, and reflect our values of Innovation, Integrity, Reliability, Service and Teamwork. The code applies to all of Mylan, our subsidiaries and our affiliates.

We regularly develop or update policies and procedures to manage our growth, the dynamic nature of our industry and the laws that govern our business.

In addition, our global compliance team creates innovative and engaging e-learnings and instructor-led training programs. All employees must undergo training, with those in certain functions, such as sales, marketing, quality and manufacturing, getting additional relevant instruction.

Our code, global compliance policies and core training courses have been translated into more than 30 languages to reflect the needs of our global workforce.
Training at Mylan has kept pace with the company’s growth.

Training events reflect many topics, from health and safety to travel security.
EXPECTATIONS OF SUPPLIERS

Just as we expect our employees to conduct business with the highest standards of ethics and in compliance with the law, we expect no less from the companies with which we do business. We recently introduced a Supplier Code of Conduct that provides guidance for doing business with Mylan, covering topics ranging from ethical business practices and human rights to health and safety. More than 2,200 employees with responsibilities for procurement and sourcing received training on the code. We also continue to communicate it externally, having provided it already to more than 20,500 suppliers. The supplier code reflects our prohibition against illegal labor practices and promoting or engaging in slavery or human trafficking.

OPEN COMMUNICATION

Mylan encourages open communication in general and about ethical and compliance-related topics in particular. With respect to the latter, we have created an engaging program that features blogs, policy reminders and videos, such as “Laugh and Learns” that present key compliance considerations in fun and engaging ways.

Employees may contact their supervisor, Human Relations representative, local or regional compliance officer, Legal department or our Office of Global Compliance (OGC) with compliance-related questions or concerns.

They also may use Mylan’s Compliance Line, which is run by an independent third party. Regardless of how a report is made, Mylan prohibits retaliation against any employee for making a good-faith report of suspected misconduct. We have a clear process for investigating, resolving and remediating potential misconduct. It includes:

> A review of every report by our head of Global Compliance Operations;
> thorough, impartial and timely investigation in coordination with Human Relations, our Legal department and other functions, as appropriate; and
> fair and consistent disciplinary measures, when necessary.

Lastly, Mylan’s Leadership Expectations – which include leading, learning, teaching and performing with the right attitude – hold employees accountable for doing what’s right, a factor in annual performance evaluations.

More than 2,200 employees with responsibilities for procurement and sourcing received training on the supplier code.

MYLAN’S COMPLIANCE LINE

- Is accessible 24 hours a day, 7 days a week;
- allows reports to be submitted via telephone, email, online or by mail;
- permits anonymous reporting; and
- keeps all information confidential.
ANTI-CORRUPTION

Mylan prohibits bribery and corruption in any form, everywhere we do business. We define bribery as offering, accepting or providing, directly or indirectly, anything of value to improperly influence a person’s decision. Our Anti-Corruption policy also defines and prohibits facilitation payments. All employees receive training in business ethics. In addition, we require dedicated anti-corruption training for employees with relevant job responsibilities. Further, vendors that may interact with government officials on our behalf also receive anti-corruption training on topics ranging from the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, to keeping accurate records. Mylan employees and third parties have completed more than 36,500 anti-corruption trainings.

In addition, we perform risk assessments to further confirm that our business transactions comply with company policies and applicable laws and regulations. We have several programs in place to monitor business activities. Anti-corruption and anti-fraud management are part of Mylan’s enterprise risk-assessment process. We conduct due diligence on all business partners, require strong compliance representations and warranties from those with whom we do business, audit selected business partners and conduct enhanced due diligence on various classifications of business partners based on assessed risk.

ETHICAL MARKETING PRACTICES

Integrity and trust are at the core of all relationships, and those Mylan has with the healthcare community are no different. Healthcare professionals (HCPs) rely on us for timely updates about our products and customer service, scientific information and supporting medical research.

We insist that our promotional activities and materials always comply with all applicable laws, regulations and codes, and our own marketing and advertising review policies. They also must be truthful, accurate, not misleading, consistent with approved product labeling and properly substantiated. We also take care to ensure that promotional activities and materials never involve promotion of drugs for unapproved indications, uses, doses or populations.

UNCOVERING CORRUPTION

In the 1980s, Mylan was experiencing irregularities in how and when the U.S. Food and Drug Administration (FDA) acted on its abbreviated new drug applications, or ANDAs. Mylan conducted its own investigation and presented the findings to Congress, despite the obvious risk.

Subsequent inquiries uncovered corruption within the agency’s generic drugs division and unethical conduct by several competitors. The outcome: reform of the FDA’s review procedures for generic drugs, restoration of a level playing field for manufacturers and the implementation of safeguards to ensure consumer safety.

It wasn’t easy, but it was the right thing to do.
Ensuring Quality in Everything We Do

Although Mylan has grown significantly throughout its more than 55-year history, the one thing that remains unchanged is our steadfast commitment to delivering high quality medicines.

That’s why we view quality as being a part of everyone’s job at Mylan. In other words, whether someone is an accountant, tablet-press operator, scientist, sales representative or janitor, quality starts with them, and they are expected to take this great responsibility and privilege personally. To help ensure success, we employ a combination of global systems and procedures as well as cultural and behavioral programs designed to help employees “do what’s right, not what’s easy” and give their best every day.

From a manufacturing and supply chain perspective – typically the most scrutinized area of any pharmaceutical company – Mylan has invested significant resources to ensure quality throughout our value chain. Each of its steps is wrapped in a series of reviews designed to meet or exceed the many regulatory and compliance standards enforced by the dozens of health authorities around the globe that regularly inspect us. The result is an integrated global network capable of providing pharmaceuticals that patients the world over can trust.

A good example of a recent investment is the launch this year of our first training academy. Located in Nashik, India, home to one of our larger oral solid dose (OSD) manufacturing sites, the Mylan Oral Solid Dose Learning Center was established to help employees learn about the process of producing tablets and capsules in a simulated manufacturing facility. The experience helps employees become quality ambassadors by understanding their critical role in developing and distributing safe and effective products.

We employ a combination of global systems and procedures as well as cultural and behavioral programs designed to help employees “do what’s right, not what’s easy” and give their best every day.
WORKING WITH BUSINESS PARTNERS

Although approximately 80% of the product volume we sell is produced through internally controlled manufacturing, we also rely on various third-party business partners to help us develop and reliably provide high quality products.

Partners provide us with certain R&D services; active ingredients, excipients and intermediates; manufacturing services; and packaging, distribution and other services and supplies.

We conduct due-diligence and site visits before agreeing to partner with a third party. We then revisit sites. Associated controls are vetted on a regular basis by an operations-focused internal audit team that applies standardized, objective assessments designed to evaluate best practices. Audits are performed at our locations and facilities as well as those operated by our external partners.

OPERATIONAL EXCELLENCE

The teams at Mylan’s facilities around the world continually look for ways to keep raising the bar when it comes to operational excellence.

That effort led to a prestigious award in 2016 for one of our manufacturing plants in Dublin, Ireland. It was one of only three sites in the world to be recognized with the Shingo Silver Medallion for operational excellence.

The award signifies mastery of Shingo Model tools and techniques and the presence of mature systems for continually enhancing operational performance. The Shingo Model is a lean operational program recognized internationally as a benchmark for world-class performance.

The Dublin plant has four bulk manufacturing areas and 10 packaging lines. Products include oral liquid drops, tablets and sachets that are supplied to nearly 70 countries.
Our supply chain security program has been validated by the U.S. Customs and Border Protection agency, achieving the highest level of certification, Tier III status, within its Customs-Trade Partnership Against Terrorism program.

Moreover, by strategically locating key facilities in proximity to markets and customers, we help maintain a reliable and flexible supply of active ingredients and finished products in a cost-efficient manner. For instance, our plant in Nashik, India, which makes medicines for markets around the world, ships product destined for Europe to our regional packaging center in Komarom, Hungary, which in turn gets proper quantities into the countries that need them. We also have sites in Japan which primarily serve that market, as well as sites in Australia, France and the U.S.

When Mylan went global in 2007, we were dismayed to learn that many manufacturers outside of the U.S. that supplied medicines to the U.S. market were seldom, if ever, inspected.

So we got to work and played a crucial role in shaping landmark U.S. legislation called the Food and Drug Administration Safety and Innovation Act. The law, including its Generic Drug User Fee Amendments, expanded the FDA’s authority and strengthened its ability to safeguard and advance public health. We believe quality around the world is being enhanced by Mylan’s creative and persistent approach to leveling the playing field in the U.S. and increasing the agency’s inspection rates around the world.

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VERIFYING QUALITY

In 2016, we conducted more than 600 audits of existing and prospective suppliers, contract manufacturers, packagers and laboratories. Choosing which suppliers to audit is directed by our risk-management model. It balances a variety of factors, such as supply volume, our experiences to date with vendors and product type, e.g., injectables.

In addition, at any given time, inspectors from a variety of health authorities likely are visiting our facilities around the world. We welcome them because, like us, they understand the importance of keeping quality and reliability firmly in focus. Representative authorities include the World Health Organization (WHO); Japan’s Ministry of Health, Labor and Welfare; the U.K.’s Medicines and Healthcare products Regulatory Agency (MHRA); U.S. FDA; and Australia’s Therapeutic Goods Administration (TGA); among others. Since 2015, more than 90 health-authority inspections have been conducted across our facilities and affiliates.
03
Serving Patients

GLOBAL SOCIAL RESPONSIBILITY AT MYLAN
Delivering Access for Patients

Because we believe that access to healthcare should be a right, not a privilege, patients are at the heart of everything we do. We put ourselves in their shoes and continually look for ways to expand their access to high quality medicine wherever they are and whenever they need it.

As a part of this commitment, we place a very high emphasis on protecting patients’ health and safety. In addition, we carefully safeguard the personal health information of those participating in our clinical trials. Our efforts take a variety of forms.

We have, for instance, a robust pharmacovigilance program that complements patient-safety measures taken elsewhere at Mylan. Our program offers information and support in a wide variety of languages.

Such programs are important because the complex mechanisms that allow medicines to help people also may produce unwanted side effects. As a part of our program, we continually collect and evaluate information from consumers, patients, HCPs, scientific literature and regulatory authorities to try to identify information or trends about the use of medicines.

With respect to clinical trials, we have a rigorous protocol in place for selecting external service providers. In addition, we make sure that all of our clinical trials are conducted in accordance with good clinical practices (GCP). It is an international ethical and scientific quality standard for designing, conducting, recording and reporting clinical trials that involve the participation of human subjects. GCP also provides assurance that the trial data are credible. The standard was developed by ICH.

Compliance with it provides public assurance that the rights, safety and well-being of trial subjects are protected, consistent with principles that have their origin in the Declaration of Helsinki.

Moreover, we are enhancing our oversight of clinical trials we manage with external partners. For example, we have introduced risk-based assessments to monitor contract research organizations we use. We also continue to leverage strategic partnerships in key locations across the globe. Partnerships generally afford us more control over the quality of studies performed and help us make sure that patient safety always is the highest priority.

As for our supply chain, in addition to the safeguards mentioned in the prior chapter, our internal Product Integrity Coordinating Committee continually evaluates the security infrastructure of our supply chain. Further, we require that all partners involved in storing and moving our products comply with good distribution practices, or GDP. Partner sites are audited by our Quality organization as deemed appropriate. We also collaborate with various industry organizations to learn from them and offer what we know about keeping patients safe.

Our internal Product Integrity Coordinating Committee continually evaluates the security infrastructure of our supply chain.
GOOD TO KNOW

Mylan helped shape the development of legislation adopted in 2010 by the European Parliament and Council of Ministers. The legislation led to the implementation of Good Pharmacovigilance Practice, or GVP, within the European Union. In addition, we worked on the ICH committee that redefined electronic standards for collecting and reporting safety data worldwide.

Mylan was a founding member of the Pharmaceutical Distribution Security Alliance. We contributed to the passage of legislation standardizing a national U.S. serialization system to safeguard the pharmaceutical supply chain at a time when many companies chose not to be involved.

Mylan was the first generic manufacturer invited to join Fight the Fakes, a campaign that aims to raise awareness about the dangers of fake medicines. Such products can increase patients’ resistance to real treatments, or cause further illness, disability or even death. The campaign gives a voice to those who have been personally affected and shares stories of those working to end this public-health threat.

INNOVATION AT WORK: HEPBUZZ™

Hepatitis C is a liver disease caused by the Hepatitis C virus. It can cause both acute and chronic infection. According to the WHO, between 130 million to 150 million people worldwide have chronic Hepatitis C infection. A significant number of these individuals will develop liver cirrhosis or liver cancer.

Antiviral medicines can cure approximately 90% of people with Hepatitis C infection, but access to diagnosis and treatment is low. Moreover, there are many forms of the virus. None is more serious than any other, but they respond differently to treatment.

Mylan’s HepBuzz™ mobile app helps HCPs select the proper medicine. The app takes into account a patient’s genetic makeup, liver condition and experience with antiviral medicines. It then suggests which type of medicine should be prescribed and for how long the patient should take it. The app also can flag potential drug interactions, predict survival rates and assess the severity of cirrhosis, if present.

The app currently is available in Egypt, India and Pakistan.
Stemming the Tide of HIV/AIDS

Today, nearly 37 million people globally are living with HIV, the vast majority in developing countries. As mentioned earlier, the virus also is the leading cause of death of women of reproductive age and the second most common cause of death for adolescents. And sadly, discriminatory attitudes too often deprive people living with the virus of basic social and economic rights.

Mylan is unique among Western pharmaceutical companies in our commitment to providing patients in developing countries with access to high quality medicine. For example: Mylan is – by far – the world’s largest producer by volume of ARV drugs, which treat HIV/AIDS.

Mylan supports efforts to help ensure people worldwide have access to treatment. Nearly half of the approximately 16.5 million people currently on antiretroviral therapy, or ART, in developing countries use a Mylan ARV every day. That’s more than 8 million people, compared to 1.5 million on any ARV treatment in the U.S. and Western Europe combined.

To help drive access, we have invested more than $250 million to expand our ARV production capacity, and we now manufacture more than 4 billion ARV tablets and capsules each year. Today, 60% of our company’s API manufacturing capacity is devoted to ARVs.

Mylan has long been a champion for those living with or at risk for infection. An antibiotic, in fact, was our first-ever product approved by the U.S. FDA.
STRONG PARTNERSHIPS

Mylan’s role in stemming the tide of HIV/AIDS goes far beyond supplying high quality, affordable ARVs. We also work closely with nonprofit and civil-society organizations to shape market policy and with local governments to determine how to swiftly implement HIV-treatment guidelines.

We are, for instance, the 2015/17 alternate board member for the Private Sector Delegation of the Global Fund to Fight AIDS, Tuberculosis, and Malaria. In that capacity, we are advising the organization on how to make sure the impact of its investments is sustainable.

Other key partners include the Clinton Health Access Initiative, UNITAID, UNICEF, the Bill & Melinda Gates Foundation, the WHO and the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR).

In addition, we have licensing arrangements with Bristol-Myers Squibb, Gilead Sciences, Merck and MSD, Janssen and ViV Healthcare that allow us to produce and market generic versions of many of their ARV therapies.

More than 8 million people, about half of all patients on treatment for HIV in developing countries, depend on a Mylan ARV every day.
WE INNOVATE TO MAKE MEDICINES ACCESSIBLE TO PATIENTS AROUND THE WORLD

Patients in developing countries often have different needs than those in the U.S. and Europe. Meeting them is the mission of the 350 Mylan colleagues in our R&D group who work on infectious disease, finding new processes and formulations to make our drugs more cost-effective and patient-friendly.

A great example is our work to extend treatment to HIV-positive children. In developed countries, children’s medicine often takes the form of syrups. But these can be bulky for parents to store, heavy and difficult to transport, and sometimes need refrigeration. Our scientists developed heat-stable, taste-masked, dispersible tablets that are easily dispensed and incorporated into children’s food. And we haven’t stopped there. We now are launching a version for infants in the developing world that comes in the equivalent of a sugar packet: granules in a sachet that can be mixed into fluids that even newborns can take.

Another innovation example: We were the first generics company to market heat-stable formulations of second-line medicines for adult patients who develop resistance to initial ARVs. Heat-stable medications help people store or carry temperature-sensitive therapies in regions where the electrical supply is unreliable or refrigeration infrastructure is scarce.

These are among the many examples of how we’re innovating to ensure people around the world have access to HIV treatment. Since 2009, in fact, Mylan has been the first to market with nearly half of new products approved under the FDA’s PEPFAR program.

Mylan also supports clinical trials focused on finding new approaches to treating HIV. For instance, we provided study medications to support the Kirby Institute’s ENCORE1 trial, which developed a reduced-dose version of the world’s most commonly used regimen. This version is designed to be just as effective as the original but use less API in each tablet, making it less costly to produce and saving money for governments and donors.

We support such trials not because we’ll gain any marketable intellectual property – we won’t – but because it’s the right way to advance the science and improve treatment.

We also have submitted for approval under the FDA’s PEPFAR program our application for a single-tablet version of the next-generation ARV combination, and we are collaborating with donors and governments worldwide to rapidly maximize its availability. Further, we are working to develop multi-month packs for our products. These have been identified as a PEPFAR priority, to spare patients from having to make long, costly journeys to refill their prescriptions.

We are proud of our commitment to fighting HIV and look forward to leveraging our investments and expertise to stem the tide of other infectious diseases, such as tuberculosis, viral hepatitis and malaria.

Our scientists developed heat-stable, taste-masked, dispersible tablets that are easily dispensed and incorporated into children’s food.
Championing Women’s Health

In many countries, women cannot easily access healthcare, which greatly compromises their social and economic status. Mylan believes that women should be able to exercise control over all aspects of their lives, so we have made championing their health a priority.

Progress in this area also will help achieve several of the United Nation’s Sustainable Development Goals for 2030, such as ending poverty in all its forms, reducing inequality within and among countries, and ensuring health and well-being for all.

Mylan offers treatments for a variety of conditions affecting women throughout their lives. Examples of conditions are cardiovascular disorders, cancer, osteoporosis, and Alzheimer’s and autoimmune diseases. We also are a major provider of hormone replacement therapies, menstrual disorder treatments, and intimate-care and infection-control products. Further, we are one of the world’s largest suppliers of female contraceptives.

Mylan’s pipeline of generic drugs and biosimilars in development includes a robust offering for a variety of autoimmune disorders:

- Glatiramer Acetate Injection (Copaxone®)
- Adalimumab (Humira®)
- Etanercept (Enbrel®)
- Abatacept (Orencia®)

In 2016, Mylan provided contraceptives to an estimated 5 million women in Ethiopia, Zimbabwe, Cambodia, India and Myanmar.

Our women’s health business spans more than 60 emerging-market countries, touching the lives of approximately 15 million women.

Among our products are those that address cancer, viral infections and reproductive health. We are a leader in combating breast cancer through our work to create awareness, assist with counseling services and provide access to affordable medication.

Our ongoing cooperation with UNICEF, UNFPA, USAID and other non-governmental organizations has accelerated women’s access to reproductive health medicines and services. We also actively participate in Family Planning 2020 initiatives.

In Europe, Mylan is the largest supplier of women’s health products and menopausal therapy. We also provide education, conduct awareness campaigns and promote dialogue about topics of interest to women, such as healthy lifestyles. We also cooperate with medical professionals to enhance women’s access to adequate gynecological care, an underserved need in several countries.

Serious illnesses afflicting women in the U.S. include cardiovascular disease and stroke, thyroid disorders, cancer, anxiety disorders and diabetes – and Mylan is there to help.

We are the nation’s largest supplier of cardiovascular medicines and of cancer medicines, by volume. We manufacture 45% of the agents in the National Comprehensive Cancer Network Guidelines for Breast Cancer.

We are the second largest supplier of depression, anxiety and antipsychotic treatment medications, by volume.

We also produce more oral diabetes medicines than any other company.

In 2016, Mylan provided contraceptives to an estimated 5 million women in Ethiopia, Zimbabwe, Cambodia, India and Myanmar.

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8. IMS MIDAS sales data: October 2015 – September 2016
10. IMS MAT September 2016, by volume, excluding intimate care
11. IMS MIDAS sales data: October 2015 – September 2016
About a decade ago, after acquiring the marketing rights to EpiPen (which continues to be manufactured by Meridian Medical Technologies, a Pfizer company), Mylan engaged with organizations that represented patients, caregivers, healthcare professionals and school nurses and found that general awareness of anaphylaxis and its treatment was low, and that those vulnerable to life-threatening (severe) allergic reactions were likely to be unprepared for an emergency.

Mylan was very concerned to hear of tragic deaths, including those in school yards, restaurants and other public places that resulted from a poor understanding of anaphylaxis, policy limitations on access to epinephrine and those permitted to administer epinephrine, and low recognition of the important role that timely access to treatment could play.

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Increasing Anaphylaxis Awareness and Access to Treatment

For instance, in September 2008, Laura Stief, a school nurse in the Kansas City area, testified before the Kansas state legislature that she had nearly died as a result of delaying administration of her own EpiPen® Auto-Injector in response to a severe allergic reaction. Stief shared her story as part of testimony urging the state to allow school nurses to administer epinephrine to any student needing treatment for a life-threatening allergic reaction, not just those with a prescription.

In December 2010, a young girl in suburban Chicago ate food from a local restaurant that was served at a school party, after her teacher was assured that the food contained no ingredients to which the girl was allergic. Unfortunately, the food contained items causing her to develop anaphylaxis, and she eventually died as a result.

In August 2011, a 15-year-old boy in suburban Atlanta went shopping with his family. During the trip, he ate a snack purchased by a family member that he later discovered contained peanuts. He tried to wash out his mouth at a local fast food restaurant, then took Benadryl®, but was unable to control the rapid onset of anaphylaxis. Though he was aware of his severe allergy, he did not carry an epinephrine auto-injector with him because he had always been careful to avoid ingesting peanuts. He later died at a nearby hospital.

Regrettably, these cases were not at all unique. In fact, Mylan learned that at least 25 percent of adults and as many as 65 percent of children who suffer a life-threatening allergic reaction have not had a previous incident.\(^{12}\)

More than half of the ~120,000 schools in the U.S. have participated in the EpiPen4Schools program.\(^{15}\)

we have invested
\(~$1B\)
IN ANAPHYLAXIS AWARENESS
During this same timeframe, Mylan met with professional societies, healthcare professionals and patient organizations and learned that there was broad consensus in the medical and public health communities that epinephrine was the preferred first-line treatment for anaphylaxis. The World Allergy Organization deemed epinephrine “the drug of choice for anaphylaxis,” and treatment using epinephrine was included in multiple medical guidelines, including those issued by the National Institute of Allergy and Infectious Diseases.

It was through these efforts that Mylan recognized there was a significant gap at the time between medical guidelines, public policy and patient awareness. Something had to be done to prevent further tragedies, and Mylan had an important role to play. Mylan saw this as an unacceptable and largely preventable health problem and recognized that epinephrine auto-injectors needed to be just as accessible as defibrillators in public spaces.

To accomplish this, Mylan partnered with the severe allergy community, including several leading advocacy organizations, and state legislators to advocate for legislation that would permit undesignated epinephrine auto-injectors in schools – a prescription not in a child’s name, but rather in a school’s name.
Today, the practice of undesignated epinephrine auto-injectors in schools is permitted in 48 states, and Mylan has expanded efforts to make undesignated epinephrine auto-injectors available in other public places such as restaurants, colleges and universities.

This is important because, in recent years, there has been an increase in the number of people – especially children – affected by potentially life-threatening allergies. The reason is unknown, but today an estimated one in 13 children in the U.S. lives with a severe allergy that puts them at risk for a life-threatening allergic reaction, or anaphylaxis.\(^1\) In addition, as many as one in 20 adults are at risk.\(^6\) In fact, in the U.S., up to 43 million people may be at risk for anaphylaxis due to allergic sensitivities,\(^7\) and every six minutes, food-related anaphylaxis sends someone to the emergency room.\(^8\)

Since becoming involved in the severe allergy space, we have invested approximately $1 billion to help raise awareness, preparedness and access to treatment for this important public health issue.

**EPINEPHRINE ACCESS IN SCHOOLS**

As part of our commitment to access, we launched the EpiPen4Schools® program in 2012. The program provides four free EpiPen® or EpiPen Jr® (epinephrine injection, USP) Auto-Injectors to qualifying U.S. public and private kindergarten, elementary, middle and high schools, along with additional training and educational resources.

Nearly 800,000 free EpiPen Auto-Injectors have been provided to more than 72,000 schools since the program’s inception.\(^9\)

Not everyone at risk for anaphylaxis knows that they are. In fact, 25% of anaphylaxis cases reported at schools occurred in children who had not been previously diagnosed with a food allergy.\(^2\) Access to the EpiPen Auto-Injectors through the program has helped hundreds of children. In nearly 40% of the instances where an epinephrine auto-injector was administered to treat anaphylaxis, an EpiPen Auto-Injector provided through the program was used.\(^1\)
EPINEPHRINE ACCESS BEYOND SCHOOLS

Mylan continues to work to expand access to epinephrine in places beyond schools, such as restaurants, colleges and universities, malls and recreational facilities.

We believe that, like schools, these places should be permitted to stock undesignated epinephrine auto-injectors. According to a recent survey, 34% of food allergic individuals have experienced at least one anaphylactic reaction in a restaurant; and one in 10 managers, food workers and servers incorrectly believed that a person allergic to a specific food ingredient can safely eat small amounts of it. Access is important so that epinephrine auto-injectors are available for use by trained individuals to respond in the event anaphylaxis occurs.

Now, due partly to our legislative efforts, 30 states allow access to epinephrine in public places.

COMMUNITY AND ADVOCACY SUPPORT

Mylan offers a number of enhanced patient resources to help increase access to treatment and has supported a number of educational events and initiatives with a broad range of advocacy groups that serve a variety of constituencies, including children, caregivers, adult patients and the medical community.

Our work with these groups is an extension and reflection of our shared commitment to help improve the lives of those affected by life-threatening allergies.

04
Serving Our Customers
Delivering ONE Mylan

Each participant in the healthcare industry has a role to play in helping to ensure that patients get high quality, comprehensive healthcare through their lives. For its part, Mylan has focused on becoming our customers’ partner of choice – by delivering ONE Mylan across geographies, channels and product types.

Our broad reach includes a variety of customers. We serve retailers, pharmacies, wholesalers, pharmacy benefit managers, insurers, governments, institutions such as hospitals, and physicians. Our approach to serving each incorporates our commitment to helping to put patients at the center of healthcare.

ONE Mylan refers to our goal of providing every single one of our customers around the world with the products they need to serve the patients who depend on them.

To bring ONE Mylan to life, we’ve built a portfolio of more than 7,500 products that includes brand-name medicines, branded generics, generics and OTC remedies across 10 therapeutic franchises.

We’ve made supply-chain reliability a top priority – because we know it’s vital for customers to have products in stock whenever and wherever they’re needed to serve patients. In 2016, that meant getting approximately 68 billion doses of our high quality medicines safely to their proper destinations on time.

Further, when supply disruptions occur elsewhere within the industry that threaten our customers’ ability to meet patient needs, we immediately look for ways to step up and help. For instance, when a competitor recalled one of its treatments for serious infections early this year due to a quality issue, we made sure our corresponding product reached every customer that needed it.

We’ve made supply-chain reliability a top priority – because we know it’s vital for customers to have products in stock whenever and wherever they’re needed to serve patients.
We collaborate with customers to develop services that help patients better understand their medical conditions. Our Ashray disease-awareness program in India is a great example. It provides patients who have Hepatitis C or breast cancer – and their families – with emotional and psychological support provided by trained multi-lingual counselors.

We also understand that medicines can’t help patients if they’re not taken as prescribed. A white paper published in 2015 by one of our customers found that, in the U.S., up to 30% of prescriptions are never filled. And even when they are, patients may miss doses, take the wrong dose, stop treatment early or never start. The cost to the nation: approximately one dollar out of every nine spent on healthcare.

In fact, nonadherence is a problem everywhere, and Mylan offers a wide variety of products and services to help address this issue. Our MyFreshStart™ program in Europe and Australia, for instance, educates patients about a variety of medical conditions and explains ways to better manage them by engaging in activities like quizzes, dashboards and sweepstakes. We provide MyFreshStart to physicians, through which patients enroll. Everyone wins – the patients, the physicians, the healthcare system and other Mylan stakeholders.

Another example of an innovation that has benefited many was our introduction in France this year of MyTest kits. Individuals use them at home to detect conditions such as urinary tract infections, tetanus, ulcers and iron deficiency. Available in pharmacies, the kits are intended to prompt conversations between patients and pharmacists, who can, if appropriate, provide referrals.

We recognize as well that patients in developing countries all too often face higher hurdles in accessing the care they need, so we’ve made serving these markets a priority. We have, for instance, as of the first quarter of this year, approvals for our Trastuzumab biosimilar in 15 developing markets. The product treats breast cancer. We also, through recent acquisitions, such as that of Meda, have expanded our presence in multiple emerging markets.

Additional evidence of our commitment to pharmaceutical markets beyond the U.S., the world’s largest, is demonstrated by our revenue mix. During the first quarter of 2017, our North America region accounted for only 45% of our third-party net sales.

As important, Mylan continues to invest significantly in the future. Our pipeline includes nearly 8,000 products whose applications are either currently under review by health authorities or whose submissions are planned. Customers tell us they are especially excited about the many biosimilars and other complex generic products we have under development.

Praise from customers lets us know we’re on the right track in our efforts to deliver ONE Mylan. Below are examples of accolades received.

> Europe’s Alphega Pharmacy network, owned by Walgreens Boots Alliance, honored Mylan in 2017 as Generic Manufacturer of the Year for its member support over the past two years. The network operates in nine European countries and has more than 6,000 pharmacy members.

> Our Mylan Pharmaceuticals subsidiary in North America was named Supplier Partner of the Year in 2016 by Rite Aid, which cited our service, operational excellence and sourcing partnership. The pharmacy chain is the U.S.’s third-largest, with 4,600 stores.

> Drug wholesaler McKesson named Mylan Large Generic Manufacturer of the Year in 2015. Among the reasons: Mylan’s great partnership in supporting joint sourcing relationships in the U.S. and global procurement initiatives, and our participation in McKesson’s OneStop GenericsSM Purchasing program.

> Pharmaceutical market research company AIOCD AWACS recognized Mylan India in 2016 with its New Introduction of the Year award, in its bronze category, for our MyHep brand. The firm hailed our unconventional approach to treating Hepatitis C.

> Also in India, Mylan’s API and finished-dosage-form businesses received Pharmaceuticals Export Promotion Council’s highest award for Outstanding Exports Performance in 2016 – and Mylan received an award for outstanding contributions at the nation’s 2016 HIV Congress.

CUSTOMERS WE SERVE

- Retail and Pharmacy
- Wholesalers
- Payors, Insurers and Governments
- Institutions
- Physicians
- Patients
PARTNERING WITH CUSTOMERS TO PUT PATIENTS AT THE CENTER OF HEALTHCARE

In addition to offering high quality medicines, we work with customers to support efforts to enhance patients’ journey through the healthcare system. The resulting resources build awareness, provide education and help patients adhere to their medication regimens. Representative examples appear below.

Mylan’s WIZVI program in France is designed to improve adherence by connecting patients with their doctors and pharmacists.

MyFreshStart™ connects patients, healthcare providers and caregivers to increase adherence.

In a growing number of countries, Mylan websites offer customers and patients access to online portals containing informational and educational content about specific therapeutic areas.

Mylan Seguilaterapia program in Italy offers patients several convenient ways to receive reminders to take their medication or refill prescriptions.
Serving Our People
Investing in Our People

Our people are Mylan’s most valuable asset, and every day they come to work knowing they play a critical role in supporting our cause. They believe that one career – their career – can change the lives of many, which is the true spirit of 7B:1.

To help our people change lives for the better, we encourage them to be bold and challenge the status quo. That’s because we know that in order to make a difference, we must be different. The diversity of our workforce is among our greatest strengths. Our team members come from all corners of the world and are energized by the opportunity to collaborate with people from different backgrounds.

At the same time, Mylan’s recent acquisitions have expanded both the size of our workforce and our geographic footprint. In the past two years alone, we have welcomed approximately 6,000 people to our team. This rapid growth is requiring us to streamline operations while respecting employees’ interests – making sure we have the right people in the right roles and avoiding duplication of efforts and resources.

We’ve also invested in data analytics and new organizational tools in the past year to help us integrate and gain additional insight about our workforce. Using these tools, we’ll better understand our workforce in all parts of the world.

HIGH PERFORMING LEARNING ORGANIZATION

A cause as ambitious as Mylan’s requires our people to have the right skills, knowledge and motivation to succeed. For this reason, we view everyone as a leader, all of whom are expected to uphold the company’s Leadership Expectations.

Moreover, we established a Global Learning Office earlier this year. Its mission-critical role is to further develop talent by providing new and innovative ways to learn.

Among the office’s tools is our recently upgraded learning management system, MyUniversity. It’s how Mylan delivers and tracks participation in online and classroom learning opportunities, such as role-based training and professional-development courses. Offerings range from operations training to reinforce our commitment to quality and safety, to subjects such as sexual harassment, workplace violence, leadership skills and critical thinking. MyUniversity also records completion of required regulatory and compliance courses.

Mylan’s global policy prohibiting discrimination, harassment and retaliation is designed to ensure everyone is treated respectfully.
Perhaps the most valuable learning at Mylan, however, occurs through work experiences and everyday exchanges. To this end, we encourage people to step out of their comfort zones and “own their careers” by taking on stretch assignments or accepting non-traditional roles. We also encourage employees to share their experiences and skills internally by completing a Talent Card.

For people just beginning their career, we have a robust global internship and apprentice program. Last year, we provided opportunities to more than 200 participants, nearly 40% of whom joined Mylan in full- or part-time roles.

"The internship program at Mylan gives you the opportunity to work with different leaders, learn about the business and work on things that you probably learned about in school and apply them in a business atmosphere."

Chauntye
Senior Analyst, Product Reporting
Intern Class of 2012

Everyone is accountable not only for what is accomplished, but for how it’s accomplished.

Since 2013, more than 4,000 employees around the world have developed their Business English skills through our award-winning Global Language Program. Nearly 90% of participants say their English skills help them perform their roles better.

MEASURING AND REWARDING PERFORMANCE

The team at Mylan brings 7B:1 to life by owning their respective roles, responsibilities and results. At the beginning of each year, we set annual performance and development objectives to encourage professional growth and hold everyone accountable not only for what we achieve but how we achieve it. In addition, managers are required to develop team members and provide ongoing feedback.

Our pay-for-performance philosophy guides how we reward employees in exchange for achieving business results and supporting our mission. We recently enhanced our compensation program to help employees understand how the work they do contributes to the company’s performance. Our approach is designed to drive and reward high performance, recognize effort and potential, encourage our people to think and act like owners in the company, and incentivize the behaviors expected of Mylan leaders. We balance base pay with short- and long-term incentives – ranging from merit increases to bonuses to stock awards – to attract, retain, motivate and reward our people.

42% OF MYLAN’S WORKFORCE HAS BEEN WITH THE COMPANY FOR MORE THAN FIVE YEARS

46% OF OUR EMPLOYEES ARE CONSIDERED PART OF THE MILLENNIAL GENERATION

22% OF EMPLOYEES MOVED INTO NEW ROLES IN 2016
DOING GOOD AND BEING WELL

As a healthcare company, we know that creating better health for a better world begins with us. So we give our people the right mix of information, tools and support they need to be their very best and live healthier lives. We take a globally consistent and locally sensitive approach to supporting our employees. Across all locations, our benefits remain competitive within our dynamic global industry.

Our benefits and associated educational programming are designed to empower our people to take charge of their health and financial well-being. This is increasingly important as the global healthcare landscape continues to change. In the U.S., for example, we provide our employees with tools for estimating healthcare costs to make informed decisions. We also offer wellness incentives to encourage healthy behaviors.

We promote events like fun runs and pedometer challenges to underscore the importance of physical activity. We support programming on nutrition and emotional health and offer employee-assistance programs. And to raise awareness of certain health issues and illnesses, we offer health fairs and screenings, including an initiative in India that is tied to World Hepatitis Day.

LENDING A HAND IN INDIA

The Mylan Employees Welfare Association (MEWA) provides grants to employees for a variety of purposes. Whether it’s for support commuting to work, medical expenses, school tuition for employees’ spouses and children, or marriage costs, MEWA is available to help with these circumstances and many more.
Protecting Our People

Because our people are Mylan’s most important asset, their safety is a top priority. To increase the likelihood that no one ever gets hurt or ill on the job, we view safety as a shared responsibility between employees and the company.

In fact, as a part of their 7B:1 pledge to live our mission by making it personal, employees learn that safety starts with them. As such, they understand that they have the right and responsibility to participate in and benefit from training, and follow processes and procedures designed to protect them from harm.

To this end, Mylan continues to advance its safety program. Process safety, which focuses on systems and controls designed to mitigate undesired incidents or chemical releases to the environment, has been an area of emphasis. In addition, we enhanced our industrial-hygiene function to help protect employees who work with chemicals and APIs.

Mylan continually evolves its environmental, health and safety (EHS)-related training to meet the requirements of the many countries and states or provinces in which we operate. Mylan has easy-to-understand lists adapted to each location’s activities and materials used as well as applicable requirements. The lists are maintained by local EHS leaders to ensure local relevance. Consistent with Mylan’s focus on continuous improvement, addressing any needs for training is a 2017 priority for the leads.

EHS worksite leads also received training in how to use new capabilities available in MyUniversity, Mylan’s global learning management system, which was upgraded late last year. They now are using the system to track all EHS-related training.

In addition, they are preparing curricula in MyUniversity that will provide employees with a comprehensive view of all the EHS training they are required to complete, both as new employees and on a recurring basis throughout their tenure at Mylan.

As important, EHS continues to periodically develop and launch various global campaigns to address specific issues. Campaigns include locally relevant training and ongoing reinforcement through various communication channels, such as digital signs. 2016 campaigns included: Fall Prevention, Solvent Safety, Laceration Prevention, and laboratory-specific Laceration Prevention.

MYLAN’S GLOBAL DART RATE IS ONE-THIRD OF THE INDUSTRY’S AVERAGE.24

DART is a term used by the U.S. Occupational Safety and Health Administration. It stands for Days Away, Restrictions or Transfers. A DART rate provides insight into an organization’s injury and illness incident rate. The lower the rate, the better.

In 2016, Mylan’s DART rate was 0.37 globally. The industry’s average was 1.2.

Data in Mylan’s rate are for all company-owned facilities where operations occur. Information may be restated due to acquisitions, divestitures or the availability of additional data.

24. Cases per 100 employees in operations and R&D
EARLY DETECTION, EARLY RESPONSE

Smallpox was one of history’s most devastating diseases. In the 20th century alone, it claimed more than half a billion lives worldwide. Yet by 1980, this scourge had been eliminated from the face of the earth. Credit belongs to the WHO, which led a global immunization campaign against the disease. Emphasis on the principle of “early detection, early response” was a major factor in the campaign’s success.

Mylan applies the very same principle to help protect its workforce, particularly those in laboratories, manufacturing facilities or distribution centers. The company’s global Incident Prevention Opportunity and Think Safe, Work Safe programs represent “early detection, early response” in practice.

Launched in 2015, this program encourages employees at all levels to identify potential or actual hazards – there can be significant ones in our industry – and address them before they cause problems. Importantly, every employee is empowered to take immediate action to control or eliminate unsafe situations.

Last year for instance, they flagged potential tripping hazards, the need for colleagues to don reflective vests, burnt-out light bulbs, and doors that didn’t close or lock properly.

And to help prevent injuries, leaders in Mylan’s distribution center in Greensboro, North Carolina now offer a voluntary session every day where employees can do stretching exercises at the beginning of their shift to stave off strain or overexertion.

Supervisors across the company are encouraged to recognize employees’ IPO efforts with “thank you” cards designed to reinforce the value of always doing what’s right.

Mylan places reported IPOs into one of three categories: conditions, equipment or behaviors.

To raise the bar further, the company introduced a companion program in 2016 that focuses on unsafe behaviors. Think Safe, Work Safe emphasizes situational awareness, a technique long used by combat pilots, air-traffic controllers and firefighters to make sure their decisions and behaviors always reflect an accurate understanding of their ever-changing environment.

As a part of the program, workers are asked before beginning any task to:

**Visualize it** – whether they’ve performed it 20 times or 2,000 times – and to consider carefully what they’re about to do.

**Identify hazards** – including those in their path or field of vision, as well as those behind, below or above them.

**Protect everyone** – by taking appropriate safety measures.

Mylan views safety as a shared responsibility between employees and the company.
EHS AUDITS
Mylan’s Global Operations Auditing function systematically evaluates our performance and compliance status. These periodic assessments serve several purposes, including identifying risks to employees, the environment and the company; fostering continuous improvement; and promoting knowledge transfer.

If observations are found, the facility audited develops and implements action plans, which are tracked by EHS. Additionally, for high occupational-risk areas, we use specialized third-party partners to conduct focused audits.

EHS TECHNICAL STANDARDS
Mylan’s EHS technical standards establish global minimum requirements for a variety of workplace activities. Many of the standards exceed regulatory requirements.

1. Emergency Response
2. Work at Height
3. Bloodborne Pathogens
4. Bonding and Grounding
5. Confined Space
6. Controlling Hazardous Energy
7. Fire Protection System Inspections and Impairment Program
8. Wastewater Discharge
9. Hearing Conservation
10. Hazard Communication
11. Hot Work
12. Incident Reporting and Investigation
13. Machine Guarding
14. Ozone-Depleting Substances Management
15. Selection of Personal Protective Equipment
16. Powered Industrial Trucks
17. Respiratory Protection
18. Spill Prevention and Response
19. Chemical Storage
20. Waste Management

Five of Mylan’s API manufacturing sites have been certified according to the internationally recognized standard, OHSAS 18001, for occupational health and safety management systems. Other Mylan sites are working to get certified.
06
Serving Our Communities
Protecting the Environment

Mylan’s commitment to doing what’s right, not what’s easy, extends to protecting and preserving the environment. We’ve set our sights high – seeking in all that we do to reduce our impact on the environment. We’ve put in place, through our global EHS program, the infrastructure needed to follow through. After all, our focus on delivering better health for a better world is undermined if the environment is unwholesome.

CLEANER WATER

Responsible water stewardship is a priority for Mylan as population growth, urbanization, industrial development and climate change, to name but a few factors, drive demand and water stress. For these reasons – and because water is important to our business – we continually look for ways to reduce water consumption and preserve or improve its quality.

For instance, our injectables facilities across the globe require not just water, but sterile water, known as “water for injection.” Historically, we have reused the water not meeting this stringent standard for other non-potable purposes, such as cooling equipment.

And we haven’t stopped there. At our plant in Galway, Ireland, for instance, we are installing a state-of-the-art, expandable, full-scale wastewater treatment system featuring membrane bioreactor technology. The system also will eliminate the need to use the stream’s water to cool high-temperature discharge, and it will create opportunities to reuse water or reduce its use. We also are upgrading our wastewater treatment systems at our plants in Confienza, Italy, and Châtillon, France.

We have installed zero-liquid-discharge, or ZLD, technology at 10 of our facilities in India, which saves millions of gallons of water and helps minimize our impact on the environment and nearby communities. Another plant will have it by year end. We are continuing to expand the technology’s use at selected other sites as well.

At our OSD plant in West Virginia, we are replacing water-based dust-removal equipment with dry-filtration systems that do not use water.

We look forward soon to sharing our 2015 and 2016 water-consumption data.
CLEANER ENERGY

Reliable energy supply is important to all industries and ours in particular, to ensure that we can produce high quality products at the right time.

We use natural gas, biofuel briquettes and other alternative fuels, for instance, in many of our manufacturing facilities. And whenever possible, we send combustible waste from laboratories and manufacturing activities to waste-to-energy facilities or to cement factories. The factories use it to heat their kilns, and so avoid burning fossil fuels.

Some of our sites also purchase energy from third-party suppliers that utilize renewable energy, such as solar and wind power. For example, in Ireland we are increasing the amount of renewable energy we purchase and are proud to say that 100% of the energy used at our OSD sites in Dublin is procured from renewable sources.

Access to renewable energy varies greatly across our units. We are seeking ways to ensure reliable supplies of energy and reduce environmental impact.

Across all of our locations, including our offices, we have implemented a variety of measures to lessen our environmental impact, such as high-efficiency heating and cooling systems. At many sites, we also have temperature-regulation sensors to maintain a comfortable working environment while conserving energy. We also provide low-emission vehicle parking, carpool parking and bicycle racks in some locations.

- Seven of Mylan’s API manufacturing sites, all of which are based in India, have met an internationally recognized standard, ISO 14001, with respect to protecting the environment. In Europe and the U.S., a total of five sites are certified. Other sites are working to reach the benchmark.
- Seven of Mylan’s API manufacturing sites in India and one manufacturing unit in Germany have met an internationally recognized benchmark, ISO 50001, for managing energy responsibly. Other sites globally are pursuing it.

We soon will make available our 2015 and 2016 energy data on direct and indirect energy consumption as defined by The Greenhouse Gas Protocol.

ENVIRONMENTAL PRODUCT ASSESSMENTS

In early 2016, Mylan launched a qualitative, multi-faceted program designed to evaluate the environmental risks posed by pharmaceutical products and other compounds. Evaluation criteria were based on sources such as the U.S. Environmental Protection Agency, the Stockholm County Council, European Medicines Agency, the European Union’s CLP (classification, labeling and packaging) standards and third-party experts.

CRITERIA TYPES

- Drug classification
- Mylan banding assessment
- Antimicrobial products
- Persistence potential
- Bioaccumulation potential
- Ecological toxicity

Products and compounds are compared to the criteria and classified as representing low, moderate or high risk. Assessments then are compared to internal guidance documents to determine appropriate levels of control within our manufacturing processes. Approximately 400 assessments have been completed to date.
CLEANER AIR
Most businesses generate emissions that directly and indirectly affect human health and the environment. As a part of our pledge to deliver better health for a better world, Mylan continues its work for cleaner air.

We are working to protect the atmosphere as well. A great example is our installation in the early 1990s of a thermal-oxidation (TO) system at our plant in Vermont to control solvent compounds, including volatile organic compounds and hazardous air pollutants. By the early 2000s, two more systems had been installed. Both are regenerative (RTO), producing reusable heat that reduces operating costs and the systems’ overall energy consumption.

We have engaged employees across our facilities in recycling. For instance, those at manufacturing sites salvage cardboard, plastic and metal packaging. Those in several of our API facilities collect salts to be repurposed and sold for use in other industries. In addition, employees in many of our facilities take advantage of recycling containers located in canteens and cafeterias.

In 2010 we installed RTO and absorption technology at our plant in West Virginia, which significantly reduced solvent emissions into the atmosphere. It also allowed the plant to help grow our product pipeline. One of our OSD plants in Dublin features RTO technology as well.

Our facilities also are outfitted with other equipment designed to help keep the air clean, and we utilize new technology as it becomes available. Examples include high-efficiency dust collection, HEPA filtration, and multi-stage filtration and recirculation systems. Certain solvent-storage tanks in India have vent condensers, and our API sites have established online monitoring stations for ambient-air quality and stack emissions.

Mylan sales representatives are doing their part. Low-emission vehicles make up a growing percentage of our commercial fleet.
MYLAN’S EHS MANAGEMENT PRINCIPLES

1. Hold leaders and managers accountable for doing what’s right
2. Proactively assess and manage risks
3. Comply with the letter and spirit of all relevant EHS laws and regulations
4. Prepare for emergencies and respond as appropriate
5. Investigate, report and follow up on incidents, and use them as opportunities to learn
6. Protect and preserve the environment
7. Develop and train our employees
8. Use technology to support compliance, share knowledge and work smarter
9. Insist that suppliers, contractors and partners meet our high EHS standards
10. Proactively assess and manage product and supply chain risks
11. Acquire, design and divest facilities safely
12. Anticipate and manage change
13. Continually assess our performance and look for opportunities to improve

Betadine® is the flagship product manufactured at Mylan’s plant in Mérignac, France. About 30 million units are produced each year. The liquid form of the antiseptic is put into plastic bottles which then are packaged together in cartons for sale to pharmacists and hospitals.

As a part of its commitment to meet customers’ evolving needs, the plant’s team embarked on a journey to reduce the impact of the product’s packaging on the environment, among other goals. They focused on the 125 milliliter-size unit because it represents the majority of those produced.

Tackled first was the plastic sleeve surrounding each bottle. PET, a more environmentally friendly plastic, replaced PVC. In addition, the sleeve’s thickness was reduced by about 17%.

Next up was the carton. Reinforced paperboard, similar to that used to hold beverage cans and bottles, replaced heavier corrugated cardboard.

Finally, the weight of the bottles themselves was reduced by about 12%. On an annual basis, this change alone reduces plastic use by 50 metric tons, saves 1,000 cubic meters of water and decreases carbon dioxide equivalent (CO₂e) emissions by 93 metric tons.*

To achieve these impressive results, the team worked closely with suppliers – providing them with clear and measurable goals and making sure that each operates in a socially responsible manner.

The team has since introduced similar improvements to the packaging for other liquid-Betadine unit sizes.

* Based on 2016 production volume of 27 million units
ENVIRONMENTAL HEALTH AND SAFETY PROGRAM

The goal of Mylan’s EHS program is to ensure a safe, healthful and environmentally responsible workplace that protects our employees, communities and facilities around the world, while supporting continued growth and value creation for all stakeholders.

We carry out our program using an EHS management system based on time-tested principles that reflect the high expectations we have of ourselves and our stakeholders – both internal, such as employees, and external, such as contractors and suppliers.

Supporting each principle is a process for sustaining excellence. It consists of an ongoing four-step cycle that includes these activities:

> **Plan:** Identify how we can close gaps between where we are versus where we should be.

> **Implement:** Close the gaps.

> **Check:** Measure or confirm that we have succeeded.

> **Improve:** Decide how we can get even better.

In addition, we have in place global programs and technical standards that provide guidelines and best practices for all worksites.

Moreover, in 2016 we implemented new technology, including software designed to collect, manage and report data to help us further enhance our management of energy, water and waste.

SETTING THE TONE

Because the tone at any organization starts at the top, Mylan’s EHS activities are overseen by a global EHS Governance Committee. It comprises senior executives from multiple functions who provide guidance on EHS strategy and policy, evaluate best practices, integrate EHS considerations into key corporate decisions, monitor program performance, and ensure that EHS issues and opportunities are addressed proactively, swiftly, efficiently and appropriately.

In 2016, members responsible for each of our major manufacturing platforms, such as API, OSD and injectables, personally sponsored a safety initiative for their area of responsibility. The results were impressive. For instance, our API sites found ways to eliminate the use of solvents in certain cleaning activities, further reducing risk of fire and employee exposure.

The committee also endorsed the creation of a global Visitor Safety and Security Program and enhancements to our Industrial Hygiene and Process Safety Management programs.

Our API sites found ways to eliminate the use of solvents in certain cleaning activities, further reducing risk of fire and employee exposure.
DOING WHAT’S RIGHT TO ADDRESS THE RISE OF ANTIMICROBIAL RESISTANCE

Since their discovery early in the 20th century, antimicrobial drugs have saved millions of lives all over the world and effectively eliminated infectious disease as the leading cause of human death. Liberal use of them, however – particularly antibiotics – has resulted in the emergence of strains of bacteria that are difficult, if not impossible, to kill. This phenomenon is called antimicrobial resistance, or AMR.

AMR’s main causes are the inappropriate use of antibiotics in or by humans and in intensive livestock farming. A much smaller contributor is the release of antibiotics into the environment by factories.

Mylan’s many responses to the growing threat of AMR reflect our commitment to taking the high road and challenging the status quo. Among them: manufacturing responsibly. In fact, we were addressing concerns about pharmaceutical discharge into the environment long before AMR became a major public focus.

For instance, we started implementing ZLD wastewater treatment systems at our API manufacturing facilities in Hyderabad, India, before doing so was made mandatory by the region’s State Pollution Control Board (SPCB). Today all of our manufacturing plants in Hyderabad feature it, and the SPCB often showcases our sites to third parties as best-in-class ZLD units.

Effluent from our ZLD facilities is recycled and reused in non-potable applications. There is no discharge to the environment or to common effluent treatment plants. All solid wastes generated go to authorized disposal sites.

Further, we continue to invest in and expand ZLD technology, which is expensive, to other facilities throughout India, which lacks sophisticated water-treatment infrastructure and is home to approximately half of our production sites.

Even in countries with more advanced municipal water-treatment infrastructure, we typically go above and beyond to protect the environment. We employ a variety of proven technologies, such as membrane bioreactors and sequencing batch reactors, and have established good working relationships with appropriate government agencies regarding proper treatment methods.

We also continue to evaluate emerging treatment options, such as chemical oxidation, ultraviolet systems and ozone systems, with an eye to implementing them once it’s clear they’re technically and commercially viable.

We were addressing concerns about pharmaceutical discharge into the environment long before AMR became a major public focus.
Strengthening Communities

Mylan’s greatest contributions to the world are made through our core business, as we continue driving access to high quality medicine. But that doesn’t stop us from working proactively every day to amplify that impact by giving back to serve and strengthen local communities.

In Haiti, the Philippines, Japan, Nepal and, most recently, the U.S., for instance, we have supported disaster-relief efforts through generous product and monetary donations. In Nigeria, our financial assistance is helping eliminate mother-to-child transmission of HIV. In Nashik, India, we have developed a science laboratory for students. And across the U.S., schoolchildren continue to benefit from our EpiPen4Schools® program.

In addition, Mylan supports the Mylan Charitable Foundation, which has been providing financial support for various causes since 2002. The foundation’s mission is to enhance the quality of life and meet unmet needs in and around the communities where Mylan operates, primarily working with child-related issues in the areas of education, social services and health, by encouraging self-sustaining and ongoing positive change. Over the years, the foundation has made grants totaling nearly $10 million to more than 100 organizations.

Further, many employees demonstrate the power of 7B:1 by serving their communities outside of work. They make charitable contributions, serve as reservists in their nations’ armed forces, participate in fundraising events, volunteer as first responders, help refugees and support orphanages, among other actions.

As important is our employees’ involvement in events or campaigns sponsored by our company. Recent examples include Make-A-Wish, Petits Princes and Mukoviszidose Institut.
India, which is home to nearly half of Mylan’s workforce, is an important focal point of our efforts to give back to the community. We fund our charitable efforts generously, with most investments concentrating on meeting unmet healthcare needs. Among our initiatives are disease-awareness and prevention programs and community infrastructure-building.

To help people living with HIV/AIDS, we have provided equipment and support to several hospitals and government institutes. In Maharashtra, for instance, we have provided health centers with CD4 testing machines and cooling chests used to store HIV test kits.

With respect to Hepatitis C, we aim to reduce the disease’s prevalence in rural areas through mass-awareness campaigns and by providing access to early detection and treatment. In partnership with various non-governmental organizations, our campaign in 2016 touched seven states and 47 districts. Specifically, we provided free screening to more than 40,000 people, 2,500 of whom tested positive for the disease. Those individuals were provided additional testing, individual and family counselling, and referrals for treatment.

We focus our infrastructure projects on communities located near our production facilities. Last year in Nashik, for example, we developed a science laboratory for students and donated an ambulance to the local Industrial Fire Safety Association. In Jigani, we donated medical equipment to the primary health center there. In Hosur, we developed infrastructure for schools that serve approximately 250 children.

In addition, we funded the construction in 2016 of six reverse-osmosis water-treatment plants in Andhra Pradesh, Maharashtra and Telangana.
HOMES FOR WEST VIRGINIA

When floods devastated parts of West Virginia last year, Mylan partnered with SBP, a leading national disaster-recovery nonprofit organization to launch Homes for West Virginia. Mylan and the Mylan Foundation donated a combined total of $1 million in support of it.

Homes for West Virginia has collaborated with local, regional and national businesses, organizations and volunteers to help rebuild homes, restore lives and rejuvenate communities, most notably in the town of White Sulphur Springs, West Virginia, where Mylan was founded.

Heather Bresch, who was born in the state, broke ground at “Hope Village” in the town, which will serve as a model for similar redevelopment and offer 42 new homes and a community park.

PITTSBURGH PRIDE

In June 2016, Heather Bresch became the first-ever CEO to participate in the Pittsburgh Pride Equality March. She and more than 100 Mylan employees, friends and family marched through downtown Pittsburgh, Pennsylvania, to demonstrate support for the Lesbian, Gay, Bisexual, Transgender, Queer, Intersexual and Asexual, or LGBTQIA, community.

Employees also staffed a booth in the Mylan Wellness Village to share their pride and provide free, anonymous wellness exams and testing for HIV and other sexually transmitted diseases. In addition, they shared information about pre-exposure prophylaxis, or PrEP, a medicine taken daily to help prevent HIV.

In June 2016, Heather Bresch became the first-ever CEO to participate in the Pittsburgh Pride Equality March.
Mylan has provided DOH with more products – 56 million free doses – than any other company. We continue to supply the organization today with more than 140 products in planned giving.

**DISPENSARY OF HOPE**
The Dispensary of Hope (DOH) is an organization that works with healthcare providers, clinics and pharmaceutical companies to provide patients in the U.S. who lack prescription coverage with medicines they need. They do so by distributing unused sample medications and surplus medications generated during the manufacturing process. Such medications may otherwise be destroyed as part of the disposal process.

Mylan was the first generics manufacturer to partner with DOH, which was founded in 2003. We have since provided it with more products – 56 million free doses – than any other company. We continue to supply the organization today with more than 140 products in planned giving. Moreover, we have encouraged other members of the U.S. Association for Accessible Medicines to donate products.

**MYLAN CARES**
Over the years, Mylan has supported countless organizations and causes. Recent examples include:

- **A CHILD'S SMILE**
  Giving children in Greece – 1 million so far – love, affection, care and respect

- **ASSOCIAZIONE ITALIANA MALATTIA DI ALZHEIMER**
  Providing support in Italy to Alzheimer’s patients and their caregivers

- **BROTHER'S BROTHER FOUNDATION**
  Providing medical supplies, pharmaceuticals, textbooks, food, seeds and other humanitarian supplies to people around the world

- **DIRECT RELIEF**
  Improving the health and lives of people affected by poverty or emergency situations by mobilizing and providing essential medical resources

- **I BAMBINI DELLE FATE**
  Promoting social programs and activities in Italy for children with autism and developmental disabilities

- **INTERNATIONAL HEALTH PARTNERS**
  Donating Mylan’s surplus stock of medicines to those in need in Europe

- **IRISH GUIDE DOGS FOR THE BLIND**
  Providing companion dogs to people with visual impairment and children with autism to help them live independently

- **MAP INTERNATIONAL**
  Helping people living in the world’s poorest communities by providing medicines, preventing disease and promoting health to create real hope and lasting change

- **POSITIVE LEARNING THROUGH AIDS ORPHAN SUPPORT**
  Supporting AIDS orphans in Japan

- **PRINCESS MAXIMA CENTER FOR PEDIATRIC ONCOLOGY**
  Treating and curing children with cancer in the Netherlands

- **UNITED WAY**
  Connecting people in need in southwestern Pennsylvania to resources that can help them

- **WALKING STARS**
  Benefiting the Cancer Society of New Zealand

- **WEST VIRGINIA UNIVERSITY CHILDREN’S HOSPITAL**
  Helping new parents in Morgantown see their newborn from home while the baby is in the hospital’s neonatal intensive care unit
07
Serving Our Shareholders
Delivering Value to Shareholders

As a publicly held company, we recognize shareholders as an important stakeholder in Mylan’s success. We believe that by doing good, we will do well – that is, deliver value for them.

Throughout our history, Mylan and its Board of Directors always have taken a longer-term view and approach to our thinking and strategy. Doing so allows us to avoid getting distracted by short-term events and to remain focused on our mission.

Over approximately the last decade, we have built a truly differentiated company by pursuing our proven standalone strategy (see page 12). It emphasizes organic growth augmented by acquisitions that enhance our ability to deliver on our mission and position us for sustainable, profitable expansion long into the future.

Staying true to this strategy has allowed Mylan to continually deliver value for our shareholders while transforming both our own organization and the dynamic global industry in which we compete. We believe there simply is no other company that combines our unique operating platform, strong work ethic, willingness to challenge the status quo, and desire to champion the cause of better health for 7 billion people.

Our consistent execution and strong performance over the years has put Mylan on track to deliver expected compounded annual growth (CAGR) of 22% in adjusted diluted EPS between 2008 and our 2018 target. As remarkable, we will have done so while generating strong cash flows; maintaining a high quality, investment grade balance sheet; and investing billions of dollars back into the company to fuel growth over the long-term. Looking ahead, investors can expect us to remain focused on our mission and execute on our strategy, and thereby strive to keep delivering strong financial results.

A DECADE OF DELIVERING VALUE

SUBSTANTIAL GROWTH IN FINANCIAL STRENGTH AND FLEXIBILITY

- Expected 22% CAGR in adjusted diluted EPS, 2008 – 2018 target
- ~$5 billion in R&D*
- ~$3 billion in capital investments*
- ~$11 billion in adjusted free cash flow generation*
- Maintaining a strong investment grade balance sheet

* 2008-2017. Adjusted diluted EPS and adjusted free cash flow are non-GAAP financial measures. Please see the Appendix for reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures. 2018 target does not represent company guidance.

The information in this publication is current as of May 22, 2017.
Appendix
Forward-Looking Statements

This document contains “forward-looking statements.” These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and may often be identified by the use of words such as “will,” “may,” “could,” “should,” “would,” “project,” “believe,” “anticipate,” “expect,” “plan,” “estimate,” “forecast,” “potential,” “intend,” “continue,” “target” and variations of these words or comparable words. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements may include, without limitation, statements about future expectations; that Mylan is continuing to advance toward its 2018 adjusted EPS target of $6.00 and that it is on track to deliver expected compounded annual growth (CAGR) of 22% in adjusted diluted EPS between 2008 and 2018; that Mylan is positioning itself for sustainable, profitable expansion in the future; that Mylan will accomplish future growth while generating strong cash flows, maintaining a high quality, investment-grade balance sheet, and investing billions of dollars back into the company to fuel long-term growth; statements about opportunities for Mylan and its products; and any other statements regarding Mylan’s future operations, anticipated business strategy and methods of implementation, future earnings, planned activities, anticipated growth, market opportunities, planned spending and investments, strategies, competition, and other expectations and targets for future periods. Factors that could cause or contribute to such differences include, but are not limited to: the ability to meet expectations regarding the accounting and tax treatments of Mylan’s acquisition (the “EPD Transaction”) of Mylan Inc. and Abbott Laboratories’ non-U.S. developed markets specialty and branded generics business (the “EPD Business”) and the acquisition of Meda AB (“Meda”) by Mylan (the “Meda Transaction”); changes in relevant tax and other laws, including but not limited to changes in the U.S. tax code and healthcare and pharmaceutical laws and regulations in the U.S. and abroad; actions and decisions of healthcare and pharmaceutical regulators; the integration of the EPD Business and Meda being more difficult, time-consuming, or costly than expected; operating costs, customer loss, and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients, or suppliers) being greater than expected following the EPD Transaction and the Meda Transaction; the retention of certain key employees of the EPD Business and Meda being difficult; the possibility that Mylan may be unable to achieve expected synergies and operating efficiencies in connection with the EPD Transaction, the Meda Transaction, and the December 2016 announced restructuring program in certain locations, within the expected time-frames or at all and to successfully integrate the EPD Business and Meda; with respect to a settlement with the U.S. Department of Justice and other government agencies related to the classification of the EpiPen® Auto-Injector and EpiPen Jr® Auto-Injector (collectively, “EpiPen® Auto-Injector”) for purposes of the Medicaid Drug Rebate Program, the inability or unwillingness on the part of any of the parties to finalize the settlement, any legal or regulatory challenges to the settlement, and any failure by third parties to comply with their contractual obligations; expected or targeted future financial and operating performance and results; the capacity to bring new products to market, including but not limited to where Mylan uses its business judgment and decides to manufacture, market, and/or sell products, directly or through third parties, notwithstanding the fact that allegations of patent infringement(s) have not been finally resolved by the courts (i.e., an “at-risk launch”); any regulatory, legal, or other impediments to Mylan’s ability to bring new products, including but not limited to generic Advair to market; success of clinical trials and Mylan’s ability to execute on new product opportunities including but limited to generic Advair; any changes in or difficulties with our inventory of, and our ability to manufacture and distribute, the EpiPen® Auto-Injector to meet anticipated demand; the potential impact of any change in patient access to the EpiPen® Auto-Injector and the introduction of a generic version of the EpiPen® Auto-Injector; the scope, timing, and outcome of any ongoing legal proceedings, including government investigations, and the impact of any such proceedings on financial condition, results of operations, and/or cash flows; the ability to protect intellectual property and preserve intellectual property rights; the effect of any changes in customer and supplier relationships and customer purchasing patterns; the ability to attract and retain key personnel; changes in third-party relationships; the impact of competition; changes in the economic and financial conditions of the businesses of Mylan; the inherent challenges, risks, and costs in identifying, acquiring, and integrating complementary or strategic acquisitions of other companies, products, or assets and in achieving anticipated synergies; uncertainties and matters beyond the control of management; and inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements, and the providing of estimates of financial measures, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and related standards or on an adjusted basis. For more detailed information on the risks and uncertainties associated with Mylan’s business activities, see the risks described in Mylan’s Annual Report on Form 10-K for the year ended December 31, 2016, as amended and our other filings with the Securities and Exchange Commission (the “SEC”). You can access Mylan’s filings with the SEC through the SEC website at www.sec.gov, and Mylan strongly encourages you to do so. Mylan undertakes no obligation to update any statements herein for revisions or changes after the date of this publication.
Reconciliation of non-GAAP Metrics

2017 GUIDANCE AND 2018 ADJUSTED EPS TARGET

Mylan is not providing forward looking guidance for U.S. GAAP reported financial measures or a quantitative reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP measure because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items include, but are not limited to, acquisition-related expenses including those related to the Meda transaction, restructuring expenses, asset impairments, litigation settlements and other contingencies, including changes to contingent consideration and certain other gains or losses. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP reported results for the guidance period. With respect to the target of $6.00 in adjusted EPS in 2018, it does not represent Company guidance and the Company is not providing a U.S. GAAP target or reconciliation because the Company has not quantified all future amounts, including U.S. GAAP amounts, related to this target. It is not mathematically possible to calculate the CAGR for U.S. GAAP diluted EPS for the period 2008-2016 since the U.S. GAAP diluted EPS for 2008, the first year in the period, was a negative number. Excluding 2008, when the U.S. GAAP diluted EPS was $(1.10), the CAGR for U.S. GAAP diluted EPS for the period 2009-2016 is 17.36%.

(Unaudited; USD in millions, except for EPS)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. GAAP net earnings attributable to Mylan N.V. and U.S. GAAP diluted EPS</td>
<td>$480</td>
<td>$0.92</td>
<td>$848</td>
</tr>
<tr>
<td>Purchase accounting related amortization (primarily included in cost of sales)</td>
<td>1,412</td>
<td>901</td>
<td>419</td>
</tr>
<tr>
<td>Litigation settlements, net</td>
<td>639</td>
<td>(97)</td>
<td>48</td>
</tr>
<tr>
<td>Interest expense (primarily related to clean energy investment financing)</td>
<td>24</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Accretion of contingent consideration liability and other fair value adjustment</td>
<td>75</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Clean energy investments pre-tax loss</td>
<td>92</td>
<td>93</td>
<td>79</td>
</tr>
<tr>
<td>Financing related costs (included in other income (expense), net)</td>
<td>—</td>
<td>112</td>
<td>33</td>
</tr>
<tr>
<td>Acquisition related costs (primarily included in cost of sales and selling, general and administrative expense)</td>
<td>335</td>
<td>420</td>
<td>140</td>
</tr>
<tr>
<td>Acquisition related customer incentive (included in third party net sales)</td>
<td>—</td>
<td>17</td>
<td>—</td>
</tr>
<tr>
<td>Restructuring related costs</td>
<td>150</td>
<td>19</td>
<td>10</td>
</tr>
<tr>
<td>Other special items included in:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>45</td>
<td>36</td>
<td>41</td>
</tr>
<tr>
<td>Research and development expense</td>
<td>121</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>Selling, general and administrative expense</td>
<td>36</td>
<td>48</td>
<td>61</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>(19)</td>
<td>7</td>
<td>(11)</td>
</tr>
<tr>
<td>Tax effect of the above items and other income tax related items</td>
<td>(844)</td>
<td>(370)</td>
<td>(432)</td>
</tr>
<tr>
<td>Adjusted net earnings attributable to Mylan N.V. and adjusted diluted EPS</td>
<td>$2,547</td>
<td>$4.89</td>
<td>$2,137</td>
</tr>
<tr>
<td>Weighted average diluted ordinary shares outstanding</td>
<td>521</td>
<td>497</td>
<td>398</td>
</tr>
</tbody>
</table>
Reconciliation of non-GAAP Metrics

(Unaudited; USD in millions, except for EPS)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. GAAP net earnings attributable to Mylan N.V. and U.S. GAAP diluted EPS</td>
<td>$624</td>
<td>$641</td>
<td>$537</td>
</tr>
<tr>
<td>Purchase accounting related amortization (primarily included in cost of sales)</td>
<td>371</td>
<td>391</td>
<td>365</td>
</tr>
<tr>
<td>Litigation settlements, net</td>
<td>(10)</td>
<td>(3)</td>
<td>49</td>
</tr>
<tr>
<td>Interest expense (primarily related to clean energy investment financing)</td>
<td>38</td>
<td>36</td>
<td>49</td>
</tr>
<tr>
<td>Accretion of contingent consideration liability and other fair value adjustment</td>
<td>35</td>
<td>39</td>
<td>—</td>
</tr>
<tr>
<td>Clean energy investments pre-tax loss</td>
<td>22</td>
<td>17</td>
<td>—</td>
</tr>
<tr>
<td>Financing related costs (included in other income (expense), net)</td>
<td>73</td>
<td>—</td>
<td>34</td>
</tr>
<tr>
<td>Acquisition related costs (primarily included in cost of sales and selling, general and administrative expense)</td>
<td>50</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other special items included in:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>49</td>
<td>66</td>
<td>8</td>
</tr>
<tr>
<td>Research and development expense</td>
<td>52</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Selling, general and administrative expense</td>
<td>71</td>
<td>105</td>
<td>45</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>25</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Tax effect of the above items and other income tax related items</td>
<td>(260)</td>
<td>(216)</td>
<td>(198)</td>
</tr>
<tr>
<td>Adjusted net earnings attributable to Mylan N.V. and adjusted diluted EPS</td>
<td>$1,140</td>
<td>$1,087</td>
<td>$893</td>
</tr>
<tr>
<td>Weighted average diluted ordinary shares outstanding</td>
<td>395</td>
<td>420</td>
<td>439</td>
</tr>
</tbody>
</table>
### Reconciliation of non-GAAP Metrics

((Unaudited; USD in millions, except for EPS)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. GAAP net earnings (loss) attributable to Mylan N.V. and U.S. GAAP diluted EPS</strong></td>
<td>$224</td>
<td>$0.68</td>
<td>$94</td>
</tr>
<tr>
<td><strong>Purchase accounting related amortization (primarily included in cost of sales)</strong></td>
<td>309</td>
<td>283</td>
<td>489</td>
</tr>
<tr>
<td><strong>Goodwill impairment charges</strong></td>
<td>—</td>
<td>—</td>
<td>385</td>
</tr>
<tr>
<td><strong>Bystolic revenue</strong></td>
<td>—</td>
<td>—</td>
<td>(468)</td>
</tr>
<tr>
<td><strong>Litigation settlements, net</strong></td>
<td>127</td>
<td>226</td>
<td>17</td>
</tr>
<tr>
<td><strong>Interest expense (primarily related to clean energy investment financing)</strong></td>
<td>60</td>
<td>43</td>
<td>30</td>
</tr>
<tr>
<td><strong>Financing related costs (included in other income (expense), net)</strong></td>
<td>37</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Acceleration of deferred revenue</strong></td>
<td>—</td>
<td>(29)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Non-controlling interest</strong></td>
<td>—</td>
<td>9</td>
<td>—</td>
</tr>
<tr>
<td><strong>Other special items included in:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>7</td>
<td>33</td>
<td>53</td>
</tr>
<tr>
<td>Research and development expense</td>
<td>10</td>
<td>22</td>
<td>14</td>
</tr>
<tr>
<td>Selling, general and administrative expense</td>
<td>63</td>
<td>49</td>
<td>89</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>1</td>
<td>(13)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Tax effect of the above items and other income tax related items</strong></td>
<td>(253)</td>
<td>(273)</td>
<td>(31)</td>
</tr>
<tr>
<td><strong>Preferred dividend</strong></td>
<td>122</td>
<td>139</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted net earnings attributable to Mylan N.V. and adjusted diluted EPS</strong></td>
<td>$707</td>
<td>$1.61</td>
<td>$583</td>
</tr>
<tr>
<td><strong>Weighted average diluted ordinary shares outstanding</strong></td>
<td>438</td>
<td>450</td>
<td>304</td>
</tr>
</tbody>
</table>
# Reconciliation of non-GAAP Metrics

(Unaudited; USD in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. GAAP R&amp;D</td>
<td>$827</td>
<td>$672</td>
<td>$582</td>
<td>$508</td>
<td>$401</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition related costs</td>
<td>(2)</td>
<td>(2)</td>
<td>(3)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Restructuring and other special items</td>
<td>(129)</td>
<td>(20)</td>
<td>(18)</td>
<td>(52)</td>
<td>(12)</td>
</tr>
<tr>
<td>Adjusted R&amp;D</td>
<td>$696</td>
<td>$650</td>
<td>$561</td>
<td>$456</td>
<td>$389</td>
</tr>
</tbody>
</table>

(Unaudited; USD in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. GAAP R&amp;D</td>
<td>$295</td>
<td>$282</td>
<td>$275</td>
<td>$317</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition related costs</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Restructuring and other special items</td>
<td>(4)</td>
<td>(10)</td>
<td>(23)</td>
<td>(14)</td>
</tr>
<tr>
<td>Adjusted R&amp;D</td>
<td>$291</td>
<td>$272</td>
<td>$252</td>
<td>$303</td>
</tr>
</tbody>
</table>
Reconciliation of non-GAAP Metrics

(Unaudited; USD in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. GAAP net cash provided by operating activities</td>
<td>$2,047</td>
<td>$2,009</td>
<td>$1,015</td>
<td>$1,107</td>
<td>$949</td>
</tr>
<tr>
<td>Add / (Deduct):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment / (receipt) of litigation settlements</td>
<td>69</td>
<td>(113)</td>
<td>96</td>
<td>(2)</td>
<td>109</td>
</tr>
<tr>
<td>Sale of product rights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Payment to Merck KGaA related to income tax benefits on indemnified litigation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Financing related expenses</td>
<td>67</td>
<td>137</td>
<td>24</td>
<td>61</td>
<td>—</td>
</tr>
<tr>
<td>Adjustments for timing of cash receipts deducted in prior periods</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>62</td>
</tr>
<tr>
<td>Acquisition related costs</td>
<td>244</td>
<td>191</td>
<td>64</td>
<td>13</td>
<td>—</td>
</tr>
<tr>
<td>R&amp;D expense</td>
<td>123</td>
<td>12</td>
<td>21</td>
<td>46</td>
<td>—</td>
</tr>
<tr>
<td>Income tax items</td>
<td>(26)</td>
<td>(22)</td>
<td>(13)</td>
<td>(22)</td>
<td>(14)</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>Adjusted cash provided by operating activities</td>
<td>$2,524</td>
<td>$2,217</td>
<td>$1,210</td>
<td>$1,205</td>
<td>$1,124</td>
</tr>
<tr>
<td>(Deduct) / Add:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(390)</td>
<td>(363)</td>
<td>(325)</td>
<td>(335)</td>
<td>(305)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>—</td>
<td>—</td>
<td>9</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(6)</td>
</tr>
<tr>
<td>Adjusted free cash flow</td>
<td>$2,134</td>
<td>$1,854</td>
<td>$894</td>
<td>$895</td>
<td>$835</td>
</tr>
</tbody>
</table>
## Reconciliation of non-GAAP Metrics

(\textit{Unaudited; USD in millions})

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td><strong>U.S. GAAP net cash provided by operating activities</strong></td>
<td>$720</td>
</tr>
<tr>
<td>Add / (Deduct):</td>
<td></td>
</tr>
<tr>
<td>Payment / (receipt) of litigation settlements</td>
<td>81</td>
</tr>
<tr>
<td>Sale of product rights</td>
<td>—</td>
</tr>
<tr>
<td>Payment to Merck KGaA related to income tax benefits on indemnified litigation</td>
<td>60</td>
</tr>
<tr>
<td>Payment of interest rate swap settlement</td>
<td>14</td>
</tr>
<tr>
<td>Adjustments for timing of cash receipts deducted in prior periods</td>
<td>7</td>
</tr>
<tr>
<td>Income tax items</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted cash provided by operating activities</strong></td>
<td>$882</td>
</tr>
<tr>
<td>(Deduct):</td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(280)</td>
</tr>
<tr>
<td>Preferred dividend</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted free cash flow</strong></td>
<td>$602</td>
</tr>
</tbody>
</table>

* Adjusted free cash flow was $0.3 million.
ON THE COVER:
This schoolgirl in the South African township of Khayelitsha is one of the 7 billion people Mylan is committed to serving.