HORIZON PHAMA PLC

RECONCILIATIONS OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION

August 7, 2015

EBITDA, or earnings before interest, taxes, depreciation and amortization, and adjusted EBITDA are used and provided by Horizon as non-GAAP financial measures. Horizon provides certain other financial measures such as adjusted net income, adjusted net income per share, adjusted gross profit and gross profit ratio, adjusted operating and other expenses and adjusted cash from operations, each of which include adjustments to GAAP figures. Adjustments to Horizon's GAAP figures as well as EBITDA exclude acquisition transaction related expenses, loss on debt extinguishment, as well as non-cash items such as share-based compensation, depreciation and amortization, royalty accretion, non-cash interest expense, and other non-cash adjustments. Certain other special items or substantive events may also be included in the non-GAAP adjustments periodically when their magnitude is significant within the periods incurred.

Horizon believes that these non-GAAP financial measures, when considered together with the GAAP figures, can enhance an overall understanding of Horizon's financial performance. The non-GAAP financial measures are included with the intent of providing investors with a more complete understanding of the company's historical and expected 2015 financial results and trends. In addition, these non-GAAP financial measures are among the indicators Horizon's management uses for planning and forecasting purposes and measuring the Company's performance.

These non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, non-GAAP financial measures used by other companies. Horizon has not provided reconciliation of an expected adjusted EBITDA outlook to an expected net income (loss) outlook because certain items that are a component of net income (loss) cannot be reasonably projected, either due to the significant impact of changes in Horizon's stock price on share-based compensation, the variability associated with acquisition related expenses due to timing and other factors.

Horizon Pharma plc
Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(Unaudited)		(Unaudited)	
Adjusted Non-GAAP Net Income:				
GAAP Net Income (Loss)	**$ 31,814**	**$ (27,769)**	**$ 12,261**	**$ (234,019)**
Non-GAAP Adjustments:				
Remeasurement of royalties for products acquired through business combinations	14,277	13,033	14,277	13,033
Vidara acquisition costs	759	10,125	2,493	14,174
Hyperion acquisition costs	45,930	-	47,850	-
Loss on derivative revaluation	-	10,965	-	214,995
Loss on induced conversion of debt and debt extinguishment	67,080	-	77,624	-
Amortization and accretion:				
Intangible amortization expense	31,832	5,029	49,510	10,056
Amortization of debt discount and deferred financing costs	5,622	2,333	7,848	4,666
Accretion of royalty liabilities	3,977	2,953	7,020	2,953
Amortizaton of inventory step-up adjustment	3,341	-	6,495	-
Share-based compensation	24,665	4,160	31,339	6,087
Depreciation expense	576	404	1,230	780
Royalties for products acquired through business combinations (1)	(6,840)	(2,347)	(12,036)	(5,696)
Total of pre-tax non-GAAP adjustments	191,219	46,655	233,650	261,048
Income tax adjustments (2)	(161,135)	880	(159,506)	(225)
Total of non-GAAP adjustments	30,084	47,535	74,144	260,823
Adjusted Non-GAAP Net Income	**$ 61,898**	**$ 19,766**	**$ 86,405**	**$ 26,804**
Adjusted Non-GAAP Earnings Per Share:				
Weighted average shares - Basic	**150,771,902**	**73,384,801**	**138,369,537**	**70,164,267**
Adjusted Non-GAAP Earnings Per Share - Basic:				
GAAP earnings (loss) per share - Basic	**$ 0.21**	**$ (0.38)**	**$ 0.09**	**$ (3.34)**
Non-GAAP adjustments	0.20	0.65	0.53	3.72
Adjusted Non-GAAP earnings per share - Basic	**$ 0.41**	**$ 0.27**	**$ 0.62**	**$ 0.38**
Weighted average shares - Diluted				
Weighted average shares - Basic	150,771,902	73,384,801	138,369,537	70,164,267
Ordinary stock equivalents	9,025,417	24,689,011	6,662,345	22,955,502
Weighted average shares - Diluted	**159,797,319**	**98,073,812**	**145,031,882**	**93,119,769**
Adjusted Non-GAAP Net Income - Diluted	**$ 61,898**	**$ 19,766**	**$ 86,405**	**$ 26,804**
GAAP earnings (loss) per share - Diluted	**$ 0.20**	**$ (0.38)**	**$ 0.08**	**$ (3.34)**
Non-GAAP adjustments	0.19	0.65	0.52	3.72
Diluted earnings per share effect of ordinary share equivalents	-	(0.07)	-	(0.09)
Adjusted Non-GAAP earnings per share - Diluted	**$ 0.39**	**$ 0.20**	**$ 0.60**	**$ 0.29**

(1) Royalties for products acquired through business combinations relate to VIMOVO, ACTIMMUNE, RAVICTI and BUPHENYL.

(2) Adjustments to convert the income tax benefit/expense to the estimated amount of taxes that are payable in cash.

Horizon Pharma plc
Additional GAAP to Non-GAAP Reconciliations
EBITDA, Gross Profit and Operating Cash Flow
(in thousands, except percentages)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
	(Unaudited)		(Unaudited)	
EBITDA and Adjusted EBITDA:				
GAAP Net Income (Loss)	**$ 31,814**	**$ (27,769)**	**$ 12,261**	**$ (234,019)**
Depreciation	576	404	1,230	780
Amortization and accretion:				
Intangible amortization expense	31,832	5,029	49,510	10,056
Accretion of royalty liabilities	3,977	2,953	7,020	2,953
Amortization of deferred revenue	(129)	(161)	(263)	(322)
Amortizaton of inventory step-up adjustment	3,341	-	6,495	-
Interest expense, net (including amortization of debt discount and deferred financing costs)	19,448	4,207	29,480	8,414
(Benefit) expense for income taxes	(160,680)	880	(158,767)	(225)
EBITDA	**$ (69,821)**	**$ (14,457)**	**$ (53,033)**	**$ (212,363)**
Non-GAAP adjustments:				
Remeasurement of royalties for products acquired through business combinations	14,277	13,033	14,277	13,033
Vidara acquisition costs	759	10,125	2,493	14,174
Hyperion acquisition costs	45,930	-	47,850	-
Loss on derivative revaluation	-	10,965	-	214,995
Loss on induced conversion and debt extinguishment	67,080	-	77,624	-
Share-based compensation	24,665	4,160	31,339	6,087
Royalties for products acquired through business combinations (1)	(6,840)	(2,347)	(12,036)	(5,696)
Total of Non-GAAP adjustments	$ 145,871	$ 35,936	$ 161,547	$ 242,593
Adjusted EBITDA	**$ 76,050**	**$ 21,479**	**$ 108,513**	**$ 30,230**
Non-GAAP Gross Profit:				
GAAP net sales	$ 172,821	$ 66,062	$ 285,962	$ 117,988
GAAP cost of goods sold	61,826	24,810	90,679	32,429
GAAP gross profit	$ 110,995	$ 41,252	$ 195,283	$ 85,559
GAAP gross profit %	64%	62%	68%	73%
Non-GAAP Gross Profit:				
GAAP gross profit	**$ 110,995**	**$ 41,252**	**$ 195,283**	**$ 85,559**
Non-GAAP gross profit adjustments:				
Remeasurement of royalties for products acquired through business combinations	14,277	13,033	14,277	13,033
Intangible amortization expense (COGS only)	31,628	5,029	49,105	10,056
Accretion of royalty liabilities	3,977	2,953	7,020	2,953
Amortizaton of inventory step-up adjustment	3,341	-	6,495	-
Depreciation (COGS only)	74	148	203	180
Royalties for products acquired through business combinations (1)	(6,840)	(2,347)	(12,036)	(5,696)
Total of Non-GAAP adjustments	$ 46,458	$ 18,816	$ 65,065	$ 20,526
Non-GAAP gross profit	**$ 157,453**	**$ 60,068**	**$ 260,347**	**$ 106,085**
Non-GAAP gross profit %	**91%**	**91%**	**91%**	**90%**
Non-GAAP Cash Provided By Operating Activities:				
GAAP cash (used in) provided by operating activities	**$ 41,584**	**$ 16,761**	**$ (29,155)**	**$ 16,004**
Cash payments of Vidara acquistion costs	11,272	3,369	13,092	8,464
Cash payments for induced debt conversion	4,776	-	10,472	-
Cash payment for debt extinguishment	45,367	-	45,367	-
Payment of original issue discount on debt extinguishment	3,000	-	3,000	-
Cash payments of Hyperion acquistion costs	23,596	-	23,596	-
Non-GAAP cash provided by operating activities	**$ 129,595**	**$ 20,130**	**$ 66,372**	**$ 24,468**

(1) Royalties for products acquired through business combinations relate to VIMOVO, ACTIMMUNE, RAVICTI and BUPHENYL.

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Three Months Ended June 30, 2015
(Unaudited)

	Sales	COGS	Research & Development	Sales & Marketing	General & Administrative	Interest Expense	Loss on Induced Debt Conversion & Debt Extinguishment	Other (Income) Expense	Income Tax (Benefit) Expense	Total
Non-GAAP Adjustments (in thousands):										
Loss on induced conversion and debt extinguistment[1]	-	-	-	-	-	-	67,080	-	-	67,080
Vidara acquisition costs[2]	-	-	-	-	759	-	-	-	-	759
Hyperion acquisition costs[3]	-	-	-	-	36,930	-	-	9,000	-	45,930
Amortization and accretion:										
Intangible amortization expense[4]	-	31,628	-	204	-	-	-	-	-	31,832
Amortization of debt discount and deferred financing costs[5]	-	-	-	-	-	5,622	-	-	-	5,622
Accretion of royalty liability[6]	-	3,977	-	-	-	-	-	-	-	3,977
Amortization of inventory step-up adjustment[7]	-	3,341	-	-	-	-	-	-	-	3,341
Remeasurement of royalties for products acquired through business combinations[8]	-	14,277	-	-	-	-	-	-	-	14,277
Stock-based compensation[9]	-	-	2,212	5,735	16,718	-	-	-	-	24,665
Depreciation expense[10]	-	74	-	-	502	-	-	-	-	576
Royalties for products acquired through business combinations[11]	-	(6,840)	-	-	-	-	-	-	-	(6,840)
Income tax adjustments[12]	-	-	-	-	-	-	-	-	(161,135)	(161,135)
Total of non-GAAP adjustments	-	46,458	2,212	5,939	54,909	5,622	67,080	9,000	(161,135)	30,084

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Three Months Ended June 30, 2014
(Unaudited)

	Sales	COGS	Research & Development	Sales & Marketing	General & Administrative	Interest Expense	Derivative Loss	Other (Income) Expense	Income Tax (Benefit) Expense	Total
Non-GAAP Adjustments (in thousands):										
Loss on derivative revaluation[13]	-	-	-	-	-	-	10,965	-	-	10,965
Vidara acquisition costs[2]	-	-	-	-	5,792	-	-	4,333	-	10,125
Amortization and accretion:										
Intangible amortization expense[4]	-	5,029	-	-	-	-	-	-	-	5,029
Amortization of debt discount and deferred financing costs[5]	-	-	-	-	-	2,333	-	-	-	2,333
Accretion of royalty liability[6]	-	2,953	-	-	-	-	-	-	-	2,953
Remeasurement of royalties for products acquired through business combinations[8]	-	13,033	-	-	-	-	-	-	-	13,033
Stock-based compensation[9]	-	-	498	1,040	2,622	-	-	-	-	4,160
Depreciation expense[10]	-	148	-	-	256	-	-	-	-	404
Royalties for products acquired through business combinations[11]	-	(2,347)	-	-	-	-	-	-	-	(2,347)
Income tax adjustments[12]	-	-	-	-	-	-	-	-	880	880
Total of non-GAAP adjustments	-	18,816	498	1,040	8,670	2,333	10,965	4,333	880	47,535

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Six Months Ended June 30, 2015
(Unaudited)

	Sales	COGS	Research & Development	Sales & Marketing	General & Administrative	Interest Expense	Loss on Induced Debt Conversion & Debt Extinguishment	Other (Income) Expense	Income Tax (Benefit) Expense	Total
Non-GAAP Adjustments (in thousands):										
Loss on induced conversion and debt extinguistment[1]	-	-	-	-	-	-	77,624	-	-	77,624
Vidara acquisition costs[2]	-	23	94	-	2,376	-	-	-	-	2,493
Hyperion acquisition costs[3]	-	-	-	-	37,850	-	-	10,000	-	47,850
Amortization and accretion:										
Intangible amortization expense[4]	-	49,104	-	406	-	-	-	-	-	49,510
Amortization of debt discount and deferred financing costs[5]	-	-	-	-	-	7,848	-	-	-	7,848
Accretion of royalty liability[6]	-	7,020	-	-	-	-	-	-	-	7,020
Amortization of inventory step-up adjustment[7]	-	6,495	-	-	-	-	-	-	-	6,495
Remeasurement of royalties for products acquired through business combinations[8]	-	14,277	-	-	-	-	-	-	-	14,277
Stock-based compensation[9]	-	-	2,670	8,536	20,133	-	-	-	-	31,339
Depreciation expense[10]	-	203	-	-	1,027	-	-	-	-	1,230
Royalties for products acquired through business combinations[11]	-	(12,036)	-	-	-	-	-	-	-	(12,036)
Income tax adjustments[12]	-	-	-	-	-	-	-	-	(159,506)	(159,506)
Total of non-GAAP adjustments	-	65,087	2,764	8,942	61,386	7,848	77,624	10,000	(159,506)	74,144

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Six Months Ended June 30, 2014
(Unaudited)

	Sales	COGS	Research & Development	Sales & Marketing	General & Administrative	Interest Expense	Derivative Loss	Other (Income) Expense	Income Tax (Benefit) Expense	Total
Non-GAAP Adjustments (in thousands):										
Loss on derivative revaluation[13]	-	-	-	-	-	-	214,995	-	-	214,995
Vidara acquisition costs[2]	-	-	-	-	9,174	-	-	5,000	-	14,174
Amortization and accretion:										
Intangible amortization expense[4]	-	10,056	-	-	-	-	-	-	-	10,056
Amortization of debt discount and deferred financing costs[5]	-	-	-	-	-	4,666	-	-	-	4,666
Accretion of royalty liability[6]	-	2,953	-	-	-	-	-	-	-	2,953
Remeasurement of royalties for products acquired through business combinations[8]	-	13,033	-	-	-	-	-	-	-	13,033
Stock-based compensation[9]	-	-	798	1,624	3,665	-	-	-	-	6,087
Depreciation expense[10]	-	180	-	-	600	-	-	-	-	780
Royalties for products acquired through business combinations[11]	-	(5,696)	-	-	-	-	-	-	-	(5,696)
Income tax adjustments[12]	-	-	-	-	-	-	-	-	(225)	(225)
Total of non-GAAP adjustments	-	20,526	798	1,624	13,439	4,666	214,995	5,000	(225)	260,823

NOTES FOR CERTAIN INCOME STATEMENT LINE ITEMS - NON-GAAP ADJUSTED
(in thousands)

(1) During the three months ended June 30, 2015, the Company recorded a loss on induced debt conversions of $67,080, which represented an early redemption payment of $45,366, the write-down of $16,733 in debt discount and deferred financing costs, $4,635 in additional exchange consideration to debt holders and $346 in expenses incurred in connection with the induced debt conversions. During the six months ended June 30, 2015, the Company recorded a loss on induced debt conversions of $77,624, which represented an early redemption payment of $45,366, the write-down of $21,581 in debt discount and deferred financing costs, $10,005 in additional exchange consideration to debt holders and $672 in expenses incurred in connection with the induced debt conversions.

(2) On September 19, 2014, the Company acquired Vidara Therapeutics International Public Limited Company (“Vidara”), through a reverse merger for stock and cash (“Vidara Merger”). Expenses, including legal and consulting fees, incurred in connection with the Vidara Merger, have been excluded as non-recurring items.

(3) On May 7, 2015, the Company completed its acquisition of Hyperion Therapeutics, Inc. (“Hyperion”) pursuant to which the Company acquired all of the issued and outstanding shares of Hyperion’s common stock for cash. Expenses, including legal and consulting fees, incurred in connection with the Hyperion acquisition, have been excluded as non-recurring items.

(4) Intangible amortization expenses are associated with the Company’s intellectual property rights, developed technology and customer relationships of VIMOVO, LODOTRA, RAYOS, ACTIMMUNE, RAVICTI and BUPHENYL.

(5) Represents amortization of debt discount and deferred financing costs associated with the Company's debt.

(6) Represents accretion expense associated with the ACTIMMUNE, VIMOVO, RAVICTI and BUPHENYL royalties.

(7) In connection with the Hyperion acquisition, the RAVICTI and BUPHENYL inventory was stepped up in value to $9,125 and during the three months ended June 30, 2015, the Company recognized in cost of goods sold $3,379 of step-up inventory costs related to RAVICTI and BUPHENYL inventory sold. In connection with the Vidara Merger, the ACTIMMUNE inventory was stepped up in value to $14,218 and during the first quarter of 2015, the Company recognized in cost of goods sold the remaining $3,154 of step-up inventory costs related to ACTIMMUNE.

(8) At the time of the Company’s acquisition of the rights to VIMOVO, ACTIMMUNE, RAVICTI and BUPHENYL, the Company estimated the fair value of contingent royalties payable to third parties using

an income approach under the discounted cash flow method, which included revenue projections and other assumptions the Company made to determine the fair value. If the Company significantly over performs or underperforms against its original revenue projections or it becomes necessary to make changes to assumptions as a result of a triggering event, the Company is required to reassess the fair value of the contingent royalties payable. Any subsequent adjustments to fair value is recorded in the period such adjustment is made as either an increase or decrease to royalties payable, with a corresponding increase or decrease in cost of goods sold, in accordance with established accounting policies.

During the second quarter of 2015, the Company recorded a charge of $14,277 to cost of goods sold to increase the amount of the contingent royalty liabilities relating to VIMOVO and ACTIMMUNE. During the second quarter of 2014, the Company recorded a charge of $13,033 to cost of goods sold to increase the amount of the contingent royalty liability relating to VIMOVO.

(9) Represents share-based compensation expense associated with the Company's stock option, restricted stock unit, and performance stock unit grants to its employees and non-employees, its cash-settled long-term incentive program, and its employee stock purchase plan.

(10) Represents depreciation expense related to the Company’s property, equipment and leasehold improvements.

(11) Royalties of $6,840 and $12,036 were incurred during the three and six months ended June 30, 2015, respectively, based on each period’s net sales for VIMOVO, ACTIMMUNE, RAVICTI and BUPHENYL, as applicable. Royalties of $2,347 and $5,696 were incurred during the three and six months ended June 30, 2014, respectively, based on each period’s net sales for VIMOVO, ACTIMMUNE, RAVICTI and BUPHENYL, as applicable.

(12) Represents adjustments to convert the income tax expense (benefit) to the estimated amount of taxes that are payable in cash.

(13) During the three and six months ended June 30, 2014, the Company recorded non-cash charges related to the increase in the fair value of the embedded derivative associated with its convertible senior notes. The loss on the derivative revaluation was primarily due to an increase in the market value of the Company’s common stock. The loss on derivative revaluation was a permanent tax difference and was not deductible for income tax reporting purposes.