HORIZON PHARMA PLC

RECONCILIATIONS OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION

May 8, 2015

Horizon provides certain financial measures such as adjusted non-GAAP net income, adjusted non-GAAP net income per share, non-GAAP gross profit margins and non-GAAP cash from operations that include adjustments to GAAP figures. These adjustments to GAAP exclude acquisition transaction related expenses, loss on induced debt conversions and debt extinguishment as well as noncash items such as share-based compensation, depreciation and amortization, royalty accretion, non-cash interest expense and VIMOVO and ACTIMMUNE royalties during the period. 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. EBITDA, or earnings before interest, taxes, depreciation and amortization, adjusted EBITDA and adjusted EBITDA net of royalties are also used and provided by Horizon as non-GAAP financial measures.

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 operational 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. Please see below where the Company has provided a reconciliation of these non-GAAP financial measures to the comparable GAAP financial measures. However, the Company has not provided a reconciliation of 2015 adjusted EBITDA and adjusted EBITDA net of royalties outlook to a net loss outlook because certain items that are a component of net loss but not part of adjusted EBITDA, such as share-based compensation and acquisition related expenses, cannot be reasonably projected, either due to the significant impact of changes in Horizon's share price on share-based compensation, or the variability associated with acquisition-related expenses due to timing and other factors.

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

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
	(Unaudited)	
Adjusted Non-GAAP Net Income:		
GAAP Net Loss	$ (19,553)	$ (206,250)
Non-GAAP Adjustments:		
Vidara acquisition costs	1,734	4,049
Hyperion acquisition costs	1,920	-
Loss on derivative revaluation	-	204,030
Loss on induced debt conversion and debt extinguishment	10,544	-
Amortization and accretion:		
Intangible amortization expense (net of tax effect)	17,681	4,680
Amortization of debt discount and deferred financing costs	2,206	2,333
Accretion of royalty liabilities	3,044	-
Amortization of inventory step-up adjustment	3,154	-
Amortization of deferred revenue	(134)	(161)
Share-based compensation	6,674	1,927
Depreciation expense	654	376
Total of non-GAAP adjustments	47,477	217,234
Adjusted Non-GAAP Net Income (Loss)	**$ 27,924**	**$ 10,984**
VIMOVO and ACTIMMUNE royalties for period	(5,196)	(3,349)
Adjusted Non-GAAP Net Income (Net of Royalties)	**$ 22,728**	**$ 7,635**
Weighted average shares - Basic	**125,650,593**	**67,138,463**
Adjusted Non-GAAP Net Income Per Share - Basic:		
GAAP net loss per share-Basic	**$ (0.16)**	**$ (3.07)**
Non-GAAP adjustments	0.38	3.23
Adjusted Non-GAAP Net Income per share - Basic	**$ 0.22**	**$ 0.16**
VIMOVO and ACTIMMUNE royalties for period	(0.04)	(0.05)
Adjusted Non-GAAP Net Income per share - Basic (Net of Royalties)	**$ 0.18**	**$ 0.11**
Weighted average shares - Diluted		
Weighted average shares - Basic	125,650,593	67,138,463
Ordinary stock equivalents	12,524,900	15,961,807
Weighted average shares - Diluted	**138,175,493**	**83,100,270**
Adjusted Non-GAAP Net Income (Loss) Per Share - Diluted:		
Adjusted Non-GAAP Net Income	$ 27,924	$ 10,984
Add: Convertible debt interest expense, net of taxes	714	-
Adjusted Non-GAAP Net Income - Diluted	**$ 28,638**	**$ 10,984**
VIMOVO and ACTIMMUNE royalties for period	(5,196)	(3,349)
Adjusted Non-GAAP Net Income - Diluted (Net of Royalties)	**$ 23,442**	**$ 7,635**
GAAP net loss per share - Diluted	**$ (0.16)**	**$ (3.07)**
Non-GAAP adjustments	0.38	3.23
Diluted earnings per share effect of ordinary share equivalents	(0.01)	(0.03)
Adjusted Non-GAAP Net Income per share - Diluted	**$ 0.21**	**$ 0.13**
VIMOVO and ACTIMMUNE royalties for period	(0.04)	(0.04)
Adjusted Non-GAAP Net Income per share - Diluted (Net of Royalties)	**$ 0.17**	**$ 0.09**

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

	Three Months Ended March 31, 2015		Three Months Ended March 31, 2014	
	(Unaudited)			
EBITDA and Adjusted EBITDA:				
GAAP Net Loss	**$**	**(19,553)**	**$**	**(206,250)**
Depreciation		654		376
Amortization and accretion:				
Intangible amortization expense		17,681		5,026
Accretion of royalty liabilities		3,044		-
Amortization of deferred revenue		(134)		(161)
Amortization of inventory step-up adjustment		3,154		-
Interest expense, net (including amortization of debt discount and deferred financing costs)		10,032		4,207
Expense (benefit) for income taxes		1,913		(1,105)
EBITDA	**$**	**16,791**	**$**	**(197,907)**
Non-GAAP adjustments:				
Vidara acquisition costs		1,734		4,049
Hyperion acquisition costs		1,920		-
Loss on derivative revaluation		-		204,030
Loss on induced debt conversion and debt extinguishment		10,544		-
Share-based compensation		6,674		1,927
Total of Non-GAAP adjustments	$	20,872	$	210,006
Adjusted EBITDA	**$**	**37,663**	**$**	**12,099**
VIMOVO and ACTIMMUNE royalties for period	$	(5,196)	$	(3,349)
Adjusted EBITDA (Net of Royalities)	**$**	**32,467**	**$**	**8,750**
Non-GAAP Gross Profit:				
GAAP net sales	$	113,141	$	51,926
GAAP cost of goods sold		28,853		7,619
GAAP gross profit	$	84,288	$	44,307
GAAP gross profit %		74%		85%
Non-GAAP Gross Profit:				
GAAP gross profit	**$**	**84,288**	**$**	**44,307**
Non-GAAP gross profit adjustments:				
Intangible amortization expense		17,479		5,026
Accretion of royalty liabilities		3,044		-
Amortization of inventory step-up adjustment		3,154		-
Depreciation		129		32
VIMOVO and ACTIMMUNE royalties for period		(5,196)		(3,349)
Total of Non-GAAP adjustments	$	18,610	$	1,709
Non-GAAP gross profit	**$**	**102,898**	**$**	**46,016**
Non-GAAP gross profit %		**91%**		**89%**
Non-GAAP Cash Provided By (Used) in Operating Activities:				
GAAP cash used in operating activities	**$**	**(70,739)**	**$**	**(757)**
Cash payments related to Vidara acquisition costs		1,820		5,095
Cash payments associated with induced debt conversion		5,696		-
Non-GAAP cash provided by (used in) operating activities	**$**	**(63,223)**	**$**	**4,338**

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Three Months Ended March 31, 2015
(Unaudited)

	Sales	COGS	Research & Development	Sales & Marketing	General & Administrative	Interest Expense	Loss on Induced Debt Conversion	Other (Income) Expense	Income Tax (Benefit) Expense	Total
Non-GAAP Adjustments (in thousands):										
Loss on induced debt conversion and debt extinguishment[1]	-	-	-	-	-	-	10,544	-	-	10,544
Vidara acquisition costs[2]	-	-	117	-	1,617	-	-	-	-	1,734
Hyperion acquisition costs[3]	-	-	-	-	920	-	-	1,000	-	1,920
Amortization and accretion:										
Intangible amortization expense[4]	-	17,479	-	202	-	-	-	-	-	17,681
Amortization of debt discount and deferred financing costs[5]	-	-	-	-	-	2,206	-	-	-	2,206
Accretion of royalty liability[6]	-	3,044	-	-	-	-	-	-	-	3,044
Amortization of inventory step-up adjustment[7]	-	3,154	-	-	-	-	-	-	-	3,154
Amortization of deferred revenue[8]	(134)	-	-	-	-	-	-	-	-	(134)
Share-based compensation[9]	-	-	458	2,801	3,415	-	-	-	-	6,674
Depreciation expense[10]	-	129	-	-	525	-	-	-	-	654
Total of non-GAAP adjustments	(134)	23,806	575	3,003	6,477	2,206	10,544	1,000	-	47,477
VIMOVO and ACTIMMUNE royalties for period[11]	-	(5,196)	-	-	-	-	-	-	-	(5,196)
Total of non-GAAP adjustments (including Royalties)	(134)	18,610	575	3,003	6,477	2,206	10,544	1,000	-	42,281

Horizon Pharma plc
Certain Income Statement Line Items - Non-GAAP Adjusted
For the Three Months Ended March 31, 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[12]	-	-	-	-	-	-	204,030	-	-	204,030
Vidara acquisition costs[2]	-	-	-	-	3,382	-	-	667	-	4,049
Amortization and accretion:										
Intangible amortization expense[4]	-	4,680	-	-	-	-	-	-	-	4,680
Amortization of debt discount and deferred financing costs[5]	-	-	-	-	-	2,333	-	-	-	2,333
Amortization of deferred revenue[8]	(161)	-	-	-	-	-	-	-	-	(161)
Share-based compensation[9]	-	-	300	584	1,043	-	-	-	-	1,927
Depreciation expense[10]	-	32	-	-	344	-	-	-	-	376
Total of non-GAAP adjustments	(161)	4,712	300	584	4,769	2,333	204,030	667	-	217,234
VIMOVO and ACTIMMUNE royalties for period[11]	-	(3,349)	-	-	-	-	-	-	-	(3,349)
Total of non-GAAP adjustments (including Royalties)	(161)	1,363	300	584	4,769	2,333	204,030	667	-	213,885

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

(1) During the three months ended March 31, 2015, the Company recorded a loss on induced debt conversion for $10,544, which represented the write-down of $4,848 in debt discount and deferred financing costs, $5,370 in additional exchange consideration to debt holders and $326 in expenses incurred in connection with the induced debt conversion.

(2) On September 19, 2014, the Company acquired Vidara Therapeutics International Public Limited Company ("Vidara"), through a reverse merger for stock and cash (“Merger”). Expenses, including legal and consulting fees, incurred in connection with the 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 and ACTIMMUNE. Amortization of LODOTRA and RAYOS developed technologies are included net of statutory income tax effects.

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

(6) Accretion expense associated with the ACTIMMUNE and VIMOVO royalties.

(7) In connection with the Merger, the ACTIMMUNE inventory was stepped up in value to $14,218 and during the three months ended March 31, 2015, the Company recognized in cost of goods sold $3,154 of step-up inventory costs related to ACTIMMUNE inventory sold. As of March 31, 2015, there was no remaining step up inventory balance.

(8) Amortization of milestone payments related to LODOTRA between the Company and its European distribution partner, Mundipharma International Ltd.

(9) 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) Depreciation expense related to the Company’s property, equipment and leasehold improvements.

(11) Royalties of $5,196 and $3,349 were incurred during the three months ended March 31, 2015 and 2014, respectively, based on each period’s net sales for VIMOVO and ACTIMMUNE.

(12) During the three months ended March 31, 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.