2008 Annual Report

ABOUT

WARNER CHILCOTT

Warner Chilcott Limited is a leading specialty pharmaceutical company currently focused on the women's healthcare and dermatology segments of the U.S. pharmaceutical market. We are a fully integrated company with internal resources dedicated to the development, manufacturing and promotion of our products. Our diversified portfolio of branded products has enabled us to establish strong franchises in women's healthcare and dermatology which we promote through our marketing techniques and specialty sales forces. We believe that our proven product development capabilities, coupled with our ability to execute acquisitions and in-licensing transactions and develop partnerships, will enable us to sustain and grow these franchises.

An Established Portfolio of Women's Healthcare and Dermatology Products

LETTER TO OUR SHAREHOLDERS

When we first embarked on the journey that shaped Warner Chilcott, one of our strategic goals was to build a fully integrated branded pharmaceutical company with the capability to deliver sustained organic growth. Over the last several years we have made substantial progress towards that goal. Today we benefit from a balanced portfolio of branded products in two attractive market segments, women's healthcare and dermatology, and are preparing for entry into a third, urology. We manufacture and package a growing number of our products with more to come. And, most importantly, we have built a very efficient in-house product development team capable of turning ideas into FDA-approved products.

BROAD PRODUCT PORTFOLIO We sell a wide range of products primarily focused in the women's healthcare and dermatology markets. Although the amount of promotional emphasis given to each product differs, we actively manage each product through its life cycle. Our success is not tied to any single product as multiple products make up our existing sales base and several of these provide opportunities for future growth.

END-TO-END CAPABILITIES In a little over a decade, we have succeeded in assembling the resources necessary to deliver on each key area of product life-cycle management; from research and development (R&D), to full-scale manufacturing, to sales and marketing.

PRODUCT DEVELOPMENT Our internal product development capabilities help maintain our ability to control our future. Historically our R&D efforts have been mainly focused on lower risk, lower cost, and higher probability of success development projects. These projects are based on known and well understood compounds in an effort to develop new, or improve existing, products. Our R&D strategy continues to expand and today we have added projects to the mix that have more risk, but offer higher potential returns. For example, in partnership with Paratek we are developing a new chemical entity (NCE) anti-infective for dermatologic applications. As we look ahead, we expect to undertake an array of product development projects with a mix of risks, costs and potential returns.

In 2008, we continued our trend of consistently delivering revenue growth. Total revenue increased by 4% to $938 million compared with $900 million in 2007. This represents solid growth considering the impact of generic competition on sales of certain products. The overall increase was led by the growth of our top promoted products during 2008...LOESTRIN 24 FE, DORYX, TACLONEX[1] and FEMCON FE. These products collectively contributed $131 million of revenue growth in 2008 compared to the prior year.

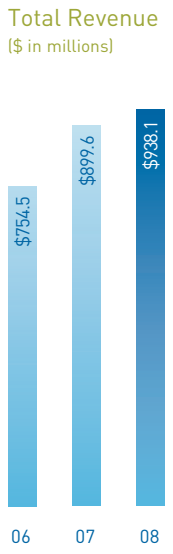
Our ability to maximize revenue growth and effectively manage resources, combined with the efficiency of our investments in R&D, has provided us with solid operating leverage. Our low effective corporate tax rate and modest annual capital expenditure requirements allow us to generate significant free cash flow. In addition, we significantly reduced outstanding indebtedness during 2008 by $238 million, thereby lowering our annual interest expense obligations and improving our leverage ratio. We ended the year with net debt of $927 million.

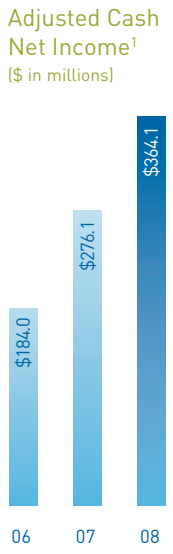
The common thread working to achieve our strategic goals are the colleagues at Warner Chilcott. Our success is directly attributable to their teamwork, dedication and hard work. I would like to thank them for their continued dedication. I would also like to thank all of our stakeholders for their confidence and support. I look forward to the opportunities ahead for Warner Chilcott.

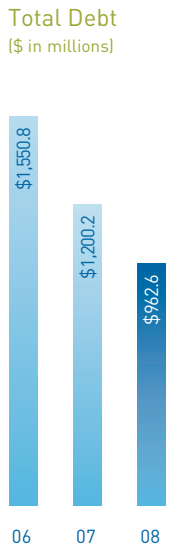
Roger M. Boissonneault
Chief Executive Officer, President, and Director

[1] TACLONEX is a registered trademark of LEO Pharma A/S, a Danish, research-based dermatology company.

STRONG financial results







OUR ABILITY TO MAXIMIZE REVENUE GROWTH AND EFFECTIVELY MANAGE RESOURCES, COMBINED WITH THE EFFICIENCY OF OUR INVESTMENTS IN R&D, HAS PROVIDED US WITH SOLID OPERATING LEVERAGE.

2008 REVENUE by product portfolio

Women's Healthcare	Dermatology	Other[2]
$464.8 MILLION	$435.5 MILLION	$37.8 MILLION

[1] Adjusted cash net income, or Adjusted CNI, is defined by the Company as GAAP net income/(loss) adjusted for the after-tax effect of (i) two non-cash items (the amortization and impairment of intangible assets and the amortization (or write-off) of deferred loan costs related to the Company's debt) and (ii) certain other non-recurring expenses.

For 2006 and 2007, the after-tax impact of the amortization of intangible assets was $232.8 million and $208.6 million, respectively. For 2008, the after-tax impact of the amortization and impairment of intangible assets was $364.5 million. For 2006, 2007 and 2008, the after-tax impact of the amortization (or write-off) of deferred loan costs was $24.6 million, $12.6 million and $8.0 million, respectively.

In addition, certain other non-recurring expenses were excluded in 2006 and 2007. More specifically, these consisted of $80.1 million of after-tax expenses primarily related to our initial public offering in 2006 and $26.0 million of after-tax expenses related to the settlement of certain litigation in 2007.

[2] Other revenue primarily relates to contract manufacturing and royalties.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the year ended December 31, 2008

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to_____

Commission File Number 1-33039

WARNER CHILCOTT LIMITED

(Exact name of Registrant as specified in its charter)

Bermuda	**98-0496358**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. — Employer Identification Nos.)**

Gibbons Building
10 Queen Street
Suite 109 – First Floor
Hamilton HM11, Bermuda
(Address of principal executive offices)

Registrant's telephone number, including area code: (441) 292-0068

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value	**The NASDAQ Global Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☑

The aggregate market value of common stock held by non-affiliates as of June 30, 2008 was approximately $1,866.1 million, using the closing price per share of $16.95, as reported on The NASDAQ Global Market as of such date. Shares of common stock held by the executive officers and directors and our controlling shareholders have been excluded from this calculation because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 13, 2009, the number of shares of the Registrant's common stock, par value $0.01 per share, outstanding was 251,263,008.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required by Part III of this Annual Report on Form 10-K ("Annual Report") is incorporated by reference from the Registrant's proxy statement to be filed pursuant to Regulation 14A with respect to the Registrant's Annual Meeting of Shareholders to be held on May 8, 2009.

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WARNER CHILCOTT LIMITED

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PART I.

Item 1. Business.

Business Overview

We are a leading specialty pharmaceutical company currently focused on the women's healthcare and dermatology segments of the U.S. pharmaceutical market. We are a fully integrated company with internal resources dedicated to the development, manufacturing and promotion of our products. Our diversified portfolio of branded products has enabled us to establish strong franchises in women's healthcare and dermatology which we promote through our marketing techniques and specialty sales forces. We believe that our proven product development capabilities, coupled with our ability to execute acquisitions and in-licensing transactions and develop partnerships, will enable us to sustain and grow our business. We are a Bermuda company, with operations through our wholly-owned subsidiaries in the U.S., Puerto Rico, the Republic of Ireland and Northern Ireland.

Our franchises are comprised of complementary portfolios of established branded and development-stage products. Our women's healthcare franchise is anchored by our strong presence in the hormonal contraceptive and hormone therapy ("HT") categories and our dermatology franchise is built on our established positions in the markets for acne and psoriasis therapies. In women's healthcare, we currently promote two oral contraceptives: LOESTRIN 24 FE and FEMCON FE. LOESTRIN 24 FE features a novel patented 24-day dosing regimen, which delivers an important patient benefit – shorter, lighter periods. FEMCON FE is the only oral contraceptive containing 35 mcg of ethinyl estradiol currently being actively promoted to Obstetrician/Gynecologists ("OB/GYNs"). We also have a significant presence in the HT market, where we currently promote ESTRACE Cream, co-promote FEMRING and also offer other HT products, including FEMHRT. In dermatology, our product DORYX is one of the leading branded oral tetracyclines in the United States for the treatment of acne. In addition, our product TACLONEX is the first and only once-a-day topical psoriasis treatment that combines a corticosteroid (betamethasone dipropionate) and calcipotriene, the active ingredient in DOVONEX Cream. We believe that TACLONEX is a superior topical therapy and promote it as the first line topical therapy for mild to moderate psoriasis. In addition, our product DOVONEX Cream currently enjoys a leading position in the United States for the non-steroidal topical treatment of psoriasis. Our strategy is to grow our specialty pharmaceutical products business by focusing on therapeutic areas dominated by specialist physicians. We believe that we will continue to drive organic growth by employing our marketing techniques. Furthermore, we intend to supplement our growth and broaden our market position in our existing franchises through ongoing product development. Our product development efforts are focused on new products, proprietary product improvements and new and enhanced dosage forms. In addition, as our product development strategy has continued to expand, we have added certain projects that involve higher risks, but also offer higher potential returns. In furtherance of our efforts we selectively review potential product in-licensing, acquisition and partnership opportunities, such as our relationship with LEO Pharma A/S ("LEO Pharma"), our in-licensing arrangements with Paratek Pharmaceuticals, Inc. ("Paratek") and Dong-A PharmTech Co. Ltd. ("Dong-A") and our acquisition of an erectile dysfunction ("ED") product from NexMed, Inc. ("NexMed").

The U.S. pharmaceutical market generated sales of approximately $305 billion in 2008 and has grown at a compound annual growth rate of approximately 4.8% since 2001, according to IMS Health, Inc. ("IMS"). Large pharmaceutical companies have been focusing on developing and marketing "blockbuster" drugs that have the potential of generating more than $1 billion in annual revenues. The focus by large pharmaceutical companies on "blockbuster" products creates opportunities for specialty pharmaceutical companies, like us, to compete effectively in smaller therapeutic markets.

For the year ended December 31, 2008, we recorded a net (loss) of $(8.4) million on revenues of $938.1 million. For the year ended December 31, 2007, we recorded net income of $28.9 million on revenues of $899.6 million. For the year ended December 31, 2006, we recorded a net (loss) of $(153.5) million on revenues of $754.5 million. As of December 31, 2008, 2007 and 2006, we had total assets of $2,578.9 million, $2,885.0 million and $3,162.5 million, respectively.

Strategy

We intend to continue to develop our specialty pharmaceutical products business by focusing on therapeutic markets, such as women's healthcare and dermatology, which are dominated by specialist physicians. Our goal is to drive organic growth by continuing to develop and market new products and selectively reviewing potential product in-licensing, acquisition and partnership opportunities, such as our relationship with LEO Pharma, our in-licensing arrangements with Paratek and Dong-A and our acquisition of an ED product from NexMed. We believe that our streamlined corporate organization and resulting ability to react rapidly to changing market dynamics enhances our ability to execute our strategy.

Focus on Smaller Therapeutic Markets. While large pharmaceutical companies have focused on developing and marketing "blockbuster" drugs that have the potential of generating more than $1 billion in annual revenues, we concentrate our efforts on branded products that are prescribed by physician specialists or where a high concentration of prescriptions for the products are written by a relatively small number of physicians. In either case, we have the ability to effectively and efficiently reach the target prescribers through our sales forces. We currently market a range of established specialty pharmaceutical products in several therapeutic categories within our women's healthcare and dermatology franchises. In our women's healthcare franchise, we are primarily focused on the oral contraceptive market, although we do currently promote ESTRACE Cream and have a significant presence in the HT market. In our dermatology franchise, we are focusing on the acne and psoriasis therapeutic categories. The relatively small number of physicians that comprise our target markets allow us to focus our sales representatives on the physicians with the most potential to write prescriptions for our products.

Drive Organic Growth. We seek to drive organic growth of our women's healthcare and dermatology product franchises by employing our marketing techniques. We identify the OB/GYNs and dermatologists who are frequent prescribers of products in our categories and then target our sales forces' activities to reach these physicians. Our sales forces promote our products to these high prescribing physicians with frequent face-to-face product presentations and by providing a consistent supply of product samples. Our sales representatives also strive to build strong professional relationships with their target physicians to maximize the impact of our selling efforts. We measure the performance of our sales representatives based primarily on increases in market share of our promoted products.

Develop and Market New Products, Proprietary Product Improvements and New and Enhanced Dosage Forms. Our product development efforts are focused primarily on new products with established regulatory guidance, extending proprietary protection of our products through proprietary product improvements and new and enhanced dosage forms. In addition, as our product development strategy has continued to expand, we have added projects that involve higher risks, but also offer higher potential returns, such as our in-licensing arrangements with Paratek and Dong-A. We have an experienced team of scientists and technicians with proven product development expertise and have consistently demonstrated our ability to commercialize our products. By targeting our research and development efforts on a relatively small set of therapeutic categories, we believe we will be able to leverage the professional relationships our sales forces have built with high-prescribing specialist physicians.

Since March 2003, our internal development efforts have yielded several approvals from the U.S. Food and Drug Administration ("FDA"), including those for the following products:

- FEMRING
- FEMCON FE
- FEMTRACE
- DORYX delayed-release tablets
- Low Dose FEMHRT

- LOESTRIN 24 FE
- SARAFEM Tablets

Selectively Review Potential Product In-Licensing, Acquisition and Partnership Opportunities. We intend to continue to evaluate opportunities to expand our pharmaceutical product portfolio by selectively reviewing potential product in-licensing, acquisition and partnership opportunities, such as our transactions with LEO Pharma, Paratek, Dong-A and NexMed. We generally focus on therapeutic categories which we believe will complement our strategic focus on women's healthcare and dermatology and can benefit from promotion by our sales forces. We have acquired a number of products through license or purchase, including the following:

- LOESTRIN franchise
- OVCON
- ESTRACE Cream
- FEMHRT
- TACLONEX
- DOVONEX

Our Principal Products

Our pharmaceutical business develops, manufactures, markets and sells branded prescription pharmaceutical products, predominantly in the United States.

Our Principal Products

	Product *(Active Ingredient)*	Indication	Patent Expiry(1)	2008 Revenue ($mm)
Women's Healthcare	***Oral Contraceptives***			
	LOESTRIN 24 FE *(Norethindrone acetate and ethinyl estradiol)*	Prevention of pregnancy	July 2014(2)	$197.2
	FEMCON FE *(Norethindrone and ethinyl estradiol)*	Prevention of pregnancy	April 2019(3)	$45.8
	Hormone Therapy			
	ESTRACE Cream *(17-beta estradiol)*	Vaginal cream for treatment of vaginal and vulvar atrophy	Patent expired March 2001	$83.8
	FEMHRT 1/5 and .5/2.5 *(Norethindrone acetate and ethinyl estradiol)*	Oral treatment of moderate to severe vasomotor symptoms and urogenital symptoms associated with menopause	May 2010(4)	$61.5
Dermatology	***Psoriasis***			
	TACLONEX *(Calcipotriene and betamethasone dipropionate)*	Topical and scalp products for the treatment of psoriasis	January 2020(5)	$153.3
	DOVONEX *(Calcipotriene)*	Topical treatment of psoriasis	Cream and Solution - June 2015(6)	$123.3
	Acne			
	DORYX *(Doxycycline hyclate)*	Oral adjunctive therapy for severe acne in 75, 100 and 150 mg strength delayed-release tablets	December 2022(7)	$158.9

(1) See Item 1A. "Risk Factors—Risks Relating to Our Business—If generic products that compete with any of our branded pharmaceutical products are approved, sales of our products may be adversely affected" and Item 1. "Competition".

(2) In January 2009, we entered into a settlement and license agreement with Watson Pharmaceuticals, Inc. ("Watson") to resolve patent litigation related to LOESTRIN 24 FE. Under the agreement, Watson will be permitted to commence marketing its generic equivalent product on the earlier of January 22, 2014 or the date on which another generic version of LOESTRIN 24 FE enters the U.S. market. See "Note 18" to the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

(3) In December 2008, we entered into a settlement and license agreement with a subsidiary of Barr Pharmaceuticals, Inc. (together, with its subsidiaries, "Barr"), which was subsequently acquired on December 23, 2008 by Teva Pharmaceutical Industries, Ltd. (together, with its subsidiaries, "Teva"), to resolve our patent litigation related to FEMCON FE. Under the terms of the agreement, Teva will have a license to launch a generic version of FEMCON FE as early as July 1, 2012, or earlier in certain

circumstances. In January 2009, we entered into a settlement and license agreement with Watson to resolve patent litigation related to FEMCON FE. Under the agreement, Watson will be permitted to commence marketing its generic equivalent product on the earlier of 180 days after Teva enters the market with a generic equivalent product, or January 1, 2013. See "Note 18" to the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

(4) Pursuant to an agreement to settle certain patent litigation, we granted Barr (now Teva) a non-exclusive license to launch a generic version of FEMHRT in November 2009, six months prior to expiration of our patent.

(5) In September 2006, LEO Pharma informed us that the U.S. Patent and Trademark Office (the "USPTO") ordered a reexamination of LEO Pharma's U.S. patent covering TACLONEX and certain of its products in development. In July 2008, LEO Pharma received a Right of Appeal Notice from the USPTO reaffirming the patent examiner's earlier non-final Action Closing Prosecution, allowing the specific formulation claim for TACLONEX ointment but rejecting the remaining pending claims in the reexamination of the patent. In December 2008, the USPTO determined that the Right of Appeal Notice had been prematurely issued and granted LEO Pharma's petition to reopen prosecution of the reexamination proceeding. If the claims of LEO Pharma's patent are substantially narrowed, TACLONEX could face direct or indirect competition prior to the expiration of the patent in 2020. See "Note 18" to the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

(6) In 2006, LEO Pharma received notices of Paragraph IV certifications in respect of its patent covering DOVONEX Solution and elected not to bring infringement actions with respect to the related Abbreviated New Drug Applications ("ANDA"). Accordingly, generic equivalents of Dovonex Solution, including our authorized generic marketed by Hi-Tech Pharmacal Co., Inc. ("Hi-Tech"), entered the market in May 2008. Reported DOVONEX revenues include revenue from our authorized generic product.

(7) We and Mayne Pharma International Pty. Ltd. ("Mayne") have received Paragraph IV certification notice letters from five potential generic competitors indicating that each such party had submitted to the FDA an ANDA seeking approval to manufacture and sell generic versions of DORYX 100 and 75 mg delayed-release tablets. While we and Mayne filed infringement lawsuits against each of the potential generic competitors in response to their submissions and intend to vigorously defend the DORYX patent and pursue our legal rights, we can offer no assurance that our lawsuits will result in a 30-month stay of FDA approval with respect to the above mentioned ANDA's or that a generic equivalent will not be approved and enter the market prior to the expiration of the DORYX patent in 2022. See "Note 18" to the Notes to the Consolidated Financial Statements included elsewhere in this report.

Revenues by Product Class/Percentage of Total Revenues

The following product classes accounted for a significant percentage of consolidated revenues:

(dollars in millions)	Year Ended December 31, 2008		Year Ended December 31, 2007		Year Ended December 31, 2006	
Dermatology	$435.5	46%	$388.3	43%	$309.4	41%
Oral Contraceptives	276.7	29%	267.0	30%	228.5	30%
Hormone Therapy	171.2	18%	165.8	18%	146.7	19%

For a discussion of product revenues and other results of our operations, see Part II. Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations." For a discussion of our revenues and property, plant and equipment by country of origin, see "Note 16" to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report.

History and Development of the Company

Our company was formed principally through a series of acquisitions and divestitures. We began commercial operations on January 5, 2005 when we acquired Warner Chilcott PLC (the "Predecessor"). The

Predecessor was incorporated in 1968 as a sales and marketing organization focused on branded pharmaceutical products in Northern Ireland, but in September 2000 expanded into the U.S. pharmaceuticals market through the acquisition of a U.S. pharmaceutical business that marketed a portfolio of products including OVCON and ESTRACE Cream. Between 2001 and 2004, the Predecessor disposed of its pharmaceutical services businesses and its U.K. pharmaceutical products businesses and focused its strategy on strengthening its pharmaceutical products business in the United States, specifically in the areas of women's healthcare and dermatology.

In November 2004, affiliates of Bain Capital, LLC, DLJ Merchant Banking, J.P. Morgan Partners, LLC and Thomas H. Lee Partners, who we refer to collectively in this Annual Report as the "Sponsors," reached an agreement to acquire the Predecessor. The acquisition became effective on January 5, 2005, and thereafter, following a series of transactions, we acquired 100% of the share capital of the Predecessor. We refer to this transaction in this Annual Report as the "Acquisition." To complete the Acquisition, the Sponsors, certain of their limited partners and certain members of our management, indirectly funded equity contributions to us and certain of our subsidiaries, the proceeds of which were used to purchase 100% of the Predecessor's share capital. On January 18, 2005, certain of our subsidiaries borrowed an aggregate of $2,020.0 million, consisting of an initial drawdown of $1,420.0 million under our $1,790.0 million senior secured credit facility and the issuance of 8.75% Senior Subordinated Notes (the "Notes") by one of our U.S. subsidiaries, Warner Chilcott Corporation. The proceeds from the acquisition financings, together with cash on hand at the Predecessor, were used to pay the selling stockholders $3,014.4 million, to retire all of the Predecessor's outstanding share options for $70.4 million, to retire all of the Predecessor's previously outstanding funded indebtedness totaling $195.0 million and to pay related fees and expenses. In this Annual Report, we refer to the Acquisition, together with the related financings, as the "Transactions."

In September 2006, the Company sold 70,600,000 shares of its Class A common stock ("Class A common shares") in an initial public offering (the "IPO") at a price to the public of $15.00 per share for an aggregate offering price of $1,059.0 million (before direct issuance fees). Prior to the IPO we had outstanding Class A common shares and Class L common stock (the "Class L common shares") of the Company and Preferred Stock of Warner Chilcott Holdings Company II, Limited (the "Preferred Shares"), all of which were held by the Sponsors, certain institutional investors and members of the Company's management. In connection with the IPO, the Class L common shares of the Company and a portion of the Preferred Shares were converted into Class A common shares pursuant to the Company's bye-laws. All of the remaining Preferred Shares were redeemed for cash.

In connection with the IPO, the Company also issued restricted Class A common shares and non-qualified options to purchase Class A common shares to its employees. Prior to the IPO, the Sponsors collectively owned 87% of the Company's outstanding Class A common shares (including their ownership of the Class L common shares on an as-converted basis). Immediately following the IPO, the Sponsors owned approximately 61% of the outstanding Class A common shares.

Strategic Relationship with LEO Pharma

Our product licenses with LEO Pharma relating to DOVONEX and TACLONEX include exclusive U.S. sales and marketing rights to all of LEO Pharma's product improvements, new and enhanced dosage forms and new products that contain calcipotriene or a combination of calcipotriene and a steroid until 2020. LEO Pharma has also granted us a right of first refusal and last offer for the U.S. sales and marketing rights to all products developed by LEO Pharma principally for the treatment or prevention of dermatological diseases through 2010. In September 2007, we made a $10.0 million payment under our agreement as a result of the FDA's acceptance of LEO Pharma's New Drug Application ("NDA") submission for our TACLONEX scalp product, which was included in R&D expenses in the year ended December 31, 2007. In June 2008, we made a $40.0 million milestone payment under our agreement as a result of the FDA's approval of the NDA for our TACLONEX scalp product. This $40.0 million payment has been recorded as an intangible asset on our consolidated balance sheet as part of the DOVONEX/TACLONEX product family and is being amortized over the product's useful life.

Under the product development agreement, we may be required to make additional payments to LEO Pharma upon the achievement of various developmental milestones that could aggregate up to $100.0 million. Further, we agreed to pay a supply fee and royalties to LEO Pharma based on the net sales of those products. We may also agree to make additional payments for products that have not been identified or that are covered under the right of first refusal and last offer.

Product Acquisitions

In addition to our strategic relationship with LEO Pharma and our more recent in-licensing arrangements with companies such as Paratek and Dong-A, we have built our pharmaceutical products business through a number of product acquisitions. These transactions include our acquisition of the OVCON oral contraceptive franchise and ESTRACE Cream from Bristol-Myers Squibb Company ("Bristol-Myers") in 2000, our acquisition of ESTRACE Tablets from Bristol-Myers in 2001, our acquisition of the U.S. sales and marketing rights for SARAFEM from Eli Lilly and Company in 2003, our acquisition of LOESTRIN, ESTROSTEP FE and FEMHRT from Pfizer Inc. ("Pfizer") in 2003 and our acquisition of the U.S. rights to NexMed's topically applied alprostadil cream for the treatment of ED in February 2009. We became the exclusive licensee of TACLONEX in the United States (subject to the terms of our supply agreement with LEO Pharma) in 2005 and acquired the exclusive U.S. sales and marketing rights to DOVONEX from Bristol-Myers in 2006.

Research and Development ("R&D")

Our R&D team has significant experience and proven capabilities in pharmaceutical development and clinical development. We focus our R&D efforts primarily on developing new products that target therapeutic areas with established regulatory guidance, making proprietary improvements to our existing products and developing new and enhanced dosage forms. When compared to the development of new products in therapeutic areas lacking established regulatory guidance, this approach to R&D has historically generally involved less development and regulatory risk and shorter time lines from concept to market. In addition, as our product development strategy has continued to expand, we have added projects that involve higher risks, but also offer higher potential returns, such as our in-licensing arrangements with Paratek and Dong-A described below. Our investment in R&D, funded primarily by our Puerto Rican subsidiary, consists of our internal development costs, fees paid to contracted development groups and license fees paid to license rights to products in development by third parties. License fees and milestone payments are recognized as R&D expense unless or until they relate to products approved by the FDA, at which time they are capitalized as part of intangible assets.

In July 2007, we entered into an agreement with Paratek under which we acquired certain rights to novel tetracyclines under development for the treatment of acne and rosacea. We paid an upfront fee of $4.0 million and agreed to reimburse Paratek for R&D expenses incurred during the term of the agreement. We may make additional payments to Paratek upon the achievement of certain developmental milestones that could aggregate up to $24.5 million. In addition, we agreed to pay royalties to Paratek based on the net sales of the products covered under the agreement.

In November 2007, we entered into an agreement with NexMed under which we acquired an exclusive license of the U.S. rights to NexMed's topically applied alprostadil cream for the treatment of ED. We paid a license fee of $0.5 million which was recognized in R&D expense in the year ended December 31, 2007. On February 3, 2009, we acquired the U.S. rights to NexMed's product and the previous license agreement between us and NexMed relating to the product was terminated. Under the terms of the asset purchase agreement, we agreed to pay NexMed an up-front payment of $2.5 million and a milestone payment of $2.5 million upon the FDA's approval of the product NDA. We are currently working to prepare our complete response to the non-approvable letter that the FDA delivered to NexMed in July 2008 with respect to the product.

In December 2008, we entered into an agreement with Dong-A, based in Korea, to develop and market their orally-administered udenafil product, a phosphodiesterase type 5 ("PDE5") inhibitor for the treatment of ED in the U.S. Dong-A has successfully completed Phase 2 studies of the product in the U.S. We paid $2.0 million in

connection with signing the agreement, which was included in R&D expense for the year ending December 31, 2008 and agreed to pay for all development costs incurred during the term of the agreement. We may make additional payments to Dong-A upon the achievement of various developmental milestones that could aggregate up to $22.0 million. In addition, we agreed to pay a profit-split to Dong-A based on operating profit (as defined in the agreement), if any, on the product.

Our investment in R&D for the year ended December 31, 2008 was $50.0 million, a decrease of $4.5 million, or 8.4%, compared with the year ended December 31, 2007. Included in the year ended December 31, 2008 was a $2.0 million upfront payment to Dong-A to acquire certain rights to their orally-administered udenafil product, a PDE5 inhibitor for the treatment of ED. R&D expense for the year ended December 31, 2007 included a $4.0 million upfront payment to Paratek to acquire certain rights to novel tetracyclines for the treatment of acne and rosacea. Also included in the year ended December 31, 2007 was a $10.0 million milestone payment to LEO Pharma, which was triggered by the FDA's acceptance of LEO Pharma's NDA submission for a TACLONEX scalp product. Excluding these one time payments in both periods, R&D expense increased $7.5 million, or 18.4%, in the year ended December 31, 2008 compared to the prior year period due to costs incurred for clinical studies relating to two oral contraceptives, as well as new projects which were initiated towards the end of 2007 and early 2008.

Our investment in R&D for the year ended December 31, 2007 was $54.5 million, an increase of $27.7 million, or 103.3%, compared with the prior year. R&D expense for the year ended December 31, 2006 included a $3.0 million expense representing our cost to acquire an option to purchase certain rights with respect to a topical dermatology product currently in development by LEO Pharma. Excluding the payments to LEO Pharma in the years ending December 31, 2007 and 2006, and to Paratek in the year ended December 31, 2007, R&D expense increased $16.7 million, or 70.2%, in the year ended December 31, 2007 compared to the prior year due to the increased level of clinical study activity during the 2007 period.

As of December 31, 2008, our R&D team consisted of approximately 90 professionals. Our in-house expertise in product development and regulatory affairs allows us to prepare and submit NDAs with the FDA.

Product Pipeline

The following shows certain new products in our R&D pipeline and their respective stage of development. We note that the information below should be viewed with caution since there are a number of risks and uncertainties associated with the development and marketing of new products, including changes in market conditions, uncertainty as to whether any of our current product candidates will prove effective and safe in humans and whether we will be successful in obtaining required regulatory approvals. Specifically, the FDA approval process can be time-consuming and expensive without assurance that approval will be forthcoming. Generally, without FDA approval, products cannot be commercialized in the United States. Furthermore, even if we obtain regulatory approvals, the terms of any product approval, including labeling, may be more restrictive than desired and could affect the marketability of our products, and the approvals may be contingent upon burdensome post-approval study commitments. Finally, our ability to market certain of the preclinical development stage products listed below is subject to the successful negotiation of acceptable licensing and supply terms with LEO Pharma and other third parties.

Women's Healthcare

WC3016. In August 2008, we completed the treatment phase of the Phase III clinical study for a low-dose oral contraceptive. We currently plan to submit an NDA for this product in the first half of 2009.

WC3026. In January 2009, we completed the treatment phase of the Phase III clinical study for another low-dose oral contraceptive. In January 2009, we entered into a license and supply agreement with Watson pursuant to which we granted Watson an exclusive license to market and sell the product. Under the agreement,

we are responsible for completing development and obtaining approval of this product. We currently expect to submit an NDA for this product in the second half of 2009. Under the agreement, we agreed to exclusively supply Watson with the product on a cost plus margin basis in return for royalties based on product net sales.

Dermatology

WC2055. We commenced clinical development of an oral antibiotic for the treatment of acne in the second half of 2007 and completed a Phase II study in November 2008.

WC3018. We commenced Phase II clinical development of a topical antibiotic for the treatment of acne and other inflammatory skin conditions in January 2009.

LEO 80-185. The pace of the project to develop a topical treatment for psoriasis on the body has slowed significantly as we have begun to evaluate other product development opportunities with LEO Pharma. A decision to move forward with Phase III development will likely be deferred for at least 12 months.

LEO 80-190. LEO Pharma has commenced Phase III clinical development of a topical treatment for psoriasis.

TD1414. LEO Pharma expects to complete Phase II development of a topical antibiotic for skin-infections in 2009.

WC3027. We are in the pre-clinical phase of development for a selective glucocorticoid receptor agonist ("SEGRA") compound for treatment of inflammatory skin conditions. The SEGRA compound is licensed from Bayer AG.

WC3035. In July 2007, we entered into an agreement with Paratek under which we acquired certain rights to novel tetracyclines under development for the treatment of acne and rosacea. A lead compound is currently in preclinical development.

Other

WC3036. In November 2007, we entered into an agreement with NexMed under which we acquired an exclusive license of the U.S. rights to NexMed's topically applied alprostadil cream for the treatment of ED. NexMed's NDA for the product was accepted for review by the FDA in November 2007. In July 2008, NexMed announced that it had received a non-approvable letter from the FDA with respect to the product. On February 3, 2009, we acquired the U.S. rights to NexMed's product and the previous license agreement between us and NexMed relating to the product was terminated. We are currently working to prepare our complete response to the non-approvable letter.

WC3043. In December 2008, we entered into an agreement with Dong-A to develop and market their orally-administered udenafil product, a PDE5 inhibitor for the treatment of ED in the U.S. Dong-A has successfully completed Phase II studies of the product in the U.S. Phase III development of the product is expected to begin in the second half of 2009.

Sales and Marketing

We employ marketing techniques to identify and target physicians with the highest potential to prescribe our products. Our marketing team, together with their sales colleagues, performs comprehensive analyses of market share information to develop strategies and tactics to maximize the market share and sales growth of our products. In connection with our marketing initiatives, we seek to efficiently size, deploy, direct and compensate our sales forces in order to grow our market share, sustain product sales growth, revitalize acquired products and successfully launch new products.

We regularly review the size and effectiveness of our sales forces as they execute our sales growth strategies, and may further adjust the size of our sales forces depending on general economic conditions, the sales of our promoted products and other factors. We also regularly review our promotional priorities. For example, commencing in January 2009, our Chilcott sales force began to actively promote ESTRACE Cream. In addition, we may, from time to time, enter into co-promotion agreements, such as our co-promotion agreement with Watson under which Watson agreed to co-promote our FEMRING product to OB/GYNs commencing in the first quarter of 2009. In return, we agreed to pay Watson an annual fee, plus a portion of the net sales of FEMRING above an agreed upon threshold during the term of the agreement.

Over the course of 2008, we made adjustments to our sales forces reducing the number of representatives to approximately 400. As of December 31, 2008, the Women's Healthcare group was comprised of approximately 135 sales representatives and focused on LOESTRIN 24 FE. Our Chilcott Group was comprised of approximately 130 sales representatives and focused on the promotion of FEMCON. Our Combined OC sales group was comprised of approximately 50 sales representatives. This group focused on the promotion of both LOESTRIN 24 FE and FEMCON. Our Dermatology sales group was comprised of approximately 65 sales representatives. The remainder of our sales force promoted all of our promoted products in geographic territories lacking the density to support specialty promotional efforts.

Customers

While the ultimate end-users of our products are the individual patients to whom our products are prescribed by physicians, our direct customers include certain of the nation's leading wholesale pharmaceutical distributors, such as McKesson Corporation ("McKesson"), AmerisourceBergen Corporation ("ABC") and Cardinal Health, Inc. ("Cardinal"), and major retail drug and grocery store chains. In June 2007, CVS Caremark Corporation ("CVS"), a national retail drug store chain that previously accounted for over 10% of our net sales and accounts receivable, began purchasing through one of our existing wholesale customers, Cardinal. As a result of this change, our customer concentration was increased as the number of our direct customers was reduced from four to three. During the periods presented, the following customers accounted for 10% or more of our revenues:

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
Cardinal	40%	36%	30%
McKesson	36%	35%	36%
AmerisourceBergen	10%	10%	11%
CVS	0%	4%	10%

Competition

The pharmaceutical industry is highly competitive. Our branded products compete with brands marketed by other pharmaceutical companies including large, fully integrated concerns with financial, marketing, legal and product development resources substantially greater than ours.

Our principal competitors include:

- Hormonal Contraceptives—Bayer AG (Yasmin®, Yaz®), Johnson & Johnson, (Ortho Tri-Cyclen Lo®, Ortho Evra®), Schering-Plough Corporation (Nuvaring®) and Teva (Seasonique®);
- Hormone Therapy—Wyeth (Premarin®, Premarin® Vaginal Cream, Prempro™), Novo Nordisk Pharmaceuticals, Inc. (Activella®), Bayer AG (Climara®) and Teva (Cenestin®);
- Acne—Medicis Pharmaceutical Corporation (Solodyn®), Nycomed S.C.A. SICAR (Adoxa®) and Galderma Pharma S.A. (Oracea™); and
- Psoriasis—Galderma Pharma S.A. (Clobex® Spray, Vectical® Ointment), and Stiefel Laboratories, Inc. (Olux® Foam, Luxíq® Foam).

Our branded pharmaceutical products are or may become subject to competition from generic equivalents, and potential generic entrants may also challenge our patents. ESTRACE Cream, ESTRACE Tablets, ESTROSTEP FE, SARAFEM, OVCON 50 and OVCON 35 are currently not protected by patents. See Item 1A. "Risk Factors—Risks Relating to Our Business—If generic products that compete with any of our branded pharmaceutical products are approved, sales of our products may be adversely affected." Generic equivalents for some of our branded pharmaceutical products are sold by other pharmaceutical companies at lower prices. As a result, drug retailers have economic incentives to fill prescriptions for branded products with generic equivalents when available. After the introduction of a generic competitor, a significant percentage of the prescriptions written for the branded product may be filled with the generic version at the pharmacy, resulting in a commensurate loss in sales of the branded product. In addition, legislation enacted in the United States allows or, in a few instances, in the absence of specific instructions from the prescribing physician, mandates the use of generic products rather than brand name products where a generic equivalent is available. The availability of generic equivalent products may cause a material decrease in revenue from our branded pharmaceutical products.

Manufacturing, Supply and Raw Materials

Our primary pharmaceutical manufacturing facility, which houses approximately 194,000 sq. ft. of manufacturing space, is located in Fajardo, Puerto Rico. Adjacent to the facility is an approximately 24,000 sq. ft. warehouse and a 102,000 sq. ft. parking lot, both of which we lease from third parties, as well as a 6.8 acre vacant lot which we purchased in March 2008. The Fajardo facility currently manufactures most of our women's healthcare oral dose products, including LOESTRIN 24 FE, FEMCON FE, ESTROSTEP FE and OVCON 50 oral contraceptives, and packages delayed-release DORYX tablets, FEMHRT, FEMTRACE, OVCON 35 and DOVONEX and TACLONEX samples. We also utilize our facility in Larne, Northern Ireland to manufacture our FEMRING vaginal rings. We currently contract with third parties to manufacture and supply certain of our other products. We will continue to rely on our third-party partners, Mayne Pharma International Pty. Ltd., a subsidiary of Hospira, Inc., ("Mayne") for DORYX, Contract Pharmaceuticals Limited ("CPL") for ESTRACE Cream and LEO Pharma for DOVONEX and TACLONEX.

We conduct quality assurance audits of our manufacturing and other property sites, our contract manufacturers' sites, and our raw material suppliers' sites and all related records to confirm compliance with the relevant regulatory requirements.

Product	Third-Party Manufacturer	Expiration
DORYX	Mayne	December 2011
DOVONEX	LEO Pharma	January 2020
ESTRACE Cream	CPL	February 2010
FEMHRT	Teva	September 2011
TACLONEX	LEO Pharma	January 2020

The products listed above accounted for a significant percentage of our product sales during the year ended December 31, 2008. If a supplier suffers an event that causes it to be unable to manufacture our product requirements for an extended period, the resulting shortages of inventory could have a material adverse effect on our business. See "Note 19" to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report for information concerning supplier concentration. Also see Item 1A. "Risk Factors—Risks Relating to Our Business—Delays in production could have a material adverse impact on our business."

Patents, Proprietary Rights and Trademarks

Protecting our intellectual property, such as trademarks and patents, is a key part of our strategy.

Patents, Trade Secrets and Proprietary Knowledge

We rely on patents, trade secrets and proprietary knowledge to protect our products. We take steps to enforce our legal rights against third parties when we believe that our intellectual property or other proprietary rights have been infringed. We filed a complaint against Berlex Inc. ("Berlex") and Bayer Schering Pharma A.G. ("Schering") in the U.S. District Court for the District of New Jersey alleging that Berlex and Schering were willfully infringing the patent covering our LOESTRIN 24 FE oral contraceptive in connection with the marketing and sale of Yaz®. In November 2006, we reached a settlement with Berlex and Schering in connection with the patent complaint. Under the terms of the settlement, Schering will make certain payments and will license to us its proprietary SEGRA compound for the oral or topical treatment of inflammatory skin diseases. We will pay a royalty to Schering on sales of any product containing the SEGRA compound under the license. We also filed a complaint against Watson Pharmaceuticals, Inc. and one of its subsidiaries alleging that Watson's submission of an ANDA for a generic version of LOESTRIN 24 FE infringed the patent covering our LOESTRIN 24 FE oral contraceptive. In January 2009, we settled patent litigation related to LOESTRIN 24 FE with Watson. Under the agreement, Watson will be permitted to commence marketing its generic equivalent product on the earlier of January 22, 2014 or the date on which another generic version of LOESTRIN 24 FE enters the U.S. market. In August 2007, each of Barr and Watson submitted an ANDA to the FDA seeking approval to market a generic version of FEMCON FE prior to the expiration of our patent. We filed infringement lawsuits against each of Watson and Barr in response to these submissions. In December 2008, we settled our patent litigation related to FEMCON FE with Barr (now Teva). Under the terms of the agreement, Teva will have a license to launch a generic version of FEMCON FE as early as July 1, 2012, or earlier in certain circumstances. In January 2009, we announced that we settled our patent litigation related to FEMCON FE with Watson. Under the agreement, Watson will be permitted to commence marketing its generic equivalent product on the earlier of 180 days after Teva enters the market with a generic equivalent product, or January 1, 2013. Finally, in December 2008 and January 2009, we and Mayne received Paragraph IV certification notice letters from Actavis Elizabeth LLC ("Actavis"), Mutual Pharmaceutical Company, Inc. ("Mutual"), Mylan Pharmaceuticals Inc. ("Mylan"), Impax Laboratories, Inc. ("Impax") and Sandoz Inc. ("Sandoz") indicating that each had submitted to the FDA an ANDA seeking approval to manufacture and sell generic versions of DORYX 100 and 75 mg delayed-release tablets. We filed infringement lawsuits against each of these companies in response to these submissions. See "Note 18" to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report for a description of our litigation.

We also seek to protect our proprietary rights by filing applications for patents on certain inventions, and entering into confidentiality, non-disclosure and assignment of invention agreements with our employees, consultants, licensees and other companies. However, we do not ultimately control whether we will be successful in enforcing our legal rights against third party infringers, whether our patent applications will result in issued patents, whether our patents will be subjected to inter parte reexaminations by the USPTO, whether our confidentiality, non-disclosure and assignment of invention agreements will be breached and whether we will have adequate remedies in the event of any such breach, or whether our trade secrets will become known by competitors. In addition, some of our key products are not protected by patents and proprietary rights and therefore are or may become subject to competition from generic equivalents. For a further discussion of our competition, see "—Competition" and Item 1A. "Risk Factors—Risks Relating to Our Business—If generic products that compete with any of our branded pharmaceutical products are approved, sales of our products may be adversely affected."

Trademarks

Due to our branded product focus, we consider our trademarks to be valuable assets. Therefore, we actively manage our trademark portfolio, maintain long-standing trademarks and obtain trademark registrations for new brands in all jurisdictions in which we operate. The names indicated below are certain of our key registered trademarks, some of which may not be registered in all relevant jurisdictions:

DORYX	FEMRING
ESTRACE	LOESTRIN 24 FE
ESTROSTEP FE	OVCON
FEMCON FE	SARAFEM
FEMHRT	Warner Chilcott

We also police our trademark portfolio against infringement. However, our efforts to protect our trademarks may be unsuccessful and we may not have adequate remedies in the event of a finding of infringement due, for example, to the fact that a violating company may be insolvent.

We are exclusive licensee of the trademarks for TACLONEX and DOVONEX in the U.S.

Government Regulation

The pharmaceutical industry is subject to regulation by national, regional, state and local agencies, including the FDA, the Drug Enforcement Administration, the Department of Justice, the Federal Trade Commission (the "FTC"), the Office of Inspector General of the U.S. Department of Health and Human Services, the Consumer Product Safety Commission, the U.S. Department of Agriculture, the Occupational Safety and Health Administration and the U.S. Environmental Protection Agency ("EPA"), as well as by governmental authorities in those foreign countries in which we distribute some of our products. The Federal Food, Drug and Cosmetic Act (the "FDCA"), the Public Health Service Act and other federal and state statutes and regulations govern to varying degrees the research, development and manufacturing of, and commercial activities relating to, prescription pharmaceutical products, including pre-clinical and clinical testing, approval, production, labeling, sale, distribution, import, export, post-market surveillance, advertising, dissemination of information and promotion. The manufacture and disposal of pharmaceutical products in the United States is also regulated by the EPA.

The process of testing, data analysis, manufacturing development and regulatory review necessary to obtain and maintain required governmental approvals is costly. Non-compliance with applicable legal and regulatory requirements can result in civil fines, criminal fines and prosecution, recall of products, the total or partial suspension of manufacture and/or distribution, seizure of products, injunctions, whistleblower lawsuits, failure to obtain approval of pending product applications, withdrawal of existing product approvals, exclusion from participation in government healthcare programs and other sanctions. Any threatened or actual government enforcement action can also generate adverse publicity and require that we devote substantial resources that could otherwise be used productively on other aspects of our business.

FDA Approval Requirements

FDA approval is required before a prescription drug can be marketed, except, in some cases, for a very small category of grandfathered drugs that have been on the market unchanged since prior to 1938 or that are otherwise considered generally recognized as safe and effective. For innovative, or non-generic, new drugs, an FDA-approved NDA is required before the drugs may be marketed in the U.S. The NDA must contain data to demonstrate that the drug is safe and effective for its intended uses, and that it will be manufactured to appropriate quality standards. In order to demonstrate safety and effectiveness, an NDA generally must include or reference pre-clinical studies and clinical data from controlled trials in humans. For a new chemical entity, this generally means that lengthy, uncertain and rigorous pre-clinical and clinical testing must be conducted. For compounds that have a record of prior or current use, it may be possible to utilize existing data or medical

literature and limited new testing to support an NDA. Any pre-clinical testing must comply with the FDA's good laboratory practice and other requirements. Clinical testing in human subjects must be conducted in accordance with the FDA's good clinical practice and other requirements.

In order to initiate a clinical trial, the sponsor must submit an investigational new drug application, or IND, to the FDA or meet one of the narrow exemptions that exist from the IND requirement. Clinical research must also be reviewed and approved by independent institutional review boards, or IRBs, at the sites where the research will take place, and the study subjects must provide informed consent. The FDA or an IRB can prevent a clinical trial from being started or require that a clinical trial be terminated or suspended. Some clinical trials are also monitored by data safety monitoring boards, which review available data from the studies and determine whether the studies may continue or should be terminated or modified based on ethical considerations and the best interest of the study subjects. There are also legal requirements to register clinical trials on public databases when they are initiated, and to disclose the results of the trials on public databases upon completion.

The FDA can, and does, reject NDAs, require additional clinical trials, or grant approvals on only a restricted basis even when product candidates performed well in clinical trials. In addition, the FDA may approve an NDA subject to burdensome post-approval study or monitoring requirements, or require that other risk management measures be utilized. There are also requirements to conduct pediatric trials for all new NDAs and supplements to NDAs, unless a waiver or deferral applies.

The FDA regulates and often inspects manufacturing facilities, equipment and processes used in the manufacturing of pharmaceutical products before granting approval to market any drug. Each NDA submission requires a substantial user fee payment unless a waiver or exemption applies. The FDA has committed generally to review and make a decision concerning approval on an NDA within 10 months, and on a new priority drug within six months. However, final FDA action on the NDA can take substantially longer, and where novel issues are presented there may be review and recommendation by an independent FDA advisory committee. The FDA can also refuse to file and to review an NDA it deems incomplete or not properly reviewable.

The FDA continues to review marketed products even after approval. If previously unknown problems are discovered or if there is a failure to comply with applicable regulatory requirements, the FDA may restrict the marketing of an approved product, impose new risk management requirements, cause the withdrawal of the product from the market, or under certain circumstances seek recalls, seizures, injunctions or criminal sanctions. For example, the FDA may require withdrawal of an approved marketing application, labeling changes, additional studies, or other risk management measures for any marketed drug product if new information reveals questions about a drug's safety or effectiveness. In addition, changes to the product, the manufacturing methods or locations, or labeling are subject to additional FDA approval, which may or may not be received, and which may be subject to a lengthy FDA review process.

Additional FDA Regulatory Requirements

All drugs must be manufactured, packaged and labeled in conformity with current Good Manufacturing Practices ("cGMP") requirements, and drug products subject to an approved application must be manufactured, packaged, labeled and promoted in accordance with the approved application. Certain of our products must also be packaged with child-resistant and senior-friendly packaging under the Poison Prevention Packaging Act and Consumer Product Safety Commission regulations. Our third-party manufacturers must also comply with cGMP requirements. In complying with cGMP requirements, manufacturers must continually expend time, money and effort in production, record keeping and quality assurance and control to ensure that their products meet applicable specifications and other requirements for product safety, efficacy and quality. The FDA and other regulatory agencies periodically inspect drug manufacturing facilities to ensure compliance with applicable cGMP requirements. Failure to comply with the statutory and regulatory requirements, including, in the case of our own manufacturing facility, certain obligations that we assumed in our purchase of the facility arising out of a consent decree entered into by the previous owner before a U.S. District Court, subjects the manufacturer to possible legal or regulatory action.

The distribution of pharmaceutical products is subject to the Prescription Drug Marketing Act, or PDMA, which regulates the distribution of drugs and drug samples at the federal level and sets minimum standards for the registration and regulation of drug distributors at the state level. Under the PDMA and state law, states require the registration of manufacturers and distributors who provide pharmaceuticals in that state, including in certain states manufacturers and distributors who ship pharmaceuticals into the state even if such manufacturers or distributors have no place of business within the state. States also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including some states that are requiring manufacturers and others to adopt new technology capable of tracking and tracing product as it moves through the distribution chain. Both the PDMA and state laws impose requirements and limitations upon drug sampling to ensure accountability in the distribution of samples. The PDMA sets forth civil and criminal penalties for violations of these and other provisions.

Other reporting and recordkeeping requirements also apply for marketed drugs, including, for prescription products, requirements to review and report cases of adverse events. Product advertising and promotion are subject to FDA and state regulation, including requirements that promotional claims conform to any applicable FDA approval, be appropriately balanced with important safety information and otherwise be adequately substantiated. Adverse experiences with the use of products can result in the imposition of market restrictions through labeling changes, risk management requirements or product removal.

Other U.S. Regulation

Our sales, marketing and scientific/educational programs must comply with applicable requirements of the anti-kickback provisions of the Social Security Act, the False Claims Act, the Veterans Healthcare Act, and the implementing regulations and policies of the U.S. Health and Human Services Office of Inspector General and U.S. Department of Justice, as well as similar state laws. Although there are a number of statutory exemptions and regulatory safe harbors protecting certain common activities from prosecution, the exemptions and regulatory safe harbors are often limited, and promotional practices may be subject to scrutiny if they do not qualify for an exemption or safe harbor. In addition, several states have enacted legislation requiring pharmaceutical companies to establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, clinical trials and other activities, and/or register their sales representatives, as well as to prohibit pharmacies and other healthcare entities from providing certain physician prescribing data to pharmaceutical companies for use in sales and marketing. Similar legislation is being considered in other states and at the federal level in the U.S. All of our activities are potentially subject to federal and state consumer protection and unfair competition laws. We are subject to possible administrative and legal proceedings and actions under these laws. Such actions may result in the imposition of civil and criminal sanctions, which may include fines, penalties and injunctive or administrative remedies. See “Note 18” to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report.

In recent years, Congress and some state legislatures have considered a number of proposals and have enacted laws that could effect major changes in the health care system, either nationally or at the state level. On December 8, 2003, new Medicare legislation was enacted that provided out-patient prescription drug reimbursement beginning in 2006 for all Medicare beneficiaries. The federal government and the private plans contracting with the government to deliver this benefit, through their purchasing power under these programs, have demanded discounts from pharmaceutical companies, and these pressures may implicitly create price controls on prescription drugs.

We also participate in the Federal Medicaid rebate program established by the U.S. Omnibus Budget Reconciliation Act of 1990, as well as several state supplemental rebate programs. Under the Medicaid rebate program, we pay a rebate to each state Medicaid program for our products that are reimbursed by those programs. The Medicaid rebate amount is computed each quarter based on our submission to the Centers for Medicare and Medicaid Services at the U.S. Department of Health and Human Services of our current average

manufacturing price and best price for each of our products. The terms of our participation in the program impose an obligation to correct the prices reported in previous quarters, as may be necessary. Any such corrections could result in an overage or underage in our rebate liability for past quarters, depending on the direction of the correction. In addition to retroactive rebates (and interest, if any), if we are found to have knowingly submitted false information to the government, the statute provides for civil monetary penalties in the amount of $100,000 per item of false information. Governmental agencies may also make changes in program interpretations, requirements or conditions of participation, some of which may have implications for amounts previously estimated or paid. Based upon our past practice and experience, to the extent that we were required to correct prices reported in previous quarters, we would not expect such corrections to have a material adverse effect on us.

U.S. Manufacturing for Export

Products marketed outside of the United States that are manufactured in the United States are subject to certain FDA regulations, including rules governing export, as well as regulation by the country in which the products are sold. We currently supply LOESTRIN to Teva in Canada. While we do not currently have plans to market any of our other U.S. products in other countries, except FEMHRT in Canada, we may do so from time to time.

Regulation in the United Kingdom

Though we have divested our pharmaceutical businesses in the United Kingdom, we are still subject to regulation in certain areas by the U.K. Medicines and Healthcare Products Regulatory Agency (the "MHRA"). For example, our facility in Larne, Northern Ireland is approved and regularly inspected by the MHRA and the FDA. The United Kingdom Medicines Act of 1968 and the regulations promulgated thereunder govern manufacturers of pharmaceuticals sold in the United Kingdom.

Seasonality

Our results of operations are minimally affected by seasonality.

Employees

As of December 31, 2008, we had approximately 1,115 employees and no unionized employees. We believe that our employee relations are satisfactory.

Environmental Matters

Our operations and facilities are subject to U.S. and foreign environmental laws and regulations, including those governing air emissions, water discharges, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We could incur substantial costs, including cleanup costs, fines and civil or criminal sanctions, or third party property damage or personal injury claims, in the event of violations or liabilities under these laws and regulations, or non-compliance with the environmental permits required at our facilities. Potentially significant expenditures could be required in order to comply with environmental laws that may be adopted or imposed in the future.

We acquired our Fajardo, Puerto Rico facility from Pfizer in 2004. Under the purchase agreement, Pfizer retained certain liabilities relating to pre-existing contamination and indemnified us, subject to certain limitations, for other potential environmental liabilities. In addition, in March 2008 we acquired a 6.8 acre vacant lot adjacent to our Fajardo manufacturing facility in a separate transaction not involving Pfizer, in respect of which we have no indemnification rights for potential environmental liabilities. While we are not aware of any material claims or obligations relating to these sites, our current or former sites, or any off-site location where we

sent hazardous wastes for disposal, the discovery of new or additional contaminants or the imposition of new or additional cleanup obligations at our Fajardo or other sites, or the failure of any other party to meet its financial obligations to us, could result in significant liability.

Executive Officers

The executive officers of Warner Chilcott Limited, their positions and their ages as of December 31, 2008, are as listed.

Name	Age	Position
Roger M. Boissonneault	60	Chief Executive Officer, President and Director
W. Carl Reichel	50	President, Pharmaceuticals
Anthony D. Bruno	52	Executive Vice President, Corporate Development
Paul Herendeen	53	Executive Vice President, Chief Financial Officer
Leland H. Cross	52	Senior Vice President, Technical Operations
Herman Ellman, M.D.	61	Senior Vice President, Clinical Development
Izumi Hara	49	Senior Vice President, General Counsel and Corporate Secretary
Alvin D. Howard	54	Senior Vice President, Regulatory Affairs

Roger M. Boissonneault, Chief Executive Officer, President and Director, was appointed Chief Executive Officer, President and Director of the Company as of January 5, 2005. Mr. Boissonneault was appointed Chief Executive Officer and Director of the Predecessor in September 2000. From 1996 until its acquisition by the Predecessor in September 2000, he served as President and Chief Operating Officer of the entity acquired by the Predecessor (which was also known as Warner Chilcott PLC), serving as a director from 1998 through 2000. From 1976 to 1996, Mr. Boissonneault served in various capacities with Warner-Lambert (now a part of Pfizer), including Vice President, Female Healthcare, Director of Corporate Strategic Planning and Director of Obstetrics/Gynecology Marketing.

W. Carl Reichel, President, Pharmaceuticals, and head of our U.S. sales and marketing operations joined the Predecessor as President, Pharmaceuticals in October 2000 after nearly 20 years of experience at Parke-Davis, a division of Warner-Lambert (now a part of Pfizer), where he, together with Mr. Boissonneault, were pioneers in the pharmaceutical marketing methods currently employed by us. Most recently, he held the position of President, U.K./British Isles at Warner-Lambert.

Anthony D. Bruno, Executive Vice President, Corporate Development, joined the Predecessor in March 2001 as Senior Vice President, Corporate Development and General Counsel. Mr. Bruno was promoted to Executive Vice President in April 2003 and continued to serve as General Counsel of the Company until August 1, 2005. Prior to joining the Company, Mr. Bruno spent 17 years with Warner-Lambert (now part of Pfizer) where his most recent position was Vice President and Associate General Counsel, Pharmaceuticals, and he was responsible for all legal matters relating to Warner-Lambert's pharmaceutical business worldwide.

Paul Herendeen, Executive Vice President and Chief Financial Officer, joined the Company in this position on April 1, 2005 and is responsible for our finance, accounting, treasury and management information system functions. Prior to joining the Company, Mr. Herendeen was Executive Vice President and Chief Financial Officer of MedPointe Inc. From 1998 through March 2001, Mr. Herendeen served as Executive Vice President and Chief Financial Officer of Warner Chilcott PLC (acquired by the Predecessor in September 2000). Mr. Herendeen also served as a director of the Predecessor from October 2000 through March 2001.

Leland H. Cross, Senior Vice President, Technical Operations, joined the Predecessor in this position on September 1, 2001 and is responsible for our technical operations worldwide. From 1994 to 2001, Mr. Cross was part of the Global Manufacturing group at Warner-Lambert (now part of Pfizer), where most recently he was General Manager of Pfizer Ireland Pharmaceuticals, responsible for Pfizer's dosage manufacturing operations in Ireland. Prior to joining Warner-Lambert, Mr. Cross managed a manufacturing operation for Merck & Co. Inc.

Herman Ellman, *M.D.*, Senior Vice President, Clinical Development, joined the Predecessor in this position in June 2000. Dr. Ellman is responsible for clinical development and medical affairs activities. Prior to joining the Predecessor, Dr. Ellman held the position of Medical Director for Women's Healthcare of Berlex Laboratories.

Izumi Hara, Senior Vice President, General Counsel and Corporate Secretary, joined the Predecessor as Senior Vice President and Deputy General Counsel in June 2001 and is responsible for the legal matters of the Company. She was promoted to General Counsel as of August 1, 2005. Prior to joining the Predecessor, Ms. Hara held positions of increasing responsibility at Warner-Lambert (now part of Pfizer) where her most recent position was Vice President and Associate General Counsel, Corporate Affairs, where she was responsible for all corporate legal matters, including acquisitions, divestitures, alliances and other transactions in all of Warner-Lambert's lines of business worldwide.

Alvin D. Howard, Senior Vice President, Regulatory Affairs, joined the Predecessor as Vice President, Regulatory Affairs in February 2001. He was promoted to Senior Vice President as of August 1, 2005 and is responsible for the registration of all of our products and for managing our relationships with the FDA, Health Canada and other agencies regulating the sale of pharmaceutical products. Prior to joining the Company, Mr. Howard was Vice President, Worldwide Regulatory Affairs at Roberts Pharmaceuticals.

WHERE YOU CAN FIND MORE INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. Unless specifically noted otherwise, these filings are not deemed to be incorporated by reference in this Annual Report. Statements contained in this Annual Report as to the contents of any contract or other document referred to are not necessarily complete and in each instance, if such contract or document is filed or incorporated by reference as an exhibit, reference is made to the copy of such contract or other document filed or incorporated by reference as an exhibit to this Annual Report, each statement being qualified in all respects by such reference. A copy of this Annual Report, including the exhibits and schedules thereto, may be read and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that site is http://www.sec.gov. We also maintain an Internet site at www.wcrx.com. We make available on our internet website free of charge our Annual Reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K as soon as practicable after we electronically file such reports with the SEC. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this Annual Report.

Item 1A. Risk Factors.

Special Note Regarding Forward-Looking Statements

This Annual Report contains certain forward-looking statements, including, without limitation, statements concerning the conditions in our industry, expected cost savings, our operations, our economic performance and financial condition, including, in particular, statements relating to our business and growth strategy and product development efforts. The words "may," "might," "will," "should," "estimate," "project," "plan," "anticipate," "expect," "intend," "outlook," "believe" and other similar expressions are intended to identify forward-looking statements and information. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. These forward-looking statements are based on estimates and assumptions by our management that, although we believe to be reasonable, are inherently uncertain and subject to a number of risks and uncertainties. These risks and uncertainties include, without limitation, those identified under the captions "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," below and elsewhere in this Annual Report.

You should carefully consider the risk factors set forth below as well as the other information contained in this Annual Report before making an investment decision. Additional risks and uncertainties not currently known to us or those we currently deem to be immaterial may also materially and adversely affect our business operations. Any of the following risks could materially adversely affect our business, financial condition, results of operations or cash flows. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Risks Relating to Our Business

If generic products that compete with any of our branded pharmaceutical products are approved, sales of our products will be adversely affected.

Generic equivalents for branded pharmaceutical products are typically sold by competing companies at a lower cost than the branded product. After the introduction of a generic competitor, a significant percentage of the prescriptions written for the branded product are often written for the generic version, resulting in a commensurate loss in sales of the branded product. In addition, legislation enacted in the United States allows or, in a few instances, in the absence of specific instructions from the prescribing physician, mandates the use of generic products rather than branded products where a generic equivalent is available. Our branded pharmaceutical products are or may become subject to competition from generic equivalents because there is no proprietary protection for some of the branded pharmaceutical products we sell, because our patent protection expires or because our patent protection is not sufficiently broad. In addition, we may not be successful in our efforts to extend the proprietary protection afforded our branded products through the development and commercialization of proprietary product improvements and new and enhanced dosage forms. Competition from generic equivalents could have a material adverse impact on our revenues, financial condition, results of operations and cash flows.

ESTRACE Cream, ESTRACE Tablets, ESTROSTEP FE, SARAFEM, OVCON 50 and OVCON 35 are currently not protected by patents. Generic equivalents are currently available for ESTROSTEP FE, SARAFEM capsules, DOVONEX Solution, ESTRACE Tablets and OVCON 35.

During the next five years, additional products of ours will lose patent protection or likely become subject to generic competition. Although our patent covering FEMHRT expires in May 2010, under a 2004 settlement of certain patent litigation, we granted Barr (now Teva) a non-exclusive license to launch a generic version of the product six months prior to the expiration of our patent. In addition, as a result of our recent settlements of our outstanding patent litigation relating to LOESTRIN 24 FE and FEMCON FE, we granted non-exclusive licenses to third-parties to launch generic versions of these products during the next five years. More specifically, in January 2009, we settled patent litigation related to LOESTRIN 24 FE with Watson.

Under the agreement, Watson will be permitted to commence marketing its generic equivalent product on the earlier of January 22, 2014 or the date on which another generic version of LOESTRIN 24 FE enters the U.S. market. In December 2008, we settled our patent litigation related to FEMCON FE with Barr (now Teva). Under the terms of the agreement, Teva will have a license to launch a generic version of FEMCON FE as early as July 1, 2012, or earlier in certain circumstances. In January 2009, we announced that we settled our patent litigation related to FEMCON FE with Watson. Under the agreement, Watson will be permitted to commence marketing its generic equivalent product on the earlier of 180 days after Teva enters the market with a generic equivalent product, or January 1, 2013.

Potential generic competitors may challenge the patents protecting our branded pharmaceutical products. For example, in addition to the patent challenges resulting in the settlements described above, in December 2008 and January 2009, we and Mayne received Paragraph IV certification notice letters from Actavis, Mutual, Mylan, Impax and Sandoz indicating that each had submitted to the FDA an ANDA seeking approval to manufacture and sell generic versions of DORYX 100 and 75 mg delayed-release tablets. Those notice letters contend that the DORYX patent is invalid, unenforceable or not infringed. As a result of the enactment of the QI Program Supplemental Funding Act of 2008 (the "QI Act") on October 8, 2008, Mayne submitted to the FDA for listing in the FDA's Orange Book the U.S. patent covering DORYX, and potential generic competitors that had filed an ANDA prior to the listing of the DORYX patent were permitted to certify to the listed patent within 120 days of the enactment of the QI Act. While we and Mayne filed infringement lawsuits against each of the potential generic competitors in response to their submissions and intend to vigorously defend the DORYX patent and pursue our legal rights, we can offer no assurance that the lawsuits will result in a 30-month stay of FDA approval with respect to the above mentioned ANDAs or that a generic equivalent will not be approved and enter the market prior to the expiration of the DORYX patent in 2022. In addition, in 2006, LEO Pharma received three notices of Paragraph IV certifications in respect of its patent on DOVONEX Solution. We and LEO Pharma elected not to bring infringement actions with respect to the related ANDAs. As a result, generic equivalents of DOVONEX Solution entered the market in May 2008.

In September 2006, LEO Pharma informed us that the USPTO ordered a reexamination of LEO Pharma's U.S. Patent covering TACLONEX and certain of LEO Pharma's products in development in response to a request made by Galderma R&D based on alleged prior art. We market and sell TACLONEX in the U.S. under a license agreement with LEO Pharma and have license rights to the products in development. LEO Pharma filed a response with the USPTO in November 2006. In September 2007, LEO Pharma received a non-final Action Closing Prosecution from the USPTO, pursuant to which the patent examiner allowed the specific formulation claim for TACLONEX ointment but rejected the remaining pending claims in the reexamination of LEO Pharma's patent. In July 2008, LEO Pharma received a Right of Appeal Notice from the USPTO reaffirming the patent examiner's position as set forth in the non-final Action Closing Prosecution. In December 2008, the USPTO determined that the Right of Appeal Notice had been prematurely issued and granted LEO Pharma's petition to reopen prosecution of the reexamination proceeding. LEO Pharma intends to vigorously defend the patent. While we can offer no assurance as to the ultimate outcome of the reexamination proceeding, including any related appeals, we continue to believe that LEO Pharma will succeed in maintaining the important elements of the patent protection for the TACLONEX products, particularly based on the timing, extent and quality of the development work conducted by LEO Pharma with vitamin D analogues in combination with corticosteroids. If the claims included in the patent are substantially narrowed, TACLONEX could face direct or indirect competition prior to the expiration of the patent in 2020. See "Note 18" to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report.

We cannot predict what effect, if any, such matters will have on our financial condition, results of operations and cash flows.

Our trademarks, patents and other intellectual property are valuable assets and if we are unable to protect them from infringement or challenges, our business prospects may be harmed.

Due to our focus on branded products, we consider our trademarks to be valuable assets. Therefore, we actively manage our trademark portfolio, maintain long-standing trademarks and obtain trademark registrations for new brands. We also police our trademark portfolio against infringement. Our efforts to defend our trademarks may be unsuccessful and we may not have adequate remedies in the event of a finding of infringement due, for example, to the fact that a violating company may be insolvent.

We also rely on patents, trade secrets and proprietary knowledge to protect our products. We take steps to protect our proprietary rights by filing applications for patents on certain inventions, by entering into confidentiality, non-disclosure and assignment of invention agreements with our employees, consultants, licensees and other companies and enforcing our legal rights against third parties that we believe may infringe our intellectual property rights. We do not ultimately control whether we will be successful in enforcing our legal rights against third party infringers, whether our patent applications will result in issued patents, whether our patents will be subjected to inter parte reexamination by the USPTO, whether our confidentiality, non-disclosure and assignment of invention agreements will be breached and whether we will have adequate remedies in the event of any such breach, or whether our trade secrets will become known by competitors.

In the past we have been involved in litigation with respect to the validity and infringement of patents, and we may be involved in such litigation in the future. The outcome of this type of litigation is unpredictable, and if unfavorable, may deprive us of market exclusivity or from marketing and selling a product altogether. In addition, bringing and defending these lawsuits is costly, and consequently we may decide to not bring or defend such suits and to abandon the products to which they relate. If we lose market exclusivity for or stop marketing a product, our business, financial condition, results of operations and cash flows could be adversely affected.

Delays in production could have a material adverse impact on our business.

Our principal pharmaceutical manufacturing facility located in Fajardo, Puerto Rico currently manufactures most of our women's healthcare oral dose products, including LOESTRIN 24 FE, FEMCON FE, ESTROSTEP FE and OVCON 50 oral contraceptives, and packages our delayed-release DORYX tablets, FEMHRT, FEMTRACE, OVCON 35 and DOVONEX and TACLONEX samples. Because the manufacture of pharmaceutical products requires precise and reliable controls, and due to significant compliance obligations imposed by laws and regulations, we may face delays in qualifying the Fajardo facility for the manufacture of new products or for our other products that are currently manufactured for us by third parties. In addition, natural disasters such as hurricanes, floods, fires and earthquakes could adversely impact the ability of our manufacturing facilities to supply products to us. Hurricanes are relatively common in Puerto Rico and the severity of such natural disasters is unpredictable.

In addition, certain of our pharmaceutical products are currently manufactured for us under contracts with third parties. Our contract manufacturers may not be able to manufacture our products without interruption and may not comply with their obligations under our various supply arrangements, and we may not have adequate remedies for any breach. Our contract manufacturers have occasionally been unable to meet all of our orders, which have led to the depletion of our safety stock and temporary shortages of trade supply and promotional samples.

Failure by our own manufacturing facility or any third party manufacturer (each a "Product Supplier") to comply with regulatory requirements could adversely affect their ability to supply products to us. All facilities and manufacturing techniques used for the manufacture of pharmaceutical products must be operated in conformity with cGMPs. In complying with cGMP requirements, Product Suppliers must continually expend time, money and effort in production, record-keeping and quality assurance and control to ensure that their products meet applicable specifications and other requirements for product safety, efficacy and quality. Manufacturing facilities are subject to periodic unannounced inspections by the FDA and other regulatory

authorities. Failure to comply with applicable legal requirements (including, in the case of our manufacturing facility located in Fajardo, certain obligations that we assumed in our purchase of the facility arising out of a consent decree entered into by the previous owner) subjects the Product Suppliers to possible legal or regulatory action, including shutdown, which may adversely affect their ability to supply us with product. In addition, adverse experiences with the use of products must be reported to the FDA and could result in the imposition of market restrictions through labeling changes or product removal.

The FDA must approve suppliers of certain active and inactive pharmaceutical ingredients and certain packaging materials used in our products as well as suppliers of finished products. The development and regulatory approval of our products are dependent upon our ability to procure these ingredients, packaging materials and finished products from FDA-approved sources. FDA approval of a new supplier would be required if, for example, active ingredients, packaging materials or finished products were no longer available from the initially approved supplier or if that supplier had its approval from the FDA withdrawn. The qualification of a new Product Supplier or a new supplier of product components could potentially delay the manufacture of the drug involved. Furthermore, we may not be able to obtain active ingredients, packaging materials or finished products from a new supplier on terms that are as favorable to us as those agreed with the initially approved supplier or at reasonable prices.

A delay in supplying, or failure to supply, products by any Product Supplier could result in our inability to meet the demand for our products, the loss of all or a portion of our market share with respect to such products, and adversely affect our revenues, financial condition, results of operations and cash flows.

Pricing pressures from third-party payors, including managed care organizations, government sponsored health systems and regulations relating to Medicare and Medicaid, healthcare reform, pharmaceutical reimbursement and pricing in general could decrease our revenues.

Our commercial success in producing, marketing and selling products depends, in part, on the availability of adequate reimbursement from third-party healthcare payors, such as managed care organizations and government bodies and agencies for the cost of the products and related treatment. The market for our products may be limited by actions of third-party payors.

Managed care organizations and other third-party payors try to negotiate the pricing of medical services and products to control their costs, including by developing formularies to encourage plan beneficiaries to utilize preferred products for which the plans have negotiated favorable terms. Exclusion of a product from a formulary, or placement of a product on a disfavored formulary tier, can lead to sharply reduced usage in the managed care organization patient population. If our products are not included within an adequate number of formularies or if adequate reimbursements are not provided, or if reimbursement policies increasingly favor generic products, our market share and business could be negatively affected.

Reforms in Medicare added an out-patient prescription drug reimbursement beginning in 2006 for all Medicare beneficiaries. The federal government and private plans contracting with the government to deliver the benefit, through their purchasing power under these programs, are demanding discounts from pharmaceutical companies that may implicitly create price controls on prescription drugs. These reforms may decrease our future revenues from products such as DOVONEX and TACLONEX that are covered by the Medicare drug benefit.

We also face pricing pressures and potential pricing pressures for our drug products reimbursed under the Medicaid program. Most states have established preferred drug lists ("PDLs") and require that manufacturers pay supplemental rebates to the states in order to be included in the PDL or to avoid being placed in a disfavored position on the state formulary.

Further, a number of other legislative and regulatory proposals aimed at changing the healthcare system have been proposed, including federal proposals to permit the U.S. government to use its purchasing power to negotiate further discounts from pharmaceutical companies under Medicare, and proposals to increase the rebates

we must pay to the states based on the utilization of our products under Medicaid. While we cannot predict whether any such proposals will be adopted or the effect such proposals may have on our business, the existence of such proposals, as well as the adoption of any proposal, may increase industry-wide pricing pressures, thereby adversely affecting our results of operations and cash flows.

Taxing authorities could reallocate our taxable income among our subsidiaries, which could increase our consolidated tax liability, and changes in tax laws and regulations could materially adversely affect our results of operations, financial position and cash flows.

We conduct operations world-wide through subsidiaries in various tax jurisdictions. Certain aspects of the transactions between our subsidiaries, including our transfer pricing (which is the pricing we use in the transfer of products and services among our subsidiaries) and our intercompany financing arrangements, could be challenged by applicable taxing authorities. While we believe both our transfer pricing and our intercompany financing arrangements are reasonable, either or both could be challenged by the applicable taxing authorities. Following any such challenge, our taxable income could be reallocated among our subsidiaries. Such reallocation could both increase our consolidated tax liability and adversely affect our financial condition, results of operations and cash flows.

In addition, our future operating results, financial position and cash flows could be materially adversely affected by changes in the application of tax principles, including tax rates, new tax laws, or revised interpretations of existing tax laws and precedents, which result in a shift of taxable earnings between tax jurisdictions.

Changes in market conditions, including lower than expected cash flows or revenues for our branded pharmaceutical products, may result in our inability to realize the value of these products, in which case we may have to record an impairment charge.

The pharmaceutical industry is characterized by rapid product development and technological change, and as a result, our pharmaceutical products could be rendered obsolete or their value may be significantly decreased by the development of new technology or new pharmaceutical products to treat the conditions currently addressed by our products, technological advances that reduce the cost of production or marketing or pricing actions by one or more of our competitors. Some of the companies we compete against have significantly greater resources than we do, and therefore, may be able to adapt more quickly to new or emerging technologies and changes in customer requirements, or devote greater resources to the promotion and sale of their products than we can. Our inability to compete successfully with respect to these or other factors may materially and adversely affect our cash flows or revenues, may result in our inability to realize the value of our branded pharmaceutical products, including products acquired from third parties, and may require us to record an impairment charge.

Recent legal and regulatory requirements could make it more difficult for us to obtain new or expanded approvals for our products, and could limit or make more burdensome our ability to commercialize our approved products.

The Food and Drug Administration Amendments Act of 2007 contains significant additional regulatory requirements affecting pharmaceutical manufacturers. With respect to the manufacturing of drugs, the legislation grants the FDA extensive additional authority to impose post-approval clinical study and clinical trial requirements, require safety-related changes to product labeling, review advertising aimed at consumers, and require the adoption of risk management plans, referred to in the legislation as risk evaluation and mitigation strategies ("REMS"). The REMS may include requirements for special labeling or medication guides for patients, special communication plans for healthcare professionals, and restrictions on distribution and use. For example, if the FDA were to make the requisite findings, it might require that a new product be prescribed only by physicians with certain specialized training, only in certain designated healthcare settings, or only in conjunction with special patient testing and monitoring.

The legislation also includes, among other new requirements, provisions requiring the disclosure to the public of certain information regarding ongoing clinical trials for drugs through a clinical trial registry and for disclosing clinical trial results to the public through a clinical trial database; renewed requirements for

conducting trials to generate information on the use of products in pediatric patients; and new penalties, for such acts as false or misleading consumer drug advertising. Other proposals have been made to impose additional requirements on drug approvals, further expand post-approval requirements, and restrict sales and promotional activities.

New requirements have also been imposed in some states, and proposed in other states, requiring us to provide paper or electronic pedigree information for the drugs that we distribute to help establish their authenticity and to track their movement from the manufacturer through the chain of distribution. These new federal and state requirements, and additional requirements that have been proposed and might be adopted, may make it more difficult or burdensome for us to obtain new or expanded approvals for our products, may be more restrictive or come with onerous post-approval requirements, may hinder our ability to commercialize approved products successfully, and may harm our business.

Delays and uncertainties in clinical trials or the government approval process for new products could result in lost market opportunities and hamper our ability to recoup costs associated with product development.

FDA approval is generally required before a prescription drug can be marketed. For innovative, or non-generic, new drugs, an FDA-approved NDA is required before the drugs may be marketed in the United States. The NDA must contain data to demonstrate that the drug is safe and effective for its intended uses, and that it will be manufactured to appropriate quality standards. The clinical trials required to obtain regulatory approvals can be complex and expensive, and their outcomes are uncertain. Positive results from pre-clinical studies and early clinical trials do not ensure positive results in later clinical trials that form the basis of an application for regulatory approval. Even where clinical trials are completed successfully, the FDA may determine that a product does not present an acceptable risk benefit profile, and may not approve an NDA or may only approve an NDA with significant restrictions or conditions. The drug development and approval process can be time-consuming and expensive without assurance that the data will be adequate to justify approval of proposed new products. If we are unable to obtain governmental approval for our NDAs, we will not be able to commercialize our products and recoup our R&D costs. Furthermore, even if we obtain regulatory approvals, the terms of any product approval, including labeling, may be more restrictive than desired and could affect the marketability of our products, and the approvals may be contingent upon burdensome post-approval study commitments. If we are unable to obtain timely product approvals on commercially viable terms, our profitability and business could suffer.

Changes in laws and regulations could adversely affect our results of operations, financial position or cash flows.

Our future operating results, financial position or cash flows could be adversely affected by changes in laws and regulations such as (i) changes in the FDA approval processes that may cause delays in, or limit or prevent the approval of, new products, (ii) new laws, regulations and judicial decisions affecting product marketing, promotion or the healthcare field generally and (iii) new laws or judicial decisions affecting intellectual property rights.

The perceived health effects of estrogen and combined estrogen-progestogen hormone therapy products may affect the acceptability and commercial success of our HT products.

ESTRACE Tablets, ESTRACE Cream, FEMRING and FEMTRACE are estrogen therapy products, and FEMHRT is a combined estrogen-progestogen therapy product. These HT products are used by women to alleviate symptoms associated with menopause. Recent studies have analyzed the health effects of estrogen therapy and estrogen-progestogen therapy products and the American College of Obstetricians and Gynecologists has recommended that consumers use these products in the lowest possible dose for the shortest possible duration. We believe the publicity surrounding some of these studies resulted in a significant industry-wide decrease in the number of prescriptions being written for estrogen therapy and estrogen-progestogen therapy products, including FEMHRT. The ultimate effect of these studies, and any further changes in labeling for our products, may further affect the acceptability of our products by patients, the willingness of physicians to prescribe our products for their patients or the duration of their therapy. In any such event, our overall rate of growth may be lower.

The loss of the services of members of our senior management team or scientific staff or the inability to attract and retain other highly qualified employees could impede our ability to meet our strategic objectives and adversely affect our business.

Our success is dependent on attracting and retaining highly qualified scientific, sales and management staff, including our Chief Executive Officer, Roger Boissonneault. We face intense competition for personnel from other companies, academic institutions, government entities and other organizations. The loss of key personnel, or our failure to attract and retain other highly qualified employees, may impede our ability to meet our strategic objectives.

Pursuant to our business strategy, we intend to develop proprietary product improvements as well as new products. This strategy may require us to hire additional employees with expertise in areas that relate to product development. We cannot fully anticipate or predict the time and extent to which we will need to hire this type of specialized personnel. We may not be successful in attracting and retaining the personnel necessary to pursue our business strategy fully. In addition, if competition continues to intensify, then our cost of attracting and retaining employees may escalate.

Product liability claims and product recalls could harm our business.

The development, manufacture, testing, marketing and sale of pharmaceutical products entail significant risk of product liability claims or recalls. Our products are, in the substantial majority of cases, designed to affect important bodily functions and processes. Unforeseen side-effects caused by, or manufacturing defects inherent in, the products sold by us could result in exacerbation of a patient's condition, further deterioration of the patient's condition or even death. The occurrence of such an event could result in product liability claims and/or the recall of one or more of our products. Claims may be brought by individuals seeking relief for themselves or, in certain jurisdictions, by groups seeking to represent a class. For example, approximately 699 product liability suits, including some with multiple plaintiffs, have been filed against, or tendered pursuant to acquisition agreements to, us in connection with the HT products FEMHRT, ESTRACE Tablets, ESTRACE Cream and medroxyprogesterone acetate. The lawsuits were likely triggered by the July 2002 and March 2004 announcements by the National Institutes of Health ("NIH") of the terminations of two large-scale randomized controlled clinical trials, which were part of the Women's Health Initiative ("WHI"), examining the long-term effect of HT on the prevention of coronary heart disease and osteoporotic fractures, and any associated risk for breast cancer in postmenopausal women. In the case of the trial terminated in 2002, which examined combined estrogen and progestogen therapy (the "E&P Arm of the WHI Study"), the safety monitoring board determined that the risks of long-term estrogen and progestogen therapy exceeded the benefits, when compared to a placebo. WHI investigators found that combined estrogen and progestogen therapy did not prevent heart disease in the study subjects and despite a decrease in the incidence of hip fracture and colorectal cancer, there was an increased risk of invasive breast cancer, coronary heart disease, stroke, blood clots and dementia. In the trial terminated in 2004, which examined estrogen therapy, the trial was ended one year early because the NIH did not believe that the results were likely to change in the time remaining in the trial and that the increased risk of stroke could not be justified by the additional data that could be collected in the remaining time. As in the E&P Arm of the WHI study, WHI investigators again found that estrogen only therapy did not prevent heart disease and although study subjects experienced fewer hip fractures and no increase in the incidence of breast cancer compared to subjects randomized to placebo, there was an increased incidence of stroke and blood clots in the legs. The estrogen used in the WHI Study was conjugated equine estrogen and the progestin was medroxyprogesterone acetate, the compounds found in Premarin® and Prempro™, products marketed by Wyeth. See "Note 18" to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report.

Product liability insurance coverage is expensive, can be difficult to obtain and may not be available in the future on acceptable terms, if at all. Our product liability insurance may not cover all the future liabilities we might incur in connection with the development, manufacture or sale of our products. In addition, we may not continue to be able to obtain insurance on satisfactory terms or in adequate amounts.

We currently maintain product liability insurance coverage for claims between $25 million and $75 million, above which we are self-insured. Our insurance may not apply to damages or defense costs related to the above mentioned HT claims, including any claim arising out of HT products with labeling that does not conform completely to FDA hormone replacement therapy communications to manufacturers of HT products. A successful claim or claims brought against us in connection with our HT product liability litigation or other matters that is in excess of available insurance coverage could subject us to significant liabilities and have a material adverse effect on our business, financial condition, results of operations and cash flows. Such claims could also harm our reputation and the reputation of our products, thereby adversely affecting our ability to market our products successfully. In addition, irrespective of the outcome of product liability claims, defending a lawsuit with respect to such claims could be costly and significantly divert management's attention from operating our business. Furthermore, we could be rendered insolvent if we do not have sufficient financial resources to satisfy any liability resulting from such a claim or to fund the legal defense of such a claim.

Product recalls may be issued at our discretion or at the discretion of certain of our suppliers, the FDA, other government agencies and other entities that have regulatory authority for pharmaceutical sales. From time to time, we have recalled some of our products; however, to date none of these recalls have been significant. Any recall of a significant product could materially adversely affect our business and profitability by rendering us unable to sell that product for some time.

Sales of our products may be adversely affected by the consolidation among wholesale drug distributors and the growth of large retail drug store chains.

The network through which we sell our products has undergone significant consolidation marked by mergers and acquisitions among wholesale distributors and the growth of large retail drugstore chains. As a result, a small number of large wholesale distributors control a significant share of the market, and the number of independent drug stores and small drugstore chains has decreased. For example, during the year ended December 31, 2007, CVS, a national retail drug store chain that previously accounted for over 10% of our net sales and accounts receivable, began purchasing through one of our existing wholesale customers. As a result of this change, our customer concentration was increased. Three large wholesale distributors accounted for an aggregate of 86% of our net revenues during the year ended December 31, 2008. In addition, excess inventory levels held by large distributors may lead to periodic and unanticipated future reductions in revenues and cash flows. Consolidation of drug wholesalers and retailers, as well as any increased pricing pressure that those entities face from their customers, including the U.S. government, may increase pricing pressure and place other competitive pressures on drug manufacturers, including us.

If we fail to comply with government regulations we could be subject to fines, sanctions and penalties that could adversely affect our ability to operate our business.

We are subject to regulation by national, regional, state and local agencies, including the FDA, the Drug Enforcement Administration, the Department of Justice, the FTC, the Office of the Inspector General of the U.S. Department of Health and Human Services and other regulatory bodies, as well as governmental authorities in those foreign countries in which we manufacture or distribute some of our products. The FDCA, the Public Health Service Act and other federal and state statutes and regulations govern to varying degrees the research, development, manufacturing and commercial activities relating to prescription pharmaceutical products, including pre-clinical and clinical testing, approval, production, labeling, sale, distribution, import, export, post-market surveillance, advertising, dissemination of information and promotion.

Our sales, marketing, research and other scientific/educational programs must also comply with the anti-kickback and fraud and abuse provisions of the Social Security Act, the False Claims Act, the privacy provisions of the Health Insurance Portability and Accountability Act, and similar state laws. Pricing and rebate programs must comply with the Medicaid drug rebate requirements of the Omnibus Budget Reconciliation Act of 1990 and

the Veterans Health Care Act of 1992. If products are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply.

All of these activities are also potentially subject to federal and state consumer protection and unfair competition laws. In addition, in recent years, several states in the U.S., including California, Massachusetts, Maine, Minnesota, Nevada, New Hampshire, New Mexico, Texas, Vermont and West Virginia, as well as the District of Columbia, have enacted legislation requiring pharmaceutical companies to establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, clinical trials and other activities, and/or register their sales representatives, as well as to prohibit pharmacies and other healthcare entities from providing certain physician prescribing data to pharmaceutical companies for use in sales and marketing. Similar legislation is being considered in other states and at the federal level in the U.S. Many of these requirements are new and their breadth and application is uncertain.

Non-compliance with these and other government regulations and other legal requirements may result in civil fines, criminal fines and prosecution, the recall of products, the total or partial suspension of manufacture and/or distribution, seizure of products, injunctions, whistleblower lawsuits, failure to obtain approval of pending product applications, withdrawal of existing product approvals, exclusion from participation in government healthcare programs and other sanctions. Any threatened or actual government enforcement action can also generate adverse publicity and require that we devote substantial resources that could be used productively on other aspects of our business. Any of these enforcement actions could affect our ability to commercially distribute our products and could materially and adversely affect our business, financial condition, results of operations and cash flows.

We may not be able to successfully identify, develop, acquire, license or market new products as part of growing our business.

In order to grow and achieve success in our business, we must continually identify, develop, acquire and license new products that we can ultimately market. Any future growth through new product acquisitions will be dependent upon the continued availability of suitable acquisition candidates at favorable prices and upon advantageous terms and conditions. Even if such opportunities are present, we may not be able to successfully identify products as candidates for potential acquisition, licensing, development or collaborative arrangements. Moreover, other companies, many of which may have substantially greater financial, marketing and sales resources, are competing with us for the right to acquire such products.

If an acquisition candidate is identified, the third parties with whom we seek to cooperate may not select us as a potential partner or we may not be able to enter into arrangements on commercially reasonable terms or at all. Furthermore, we do not know if we will be able to finance the acquisition or integrate an acquired product into our existing operations. The negotiation and completion of potential acquisitions could result in a significant diversion of management's time and resources and potentially disrupt our ongoing business. Future product acquisitions may result in the incurrence of debt and contingent liabilities and an increase in interest expense and amortization expenses, as well as significant charges relating to integration costs.

At each stage between developing or sourcing new products and marketing these products, there are a number of risks and uncertainties, and failure at any stage could have a material adverse effect on our ability to achieve commercial success with a product or to maintain or increase revenues, profits and cash flow. In addition, if we are unable to manage the challenges surrounding product development, acquisitions or the successful integration of acquisitions, it could have materially adverse effects on our business, financial condition, results of operations and cash flows.

Prescription drug importation from Canada and other countries could increase pricing pressure on certain of our products and could decrease our revenues and profit margins.

Under current U.S. law, U.S. individuals may import prescription drugs that are unavailable in the U.S. from Canada and other countries for their personal use under specified circumstances. Other imports, although illegal under U.S. law, also enter the country as a result of the resource constraints and enforcement priorities of the FDA and the U.S. Customs Service. The volume of prescription drug imports from Canada and elsewhere could increase due to a variety of factors, including the further spread of Internet pharmacies and actions by certain state and local governments to facilitate Canadian and other imports. These imports may harm our business.

We currently sell FEMHRT in Canada. In addition, ESTRACE Tablets, DOVONEX and TACLONEX (sold as "DOVOBET" in Canada) are sold in Canada by third parties. For the year ended December 31, 2008, DOVONEX, TACLONEX, FEMHRT and ESTRACE Tablets accounted for approximately 37% of our total revenues. Due to government price regulation in Canada and other countries, these products are generally sold in Canada and other countries for lower prices than in the U.S. As a result, if these drugs are imported into the U.S. from Canada or elsewhere, we may experience reduced revenue or profit margins.

We have a significant amount of intangible assets, which may never generate the returns we expect.

The Acquisition resulted in significant increases in identifiable intangible assets and goodwill. Identifiable intangible assets, which include trademarks and trade names, license agreements and patents acquired in acquisitions, were $993.8 million at December 31, 2008, representing approximately 38.5% of our total assets. Goodwill, which relates to the excess of cost over the fair value of the net assets of the businesses acquired, was $1,250.3 million at December 31, 2008, representing approximately 48.5% of our total assets. The majority of our intangible assets are owned by our Puerto Rican subsidiary.

Goodwill and identifiable intangible assets are recorded at fair value on the date of acquisition. Under Financial Accounting Standards Board ("FASB") Statement No. 142, goodwill is reviewed at least annually for impairment and definite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Future impairment may result from, among other things, deterioration in the performance of the acquired business or product line, adverse market conditions and changes in the competitive landscape, adverse changes in applicable laws or regulations, including changes that restrict the activities of the acquired business or product line, changes in accounting rules and regulations, and a variety of other circumstances. The amount of any impairment is recorded as a charge to the statement of operations. We may never realize the full value of our intangible assets. Any determination requiring the write-off of a significant portion of intangible assets may have an adverse effect on our financial condition and results of operations. For example, in connection with our annual review of intangible assets during the fourth quarter of 2008, we recorded a non-cash impairment charge of $163.3 million relating to our OVCON / FEMCON FE product family. See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" for details.

If we fail to comply with our reporting and payment obligations under the Medicaid rebate program or other governmental pricing programs, we could be subject to additional reimbursements, penalties, sanctions and fines which could have a material adverse effect on our business.

We participate in the federal Medicaid rebate program established by the Omnibus Budget Reconciliation Act of 1990, as well as several state supplemental rebate programs. Under the Medicaid rebate program, we pay a rebate to each state Medicaid program for our products that are reimbursed by those programs. The minimum amount of the rebate for each unit of product is set by law as 15.1% of the average manufacturer price ("AMP") of that product, or if it is greater, the difference between AMP and the best price available from us to any customer. The rebate amount also includes an inflation adjustment, if necessary.

As a manufacturer currently of single source, innovator multiple source and non-innovator multiple source products, rebate calculations vary among products and programs. The calculations are complex and, in certain

respects, subject to interpretation by us, governmental or regulatory agencies and the courts. The Medicaid rebate amount is computed each quarter based on our submission to Centers for Medicare and Medicaid Services at the U.S. Department of Health and Human Services of our current AMP and best price for each of our products. The terms of our participation in the program impose an obligation to correct the prices reported in previous quarters, as may be necessary. Any such corrections could result in an overage or underage in our rebate liability for past quarters, depending on the direction of the correction. In addition to retroactive rebates (and interest, if any), if we are found to have knowingly submitted false information to the government, the statute provides for civil monetary penalties in the amount of $0.1 million per item of false information. Governmental agencies may also make changes in program interpretations, requirements or conditions of participation, some of which may have implications for amounts previously estimated or paid.

Federal law requires that any company that participates in the Medicaid rebate program extend comparable discounts to qualified purchasers under the Public Health Services ("PHS") pharmaceutical pricing program. The PHS pricing program extends discounts comparable to the Medicaid rebates to a variety of community health clinics and other entities that receive health services grants from the PHS, as well as hospitals that serve a disproportionate share of economically disadvantaged patients.

Adverse outcomes in our outstanding litigation matters could negatively impact our business, results of operations, financial condition and cash flows.

Our financial condition could be negatively impacted by unfavorable results in our outstanding litigation matters, including those described in "Note 18" to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report, or in lawsuits that may be initiated in the future. These matters include intellectual property litigation and product liability litigation, any of which, if adversely decided, could negatively impact our business, results of operations, financial condition and cash flows.

Risks Related to our Indebtedness

We have a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business, remain in compliance with debt covenants and make payments on our indebtedness.

We have a significant amount of indebtedness. As of December 31, 2008, we had total indebtedness of $962.6 million.

Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness. Our substantial indebtedness, combined with our leases and other financial obligations and contractual commitments, could have other important consequences. For example, it could:

- make it more difficult for us and certain of our direct and indirect subsidiaries to satisfy our obligations with respect to our indebtedness and any failure to comply with the obligations of any of our debt instruments, including financial and other restrictive covenants, could result in an event of default under the agreements governing our indebtedness;
- make us more vulnerable to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;
- require us or our subsidiaries to dedicate a substantial portion of our or their cash flow from operations to payments on our indebtedness, thereby reducing the availability of cash flows to fund working capital, capital expenditures, acquisitions and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional amounts for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other purposes.

Any of the above listed factors could materially adversely affect our business, financial condition and results of operations. Furthermore, our interest expense could increase if interest rates increase because debt under our senior secured credit facility bears interest at our option at adjusted LIBOR plus an applicable margin or ABR plus an applicable margin. If we do not have sufficient earnings to service our debt, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or sell securities, none of which we can guarantee we will be able to do.

In addition, the agreements governing our indebtedness contain financial and other restrictive covenants that limit our subsidiaries' ability to engage in activities that may be in our long-term best interests. A failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations.

Our ability to pay interest and principal in respect of our indebtedness principally will depend upon our future operating performance. As a result, prevailing economic conditions and financial, business and other factors, many of which are beyond our control, will affect our ability to make these payments.

If we do not generate sufficient cash flow from operations to satisfy our debt service obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future debt instruments, including the senior secured credit facility and the indenture governing our outstanding Notes, may restrict us from adopting some of these alternatives. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance our obligations at all or on commercially reasonable terms, would have an adverse effect, which could be material, on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations in respect of our indebtedness.

The terms of our senior secured credit facility and the indenture governing our outstanding Notes restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions.

The senior secured credit facility and the indenture governing our outstanding Notes contain, and any future indebtedness of ours or our subsidiaries would likely contain, a number of restrictive covenants that impose significant operating and financial restrictions on certain of our direct and indirect subsidiaries, which may result in restrictions on their ability to engage in acts that may be in our best long-term interests. The senior secured credit facility includes financial covenants, including requirements that certain of our subsidiaries:

- maintain minimum interest coverage ratios; and
- not exceed maximum total leverage ratios.

The senior secured credit facility limits the ability of certain of our direct and indirect subsidiaries to make capital expenditures and, in certain circumstances, requires that they use a portion of excess cash flow and proceeds of certain asset sales that are not reinvested in their business and other dispositions to repay indebtedness under the senior secured credit facility.

The senior secured credit facility also includes covenants restricting, among other things, the ability of certain of our direct and indirect subsidiaries to:

- incur liens;
- incur or assume additional debt or guarantees or issue preferred stock;
- pay dividends, or make redemptions and repurchases, with respect to capital stock;
- prepay, or make redemptions and repurchases of, subordinated debt;
- make loans and investments;
- make capital expenditures;
- engage in mergers, acquisitions, asset sales, sale/leaseback transactions and transactions with affiliates;
- change business; and
- amend the terms of subordinated debt.

The indenture relating to our Notes also contains numerous covenants including, among other things, restrictions on certain of our direct and indirect subsidiaries' ability to:

- incur or guarantee additional indebtedness or issue disqualified or preferred stock;
- create liens;
- pay dividends or make other equity distributions;
- repurchase or redeem capital stock;
- make investments or other restricted payments;
- sell assets or consolidate or merge with or into other companies;
- create limitations on the ability of our restricted subsidiaries to make dividends or distributions; and
- engage in transactions with affiliates.

The operating and financial restrictions and covenants in these debt agreements and any future financing agreements may adversely affect our ability to finance future operations or capital needs or to engage in other business activities. A breach of any of the restrictive covenants in the senior secured credit facility would result in a default under the senior secured credit facility. If any such default occurs, the lenders under the senior secured credit facility may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable, or enforce their security interest, any of which would result in an event of default under the indenture relating to our Notes. The lenders will also have the right in these circumstances to terminate any commitments they have to provide further borrowings.

Risks Relating to Our Common Stock

Future sales of our shares could depress the market price of our common stock.

Sales of a substantial number of shares of our common stock, in the public market or otherwise, or the perception that such sales could occur, could adversely affect the market price of our common stock. As of December 31, 2008, we had approximately 250.8 million shares of our common stock outstanding. In September of 2006, we completed our IPO selling 70.6 million shares of common stock that are freely tradable without restriction or further registration under the Securities Act. Approximately 179.2 million of the remaining shares were granted to members of management or sold by us in private transactions to members of management, the Sponsors and certain institutional investors, and are eligible for public sale if registered under the Securities Act or sold in accordance with Rule 144 thereunder. The Sponsors have the right, subject to certain conditions, to cause us to register approximately 152.2 million of these shares.

We filed a registration statement on Form S-8 under the Securities Act to register up to approximately 9.3 million shares of our common stock for issuance under our 2005 Equity Incentive Plan (the "Equity Incentive Plan"). As awards under this plan are granted, vest and are exercised, subject to certain limitations under the management shareholders agreement, the shares issued on exercise generally will be available for sale in the open market by holders who are not our affiliates and, subject to the volume and other applicable limitations of Rule 144, by holders who are our affiliates. As of December 31, 2008, options to purchase approximately 4.1 million shares of our common stock were outstanding (of which options to acquire approximately 1.9 million shares of common stock were vested). In addition, as of December 31, 2008, approximately 3.7 million restricted shares were granted under the Equity Incentive Plan (of which approximately 3.1 million restricted shares were vested).

The market price of our common stock may be volatile, which could cause the value of your investment to decline significantly.

Securities markets worldwide experience significant price and volume fluctuations in response to general economic and market conditions and their effect on various industries. This market volatility could cause the price of our common stock to decline significantly and without regard to our operating performance. In addition, the market price of our common stock could decline significantly if our future operating results fail to meet or exceed the expectations of public market analysts and investors.

Some specific factors that may have a significant effect on our common stock market price include:

- actual or expected fluctuations in our operating results;
- actual or expected changes in our growth rates or our competitors' growth rates;
- conditions in our industry generally;
- conditions in the financial markets in general or changes in general economic conditions;
- our inability to raise additional capital;
- changes in market prices for our products; and
- changes in stock market analyst recommendations regarding our common stock, other comparable companies or our industry generally.

Provisions of our bye-laws could delay or prevent a takeover of us by a third party.

Our bye-laws could delay, defer or prevent a third party from acquiring us, despite the possible benefit to our stockholders, or otherwise adversely affect the price of our common stock. For example, our bye-laws:

- permit our board of directors to issue one or more series of preferred stock with rights and preferences designated by our board;
- impose advance notice requirements for stockholder proposals and nominations of directors to be considered at stockholder meetings;
- stagger the terms of our board of directors into three classes;
- limit the ability of stockholders to remove directors;
- prohibit stockholders from filling vacancies on our board of directors for so long as a quorum of directors exists; and
- require the approval of at least a majority of the voting power of the shares of our capital stock entitled to vote generally in the election of directors for stockholders to amend or repeal our bye-laws.

These provisions may discourage potential takeover attempts, discourage bids for our common stock at a premium over the market price or adversely affect the market price of, and the voting and other rights of the holders of, our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors other than the candidates nominated by our board.

Because our Sponsors own a majority of our outstanding common stock, if they act collectively, the influence of our public shareholders over significant corporate actions may be limited, and conflicts of interest between our Sponsors and us or you could arise in the future.

Our Sponsors collectively beneficially own approximately 61% of our outstanding common stock. As a result, if our Sponsors act collectively, they could exercise control over the composition of our board of directors and could control the vote of our common stock. If this were to occur, our Sponsors could have effective control over our decisions to enter into any corporate transaction and could have the ability to prevent any transaction that requires the approval of our stockholders regardless of whether or not other equity holders believe that any such transactions are in their own best interests. For example, if our Sponsors act collectively, they effectively could cause us to make acquisitions that increase our indebtedness or sell revenue-generating assets. Additionally, our Sponsors are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Our Sponsors may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. So long as our Sponsors continue to own a significant amount of our equity, even if such amount is less than 50%, and they exercise their shareholder rights collectively, they would continue to be able to significantly influence or effectively control our decisions.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our primary pharmaceutical manufacturing facility, which houses approximately 194,000 sq. ft. of manufacturing space, is located in Fajardo, Puerto Rico. Adjacent to the facility is an approximately 24,000 sq. ft. warehouse and a 102,000 sq. ft. parking lot, both of which we lease from third parties, as well as a 6.8 acre vacant lot which we purchased in March 2008. The Fajardo facility currently manufactures most of our women's healthcare oral dose products, including our LOESTRIN 24 FE, FEMCON FE, ESTROSTEP FE and OVCON 50 oral contraceptives, and packages delayed-release DORYX tablets, FEMHRT, FEMTRACE, OVCON 35 and DOVONEX and TACLONEX samples. For a discussion of our Fajardo facility, see Item 1. "Business—Manufacturing, Supply and Raw Materials."

We also own a 154,000 sq. ft. facility in Larne, Northern Ireland, 54,000 sq. ft. of which is leased to a third party. The remainder is dedicated to the manufacture of our vaginal rings, research and product development as well as development of analytical methods.

We lease approximately 67,000 sq. ft. of office space in Rockaway, New Jersey, where our U.S. operations are headquartered.

Item 3. Legal Proceedings.

See "Note 18" to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report.

Item 4. Submission of Matters to a Vote of Security Holders.

No matter was submitted to a vote of security holders of the Company during the fourth quarter of 2008.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock was listed on The NASDAQ Global Market under the symbol "WCRX" on September 21, 2006. The following table presents the high and low prices for our common stock on The NASDAQ Global Market during the periods indicated:

	High	Low
2008:		
First Quarter (ending March 31, 2008)	$18.07	$15.30
Second Quarter (ending June 30, 2008)	$18.46	$16.26
Third Quarter (ending September 30, 2008)	$18.37	$14.45
Fourth Quarter (ending December 31, 2008)	$15.72	$10.81
2007:		
First Quarter (ending March 31, 2007)	$15.38	$13.32
Second Quarter (ending June 30, 2007)	$18.95	$14.73
Third Quarter (ending September 30, 2007)	$20.02	$16.50
Fourth Quarter (ending December 31, 2007)	$19.55	$16.50

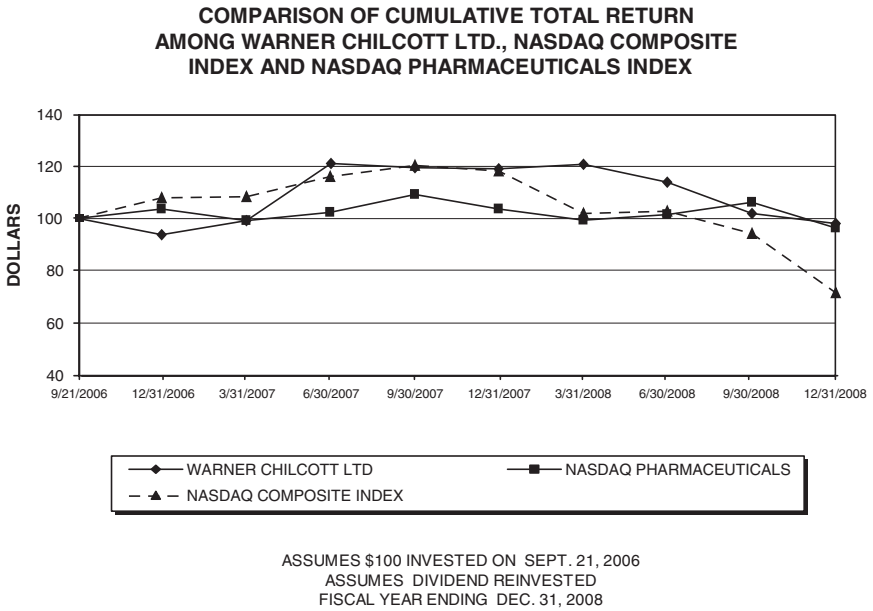
As of February 13, 2009, there were approximately 288 registered holders of record for our common stock and 251,263,008 shares outstanding. Because many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders. The closing price of our common stock on The NASDAQ Global Market on February 13, 2009, was $13.01.

During the years ended December 31, 2008 and 2007, respectively, we did not pay any cash dividends to our stockholders. We currently intend to retain future earnings to fund the development and growth of our business and, therefore, do not anticipate paying cash dividends within the foreseeable future. Any future payment of dividends will be determined by our Board and will depend on our consolidated financial position and results of operations and other factors deemed relevant by our Board.

In September 2006, we sold 70,600,000 of our Class A common shares in connection with the IPO.

Performance Graph

The following graph shows the value as of December 31, 2008 of a $100 investment in our common stock as if made on September 21, 2006, as compared with similar investments based on the value of (i) the NASDAQ Composite Index and (ii) the NASDAQ Pharmaceuticals Index in each case on a "total return" basis assuming reinvestment of dividends. The index values were calculated assuming an initial investment of $100 in such indexes on September 21, 2006. The stock performance shown below is not necessarily indicative of future performance.



Comparative values:

	Warner Chilcott Stock	NASDAQ Composite Index	NASDAQ Pharmaceuticals Index
On September 21, 2006	$100.00	$100.00	$100.00
On December 31, 2006	$ 92.44	$107.19	$102.91
On March 31, 2007	$ 99.06	$107.55	$ 99.27
On June 30, 2007	$121.00	$115.65	$101.62
On September 30, 2007	$118.86	$119.94	$108.31
On December 31, 2007	$118.60	$117.85	$102.89
On March 31, 2008	$120.40	$100.97	$ 98.54
On June 30, 2008	$113.38	$101.65	$100.70
On September 30, 2008	$101.14	$ 92.99	$105.38
On December 31, 2008	$ 96.99	$ 69.90	$ 95.16

Unregistered Sales of Securities

None.

Repurchases of Equity Securities During the Quarter Ended December 31, 2008

None.

Item 6. Selected Financial Data.

The following table sets forth our selected historical consolidated financial data. The years ended December 31, 2008, 2007, 2006 and 2005 are our first four years following the Acquisition. The data below for all 2004 periods reflects the consolidated financial data of the Predecessor. The financial statements relating to the year ended December 31, 2005 reflect the Acquisition as if the closing took place on January 1, 2005 and the operating results for the period January 1 through January 4, 2005 were ours. The four day period included only two business days and the impact on the results of operations for the year ended December 31, 2005 was not material. Our year ends on December 31 versus the Predecessor's fiscal year-end of September 30.

The selected consolidated financial data as of December 31, 2008 and 2007 and for the years ended December 31, 2008, 2007, and 2006 presented in this table have been derived from our audited consolidated financial statements and related notes included elsewhere in this Annual Report. The selected consolidated financial data as of December 31, 2006, 2005, 2004 and September 30, 2004, and for the year ended December 31, 2005, the quarter ended December 31, 2004 and the fiscal year ended September 30, 2004 presented in this table are derived from our audited consolidated financial statements and related notes which are not included in this Annual Report.

The selected consolidated financial data set forth below should be read in conjunction with, and is qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related Notes thereto included elsewhere in this Annual Report.

	Fiscal Year Ended September 30,	Transition Period Quarter Ended December 31,	Year Ended December 31,			
	Predecessor		Successor			
(dollars and share amounts in thousands, except per share amounts)	2004	2004	2005	2006	2007	2008
Statement of Operations Data:						
Total revenue(1)(2)	$ 490,248	$ 136,893	$ 515,253	$ 754,457	$ 899,561	$ 938,125
Costs and expenses:						
Cost of sales (excluding amortization and impairments)(3)	53,488	34,529	95,224	151,750	185,990	198,785
Selling, general and administrative(3)(4)	146,205	41,463	162,670	253,937	265,822	192,650
Research and development	26,558	4,608	58,636	26,818	54,510	49,956
Amortization of intangible assets(3)	52,374	21,636	233,473	253,425	228,330	223,913
Impairment of intangible assets (5)	—	—	38,876	—	—	163,316
Acquired in-process research and development(3)	—	—	280,700	—	—	—
Transaction costs(3)	—	50,973	35,975	—	—	—
Net interest expense(3)(4)	9,256	1,214	147,934	206,994	117,618	93,116
Accretion on preferred stock of subsidiary(4)(6)	—	—	31,533	26,190	—	—
Income / (loss) before taxes	202,367	(17,530)	(569,768)	(164,657)	47,291	16,389
Provision / (benefit) for income taxes	59,390	11,558	(13,122)	(11,147)	18,416	24,746
Income / (loss) from continuing operations	142,977	(29,088)	(556,646)	(153,510)	28,875	(8,357)
Discontinued operations, net of tax(7)	8,711	—	—	—	—	—
Net income / (loss)	$ 151,688	$ (29,088)	$ (556,646)	$ (153,510)	$ 28,875	$ (8,357)
Per Share Data(8):						
Earnings (loss) per share—basic						
Class A	—	—	$ (7.19)	$ (1.63)	$ 0.12	$ (0.03)
Class L	—	—	$ 7.35	$ 6.33	—	—
Earnings (loss) per share—diluted						
Class A	—	—	$ (7.19)	$ (1.63)	$ 0.12	$ (0.03)
Class L	—	—	$ 7.34	$ 6.33	—	—
Weighted average shares outstanding—basic						
Class A	—	—	88,311	133,897	248,916	249,807
Class L	—	—	10,642	10,280	—	—
Weighted average shares outstanding—diluted						
Class A	—	—	88,311	133,897	250,454	249,807
Class L	—	—	10,668	10,282	—	—
Balance Sheet Data (at period end):						
Cash and cash equivalents	$ 186,251	$ 229,565	$ 11,502	$ 84,464	$ 30,776	$ 35,906
Total assets(3)(5)(9)	1,419,295	1,454,243	3,041,877	3,162,545	2,884,974	2,578,925
Total long-term debt(3)(4)(9)	191,701	192,199	1,989,500	1,550,750	1,200,239	962,557
Preferred stock in subsidiary(4)(6)	—	—	435,925	—	—	—
Shareholders' equity(4)(6)	1,126,640	1,104,087	332,510	1,328,232	1,354,420	1,349,920

(1) The increase in product revenues is, in part, attributable to product acquisitions and internally developed products.

(2) In March 2004, we sold the U.S. and Canadian rights to our then-marketed LOESTRIN products to a unit of what is today Teva. Following this sale, we continued to earn revenue from supplying LOESTRIN under a supply agreement. Our total revenue for fiscal year 2004 excluding revenue attributable to LOESTRIN product sales, was $464.0 million.

(3) Completing the Acquisition affected our financial condition, results of operations and cash flows in the following ways:

a. In the quarter ended December 31, 2004, we incurred $51.0 million of transaction costs and $3.7 million of incremental selling, general and administrative ("SG&A") expenses directly related to the closing of the Acquisition; and

b. During the year ended December 31, 2005 we completed the Acquisition for total consideration of $3,152.1 million, which was funded by approximately $1,282.8 million of equity contributions, $1,420.0 million of senior secured debt (including $20.0 million borrowed under the revolving credit facility at the time of the Acquisition), $600.0 million aggregate principal amount of the Notes and cash on hand. We recorded adjustments to the fair value of our assets and liabilities as of the date of the Acquisition including a significant increase to intangible assets and goodwill. During 2005, the following items were included in our operating results:

- a charge of $22.4 million in cost of sales representing the write-off of the purchase price allocated to the fair value of our opening inventory,
- $7.8 million of incremental SG&A expenses directly related to the closing of the Acquisition,
- $4.9 million in SG&A expenses for the management fee to our Sponsors,
- increased amortization expense resulting from the write-up of our identified intangible assets,
- a $280.7 million write-off of acquired in-process research and development,
- $36.0 million of transaction costs, and
- increased interest expense from the indebtedness we incurred to complete the Acquisition.

(4) Our IPO affected our results of operations, financial condition and cash flows as follows:

- for the year ended December 31, 2006, SG&A expenses included $42.1 million of costs directly related to the IPO,
- interest expense decreased due to the reduction of our outstanding debt using a portion of the proceeds from the IPO,
- all of the Preferred Shares were either converted to Class A common shares or redeemed for cash at the time of the IPO,
- all Class L common shares were converted into Class A common shares at the time of the IPO, and
- shareholders' equity increased $1,070.0 million.

(5) During the quarter ended December 31, 2008 we recorded a non-cash impairment charge related to the OVCON/FEMCON product family intangible asset as our forecast of future cash flows declined compared to prior forecasts.

(6) Our wholly-owned subsidiary, Warner Chilcott Holdings Company II, Limited, issued 404,439 Preferred Shares in connection with the Transactions. The Preferred Shares were entitled to cumulative preferential dividends at an accretion rate of 8% per annum, compounded quarterly.

(7) In April 2004, we sold our U.K. Pharmaceutical Sales and Marketing business. In May 2004, we sold our U.K.-based sterile solutions business. The discontinued operations for fiscal year 2004 included a gain on disposal of $5.4 million, net of a tax charge of $11.8 million on the sale of our Pharmaceutical Development and Manufacturing Services business, our U.K. Pharmaceutical Sales and Marketing business and our U.K.-based sterile solutions business.

(8) We purchased all outstanding shares of the Predecessor as part of the Acquisition, making the Predecessor's earnings per share not comparable to our earnings per share. We were in a net loss position for the years ended December 31, 2008, 2006 and 2005. The effect from the exercise of outstanding stock options and the vesting of restricted shares during the periods would have been anti-dilutive. Accordingly, the effect of the shares issuable upon exercise of such stock options and the restricted shares have not been included in the calculation of diluted earnings per share for the years ended December 31, 2008, 2006 and 2005. The December 31, 2006 earnings per share of the Class L common shares is calculated through September 30, 2006, as there were no Class L common shares outstanding during the fourth quarter of 2006. There were no outstanding Class L common shares outstanding during the years ended December 31, 2008 and 2007.

(9) During the year ended December 31, 2006 we completed the acquisition of the U.S. sales and marketing rights to DOVONEX for $205.2 million and paid the final milestone payment for TACLONEX ointment of $40.0 million. We borrowed $240.0 million in connection with these transactions and recorded $238.5 million in intangible assets.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion together with Part II, Item 6. "Selected Financial Data" and our Consolidated Financial Statements and the related Notes included elsewhere in this Annual Report. This discussion and analysis contains forward-looking statements, which involve risks and uncertainties. Our actual results may differ materially from those we currently anticipate as a result of many factors, including the factors we describe under Item 1A. "Risk Factors" and elsewhere in this Annual Report.

Unless otherwise noted or the context otherwise requires, references in this prospectus to "Warner Chilcott," "the Company," "our company," "we," "us" or "our" for periods after the Acquisition Date refer to the operations of Warner Chilcott Limited and for periods prior to the Acquisition Date refer to the historical operations of the Predecessor.

Overview

We are a leading specialty pharmaceutical company currently focused on the women's healthcare and dermatology segments of the U.S. pharmaceutical market. We are a fully integrated company with internal resources dedicated to the development, manufacturing and promotion of our products. Our diversified portfolio of branded products has enabled us to establish strong franchises in women's healthcare and dermatology which we promote through our marketing techniques and specialty sales forces. We believe that our proven product development capabilities, coupled with our ability to execute acquisitions and in-licensing transactions and develop partnerships, will enable us to sustain and grow these franchises. We are a Bermuda company, with operations through our wholly-owned subsidiaries in the U.S., Puerto Rico, the Republic of Ireland and Northern Ireland.

In September 2006, we completed our IPO and sold 70,600,000 of our Class A common shares. Also see discussion in "Operating results for the years ended December 31, 2007 and 2006".

Factors Affecting Our Results of Operations

Revenue

We generate two types of revenue: revenue from product sales (including contract manufacturing) and other revenue which currently includes royalty revenue.

Net Sales

We promote a portfolio of branded prescription pharmaceutical products currently focused on the women's healthcare and dermatology segments of the U.S. pharmaceutical market. To generate demand for our products, our sales representatives make face-to-face promotional and educational presentations to physicians who are potential prescribers of our products to their patients. By informing these physicians of the attributes of our products, we generate demand for our products with physicians, who then write prescriptions for their patients, who in turn go to the pharmacy where the prescription is filled. Pharmacies buy our products either through wholesale pharmaceutical distributors or directly from us (for example, retail drug store chains). We recognize revenue when title passes to our customers, generally free on board ("FOB"), destination, net of sales-related deductions.

When our unit sales to customers in any period exceeds consumer demand (as measured by filled prescriptions in units), our sales in excess of demand must be absorbed before our customers begin to order again. We refer to the estimated amount of inventory held by our customers and pharmacies that purchase our product from our direct customers, generally measured in the number of days of demand on hand, as "pipeline inventory". Pipeline inventories expand and contract in the normal course of business. When comparing reported product sales between periods, it is important to consider whether estimated pipeline inventories increased or decreased during each period.

We generate our revenue primarily from the sale of branded pharmaceutical products in the United States ("U.S."), including our oral contraceptives (LOESTRIN 24 FE, FEMCON FE, ESTROSTEP FE, and OVCON), our HT products (primarily ESTRACE Cream, FEMHRT, and FEMRING), our oral antibiotic for the adjunctive treatment of severe acne (DORYX), our psoriasis products (TACLONEX and DOVONEX) and our treatment for premenstrual dysphoric disorder (SARAFEM). Our revenue from sales of these products consists primarily of sales invoiced less returns and other sales-related deductions. In addition to the products listed above, the Company earns revenues from the sale of generic products, including TILIA™ FE (a generic version of ESTROSTEP FE) and ZENCHENT (a generic version of OVCON 35) under profit-sharing supply and distribution agreements with Watson. We also recognize revenue on a generic version of DOVONEX Solution under a profit-sharing supply and distribution agreement with Hi-Tech. The revenue we earn under these agreements is included with our related branded product revenue for financial reporting purposes.

Included in net sales are amounts earned under contract manufacturing agreements. These activities are by-products of our May 2004 acquisition of the Fajardo, Puerto Rico manufacturing facility from a subsidiary of Pfizer and the March 2004 sale of rights to two LOESTRIN products to a unit of Teva (then Barr). In connection with these transactions, we agreed to manufacture certain products for Pfizer and Teva (then Barr) for specified periods. Contract manufacturing is not an area of strategic focus for us as these contracts produce profit margins significantly below the margins realized on sales of our branded products. We have phased out the manufacturing of all but one of the Pfizer products (the supply agreement for the production of Dilantin® was extended for three years effective July 31, 2006, subject to two one-year renewals at Pfizer's option). We continue to manufacture Dilantin® for Teva.

Changes in revenue from sales of our products from period to period are affected by factors that include the following:

- changes in the level of competition faced by our products, including the launch of new products by competitors and the introduction of generic equivalent products;
- changes in the level of promotional or marketing support for our products and the size of our sales forces;
- expansion or contraction of the levels of pipeline inventories of our products held by our customers;
- changes in the regulatory environment;
- our ability to successfully develop or acquire and launch new proprietary products;
- changes in the level of demand for our products, including changes based on general economic conditions in the U.S. economy;
- long-term growth of our core therapeutic markets, currently women's healthcare and dermatology;
- price increases, which are common in the branded pharmaceutical industry and for the purposes of our period-over-period comparisons, reflect the average gross selling price billed to our customers before any sales-related deductions; and
- changes in the levels of sales related deductions.

Other Revenue

Beginning in the fourth quarter of 2006, the Company began to generate revenue related to licensing rights to sell products using the Company's patents to third parties as a component of other revenue.

Cost of Sales (excluding amortization and impairment of intangible assets)

We currently contract with third parties to manufacture certain of our products, although we now manufacture most of our women's healthcare oral dose products in our facility in Fajardo, Puerto Rico. We also have supply contracts with our third-party development partners, such as LEO Pharma (DOVONEX and TACLONEX), CPL (ESTRACE CREAM) and Mayne (DORYX). Our supply agreements with these third-party manufacturers and development partners may include minimum purchase requirements and may provide that the price we pay for the products we sell can be increased based on factors outside of our control such as inflation, increases in costs or other factors.

For products that we manufacture and package (as of December 31, 2008, LOESTRIN 24 FE, FEMCON FE, ESTROSTEP FE, OVCON 50 and FEMRING), our direct material costs include the costs of purchasing raw materials and packaging materials. For products that we only package (as of December 31, 2008, DORYX, FEMHRT, FEMTRACE, OVCON 35 and DOVONEX and TACLONEX samples), our direct material costs include the costs of purchasing packaging materials. Direct labor costs for these products consist of payroll costs (including benefits) of employees engaged in production, packaging and quality control in our manufacturing plants in Fajardo, Puerto Rico and Larne, Northern Ireland. The largely fixed indirect costs of our manufacturing plants consist of production, overhead and certain laboratory costs. We do not include amortization or impairments of intangible assets as components of cost of sales.

A significant factor that influences the cost of sales, as a percentage of product net sales, is the terms of our supply agreements with our third party manufacturers. As of September 2005 and January 2006, we became the exclusive licensee of the U.S. sales and marketing rights to TACLONEX and DOVONEX, respectively, under agreements with LEO Pharma. We are obligated to pay LEO Pharma specified supply fees and royalties based on a percentage of our net sales (as calculated under the terms of the agreements). In addition, with respect to DOVONEX, we were obligated to pay Bristol-Myers a royalty of 5% of net sales through December 31, 2007.

SG&A Expenses

SG&A expenses are comprised of selling and distribution expenses, advertising and promotion expenses ("A&P") and general and administrative expenses ("G&A"). Selling and distribution and A&P expenses consist of all expenditures incurred in connection with the sales and marketing of our products, including warehousing costs. The major items included in selling and distribution and A&P expenses are:

- costs associated with employees in the field sales forces, sales force management and marketing departments, including salaries, benefits and incentive bonuses;
- promotional and advertising costs, including samples, medical education programs and direct-to-consumer campaigns; and
- distribution and warehousing costs reflecting the transportation and storage associated with transferring products from our manufacturing facilities to our distribution contractors and on to our customers.

Changes in selling and distribution and A&P expenses, as a percentage of our revenue, may be affected by a number of factors, including:

- changes in sales volumes, as higher sales volumes enable us to spread the fixed portion of our selling and A&P expenses over higher sales;
- changes in the mix of products we promote, as some products (such as those in launch phase, for example) require more intensive promotion than others; and
- changes in the size and configuration of our sales forces, such as when we establish a sales force to market a new product or expand or reduce our sales forces.

G&A expenses consist of management salaries, benefits, incentive compensation, rent, legal and professional fees and miscellaneous administration and overhead costs.

R&D

Our R&D expenses are comprised mainly of development costs. These development costs are typically associated with:

- developing improvements to our existing products, including new dosage forms;
- developing new products based on compounds which have been previously shown to be safe and effective; and
- supporting and conducting clinical trials and subsequent registration of products we develop internally or license from third parties.

In addition, we have certain projects that focus on earlier stage exploratory research. R&D costs also include payments to third-party licensors when products that we have licensed reach contractually-defined milestones. Milestone payments are recognized as expenses, unless they meet the criteria of an intangible asset, in which case they are capitalized and amortized over their useful lives.

The aggregate level of our R&D expense in any period is related to the number of products in development and the stage of their development process. Development costs for any particular product may increase progressively during the development process, with Phase III clinical trials generally accounting for a significant part of the total development costs of a product.

Depreciation and Amortization

Depreciation costs relate to the depreciation of property, plant and equipment and are included in our statement of operations, primarily in cost of sales and G&A expenses. Depreciation is calculated on a straight-line basis over the expected useful life of each class of asset. No depreciation is charged on land.

Amortization costs relate to the amortization of identified definite-lived intangible assets, which consists primarily of intellectual property rights. Amortization is calculated on either an accelerated or a straight-line basis over the expected useful life of the asset, with identifiable assets assessed individually or by product family. Patents and other intellectual property rights are amortized over periods not exceeding 15 years. We periodically review the amortization schedules for intangible assets to ensure that the methods employed and the amortization rates being used are consistent with our then current forecasts of future product cash flows. Where appropriate, we make adjustments to the remaining amortization to better match the expected benefit of the asset.

Interest Income and Interest Expense ("Net interest expense")

Interest income consists primarily of interest income earned on our cash balances. Interest (expense) consists primarily of interest on outstanding indebtedness, amortization of deferred financing costs and the write-off of deferred financing costs associated with the early prepayment of debt.

Provision / (Benefit) for Income Taxes

Provision / (benefit) for income taxes consist of a current corporate tax expense, deferred tax expense and any other accrued tax expense. In addition, interest and penalties accrued on our FIN48 reserves are included as a component of our provision / (benefit) for income taxes. We are a Bermuda holding company with operating subsidiaries in the U.S., Puerto Rico, the UK and the Republic of Ireland. We have a tax agreement with the Puerto Rican tax authorities whereby our earnings in Puerto Rico, which are a large component of our overall earnings, are subject to a 2% income tax for a period of 15 years expiring in 2019. See "Note 15" to the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further discussion of Income Taxes.

2008 Significant Events

The following are certain significant events that occurred during the year ended December 31, 2008:

- In February 2008, our U.S. operating entities entered into an Advanced Pricing Agreement ("APA") with the Internal Revenue Service ("IRS") covering the calendar years 2006 through 2010. In addition, in 2008 the IRS concluded its audits of our U.S. tax returns for the periods ending September 30, 2003, September 30, 2004 and January 17, 2005;
- In April 2008, we reached an agreement to settle for $16.5 million, the class action securities lawsuit brought against us in connection with our IPO. The majority of the settlement was funded by insurance proceeds and the settlement did not have a material impact on our consolidated financial statements;
- In May 2008, Hi-Tech began commercial sales under a distribution and supply agreement with us pursuant to which we agreed to supply, and it agreed to market, sell and distribute in the U.S, an authorized generic version of our DOVONEX Solution;
- In May 2008, the FDA approved LEO Pharma's NDA for our TACLONEX scalp product. As a result, in June 2008, we paid a $40.0 million milestone payment (which was recorded as an intangible asset) to LEO Pharma and began commercial sales of the product;
- In June 2008, the FDA approved a 150 mg strength of DORYX ("DORYX 150mg") and we began commercial sales of the product in the third quarter of 2008;
- In December 2008, we signed an agreement with Dong-A, to develop and market their orally-administered udenafil product, a PDE5 inhibitor for the treatment of ED in the U.S.;
- In December 2008, we entered into a settlement and license agreement with Barr, which was subsequently acquired by Teva, to resolve the pending patent litigation involving FEMCON FE;
- During 2008, we made optional prepayments aggregating $220.0 million of our term loan indebtedness under our senior secured credit facility and also purchased and retired $10.0 million aggregate principal amount of our Notes, at a discount, in privately negotiated open market transactions;
- In connection with our annual review of intangible assets, in the fourth quarter of 2008 we recorded a non-cash impairment charge of $163.3 million relating to the identified intangible assets associated with the OVCON/FEMCON FE product family; and
- Our revenue for the year ended December 31, 2008 was $938.1 million and our net (loss) was $(8.4) million.

Operating Results for the years ended December 31, 2008 and 2007

Revenue

The following table sets forth our revenue for the years ended December 31, 2008 and 2007, with the corresponding dollar and percentage change:

(dollars in millions)	Year Ended December 31, 2008	Year Ended December 31, 2007	Increase (decrease) Dollars	Increase (decrease) Percent
Oral Contraceptives				
LOESTRIN 24 FE	$197.2	$148.9	$ 48.3	32.4%
FEMCON FE	45.8	32.4	13.4	41.5%
ESTROSTEP FE*	20.8	70.2	(49.4)	(70.3)%
OVCON 35/50 ("OVCON")*	12.9	15.5	(2.6)	(16.7)%
Total	$276.7	$267.0	$ 9.7	3.7%
Hormone Therapy ("HT")				
ESTRACE Cream	$ 83.8	$ 73.1	$ 10.7	14.7%
FEMHRT	61.5	63.7	(2.2)	(3.4)%
FEMRING	14.2	15.5	(1.3)	(8.2)%
Other HT products	11.7	13.5	(1.8)	(13.3)%
Total	$171.2	$165.8	$ 5.4	3.3%
Dermatology				
DORYX	$158.9	$115.8	$ 43.1	37.3%
TACLONEX	153.3	127.2	26.1	20.6%
DOVONEX*	123.3	145.3	(22.0)	(15.1)%
Total	$435.5	$388.3	$ 47.2	12.2%
PMDD				
SARAFEM	$ 16.9	$ 37.7	$(20.8)	(55.1)%
Other Product Net Sales				
Other	—	3.7	(3.7)	(100.0)%
Contract manufacturing	18.7	25.7	(7.0)	(27.3)%
Total Product Net Sales	$919.0	$888.2	$ 30.8	3.5%
Other Revenue				
Royalty revenue	19.1	11.4	7.7	68.3%
Total Revenue	$938.1	$899.6	$ 38.5	4.3%

* Includes revenue from related authorized generic product sales from the date of their respective launch.

Revenue in the year ended December 31, 2008 totaled $938.1 million, an increase of $38.5 million, or 4.3%, over the year ended December 31, 2007. The primary drivers of the increase in revenue were the net sales of our promoted products LOESTRIN 24 FE, DORYX, TACLONEX and FEMCON FE, which together contributed $130.9 million of revenue growth for the year ended December 31, 2008 compared to the prior year. The growth delivered by these products was offset primarily by significant declines in ESTROSTEP FE and SARAFEM net sales due to generic competition and declines in DOVONEX net sales. Changes in the net sales of our products are a function of a number of factors including changes in: market demand, gross selling prices, sales-related deductions from gross sales to arrive at net sales and the levels of pipeline inventories of our products. We use IMS estimates of filled prescriptions for our products as a proxy for market demand.

Net sales of our oral contraceptive products increased $9.7 million, or 3.7%, in the year ended December 31, 2008, compared with the prior year. LOESTRIN 24 FE generated revenues of $197.2 million in the year ended

December 31, 2008, an increase of 32.4%, compared with $148.9 million in the prior year. The increase in LOESTRIN 24 FE net sales was primarily due to an increase in filled prescriptions of 28.8% in the year ended December 31, 2008, and to a lesser extent, higher average selling prices compared to the prior year. FEMCON FE generated revenues of $45.8 million in the year ended December 31, 2008, compared to $32.4 million in the prior year. The increase in FEMCON FE net sales in the year ended December 31, 2008 was primarily due to an increase in filled prescriptions of 58.2% versus the prior year, offset partially by the impact of higher sales-related deductions in the year ending December 31, 2008. ESTROSTEP FE net sales decreased $49.4 million, or 70.3%, in the year ended December 31, 2008, as compared to the prior year. The decrease in ESTROSTEP FE net sales was primarily due to an 80.2% decline in filled prescriptions in the year ended December 31, 2008, compared to the prior year, as a result of generic versions of ESTROSTEP FE being introduced in the fourth quarter of 2007, including our authorized generic Tilia™ FE.

Net sales of our dermatology products increased $47.2 million, or 12.2%, in the year ended December 31, 2008, as compared to the prior year. Net sales of DORYX increased $43.1 million, or 37.3%, in the year ended December 31, 2008, compared to the prior year, primarily due to the launch of DORYX 150 mg in the third quarter of 2008, as well as higher average selling prices and a 10.7% increase in total DORYX filled prescriptions. In addition, we believe the average economic value of a DORYX 150 mg prescription is roughly one-third higher than that of a DORYX 100 mg prescription. Net sales of TACLONEX increased $26.1 million, or 20.6%, to $153.3 million in the year ended December 31, 2008, compared to $127.2 million in the prior year. The increase in net sales was primarily due to increases in filled prescriptions, measured on a per-gram basis, and higher average selling prices in the year ended December 31, 2008, compared to the prior year. The introduction of our TACLONEX scalp product in June 2008 also contributed to the increase compared to the prior year. We believe the increases in filled prescriptions for TACLONEX are not fully reflective of the increases in demand for the product during these periods. In August 2007, we began offering TACLONEX in 100 gram tubes, in addition to our original 60 gram tubes, resulting in an increase in the average grams per filled TACLONEX prescription during the year ended December 31, 2008 compared with the prior year. Net sales of DOVONEX decreased $22.0 million, or 15.1%, in the year ended December 31, 2008 as compared to the prior year. The decline in DOVONEX net sales in the year ended December 31, 2008 was due primarily to a decrease in filled prescriptions of 23.3%, and, to a lesser extent, increases in sales-related deductions during the 2008 period, which were partially offset by higher average selling prices. The decline in filled prescriptions was due primarily to the introduction of generic versions of DOVONEX Solution into the market in the second quarter of 2008, including our authorized generic product, and also due to customers switching to other therapies. We expect DOVONEX net sales to continue to decline due to competition from other therapies and generic competition, specifically relating to DOVONEX Solution.

Net sales of our hormone therapy products increased $5.4 million, or 3.3%, in the year ended December 31, 2008 as compared to the prior year. Net sales of ESTRACE Cream increased $10.7 million, or 14.7%, in the year ended December 31, 2008, compared to the prior year, primarily due to higher average selling prices, and an increase in filled prescriptions of 2.0%, offset in part by a contraction of pipeline inventories relative to the prior year. Net sales of FEMHRT decreased $2.2 million, or 3.4%, in the year ended December 31, 2008, compared to the prior year. The decline in FEMHRT net sales was due primarily to a decrease in filled prescriptions of 14.1% as well as higher sales-related deductions for the year ended December 31, 2008, offset partially by higher average selling prices as compared with the prior year. Generic competition may negatively impact net sales of FEMHRT beginning as early as November 2009.

Net sales of SARAFEM, our product used to treat symptoms of pre-menstrual dysphoric disorder ("PMDD"), decreased $20.8 million, or 55.1%, in the year ended Decembers 31, 2008, compared with the prior year. The decrease in net sales was due primarily to a decline in filled prescriptions of 51.7% in the year ended December 31, 2008 compared to the prior year. During the first half of 2008 we discontinued sales of SARAFEM Capsules and commenced sales of SARAFEM Tablets. Generic versions of SARAFEM Capsules were introduced in May 2008 and negatively impacted our SARAFEM net sales. We expect generic competition to continue to have an adverse impact on our SARAFEM net sales in the future.

Our other product net sales declined in the year ended December 31, 2008 due to a recall of certain non-core products manufactured by a third party. As a result of the recall, our other product net sales during the year ended December 31, 2008 were negatively impacted due to contra-sales related accruals for the product recalls. We do not expect this product recall to materially affect our operating results in future periods. Our contract manufacturing revenues relate to certain products which we manufacture for third parties. Additionally, in the year ended December 31, 2008, we generated $19.1 million of revenue which consisted of royalties earned on the net sales of an oral contraceptive product sold by a third party under a license relating to one of our patents, as compared to $11.4 million in the prior year.

Cost of Sales (excluding Amortization and Impairment of Intangible Assets)

The table below shows the calculation of cost of sales and cost of sales percentage for the years ended December 31, 2008 and 2007:

(dollars in millions)	Year Ended December 31, 2008	Year Ended December 31, 2007	$ Change	Percent Change
Product net sales	$919.0	$888.2	$30.8	3.5%
Cost of sales (excluding amortization)	198.8	186.0	12.8	6.9%
Cost of sales percentage	21.6%	20.9%		

Cost of sales increased $12.8 million in the year ended December 31, 2008 compared with the prior year, due in part to the 3.5% increase in product net sales. Our cost of sales, as a percentage of product net sales, increased from 20.9% in the year ended December 31, 2007 to 21.6% in the year ended December 31, 2008. Our cost of sales increased due to higher expenses relating to inventory reserves totaling $14.7 million in the year ended December 31, 2008 as compared to $10.9 million in the year ended December 31, 2007. Also contributing to the increase in the current year were higher costs relative to the prior year, partially offset by the absence of a 5% royalty on our net sales of DOVONEX which we were required to pay in the prior year under a contract with Bristol-Myers that terminated on December 31, 2007.

SG&A Expenses

The Company's SG&A expenses were comprised of the following for the years ended December 31, 2008 and 2007:

(dollars in millions)	Year Ended December 31, 2008	Year Ended December 31, 2007	$ Change	Percent Change
A&P	$ 47.3	$ 81.0	$(33.7)	(41.7)%
Selling and Distribution	90.0	89.5	0.5	0.5%
G&A	55.4	95.3	(39.9)	(41.8)%
Total	$192.7	$265.8	$(73.1)	(27.5)%

SG&A expenses for the year ended December 31, 2008 were $192.7 million, a decrease of $73.1 million, or 27.5%, compared to the prior year. A&P expenses for the year ended December 31, 2008 decreased $33.7 million, or 41.7%, versus the prior year, primarily due to a $25.4 million decrease in direct-to-consumer advertising in the year ended December 31, 2008, as well as a decrease in other promotional spending. Selling and distribution expenses for the year ended December 31, 2008 increased $0.5 million, or 0.5%, over the prior year. The increase in selling and distribution expenses was primarily due to normal inflationary increases in compensation costs offset by the impact of a lower average headcount within our sales forces during the year ended December 31, 2008 as compared to the prior year. G&A expenses in the year ended December 31, 2008

decreased $39.9 million, or 41.8%, as compared to the prior year. The year ended December 31, 2007 included a $26.5 million expense, related to the settlement of a class action lawsuit in connection with the Company's OVCON 35 litigation. Outside legal fees (excluding litigation settlements) in the year ended December 31, 2008 decreased by $11.8 million compared with the prior year, primarily as a result of the timing of our litigation settlements.

R&D

Our investment in R&D for the year ended December 31, 2008 was $50.0 million, a decrease of $4.5 million, or 8.4%, compared with the prior year. Included in the year ended December 31, 2008 was a $2.0 million upfront payment to Dong-A to acquire certain rights to its orally-administered udenafil product, a PDE5 inhibitor for the treatment of ED. R&D expense for the year ended December 31, 2007 included a $4.0 million upfront payment to Paratek to acquire certain rights to novel tetracyclines for the treatment of acne and rosacea. Also included in the year ended December 31, 2007 was a $10.0 million milestone payment to LEO Pharma, which was triggered by the FDA's acceptance of LEO Pharma's NDA submission for a TACLONEX scalp product. Excluding these one time payments in both periods, R&D expense increased $7.5 million, or 18.4%, in the year ended December 31, 2008 compared to the prior year due to costs incurred for clinical studies relating to two oral contraceptives, as well as new projects which were initiated towards the end of 2007 and early 2008. We completed the treatment phase of the Phase III clinical study for a new low-dose oral contraceptive in the third quarter of 2008.

Amortization of Intangible Assets (including Impairment of Intangible Assets)

Amortization of intangible assets in the years ended December 31, 2008 and 2007 was $387.2 million (including a non-cash impairment of intangible assets of $163.3 million) and $228.3 million, respectively. Our amortization methodology is calculated on either an accelerated or a straight-line basis to match the expected useful life of the asset, with identifiable assets assessed individually or by product family. We regularly review the remaining useful lives of our identified intangible assets based on each product family's estimated future cash flows. During the third quarter of 2008, we accelerated the amortization on certain unimpaired non-core products based on our review. As a result, the year ended December 31, 2008 included additional amortization expense of $16.0 million.

In connection with our annual review of intangible assets, in the fourth quarter of 2008 we recorded a non-cash impairment charge of $163.3 million relating to our OVCON / FEMCON FE product family. Based on changes in a number of assumptions, including those relating to the allocation of our expected future promotional emphasis between LOESTRIN 24 FE, FEMCON FE and other oral contraceptives currently in development and our product viability estimates in light of the future expected entrance of generic competition for FEMCON FE, the projected future revenue and related cash flows for the OVCON / FEMCON FE product family declined compared to previous forecasts. The undiscounted cash flows relating to this product family no longer exceeded the book value of the intangible asset. We estimated the fair value of the product family using a discounted cash flow analysis. The fair value was compared to the then current carrying value of the intangible asset for this product family and the difference was recorded as an impairment expense in the quarter ended December 31, 2008.

Net interest expense

Net interest expense for the year ended December 31, 2008 was $93.1 million, a decrease of $24.5 million, or 20.8%, from $117.6 million in the prior year. Included in net interest expense in the years ended December 31, 2008 and 2007 were $3.5 million and $6.6 million, respectively, relating to the write-off of deferred loan costs associated with the optional prepayments of debt. We made optional prepayments totaling $220.0 million of outstanding indebtedness under our senior secured credit facility and purchased and retired $10.0 million aggregate principal amount of our Notes, at a discount, in the year ended December 31, 2008. In the year ended

December 31, 2007, we made optional prepayments totaling $340.0 of outstanding indebtedness under our senior secured credit facility. The decrease in net interest expense in the year ended December 31, 2008 was primarily the result of the above mentioned prepayments of our outstanding debt which reduced the weighted average debt outstanding in the year ended December 31, 2008 by $281.5 million as compared to the prior year. The cumulative reductions in debt were accomplished through the use of our free cash flow.

Provision / (Benefit) for Income Taxes

Our effective tax rates, as a percentage of pre-tax income/(loss), for the years ended December 31, 2008 and 2007 were 151.0% and 38.9%, respectively. Our corporate effective tax rate with respect to any period may be volatile based on the mix of income in the tax jurisdictions in which we operate and the amount of our consolidated income / (loss) before taxes. Our Puerto Rican subsidiary holds the majority of our intangible assets and records the majority of the related amortization expense. As a result, the proportion of our consolidated book income / (loss) before taxes generated in Puerto Rico, where our tax rate is 2.0%, has a significant impact on the effective tax rate. For the year ended December 31, 2008, our U.S. entities generated income before taxes while our operations in the tax jurisdictions where we are subject to a lower tax rate, mainly Puerto Rico, generated significant losses. For the year ended December 31, 2007, our U.S. entities generated over half of our consolidated book income before taxes. As a result, the effective tax rate for the years ended December 31, 2008 and 2007 was greater than the U.S. statutory rate in both periods.

The valuation allowance for deferred tax assets of $9.9 million and $11.8 million as of December 31, 2008 and 2007, respectively, relates principally to the uncertainty of the utilization of certain deferred tax assets, primarily tax loss carryforwards in various jurisdictions. We expect to generate sufficient future taxable income to realize the tax benefits related to the remaining net deferred tax assets on our Consolidated Balance Sheets. The valuation allowance was calculated in accordance with the provisions of SFAS No. 109, which requires a valuation allowance be established or maintained when it is “more likely than not” that all or a portion of deferred tax assets will not be realized.

Our calculation of tax liabilities involves uncertainties in the application of complex tax regulations in various tax jurisdictions. Amounts related to tax contingencies that management has assessed as unrecognized tax benefits have been appropriately recorded under the provisions of FIN48. For any tax position, a tax benefit may be reflected in the financial statements only if it is “more likely than not” that the Company will be able to sustain the tax return position, based on its technical merits. Potential liabilities arising from tax positions taken are recorded based on our estimate of the largest amount of benefit that is cumulatively greater than 50 percent. These liabilities may be adjusted to take into consideration changing facts and circumstances. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is different from the current estimate of the tax liabilities. These potential tax liabilities are recorded in accrued expenses in the Consolidated Balance Sheets. We intend to continue to reinvest accumulated earnings of our subsidiaries for the foreseeable future; as such, no additional provision has been made for U.S. or non-U.S. income taxes on the undistributed earnings of subsidiaries or for differences related to investments in subsidiaries.

On February 25, 2008, our U.S. operating entities entered into an APA with the IRS covering the calendar years 2006 through 2010. The APA is an agreement with the IRS that specifies the agreed upon terms under which our U.S. entities are compensated for services provided on behalf of our non-U.S. entities. The APA provides us with greater certainty with respect to the mix of our pretax income in the various tax jurisdictions in which we operate.

Net Income

Due to the factors described above, we reported net (loss) / income of $(8.4) million and $28.9 million in the years ended December 31, 2008 and 2007, respectively.

Operating Results for the years ended December 31, 2007 and 2006

Revenue

The following table sets forth our revenue for the years ended December 31, 2007 and 2006, with the corresponding dollar and percentage change:

(dollars in millions)	Year Ended December 31, 2007	Year Ended December 31, 2006	Increase (decrease) Dollars	Increase (decrease) Percent
Oral Contraceptives				
LOESTRIN 24 FE	$148.9	$ 44.2	$104.7	237.2%
FEMCON FE	32.4	7.5	24.9	330.2%
ESTROSTEP FE*	70.2	103.0	(32.8)	(31.9)%
OVCON*	15.5	73.8	(58.3)	(79.0)%
Total	$267.0	$228.5	$ 38.5	16.8%
Hormone Therapy				
ESTRACE Cream	$ 73.1	$ 65.8	$ 7.3	11.2%
FEMHRT	63.7	58.7	5.0	8.4%
FEMRING	15.5	11.3	4.2	36.9%
Other HT	13.5	10.9	2.6	24.5%
Total	$165.8	$146.7	$ 19.1	13.0%
Dermatology				
DORYX	$115.8	$102.4	$ 13.4	13.0%
TACLONEX	127.2	60.1	67.1	111.5%
DOVONEX	145.3	146.9	(1.6)	(1.1)%
Total	$388.3	$309.4	$ 78.9	25.4%
PMDD				
SARAFEM	$ 37.7	$ 37.9	$ (0.2)	(0.6)%
Other Product Net Sales				
Other	3.7	8.6	(4.9)	(53.8)%
Contract manufacturing	25.7	20.8	4.9	23.2%
Total Product Net Sales	$888.2	$751.9	$136.3	18.1%
Other Revenue				
Royalty revenue	11.4	2.6	8.8	352.2%
Total Revenue	$899.6	$754.5	$145.1	19.2%

* Includes revenue from related authorized generic product sales from the date of their respective launch.

Revenue in the year ended December 31, 2007 totaled $899.6 million, an increase of $145.1 million, or 19.2%, over 2006. The primary drivers of the increase in revenue were the net sales of two products introduced in March 2006, LOESTRIN 24 FE and TACLONEX, which together contributed $171.8 million of revenue growth for the year ended December 31, 2007, compared to the prior year.

Sales of our oral contraceptive products increased $38.5 million, or 16.8%, in the year ended December 31, 2007, compared with the prior year. In February 2006, we received FDA approval to market our oral contraceptive, LOESTRIN 24 FE, and began commercial sales of the product in March 2006. Beginning in April 2006, LOESTRIN 24 FE became our top promotional priority amongst our oral contraceptive brands. LOESTRIN 24 FE generated revenue of $148.9 million in the year ended December 31, 2007, compared to $44.2 million in the prior year, an increase of $104.7 million, or 237.2%. The increase in revenues is primarily attributable to an increase in filled prescriptions of 300.7% compared to the prior year. We introduced and began

commercial sales of FEMCON FE in the second half of 2006, but did not initiate promotional efforts in support of the product until April 2007. Beginning in April 2007, FEMCON FE became a promotional priority for our newly expanded Chilcott sales force. The product generated revenues of $32.4 million in the year ended December 31, 2007 compared to $7.5 million in the prior year, an increase of $24.9 million, or 330.2%. The increase in revenues is primarily attributable to an increase in filled prescriptions of 807.8% compared to the prior year. ESTROSTEP FE net sales decreased $32.8 million, or 31.9%, in the year ended December 31, 2007, compared with the prior year as filled prescriptions declined by 37.7%. This decrease was offset partially by the impact of higher selling prices in the year ended December 31, 2007. ESTROSTEP FE filled prescriptions declined due to the shift of our promotional efforts away from the product beginning in April 2006. In addition, the decline in both prescription demand and net sales accelerated in the fourth quarter of 2007 as generic versions of ESTROSTEP FE were introduced in late October 2007. At the time of the launch of a generic version of ESTROSTEP FE by Barr Pharmaceuticals, Inc., which was subsequently acquired by Teva, we partnered with Watson and launched TILIA™ FE, an authorized generic version of ESTROSTEP FE. OVCON net sales declined $58.3 million, or 79.0%, for the year ended December 31, 2007, compared with the prior year. The decline in OVCON revenue was primarily due to the introduction of generic versions of OVCON 35 beginning in late October 2006, which led to an 84.3% decline in filled prescriptions for OVCON 35 in the year ended December 31, 2007, compared to the prior year. The decline in filled prescriptions was partially offset by price increases.

Sales of our dermatology products increased $78.9 million, or 25.4%, in the year ended December 31, 2007, compared to the prior year. This increase was primarily due to the increase in TACLONEX sales of $67.1 million in the year ended December 31, 2007 compared to the prior year. Sales of TACLONEX, which was launched in April 2006, increased primarily due to an increase in filled prescriptions of 105.4% in the year ended December 31, 2007 compared to the prior year. Sales of DORYX increased $13.4 million, or 13.0%, in the year ended December 31, 2007 compared with the prior year. DORYX prescriptions, which had been growing during the period from July 1, 2005 through June 30, 2006, softened in the second half of 2006 due to decreased promotional emphasis following the April 2006 launch of TACLONEX. In January 2007, we took steps to increase our Dermatology sales force's emphasis on DORYX. While filled prescriptions for DORYX declined 5.4% in the year ended December 31, 2007 compared to the prior year, DORYX net sales in the year increased, as higher selling prices more than offset the decline in filled prescriptions. As a result of the promotional emphasis on DORYX, filled prescriptions increased 4.8% in the quarter ended December 31, 2007, compared to the prior year quarter. Sales of DOVONEX decreased by $1.6 million, or 1.1%, in the year ended December 31, 2007 compared with the prior year. The decline was due to a decrease in filled prescriptions of 18.8%, offset partially by higher selling prices compared with the prior year. In April 2006, we began to promote TACLONEX as the first line topical therapy for mild to moderate psoriasis. We believe the decline in filled prescriptions of DOVONEX in the year ended December 31, 2007 compared with the prior year was due, in part, to our efforts to grow TACLONEX. During the year ended December 31, 2007, we implemented marketing strategies to encourage physicians to prescribe TACLONEX instead of DOVONEX as we believe that TACLONEX is a superior topical therapy.

Sales of our hormone therapy products increased $19.1 million, or 13.0%, in the year ended December 31, 2007, compared with the prior year. FEMHRT filled prescriptions declined 8.3% in the year ended December 31, 2007 compared with the prior year, the impact of which was more than offset by higher selling prices. Filled prescriptions for ESTRACE Cream declined 2.2% in the year ended December 31, 2007, compared with the prior year. This decrease was more than offset by higher selling prices. Sales of SARAFEM, our product used to treat symptoms of PMDD, decreased $0.2 million, or 0.6%, in the year ended December 31, 2007, compared with the prior year. The decrease in sales was due to the decline in filled prescriptions of 23.8% in the year ended December 31, 2007, compared to the prior year. This decrease was partially offset by price increases.

Our contract manufacturing revenues relate to certain products manufactured for Pfizer and Teva. Additionally in the year ended December 31, 2007, we generated $11.4 million of revenue which consisted of royalties earned on the net sales of a product sold by a third party under a license relating to one of our patents, as compared to $2.6 million in the year ended December 31, 2006.

Cost of Sales (excluding Amortization and Impairment of Intangible Assets)

The table below shows the calculation of cost of sales and cost of sales percentage for the years ended December 31, 2007 and 2006:

(dollars in millions)	Year Ended December 31, 2007	Year Ended December 31, 2006	$ Change	Percent Change
Product net sales	$888.2	$751.9	$136.3	18.1%
Cost of sales (excluding amortization)	186.0	151.8	34.2	22.6%
Cost of sales percentage	20.9%	20.2%		

Cost of sales increased $34.2 million in the year ended December 31, 2007 compared with the prior year, primarily due to the 18.1% increase in product net sales. Our cost of sales, as a percentage of product net sales, increased from 20.2% in the year ended December 31, 2006 to 20.9% in the year ended December 31, 2007. The increase was due to a number of factors, including the mix of products sold, with net sales of DOVONEX and TACLONEX accounting for 30.7% of our product net sales for the year ended December 31, 2007 compared with 27.5% in the prior year. The cost of sales for DOVONEX and TACLONEX (which includes royalties based on our net sales, as defined in the relevant supply agreements), expressed as a percentage of product net sales, are significantly higher than the cost of sales for our other products. Under our contract with Bristol-Myers, which expired on December 31, 2007, we were required to pay royalties of 5.0% on our product net sales of DOVONEX. Our cost of sales was also increased during the year ended December 31, 2007 as a result of a $3.6 million expense relating to inventories of certain DOVONEX products which were not sold due to a shift in our marketing strategies relating to DOVONEX.

SG&A Expenses

The Company's SG&A expenses were comprised of the following for the years ended December 31, 2007 and 2006:

(dollars in millions)	Year Ended December 31, 2007	Year Ended December 31, 2006	$ Change	Percent Change
A&P	$ 81.0	$ 72.0	$ 9.0	12.5%
Selling and Distribution	89.5	75.8	13.7	18.1%
G&A	95.3	106.1	(10.8)	(10.2)%
Total	$265.8	$253.9	$ 11.9	4.7%

SG&A expenses for the year ended December 31, 2007 were $265.8 million, an increase of $11.9 million, or 4.7%, compared to the prior year. A&P expenses for the year ended December 31, 2007 increased $9.0 million, or 12.5%, over the prior year, primarily due to a $17.3 million increase in direct-to-consumer advertising expenses in support of LOESTRIN 24 FE and FEMCON FE. The increase in direct-to-consumer spending was partially offset by launch costs incurred in the year ended December 31, 2006 in support of LOESTRIN 24 FE and TACLONEX. Selling and distribution expenses for the year ended December 31, 2007 increased $13.7 million, or 18.1%, over the prior year primarily due to the expansion by approximately 75 territories of our field sales forces, in the first half of 2007, to support the initiation of promotional activities for FEMCON FE. G&A expenses in the year ended December 31, 2007 decreased $10.8 million, or 10.2%, as compared to the prior year primarily due to the one-time IPO costs of $42.1 million in the year ended December 31, 2006. The decrease was offset in part by an increase in legal expenses of $27.9 million in the year ended December 31, 2007, which included $26.5 million for the settlements of certain legal matters related to the OVCON 35 litigation.

R&D

Our investment in R&D for the year ended December 31, 2007 was $54.5 million, an increase of $27.7 million, or 103.3%, compared with the prior year. Included in the year ended December 31, 2007 was a $4.0 million upfront payment to Paratek to acquire certain rights to novel tetracyclines for the treatment of acne and rosacea. Also included in the year ended December 31, 2007 was a $10.0 million milestone payment to LEO Pharma, which was triggered by the FDA's acceptance of LEO Pharma's NDA submission for a TACLONEX scalp product. R&D expense for the year ended December 31, 2006 included a $3.0 million expense representing our cost to acquire an option to purchase certain rights with respect to a topical dermatology product currently in development by LEO Pharma. Excluding the payments to LEO Pharma in the years ending December 31, 2007 and 2006, and to Paratek in the year ended December 31, 2007, R&D expense increased $16.7 million, or 70.2%, in the year ended December 31, 2007 compared to the prior year due to the increased level of clinical study activity during the 2007 period. More specifically, we completed the enrollment of one clinical study for a low-dose oral contraceptive in July 2007 and completed the enrollment of another clinical study for an oral contraceptive in December 2007.

Amortization of Intangible Assets

Amortization of intangible assets in the years ended December 31, 2007 and 2006 was $228.3 million and $253.4 million, respectively. Our amortization methodology is calculated on either an accelerated or a straight-line basis to match the expected useful life of the asset, with identifiable assets assessed individually or by product family. As a result of changing assumptions in evaluating intangible assets for impairment, certain assets which are not impaired may be subject to a change in amortization recognized in future periods to approximate expected future cash flows.

Net Interest Expense

Net interest expense for the year ended December 31, 2007 was $117.6 million, a decrease of $89.4 million, or 43.2%, from $207.0 million in the prior year. Included in net interest expense in the years ended December 31, 2007 and 2006 were $6.6 million and $19.8 million, respectively, relating to the write-off of deferred loan costs associated with the optional prepayments of debt. In the year ended December 31, 2007, we made optional prepayments totaling $340.0 million of outstanding indebtedness under our senior secured credit facility. In the year ended December 31, 2006, we made optional prepayments totaling $455.0 million of outstanding indebtedness under our senior secured credit facility and redeemed $210.0 million aggregate principal amount of our Notes. The decrease in net interest expense in the year ended December 31, 2007 was primarily the result of the above mentioned prepayments of our outstanding debt which reduced the weighted average debt outstanding in the year ended December 31, 2007 by $642.5 million as compared to the prior year. The cumulative reductions in debt were accomplished through the use of cash generated from our free cash flow during the previous five quarters ended December 31, 2007 and proceeds from our IPO.

Accretion on Preferred Stock in Subsidiary

Total accretion on the Preferred Shares for the year ended December 31, 2006 was $26.2 million. The Preferred Shares were redeemed for cash or converted to Class A common shares in conjunction with the IPO in September 2006. There was no accretion on the Preferred Shares in the year ended December 31, 2007 and there will be no future accretion on the Preferred Shares.

Provision / (Benefit) for Income Taxes

Our effective tax rate for the years ended December 31, 2007 and 2006 was 38.9% and (6.8%), respectively. The tax provision for the year ended December 31, 2007 includes a $4.7 million expense related to our FIN48 liabilities, of which $3.9 million relates to accrued interest. In addition, we recorded a tax benefit of $3.1 million related to the release of a deferred state tax valuation allowance.

Our corporate effective tax rate with respect to any period may be volatile based on the mix of income in the tax jurisdictions in which we operate and the amount of our consolidated income before taxes. For the year ended December 31, 2007, our U.S. entities generated almost two-thirds of our consolidated book income before taxes. Our Puerto Rican subsidiary holds the majority of our intangible assets and records the majority of the related amortization expense. As a result, the proportion of our consolidated book income before taxes generated in Puerto Rico, where our tax rate is 2.0%, was low relative to the proportion of our consolidated book income generated in the other jurisdictions, where our tax rate may be higher. Our corporate effective tax rate in 2007 was also unfavorably impacted by U.S. state income taxes and U.S. permanent non-deductible tax adjustments, which resulted in our tax rate on U.S. activities being higher than the federal statutory rate of 35.0%. The effective tax rate for the year ended December 31, 2006 was favorably impacted due primarily to the expense mix of the IPO-related costs amongst the various jurisdictions.

The valuation allowance for deferred tax assets of $11.8 million and $17.8 million as of December 31, 2007 and 2006, respectively, relates principally to the uncertainty of the utilization of certain deferred tax assets, primarily tax loss carryforwards in various jurisdictions. We expect to generate sufficient future taxable income to realize the tax benefits related to the remaining net deferred tax assets on our Consolidated Balance Sheets. The valuation allowance was calculated in accordance with the provisions of SFAS No. 109, which requires a valuation allowance be established or maintained when it is "more likely than not" that all or a portion of deferred tax assets will not be realized.

Our calculation of tax liabilities involves uncertainties in the application of complex tax regulations in various tax jurisdictions. Amounts related to tax contingencies that management has assessed as unrecognized tax benefits have been appropriately recorded under the provisions of FIN48. For any tax position, a tax benefit may be reflected in the financial statements only if it is "more likely than not" that the Company will be able to sustain the tax return position, based on its technical merits. Potential liabilities arising from tax positions taken are recorded based on our estimate of the largest amount of benefit that is cumulatively greater than 50 percent. These liabilities may be adjusted to take into consideration changing facts and circumstances. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is different from the current estimate of the tax liabilities. These potential tax liabilities are recorded in accrued expenses in the Consolidated Balance Sheets. We intend to continue to reinvest accumulated earnings of our subsidiaries for the foreseeable future; as such, no additional provision has been made for U.S. or non-U.S. income taxes on the undistributed earnings of subsidiaries or for differences related to investments in subsidiaries.

Net Income / (Loss)

Due to the factors described above, we reported net income / (loss) of $28.9 million and $(153.5) million in the years ended December 31, 2007 and 2006, respectively.

Financial Condition, Liquidity and Capital Resources

Cash

At December 31, 2008, our cash on hand was $35.9 million, as compared to $30.8 million at December 31, 2007. As of December 31, 2008 our debt, net of cash, was $926.7 million and consisted of $582.6 million of borrowings under our senior secured credit facility plus $380.0 million aggregate principal amount of our outstanding Notes, less $35.9 million of cash on hand.

The following table summarizes our net increase / (decrease) in cash and cash equivalents for the periods presented:

(dollars in millions)	Year Ended December 31, 2008	Year Ended December 31, 2007
Net cash provided by operating activities	$ 313.3	$ 339.6
Net cash (used in) investing activities	(71.9)	(42.8)
Net cash (used in) financing activities	(236.3)	(350.5)
Net increase / (decrease) in cash and cash equivalents	$ 5.1	$ (53.7)

Our net cash provided by operating activities for the year ended December 31, 2008 decreased $26.3 million compared with the prior year. We reported a net (loss) of $(8.4) million for the year ended December 31, 2008 as compared to net income of $28.9 million for the prior year. The year ended December 31, 2008 included a non-cash impairment of intangible assets of $163.3 million. In addition, during the year ended December 31, 2008, we paid amounts in respect of income taxes totaling $99.5 million as compared $9.6 million in the prior year. During the year ended December 31, 2008, the income tax payments were made primarily based upon (1) estimates of the amounts payable in connection with the settlement of U.S. federal tax audits related to the tax periods ended September 30, 2003, September 30, 2004, January 17, 2005 and December 31, 2005, (2) estimates of U.S. income taxes for the December 31, 2007 and 2008 tax years, and (3) amended income tax returns filed for the tax year ended December 31, 2006 resulting from the APA signed with the IRS. We expect future cash income tax payments (excluding payments in respect of FIN48 liabilities) to normalize in 2009. Our liability for unrecognized tax benefits (including interest) under FIN48 which is expected to settle within the next twelve months is $2.4 million. Our liability for unrecognized tax benefits (including interest) under FIN48 which is expected to settle after twelve months is $2.3 million. Also impacting our cash flows from operating activities was a $9.0 million cash payment made in the quarter ended March 31, 2008 relating to the final settlement of the Company's OVCON 35 litigation which was included in net income in the year ended December 31, 2007.

Our net cash used in investing activities during the year ended December 31, 2008 totaled $71.9 million, consisting of $11.6 million of contingent purchase consideration paid to Pfizer in connection with the 2003 acquisition of FEMHRT, $40.0 million to acquire the rights to sell our TACLONEX scalp product, and $20.3 million relating to capital expenditures. The cash flows used in investing activities in the year ended December 31, 2007 consisted of $24.0 million of contingent purchase consideration paid to Pfizer in connection with the 2003 acquisitions of ESTROSTEP FE and FEMHRT and $18.8 million of capital expenditures. We expect our capital expenditures in 2009 to significantly increase over the 2008 levels due primarily to continued investments in our Fajardo, Puerto Rico manufacturing facility.

Our net cash used in financing activities in the year ended December 31, 2008 was $236.3 million and included scheduled repayments of $7.7 million and optional prepayments of $220.0 million of debt under our senior secured credit facility. During the year ended December 31, 2008, we also purchased and retired $10.0 million of aggregate principal amount of Notes, at a discount, in privately negotiated open market transactions. We currently intend to use future cash flows provided by operating activities, net of cash used in investing activities, to make optional prepayments of our long-term debt or purchases of such debt in privately negotiated or open market transactions, by tender offer or otherwise. Our net cash used in financing activities in the year ended December 31, 2007 was primarily the result of our repayment of $350.5 million of term debt under the senior secured credit facility.

Senior Secured Credit Facility

On January 18, 2005, Warner Chilcott Holdings Company III, Limited ("Holdings III") and its subsidiaries, Warner Chilcott Corporation ("WCC") and Warner Chilcott Company, Inc. ("WCCI"), entered into a $1,790.0 million senior secured credit facility, with Credit Suisse as administrative agent and lender, and other lenders. The senior secured credit facility consisted of a $1,640.0 million term loan facility and a $150.0 million revolving credit facility, of which $30.0 million and $15.0 million are available for letters of credit and swing line loans, respectively, to WCC and WCCI. The senior secured credit facility also contemplates up to three uncommitted tranches of term loans up to an aggregate of $250.0 million. However, the lenders are not committed to provide these additional tranches.

Holdings III, WCC and WCCI are each borrowers and cross-guarantors under the senior secured credit facility; Holdings III's significant subsidiaries are also guarantors and cross-guarantors of this obligation. Borrowings under the senior secured credit facility are secured by a first priority security interest in substantially all of the borrowers' and guarantors' assets, including a pledge of all of the outstanding capital stock of Holdings III.

The $1,400.0 million single-draw term loan was drawn in a single drawing on January 18, 2005 to (i) finance, in part, the purchase of the shares of the Predecessor, (ii) refinance certain existing debt of the Predecessor and its subsidiaries and (iii) pay the fees and expenses related to the Acquisition and related financings. Amounts borrowed under the single-draw term loan that are repaid or prepaid may not be re-borrowed. In 2006, the $240.0 million delayed-draw facility was utilized to finance the acquisition of the U.S. rights to the prescription pharmaceutical product DOVONEX from Bristol-Myers for $200.0 million and a $40.0 million milestone payment to LEO Pharma following FDA approval of TACLONEX ointment. Loans may be made and letters of credit may be issued under the revolving credit facility any time prior to the final maturity of the revolving credit facility, in specified minimum principal amounts. Amounts repaid under the revolving credit facility may be re-borrowed. As of December 31, 2008, there were no borrowings outstanding under the $150.0 million revolving credit facility. The revolving credit facility matures on January 18, 2011. Based on our leverage ratio, the interest rates under the revolving credit facility are LIBOR plus 1.50% or ABR plus 0.50%.

The term loan and delayed-draw term loan facilities mature on January 18, 2012. As a result of making aggregate optional prepayments of $220.0 million during the year ended December 31, 2008, scheduled quarterly principal payments under the term loan and delayed-draw term loan facilities were reduced to $6.0 million annually beginning in 2009. The borrowers under the senior secured credit facility are also required to make mandatory prepayments of term loans in amounts equal to 100% of net asset sale proceeds, 100% of net proceeds from issuance of debt, other than permitted debt under the senior secured credit facility, and up to 50% (with reductions based on leverage) of excess cash flow (as defined in the senior secured credit facility). Additional optional prepayments may be made at any time without premium or penalty. The interest rates on all term borrowings under the senior secured credit facility are LIBOR plus 2.00% or ABR plus 1.00%.

The senior secured credit facility contains a financial covenant that requires that Holdings III's ratio of total indebtedness to earnings before interest, taxes, depreciation and amortization ("EBITDA") (both as defined in the senior secured credit facility) not to exceed certain levels. The senior secured credit facility also contains a financial covenant that requires Holdings III to maintain a minimum ratio of EBITDA to interest expense (as defined in the senior secured credit facility) and other covenants that, among other things, limit the ability of Holdings III and certain of its subsidiaries to incur additional indebtedness, incur liens, prepay subordinated debt, make loans and investments, merge or consolidate, sell assets, change business or amend the terms of subordinated debt and restrict the payment of dividends. As of December 31, 2008, Holdings III was in compliance with all covenants under the senior secured credit facility.

The senior secured credit facility specifies certain customary events of default including, without limitation, non-payment of principal or interest, violation of covenants, inaccuracy of representations and warranties in any material respect, cross default or cross acceleration of certain other material indebtedness, bankruptcy and insolvency events, material judgments and liabilities, certain ERISA events, invalidity of guarantees and security documents under the senior secured credit facility and change of control.

WCCI has entered into an interest rate swap contract covering a portion of its variable rate debt. The swap fixes the interest rates on the covered portion of WCCI's variable rate debt. WCCI entered into the interest rate swap specifically to hedge a portion of its exposure to potentially adverse movements in variable interest rates. The swap is accounted for in accordance with SFAS Nos. 133, 138, and 149.

The terms of the swap which was in effect as of December 31, 2008 are shown in the following table:

Notional Principal Amount (in millions)	Start Date	Maturity Date	Receive Variable Rate	Pay Fixed Rate
$200.0	Sept-29-06	Dec-31-09	90 day LIBOR	5.544%

8.75% Notes

On January 18, 2005, WCC, our wholly-owned U.S. subsidiary, issued $600.0 million aggregate principal amount of 8.75% Notes due 2015. The Notes are guaranteed on a senior subordinated basis by us, Holdings III, Warner Chilcott Intermediate (Luxembourg) S.à.r.l., the U.S. operating subsidiary (Warner Chilcott (US), LLC) and WCCI (collectively, the "Guarantors"). Interest payments on the Notes are due semi-annually in arrears on each February 1 and August 1. The issuance costs related to the Notes are being amortized to interest expense over the ten-year term of the Notes using the effective interest method. The Notes are unsecured senior subordinated obligations of WCC, are guaranteed on an unsecured senior subordinated basis by the Guarantors and rank junior to all existing and future senior indebtedness, including indebtedness under our senior secured credit facility.

All or some of the Notes may be redeemed at any time prior to February 1, 2010 at a redemption price equal to par plus a "make-whole" premium specified in the indenture. On or after February 1, 2010, WCC may redeem all or some of the Notes at redemption prices declining from 104.38% of the principal amount to 100.00% on or after February 1, 2013. In addition, WCC was permitted, at its option, at any time prior to February 1, 2008 to redeem up to 35.00% of the aggregate principal amount of the Notes with the net cash proceeds of one or more equity offerings at a redemption price of 108.75% of the principal amount. In connection with the IPO, WCC exercised this option and redeemed $210.0 million aggregate principal amount of the Notes on October 31, 2006 for a total price of $228.4 million (108.75% of the principal amount), plus accrued interest. In addition, during the fourth quarter of 2008, WCC purchased and retired $10.0 million aggregate principal amount of the Notes, at a discount, in privately negotiated open market transactions.

If Holdings III or WCC were to undergo a change of control (as defined in the indenture), each Note holder would have the right to require WCC to repurchase the Notes at a purchase price equal to 101.00% of the principal amount, plus accrued and unpaid interest. The Notes indenture contains restrictive covenants that, among other things, limit the ability of Holdings III and its subsidiaries to incur or guarantee additional debt or redeem or repurchase capital stock and restrict the payment of dividends or distributions on such capital stock. As of December 31, 2008, we were in compliance with all covenants under the indenture.

The indenture governing the Notes required that Holdings III provide to holders of the Notes the information required to be contained on Form 10-K, Form 10-Q and Form 8-K under the Securities Exchange Act of 1934 (the "Exchange Act"). Since we have no material assets, liabilities or operations other than our ownership of Holdings III, the information that is included in the Exchange Act reports filed with the SEC by us following the IPO is identical in all material respects to the information included in the reports required to be filed by Holdings III under the indenture. In light of the foregoing, we deemed it advisable not to have two companies within the same consolidated group file reports with the SEC containing materially identical information. Accordingly, on October 19, 2006, we entered into a supplement to the indenture (the "Supplemental Indenture"), without the consent of the holders of the Notes, relating to the indenture in order to:

- add us as a guarantor of the Notes under the indenture; and
- amend the "Reports" covenant in the indenture to provide that for so long as we are a guarantor of the Notes, have no material assets, liabilities or operations other than our ownership of Holdings III and

have a reporting obligation under Section 13 or Section 15(d) of the Exchange Act, if we file with the SEC the reports required under the indenture to be filed by Holdings III and include in a note to our financial statements included in such reports the condensed consolidating financial information specified by Rule 3-10 of Regulation S-X, Holdings III's obligations under such covenant shall be deemed satisfied.

We may, at any time, request the release of our guarantee of the Notes.

Components of Indebtedness

As of December 31, 2008, our outstanding debt included the following (dollars in millions):

	Current Portion as of December 31, 2008	Long-Term Portion as of December 31, 2008	Total Outstanding as of December 31, 2008
Revolving credit loan	$—	$ —	$ —
Term loans	6.0	576.6	582.6
Notes	—	380.0	380.0
Total	$ 6.0	$956.6	$962.6

As of December 31, 2008, mandatory principal repayments of long-term debt in each of the five years ending December 31, 2009 through 2013 and thereafter were as follows:

Year Ending December 31,	Aggregate Maturities (in millions)
2009	$ 6.0
2010	6.0
2011	4.5
2012	566.1
2013	—
Thereafter	380.0
Total long-term debt	$962.6

Our ability to make scheduled payments of principal, or to pay the interest or additional interest, on, or to refinance our indebtedness, or to fund planned capital expenditures will depend on our future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Based on the current level of operations, we believe that cash flow from operations for each of our significant subsidiaries, available cash and short-term investments, together with borrowings available under the senior secured credit facility, will be adequate to meet our future liquidity needs throughout 2009. We note that future cash flows from operating activities can be adversely impacted by the settlement of contingent liabilities and could fluctuate significantly from quarter-to-quarter based on the timing of certain working capital components. To the extent we generate excess cash flow from operations, net of cash flows from investing activities, we intend to make optional prepayments of our long-term debt or purchases of such debt in privately negotiated open market transactions. As a result of the above mentioned prepayments of long-term debt, we may recognize non-cash expenses for the write-off of applicable deferred loan costs which is a component of interest expense. Our assumptions with respect to future costs may not be correct, and funds available to us from the sources discussed above may not be sufficient to enable us to service our indebtedness, including the Notes, or cover any shortfall in funding for any unanticipated expenses. In addition, to the extent we make future acquisitions, we may require new sources of funding including additional debt, or equity financing or some combination thereof. We may not be able to secure additional sources of funding on favorable terms or at all.

The carrying amount reported for long-term debt, other than the Notes, is at variable rates and reprices frequently, except for the amounts covered by interest rate swaps (fair value of $(8.5) and $(9.4) million for all swaps as of December 31, 2008 and 2007, respectively). Our Notes are publicly traded securities. The fair value of the Notes, based on available market quotes, was $349.6 million and $401.7 million as of December 31, 2008 and 2007, respectively.

Contractual Commitments

The following table summarizes our financial commitments as of December 31, 2008:

	Cash Payments due by Period				
(dollars in millions)	Total	Less than 1 Year	From 1 to 3 Years	From 4 to 5 Years	More than 5 Years
Long-term debt:					
Senior secured credit facility	$ 582.6	$ 6.0	$ 10.5	$566.1	$ —
Notes	380.0	—	—	—	380.0
Interest payments on long-term debt(1)	282.0	62.0	107.0	71.4	41.6
Supply agreement obligations(2)	72.2	53.0	19.2	—	—
Lease obligations	9.2	3.6	3.6	2.0	—
Other	5.8	5.8	—	—	—
Total Contractual Obligations	$1,331.8	$130.4	$140.3	$639.5	$421.6

(1) Interest rates reflect borrowing rates for our outstanding long-term debt as of December 31, 2008 (including debt which is subject to our interest rate swap) and the mandatory future reductions of long-term debt. Based on our variable rate debt levels of $382.6 million as of December 31, 2008, after taking into account the impact of our applicable interest rate swap, a 1.0% change in interest rates would impact our annual interest payments by approximately $3.8 million.

(2) Supply agreement obligations consist of outstanding commitments for raw materials and commitments under non-cancelable minimum purchase requirements.

The table above does not include payments related to any of the items mentioned below.

We may owe additional future purchase consideration to Pfizer in connection with our 2003 acquisition of FEMHRT. These payments are contingent on FEMHRT maintaining market exclusivity through the first quarter of 2010. Assuming market exclusivity is maintained during this period, we would pay Pfizer additional amounts of up to $14.5 million in aggregate for FEMHRT in quarterly installments. These payments are expected to be made as follows: $11.6 million in less than one year, and $2.9 million in one to three years.

Our liability for unrecognized tax benefits under FIN48 is not included in the table above. The amounts which are expected to settle within the next twelve months are $2.4 million and amounts expected to be settled after twelve months are $2.3 million, including interest.

In September 2005, we entered into agreements with LEO Pharma under which we acquired the rights to certain products under development. LEO Pharma also granted us a right of first refusal and last offer for U.S. sales and marketing rights to dermatology products developed by LEO Pharma through 2010. In September 2007, we made a $10.0 million payment under this agreement as a result of the FDA's acceptance of LEO Pharma's NDA submission for a TACLONEX scalp product, which is included in R&D expense in the year ended December 31, 2007. In June 2008, we made a $40.0 million milestone payment under this agreement as a result of the FDA's approval of the NDA for our TACLONEX scalp product. This $40.0 million payment was

recorded as an intangible asset in our consolidated balance sheet. Under the product development agreement, we may be required to make additional payments to LEO Pharma upon the achievement of various developmental milestones that could aggregate up to $100.0 million. Further, we agreed to pay a supply fee and royalties to LEO Pharma on the net sales of those products. We may also agree to make additional payments for products that have not been identified or that are covered under the right of first refusal and last offer.

In January 2006, we entered into an agreement with LEO Pharma to acquire an option to purchase certain rights with respect to a topical dermatology product in development. We paid $3.0 million (which was included in R&D expense in the year ended December 31, 2006) for the option upon signing and agreed to pay an additional $3.0 million upon completion of developmental milestones. The purchase price for the product remains subject to negotiation by LEO Pharma and us if the option is exercised.

In July 2007, we entered into an agreement with Paratek under which we acquired the rights to certain products under development used to treat acne and rosacea. We paid an upfront fee of $4.0 million, which was included in R&D expense in the year ended December 31, 2007, and agreed to reimburse Paratek for R&D expenses incurred during the term of the agreement. We may make additional payments to Paratek upon the achievement of various developmental milestones that could aggregate up to $24.5 million. In addition, we agreed to pay royalties to Paratek based on the net sales, if any, of the products covered under the agreement.

In November 2007, we entered into an agreement with NexMed under which we acquired an exclusive license of the U.S. rights to NexMed's topically applied alprostadil cream for the treatment of ED. NexMed's NDA for the product was accepted for review by the FDA in November 2007. We paid a license fee of $0.5 million which was recognized in R&D expense in the year ended December 31, 2007. On February 3, 2009, we acquired the U.S. rights to NexMed's product and the previous license agreement between us and NexMed relating to the product was terminated. Under the terms of the acquisition agreements, we paid NexMed an up-front payment of $2.5 million (which will be included as R&D expense in the first quarter of 2009) and agreed to pay a milestone payment of $2.5 million upon the FDA's approval of the product NDA. We are currently working to prepare our complete response to the non-approvable letter that the FDA delivered to NexMed in July 2008 with respect to the product.

In December 2008, we signed an agreement with Dong-A, to develop and market their orally-administered udenafil product, a PDE5 inhibitor for the treatment of ED in the U.S. We paid $2.0 million in connection with signing the agreement, which was included in R&D expense for the year ending December 31, 2008 and we agreed to pay for all development costs incurred during the term of the agreement. We may make additional payments to Dong-A upon the achievement of various developmental milestones that could aggregate up to $22.0 million. In addition, we agreed to pay a profit-split to Dong-A based on operating profit (as defined in the agreement), if any, on the product.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

New Accounting Pronouncements

See "Note 2" to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report for a discussion of recent accounting pronouncements.

Critical Accounting Policies and Estimates

We make a number of estimates and assumptions in the preparation of our financial statements in accordance with accounting principles generally accepted in the U.S. Actual results could differ significantly from those estimates and assumptions. The following discussion addresses our most critical accounting policies, which we believe are important to the portrayal of our financial condition and results of operations and require management's judgment regarding the effect of uncertain matters.

On an ongoing basis, management evaluates its estimates and assumptions, including those related to revenue recognition, recoverability of long-lived assets and the continued value of goodwill and intangible assets. Management bases its estimates and assumptions on historical experience and on various other factors that are believed to be reasonable at the time the estimates and assumptions are made. Actual results may differ from these estimates and assumptions under different circumstances or conditions.

Revenue Recognition

We recognize revenue in accordance with SAB No. 101, *Revenue Recognition in Financial Statements*, as amended by SAB No. 104, *Revenue Recognition*. Our accounting policy for revenue recognition has a substantial impact on our reported results and relies on certain estimates that require difficult, subjective and complex judgments on the part of management. Changes in the conditions used to make these judgments could have a material impact on our results of operations. Management does not believe that the assumptions which underlie its estimates are reasonably likely to change in the future. Revenue from product sales is recognized when title to the product transfers to our customers, generally FOB destination. Recognition of revenue also requires reasonable assurance of collection of sales proceeds and completion of all performance obligations. We warrant products against defects and for specific quality standards, permitting the return of products under certain circumstances. Product sales are recorded net of trade discounts, sales returns, rebates, coupons and fee for service arrangements with certain distributors. Revenues associated with royalty revenues are recognized based on a percentage of sales reported by third parties.

As part of our revenue recognition policies, we estimate the items that reduce our gross sales to net sales. We establish accruals for these contra revenues in the same period that we recognize the related sales. Our most significant sales-related deduction is for product returns by our customers.

We account for sales returns in accordance with SFAS No. 48, *Revenue Recognition When Right of Return Exists*, by establishing an accrual in an amount equal to our estimate of the portion of sales that are expected to be returned for credit in a future period. For established products, we estimate the sales return accrual primarily based on historical experience regarding actual sales returns but we also consider other factors that could cause future sales returns to deviate from historical levels. These factors include levels of inventory in the distribution channel, estimated remaining shelf life of products sold or in the distribution channel, product recalls, product discontinuances, price changes of competitive products, introductions of generic products and introductions of new competitive products. We consider all of these factors and adjust the accrual periodically throughout each quarter to reflect actual experience and changes in expectations. The accruals needed for future returns of new products are estimated based on the historical sales returns experience of similar products, such as those within the same line of product or those within the same or similar therapeutic category.

We participate in state government-managed Medicaid programs as well as certain other qualifying federal and state government programs whereby discounts and rebates are provided to participating state and local government entities. Discounts and rebates provided through these programs are included in our Medicaid rebate accrual. We account for Medicaid rebates by establishing an accrual in an amount equal to our estimate of Medicaid rebate claims attributable to products at the time of sale. For established products, our estimate of the required accrual for Medicaid rebates is primarily based on our actual historical experience regarding Medicaid rebates on each of our products. We also consider any new information regarding changes in the Medicaid programs' regulations and guidelines that could impact the amount of future rebates. We consider outstanding Medicaid claims, Medicaid payments and estimated levels of inventory in the distribution channel and adjust the accrual periodically to reflect actual experience and changes in expectations.

Promotional programs and other trade discounts are estimated on a per product basis based on historical experience in the period in which the corresponding product is sold. The value of the trade discounts is also evaluated based on known trends affecting our products. These sales deductions reduce revenue and are included as a reduction of accounts receivable or as a component of accrued expenses. The movement in our sales-related reserve accounts for the periods presented is as follows:

	Returns	Medicaid	Cash Discounts	Wholesaler Rebates	Coupons	Other	Total
December 31, 2005 Balance	$ 23.7	$ 8.6	$ 1.0	$ 2.2	$ 0.7	$ 1.0	$ 37.2
Current provision related to sales*	41.3	14.9	16.7	16.2	6.3	8.3	103.7
Current processed returns/rebates	(29.5)	(17.4)	(16.1)	(14.0)	(5.8)	(7.5)	(90.3)
December 31, 2006 Balance	$ 35.5	$ 6.1	$ 1.6	$ 4.4	$ 1.2	$ 1.8	$ 50.6
Current provision related to sales*	56.4	16.8	19.8	19.8	10.5	15.4	138.7
Current processed returns/rebates	(42.7)	(16.4)	(20.0)	(18.9)	(9.9)	(15.2)	(123.1)
December 31, 2007 Balance	$ 49.2	$ 6.5	$ 1.4	$ 5.3	$ 1.8	$ 2.0	$ 66.2
Current provision related to sales*	62.7	20.1	21.1	22.0	16.8	29.3	172.0
Current processed returns/rebates	(50.6)	(17.8)	(20.6)	(22.0)	(12.9)	(24.8)	(148.7)
December 31, 2008 Balance	$ 61.3	$ 8.8	$ 1.9	$ 5.3	$ 5.7	$ 6.5	$ 89.5

* Adjustments of estimates to actual results were less than 1.0% of net sales for each of the periods presented.

We consider information from external sources in developing our estimates of gross to net sales adjustments. We purchase prescription data for our key products, which we use to estimate the market demand. We have access to the actual levels of inventory held by three of our major customers (which aggregate approximately 86% of our sales for the year ended December 31, 2008). We also informally gather information from other sources to attempt to monitor the movement of our products through the wholesale and retail channels. We combine this external data with our own internal reports to estimate the levels of inventories of our products held in the wholesale and retail channels as this is a significant factor in determining the adequacy of our sales-related reserves. Our estimates are subject to inherent limitations that rely on third-party information, as certain third-party information is provided in the form of estimates, and reflects other limitations including lags between the date which third-party information is generated and the date on which we receive third-party information.

Inventories and Inventory Reserves

Inventories are stated at the lower of cost or market value and consist of finished goods purchased from third party manufacturers and held for distribution, as well as raw materials, work-in-process and finished goods manufactured by us. We determine cost on a first-in, first-out basis.

We establish reserves for our inventory to reflect situations in which the cost of the inventory is not expected to be recovered. We review our inventory for products that are close to or have reached their expiration date and therefore are not expected to be sold, for products where market conditions have changed or are expected to change, and for products that are not expected to be saleable based on our quality assurance and control standards. The reserves we establish in these situations are equal to all or a portion of the cost of the inventory based on the specific facts and circumstances. In evaluating whether inventory is properly stated at the lower of cost or market, we consider such factors as the amount of product inventory on hand, estimated time required to sell such inventory, remaining shelf life and current and expected market conditions, including levels of competition. We record provisions for inventory obsolescence as part of cost of sales.

Valuation of Goodwill and Intangible Assets

Goodwill and intangible assets constitute a substantial portion of our total assets. As of December 31, 2008, goodwill represented approximately 48.5% of our total assets and intangible assets represented approximately 38.5% of our total assets. Both our goodwill and intangible assets are associated with our one reporting unit.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired net of liabilities assumed in a purchase business combination. We periodically evaluate goodwill for potential impairment indicators. Our judgments regarding the existence of impairment indicators are based on legal factors, market conditions and the operational performance of our business. We carry out an annual impairment review of goodwill unless an event occurs which triggers the need for an earlier review. Future events could cause us to conclude that impairment indicators exist and that goodwill associated with our business is impaired. Goodwill is tested for impairment at the reporting unit level in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets*, which, for us, is one reporting unit. In order to perform the impairment analysis, management makes key assumptions regarding future cash flows used to measure the fair value of the entity. These assumptions include discount rates, our future earnings and, if needed, the fair value of our assets and liabilities. In estimating the value of our intangible assets, as well as goodwill, management has applied a discount rate of 12.0%, our estimated weighted average cost-of-capital, to the estimated cash flows. Our cash flow model used a 5-year forecast with a terminal value. The factors used in evaluating goodwill for impairment are subject to change and are tracked against historical results by management. Changes in the key assumptions by management can change the results of testing. Any resulting impairment could affect our financial condition and results of operations. We completed our annual test during the quarter ended December 31, 2008 and no impairment charge resulted.

Definite-Lived Intangible Assets

We assess definite-lived intangible assets for impairment, individually or on a product family basis, whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Our analysis includes, but is not limited to, the following key assumptions:

- review of period-to-period actual sales and profitability by product;
- preparation of sales forecasts by product;
- analysis of industry and economic trends and projected product growth rates;
- internal factors, such as the current focus of our sales forces' promotional efforts;
- projections of product viability over the estimated useful life of the intangible asset (including consideration of relevant patents); and
- consideration of regulatory and legal environments.

When we determine that there is an indicator that the carrying value of definite-lived intangible assets may not be recoverable we test the asset for impairment based on undiscounted future cash flows. We measure impairment, if any, based on estimates of discounted future cash flow. These estimates include the assumptions described above about future conditions within the Company and the industry. The assumptions used in evaluating intangible assets for impairment are subject to change and are tracked against historical results by management. If actual cash flows differ from those projected by management, or if there is a change in any of these key assumptions, additional write-offs may be required. Management does not believe that its key assumptions are reasonably likely to change in the future.

In connection with the annual review of our intangible assets, in the fourth quarter of 2008 we recorded a non-cash impairment expense of $163.3 million relating to our OVCON / FEMCON FE product family as a

result of our review of the intangible asset for recoverability. In addition to impairments, as a result of changing assumptions in evaluating intangible assets for impairment, certain unimpaired assets may be subject to a change in amortization recognized in future periods to approximate expected future cash flows. During the third quarter of 2008, we accelerated the amortization on certain unimpaired non-core products based on our review. As a result, the year ended December 31, 2008 included additional amortization expense of $16.0 million.

Indefinite-Lived Intangible Assets

We also have a Warner Chilcott trademark with an indefinite life, which is not amortized. However, the carrying value would be adjusted if it were determined that the fair value has declined. The impairment test is performed on an annual basis, or more frequently if necessary, and utilizes the same key assumptions as those described above for our definite-lived assets. In addition, if future events occur that warrant a change to a definite life, the carrying value would then be amortized prospectively over the estimated remaining useful life. We completed our annual test during the quarter ended December 31, 2008 and no impairment charge resulted.

Income Taxes

We must make certain estimates and judgments in determining our net income for financial statement purposes. This process affects the calculation of certain of our tax liabilities and the determination of the recoverability of certain of our deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenue and expense. Deferred tax assets and liabilities could also be affected by changes in tax laws and rates in the future.

A valuation allowance is established to reduce deferred tax assets if, based on available evidence, it is more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. All available positive and negative evidence is considered in evaluating the ability to recover deferred tax assets, including past operating results, the existence of cumulative losses in recent years and the forecast of future taxable income. Assumptions used to estimate future taxable income include the amount of future state, federal and international pretax operating income and the reversal of temporary differences. These assumptions are consistent with our plans and estimates used to manage our business, however, such assumptions require significant judgment about the forecasts of future taxable income.

Any recorded valuation allowances will be maintained until it is more likely than not that the deferred tax assets will be realized. Income tax expense recorded in the future will be reduced to the extent of decreases in these valuation allowances. The realization of remaining deferred tax assets is principally dependent on future taxable income. Any reduction in future taxable income may require an additional valuation allowance to be recorded against our deferred tax assets. An increase in the valuation allowance would result in additional income tax expense and could have a significant impact on future earnings.

In addition, the calculation of our tax liabilities involves uncertainties in the application of complex tax rules in various jurisdictions. Amounts related to tax contingencies that management has assessed as unrecognized tax benefits have been appropriately recorded under the provisions of FIN48. For any tax position, a tax benefit may be reflected in the financial statements only if it is “more likely than not” that we will be able to sustain the tax return position, based on its technical merits. Potential liabilities arising from tax positions taken are recorded based on our estimate of the largest amount of benefit that is cumulatively greater than 50 percent. These liabilities may be adjusted to take into consideration changing facts and circumstances. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is different from the current estimate of the tax liabilities. If the estimate of tax liabilities was less than the ultimate assessment, then an additional charge to expense would result. If payment of these amounts is ultimately less than the recorded amounts, then the reversal of the liabilities would result in tax benefits being recognized in the period when it is determined the liabilities are no longer necessary.

Litigation

We are involved in various legal proceedings in the normal course of our business, including product liability and other litigation and contingencies. We record reserves related to these legal matters when losses related to such litigation or contingencies are both probable and reasonably estimable. See "Note 18" to the Notes to the Consolidated Financial Statements for the year ended December 31, 2008 included elsewhere in this Annual Report for a description of our significant current legal proceedings.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The principal market risk (i.e., the risk of loss arising from adverse changes in market rates and prices) to which we are exposed is interest rates on debt. We had no foreign currency option contracts at December 31, 2008.

The following risk management discussion and the estimated amounts generated from analytical techniques are forward-looking statements of market risk assuming certain market conditions occur. Actual results in the future may differ materially from these projected results due to actual developments in the global financial markets.

Interest Rate Risk

We manage debt and overall financing strategies centrally using a combination of short- and long-term loans with either fixed or variable rates. We have entered into an interest rate swap contract which fixes the interest rate on a portion of our variable rate debt. We entered into the interest rate swap specifically to hedge a portion of our exposure to potentially adverse movements in variable interest rates. Based on variable rate debt levels of $382.6 million as of December 31, 2008, after taking into account the impact of the applicable interest rate swap, a 1.0% change in interest rates would impact net interest expense by approximately $1.0 million per quarter.

Inflation

Inflation did not have a material impact on our operations during the years ended December 31, 2008, 2007 and 2006.

Item 8. Financial Statements and Supplementary Data.

The information required by this Item is incorporated by reference to the Consolidated Financial Statements beginning on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures.

The Company maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act) designed to provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. These include controls and procedures designed to ensure that this information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions

regarding required disclosure. Management, with the participation of the Chief Executive and Chief Financial Officers, evaluated the effectiveness of the Company's disclosure controls and procedures as of December 31, 2008. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2008 at the reasonable assurance level.

Management's Annual Report on Internal Control over Financial Reporting.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

Management, with the participation of the Chief Executive and Chief Financial Officers, evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Based on this evaluation, management, with the participation of the Chief Executive and Chief Financial Officers, concluded that, as of December 31, 2008, the Company's internal control over financial reporting was effective.

PricewaterhouseCoopers LLP, the independent registered public accounting firm who audited the Company's consolidated financial statements included in this Annual Report on Form 10-K, has issued a report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2008, which is included herein.

Changes in Internal Control over Financial Reporting.

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended December 31, 2008, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

In addition to the information set forth under the caption "Executive Officers" in Part I of this Annual Report, the information required by this Item is incorporated by reference to our Proxy Statement with respect to our Annual Meeting of Stockholders to be held on May 8, 2009.

Item 11. Executive Compensation.

The information called for by this item is hereby incorporated by reference to our Proxy Statement with respect to our Annual Meeting of Stockholders to be held on May 8, 2009.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information called for by this item is hereby incorporated by reference to our Proxy Statement with respect to our Annual Meeting of Shareholders to be held on May 8, 2009.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information called for by this item is hereby incorporated by reference to our Proxy Statement with respect to our Annual Meeting of Shareholders to be held on May 8, 2009.

Item 14. Principal Accounting Fees and Services.

The information called for by this item is hereby incorporated by reference to our Proxy Statement with respect to our Annual Meeting of Shareholders to be held on May 8, 2009.

PART IV.

Item 15. Exhibits, Financial Statement Schedules.

(a)(1) Financial Statements

The Financial Statements listed in the Index to the Consolidated Financial Statements, filed as part of this Annual Report.

(a)(2) Financial Statement Schedules

None.

(a)(3) Exhibits

The exhibits listed at the end of this Annual Report are filed as part of this Annual Report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 27, 2009.

WARNER CHILCOTT LIMITED

By: /s/ ROGER M. BOISSONNEAULT

Name: **Roger M. Boissonneault**
Title: **Chief Executive Officer, President and Director (Principal Executive Officer)**

By: /s/ PAUL HERENDEEN

Name: **Paul Herendeen**
Title: **Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)**

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed by the following persons on behalf of the Registrant and in the capacities indicated on February 27, 2009.

Signature	Title
/s/ ROGER M. BOISSONNEAULT **Roger M. Boissonneault**	Chief Executive Officer, President and Director (Principal Executive Officer)
/s/ PAUL HERENDEEN **Paul Herendeen**	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ TODD M. ABBRECHT **Todd M. Abbrecht**	Director
/s/ JAMES H. BLOEM **James H. Bloem**	Director
/s/ DAVID F. BURGSTAHLER **David F. Burgstahler**	Director
/s/ JOHN P. CONNAUGHTON **John P. Connaughton**	Director
/s/ JOHN A. KING **John A. King**	Director
/s/ STEPHEN P. MURRAY **Stephen P. Murray**	Director
/s/ STEPHEN PAGLIUCA **Stephen Pagliuca**	Director
/s/ STEVE RATTNER **Steve Rattner**	Director

Exhibit No.	Description
2.1	Implementation Agreement, dated October 27, 2004, among the Consortium Members (as defined therein), Waren Acquisition Limited and Warner Chilcott PLC and Second Supplemental Agreement thereto, dated November 16, 2004 (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
3.1	Memorandum of Association of Warner Chilcott Limited (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 15, 2006, Registration No. 333-134893)
3.2	Bye-Laws of Warner Chilcott Limited (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 5, 2006, Registration No. 333-134893)
4.1	Form of Common Stock Certificate (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 5, 2006, Registration No. 333-134893)
4.2	Indenture, dated January 18, 2005, among Warner Chilcott Corporation, Warner Chilcott Holdings Company III, Limited, Warner Chilcott Intermediate (Luxembourg) S.à r.l., Warner Chilcott Company, Inc., Warner Chilcott (US), Inc. and Wells Fargo Bank, National Association (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.3	Registration Rights Agreement dated January 18, 2005 among Warner Chilcott Corporation, Credit Suisse First Boston LLC, Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. as Representatives of the Several Purchasers (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.4	Amended and Restated Shareholders Agreement, dated as of March 31, 2005, among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Warner Chilcott Holdings Company III, Limited and the Shareholders party thereto (the "Amended and Restated Shareholders Agreement") (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.5	First Amendment to the Amended and Restated Shareholders Agreement, dated April 19, 2005, among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Warner Chilcott Holdings Company III, Limited and the Shareholders party thereto (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.6	Management Shareholders Agreement, dated as of March 28, 2005, among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Warner Chilcott Holdings Company III, Limited, the Management Shareholders party thereto and the Shareholders party thereto (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.7	Joinder Agreement, dated as of April 1, 2005, among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Warner Chilcott Holdings Company III, Limited and Paul S. Herendeen (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)

Exhibit No.	Description
10.1	Credit Agreement, dated as of January 18, 2005, among Warner Chilcott Holdings Company III, Limited, Warner Chilcott Corporation, Warner Chilcott Company, Inc., Credit Suisse First Boston as Administrative Agent, Swing Line Lender and L/C Issuer, Deutsche Bank Securities Inc. and Credit Suisse First Boston as Joint Lead Arrangers, Deutsche Bank Securities Inc., Credit Suisse First Boston and J.P. Morgan Securities Inc. as Joint Bookrunners, Deutsche Bank Securities Inc. as Syndication Agent and JPMorgan Chase Bank, N.A. and Morgan Stanley Senior Funding, Inc. as Co-Documentation Agents (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.2	Securities Purchase Agreement, dated January 18, 2005 by and among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Bain Capital Integral Investors II, L.P., BCIP Trust Associates III, and BCIP Trust Associates III-B, DLJMB Overseas Partners III, C.V., DLJ Offshore Partners III, C.V., DLJ Offshore Partners III-1, C.V., DLJ Offshore Partners III-2, C.V., DLJ MB Partners III GmbH & Co. KG, Millennium Partners II, L.P. and MBP III Plan Investors, L.P., J.P. Morgan Partners (BHCA), L.P., J.P. Morgan Partners Global Investors, L.P., J.P. Morgan Partners Global Investors (Cayman), L.P., J.P. Morgan Partners Global Investors (Cayman II), L.P., J.P. Morgan Partners Global Investors A, L.P., Thomas H. Lee (Alternative) Fund V, L.P., Thomas H. Lee Parallel (Alternative) Fund V, L.P., Thomas H. Lee (Alternative) Cayman Fund V, L.P., Putnam Investments Employees' Securities Company I LLC, Putnam Investments Employees Securities Company II LLC, Putnam Investments Holdings, LLC, Thomas H. Lee Investors Limited Partnership, OMERS Administration Corporation (formerly known as Ontario Municipal Employees Retirement Board), AlpInvest Partners CS Investments 2003 C.V., AlpInvest Partners Later Stage Co-Investments Custodian II B.V., AlpInvest Partners Later Stage Co-Investments Custodian IIA B.V., Filbert Investment Pte Ltd and The Northwestern Mutual Life Insurance Company (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.3	Purchase and Sale Agreement, dated as of May 3, 2004, among Pfizer Inc., Pfizer Pharmaceuticals LLC, Galen Holdings Public Limited Company and Warner Chilcott Company, Inc. (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.4	Option and License Agreement, dated as of March 24, 2004, by and between Barr Laboratories, Inc. and Galen (Chemicals) Limited (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.5	Finished Product Supply Agreement, dated as of March 24, 2004, by and between Barr Laboratories, Inc. and Galen (Chemicals) Limited (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.6	Transaction Agreement by and between Galen Holdings PLC and Warner Chilcott PLC, dated May 4, 2000 (incorporated by reference to Warner Chilcott PLC's Current Report on Form 8-K filed on May 15, 2000 (File No. 000-29364))
10.7	Estrace Transitional Support and Supply Agreement between Westwood-Squibb Pharmaceuticals, Inc. and Warner Chilcott, Inc., dated as of January 26, 2000 (incorporated by reference to Warner Chilcott PLC's Current Report on Form 8-K filed on February 29, 2000 (File No. 000-29364) (the "Warner Chilcott PLC February 29, 2000 8-K"))

Exhibit No.	Description
10.8	Ovcon Transitional Support and Supply Agreement between Bristol-Myers Squibb Laboratories Company and Warner Chilcott, Inc., dated as of January 26, 2000 (incorporated by reference to Warner Chilcott PLC's February 29, 2000 8-K)
10.9	License and Distribution Agreement, dated as of December 31, 1997, between F H Faulding & Co Limited, A.C.N. 007 870 984, and Warner Chilcott PLC (incorporated by reference to Warner Chilcott PLC's report on Form 10-K filed on March 30, 1999 for the year ended December 31, 1998 (File No. 000-29364))
10.10	Asset Purchase Agreement between Bristol-Myers Squibb Company and Galen (Chemicals) Limited, dated as of June 29, 2001 (incorporated by reference to Galen Holdings PLC's Form F-1 filed on July 2, 2001 (File No. 333-64324) (the "Galen Holdings July 2, 2001 F-1"))
10.11	Supply Agreement between Bristol-Myers Squibb Laboratories Company and Galen (Chemicals) Limited, dated as of June 29, 2001 (incorporated by reference to Galen Holdings July 2, 2001 F-1)
10.12	Assignment, Transfer and Assumption Agreement, dated as of December 7, 2002, by and between Galen (Chemicals) Limited and Eli Lilly and Company (incorporated by reference to Galen Holdings PLC's Annual Report on Form 20-F filed on January 2, 2003 for the year ended September 30, 2002 (File No. 333-12634))
10.13	Manufacturing Agreement, dated as of December 7, 2002, by and between Galen (Chemicals) Limited and Eli Lilly and Company (incorporated by reference to Galen Holdings PLC's Annual Report on Form 20-F filed on December 31, 2003 for the year ended September 30, 2003 (File No. 333-12634) (the "Galen Holdings' 2002-2003 20-F"))
10.14	Purchase and Sale Agreement (OCS) among Pfizer Inc., Galen (Chemicals) Limited and Galen Holdings PLC, dated as of March 5, 2003 (incorporated by reference to Galen Holdings' 2002-2003 20-F)
10.15	Purchase and Sale Agreement (Femhrt) among Pfizer Inc., Galen (Chemicals) Limited and Galen Holdings PLC, dated as of March 5, 2003 (incorporated by reference to Galen Holdings' 2002-2003 20-F)
10.16	Transitional Supply Agreement, dated March 27, 2003, between Galen (Chemicals) Limited and Pfizer Inc. (incorporated herein by reference to Galen Holdings' 2002-2003 20-F)
10.17	Co-promotion Agreement, effective May 1, 2003, by and between Bristol-Myers Squibb Company and Galen (Chemicals) Limited (incorporated herein by reference to Galen Holdings' 2002-2003 20-F)
10.18	Option Agreement, dated as of April 1, 2003, by and between Bristol-Myers Squibb Company and Galen (Chemicals) Limited (incorporated herein by reference to the Galen Holdings' 2002-2003 20-F)
10.19	Development Agreement between LEO Pharma A/S and Galen (Chemicals) Limited, dated April 2, 2003 (incorporated herein by reference to Galen Holdings' 2002-2003 20-F)
10.20	Manufacturing Agreement, dated as of September 24, 1997, by and between Duramed Pharmaceuticals, Inc. and Warner-Lambert Company (assigned to Galen (Chemicals) Limited pursuant to the Purchase and Sale Agreement (Femhrt), among Pfizer Inc., Galen (Chemicals) Limited and Galen Holdings PLC, dated as of March 5, 2003) (incorporated herein by reference to Galen Holdings' 2002-2003 20-F)
10.21	Master Agreement between Galen (Chemicals) Limited and LEO Pharma A/S, dated April 1, 2003 (incorporated herein by reference to Amendment No. 1 to the Annual Report on Form 20-F of Galen Holdings PLC, filed on January 5, 2004 for the year ended September 30, 2003 (File No. 333-12634))

Exhibit No.	Description
10.22	Business Purchase Agreement for the Sale and Purchase of the Business and Assets of Ivex Pharmaceuticals Limited, among Ivex Pharmaceuticals Limited, Galen Holdings, PLC, Gambro Northern Ireland Limited and Gambro BCT, Inc, dated April 28, 2004 (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.23	Purchase and Sale Agreement among Galen Holdings PLC, Nelag Limited, Galen Limited and Galen (Chemicals) Limited, dated April 28, 2004 (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.24	Purchase and Sale Agreement among Galen Limited, Galen Holdings PLC, Galen (Chemicals) Limited and Nelag Limited, dated April 27, 2004 (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.25	Third Amended and Restated Employment Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and Roger M. Boissonneault (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.26	Second Amended and Restated Employment Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and W. Carl Reichel (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.27	Second Amended and Restated Employment Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and Anthony Bruno (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.28	Amended and Restated Severance Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and Izumi Hara (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.29	Amended and Restated Employment Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and Paul Herendeen (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.30	License, Supply and Development Agreement ("DC Agreement"), dated as of September 14, 2005, between Warner Chilcott Company, Inc. and LEO Pharma A/S (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.31	Addendum I, dated September 14, 2005, to Master Agreement between Galen (Chemicals) Limited and LEO Pharma A/S, dated April 1, 2003 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.32	Amended and Restated License and Supply Agreement ("Dovonex Agreement") between Warner Chilcott Company, Inc. and LEO Pharma A/S, dated as of September 14, 2005 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)

Exhibit No.	Description
10.33	Right of First Refusal Agreement between Warner Chilcott Company, Inc. and LEO Pharma A/S, dated as of September 14, 2005 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.34	Asset Purchase Agreement between Bristol-Myers Squibb Company and Warner Chilcott Company, Inc., dated as of September 30, 2005 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.35	First Amendment to Asset Purchase Agreement, effective as of January 1, 2006, to the Asset Purchase Agreement between Bristol-Myers Squibb Company and Warner Chilcott Company, Inc., dated September 30, 2005 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.36	Trademark Assignment, dated as of January 1, 2006, by and among Westwood-Squibb Pharmaceuticals, Inc., Warner Chilcott Company, Inc. and LEO Pharma A/S (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.37	Amendment, dated as of March 29, 2005, to the Credit Agreement, dated as of January 18, 2005 among Warner Chilcott Holdings Company III, Limited, Warner Chilcott Corporation, Warner Chilcott Company, Inc. and the various lenders party thereto (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.38	First Amendment to Transitional Supply Agreement, effective as of July 1, 2006, between Warner Chilcott Company Inc. and Pfizer Inc. (incorporated herein by reference to the Quarterly Report on Form 10-Q filed by Warner Chilcott Holdings Company III, Limited on August 11, 2006, Commission File No. 333-126660)
10.39	Warner Chilcott Holdings Company, Limited 2005 Equity Incentive Plan, amended and restated as of August 31, 2006 (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 5, 2006, Registration No. 333-134893)
10.40	Amendment No. 2, dated as of April 25, 2006, to the Credit Agreement dated as of January 18, 2005 (as amended by the Amendment dated as of March 29, 2005, the "Credit Agreement"), among Warner Chilcott Holdings Company III, Limited, Warner Chilcott Corporation, Warner Chilcott Company, Inc., the Lenders (as defined in the introductory paragraph to the Credit Agreement), and Credit Suisse (formerly known as Credit Suisse First Boston, acting through its Cayman Islands Branch), as administrative agent (incorporated herein by reference to the Report on Form 10-Q filed by Warner Chilcott Holdings Company III, Limited on May 12, 2006, Commission File No. 333-126660)
10.41	Waiver, dated September 25, 2006, to Section 3.1, Section 3.3 and Section 3.5(b) of the Option and License Agreement between Barr and Galen (Chemicals) Limited dated March 24, 2004 and to Section 2.1 of the Finished Product Supply Agreement between Barr and Galen (Chemicals) Limited dated March 24, 2004 (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 5, 2006, Registration No. 333-134893)
10.42	First Supplemental Indenture, dated October 19, 2006, among Warner Chilcott Corporation, Warner Chilcott Limited, Warner Chilcott Holdings Company III, Limited, Warner Chilcott Intermediate (Luxembourg) S.à r.l., Warner Chilcott Company, Inc., Warner Chilcott (US), Inc. and Wells Fargo Bank, National Association (incorporated herein by reference to the Current Report on Form 8-K filed by Warner Chilcott Limited, Commission File No. 001-33039)

Exhibit No.	Description
10.43	Amendment No. 3, dated as of January 29, 2007, to the Credit Agreement dated as of January 18, 2005 (as amended by the Amendment dated as of March 29, 2005 and Amendment No. 2 dated as of April 25, 2006, the "Credit Agreement"), among Warner Chilcott Holdings Company III, Limited, Warner Chilcott Corporation, Warner Chilcott Company, Inc., the Lenders (as defined in the introductory paragraph to the Credit Agreement), and Credit Suisse (formerly known as Credit Suisse First Boston, acting through its Cayman Islands Branch), as administrative agent (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.44	Form of Restricted Share Award Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.45	Form of Share Option Award Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.46	Form of Bonus Share Award Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.47	Form of Management Securities Purchase Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.48	Form of Strip Grant Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.49	Form of 2005 Restricted Share Award Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
21.1*	Subsidiaries of the Registrant
23.1*	Consent of PricewaterhouseCoopers LLP
31.1*	Certification of Chief Executive Officer under Rule 13a-14(a) of the Securities Exchange Act, as amended, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer under Rule 13a-14(a) of the Securities Exchange Act, as amended, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Warner Chilcott Limited:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of shareholders' equity, of comprehensive income and of cash flows present fairly, in all material respects, the financial position of Warner Chilcott Limited and its subsidiaries (the "Company") at December 31, 2008 and December 31, 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits (which were integrated audits in 2008 and 2007). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 15 to the consolidated financial statements, the Company changed the manner in which it accounts for uncertain income taxes in 2007.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP
Florham Park, NJ
February 27, 2009

WARNER CHILCOTT LIMITED
CONSOLIDATED BALANCE SHEETS
(All amounts in thousands except share amounts)

	As of December 31, 2008	As of December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 35,906	$ 30,776
Accounts receivable, net	89,049	65,774
Inventories, net	57,776	54,031
Deferred income taxes	54,285	39,530
Prepaid income taxes	109	—
Prepaid expenses and other current assets	15,419	26,205
Total current assets	252,544	216,316
Other assets:		
Property, plant and equipment, net	60,908	57,453
Intangible assets, net	993,798	1,329,427
Goodwill	1,250,324	1,250,324
Other non-current assets	21,351	31,454
Total assets	$2,578,925	$2,884,974
LIABILITIES		
Current liabilities:		
Accounts payable	$ 13,957	$ 17,883
Accrued expenses and other current liabilities	148,844	186,895
Income taxes payable	—	9,467
Current portion of long-term debt	5,977	8,284
Total current liabilities	168,778	222,529
Other liabilities:		
Long-term debt, excluding current portion	956,580	1,191,955
Deferred income taxes	86,867	88,289
Other non-current liabilities	16,780	27,781
Total liabilities	1,229,005	1,530,554
Commitments and contingencies (see Note 14)		
SHAREHOLDERS' EQUITY		
Class A Common Stock, par value $0.01 per share; 500,000,000 shares authorized; 251,294,256 and 251,073,721 shares issued and 250,781,978 and 250,583,711 shares outstanding	2,508	2,506
Additional paid-in capital	2,055,521	2,047,164
Accumulated deficit	(689,836)	(681,479)
Treasury stock, at cost (512,278 shares and 490,010 shares, respectively)	(6,352)	(6,330)
Accumulated other comprehensive (loss)	(11,921)	(7,441)
Total shareholders' equity	1,349,920	1,354,420
Total liabilities and shareholders' equity	$2,578,925	$2,884,974

See accompanying notes to consolidated financial statements.

WARNER CHILCOTT LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS
(All amounts in thousands except per share amounts)

	Year Ended December 31,		
	2008	**2007**	**2006**
REVENUE:			
Net sales	$918,992	$888,192	$ 751,943
Other revenue	19,133	11,369	2,514
Total revenue	938,125	899,561	754,457
COSTS, EXPENSES AND OTHER:			
Cost of sales (excludes amortization and impairment of intangible assets)	198,785	185,990	151,750
Selling, general and administrative	192,650	265,822	253,937
Research and development	49,956	54,510	26,818
Amortization of intangible assets	223,913	228,330	253,425
Impairment of intangible assets	163,316	—	—
Interest (income)	(1,293)	(4,806)	(4,681)
Interest expense	94,409	122,424	211,675
Accretion on preferred stock of subsidiary	—	—	26,190
INCOME / (LOSS) BEFORE TAXES	16,389	47,291	(164,657)
Provision / (benefit) for income taxes	24,746	18,416	(11,147)
NET (LOSS) / INCOME	(8,357)	28,875	(153,510)
Preferential distribution to Class L common shareholders	(a)	(a)	65,112
Net (loss) / income attributable to Class A common shareholders	$ (8,357)	$ 28,875	$(218,622)
Earnings / (Loss) Per Share:			
Class A—Basic	$ (0.03)	$ 0.12	$ (1.63)
Class A—Diluted	$ (0.03)	$ 0.12	$ (1.63)
Class L—Basic(b)	(a)	(a)	$ 6.33
Class L—Diluted(b)	(a)	(a)	$ 6.33

(a) All outstanding Class L common stock of the Company (the "Class L common shares") was converted into Class A common stock of the Company (the "Class A common shares") in connection with the Company's initial public offering ("IPO") in September 2006.

(b) Earnings per share ("EPS") for 2006 is calculated through September 30, 2006 as there were no Class L common shares outstanding during the fourth quarter of 2006.

See accompanying notes to consolidated financial statements.

WARNER CHILCOTT LIMITED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(All amounts in thousands except share amounts)

	Number of Class A common shares	Number of Class L common shares	Class A Common Stock	Class L Common Stock	Additional Paid-in Capital	Accumulated deficit	Accumulated Other Comprehensive Income / (Loss)	Treasury Stock	Total
Balance as of December 31, 2005	93,287,355	10,671,502	$ 933	$ 107	$ 883,951	$(556,646)	$ 4,165	$ —	$ 332,510
Proceeds from IPO	70,600,000	—	706	—	1,004,976	—	—	—	1,005,682
Conversion of Class L common stock	76,549,828	(10,669,441)	765	(107)	(658)	—	—	—	—
Conversion of Preferred Stock in Warner Chilcott Holdings Company II, Limited	9,480,302	—	95	—	134,905	—	—	—	135,000
Net (loss)	—	—	—	—	—	(153,510)	—	—	(153,510)
Stock compensation	1,130,391	—	11	—	17,776	—	—	—	17,787
Other	(83,859)	(2,061)	(4)	—	(73)	—	—	(238)	(315)
Purchase of treasury shares	(406,151)	—	—	—	—	—	—	(6,092)	(6,092)
Other comprehensive (loss)	—	—	—	—	—	—	(2,830)	—	(2,830)
Balance as of December 31, 2006	250,557,866	—	$2,506	$ —	$2,040,877	$(710,156)	$ 1,335	$(6,330)	$1,328,232
Net income	—	—	—	—	—	28,875	—	—	28,875
Stock compensation	17,155	—	—	—	6,115	—	—	—	6,115
Adoption of FIN48		—	—	—	—	(198)	—	—	(198)
Exercise of non-qualified options to purchase Class A Common Shares	8,690	—	—	—	172	—	—	—	172
Other comprehensive (loss)	—	—	—	—	—	—	(8,776)	—	(8,776)
Balance as of December 31, 2007	250,583,711	—	$2,506	$ —	$2,047,164	$(681,479)	$ (7,441)	$(6,330)	$1,354,420
Net (loss)	—	—	—	—	—	(8,357)	—	—	(8,357)
Stock compensation	191,720	—	2	—	7,925	—	—	—	7,927
Purchase of treasury shares	(22,268)	—	—	—	—	—	—	(22)	(22)
Exercise of non-qualified options to purchase Class A Common Shares	28,815	—	—	—	432	—	—	—	432
Other comprehensive (loss)	—	—	—	—	—	—	(4,480)	—	(4,480)
Balance as of December 31, 2008	250,781,978	—	$2,508	$ —	$2,055,521	$(689,836)	$(11,921)	$(6,352)	$1,349,920

See accompanying notes to consolidated financial statements.

WARNER CHILCOTT LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Year Ended December 31,		
	2008	**2007**	**2006**
Net (Loss) / Income	$ (8,357)	$28,875	$(153,510)
Other comprehensive (loss) / income:			
Cumulative translation adjustment	(5,362)	524	2,423
Unrealized gain / (loss) on interest rate swaps (net of tax of $365, $(537) and $(107), respectively)	882	(9,300)	(5,253)
Total other comprehensive (loss)	(4,480)	(8,776)	(2,830)
Comprehensive (Loss) / Income	$(12,837)	$20,099	$(156,340)

See accompanying notes to consolidated financial statements.

WARNER CHILCOTT LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2008	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) / income	$ (8,357)	$ 28,875	$ (153,510)
Adjustments to reconcile net (loss) / income to net cash provided by operating activities:			
Depreciation	11,275	10,250	7,177
Amortization of intangible assets	223,913	228,330	253,425
Impairment of intangible assets	163,316	—	—
Provision for inventory obsolescence	14,730	10,948	7,837
Deferred income taxes	(16,307)	(28,706)	(15,966)
Amortization of debt finance costs	9,480	13,813	30,154
Stock compensation expense	7,927	6,115	17,787
Accretion on preferred stock of subsidiary	—	—	26,190
Changes in assets and liabilities:			
(Increase) / decrease in accounts receivable, prepaid and other assets	(11,702)	1,852	(22,914)
(Increase) / decrease in inventories	(18,475)	1,397	(42,815)
Increase in accounts payable, accrued expenses and other liabilities	3,279	32,430	7,933
(Decrease) / increase in income taxes and other, net	(65,797)	34,246	7,437
Net cash provided by operating activities	313,282	339,550	122,735
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets	(51,600)	(24,000)	(267,336)
Capital expenditures	(20,314)	(18,798)	(15,420)
Net cash (used in) investing activities	(71,914)	(42,798)	(282,756)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Term borrowings under bank senior secured credit facility	—	—	240,000
Purchase/Redemption of 8.75% senior subordinated notes due 2015 ("Notes")	(8,887)	—	(210,000)
Term repayments under bank senior secured credit facility	(227,682)	(350,511)	(468,750)
Borrowings under revolving credit facility	—	—	84,600
Repayments under revolving credit facility	—	—	(84,600)
Proceeds from share capital issue, net of expenses	—	—	1,005,682
Retirement of preferred stock in subsidiary	—	—	(327,164)
Purchase of treasury stock	(22)	—	(6,330)
Other	353	71	(455)
Net cash (used in) / provided by financing activities	(236,238)	(350,440)	232,983
Net increase / (decrease) in cash and cash equivalents	5,130	(53,688)	72,962
Cash and cash equivalents, beginning of period	30,776	84,464	11,502
Cash and cash equivalents, end of period	$ 35,906	$ 30,776	$ 84,464
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	$ 87,901	$ 111,346	$ 190,038
Income taxes paid, net	$ 99,466	$ 9,603	$ 6,629
SCHEDULE OF NONCASH ACTIVITIES:			
Conversion of preferred shares into Class A common shares	$ —	$ —	$ 135,000
Increase / (decrease) in goodwill	$ —	$ 8,872	$ (19,325)
Increase / (decrease) in fair value of interest rate swaps, net	$ 882	$ (9,300)	$ (5,253)

See accompanying notes to consolidated financial statements.

1. The Company

Warner Chilcott Limited is a Bermuda company, which together with its wholly-owned subsidiaries (collectively, "Warner Chilcott," or the "Company") has operations in Rockaway, New Jersey, Fajardo, Puerto Rico, the Republic of Ireland and Larne, Northern Ireland. These consolidated financial statements include the accounts of Warner Chilcott Limited and all of its wholly-owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The Company's fiscal year ends on December 31. The Company is the direct parent of Warner Chilcott Holdings Company II, Limited ("Holdings II"), which is the direct parent of Warner Chilcott Holdings Company III, Limited ("Holdings III").

The Company is a specialty pharmaceutical company that develops, manufactures, markets and sells branded prescription pharmaceutical products currently focused on two therapeutic categories: women's healthcare and dermatology. The Company's portfolio of pharmaceutical products is promoted in the United States ("U.S.") by the Company's sales and marketing organization. The Company operates two manufacturing facilities in Fajardo, Puerto Rico and Larne, Northern Ireland. The Company also distributes a product in Canada.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries in which a controlling interest is maintained. The consolidated financial information for the Company presented herein reflects all financial information that is, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the periods presented. All intercompany transactions and balances have been eliminated in consolidation.

Reclassifications

The Company has made certain reclassifications to prior period information to conform to current period presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported financial position at the date of the financial statements and the reported results of operations during the reporting period. Actual results could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based on such periodic evaluations.

Foreign Currency

The Company has operations in the U.S., Puerto Rico, United Kingdom ("UK") and the Republic of Ireland. The results of our non-U.S. operations are translated to U.S. dollars at the average exchange rates during the period. Assets and liabilities are translated at the rate of exchange prevailing on the balance sheet date. Equity is translated at the prevailing rate of exchange at the date of the equity transaction. Translation adjustments are reflected in Shareholders' equity and are included as a component of other comprehensive income / (loss).

The Company realizes foreign currency gains / (losses) in the normal course of business based on movement in the applicable exchange rates. Any gains / (losses) are included as a component of selling, general and administrative expenses.

Derivative Financial Instruments

The Company manages its exposure to certain market risks, including foreign exchange and interest rate risks, through the use of derivative financial instruments and accounts for them in accordance with Statement of Financial Accounting Standards ("SFAS") Nos. 133, "Accounting for Derivative Instruments and Hedging Activities", 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities", and 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities".

On the date on which the Company enters into a derivative contract, it designates the derivative as: (i) a hedge of the fair value of a recognized asset or liability (fair value hedge), (ii) a hedge of a forecasted transaction or the variability of cash flows that are to be received or paid in connection with a recognized asset or liability (cash flow hedge), (iii) a foreign currency fair value or cash flow hedge (foreign currency hedge) or (iv) a derivative instrument that is not designated for hedge accounting treatment. Changes in fair value of derivative financial instruments are recorded as adjustments to the assets or liabilities being hedged in the statement of operations for derivatives that do not qualify for hedge accounting. Changes in fair value of derivative financial instruments are recorded as adjustments to the assets or liabilities being hedged and are recorded in comprehensive income / (loss), if the derivative is designated and qualifies for hedge accounting.

Revenue Recognition

Revenue from product sales is recognized when title to the product transfers to the customer, generally free on board, destination. Recognition of revenue also requires reasonable assurance of the collection of sales proceeds and the completion of all performance obligations. The Company warrants products against defects and for specific quality standards, permitting the return of products under certain circumstances. Product sales are recorded net of trade discounts, sales returns, rebates, coupons and fee for service arrangements with certain distributors. Included in net sales are amounts earned under contract manufacturing agreements with third parties.

The Company recognizes revenue related to licensing rights to sell products using the Company's patents to third parties as a component of "other revenue". Other revenue for the years ended December 31, 2008, 2007 and 2006 was $19,133, $11,369, and $2,514, respectively.

The Company establishes accruals for rebates, coupons, trade discounts, returns, and fee for service arrangements with distributors in the same period that it recognizes the related sales based on select criteria for estimating such contra revenues. These reserves reduce revenues and are included as either a reduction of accounts receivable or as a component of accrued expenses. As of December 31, 2008 and 2007, the amounts related to these provisions included as a reduction of accounts receivable were $12,836 and $8,727, respectively. The amounts included in accrued liabilities were $76,683 and $57,482 (of which $61,282 and $49,196 related to reserves for product returns) as of December 31, 2008 and 2007, respectively.

Advertising and Promotion ("A&P")

Costs associated with A&P of the Company's products are expensed as incurred and are included in selling, general and administrative ("SG&A") expenses. A&P expenses totaled $47,252, $81,002 and $72,009 in the years ended December 31, 2008, 2007 and 2006, respectively. Included in A&P are direct-to-consumer advertising expenses which totaled $8,550, $33,900 and $16,616 in the years ended December 31, 2008, 2007 and 2006, respectively.

Research and Development ("R&D")

R&D costs are expensed as incurred. Milestone payments made to third parties in connection with R&D collaborations are expensed as incurred up to the point of regulatory approval. Payments made to third parties subsequent to regulatory approval are capitalized and amortized over the remaining useful life of the respective intangible asset based on future use and anticipated cash flows for the asset. Amounts capitalized for such payments are included in intangible assets, net of accumulated amortization.

Income Taxes

Income taxes are accounted for under SFAS No. 109 "Accounting for Income Taxes", and Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN48"). Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected in the consolidated financial statements. Deferred tax liabilities and assets are determined based on the differences between the book and tax bases of particular assets and liabilities and operating loss carryforwards, using tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is provided to offset deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Litigation and Contingencies

The Company is subject to litigation and contingencies in the ordinary course of business. Additionally, the Company, in consultation with its counsel, assesses the need to record a liability for contingencies on a case-by-case basis in accordance with SFAS No. 5 "Accounting for Contingencies". Accruals are recorded when the Company determines that a loss related to a matter is both probable and reasonably estimable, based on existing information. These accruals are adjusted periodically as assessment efforts progress or as additional information becomes available. In addition to case-by-case contingencies, the Company self-insures for certain liabilities not covered under its litigation insurance based on an estimate of potential claims. The Company develops such estimates in conjunction with its insurance providers and outside counsel.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and money market accounts with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost of goods or market value. Cost is determined based on a first-in, first-out basis and includes transportation and handling costs. In the case of manufactured products, cost includes material, labor and applicable manufacturing overhead. Provisions are made for obsolete, slow moving or defective items, where appropriate.

Product samples are stated at the lower of cost of goods or market cost and are included in prepaid expenses and other current assets.

Property, Plant and Equipment

Fixed assets are valued at acquisition cost plus any direct expenses of acquisition. Property, plant and equipment are depreciated over their estimated useful lives, principally using the straight-line method. Interest incurred as part of the cost of constructing fixed assets is capitalized and amortized over the life of the asset.

No depreciation is charged on land. The Company utilizes licensed software as part of its operating environment. The costs of licensing and implementing enterprise resource planning software are capitalized up to the point of implementation and then amortized over the estimated useful life of the software in accordance with SOP 98-1 "*Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*".

The estimated useful lives used by the Company to calculate depreciation are (in years):

Buildings	20
Plant and machinery	10
Computer equipment and software	3 – 5
Furniture and fixtures	10

Intangible Assets and Goodwill

Net assets of companies acquired in purchase transactions are recorded at their fair value on the date of acquisition. As such, the historical cost basis of individual acquired assets and liabilities are adjusted to reflect their fair value on the date of acquisition. Identified intangibles, other than indefinite-lived intangible assets, are amortized on an accelerated or straight-line basis over their estimated useful life. This determination is made based on the specific asset and the timing of recoverability from expected future cash flows. The majority of the Company's identifiable intangible assets are owned by its Puerto Rican subsidiary. The Company continually reviews and assesses the long range cash flow forecast for all its products. As a result of changing assumptions in evaluating the recoverability of intangible assets, some assets may be impaired and some assets which are not impaired may be subject to a change in amortization recognized in future periods to better match expected future cash flows.

Goodwill represents the excess of acquisition costs over the fair value of the net assets of businesses purchased. Goodwill is not amortized and is reviewed for potential impairment on an annual basis, or if events or circumstances indicate, a potential impairment. This analysis is performed at the reporting unit level. The fair value of the Company's reporting unit is compared with its carrying value, including goodwill. If the fair value of the reporting unit exceeds its carrying value, goodwill of the reporting unit is not considered impaired. If the carrying value of the reporting unit exceeds its fair value, then the implied fair value of the reporting unit's goodwill as defined in SFAS No. 142, "Goodwill and Other Intangible Assets" (SFAS 142) is compared with the carrying amount of that goodwill. An impairment loss would be recorded if the carrying value of the reporting unit's goodwill exceeds its implied fair value. The Company has one reporting unit and performed its annual impairment test in the fourth quarter of the year ended December 31, 2008, noting no impairment.

Definite-lived intangible assets are evaluated for impairment in accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS 144). An impairment loss would be recognized if the carrying value of an intangible asset were not recoverable. The carrying amount of the intangible asset is considered not recoverable if it exceeds the sum of the undiscounted cash flows expected to be generated by the asset. The Company's intangible assets consist of trademarks, patents and other intellectual property and are amortized on either a straight-line or accelerated basis over the individual asset's estimated useful lives not to exceed 15 years. As of December 31, 2008, the weighted average amortization period of intangible assets was approximately 4.1 years. In addition, the Company has valued a trademark with an indefinite life which is not amortized; however, the carrying value would be adjusted if it were determined that the fair value had declined.

The Company continuously reviews its products' remaining useful lives based on each product family's estimated future cash flows. During the third quarter of 2008, the Company accelerated the amortization on certain unimpaired non-core products based on its review.

In connection with the Company's annual review of its intangible assets, in the fourth quarter of 2008 the Company recorded a non-cash impairment charge of $163,316 relating to its OVCON / FEMCON FE product family. Based on changes in a number of assumptions, including those relating to the allocation of the Company's expected future promotional emphasis between LOESTRIN 24 FE, FEMCON FE and other oral contraceptives currently in development and its product viability estimates in light of the future expected entrance of generic competition for FEMCON FE, the projected future revenue and related cash flows for the OVCON / FEMCON FE product family declined compared to previous forecasts. The undiscounted cash flows relating to this product family no longer exceeded the book value of the intangible assets. The Company estimated the fair value of the product family using a discounted cash flow analysis. The fair value was compared to the then current carrying value of the intangible asset for this product family and the difference was recorded as an impairment expense in the quarter ended December 31, 2008 as follows:

	Net Book Value prior to Impairment	Impairment Charge	Ending Net Adjusted Book Value
Product			
OVCON / FEMCON FE product family	$268,913	$163,316	$105,597

Deferred Loan Costs

Expenses associated with the issuance of debt instruments are capitalized and are being amortized over the term of the respective financing arrangements using the effective interest method. When long-term debt is paid down in advance, the loan fees associated with the prepaid debt are expensed as a component of interest expense in addition to the normal amortization expense recognized. Interest expense resulting from amortization and write-offs of loan fees amounted to $9,480, $13,813 and $30,154 in the years ended December 31, 2008, 2007 and 2006, respectively. Deferred loan costs were $19,929 and $29,409 as of December 31, 2008 and December 31, 2007, respectively, and are included in other non-current assets in the consolidated balance sheet.

Stock-Based Compensation

The Company accounts for stock-based compensation under SFAS No. 123R "Share-Based Payment" ("SFAS123R") which requires that new, modified and unvested share-based compensation arrangements with employees, such as stock options and restricted stock grants, be measured at fair value and recognized as compensation expense over the vesting periods.

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS 141R"). SFAS 141R provides revised guidance on how acquirers should recognize and measure the consideration transferred, identifiable assets acquired, liabilities assumed, noncontrolling interests, and goodwill acquired in a business combination. SFAS 141R also expands required disclosures surrounding the nature and financial effects of business combinations. SFAS 141R is effective, on a prospective basis, for fiscal years beginning after December 15, 2008. The impact of SFAS 141R will not have a material impact on the Company's consolidated financial position or results of operations.

In February 2008, the FASB issued FSP 157-2 "Partial Deferral of the Effective Date of Statement 157" ("FSP 157-2"). FSP 157-2 delays the effective date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008. The impact of FSP 157-2 will not have a material impact on the Company's consolidated financial position or results of operations.

In March 2008, the FASB issued Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities ("SFAS 161"), which is effective January 1, 2009. SFAS 161 requires enhanced disclosures about derivative instruments and hedging activities to allow for a better understanding of their effects on an entity's financial position, results of operations, and cash flows. Among other things, SFAS 161 requires disclosure of the fair values of derivative instruments and associated gains and losses in a tabular format. Since SFAS 161 requires only additional disclosures about the Company's derivatives and hedging activities, the adoption of SFAS 161 will not affect the Company's consolidated financial position or results of operations.

In April 2008, the FASB issued FAS 142-3 "Determination of the Useful Life of Intangible Assets" ("FAS142-3"), which is effective January 1, 2009. FAS 142-3 amends the list of factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FAS 142 "Goodwill and Other Intangible Assets". The adoption of SFAS 142-3 will not have a material impact on the Company's consolidated financial position or results of operations.

3. Initial Public Offering

In September 2006, the Company sold 70,600,000 shares of its Class A common shares in an IPO. Total proceeds to the Company were $1,059,000 (before deducting underwriting discounts and commissions and offering expenses) which were utilized to redeem a portion of the Company's then outstanding Notes in October of 2006, reduce debt outstanding under the senior secured credit facility, repurchase preferred stock, pay the termination fee to affiliates of Bain Capital, LLC, DLJ Merchant Banking, J.P. Morgan Partners, LLC and Thomas H. Lee Partners (the "Sponsors") with respect to the Sponsor advisory and monitoring agreement and for general corporate purposes.

In connection with the IPO, the Company incurred the following pretax expenses during the year ended December 31, 2006:

	Expense Category	Amount
Stock-based equity compensation:		
Grant of Class A common shares to certain executives which vested immediately	G & A	$13,390
Acceleration of vesting on previously issued Return on Capital ("ROC") restricted shares	G & A	1,275
Grants of restricted shares and stock options to certain employees(1)	G & A	1,679
Buyout of Sponsor advisory and monitoring agreement	G & A	27,423
Premium related to redemption of $210,000 of the Notes	Interest expense	18,375
Expense for write-off of deferred loan costs related to reduction of $210,000 of the Notes	Interest expense	7,961
Expense for write-off of deferred loan costs related to reduction of $405,000 of the senior secured credit facility	Interest expense	10,749
Total expenses included in statement of operations for the year ended December 31, 2006		**$80,852**

(1) Expense to be incurred over the applicable vesting period.

4. Earnings Per Share

The Company accounts for EPS in accordance with SFAS No. 128, "Earnings Per Share" and the related guidance, which requires two calculations of EPS to be disclosed: basic EPS and diluted EPS. The Company presents EPS information using the two-class method as the Company's previously outstanding Class L common shares participated in dividends together with the Class A common shares after the payment of the Class L preference. The Company calculates the dilutive effects on EPS for both classes of shares when applicable. In September 2006, all of the Class L common shares were converted into Class A common shares in connection with the Company's IPO. The Class L EPS for the year ended December 31, 2006 is only calculated through September 30, 2006 as there were no Class L common shares outstanding in the fourth quarter of 2006.

The numerator in calculating Class L common shares basic and diluted EPS is the Class L preference amount of $65,112 for the year ended December 31, 2006. The Company did not allocate remaining losses in accordance with EITF 03-6, "Participating Securities and the Two-Class Method under SFAS No. 128," because of its preferential rights over Class A common shares. The numerator in calculating Class A common shares basic and diluted EPS is an amount equal to consolidated net (loss) / income in the years ended December 31, 2008, 2007 and 2006, increased for the aforementioned Class L preference amount in the year ended December 31, 2006. The denominator in calculating both classes of basic and diluted EPS is the weighted average shares outstanding for each respective class of shares plus the dilutive effect of stock option grants and restricted share grants, when applicable.

The following is the calculation of EPS using the two-class method for the years ended December 31, 2008, 2007 and 2006:

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
Net (loss) / income available to common shareholders	$ (8,357)	$ 28,875	$ (153,510)
Allocation of net (loss) / income to common shareholders:			
Class A	$ (8,357)	$ 28,875	$ (218,622)
Class L	(a)	(a)	$ 65,112
Weighted average number of common and potential Class A common shares outstanding:			
Basic number of Class A common shares outstanding	249,807,332	248,916,157	133,896,683
Dilutive effect of stock option grants and unvested restricted stock grants	—	1,537,883	—
Diluted number of Class A common and potential Class A common shares outstanding	249,807,332	250,454,040	133,896,683
Weighted average number of common and potential Class L common shares outstanding:			
Basic number of Class L common shares outstanding	(a)	(a)	10,280,462
Dilutive effect of restricted stock grants	(a)	(a)	1,722
Diluted number of Class L common and potential Class L common shares outstanding	(a)	(a)	10,282,184
Earnings per common share:			
Class A—Basic	$ (0.03)	$ 0.12	$ (1.63)
Class A—Diluted	$ (0.03)	$ 0.12	$ (1.63)
Class L—Basic	(a)	(a)	$ 6.33
Class L—Diluted	(a)	(a)	$ 6.33
Amounts not included in calculation of diluted EPS as their impact was anti-dilutive under the treasury stock method:			
Stock options to purchase Class A common shares	4,074,236	3,073,607	3,067,582
Unvested restricted Class A common shares stock grants	974,647	137,597	2,047,768

(a) All outstanding Class L common shares were converted into Class A common shares in connection with the Company's IPO.

5. Acquisitions

Product Acquisitions

Year Ended December 31, 2008

In September 2005, the Company entered into agreements with LEO Pharma A/S ("LEO Pharma") under which the Company acquired the rights to certain products under development. LEO Pharma also granted the Company a right of first refusal and last offer for the U.S. sales and marketing rights to dermatology products developed by LEO Pharma through 2010. In September 2007, the Company made a $10,000 payment under this agreement as a result of the United States Food and Drug Administration's ("FDA") acceptance of LEO Pharma's New Drug Application ("NDA") submission for TACLONEX scalp topical suspension ("TACLONEX scalp"), which was included in research and development expense in the year ended December 31, 2007. In June 2008, the Company made a $40,000 milestone payment under this agreement as a result of the FDA's approval of the NDA for TACLONEX scalp. This $40,000 payment was recorded as an intangible asset as part of the DOVONEX/TACLONEX product family and is being amortized over the product's useful life.

Year Ended December 31, 2006

DOVONEX

In April 2003, the Company entered into an alliance with LEO Pharma, the developer of DOVONEX and TACLONEX (and owner of the patents covering these products), and Bristol-Myers Squibb Company ("Bristol-Myers"), the then exclusive licensee of DOVONEX in the U.S. The Company acquired Bristol-Myers' rights to DOVONEX on January 1, 2006 for a purchase price of $205,176, including amounts to acquire Bristol-Myers' inventories of DOVONEX products on hand at the closing date, plus a 5% royalty on net sales of DOVONEX through December 31, 2007. The Company funded the payment of the purchase price by borrowing $200,000 under the delayed-draw term loan portion of the Company's senior secured credit facility and funded the remainder using cash on hand. On January 1, 2006, the license and supply agreement with LEO Pharma for DOVONEX became effective and the Company's co-promotion agreement with Bristol-Myers terminated. Under the LEO Pharma license and supply agreement, the Company pays LEO Pharma a supply fee with respect to each product within the DOVONEX product portfolio equal to 20% of net sales and a royalty equal to 10% of net sales (each as calculated under the terms of the agreement). The royalty with respect to each product within the DOVONEX product portfolio will be reduced to 5% if a generic equivalent of such DOVONEX product is introduced. The purchase price of $205,176 was allocated to the fair value of the assets acquired as follows:

Inventory	$ 6,640
Intangible assets (DOVONEX/TACLONEX product family)	198,536
	$205,176

TACLONEX

TACLONEX ointment is a psoriasis product that combines a corticosteroid (betamethasone dipropionate) and calcipotriene, the active ingredient in DOVONEX cream. Under various agreements with LEO Pharma, the Company paid $2,000 in December 2001, an additional $10,000 in April 2003 and, in February 2006, a final milestone payment of $40,000 following the FDA approval of TACLONEX ointment, to become the exclusive licensee of TACLONEX in the U.S. Under the terms of a license and supply agreement with LEO Pharma, the Company pays a supply fee for TACLONEX ranging from 20% to 25% of net sales and royalties ranging from

10% to 15% of net sales (each as calculated under the terms of the agreement). The Company funded the $40,000 payment to LEO Pharma by borrowing under the delayed-draw term loan portion of the senior secured credit facility. The final $40,000 milestone payment was recorded as an acquired intangible asset (within the DOVONEX / TACLONEX product family) in the Company's consolidated balance sheet.

Other

The DOVONEX and TACLONEX supply agreements provided that each year the parties will mutually agree to a level of minimum sales of the products for the following year. As of December 31, 2008 no minimum sales levels were established with respect to DOVONEX or TACLONEX for 2009. The product pricing under these supply agreements with LEO Pharma are determined based on a percentage of product net sales (as calculated under the applicable agreements).

6. Derivatives and Fair Value of Financial Instruments

Derivative Financial Instruments

Derivative financial instruments are measured at fair value and are recognized as assets or liabilities on the balance sheet with changes in the fair value of the derivatives recognized in either net income or comprehensive income, depending on the timing and designated purpose of the derivative.

The Company entered into an interest rate swap contract covering a portion of its variable rate debt with affiliates of Morgan Stanley. The swap fixes the interest rates on the covered portion of the Company's variable rate debt, hedging a portion of its exposure to potentially adverse movements in variable interest rates. The swap is accounted for in accordance with SFAS Nos. 133, 138, and 149.

The terms of the swap which was still in effect as of December 31, 2008 is shown in the following table:

Notional Principal Amount	Start Date	Maturity Date	Receive Variable Rate	Pay Fixed Rate
$200,000	Sept-29-06	Dec-31-09	90 day LIBOR	5.544%

The interest rate swap effectively converts a portion of the variable rate debt under the Company's senior secured credit facility to fixed rate debt. In prior years, and throughout the year ended December 31, 2008, the Company hedged a portion of its exposure to interest rate movements through the use of multiple interest rate swaps some of which have since expired. These derivative instruments are designated as cash flow hedges with the related gains / (losses) recorded in other comprehensive income (net of tax) with an offsetting amount included in other non-current liabilities. The gains / (losses) were $882, $(9,300) and $(5,253) in the years ended December 31, 2008, 2007 and 2006, respectively.

The Company adopted SFAS No. 157, "Fair Value Measurements" ("SFAS 157") on January 1, 2008, for its financial assets and financial liabilities. SFAS 157 defines fair value, provides guidance for measuring fair value and requires certain disclosures. SFAS 157 discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The statement utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Inputs, other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the Company's own assumptions.

The Company's interest rate swaps are the only assets and liabilities carried at fair value and are determined under Level 3 based upon unobservable market inputs, as defined by SFAS 157, provided by an independent third party financial institution. The reconciliation of beginning and ending fair values of these interest rate swaps is as follows:

Value of interest rate swaps as of December 31, 2006	$ (95)
Total (losses) included in other comprehensive (loss) for year ended December 31, 2007	(9,300)
Value of interest rate swaps as of December 31, 2007	(9,395)
Total gains included in other comprehensive (loss) for the year ended December 31, 2008	882
Value of interest rate swaps as of December 31, 2008	**$(8,513)**

Other Financial Instruments

In February 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. The Company did not adopt the fair value option offered by SFAS 159.

The carrying amounts reported in the consolidated balance sheets as of December 31, 2008 and December 31, 2007 for cash and cash equivalents, accounts receivable, accounts payable and other current assets and liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments. The Company's Notes are publicly traded securities. The fair value of the Company's Notes, based on available market quotes, was $349,600 ($380,000 book value) and $401,700 ($390,000 book value) as of December 31, 2008 and December 31, 2007, respectively.

7. Inventories

Inventories consist of the following:

	As of December 31, 2008	As of December 31, 2007
Finished goods	$45,566	$36,592
Work-in-progress / Bulk	3,859	8,970
Raw materials	8,351	8,469
	$57,776	$54,031

Amounts above are net of $12,965 and $6,435 related to inventory obsolescence reserves as of December 31, 2008 and December 31, 2007, respectively. Product samples are stated at the lower of cost or market ($3,618 and $4,569 as of December 31, 2008 and December 31, 2007, respectively) and are included in prepaid expenses and other current assets.

8. Property, Plant and Equipment, net

Property, plant and equipment, net consist of the following:

	As of December 31, 2008	As of December 31, 2007
Land and buildings	$22,300	$23,590
Plant and machinery	25,254	23,640
Computer equipment and software	24,815	20,632
Furniture and fixtures	2,443	2,451
Construction in Progress	12,856	7,476
	87,668	77,789
Less accumulated depreciation	26,760	20,336
	$60,908	$57,453

Depreciation expense was $11,275, $10,250 and $7,177 in the years ended December 31, 2008, 2007 and 2006, respectively.

9. Goodwill and Intangible Assets

The Company's goodwill and a trademark have been deemed to have indefinite lives and are not amortized. The Company's licensing agreements and certain trademarks that do not have indefinite lives are being amortized on either a straight-line or accelerated basis over their useful lives not to exceed 15 years.

Components of the Company's intangible assets as of December 31, 2008, consist of the following:

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Definite-lived intangible assets			
OVCON / FEMCON FE product family	$ 401,000	$ 295,403	$105,597
ESTROSTEP FE	199,100	170,361	28,739
ESTRACE Cream	411,000	166,547	244,453
FEMHRT product family	304,000	216,026	87,974
FEMRING	29,301	10,083	19,218
ESTRACE Tablets	31,500	8,400	23,100
FEMTRACE	10,695	2,836	7,859
DORYX	331,300	128,614	202,686
DOVONEX / TACLONEX product family	289,536	53,357	236,179
SARAFEM	57,800	57,800	—
DURICEF	29,000	29,000	—
MOISTUREL	10,900	2,907	7,993
Total Definite-lived intangible assets	**2,105,132**	**1,141,334**	**963,798**
Indefinite-lived intangible assets			
Trademark	30,000	—	30,000
Total intangible assets, net	**$2,135,132**	**$1,141,334**	**$993,798**

Aggregate amortization expense related to intangible assets was $387,229 (including a non-cash impairment charge), $228,330 and $253,425 for the years ended December 31, 2008, 2007 and 2006, respectively. The Company continuously reviews its products' remaining useful lives based on each product family's estimated future cash flows. During the third quarter of 2008, the Company accelerated the amortization on certain unimpaired non-core products based on its review. As a result, the year ended December 31, 2008 included additional amortization expense of $16,042 ($0.06 per share, net of tax). In the fourth quarter of 2008, the Company recorded a non-cash impairment charge of $163,316 ($0.64 per share, net of tax) related to the OVCON / FEMCON FE product family (also see Note 2) based on its review.

Estimated amortization expense based on current forecasts for each of the next five years is as follows:

	Amortization
2009	$216,374
2010	160,996
2011	130,684
2012	99,110
2013	80,899

10. Accrued Expenses

Accrued expenses consist of the following:

	As of December 31, 2008	As of December 31, 2007
Sales returns reserve	$ 61,282	$ 49,196
Payroll, commissions, and employee costs	15,055	14,817
Obligations under product licensing agreements	14,363	12,727
Provision for loss contracts	13,272	10,741
Interest payable	13,934	16,286
Medicaid rebate accrual	8,776	6,535
Deferred income	5,083	6,741
Research and development expense accruals	4,858	4,459
Income tax liabilities(1)	2,450	46,670
Professional fees	2,075	4,241
Litigation settlement reserves	—	9,250
Other	7,696	5,232
Total	$148,844	$186,895

(1) As of December 31, 2008 and 2007, all income tax liabilities were related to FIN48 reserves. In addition, FIN48 income tax reserves included as a component of other non-current liabilities as of December 31, 2008 and 2007 totaled $2,328 and $9,907, respectively.

11. Indebtedness

Senior Secured Credit Facility

On January 18, 2005, Holdings III and its subsidiaries, Warner Chilcott Corporation ("WCC") and Warner Chilcott Company, Inc. ("WCCI"), entered into a $1,790,000 senior secured credit facility, with Credit Suisse as administrative agent and lender, and other lenders. The senior secured credit facility consisted of a $1,640,000

term loan facility and a $150,000 revolving credit facility, of which $30,000 and $15,000 are available for letters of credit and swing line loans, respectively, to WCC and WCCI. The senior secured credit facility also contemplates up to three uncommitted tranches of term loans up to an aggregate of $250,000. However, the lenders are not committed to provide these additional tranches.

Holdings III, WCC and WCCI are each borrowers and cross-guarantors under the senior secured credit facility; Holdings III's significant subsidiaries are also guarantors and cross-guarantors of this obligation. Borrowings under the senior secured credit facility are secured by a first priority security interest in substantially all of the borrowers' and guarantors' assets, including a pledge of all of the outstanding capital stock of Holdings III.

The $1,400,000 single-draw term loan was drawn in a single drawing on January 18, 2005 to (i) finance, in part, the purchase of Warner Chilcott PLC shares, (ii) refinance certain existing debt of Warner Chilcott PLC and its subsidiaries and (iii) pay the fees and expenses related to the acquisition of Warner Chilcott PLC and related financings. Amounts borrowed under the single-draw term loan that are repaid or prepaid may not be re-borrowed. In 2006, the $240,000 delayed-draw facility was utilized to finance the acquisition of the U.S. rights to the prescription pharmaceutical product DOVONEX from Bristol-Myers for $200,000 and a $40,000 milestone payment to LEO Pharma following FDA approval of TACLONEX ointment. Loans may be made and letters of credit may be issued under the revolving credit facility at any time prior to the final maturity of the revolving credit facility, in specified minimum principal amounts. Amounts repaid under the revolving credit facility may be re-borrowed. As of December 31, 2008, there were no borrowings outstanding under the $150,000 revolving credit facility and the revolving credit facility matures on January 18, 2011. Based on the Company's leverage ratio, the interest rates under the revolving credit facility are LIBOR plus 1.50% or ABR plus 0.50%.

The term loan and delayed-draw term loan facilities mature on January 18, 2012. As a result of making optional prepayments of $220,000 during the year ended December 31, 2008, scheduled quarterly principal payments under the term loan and delayed-draw term loan facility were reduced to $5,977 annually beginning in 2009. The borrowers under the senior secured credit facility are also required to make mandatory prepayments of term loans in amounts equal to 100% of net asset sale proceeds, 100% of net proceeds from issuance of debt, other than permitted debt under the senior secured credit facility, and up to 50% (with reductions based on leverage) of excess cash flow (as defined in the senior secured credit facility). Additional optional prepayments may be made at any time without premium or penalty. The interest rates on all term borrowings under the senior secured credit facility are LIBOR plus 2.00% or ABR plus 1.00%.

The senior secured credit facility contains a financial covenant that requires that Holdings III's ratio of total indebtedness to earnings before interest, taxes, depreciation and amortization ("EBITDA") (both as defined in the senior secured credit facility) not exceed certain levels. The senior secured credit facility also contains a financial covenant that requires Holdings III to maintain a minimum ratio of EBITDA to interest expense (as defined in the senior secured credit facility) and other covenants that, among other things, limit the ability of Holdings III and certain of its subsidiaries to incur additional indebtedness, incur liens, prepay subordinated debt, make loans and investments, merge or consolidate, sell assets, change business or amend the terms of subordinated debt and restrict the payment of dividends. As of December 31, 2008, Holdings III was in compliance with all covenants under the senior secured credit facility.

The senior secured credit facility specifies certain customary events of default including, without limitation, non-payment of principal or interest, violation of covenants, inaccuracy of representations and warranties in any material respect, cross default or cross acceleration of certain other material indebtedness, bankruptcy and insolvency events, material judgments and liabilities, certain ERISA events, invalidity of guarantees and security documents under the senior secured credit facility and change of control.

WCCI entered into an interest rate swap contract covering a portion of its variable rate debt. For information relating to the interest rate swap covering $200,000 notional principal amount, refer to Note 6.

8.75% Notes

On January 18, 2005, WCC, our wholly-owned U.S. subsidiary, issued $600,000 aggregate principal amount of Notes. The Notes are guaranteed on a senior subordinated basis by the Company, Holdings III, Warner Chilcott Intermediate (Luxembourg) S.à.r.l., the U.S. operating subsidiary (Warner Chilcott (US), LLC) and WCCI (collectively, the "Guarantors"). Interest payments on the Notes are due semi-annually in arrears on each February 1 and August 1. The issuance costs related to the Notes are being amortized to interest expense over the ten-year term of the Notes using the effective interest method. The Notes are unsecured senior subordinated obligations of WCC, are guaranteed on an unsecured senior subordinated basis by the Guarantors and rank junior to all existing and future senior indebtedness, including indebtedness under our senior secured credit facility.

All or some of the Notes may be redeemed at any time prior to February 1, 2010 at a redemption price equal to par plus a "make-whole" premium specified in the indenture. On or after February 1, 2010, WCC may redeem all or some of the Notes at redemption prices declining from 104.38% of the principal amount to 100.00% on or after February 1, 2013. In addition, WCC was permitted, at its option, at any time prior to February 1, 2008 to redeem up to 35.00% of the aggregate principal amount of the Notes with the net cash proceeds of one or more equity offerings at a redemption price of 108.75% of the principal amount. In connection with the IPO, WCC exercised this option and redeemed $210,000 aggregate principal amount of the Notes on October 31, 2006 for a total price of $228,375 (108.75% of the principal amount), plus accrued interest. In addition, during the fourth quarter of 2008, WCC purchased and retired $10,000 aggregate principal amount of its Notes, at a discount, in privately negotiated open market transactions.

If Holdings III or WCC were to undergo a change of control (as defined in the indenture), each Note holder would have the right to require WCC to repurchase the Notes at a purchase price equal to 101.00% of the principal amount, plus accrued and unpaid interest. The Notes indenture contains restrictive covenants that, among other things, limit the ability of Holdings III and its subsidiaries to incur or guarantee additional debt or redeem or repurchase capital stock and restrict the payment of dividends or distributions on such capital stock. As of December 31, 2008, Holdings III was in compliance with all covenants under the indenture.

The indenture governing the Notes required that Holdings III provide to holders of the Notes the information required to be contained on Form 10-K, Form 10-Q and Form 8-K under the Securities Exchange Act of 1934 (the "Exchange Act"). Since we have no material assets, liabilities or operations other than our ownership of Holdings III, the information that is included in the Exchange Act reports filed with the SEC by us following the IPO is identical in all material respects to the information included in the reports required to be filed by Holdings III under the indenture. In light of the foregoing, we deemed it advisable not to have two companies within the same consolidated group file reports with the SEC containing materially identical information. Accordingly, on October 19, 2006, we entered into a supplement to the indenture (the "Supplemental Indenture"), without the consent of the holders of the Notes, relating to the indenture in order to:

- add us as a guarantor of the Notes under the indenture; and
- amend the "Reports" covenant in the indenture to provide that for so long as we are a guarantor of the Notes, have no material assets, liabilities or operations other than our ownership of Holdings III and have a reporting obligation under Section 13 or Section 15(d) of the Exchange Act, if we file with the SEC the reports required under the indenture to be filed by Holdings III and include in a note to our

financial statements included in such reports the condensed consolidating financial information specified by Rule 3-10 of Regulation S-X, Holdings III's obligations under such covenant shall be deemed satisfied.

We may, at any time, request the release of our guarantee of the Notes.

Components of Indebtedness

As of December 31, 2008 and 2007, the Company's outstanding debt included the following:

	Current Portion as of December 31, 2008	Long-Term Portion as of December 31, 2008	Total Outstanding as of December 31, 2008
Revolving credit loan	$ —	$ —	$ —
Term loans	5,977	576,580	582,557
Notes	—	380,000	380,000
Total	$5,977	$956,580	$962,557

	Current Portion as of December 31, 2007	Long-Term Portion as of December 31, 2007	Total Outstanding as of December 31, 2007
Revolving credit loan	$ —	$ —	$ —
Term loans	8,284	801,955	810,239
Notes	—	390,000	390,000
Total	$8,284	$1,191,955	$1,200,239

As of December 31, 2008, mandatory principal repayments of long-term debt in each of the five years ending December 31, 2009 through 2013 and thereafter were as follows:

Year Ending December 31,	Aggregate Maturities (in millions)
2009	$ 5,977
2010	5,977
2011	4,483
2012	566,120
2013	—
Thereafter	380,000
Total long-term debt	$962,557

12. Stock-Based Compensation Plans

The Company applied the provisions of SFAS No. 123R during all periods presented. All share-based compensation to employees, including grants of non-qualified options to purchase Class A common shares and grants of restricted Class A common shares, are measured at fair value on the date of grant and are recognized in the statement of operations as compensation expense over their vesting periods. For purposes of computing the amounts of share-based compensation expensed in any period, the Company treats option or share grants that

time-vest as serial grants with separate vesting dates. This treatment results in accelerated recognition of share-based compensation expense whereby 52% of the compensation is recognized in year one, 27% is recognized in year two, 15% is recognized in year three, and 6% is recognized in the final year of vesting.

Total stock compensation expense recognized for the years ended December 31, 2008, 2007 and 2006 was $7,927, $6,115 and $17,787 (related tax benefits were $2,291, $1,934 and $6,656, respectively), respectively. Stock-based compensation expense recognized for the year ended December 31, 2006 included $13,390 relating to a one-time grant of 892,638 Class A common shares at $15.00 a share to certain members of senior management which immediately vested at the time of the IPO. The stock-based compensation expense for the year ended December 31, 2006 also included a one-time expense of $1,275 for the immediate vesting of ROC shares in connection with the IPO.

Unrecognized future compensation expense was $9,126 as of December 31, 2008 which will be recognized as an expense over a remaining weighted average period of 1.07 years. The Company registered 9,310,358 shares of its Class A common stock for issuance under the 2005 Equity Incentive Plan.

The Company granted and intends to continue to grant equity-based incentives to its employees comprised of restricted Class A common shares and non-qualified options to purchase Class A common shares. Restricted Class A common shares are granted and expensed, using the market price per share on the applicable grant date, over a four year vesting period. Non-qualified options to purchase Class A common shares are granted to employees at exercise prices per share equal to the closing market price per share on the date of grant. The fair value of options is determined on the grant dates using the Black-Scholes method of valuation and that amount is recognized as an expense over the four year vesting period. The options have a term of ten years.

In establishing the value of the options on the grant dates during 2006 and 2007, the Company assumed that the Class A common shares, although having limited volatility history, had a similar volatility as a defined group of comparable companies. Beginning with the grant dates in 2008, the Company used its own stock price and its historical volatility from the date of its IPO to estimate the expected volatility at each grant date. The Company assumes that the options will be exercised, on average, in six years. Using the Black-Scholes valuation model, the fair value of the options is based on the following assumptions:

	2008 Grants	2007 Grants	2006 Grants
Dividend yield	None	None	None
Expected volatility	35.00%	35.00 – 50.00%	50.00%
Risk-free interest rate	2.24 – 3.98%	4.03 – 5.03%	4.63 – 4.76%
Expected term (years)	6.00	6.00	6.00

The weighted average remaining contractual term of all outstanding options to purchase Class A common shares granted is 7.35 years.

The following is a summary of equity award activity for unvested restricted Class A common shares in the period from December 31, 2005 through December 31, 2008:

(in thousands except per share amounts)	Shares	Weighted Average Fair Value on Grant Date
Unvested restricted Class A common shares at December 31, 2005	4,927	$ 1.00
Granted shares	1,133	$15.00
Repurchased shares	(479)	12.88
Vested shares	(2,916)	3.33
Forfeited shares	(2)	15.00
Unvested restricted Class A common shares at December 31, 2006	2,663	$ 2.25
Granted shares	24	$16.82
Vested shares	(1,467)	1.55
Forfeited shares	(7)	15.24
Unvested restricted Class A common shares at December 31, 2007	1,213	$ 3.30
Granted shares	218	$17.29
Repurchased shares	(22)	1.00
Vested shares	(852)	1.98
Forfeited shares	(27)	15.65
Unvested restricted Class A common shares at December 31, 2008	530	$10.66

The following is a summary of equity award activity for non-qualified options to purchase Class A common shares in the period from December 31, 2005 through December 31, 2008:

(in thousands except per share amounts)	Options	Weighted Average Fair Value on Grant Date	Weighted Average Exercise Price
Balance at December 31, 2005	1,918	$0.01	$22.98
Granted options	1,173	$8.01	$14.99
Forfeited options	(23)	8.02	15.00
Balance at December 31, 2006	3,068	$3.01	$19.99
Granted options	134	$8.77	$16.84
Exercised options	(9)	8.02	15.00
Forfeited options	(119)	8.10	15.14
Balance at December 31, 2007	3,074	$3.05	$20.05
Granted options	1,263	$6.86	$16.84
Exercised options	(29)	8.01	14.97
Forfeited options	(234)	7.41	15.70
Balance at December 31, 2008	4,074	$3.95	$19.34
Vested and exercisable at December 31, 2008	1,919	$2.03	$21.00

The intrinsic value of options exercisable is calculated as the difference between the closing price of the Company's common stock and the exercise price of the options that had a strike price below the closing price. The intrinsic value for the non-qualified options to purchase Class A common shares that are "in-the-money" as of December 31, 2008 was deminimus.

13. Shareholders' Equity and Preferred Stock in Subsidiary

The Company has one class of common shares, Class A common shares, par value $0.01 per share, with 500,000,000 shares authorized, 251,294,256 shares issued and 250,781,978 shares outstanding as of December 31, 2008. In connection with the IPO in September 2006, 10,669,441 outstanding Class L common shares all of which were held by the Sponsors, certain institutional investors and members of the Company's management were converted into 76,549,828 Class A common shares pursuant to the Company's bye-laws. In addition, Holdings II converted $135,000 of Preferred Shares or 118,246 Preferred Shares into 9,480,302 shares of the Company's Class A common shares and 286,115 Preferred Shares in Holdings II were redeemed for $327,164. As of December 31, 2008, 2007 and 2006, there were no Class L common shares or Preferred Shares outstanding.

Prior to the IPO and during the period ended September 20, 2006, all holders of Class A common shares and Class L common shares voted together as a single class on an as-converted basis. Class L common shares had preferential distribution rights over Class A common shares whereby Class L stockholders were entitled to receive an amount equal to the value of the initial investment in Class L common shares plus an amount sufficient to generate an internal rate of return equal to 10% annually (compounded quarterly), prior to Class A stockholders receiving any Company distributions. As of September 2006, the Class L common share preferential distribution rights (the sum of the initial investment, vesting of strip rights and rate of return) totaled $938,441, which was converted into Class A common shares in September 2006.

To complete the acquisition of Warner Chilcott PLC, the Sponsors, certain of their limited partners and certain members of the Company's management, indirectly funded equity contributions of $1,282,851 to the Company and certain of its subsidiaries. The Company's initial equity of $880,029 was funded with contributions to purchase Class A and Class L common shares of the Company. The Company's wholly-owned subsidiary, Holdings II's, initial equity of $402,822 was funded through issuance of Preferred Shares. In addition, certain members of management were granted Preferred Shares in connection with the Acquisition. Each Preferred Share had a liquidation preference of $1,000 plus a cumulative accretion on the stock at a rate of 8% per annum, compounded quarterly. The Preferred Shares in Holdings II were redeemed for cash or converted into Class A common shares in September 2006.

Accretion on Holdings II's Preferred Shares was $26,190 for the year ended December 31, 2006 ($57,723 cumulative accretion over the life of the Preferred Shares). These amounts have been expensed in the consolidated statements of operations of the Company. As of December 31, 2008, 2007 and 2006 there were no Preferred Shares outstanding.

14. Commitments and Contingencies

Purchase Commitments

The Company has a contingent purchase obligation in connection with a product acquired in 2003 (FEMHRT) and had a contingent purchase obligation with a separate product acquired in 2003 (ESTROSTEP FE) which expired in the third quarter of 2007. The remaining contingency is payable quarterly and is based on

FEMHRT maintaining market exclusivity through the first quarter of 2010. Payments related to the two products totaled $11,600, $24,000 and $28,800 in the years ended December 31, 2008, 2007 and 2006, respectively. Assuming that FEMHRT maintains market exclusivity through the first quarter of 2010, the Company would make additional payments of:

Year	
2009	$11,600
2010	2,900
Total	$14,500

The Company has non-cancelable commitments under minimum purchase requirements with multiple suppliers which aggregate to $27,050. The Company's aggregate remaining purchase commitments for the next five years as of December 31, 2008 are approximately:

Year	
2009	$7,810
2010	9,620
2011	9,620
2012	—
2013	—

The Company also has outstanding non-cancelable purchase commitments for inventories with multiple suppliers totaling $45,161, as well as commitments of $5,821 relating to certain capital expenditures, which are payable within one year.

DOVONEX and TACLONEX Commitments

The Company acquired Bristol-Myers' rights to DOVONEX and their related inventory on January 1, 2006 for a purchase price of $205,176 plus a 5% royalty on net sales of DOVONEX through December 31, 2007. Under the LEO Pharma license and supply agreement, the Company pays LEO Pharma a supply fee with respect to each product within the DOVONEX product portfolio equal to 20% of net sales and a royalty equal to 10% of net sales (each as calculated under the terms of the agreement). The royalty with respect to each product within the DOVONEX product portfolio will be reduced to 5% if a generic equivalent of such DOVONEX product is introduced. Under the terms of the TACLONEX license and supply agreement, the Company pays LEO Pharma a supply fee for TACLONEX ranging from 20% to 25% of net sales and royalties ranging from 10% to 15% of net sales (each as calculated under the terms of the agreement).

Product Development Agreements with LEO Pharma

In September 2005, the Company entered into agreements with LEO Pharma under which the Company acquired the rights to certain products under development. LEO Pharma also granted the Company a right of first refusal and last offer for the U.S. sales and marketing rights to dermatology products developed by LEO Pharma through 2010. In September 2007, the Company made a $10,000 payment under this agreement as a result of the FDA acceptance of LEO Pharma's NDA submission for TACLONEX scalp, which was included in research and development expense in the year ended December 31, 2007. In June 2008, the Company made a $40,000 milestone payment under this agreement as a result of the FDA's approval of the NDA for TACLONEX scalp. This $40,000 payment was recorded as an intangible asset as part of the DOVONEX/TACLONEX product

family and is being amortized over the product's useful life. Under the product development agreement, the Company may be required to make additional payments to LEO Pharma upon the achievement of various developmental milestones that could aggregate up to $100,000. In addition, the Company agreed to pay a supply fee and royalties to LEO Pharma based on the net sales of those products. The Company may also agree to make additional payments for products that have not been identified or that are covered under the right of first refusal and last offer.

In January 2006, the Company entered into an agreement with LEO Pharma to acquire an option to purchase certain rights with respect to a topical dermatology product in development. The Company paid $3,000 for the option upon signing and agreed to pay an additional $3,000 upon completion of developmental milestones. The purchase price for the supply of the product remains subject to negotiation by LEO Pharma and the Company if the option is exercised.

Other Product Development Agreements

In July 2007, the Company entered into an agreement with Paratek Pharmaceuticals, Inc. ("Paratek") under which the Company acquired certain rights to novel tetracyclines under development for the treatment of acne and rosacea. The Company paid an upfront fee of $4,000 and agreed to reimburse Paratek for R&D expenses incurred during the term of the agreement. The $4,000 upfront payment was included in R&D expense in the year ended December 31, 2007. The Company may make additional payments to Paratek upon the achievement of various developmental milestones that could aggregate up to $24,500. In addition, the Company agreed to pay royalties to Paratek based on the net sales, if any, of the products covered under the agreement.

In November 2007, the Company entered into an agreement with NexMed, Inc. ("NexMed") to acquire an exclusive license of the U.S. rights to NexMed's topically applied alprostadil cream for the treatment of erectile dysfunction ("ED"). NexMed's NDA for the product was accepted for review by the FDA in November 2007. The Company paid a license fee of $500 which was recognized in R&D expense in the year ended December 31, 2007. Also see "Note 25—Subsequent Event".

In December 2008, the Company signed an agreement with Dong-A PharmTech Co. Ltd. ("Dong-A"), to develop and market their orally-administered udenafil product, a PDE5 inhibitor for the treatment of ED in the U.S. The Company paid $2,000 in connection with signing the agreement, which was included in R&D expense for the year ended December 31, 2008 and the Company also agreed to pay for all development costs incurred during the term of the agreement. The Company may make additional payments to Dong-A upon the achievement of various developmental milestones that could aggregate up to $22,000. In addition, the Company agreed to pay a profit-split to Dong-A based on operating profit (as defined in the agreement), if any, on the product.

15. Income Taxes

The Company operates in five primary tax jurisdictions: the UK, the U.S., the Republic of Ireland, Bermuda and Puerto Rico. The following table shows the principal reasons for the difference between the effective tax rate and the U.S. statutory income tax rate:

	Year Ended December 31,		
	2008	2007	2006
U.S. statutory rate	35.0%	35.0%	35.0%
Income / (loss) before income taxes	$ 16,389	$47,291	$(164,657)
Income tax provision/(benefit) at U.S. statutory rate	$ 5,736	$16,552	$ (57,630)
Meals and entertainment & other	3,857	4,370	3,144
Foreign withholding taxes	1,778	—	—
Effect of foreign tax rates, net	(44,183)	(4,831)	38,688
Tax rate differential on impairment of intangible assets	53,894	—	—
Tax reserves, including interest	672	4,654	3,719
U.S. state and local taxes	2,987	2,244	2,264
Tax credits	(2,475)	(631)	(1,043)
Valuation allowances	1,480	(3,134)	58
Other differences, net	1,000	(808)	(347)
Provision / (benefit) for income taxes	$ 24,746	$18,416	$ (11,147)
Effective income tax rate	151.0%	38.9%	(6.8)%

The components of income / (loss) before income taxes and the provision / (benefit) for income taxes are presented in the tables below:

	Year Ended December 31,		
	2008	2007	2006
Income / (loss) before income taxes:			
UK	$ (839)	$ (2,484)	$ (3,658)
Republic of Ireland	5,058	8,316	3,976
U.S.	56,687	30,606	(65,491)
Puerto Rico	(38,791)	21,379	(29,218)
Bermuda & other	(5,726)	(10,526)	(70,266)
Total	16,389	47,291	(164,657)
Provision / (benefit) for current taxes:			
UK	232	(53)	(930)
Republic of Ireland	1,281	1,207	(1,060)
U.S. federal tax	38,046	35,844	(2,205)
U.S. state and local taxes	115	8,306	5,923
Puerto Rico	1,379	1,818	3,091
Total	41,053	47,122	4,819
(Benefit) / provision for deferred taxes:			
UK	(451)	(1,261)	(549)
Republic of Ireland	(651)	(136)	(244)
U.S. federal tax	(13,309)	(21,547)	(10,145)
U.S. state and local taxes	1,525	(4,854)	(1,670)
Puerto Rico	(3,421)	(908)	(3,358)
Total	(16,307)	(28,706)	(15,966)
Total provision / (benefit) for income taxes	$ 24,746	$ 18,416	$ (11,147)

Deferred income tax items arise because of differences in the book and tax treatment of certain assets and liabilities. The items giving rise to deferred tax assets and liabilities are summarized in the following table:

	As of December 31, 2008	As of December 31, 2007
Deferred tax assets:		
Loss carryforwards	$ 11,492	$ 17,845
Accrued expenses	34,136	26,541
Inventory	18,367	8,428
Uncertain tax positions	1,019	7,334
State income taxes	1,201	883
Stock-based compensation	3,842	1,902
Deferred interest	—	7,925
Property, plant and equipment allowances	1,545	627
Other	1,921	3,287
Gross deferred tax assets	73,523	74,772
Deferred tax liabilities:		
Intangible assets	(95,879)	(111,772)
Other	(333)	—
Gross deferred tax liabilities	(96,212)	(111,772)
Valuation allowance	(9,893)	(11,759)
Net deferred tax liabilities	$(32,582)	$ (48,759)

At December 31, 2008 and 2007, the Company had cumulative gross net operating loss carryforwards (excluding state and local amounts) of $31,227 and $42,419, respectively, of which $30,896 and $42,061 relate to losses in the UK that have an unlimited carryover, and $331 and $357 related to other foreign jurisdictions. For U.S. state and local tax purposes, the Company has cumulative gross net operating loss carryforwards of approximately $125,118 and $220,893 for 2008 and 2007, respectively, which expire between 2013 and 2014. The Company also has tax credits of $1,902 in Puerto Rico with an indefinite life.

Based on all available evidence, both positive and negative, the Company determined that it is more likely than not that the deferred asset related to substantially all of the UK and other foreign jurisdictions' cumulative gross net operating loss carryforwards, and certain other deferred assets, will not be realized. Accordingly, the Company recorded valuation allowances for 2008 and 2007 of $30,050 and $41,981 related to the UK cumulative gross net operating losses and other foreign deferred tax assets (excluding tax credits), respectively. In addition, the Company recorded a net valuation allowance of $1,482 related to Puerto Rico tax credits for the year ended December 31, 2008.

The Company intends to continue to reinvest accumulated earnings of its subsidiaries for the foreseeable future; as such, no additional provision has been made for U.S. or non-U.S. income taxes on the undistributed earnings of subsidiaries or for differences related to investments in subsidiaries.

Currently, the Internal Revenue Service ("IRS") is auditing the Company's U.S. tax returns for the years ended December 31, 2005 and 2006. The year ended December 31, 2007 is open for U.S. audit, but is not currently under audit. The year ended December 31, 2004 is currently under audit in Puerto Rico and the years ended December 31, 2005, 2006 and 2007 are open for audit. In addition, certain state and other foreign jurisdictions for various periods are under audit.

The Company adopted the provisions of FIN48 on January 1, 2007. As of December 31, 2008 and December 31, 2007, the Company's liability for unrecognized tax benefits was $3,527 and $46,803, respectively, excluding interest and penalties. The amount, if recognized, that would impact the effective tax rate is $3,527 and $16,366 as of December 31, 2008 and December 31, 2007, respectively. A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, for the years ended December 31, 2008 and 2007 is as follows:

	Year Ended December 31, 2008	Year Ended December 31, 2007
Balance at January 1, 2008	$ 46,803	$40,172
Additions based on tax positions related to current year	618	1,396
Additions for tax positions of prior years	191	5,235
Settlements with taxing authorities	(44,085)	—
Lapses of applicable statutes of limitations	—	—
Balance at December 31, 2008	$ 3,527	$46,803

It is expected that the amount of unrecognized tax benefits may change in the next 12 months; however, the Company does not expect the change to have a significant impact on its results of operations, financial position and cash flows.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in its provision / (benefit) for income taxes. During the years ended December 31, 2008 and 2007, the Company recognized approximately $1,175 and $6,042 in interest and penalties, respectively. The Company had approximately $1,242 and $9,774 for the payment of interest and penalties accrued at December 31, 2008, and 2007, respectively.

In February 2008, the Company's U.S. operating entities entered into an Advanced Pricing Agreement ("APA") with the IRS covering the calendar years 2006 through 2010. The APA is an agreement with the IRS that specifies the agreed upon terms under which the Company's U.S. entities are compensated for services provided on behalf of its non-U.S. entities. The APA provides the Company with greater certainty with respect to the mix of pretax income in the various tax jurisdictions in which the Company operates.

16. Segment Information

The Company's business consists of one operating segment for internal financial reporting purposes. The following is selected statement of operations information for the years ended December 31, 2008, 2007 and 2006:

	Year Ended December 31,		
	2008	2007	2006
Revenue by country of origin:			
U.S	$908,707	$865,450	$731,716
All other countries	29,418	34,111	22,741
Total revenue	$938,125	$899,561	$754,457
Revenue breakdown by product:			
Net sales:			
LOESTRIN 24 FE	$197,172	$148,892	$ 44,156
FEMCON FE	45,831	32,380	7,527
ESTROSTEP FE*	20,816	70,170	103,007
OVCON 35/50*	12,885	15,473	73,842
ESTRACE Cream	83,820	73,105	65,766
FEMHRT	61,549	63,685	58,736
FEMRING	14,183	15,457	11,289
DORYX	158,944	115,772	102,432
TACLONEX	153,316	127,155	60,119
DOVONEX*	123,338	145,311	146,948
SARAFEM	16,932	37,690	37,936
Other products	11,543	17,443	19,356
Contract manufacturing product sales	18,663	25,659	20,829
Total net sales	918,992	888,192	751,943
Other revenue:			
Royalty revenue	19,133	11,369	2,514
Total revenue	$938,125	$899,561	$754,457

* Includes revenue from related authorized generic product sales from the date of their respective launch.

The following is selected balance sheet information as of December 31, 2008 and 2007:

	As of December 31, 2008	As of December 31, 2007
Property, plant and equipment, net:		
U.S.	$16,599	$13,994
Puerto Rico	34,921	27,232
UK/Republic of Ireland	9,388	16,227
Total	$60,908	$57,453

17. Leases

The Company leases land, buildings, computer equipment and motor vehicles under operating and capital leases. The Company's remaining commitments under the non-cancelable portion of all leases for the next five years and thereafter as of December 31, 2008 are:

2009	$3,618
2010	1,905
2011	1,787
2012	1,666
2013	301
Thereafter	—
Total	$9,277

Lease and rental expenses totaled $7,250, $7,793 and $6,273 in the years ended December 31, 2008, 2007 and 2006, respectively.

18. Legal Proceedings

General Matters

The Company is involved in various legal proceedings in the normal course of its business, including product liability and other litigation. The Company records reserves related to legal matters when losses related to such litigation or contingencies are both probable and reasonably estimable. The Company maintains insurance with respect to potential litigation in the normal course of its business based on its consultation with its insurance consultants and outside legal counsel, and in light of current market conditions, including cost and availability. In addition, the Company self-insures for certain liabilities not covered under its litigation insurance based on estimates of potential claims developed in consultation with its insurance consultants and outside legal counsel.

The following discussion is limited to the Company's material on-going legal proceedings:

Hormone Therapy Product Liability Litigation

Approximately 699 product liability suits, including some with multiple plaintiffs, have been filed against, or tendered to, the Company related to its hormone therapy ("HT") products, FEMHRT, ESTRACE, ESTRACE Cream and medroxyprogesterone acetate. Under the purchase and sale agreement pursuant to which the Company acquired FEMHRT from Pfizer Inc. ("Pfizer") in 2003, the Company agreed to assume product liability exposure with respect to claims made against Pfizer after March 5, 2003 and tendered to the Company relating to FEMHRT products. The cases are in the early stages of litigation and the Company is in the process of analyzing and investigating the individual complaints.

The lawsuits were likely triggered by the July 2002 and March 2004 announcements by the National Institute of Health ("NIH") of the terminations of two large-scale randomized controlled clinical trials, which were part of the Women's Health Initiative ("WHI"), examining the long-term effect of HT on the prevention of coronary heart disease and osteoporotic fractures, and any associated risk for breast cancer in postmenopausal women. In the case of the trial terminated in 2002, which examined combined estrogen and progestogen therapy (the "E&P Arm of the WHI Study"), the safety monitoring board determined that the risks of long-term estrogen and progestogen therapy exceeded the benefits, when compared to a placebo. WHI investigators found that

combined estrogen and progestogen therapy did not prevent heart disease in the study subjects and, despite a decrease in the incidence of hip fracture and colorectal cancer, there was an increased risk of invasive breast cancer, coronary heart disease, stroke, blood clots and dementia. In the trial terminated in 2004, which examined estrogen therapy, the trial was ended one year early because the NIH did not believe that the results were likely to change in the time remaining in the trial and that the increased risk of stroke could not be justified for the additional data that could be collected in the remaining time. As in the E&P Arm of the WHI study, WHI investigators again found that estrogen only therapy did not prevent heart disease and, although study subjects experienced fewer hip fractures and no increase in the incidence of breast cancer compared to subjects randomized to placebo, there was an increased incidence of stroke and blood clots in the legs. The estrogen used in the WHI Study was conjugated equine estrogen and the progestin was medroxyprogesterone acetate, the compounds found in Premarin® and Prempro™, products marketed by Wyeth. Numerous lawsuits were filed against Wyeth, as well as against other manufacturers of HT products, after the publication of the summary of the principal results of the E&P Arm of the WHI Study.

Approximately 80% of the complaints filed against, or tendered to, the Company did not specify the HT drug alleged to have caused the plaintiff's injuries. These complaints broadly allege that the plaintiff suffered injury as a result of an HT product. The Company has sought the dismissal of lawsuits that, after further investigation, do not involve any of our products. The Company has successfully reduced the number of HT suits it will have to defend. Of the approximately 699 suits that were filed against, or tendered to, the Company, 445 have been dismissed and 88 involving ESTRACE have been successfully tendered to Bristol-Myers pursuant to an indemnification provision in the asset purchase agreement pursuant to which we acquired ESTRACE. The purchase agreement included an indemnification agreement whereby Bristol-Myers indemnified the Company for product liability exposure associated with ESTRACE products that were shipped prior to July 2001. The Company has forwarded agreed upon dismissal motions in another 15 cases to plaintiffs' counsel.

The Company currently maintains product liability insurance coverage for claims between $25 million and $75 million, above which the Company is self-insured. The Company's insurance may not apply to damages or defense costs related to the above mentioned claims, including any claim arising out of HT products with labeling that does not conform completely to FDA hormone replacement therapy communications to manufacturers of HT products. Labeling changes for ESTRACE Tablets that conform to such communications are currently pending before the FDA. Although it is impossible to predict with certainty the outcome of any litigation, an unfavorable outcome in these proceedings is not anticipated. An estimate of the range of potential loss, if any, to us relating to these proceedings is not possible at this time.

Patent Matters

As a result of the enactment of the QI Program Supplemental Funding Act of 2008 (the "QI Act") on October 8, 2008, Mayne Pharma International Pty. Ltd. ("Mayne") submitted to the FDA for listing in the FDA's Orange Book U.S. Patent No. 6,958,161 (the "161 patent") covering the Company's DORYX product, and potential generic competitors that had filed an Abbreviated New Drug Application ("ANDA") prior to the listing of the 161 patent were permitted to certify to the listed patent within 120 days of the enactment of the QI Act. In December 2008 and January 2009, the Company and Mayne received Paragraph IV certification notice letters from Actavis Elizabeth LLC ("Actavis"), Mutual Pharmaceutical Company, Inc. ("Mutual"), Mylan Pharmaceuticals Inc. ("Mylan"), Impax Laboratories, Inc. ("Impax") and Sandoz Inc. ("Sandoz") indicating that each had submitted to the FDA an ANDA seeking approval to manufacture and sell generic versions of DORYX 100 and 75 mg delayed-release tablets. Those notice letters contend that the 161 patent is invalid, unenforceable or not infringed.

In December 2008 and January 2009, the Company and Mayne filed lawsuits against each of the potential generic competitors in the United States District Court for the District of New Jersey, charging them with infringement of the 161 patent. While the Company and Mayne intend to vigorously defend the 161 patent and pursue their legal rights, the Company can offer no assurance that the Company's lawsuits will result in a 30-month stay of FDA approval with respect to the above mentioned ANDAs or that a generic equivalent will not be approved and enter the market prior to the expiration of the 161 patent in 2022. No trial date has been set.

In June 2006, the Company received notice of a Paragraph IV certification from Watson Laboratories, Inc. and Watson Pharmaceuticals, Inc. (collectively, "Watson") regarding the Company's U.S. Patent No. 5,552,394 (the "394 Patent") which covers LOESTRIN 24 FE. The Paragraph IV certification letter set forth allegations of non-infringement and invalidity of the 394 Patent. On July 28, 2006, the Company filed a lawsuit against Watson in the U.S. District Court for the District of New Jersey for infringement of the 394 Patent. The Company sought a ruling that Watson's ANDA and proposed ANDA product infringed the 394 Patent, and that Watson's ANDA should not be approved before the expiration of the 394 Patent. The Company's lawsuit resulted in a stay of FDA approval of the ANDA for up to 30 months from the Company's receipt of Watson's notice to allow the court to resolve the suit. In January 2009, the Company and Watson settled the litigation. Under the settlement and license agreement, Watson will be permitted to commence marketing its generic equivalent product under a non-exclusive license to the U.S. patent covering LOESTRIN 24 FE on the earlier of January 22, 2014 or the date on which another generic version of LOESTRIN 24 FE enters the U.S. market. On January 22, 2009, the court dismissed the case without prejudice to formally conclude the litigation.

In 2006, LEO Pharma received notices of Paragraph IV certifications from three parties regarding LEO Pharma's DOVONEX 0.005% Calcipotriene Solution ("DOVONEX Solution") which is covered by LEO Pharma's U.S. Patent No. 5,763,426 which was reissued in June 2007 as U.S. Patent No. RE 39,706E (the "426/706 Patent"). The Paragraph IV certification letters advised LEO Pharma of the filing of an ANDA with the FDA requesting approval to manufacture and sell a generic version of DOVONEX Solution prior to the expiration in 2015 of the 426/706 Patent. The Company markets and sells DOVONEX Solution in the United States pursuant to a license agreement with LEO Pharma. The certification letters set forth allegations of non-infringement and invalidity of the 426/706 patent. The Company and LEO Pharma elected not to bring an infringement action with respect to these ANDAs. Generic versions of DOVONEX Solution, including our authorized generic marketed by Hi-Tech, entered the market in May 2008.

On September 21, 2006, LEO Pharma informed the Company that the U.S. Patent and Trademark Office (the "USPTO") ordered a reexamination of LEO Pharma's U.S. Patent No. 6,753,013 (the "013 Patent") in response to a request made by Galderma R&D ("Galderma") based on alleged prior art. The 013 Patent covers TACLONEX products and certain of LEO Pharma's products in development. The Company markets and sells TACLONEX products in the United States under a license agreement with LEO Pharma and has license rights to the products in development. LEO Pharma filed a response with the USPTO on November 13, 2006. In September 2007, LEO Pharma received a non-final Action Closing Prosecution from the USPTO, pursuant to which the patent examiner allowed the specific formulation claim for TACLONEX ointment but rejected the remaining pending claims in the reexamination of the 013 Patent. In July 2008, LEO Pharma received a Right of Appeal Notice from the USPTO reaffirming the patent examiner's position as set forth in the non-final Action Closing Prosecution. In December 2008, the USPTO determined that the Right of Appeal Notice had been prematurely issued and granted LEO Pharma's petition to reopen prosecution of the reexamination proceeding. LEO Pharma intends to vigorously defend the 013 Patent. While the Company can offer no assurance as to the ultimate outcome of the reexamination proceeding, including any related appeals, the Company continues to believe that LEO Pharma will succeed in maintaining the important elements of the patent protection for the TACLONEX products, particularly based on the timing, extent and quality of the development work conducted by LEO Pharma with vitamin D analogues in combination with corticosteroids. If the claims of the 013 Patent are substantially narrowed, TACLONEX could face direct or indirect competition prior to the expiration of the 013 Patent in 2020.

In August 2007, the Company received notice of a Paragraph IV certification from Barr Pharmaceuticals, Inc. (together, with its subsidiaries, "Barr"), which was subsequently acquired by Teva Pharmaceutical Industries, Ltd. (together, with its subsidiaries, "Teva"), regarding the Company's U.S. Patent No. 6,667,050 (the "050 Patent") which covers FEMCON FE. The Paragraph IV certification letter advised the Company of the filing of an ANDA with the FDA by Barr requesting approval to manufacture and sell a generic version of FEMCON FE prior to the expiration in 2019 of the 050 Patent. On September 24, 2007, the Company's subsidiary, WCCI, filed a lawsuit against Barr in the U.S. District Court for the District of New Jersey (the "N.J. District Court") for infringement of the 050 Patent (the "Teva Action"). The Company's lawsuit resulted in a stay of FDA approval of the ANDA for up to 30 months from the Company's receipt of Barr's notice to allow the N.J. District Court to resolve the suit. In its answer, Barr contended that the 050 Patent was invalid and unenforceable and asserted that it did not infringe the 050 Patent. In August 2007, the Company also received a notice of a Paragraph IV certification from Watson Laboratories, Inc. ("Watson Lab") regarding the Company's 050 Patent. The Paragraph IV certification letter advised the Company of the filing of Watson Lab's ANDA with the FDA requesting approval to manufacture and sell a generic version of FEMCON FE prior to the expiration in 2019 of the 050 Patent. On October 1, 2007, the Company's subsidiary, WCCI, filed a lawsuit against Watson Lab in the N.J. District Court charging Watson Lab with infringing the 050 Patent (the "Watson Lab Action"). The Company's lawsuit resulted in a stay of FDA approval of the ANDA for up to 30 months from the Company's receipt of Watson Lab's notice to allow the N.J. District Court to resolve the suit. In its answer, Watson Lab, similarly contended that the 050 Patent was invalid and unenforceable and asserted that it did not infringe the 050 Patent. On February 14, 2008, the N.J. District Court held a scheduling conference with respect to the Teva Action and Watson Lab Action and consolidated the two actions for all purposes. In December 2008, the Company and Barr (now Teva) settled their litigation related to FEMCON FE. Under the terms of the settlement and license agreement, Teva will be permitted to launch a generic version of FEMCON FE under a non-exclusive license to the U.S. patent covering FEMCON FE as early as July 1, 2012, or earlier in certain circumstances. In addition, Teva will pay the Company a royalty on net sales of Teva's generic product. On January 5, 2009, the Teva Action was dismissed without prejudice, which formally concluded the litigation in the N.J. District Court. In January 2009, the Company and Watson Labs settled their litigation related to FEMCON FE. Under the settlement and license agreement, Watson Labs will be permitted to commence marketing its generic equivalent product under a non-exclusive license to the U.S. patent covering FEMCON FE on the earlier of 180 days after Teva enters the market with a generic equivalent product, or January 1, 2013. On January 14, 2009, the Watson Lab Action was dismissed without prejudice, which formally concluded the litigation in the N.J. District Court.

Securities Litigation

In November 2006, the Company and certain of its officers, were named as defendants in *Albano v. Warner Chilcott Limited et al.*, a class action lawsuit filed in the U.S. District Court for the Southern District of New York. Subsequently, similar purported class action lawsuits were filed. The complaints asserted claims under the Securities Act of 1933 on behalf of a class consisting of all those who were allegedly damaged as a result of acquiring the Company's common stock in connection with its IPO between September 20, 2006 and September 26, 2006. A consolidated amended complaint, which added as defendants the lead underwriters for the IPO, was filed on May 4, 2007. The consolidated amended complaint alleges, among other things, that the Company omitted and/or misstated certain facts concerning its planned transition from the sale of OVCON 35 to the sale of its new patented product, OVCON 35 FE (now FEMCON FE). The Company and the individual defendants answered the complaint on June 18, 2007. The District Court certified the plaintiff class on February 4, 2008.

On April 25, 2008, the Company reached an agreement in principle to settle the class action lawsuit. The terms of the settlement, which have been submitted to the District Court for approval at a fairness hearing scheduled for April 30, 2009, include a cash payment of $16,500, which was made to the plaintiffs in 2008. The majority of the settlement was funded by insurance proceeds and did not have a material adverse impact on the Company's financial position, results of operations or cash flows. If approved, the settlement will resolve all claims asserted against the Company and the other defendants in this case.

19. Concentration of Credit Risk, Reliance on Significant Suppliers and Reliance on Major Products

The Company distributes its pharmaceutical products through wholesalers and distributors, and directly to certain national retail drug and grocery store chains. The Company considers there to be a concentration risk for all customers that represent 10% or more of the Company's net sales and/or 10% of the Company's gross accounts receivable. As of December 31, 2008 and 2007, gross accounts receivable from Cardinal Health, Inc. totaled $39,036 and $26,113, respectively. Gross accounts receivable from McKesson Corporation as of December 31, 2008 and 2007 totaled $34,083 and $24,283, respectively. As of December 31, 2008 and 2007, gross accounts receivable from AmerisourceBergen Corporation totaled $13,805 and $8,042, respectively.

In June 2007, CVS Caremark Corporation, a national retail drug store chain that previously accounted for over 10% of the Company's net sales and accounts receivable, began purchasing through one of the Company's existing wholesale customers. As a result of this change, the Company's customer concentration increased as the number of its direct customers was reduced from four to three. The following table shows significant customer sales as a percentage of total revenues:

	Year Ended December 31,		
	2008	2007	2006
Cardinal Health, Inc.	40%	36%	30%
McKesson Corporation	36%	35%	36%
AmerisourceBergen Corporation	10%	10%	11%
CVS Caremark Corporation	0%	4%	10%

The following table shows revenue generated from products provided by significant suppliers as a percentage of total revenues. In the event that a supplier suffers an event that causes it to be unable to manufacture the Company's product requirements for a sustained period, the resulting shortages of inventory could have a material adverse effect on the business of the Company.

	Year Ended December 31,		
	2008	2007	2006
LEO Pharma	29%	30%	27%
Mayne Pharma International Pty. Ltd. (a subsidiary of Hospira, Inc.)	17%	13%	14%
Teva (formerly Barr)	9%	10%	19%

Net sales of the following products accounted for more than 10% of total revenue:

	Year Ended December 31,		
	2008	2007	2006
LOESTRIN 24 FE	21%	17%	6%
DORYX	17%	13%	14%
TACLONEX	16%	14%	8%
DOVONEX	13%	16%	19%
ESTROSTEP FE	2%	8%	14%
OVCON	1%	2%	10%

The Company has $35,476 of its cash on hand as of December 31, 2008 with two financial institutions.

20. Defined Contribution Plans

The Company makes matching contributions to a 401(k) savings plan in the U.S. Similar defined contribution plans are in place in Puerto Rico and the UK. The U.S. plan provides eligible employees with the option to defer amounts not in excess of 15% of his or her compensation. The Company makes matching contributions to the plan on behalf of all participants who make elective deferrals. The Company contributes and allocates to each participant's account matching contributions equal to 75% of up to 6% of the participant's compensation. The Company's contributions vest at 25% per year up to 100% at the participant's completion of four years of employment.

The Company's total contributions to all plans were $2,840, $2,869 and $2,514 in the years ended December 31, 2008, 2007 and 2006, respectively.

21. Related Parties

The Company paid its Sponsors a fixed advisory and monitoring fee of $5,000 per year. In connection with the IPO, the Company terminated this agreement. During the year ended December 31, 2006, the Company paid $3,750 in annual management fees and a buyout fee of $27,423 upon termination. These amounts are included in selling, general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2006.

In connection with the IPO, 10,669,441 Class L common shares held by the Sponsors, certain institutional investors and management were converted into 76,549,828 Class A common shares as required in accordance with the Company's bye-laws. In addition, 118,246 Preferred Shares of Holdings II converted into 9,480,302 Class A common shares. The remaining outstanding Preferred Shares were redeemed for $327,164 in accordance with Holdings II's bye-laws.

22. Guarantor and Non-Guarantor Condensed Consolidated Financial Information

The following financial information is presented to segregate the financial results of the Company, WCC (the issuer of the Notes), the guarantor subsidiaries for the Notes and the non-guarantor subsidiaries for the Notes. The guarantors jointly and severally, and fully and unconditionally, guarantee WCC's obligation under the Notes.

The information includes elimination entries necessary to consolidate the guarantor and the non-guarantor subsidiaries. Investments in subsidiaries are accounted for using the equity method of accounting. The principal elimination entries eliminate investments in subsidiaries, equity and intercompany balances and transactions.

The Company, Holdings III and Warner Chilcott Intermediate (Luxembourg) S.a.r.l. (the direct parent of WCC) are guarantors of the Notes. In addition, WCCI and Warner Chilcott (US), LLC (together, the "Subsidiary Guarantors") are guarantors of the Notes. Holdings II is the direct parent of Holdings III and is not a guarantor for the Notes. Holdings II is a wholly-owned subsidiary of the Company and its only non-current asset is the capital stock of Holdings III. Certain non-guarantor subsidiaries are in the process of dissolution and are expected to be formally dissolved during the first half of 2009. All assets, rights and liabilities of each entity have been transferred to, and assumed by, WCCI as of December 31, 2008.

The following financial information presents the condensed consolidating balance sheets as of December 31, 2008 and December 31, 2007, and the related statements of operations and cash flows for the years ended December 31, 2008, 2007 and 2006.

Condensed Consolidating Balance Sheets as of December 31, 2008

	Parent (Guarantor)	Warner Chilcott Holdings Company II, Limited (Non-Guarantor)	Warner Chilcott Holdings Company III, Limited (Guarantor)	Parent of Issuer (Guarantor)	Issuer	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations / Adjustments	Total
Assets									
Current Assets:									
Cash and cash equivalents	$ 428	$ 7	$ 63	$ 202	$ 452	$ 29,367	$ 5,387	$ —	$ 35,906
Accounts receivable, net	3	—	—	—	4	88,845	197	—	89,049
Intercompany	—	—	6,570	4,095	—	54,492	—	(65,157)	—
Inventories	—	—	—	—	—	55,868	1,908	—	57,776
Prepaid expenses & other current assets	260	—	—	—	—	66,146	3,407	—	69,813
Total Current Assets	691	7	6,633	4,297	456	294,718	10,899	(65,157)	252,544
Other Assets:									
Property, plant & equipment, net	—	—	—	—	—	51,520	9,388	—	60,908
Intangible assets, net	—	—	—	—	—	974,576	19,222	—	993,798
Goodwill	—	—	—	—	—	1,250,324	—	—	1,250,324
Other noncurrent assets	—	—	—	—	12,073	9,278	—	—	21,351
Investments in subsidiaries	1,357,585	1,357,618	1,350,847	812,433	1,557,362	—	—	(6,435,845)	—
Total Assets	$1,358,276	$1,357,625	$1,357,480	$816,730	$1,569,891	$2,580,416	$39,509	$(6,501,002)	$2,578,925
Liabilities									
Current Liabilities:									
Accounts payable	$ —	$ —	$ —	$ —	$ —	$ 12,922	$ 1,035	$ —	$ 13,957
Intercompany	8,136	46	—	—	5,560	21,609	29,806	(65,157)	—
Accrued expenses & other current liabilities	220	—	—	8	13,869	133,586	1,161	—	148,844
Current portion of long-term debt	—	—	—	—	1,606	4,371	—	—	5,977
Total Current Liabilities	8,356	46	—	8	21,035	172,488	32,002	(65,157)	168,778
Other Liabilities:									
Long-term debt, excluding current portion	—	—	—	—	533,705	422,875	—	—	956,580
Other non-current liabilities	—	—	—	—	—	98,650	4,997	—	103,647
Total Liabilities	8,356	46	—	8	554,740	694,013	36,999	(65,157)	1,229,005
Shareholders' Equity	1,349,920	1,357,579	1,357,480	816,722	1,015,151	1,886,403	2,510	(6,435,845)	1,349,920
Total Liabilities and Shareholders' Equity	$1,358,276	$1,357,625	$1,357,480	$816,730	$1,569,891	$2,580,416	$39,509	$(6,501,002)	$2,578,925

Condensed Consolidating Balance Sheets as of December 31, 2007

	Parent (Guarantor)	Warner Chilcott Holdings Company II, Limited (Non-Guarantor)	Warner Chilcott Holdings Company III, Limited (Guarantor)	Parent of Issuer (Guarantor)	Issuer	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations / Adjustments	Total
Assets									
Current Assets:									
Cash and cash equivalents	$ 1,205	$ 15	$ 993	$ 578	$ 1,108	$ 20,294	$ 6,583	$ —	$ 30,776
Accounts receivable, net	5	—	5	—	10	65,530	224	—	65,774
Intercompany	—	—	810	4,000	—	157,574	21,284	(183,668)	—
Inventories	—	—	—	—	—	49,932	4,099	—	54,031
Prepaid expenses & other current assets	245	—	—	—	—	62,928	2,562	—	65,735
Total Current Assets	1,455	15	1,808	4,578	1,118	356,258	34,752	(183,668)	216,316
Other Assets:									
Property, plant & equipment, net	—	—	—	—	—	41,226	16,227	—	57,453
Intangible assets, net	—	—	—	—	—	1,070,760	258,667	—	1,329,427
Goodwill	—	—	—	—	—	1,250,324	—	—	1,250,324
Other noncurrent assets	—	—	—	—	15,702	15,752	—	—	31,454
Investments in subsidiaries	1,356,780	1,356,776	1,360,245	786,274	1,500,655	—	—	(6,360,730)	—
Total Assets	$1,358,235	$1,356,791	$1,362,053	$790,852	$1,517,475	$2,734,320	$309,646	$(6,544,398)	$2,884,974
Liabilities									
Current Liabilities:									
Accounts payable	$ 790	$ —	$ —	$ —	$ —	$ 16,053	$ 1,040	$ —	$ 17,883
Intercompany	630	17	5,414	296	147,195	13,243	16,873	(183,668)	—
Accrued expenses & other current liabilities	2,395	—	—	—	(2,241)	194,623	1,585	—	196,362
Current portion of long-term debt	—	—	—	—	2,132	6,152	—	—	8,284
Total Current Liabilities	3,815	17	5,414	296	147,086	230,071	19,498	(183,668)	222,529
Other Liabilities:									
Long-term debt, excluding current portion	—	—	—	—	595,232	596,723	—	—	1,191,955
Other non-current liabilities	—	—	—	—	(10,538)	115,193	11,415	—	116,070
Total Liabilities	3,815	17	5,414	296	731,780	941,987	30,913	(183,668)	1,530,554
Shareholders' Equity	1,354,420	1,356,774	1,356,639	790,556	785,695	1,792,333	278,733	(6,360,730)	1,354,420
Total Liabilities and Shareholders' Equity	$1,358,235	$1,356,791	$1,362,053	$790,852	$1,517,475	$2,734,320	$309,646	$(6,544,398)	$2,884,974

Condensed Consolidating Statements of Operations for the year ended December 31, 2008

	Parent (Guarantor)	Warner Chilcott Holdings Company II, Limited (Non-Guarantor)	Warner Chilcott Holdings Company III, Limited (Guarantor)	Parent of Issuer (Guarantor)	Issuer	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations / Adjustments	Total
Total revenue	$ —	$ —	$ —	$ —	$ —	$938,125	$16,429	$ (16,429)	$938,125
Costs, expenses and other:									
Cost of sales (excluding amortization and impairment of intangible assets)	—	—	—	—	—	211,534	3,680	(16,429)	198,785
Selling, general & administrative	5,746	37	38	(1)	232	184,461	2,142	(5)	192,650
Research and development	—	—	—	(4)	—	48,446	1,514	—	49,956
Amortization of intangible assets	—	—	—	—	—	219,689	4,224	—	223,913
Impairment of intangible assets	—	—	—	—	—	163,316	—	—	163,316
Intercompany dividends (received)	—	—	(28,118)	—	(202,719)	—	—	230,837	—
Interest (income)	(31)	—	(53)	(1)	(35)	(1,073)	(100)	—	(1,293)
Interest expense	—	—	—	—	49,600	44,059	750	—	94,409
(Loss) / income before income taxes	(5,715)	(37)	28,133	6	152,922	67,693	4,219	(230,832)	16,389
Income tax (benefit) / provision	—	—	—	—	(19,242)	43,760	228	—	24,746
Equity (losses) / earnings of subsidiaries	(2,642)	(2,605)	(30,738)	228,878	56,714	—	—	(249,607)	—
Net (loss) / income	$(8,357)	$(2,642)	$ (2,605)	$228,884	$ 228,878	$ 23,933	$ 3,991	$(480,439)	$ (8,357)

Condensed Consolidating Statements of Operations for the year ended December 31, 2007

	Parent (Guarantor)	Warner Chilcott Holdings Company II, Limited (Non-Guarantor)	Warner Chilcott Holdings Company III, Limited (Guarantor)	Parent of Issuer (Guarantor)	Issuer	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations / Adjustments	Total
Total revenue	$ —	$ —	$ —	$ —	$ —	$899,561	$37,782	$ (37,782)	$899,561
Costs, expenses and other:									
Cost of sales (excluding amortization of intangible assets)	—	—	—	—	—	198,149	4,609	(16,768)	185,990
Selling, general & administrative	10,651	36	38	148	681	270,516	4,751	(20,999)	265,822
Research and development	—	—	—	5	—	52,950	1,555	—	54,510
Amortization of intangible assets	—	—	—	—	—	193,484	34,846	—	228,330
Intercompany dividends (received)	—	—	(7,882)	—	—	—	—	7,882	—
Interest (income)	(305)	(1)	(76)	(2)	(81)	(4,126)	(215)	—	(4,806)
Interest expense	—	—	—	—	52,263	70,161	—	—	122,424
(Loss) / income before income taxes	(10,346)	(35)	7,920	(151)	(52,863)	118,427	(7,764)	(7,897)	47,291
Income tax (benefit) / provision	—	—	—	—	(22,759)	42,423	(1,248)	—	18,416
Equity earnings of / (losses) in subsidiaries	39,221	39,256	31,336	12,856	42,960	—	—	(165,629)	—
Net income / (loss)	$ 28,875	$39,221	$39,256	$12,705	$ 12,856	$ 76,004	$ (6,516)	$(173,526)	$ 28,875

Condensed Consolidating Statements of Operations for the year ended December 31, 2006

	Parent (Guarantor)	Warner Chilcott Holdings Company II, Limited (Non-Guarantor)	Warner Chilcott Holdings Company III, Limited (Guarantor)	Parent of Issuer (Guarantor)	Issuer	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations / Adjustments	Total
Total revenue	$ —	$ —	$ —	$ —	$ —	$754,457	$ 31,331	$ (31,331)	$ 754,457
Costs, expenses and other:									
Cost of sales (excluding amortization of intangible assets)	—	—	—	—	—	155,407	3,327	(6,984)	151,750
Selling, general & administrative	2,660	46	27,517	180	2,916	242,576	2,386	(24,344)	253,937
Research and development	—	—	—	—	—	25,521	1,297	—	26,818
Amortization of intangible assets	—	—	—	—	—	218,224	35,201	—	253,425
Intercompany dividends (received)	—	—	(46,869)	—	—	—	—	46,869	—
Interest (income)	(217)	(45)	(62)	—	(1,401)	(2,909)	(47)	—	(4,681)
Interest expense	—	—	13,989	—	108,456	89,230	—	—	211,675
Accretion on preferred stock in subsidiary	—	26,190	—	—	—	—	—	—	26,190
(Loss) / income before income taxes	(2,443)	(26,191)	5,425	(180)	(109,971)	26,408	(10,833)	(46,872)	(164,657)
Income tax (benefit) / provision	—	—	—	—	(38,490)	28,429	(1,086)	—	(11,147)
Equity (losses) in / earnings of subsidiaries	(151,067)	(124,876)	(130,301)	(56,733)	14,748	—	—	448,229	—
Net (loss) / income	$(153,510)	$(151,067)	$(124,876)	$(56,913)	$ (56,733)	$ (2,021)	$ (9,747)	$401,357	$(153,510)

WARNER CHILCOTT LIMITED
Notes to Consolidated Financial Statements – (continued)
(All amounts in the thousands except share amounts, per share amounts or unless otherwise noted)

Condensed Consolidating Statements of Cash Flows for the year ended December 31, 2008

	Parent (Guarantor)	Warner Chilcott Holdings Company II, Limited (Non-Guarantor)	Warner Chilcott Holdings Company III, Limited (Guarantor)	Parent of Issuer (Guarantor)	Issuer	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations / Adjustments	Total
Cash flows from operating activities:									
Net cash (used in) / provided by operating activities	$(1,187)	$ (8)	$(930)	$(376)	$ 60,284	$ 255,683	$ (184)	$—	$ 313,282
Cash flows from investing activities:									
Purchase of intangible assets	—	—	—	—	—	(51,600)	—	—	(51,600)
Capital expenditures	—	—	—	—	—	(19,302)	(1,012)	—	(20,314)
Net cash (used in) investing activities	—	—	—	—	—	(70,902)	(1,012)	—	(71,914)
Cash flows from financing activities:									
Repayments of bank senior secured credit facility	—	—	—	—	(52,053)	(175,629)	—	—	(227,682)
Purchase of Notes	—	—	—	—	(8,887)	—	—	—	(8,887)
Other	410	—	—	—	—	(79)	—	—	331
Net cash provided by / (used in) financing activities	410	—	—	—	(60,940)	(175,708)	—	—	(236,238)
Net (decrease) / increase in cash and cash equivalents	$ (777)	$ (8)	$(930)	$(376)	$ (656)	$ 9,073	$(1,196)	$—	$ 5,130

WARNER CHILCOTT LIMITED
Notes to Consolidated Financial Statements – (continued)
(All amounts in the thousands except share amounts, per share amounts or unless otherwise noted)

Condensed Consolidating Statements of Cash Flows for the year ended December 31, 2007

	Parent (Guarantor)	Warner Chilcott Holdings Company II, Limited (Non-Guarantor)	Warner Chilcott Holdings Company III, Limited (Guarantor)	Parent of Issuer (Guarantor)	Issuer	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations / Adjustments	Total
Cash flows from operating activities:									
Net cash (used in) / provided by operating activities	$(9,020)	$ (34)	$(645)	$ (35)	$ 2,479	$ 340,869	$ 5,936	$—	$ 339,550
Cash flows from investing activities:									
Purchase of intangible assets	—	—	—	—	—	(24,000)	—	—	(24,000)
Capital expenditures	—	—	—	—	—	(15,702)	(3,096)	—	(18,798)
Net cash (used in) investing activities	—	—	—	—	—	(39,702)	(3,096)	—	(42,798)
Cash flows from financing activities:									
Repayments of bank senior secured credit facility	—	—	—	—	(2,132)	(348,379)	—	—	(350,511)
Other	132	—	—	—	—	(61)	—	—	71
Net cash provided by / (used in) financing activities	132	—	—	—	(2,132)	(348,440)	—	—	(350,440)
Net (decrease) / increase in cash and cash equivalents	$(8,888)	$ (34)	$(645)	$ (35)	$ 347	$ (47,273)	$ 2,840	$—	$ (53,688)

Condensed Consolidating Statements of Cash Flows for the year ended December 31, 2006

	Parent (Guarantor)	Warner Chilcott Holdings Company II, Limited (Non-Guarantor)	Warner Chilcott Holdings Company III, Limited (Guarantor)	Parent of Issuer (Guarantor)	Issuer	Subsidiary Guarantors	Subsidiary Non-Guarantors	Eliminations / Adjustments	Total
Cash flows from operating activities:									
Net cash (used in) / provided by operating activities	$ (336)	$ —	$ (28,642)	$ (3,987)	$ (87,798)	$ 241,338	$ 2,160	$ —	$ 122,735
Cash flows from investing activities:									
Purchase of intangible assets	—	—	—	—	—	(267,336)	—	—	(267,336)
Capital expenditures	—	—	—	—	—	(13,581)	(1,839)	—	(15,420)
Investments in subsidiaries	(989,161)	(661,948)	(468,944)	(441,195)	—	—	—	2,561,248	—
Net cash (used in) / provided by investing activities	(989,161)	(661,948)	(468,944)	(441,195)	—	(280,917)	(1,839)	2,561,248	(282,756)
Cash flows from financing activities:									
Borrowings under the senior secured credit facility	—	—	—	—	—	240,000	—	—	240,000
Repayments of the senior secured credit facility	—	—	(162,770)	—	(142,842)	(163,138)	—	—	(468,750)
Redemption of Notes	—	—	—	—	(210,000)	—	—	—	(210,000)
Borrowings under revolving credit facility	—	—	—	—	20,000	64,600	—	—	84,600
Repayments under revolving credit facility	—	—	—	—	(20,000)	(64,600)	—	—	(84,600)
Proceeds from share capital issue, net of expenses	1,005,682	989,161	661,948	445,795	441,195	23,149	—	(2,561,248)	1,005,682
Retirement of preferred stock in subsidiary	—	(327,164)	—	—	—	—	—	—	(327,164)
Purchase of treasury stock	(6,092)	—	—	—	—	(238)	—	—	(6,330)
Other	—	—	—	—	—	(455)	—	—	(455)
Net cash provided by / (used in) financing activities	999,590	661,997	499,178	445,795	88,353	99,318	—	(2,561,248)	232,983
Net increase in cash and cash equivalents	$ 10,093	$ 49	$ 1,592	$ 613	$ 555	$ 59,739	$ 321	$ —	$ 72,962

23. Valuation and Qualifying Accounts

A summary of the valuation and qualifying accounts is as follows:

	Balance at Beginning of Period	Additions, Costs and Expenses	Deductions, Write-offs & other	Balance at End of Period
Revenue Reserves(a)				
Year Ended December 31, 2008	$66,209	$172,038	$148,728	$89,519
Year Ended December 31, 2007	50,561	138,688	123,040	66,209
Year Ended December 31, 2006	37,193	103,726	90,358	50,561
Deferred income tax valuation allowances:				
Year Ended December 31, 2008	$11,759	$ 1,480	$ 3,346	$ 9,893
Year Ended December 31, 2007	17,802	490	6,533	11,759
Year Ended December 31, 2006	12,116	5,686	—	17,802

(a) See "Note 2-Revenue Recognition" for additional description of revenue reserve categories.

24. Quarterly Data (unaudited)

A summary of the quarterly results of operations is as follows:

	Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
Year Ended December 31, 2008				
Total Revenues	$229,483	$234,216	$231,939	$ 242,487
Cost of Sales (excluding amortization and impairment)	47,770	51,012	46,810	53,193
Amortization (including impairment) of intangible assets	52,613	53,137	59,080	222,399
Net Income / (Loss)	33,658	33,568	40,089	(115,672)
Earnings (loss) per Share:				
Class A—Basic	$ 0.13	$ 0.13	$ 0.16	$ (0.46)
Class A—Diluted	0.13	0.13	0.16	(0.46)
Year Ended December 31, 2007				
Total Revenues	$218,421	$226,973	$226,464	$ 227,703
Cost of Sales (excluding amortization)	50,597	46,296	45,490	43,607
Amortization of intangible assets	57,553	57,554	57,054	56,169
Net (Loss) / Income	(4,502)	7,897	5,793	19,687
Earnings (loss) per Share:				
Class A—Basic	$ (0.02)	$ 0.03	$ 0.02	$ 0.08
Class A—Diluted	(0.02)	0.03	0.02	0.08

25. Subsequent Event

On February 3, 2009, the Company acquired the U.S. rights to NexMed's topically applied alprostadil cream for the treatment of ED and the previous license agreement between the Company and NexMed relating to the product was terminated. Under the terms of the acquisition agreements, the Company paid NexMed an up-front payment of $2,500 (which will be included as R&D expense in the first quarter of 2009) and agreed to pay a milestone payment of $2,500 to NexMed upon the FDA's approval of the product NDA. The Company is currently working to prepare its complete response to the non-approvable letter that the FDA delivered to NexMed in July 2008 with respect to the product.

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Roger M. Boissonneault, certify that:

1. I have reviewed this Annual Report on Form 10-K of Warner Chilcott Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ Roger M. Boissonneault

Name: Roger M. Boissonneault
Title: President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Paul Herendeen, certify that:

1. I have reviewed this Annual Report on Form 10-K of Warner Chilcott Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ Paul Herendeen

Name: Paul Herendeen
Title: Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT

The certification set forth below is being submitted in connection with Warner Chilcott Limited's Annual Report on Form 10-K for the year ended December 31, 2008 (the "Annual Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Roger M. Boissonneault, the Chief Executive Officer and Paul Herendeen, the Chief Financial Officer of Warner Chilcott Limited, each certifies that, to the best of his knowledge:

1. the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Warner Chilcott Limited.

Date: February 27, 2009

/s/ Roger M. Boissonneault

Name: Roger M. Boissonneault
Title: President and Chief Executive Officer

/s/ Paul Herendeen

Name: Paul Herendeen
Title: Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Warner Chilcott Limited and will be retained by Warner Chilcott Limited and furnished to the Securities and Exchange Commission or its staff upon request.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the year ended December 31, 2008

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 1-33039

WARNER CHILCOTT LIMITED
(Exact name of Registrant as specified in its charter)

Bermuda	**98-0496358**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. — Employer Identification Nos.)**

Gibbons Building
10 Queen Street
Suite 109 – First Floor
Hamilton HM11, Bermuda
(Address of principal executive offices)

Registrant's telephone number, including area code: (441) 292-0068

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value	**The NASDAQ Global Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of common stock held by non-affiliates as of June 30, 2008 was approximately $1,866.1 million, using the closing price per share of $16.95, as reported on The NASDAQ Global Market as of such date. Shares of common stock held by the executive officers and directors and our controlling shareholders have been excluded from this calculation because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 31, 2009, the number of shares of the Registrant's common stock, par value $0.01 per share, outstanding was 251,310,705.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this "Amendment") to the Annual Report on Form 10-K, originally filed with the Securities and Exchange Commission (the "SEC") on February 27, 2009 (the "Original Filing"), of Warner Chilcott Limited (the "Company") is being filed for the purpose of including Items 10, 11, 12, 13 and 14 (the "Part III. Information") that the Company had planned to incorporate by reference from its definitive proxy statement relating to the Company's 2009 Annual Meeting of Shareholders (the "Proxy Statement"). This information is being included in this Amendment because the Company's definitive proxy statement will not be filed within 120 days after the end of the Company's 2008 fiscal year. The Company expects to file its definitive proxy statement in May 2009. The listing of the definitive proxy statement on the cover page of this Amendment as a document incorporated by reference has been deleted.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we are filing new certifications by the Company's Principal Executive Officer and Principal Financial Officer as exhibits to this Form 10-K/A under Item 15. No other information in the Original Filing, other than the filing of related certifications to the Part III Information, is amended hereby. Except for the foregoing, this Amendment speaks as of the filing date of the Original Filing and does not update or discuss any other Company developments after the date of the Original Filing.

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PART IV.

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PART III.

Item 10. Directors, Executive Officers and Corporate Governance.

Members of the Board of Directors

The following table sets forth the names, ages and positions of our directors as of March 31, 2009. Their respective backgrounds are described following the table:

Name	Age	Position with Company
Roger M. Boissonneault	60	Chief Executive Officer, President and Director
Todd M. Abbrecht(2)(3)	40	Director
James H. Bloem(1)	58	Director
David F. Burgstahler(1)(2)(3)	40	Director
John P. Connaughton(2)(3)	43	Director
John A. King, Ph.D(1).	59	Director
Stephen P. Murray(2)(3)	46	Director
Stephen G. Pagliuca	54	Director
Steven C. Rattner	49	Director

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Corporate Governance Committee.

Messrs. Connaughton, Murray and Rattner were each reelected on May 24, 2007. Mr. Burgstahler was elected on October 26, 2004. Mr. Abbrecht was elected on November 8, 2004. Mr. King was elected on June 20, 2005. Mr. Pagliuca was elected on August 11, 2005, and Mr. Boissonneault was elected as a director on January 5, 2005. Mr. Bloem was appointed as a director by the Board of Directors on December 8, 2006, following the resignation of Mr. George Taylor on the same date. The Board of Directors is currently considering the appointment of a new director to the Board of Directors in place of Mr. Andress, to serve until the 2009 Annual Meeting.

Roger M. Boissonneault, Chief Executive Officer, President and Director, was appointed Chief Executive Officer, President and Director of the Company as of January 5, 2005. Mr. Boissonneault was appointed Chief Executive Officer and Director for Warner Chilcott PLC (which was the "Predecessor") in September 2000. From 1996 until its acquisition by the Predecessor in September 2000, he served as President and Chief Operating Officer of the entity acquired by the Predecessor (which was also known as Warner Chilcott PLC), serving as a director from 1998 through 2000. From 1976 to 1996 Mr. Boissonneault served in various capacities with Warner-Lambert (now a part of Pfizer), including Vice President, Female Healthcare, Director of Corporate Strategic Planning, and Director of Obstetrics/Gynecology Marketing.

Todd M. Abbrecht, Director, is a Managing Director with Thomas H. Lee Advisors, LLC, which is the general partner of Thomas H. Lee Partners, L.P. Prior to joining Thomas H. Lee Partners in 1992, Mr. Abbrecht was in the Mergers and Acquisitions department of Credit Suisse First Boston. Mr. Abbrecht serves on the board of Simmons Company, Michael Foods, Inc., Dunkin' Brands, Inc., and ARAMARK Holdings Corporation.

James H. Bloem, Director, is a Senior Vice President and Chief Financial Officer of Humana Inc., a position he has held since 2001. Humana is one of the nation's largest health benefit companies with over 11 million medical members. In addition, from 1996 to 2000, he served as a member of the Board of Directors of one of our predecessor companies. Mr. Bloem also currently serves on the boards of ResCare, Inc. and Rotech Healthcare, Inc.

David F. Burgstahler, Director, is a Partner and Head of Healthcare at Avista Capital Partners, a leading private equity firm. Prior to joining Avista Capital Partners in 2005, Mr. Burgstahler was a Partner with DLJ Merchant Banking Partners, the private equity investment arm of Credit Suisse. Mr. Burgstahler joined Credit Suisse in 2000 when it merged with Donaldson, Lufkin & Jenrette. Mr. Burgstahler joined Donaldson, Lufkin & Jenrette in 1995. Mr. Burgstahler also serves on the board of Visant Corporation, WideOpenWest Holdings, Inc. BioReliance Corporation, Navilyst Medical, Inc., Lantheus Medical Imaging and ConvaTec.

John P. Connaughton, Director, has been a Managing Director of Bain Capital Partners, LLC since 1997 and member of the firm since 1989. Prior to joining Bain Capital, Mr. Connaughton was a consultant at Bain & Company, Inc. where he worked in the healthcare, consumer products and business services industries. Mr. Connaughton currently serves as a director of Hospital Corporation of America, Clear Channel, AMC Theatres, M|C Communications (PriMed), SunGard Data Systems, Warner Music Group, CRC Health Group, Quintiles Transnational and The Boston Celtics. He also serves as a member of the Berklee College of Music Board of Trustees and the University of Virginia McIntire Foundation Board of Trustees.

John A. King, Ph.D., who became a Director of Warner Chilcott Limited in June 2005, is a private investor. Dr. King served in positions of increasing responsibility with the Predecessor for 26 years, most recently as Executive Chairman, a position he held from 2000 until January 5, 2005.

Stephen P. Murray, Director, is the President and Chief Executive Officer of CCMP Capital Advisors, LLC, a private equity firm formed in August 2006 when the buyout/growth equity professionals of JPMP separated from JPMorgan Chase & Co. to form an independent private equity platform. Mr. Murray focuses on investments in consumer and retail services, financial services, and healthcare infrastructure. Prior to joining JPMP in 1989, Mr. Murray was a Vice President with the Middle-Market Lending Division of Manufacturers Hanover. Currently, he serves on the board of directors of AMC Entertainment, ARAMARK Corporation, Cabela's, CareMore Medical Enterprises, Generac Power Systems, Jetro Holdings, Legacy Hospital Partners (Holdings), LLC, Noble Environmental Power, Quiznos Subs and Strongwood Insurance.

Stephen G. Pagliuca, Director, is a Managing Director at Bain Capital Partners, LLC. Mr. Pagliuca is also a Managing Partner and an Owner of the Boston Celtics Basketball franchise. Mr. Pagliuca joined Bain & Company in 1982 and founded the Information Partners private equity fund for Bain Capital in 1989. Mr. Pagliuca has also worked as a senior accountant and international tax specialist for Peat Marwick Mitchell & Company in the Netherlands. Currently, he serves on the board of directors of Burger King Holdings Inc., Gartner Group, Quintiles Transnational, M|C Communications and Hospital Corporation of America.

Steven C. Rattner, Director, is a former Managing Director and Head of DLJ Merchant Banking Partners ("DLJMB"). Mr. Rattner joined Donaldson Lufkin & Jenrette's Investment Banking Division in 1985 and DLJMB in 2001. Prior to leaving the firm in 2008, he served as Co-Chair of the MBP IV Investment Committee. Prior to joining DLJMB, Mr. Rattner was one of the founding members of Donaldson Lufkin & Jenrette's leveraged finance business, where he was Head of Sales and Trading and Head of Capital Markets. Upon the merger of Credit Suisse First Boston and Donaldson Lufkin & Jenrette, he became the Head of European Leveraged Finance, responsible for all underwriting and client coverage involving high yield and syndicated loan products. Mr. Rattner served as a director of DLJ Merchant Banking, Inc., DLJ Merchant Banking II, Inc., DLJ Merchant Banking III, Inc. and DLJ MB Advisors, Inc.

Executive Officers

The executive officers of Warner Chilcott Limited, their positions and their ages as of March 31, 2008, are as listed.

Name	Age	Position
Roger M. Boissonneault	60	Chief Executive Officer, President and Director
W. Carl Reichel	50	President, Pharmaceuticals
Anthony D. Bruno	52	Executive Vice President, Corporate Development
Paul Herendeen	53	Executive Vice President, Chief Financial Officer
Leland H. Cross	52	Senior Vice President, Technical Operations
Herman Ellman, M.D.	61	Senior Vice President, Clinical Development
Izumi Hara	49	Senior Vice President, General Counsel and Corporate Secretary
Alvin D. Howard	54	Senior Vice President, Regulatory Affairs

Roger M. Boissonneault, Chief Executive Officer, President and Director, was appointed Chief Executive Officer, President and Director of the Company as of January 5, 2005. Mr. Boissonneault was appointed Chief Executive Officer and Director of the Predecessor in September 2000. From 1996 until its acquisition by the Predecessor in September 2000, he served as President and Chief Operating Officer of the entity acquired by the Predecessor (which was also known as Warner Chilcott PLC), serving as a director from 1998 through 2000. From 1976 to 1996, Mr. Boissonneault served in various capacities with Warner-Lambert (now a part of Pfizer), including Vice President, Female Healthcare, Director of Corporate Strategic Planning and Director of Obstetrics/Gynecology Marketing.

W. Carl Reichel, President, Pharmaceuticals, and head of our U.S. sales and marketing operations, joined the Predecessor as President, Pharmaceuticals in October 2000 after nearly 20 years of experience at Parke-Davis, a division of Warner-Lambert (now a part of Pfizer), where he, together with Mr. Boissonneault, were pioneers in the pharmaceutical marketing methods currently employed by us. Most recently, he held the position of President, U.K./British Isles at Warner-Lambert.

Anthony D. Bruno, Executive Vice President, Corporate Development, joined the Predecessor in March 2001 as Senior Vice President, Corporate Development and General Counsel. Mr. Bruno was promoted to Executive Vice President in April 2003 and continued to serve as General Counsel of the Company until August 1, 2005. Prior to joining the Company, Mr. Bruno spent 17 years with Warner-Lambert (now part of Pfizer) where his most recent position was Vice President and Associate General Counsel, Pharmaceuticals, and he was responsible for all legal matters relating to Warner-Lambert's pharmaceutical business worldwide.

Paul Herendeen, Executive Vice President and Chief Financial Officer, joined the Company in this position on April 1, 2005 and is responsible for our finance, accounting, treasury and management information system functions. Prior to joining the Company, Mr. Herendeen was Executive Vice President and Chief Financial Officer of MedPointe Inc. From 1998 through March 2001, Mr. Herendeen served as Executive Vice President and Chief Financial Officer of Warner Chilcott PLC (acquired by the Predecessor in September 2000). Mr. Herendeen also served as a director of the Predecessor from October 2000 through March 2001.

Leland H. Cross, Senior Vice President, Technical Operations, joined the Predecessor in this position on September 1, 2001 and is responsible for our technical operations worldwide. From 1994 to 2001, Mr. Cross was part of the Global Manufacturing group at Warner-Lambert (now part of Pfizer), where most recently he was General Manager of Pfizer Ireland Pharmaceuticals, responsible for Pfizer's dosage manufacturing operations in Ireland. Prior to joining Warner-Lambert, Mr. Cross managed a manufacturing operation for Merck & Co. Inc.

Herman Ellman, *M.D.*, Senior Vice President, Clinical Development, joined the Predecessor in this position in June 2000. Dr. Ellman is responsible for clinical development and medical affairs activities. Prior to joining the Predecessor, Dr. Ellman held the position of Medical Director for Women's Healthcare of Berlex Laboratories.

Izumi Hara, Senior Vice President, General Counsel and Corporate Secretary, joined the Predecessor as Senior Vice President and Deputy General Counsel in June 2001 and is responsible for the legal matters of the Company. She was promoted to General Counsel as of August 1, 2005. Prior to joining the Predecessor, Ms. Hara held positions of increasing responsibility at Warner-Lambert (now part of Pfizer) where her most recent position was Vice President and Associate General Counsel, Corporate Affairs, where she was responsible for all corporate legal matters, including acquisitions, divestitures, alliances and other transactions in all of Warner-Lambert's lines of business worldwide.

Alvin D. Howard, Senior Vice President, Regulatory Affairs, joined the Predecessor as Vice President, Regulatory Affairs in February 2001. He was promoted to Senior Vice President as of August 1, 2005 and is responsible for the registration of all of our products and for managing our relationships with the FDA, Health Canada and other agencies regulating the sale of pharmaceutical products. Prior to joining the Company, Mr. Howard was Vice President, Worldwide Regulatory Affairs at Roberts Pharmaceuticals.

Audit Committee

Our Board of Directors has established an Audit Committee that convenes at least four times a year, currently comprised of Messrs. Bloem, Burgstahler and King, each of whom is a director of our Company. Each member of the Audit Committee is independent under Rule 10A-3 of the Securities and Exchange Act of 1934, as amended, and the applicable rules of NASDAQ.

The Board of Directors also has determined that Mr. Bloem, the chairman of the Audit Committee, is an Audit Committee "financial expert" within the meaning stipulated by the SEC.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors, officers, and beneficial owners of more than 10% of the Company's common shares (collectively, "Reporting Persons") to file with the SEC initial reports of ownership and reports of changes in ownership of common shares of the Company. Such Reporting Persons are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports they file. Based on its review of the copies of such filings received by it with respect to the year ended December 31, 2008, the Company believes that all required persons complied with all Section 16(a) filing requirements.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics as its "code of ethics" as defined by regulations promulgated under the Securities Act of 1933, as amended (the "Securities Act of 1933"), and the Securities Exchange Act of 1934, which applies to all of the Company's directors, officers and employees, including its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A current copy of the Code of Business Conduct and Ethics is available at the "Investor Relations" and "Corporate Governance" section of the Company's website, *www.wcrx.com*. A copy of the Code of Business Conduct and Ethics may also be obtained, free of charge, from the Company upon a request directed to Warner Chilcott Limited, c/o Warner Chilcott Corporation, 100 Enterprise Drive, Rockaway, New Jersey 07866, Attention: Investor Relations. The Company will promptly disclose any substantive changes in or waivers, along with reasons for the waivers, of the Code of Business Conduct and Ethics by posting such information on its website at *www.wcrx.com* under "Investor Relations" and "Corporate Governance."

Item 11. Executive Compensation.

Compensation Discussion and Analysis

Overview

In the following pages, we discuss how our Chief Executive Officer, Roger Boissonneault, Chief Financial Officer, Paul Herendeen, and our three other most highly compensated officers, Carl Reichel, Anthony Bruno and Izumi Hara, were compensated with respect to performance in 2008 and describe how this compensation fits within our executive compensation philosophy. We also describe certain compensation matters with respect to 2009. For purposes of this Amendment, we refer to Messrs. Boissonneault, Bruno, Herendeen and Reichel collectively as the "Key Executive Officers" and the Key Executive Officers, together with Ms. Hara, as the "Named Executive Officers."

In January 2005, affiliates of Bain Capital Investors, LLC, DLJ Merchant Banking III, Inc., J.P. Morgan Partners, LLC and Thomas H. Lee Partners, L.P., who we refer to collectively as the "Sponsors," together with certain institutional investors and certain members of management acquired 100% of the share capital of the Predecessor. We refer to this transaction as the "Acquisition." As a result of the Acquisition, the Company became a privately held company. In September 2006, the Company completed its initial public offering ("IPO") with the sale of 70,600,000 shares of Class A common shares. Prior to the IPO, the Sponsors collectively owned 87% of the Company's outstanding Class A common shares. As of March 16, 2009, the Sponsors collectively owned approximately 61% of the Company's outstanding Class A common shares. As more fully described below, both the Acquisition and the IPO affected the Company's compensation program.

Compensation Program and Philosophy

The Company's compensation program seeks to promote the creation of long-term shareholder value and attract and retain employees by providing a competitive compensation package through a combination of base salary, annual incentive cash bonus, long-term equity incentives and other benefits.

The evaluation of the Company's senior executives is performed on a basis consistent with that used to evaluate the Company's other employees (excepting only the Chief Executive Officer and its sales forces). The Compensation Committee makes compensation decisions after reviewing the performance of the Company and carefully evaluating each senior executive's performance during the year as measured by the Chief Executive Officer against stated goals, core competencies and feedback from colleagues (the "Performance Review Process"). The potential ratings that may be assigned to each senior executive based on their performance in the prior year range from "unacceptable" to "far exceeds expectations" (the "Performance Rating"). These Performance Ratings were used to determine merit-based salary increases, annual cash bonuses and long-term equity incentive compensation, if any, within pre-established ranges approved by the Compensation Committee. The Chief Executive Officer's 2008 performance was evaluated by the Compensation Committee against achievement of corporate goals and objectives ("CEO Review").

The allocation of the components of compensation awarded to the Company's senior executives is not pre-determined based on a percentage of total compensation, nor is such compensation determined based solely on a review of market compensation. Instead the Compensation Committee has adopted a flexible approach to compensation that is consistent with its stated compensation philosophy and that allows the Company to respond to the evolving business environment.

Oversight of the Compensation Program

The Compensation Committee is responsible for establishing, implementing and overseeing the Company's compensation programs. As part of that responsibility, the Compensation Committee reviews the Company's compensation and benefits policies; evaluates the performance of the Chief Executive Officer; approves the compensation levels for the Company's senior executives; and reviews and makes recommendations to the Board of Directors with respect to the Company's employee benefits plans, equity-based compensation plans and other incentive arrangements.

Role of the Compensation Committee, Executive Officers and Compensation Consultants in Compensation Decisions

The Compensation Committee makes compensation decisions following the completion of (i) in the case of Messrs. Bruno, Herendeen and Reichel and Ms. Hara, the annual Performance Review Process and (ii) in the case of Mr. Boissonneault, the CEO Review.

It is the philosophy of the Compensation Committee that, in order to promote long-term shareholder value, meaningful and challenging goals and objectives should be established for the Company's Named Executive Officers. In accordance with this philosophy, each year the Compensation Committee reviews and establishes annual goals and objectives relevant to the compensation of the Chief Executive Officer. In addition, the Chief Executive Officer establishes annual performance objectives for each of Messrs. Bruno, Herendeen and Reichel and Ms. Hara and presents these to the Compensation Committee. At the end of each year, each Named Executive Officer's performance is evaluated during the annual Performance Review Process or CEO Review, as applicable. Compensation recommendations for the Named Executive Officers (other than the Chief Executive Officer) within ranges established by the Compensation Committee are made by the Chief Executive Officer based upon the Performance Ratings assigned to such officers. The Compensation Committee may exercise its discretion to modify any compensation recommended by the Chief Executive Officer.

The Chief Executive Officer's recommendations to the Compensation Committee and the Compensation Committee's determinations of the Chief Executive Officer's and the other Named Executive Officers' compensation are based on each Named Executive Officer's performance against stated goals and objectives, which may include a number of specific factors such as:

- key financial measurements, such as revenue growth for specific products, operating profit, operating margins, and cash flow from operating activities;
- strategic objectives, such as product in-licensing, acquisitions and partnership opportunities within our franchises or in market segments similar to our current therapeutic markets;
- promoting commercial excellence by developing new products or improving proprietary products, being a leading market player and increasing new and total prescriptions;
- achieving specific operational goals for the Company or particular business function led by a senior executive, including improved productivity, simplification and risk management;
- achieving excellence in their organizational structure and among their employees; and
- supporting the Company's values by promoting a culture of integrity through compliance with law and our ethics policies.

In connection with the IPO, the Company retained the Hay Group, an independent global management consulting firm, to review the Company's compensation programs for senior executives, to perform a market analysis with respect to 2006 compensation levels, the mix of cash and non-cash incentives, and the design of long-term equity incentives awarded to senior executives and to make recommendations for the Company's compensation programs. The market analysis and recommendations of the Hay Group that were presented to the Compensation Committee in 2006 included senior executive officer compensation market survey data for purposes of reviewing 2006 market practices. While the Compensation Committee does not target compensation at any specified level, the recommendations of the Hay Group were among several factors considered in establishing the Company's senior executive officer compensation programs at the time of the IPO.

The Compensation Committee may engage or seek the advice of compensation consultants from time to time as the need arises. In the second quarter of 2008, the Company engaged the Hay Group to produce a market review of executive compensation and make recommendations with respect to the Company's annual long-term equity incentive program beginning in January 2009, including with respect to annual equity grant targets, performance multipliers and the allocation between share and option awards.

Elements of Compensation

The Compensation Committee believes that the Company's executive compensation practices must promote the creation of long-term shareholder value, reward performance and assist the Company in the retention of key employees. Based on these objectives, the Company employs both equity-based compensation mechanisms in the form of restricted Class A common shares and option grants, and cash-based mechanisms, in the form of base salaries and incentive-based cash bonuses. In determining the appropriate mix of cash and equity compensation for the Named Executive Officers, the Compensation Committee considers a number of factors, including: the past performance and contribution of the Named Executive Officers, the desired future performance focus, the dilutive effects of equity-based compensation, and the retentive value of cash- versus equity-based compensation. In light of the significant equity compensation provided to the Key Executive Officers in connection with the Acquisition in January 2005 and the Company's IPO in September 2006, the Key Executive Officers were not eligible for annual equity incentive awards under the Company's 2005 Equity Incentive Plan, as amended on August 6, 2006 (the "Amended Plan"), until January 2009, and Ms. Hara was not eligible for annual equity incentive awards until January 2008.

Consistent with the emphasis on direct compensation over indirect compensation, in 2008 the Company did not provide the Named Executive Officers with any perquisites or benefits not generally available to all employees of the Company, except for company cars provided to the Key Executive Officers.

The Company has employment agreements with the Key Executive Officers, and a severance agreement with Ms. Hara. These arrangements, which were entered into in connection with the Acquisition, as well as the other key elements of and factors considered in determining 2008 compensation, are discussed below.

Base Salary

The employment agreements with the Key Executive Officers specify minimum base salaries ($800,000 for Mr. Boissonneault; $375,000 for Messrs. Herendeen and Bruno; and $391,000 for Mr. Reichel). The terms of Ms. Hara's severance agreement do not provide for a minimum salary.

The Compensation Committee annually establishes principles for determining merit increases in base salary. Compensation decisions are made after the annual Performance Review Process or CEO Review, as applicable, for the Named Executive Officer is completed. The Performance Review Process yields a Performance Rating for each Named Executive Officer (other than Mr. Boissonneault). These Performance Ratings are used to determine merit-based salary increases within pre-established ranges. With respect to 2008 performance, the potential 2009 merit base salary increases for the Named Executive Officers (other than Mr. Boissonneault) ranged from zero to 6% of 2008 base salary, based on the Performance Rating. For the 2009 base salaries, the Compensation Committee approved an average base salary increase of 4.0% (the equivalent of a Performance Rating of "meets expectations high") for the Named Executive Officers (other than Mr. Boissonneault). Mr. Boissonneault, whose base salary merit increase is set by the Compensation Committee, was not awarded an increase for 2009, as the Compensation Committee determined that Mr. Boissonneault's current base salary was appropriate in light of the Hay Group market review of executive compensation, the 6.7% increase in base salary that Mr. Boissonneault received in the prior year based on 2007 performance, Mr. Boissonneault's 2008 performance against corporate goals and objectives, and the Compensation Committee's determination to pay Mr. Boissonneault in 2009 an incentive cash bonus based on 2008 performance equal to 104% of his 2008 base salary.

The base salaries paid to the Named Executive Officers in 2008 are shown in the "Salary" column of the Summary Compensation Table.

Incentive Cash Bonuses

Annual incentive cash bonuses are a core component of the Company's compensation program. Under the terms of the employment agreements, each Key Executive Officer has a minimum target annual incentive cash bonus expressed as a percentage of base salary (85% for Mr. Boissonneault and 50% for Messrs. Herendeen,

Reichel and Bruno.) Ms. Hara is eligible to receive a target annual incentive cash bonus of 30% of her base salary, pursuant to targets approved by the Compensation Committee. In addition, the Compensation Committee annually establishes principles for determining performance-dependent multipliers to be applied to annual incentive cash bonus targets for the Named Executive Officers, except Mr. Boissonneault whose maximum opportunity under his employment agreement is 100% of his base salary. With respect to 2008 performance, those multipliers ranged from zero to 150% of such executive officer's target bonus based on his or her overall Performance Rating. With respect to 2008 performance, a Named Executive Officer (other than Mr. Boissonneault) that received a Performance Rating of "meets expectations" was awarded an incentive cash bonus in an amount equal to between 90% and 110% of such officer's target bonus. With respect to 2008, the incentive cash bonus opportunities available to Named Executives under their respective employment agreements or the targets approved by the Compensation Committee, as applicable, and the incentive cash bonuses paid to the Named Executive Officers, expressed as a percentage of such officer's 2008 base salary, were as follows:

	% of 2008 Base Salary			
Named Executive Officer	**Threshold**	**Target Bonus**	**Maximum Bonus**	**Bonus Paid**
Roger M. Boissonneault	0%	85%	100%	104%
Paul Herendeen	0%	50%	75%	59%
W. Carl Reichel	0%	50%	75%	59%
Anthony D. Bruno	0%	50%	75%	59%
Izumi Hara	0%	30%	45%	35%

Each year, the Compensation Committee evaluates the performance of the Chief Executive Officer, reviews the Performance Ratings and recommendations of the Chief Executive Officer with regards to the other Named Executive Officers, and determines, at its discretion, the compensation of each of the Named Executive Officers. As discussed earlier, Mr. Boissonneault was not awarded a salary increase in 2009 but was paid in 2009 an incentive cash bonus, with respect to his 2008 performance, equal to 104% of his base salary. The incentive cash bonuses paid to the Named Executive Officers in 2009 with respect to 2008 performance are shown in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

Long-Term Equity Incentives

Equity incentive awards are granted to the Company's Named Executive Officers under the Amended Plan. The Amended Plan provides that awards may be granted to participants in, among others, the following forms, subject to such terms, conditions and provisions as the Compensation Committee may determine: (i) options, (ii) stock appreciation rights, (iii) share awards, (iv) share units and (v) dividend equivalent rights.

Equity Grant Practices

The Compensation Committee believes that the use of equity incentives as a significant part of total compensation promotes the creation of long-term shareholder value, supports the Company's compensation philosophy of rewarding performance and increases retention. In connection with the IPO, the Compensation Committee approved an annual long-term equity incentive program (the "Annual Equity Award Program"). Under the Annual Equity Award Program, the Compensation Committee acts each year to review and approve grants of restricted Class A common shares and/or stock options to purchase Class A common shares to full-time employees. Based in part upon recommendations of the Hay Group, in January of 2009, Mr. Boissonneault's annual target equity grant was increased to 400% of his 2009 base salary and the annual target equity grant for each of Messrs. Herendeen, Reichel and Bruno was increased to 250% of their combined average 2009 base salaries. Ms. Hara's annual target equity grant remained at 100% of the average 2009 base salary of all the Senior Vice Presidents of the Company.

In addition, the Compensation Committee annually reviews and establishes performance-based multipliers to be applied to the annual target equity grant for the Named Executive Officers, other than Mr. Boissonneault. Based upon current multipliers, the actual equity incentive award that will be granted to each Named Executive Officer (other than Mr. Boissonneault) may range from zero to 150% of such Named Executive Officer's target

equity grant based on the employee's Performance Rating. Mr. Boissonneault's multiplier, if any, is determined by the Compensation Committee in each year based on his CEO Review. Based upon 2008 performance, in January 2009 each of Messrs. Boissonneault, Bruno, Herendeen and Reichel received an equity incentive award equal to their respective annual target equity grant, and Ms. Hara received an equity incentive award equal to 105% of her annual target equity grant.

The equity incentive awards made to the Named Executive Officers may consist of restricted Class A common shares, options to purchase Class A common shares or a combination of both. Once the Compensation Committee establishes the dollar value of an officer's award and the allocation between restricted Class A common shares and options to purchase Class A common shares, the Company uses the closing stock price of the Class A common shares on the NASDAQ Global Market on the grant date and the Black-Scholes value of the option to determine how many restricted Class A common shares and options, respectively, to grant. The exercise price of each option awarded is equal to the closing price of the Class A common shares on the date of grant. Newly hired or promoted senior executives, if any, who are eligible to receive equity awards are granted their award on the last business day of the quarter in which they are hired or promoted.

2008 Equity Incentive Awards with respect to 2007 Performance

As discussed earlier, the Key Executive Officers were not eligible to receive equity incentive awards under the Amended Plan until January 2009. In January 2008, Ms. Hara was granted 11,650 restricted Class A common shares and 15,290 options to purchase Class A common shares based on her 2007 performance. On the date of the grant, the fair value of the award was approximately $316,000. Ms. Hara received 65% of the value of the award in restricted Class A common shares and 35% of the value of the award in options to purchase Class A common shares. Each of the awards granted to Ms. Hara in January 2008 vests ratably over four years.

2009 Equity Incentive Awards with respect to 2008 Performance

In January 2009, Mr. Boissonneault was granted 144,470 restricted Class A common shares and 380,960 options to purchase Class A common shares based on his 2008 performance. On the date of the grant, the aggregate fair value of the award was approximately $3,840,000. Messrs. Herendeen, Reichel and Bruno were each granted 42,450 restricted Class A common shares and 111,920 options to purchase Class A common shares based on their respective 2008 performance. On the date of the grant, the aggregate fair value of each such award was approximately $1,128,000. Ms. Hara was granted 12,410 restricted Class A common shares and 32,710 options to purchase Class A common shares based on her 2008 performance. On the date of the grant, the aggregate fair value of the award was approximately $330,000.

Each of the Named Executive Officers received 50% of the value of their awards in restricted Class A common shares and 50% of the value of their awards in options to purchase Class A common shares. Each of the awards granted to the Named Executive Officers in January 2009 vests ratably over four years. The equity awards granted to the Named Executive Officers in January 2009 are not reflected in the tables following this discussion as such tables address only equity compensation awards granted during 2008.

Acquisition and IPO Equity Compensation Awards

As a result of the Acquisition in January 2005 and the Company's IPO in September 2006, the Named Executive Officers acquired significant equity interests in the Company. The following paragraphs summarize the material grants to, and equity purchased by, the Company's Named Executive Officers prior to 2007 and may be helpful in understanding the Company's compensation practices.

Purchased Shares

In connection with the Acquisition, the Named Executive Officers and certain other senior executives were required to use a portion of the proceeds each senior executive received from the purchase of the shares he or she held in the Predecessor to purchase Class A common shares and Class L common shares (the "Class L common

shares") of the Company, and purchase Preferred Shares of Warner Chilcott Holdings Company II, Limited (the "Preferred Shares"), in the same proportion and at the same prices paid by the Sponsors and certain institutional investors. Mr. Herendeen was given the opportunity to purchase the same mix of shares in the same proportion and at the same prices upon his employment subsequent to the completion of the Acquisition in 2005. In connection with the IPO, the Class L common shares of the Company and a portion of the Preferred Shares were converted into Class A common shares pursuant to the Company's Bye-laws. All of the remaining Preferred Shares were redeemed for cash.

The following table shows the number of shares purchased by the Named Executive Officers in connection with the Acquisition on an "as converted" basis:

Named Executive Officer	Class A Common Shares
Roger M. Boissonneault	433,943
Paul Herendeen	67,701
W. Carl Reichel	100,087
Anthony D. Bruno	26,675
Izumi Hara	41,993

2005 Equity Awards

Strip share grants. In connection with the Acquisition, each of the Named Executive Officers (except Mr. Herendeen) and certain other senior executives were granted awards consisting of restricted Class A common shares, Class L common shares, and Preferred Shares (collectively, the "Strip Grant Shares"). The fair market value on the date of grant of each (i) Class A common share was $1.00; (ii) Class L common share was $74.52; and (iii) Preferred Share was $1,000.00. The Strip Grant Shares were awarded in the same proportion and at the same prices paid by the Sponsors and certain institutional investors. The Strip Grant Shares vested in accordance with their terms on January 18, 2006. In connection with the IPO, the Class L common shares and a portion of the Preferred Shares were converted into Class A common shares pursuant to the Company's Bye-laws. All of the remaining Preferred Shares were redeemed for cash.

The following table shows the number of Strip Grant Shares granted to the Named Executive Officers in connection with the Acquisition on an "as converted" basis:

Named Executive Officer	Class A Common Shares
Roger M. Boissonneault	263,258
Paul Herendeen	—
W. Carl Reichel	117,808
Anthony D. Bruno	117,808
Izumi Hara	25,707

Option grants

In connection with the Acquisition, each of the Key Executive Officers was awarded options to purchase 479,430 Class A common shares at an exercise price of $22.98. As described under "IPO Awards," Ms. Hara received a separate option grant in connection with the IPO. The options vest ratably over a four-year period and have a ten-year term.

Restricted share grants

In connection with the Acquisition, each of the Named Executive Officers and certain other senior executives were granted restricted Class A common shares (the "Restricted A Shares") subject to three different types of vesting as follows:

- Time Vesting Shares: One-third of the Restricted A Shares granted to the Named Executive Officers, which we refer to as the "Time Vesting Shares," vest in four equal installments. The Time Vesting

Shares granted to Messrs. Boissonneault, Bruno and Reichel and Ms. Hara vest on each of the first four anniversaries of January 18, 2005. The Time Vesting Shares granted to Mr. Herendeen vest on each of the first four anniversaries of April 1, 2005.

- Performance Based Shares: One-third of the Restricted A Shares granted to the Named Executive Officers, which we refer to as the "Performance Based Shares," vest in four equal installments upon the satisfaction of specified annual operating profit targets based on the consolidated EBITDA (as defined in the award agreements) of the Company and its subsidiaries (the "Performance Based Shares"). Pursuant to the terms of the share award agreements, on February 28, 2008, the Board of Directors approved the vesting of 25% of the Performance Based Shares, despite the fact that the Company's consolidated EBITDA (as defined in the share award agreements) for the fiscal year ending December 31, 2007 did not meet the vesting requirement set forth in the share award agreements owing to the impact of certain one-time non-recurring charges. In this case, the Board of Directors determined, based upon (i) the performance of the Company and the Named Executive Officers since the Acquisition and (ii) the fact that it was the incurrence by the Company of certain one-time non-recurring charges that resulted in the Company not meeting the vesting requirement, that it was appropriate to vest the 25% portion of the Performance Share grant.
- Return on Capital Shares: One-third of the Restricted A Shares granted to the Named Executive Officers, which we refer to as the "Return on Capital Shares," vested at the time of the IPO. The Return on Capital Shares were originally scheduled to vest in three equal installments based on the occurrence of certain performance conditions, which would be met if the Sponsors achieved specified investment returns. Prior to the IPO, the Compensation Committee determined that the long-term focus of the Company and its senior executives should be to increase shareholder value for all investors, including the new public shareholders, and that it was probable that all of the performance conditions required for the full vesting of the Return on Capital Shares would be satisfied within seven years of the grant date. Based on these considerations, on August 18, 2006, the Compensation Committee amended the terms of the Return on Capital Shares to provide for the full vesting of such shares at the time of the IPO.

The total number of Restricted A Shares granted to the Named Executive Officers were as follows: for Mr. Boissonneault, 1,534,177; for Messrs. Herendeen, Reichel, and Bruno, 686,544; and for Ms. Hara, 149,822.

IPO Awards

In connection with the IPO in 2006, the Compensation Committee approved the grant of options to purchase Class A common shares or a combination of restricted Class A common shares and options to all full-time employees (except the Key Executive Officers), covering, in the aggregate, 1,401,804 Class A common shares. The value of Class A common shares subject to each award was calculated as a percentage of the average annual base salary for all employees within the award recipient's salary band. IPO grants were based on 125% of the annual long-term equity incentive compensation award targets approved by the Compensation Committee, to reflect the 15-month period prior to the next annual grant in 2008. These awards were subject to adjustment based on the recipient's Performance Rating. The awards vest ratably over four years. Ms. Hara received options to purchase 16,500 Class A common shares at an exercise price of $15.00 per share and 15,300 restricted Class A common shares.

In addition to the 2006 IPO option grants, the Compensation Committee also approved grants in an aggregate amount equal to 892,638 Class A common shares to the Key Executive Officers. Mr. Boissonneault received 357,057 unrestricted Class A common shares and each of Messrs. Bruno, Reichel and Herendeen received 178,527 unrestricted Class A common shares. The Company repurchased a portion of these shares in order to satisfy each individual's resulting tax liability.

Other Benefits

401(k) Savings Plan

All employees, including the Named Executive Officers, are eligible to participate in the Company's tax-qualified 401(k) Savings Plan. In accordance with the terms of the Company's 401(k) Savings Plan and subject to certain limitations imposed by the Internal Revenue Service ("IRS"), the Company matches, in cash, 75% of amounts contributed to that Plan by each Plan participant, up to 6% of such participant's base salary. The matching contributions paid in 2008 are included in the "All Other Compensation" column of the Summary Compensation Table.

Perquisites

The only perquisites provided exclusively to the Named Executive Officers in the year ended December 31, 2008 were the company automobiles provided to the Key Executive Officers.

Employment and Severance Agreements

As discussed earlier, the Key Executive Officers have employment agreements that specify minimum base salaries, and annual incentive opportunities, and Ms. Hara has a severance agreement. These agreements were adopted and approved by the Sponsors at the time of the Acquisition and provide for certain payments in the event of a termination of employment by the Company without cause or by reason of death or disability, or a termination by the executive officer for good reason, or a termination by the Company without cause or by the executive officer for good reason following a change of control. The agreements also contain substantial restrictive covenants. In addition, the equity award agreements that govern stock options and restricted share grants contain provisions regarding forfeiture or acceleration of the grants and certain Company repurchase rights of restricted shares upon a termination of employment or a change of control. These provisions are described and quantified under the heading "Potential Payments upon Termination of Employment or Change in Control" in this Amendment. The Company believes these arrangements benefit the Company by clarifying the terms of employment and ensuring that the Company is protected by noncompete, nonsolicitation, and nondisclosure provisions. Where a change of control is a possibility, they also serve to minimize the distraction that can be caused by a potential transaction and reduce the risk that critical executive officers will leave the organization before a transaction closes.

Material Tax and Accounting Considerations

In designing its compensation programs, the Compensation Committee takes into consideration the potential tax and accounting effect that each element will or may have on the Company, the executive officers, the other employees as a group and the Company's shareholders. The Company aims to keep the expense related to its compensation programs as a whole within certain affordability levels. The number and class of shares available under the Amended Plan and/or subject to outstanding equity awards may also be adjusted by the Compensation Committee to prevent dilution or enlargement of rights in the event of various changes in the Company's capitalization.

The Company has adopted the provisions of SFAS No. 123R. All share-based payments to employees, including grants of employee options and restricted shares, are measured at fair value on the date of grant and recognized in the statement of operations as compensation expense over their vesting periods. For a description of assumptions used in calculating annual recognition of share-based compensation, see "Note 12" to the Notes to Consolidated Financial Statements for the year ended December 31, 2008 included in the Original Filing.

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally disallows a tax deduction to public companies for certain compensation in excess of $1 million paid to the company's Chief Executive Officer and the three other most highly compensated executive officers (other than the Chief Financial Officer),

unless such amount qualifies as "performance-based compensation" pursuant to certain specified requirements. As a recently public company, we are eligible for special transition relief; therefore, the compensation that we provide is not yet subject to the Section 162(m) rules. To the extent that any future compensation is subject to Section 162(m), the Company expects that future payments to each of our executive officers will generally comply with the rules of Section 162(m). However, maintaining tax deductibility will not be the sole consideration taken into account by the Compensation Committee in determining what compensation arrangements are in the best interests of the Company and its shareholders.

Compensation Committee Report

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 (including any amendment thereto) and the Company's 2009 Proxy Statement on Schedule 14A.

Respectfully submitted by the Compensation Committee,

Stephen P. Murray, *Chairman*
Todd M. Abbrecht
David F. Burgstahler
John P. Connaughton

Summary Compensation Table

The following table sets forth, for the years ended December 31, 2006, 2007 and 2008, information regarding the compensation of the Named Executive Officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(3)	All Other Compensation ($)(4)	Total ($)
Roger M. Boissonneault	2008	960,000	—	67,894	312	1,000,000	—	34,172	2,062,378
Chief Executive Officer and	2007	900,000	—	155,461	714	900,000	—	34,514	1,990,689
President	2006	850,000	—	6,219,147	1,584	850,000	—	28,250	7,948,981
Paul Herendeen	2008	418,723	—	38,011	390	247,047	—	27,241	731,412
Executive Vice President	2007	400,692	—	81,011	832	236,408	—	25,578	744,521
and Chief Financial Officer	2006	383,438	—	3,009,241	1,584	230,063	—	26,750	3,651,076
W. Carl Reichel	2008	450,934	—	30,382	312	266,051	—	23,533	771,212
President, Pharmaceuticals	2007	431,516	—	69,569	714	254,594	—	23,585	779,978
	2006	409,020	—	3,064,229	1,584	255,637	—	24,000	3,754,470
Anthony D. Bruno	2008	432,032	—	30,382	312	254,899	—	27,945	745,570
Executive Vice President,	2007	413,428	—	69,569	714	243,923	—	27,828	755,462
Corporate Development	2006	391,875	—	3,064,229	1,584	244,922	—	26,250	3,728,860
Izumi Hara	2008	313,821	—	165,165	87,529	111,093	—	10,350	687,958
Senior Vice President,	2007	300,307	—	118,836	59,767	108,111	—	10,125	597,146
General Counsel and Corporate Secretary	2006	287,375	—	114,816	17,022	103,455	—	11,250	533,918

(1) Amounts shown are the compensation costs recognized by the Company for financial statement reporting purposes for the fiscal years presented, in accordance with FAS 123R, in respect of Restricted A Shares, other Class A common share awards and option awards, as applicable. They include compensation costs from awards granted in 2005, 2006, and for Ms. Hara only, 2008, and do not reflect compensation actually received by the Named Executive Officers. Assumptions used in the calculation of these amounts are included in "Note 12" to the Notes to the Company's Consolidated Financial Statements for the year ended December 31, 2008, included in the Original Filing and, with respect only to awards granted in 2005, in "Note 12" to the Notes to the Company's Consolidated Financial Statements for the year ended December 31, 2007, included in the Company's Annual Report filed with the SEC on February 29, 2008. None of the Named Executive Officers forfeited Class A common share awards or option awards during 2008.

(2) Reflects (i) for 2006, annual cash incentive bonuses earned with respect to 2006 performance and paid in 2007, (ii) for 2007, annual cash incentive bonuses earned with respect to 2007 performance and paid in 2008, and (iii) for 2008, annual cash incentive bonuses earned with respect to 2008 performance and paid in 2009, as more fully described under "Compensation Discussion and Analysis" and the "Grants of Plan-Based Award Table."

(3) The Company does not maintain any defined benefit or nonqualified deferred compensation plans.

(4) The following table sets forth the component amounts presented in the "All Other Compensation" column above for the year ended December 31, 2008:

Name	Contributions under 401(k) Plan(i) ($)	Personal use of Company automobile(ii) ($)
Roger M. Boissonneault	10,350	23,822
Paul Herendeen	10,350	16,891
W. Carl Reichel	10,350	13,183
Anthony D. Bruno	10,350	17,595
Izumi Hara	10,350	—

(i) Represents the annual contribution of the Company under the terms of its 401(k) Savings Plan. Under the terms of the 401(k) Savings Plan, the Company will match up to 75% of the first 6% of salary compensation contributed by each employee, subject to IRS limitations.

(ii) Represents the incremental cost to the Company attributable to the personal use by the Named Executive Officers of Company automobiles.

Grants of Plan-Based Awards Table

The following table sets forth information concerning the Named Executive Officers' 2008 annual cash incentive award opportunities and 2008 grants of Class A common shares and stock options under the Amended and Restated 2005 Equity Incentive Plan.

			Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Possible Payouts Under Equity Incentive Plan Awards						
Name	Grant Date	Committee Approval Date	Thresh-old ($)	Target ($)	Maxi-mum ($)	Thresh-old (#)	Target (#)	Maxi-mum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)(2)	All Other Option Awards: Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Option Awards ($/Sh)(4)	Grant Date Fair Value of Stock and Option Awards ($)(5)
Roger M. Boissonneault . . .	—	—	0	816,000	960,000	—	—	—	—	—	—	—
Paul Herendeen	—	—	0	209,362	314,043	—	—	—	—	—	—	—
W. Carl Reichel	—	—	0	225,467	338,200	—	—	—	—	—	—	—
Anthony D. Bruno	—	—	0	216,016	324,024	—	—	—	—	—	—	—
Izumi Hara	—	—	0	94,146	141,219	—	—	—	—	—	—	—
	1/10/2008	1/10/2008	—	—	—	—	—	—	11,650	—	—	205,506
	1/10/2008	1/10/2008	—	—	—	—	—	—	—	15,290	17.64	110,853

(1) Represents the range of potential incentive cash bonus awards payable to the Named Executive Officers other than Mr. Boissonneault, based on 2008 performance. With respect to Mr. Boissonneault, the amount set forth above represents the maximum potential incentive cash bonus to which Mr. Boissonneault is entitled under his employment agreement. In January 2009, the Compensation Committee awarded Mr. Boissonneault an incentive cash bonus award in excess of such amount based upon 2008 performance. See the column entitled "Non-Equity Incentive Plan Compensation" in the "Summary Compensation Table" for the annual cash incentive bonuses earned by the Named Executive Officers in 2008 and paid in 2009.

(2) Represents grants of restricted Class A common shares made under the Annual Equity Award Program, as more fully described under "Compensation Discussion and Analysis," that vest ratably over four years on the anniversary of the date of grant.

(3) Represents grants of options to purchase Class A common shares made under the Annual Equity Award Program, as more fully described under "Compensation Discussion and Analysis," that vest ratably over four years on the anniversary of the date of grant.

(4) Represents the closing market price of the underlying Class A common shares on the date of the grant.

(5) Represents the compensation costs recognized by the Company for financial statement reporting purposes over the vesting schedule of the award, in accordance with FAS 123R, in respect of grants of restricted Class A common shares and options to purchase Class A common shares, as applicable, granted in 2008. Assumptions used in the calculation of these amounts are included in "Note 12" to the Notes to Consolidated Financial Statements for the year ended December 31, 2008, included in the Original Filing.

Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth information concerning unexercised options and restricted Class A common shares for each of the Named Executive Officers outstanding as of December 31, 2008. The market value of the shares is based on the closing market price of the Class A common shares on December 31, 2008 ($14.50).

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Roger M. Boissonneault	359,572(1)	119,858(1)	—	22.98	1/18/2015	127,849(5)	1,853,811	127,848(9)	1,853,796
Paul Herendeen	359,572(2)	119,858(2)	—	22.98	4/1/2015	57,212(6)	829,574	57,212(10)	829,574
W. Carl Reichel	359,572(1)	119,858(1)	—	22.98	1/18/2015	57,212(5)	829,574	57,212(9)	829,574
Anthony D. Bruno	359,572(1)	119,858(1)	—	22.98	1/18/2015	57,212(5)	829,574	57,212(9)	829,574
Izumi Hara	8,250(3)	8,250(3)	—	15.00	9/20/2016	12,486(5)	181,047	12,486(9)	181,047
	— (4)	15,290(4)	—	17.64	1/9/2018	7,650(7)	110,925		
						11,650(8)	168,925		

(1) These options were granted on March 28, 2005 and vest in four equal installments on January 18th of the following four years.
(2) These options were granted on April 1, 2005 and vest in four equal installments on April 1st of the following four years.
(3) These options were granted on September 21, 2006 and vest in four equal installments on September 21st of the following four years.
(4) The options were granted on January 10, 2008 and vest in four equal installments on January 10th of the following four years.
(5) These Time Vesting Shares were granted on March 28, 2005 and vest in four equal installments on January 18th of the following four years.
(6) These Time Vesting Shares were granted on April 1, 2005 and vest in four equal installments on April 1st of each of the following four years.
(7) These restricted Class A common shares were granted on September 21, 2006 and vest in four equal installments on September 21st of each of the following four years.
(8) These restricted Class A common shares were granted on January 10, 2008 and vest in four equal installments on January 10th of each of the following four years.
(9) These Performance Based Shares were granted on March 28, 2005 and are scheduled to vest in four installments upon the achievement of certain operating profit goals discussed under "Compensation Discussion and Analysis."
(10) These Performance Based Shares were granted on April 1, 2005 and vest in four installments upon the achievement of certain operating profit goals discussed under "Compensation Discussion and Analysis."

Option Exercises and Stock Vested Table

The following table sets forth the number and value of Class A common shares that vested during 2008. The Named Executive Officers did not exercise any options during 2008.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Roger M. Boissonneault	—	—	127,848(1)	2,230,948(1)
			127,848(2)	2,135,062(2)
Paul Herendeen	—	—	57,212(1)	1,032,677(1)
			57,212(2)	955,440(2)
W. Carl Reichel	—	—	57,212(1)	998,349(1)
			57,212(2)	955,440(2)
Anthony D. Bruno	—	—	57,212(1)	998,349(1)
			57,212(2)	955,440(2)
Izumi Hara	—	—	12,485(1)	217,863(1)
			12,485(2)	208,500(2)
			3,825(3)	59,861(3)

(1) Represents Time Vesting Shares that vested on January 18, 2008 (except for Mr. Herendeen whose shares vested on April 1, 2008). The value realized by each Named Executive Officer was calculated by multiplying the number of shares vesting by the closing market price of the Class A common shares on January 18, 2008 ($17.45) or April 1, 2008 ($18.05), as applicable.

(2) Represents Performance Based Shares that vested on February 28, 2008. The value realized by each Named Executive Officer was calculated by multiplying the number of shares vesting by the closing market price of the Class A common shares on February 28, 2008 ($16.70).

(3) Represents the Class A common shares awarded to Ms. Hara in connection with the IPO that vested on September 21, 2008. The value realized by Ms. Hara was calculated by multiplying the number of shares vesting by the closing market price of the Class A common shares on September 21, 2008 ($15.65).

Pension Benefits

The Company does not maintain any defined benefit pension plans.

Nonqualified Deferred Compensation Plans

The Company does not maintain any nonqualified defined contribution or deferred contribution plans.

Potential Payments Upon Termination or Change-in-Control

Accrued Compensation and Benefits

Upon any termination of employment, each Named Executive Officer will receive earned but unpaid salary, his or her balance under the Company's 401(k) Plan, his or her vested equity awards as set forth in the Outstanding Equity Awards at Fiscal Year-End Table, and any other accrued benefits under our benefit plans.

Additional Termination Benefits

Death. In the case of death, under the employment agreements with the Key Executive Officers, and the severance agreement with Ms. Hara, each Named Executive Officer's spouse and dependents, other than Mr. Boissonneault's, will be entitled to a payment equal to one times the base salary in effect at the time of death. In addition, each Named Executive Officer's spouse and dependents will be entitled to continued health and welfare benefits for a 12-month period.

Under each Named Executive Officer's equity award agreement, in the event of death prior to a vesting date, between zero and 75% (depending on the date of death) of his or her non-vested outstanding options and restricted Class A common shares (other than Performance Vesting Shares) that were scheduled to vest on such vesting date will vest. Each Named Executive Officer's spouse or dependents will then have one year to exercise such vested options. All unvested Class A common shares (other than Restricted A Shares) and all unvested options will be forfeited. Under the Management Shareholders Agreement, the Company has the right to repurchase any unvested Restricted A Shares for the lesser of one dollar or the fair market value. If the Company elects not to exercise this repurchase right, any unvested Restricted A Shares will immediately vest.

Disability; Termination without Cause or for Good Reason. In the case of a termination of employment by reason of disability, by the Company without cause or by any Key Executive Officer for good reason, under the employment agreements with the Key Executive Officers, each Key Executive Officer will be entitled to a payment equal to two times the sum of the base salary in effect at the time of termination and the cash bonus paid for the immediately preceding calendar year to such officer. Payment will be made over the 24-month period following termination. Mr. Boissonneault will also be entitled to certain continued health and welfare benefits for a period of 12 months following termination. Under the severance agreement with Ms. Hara, she will be entitled to a payment equal to one times her base salary in effect at the time of termination payable over the 12-month period following termination, and certain continued health and welfare benefits for a period of 12 months following termination.

Under each Named Executive Officer's equity award agreement, in the event of a termination of employment by reason of disability, by the Company without cause or by the officer for good reason, prior to a vesting date, between zero and 75% (depending on the date of termination) of his or her non-vested outstanding options and restricted Class A common shares (other than Performance Vesting Shares) that were scheduled to vest on such vesting date will vest. Each Named Executive Officer will then have 60 business days (or one year in the case of disability) to exercise such vested options. All unvested Class A common shares (other than Restricted A Shares) and all unvested options will be forfeited. Under a management shareholders agreement dated as of March 28, 2005 (the "Management Shareholders Agreement"), the Company has the right to repurchase any unvested Restricted A Shares for the lesser of one dollar or the fair market value. If the Company elects not to exercise this repurchase right, any unvested Restricted A Shares will immediately vest.

For Cause Termination. None of the Named Executive Officers are entitled to any additional payments or benefits in the event we terminate his or her employment for cause. Under the Management Shareholders Agreement, the Company has the right to repurchase any unvested Restricted A Shares for the lesser of one dollar or the fair market value. If the Company elects not to exercise this repurchase right, any unvested Restricted A Shares will immediately vest.

Voluntary Termination. None of the Named Executive Officers is entitled to any additional payments or benefits in the event of a voluntary termination or a retirement (except as described with respect to a termination for good reason). Under the Management Shareholders Agreement, the Company has the right to repurchase any unvested Restricted A Shares for the lesser of one dollar or the fair market value. If the Company elects not to exercise this repurchase right, any unvested Restricted A Shares will immediately vest.

Termination without Cause or for Good Reason following a Change of Control. In the case of a termination without cause or for good reason in connection with, or during the two-year period following, a change of control, under the employment agreements with the Key Executive Officers, each Key Executive Officer will be entitled to the same payment benefits as described under "Disability; Termination without Cause or for Good Reason" above, except that the payments will be made in a lump sum within 10 days of such Key Executive Officer's last day of employment. Under the severance agreement with Ms. Hara, if her employment is terminated without cause or for good reason during the 12-month period following a change of control, she will be entitled to (i) continue to receive her then current base salary for a period of 18 months following such termination, plus (ii) an amount equal to one and a half times the cash bonus she was paid for the calendar year immediately preceding the year in which she was terminated, which will be payable over an 18-month period, plus (iii) continued health and welfare benefits for 18 months. If any payment received by a Named Executive Officer in connection with a change of control is subject to an excise tax, the Company will provide the officer with a related tax gross-up payment. Upon a change of control, irrespective of whether or not there is also a termination of employment, each Named Executive Officer's unvested options and restricted Class A common stock awards will vest, provided that such options will only vest if the fair market value of the underlying Class A common shares exceeds the exercise price of the awards.

Notwithstanding the foregoing, the timing of certain payments described above will be delayed for six months in compliance with applicable tax rules and in accordance with each Named Executive Officer's respective employment or severance agreement.

Restrictive Covenants

The employment agreements with each of the Key Executive Officers contain covenants not to compete, or solicit customers or employees for (i) 24 months if such officer's employment is terminated owing to disability, by the Company without cause or by such officer for good reason; (ii) 6 months if such officer resigns without good reason or retires (which increases to 12 months if the Company elects to pay such officer an amount equal to one times base salary, plus the bonus in the year immediately preceding the termination); and (iii) 6 months in the case of termination for cause. The severance agreement with Ms. Hara contains similar covenants, which are applicable for (i) 12 months if her employment is terminated due to disability, by the Company without cause or by Ms. Hara for good reason; (ii) 6 months if Ms. Hara resigns without good reason or retires (which increases to 12 months if the Company elects to pay Ms. Hara an amount equal to one times base salary, plus the bonus in the year immediately preceding the termination); and (iii) 6 months in the case of termination for cause.

Definitions

The agreements define "cause" to mean (i) the officer's conviction of any felony (other than a violation of a motor vehicle or moving violation law) or conviction of a misdemeanor if such misdemeanor involves moral turpitude; or (ii) the officer's voluntary engagement in conduct constituting larceny, embezzlement, conversion or any other act involving the misappropriation of funds in the course of the officer's employment; or (iii) the willful refusal (following written notice) to carry out specific directions of the Board; or (iv) commission of any act of gross negligence or intentional misconduct in the performance or non-performance of the officer's duties as an employee; or (v) any material breach of any material provision of such officer's agreement.

The agreements define "good reason" to mean (i) the assignment, subject to certain exceptions, to the officer of duties materially inconsistent with his or her position (including status, offices, titles, and reporting requirements), authority, duties or responsibilities, or any other action by the Company which results in a

diminution in such position, authority, duties or responsibilities; (ii) any failure, subject to certain exceptions, by the Company to pay base salary, bonus or other compensation to which the officer is contractually entitled; (iii) requiring the officer to relocate to another office or location; (iv) any termination by the Company of the officer's employment other than for cause or as a result of such officer's disability or death; or (v) any failure to obtain an express assumption of such officer's employment or severance agreement by a successor.

Estimate of Incremental Potential Payments

The following tables set forth estimates of the payments and benefits each Named Executive Officer would receive from the Company upon a termination of employment on December 31, 2008. The closing price of the Company's stock on such date was $14.50 per share. The amounts shown in respect of equity awards following a change in control would be payable whether or not the executive officer's employment were terminated. In accordance with SEC rules, the potential payments were determined under the terms of the Company's plans and arrangements as in effect on December 31, 2008. The tables do not include any previously vested equity awards or accrued benefits. Because the payments to be made to a Named Executive Officer depend on several factors, the actual amounts to be paid out upon a triggering event can only be determined at the time of the triggering event. The footnotes referenced in each table are presented after the last table.

Roger M. Boissonneault—Chief Executive Officer, President & Director

	Death ($)	Disability ($)	For Cause ($)	Voluntary Termination ($)	Termination without Cause or for Good Reason ($)	Termination without Cause or for Good Reason after Change of Control ($)
Cash Payments(1)	—	3,720,000	—	—	3,720,000	3,720,000
Time Vesting Shares(2)	1,422,320	1,422,320	127,849	127,849	1,422,320	1,853,811
Performance Based Shares(2)	127,848	127,848	127,848	127,848	127,848	1,853,796
Options(3)	—	—	—	—	—	—
Welfare Benefit Continuation(4)	17,923	18,412	—	—	19,877	19,877
Excise Tax Gross-up(5)	n/a	n/a	n/a	n/a	n/a	—
Total Value of Incremental Benefits	$1,568,091	$5,288,580	$255,697	$255,697	$5,290,045	$7,447,484

Paul Herendeen—Executive Vice President & Chief Financial Officer

	Death ($)	Disability ($)	For Cause ($)	Voluntary Termination ($)	Termination without Cause or for Good Reason ($)	Termination without Cause or for Good Reason after Change of Control ($)
Cash Payments(1)	418,723	1,310,263	—	—	1,310,263	1,310,263
Time Vesting Shares(2)	443,393	443,393	57,212	57,212	443,393	829,574
Performance Based Shares(2)	57,212	57,212	57,212	57,212	57,212	829,574
Options(3)	—	—	—	—	—	—
Welfare Benefit Continuation(4)	24,654	—	—	—	—	—
Excise Tax Gross-up(5)	n/a	n/a	n/a	n/a	n/a	—
Total Value of Incremental Benefits	$943,982	$1,810,868	$114,424	$114,424	$1,810,868	$2,969,411

W. Carl Reichel—President, Pharmaceuticals

	Death ($)	Disability ($)	For Cause ($)	Voluntary Termination ($)	Termination without Cause or for Good Reason ($)	Termination without Cause or for Good Reason after Change of Control ($)
Cash Payments(1)	450,934	1,411,056	—	—	1,411,056	1,411,056
Time Vesting Shares(2)	636,484	636,484	57,212	57,212	636,484	829,574
Performance Based Shares(2)	57,212	57,212	57,212	57,212	57,212	829,574
Options(3)	—	—	—	—	—	—
Welfare Benefit Continuation(4)	24,654	—	—	—	—	—
Excise Tax Gross-up(5)	n/a	n/a	n/a	n/a	n/a	—
Total Value of Incremental Benefits	$1,169,284	$2,104,752	$114,424	$114,424	$2,104,752	$3,070,204

Anthony D. Bruno—Executive Vice President, Corporate Development

	Death ($)	Disability ($)	For Cause ($)	Voluntary Termination ($)	Termination without Cause or for Good Reason ($)	Termination without Cause or for Good Reason after Change of Control ($)
Cash Payments(1)	432,032	1,351,911	—	—	1,351,911	1,351,911
Time Vesting Shares(2)	636,484	636,484	57,212	57,212	636,484	829,574
Performance Based Shares(2)	57,212	57,212	57,212	57,212	57,212	829,574
Options(3)	—	—	—	—	—	—
Welfare Benefit Continuation(4)	24,654	—	—	—	—	—
Excise Tax Gross-up(5)	n/a	n/a	n/a	n/a	n/a	—
Total Value of Incremental Benefits	$1,150,382	$2,045,607	$114,424	$114,424	$2,045,607	$3,011,059

Izumi Hara—Senior Vice President, General Counsel & Corporate Secretary

	Death ($)	Disability ($)	For Cause ($)	Voluntary Termination ($)	Termination without Cause or for Good Reason ($)	Termination without Cause or for Good Reason after Change of Control ($)
Cash Payments(1)	313,821	313,821	—	—	313,821	632,898
Time Vesting Shares(2)	138,907	138,907	12,486	12,486	138,907	181,047
Performance Based Shares(2)	12,486	12,486	12,486	12,486	12,486	181,047
Restricted Class A common shares(6)	45,534	45,534	—	—	45,534	279,850
Options(3)	—	—	—	—	—	—
Welfare Benefit Continuation(4)	24,654	25,144	—	—	26,608	39,911
Excise Tax Gross-up(5)	n/a	n/a	n/a	n/a	n/a	—
Total Value of Incremental Benefits	$535,402	$535,892	$24,972	$24,972	$537,356	$1,314,753

(1) Does not include optional payments to extend the non-competition and non-solicitation period in the event of a voluntary termination.

(2) Amounts shown under the columns entitled "Death," "Disability" and "Termination without Cause or for Good Reason" include (i) the fair market value ($14.50) of unvested restricted Class A common shares that would vest following such termination, plus (ii) the number of resulting unvested Time Vesting Shares or Performance Based Shares, as applicable, times $1.00. Amounts shown under the columns entitled "For Cause" and "Voluntary Termination" include the amount of unvested Time Vesting Shares or Performance Based Shares, as applicable, resulting from such termination times $1.00. Amounts shown under the column entitled "Termination without Cause or for Good Reason after Change of Control" include the number of unvested Time Vesting Shares or Performance Based Shares that would vest at the time of such termination, times the fair market value ($14.50). These calculations assume the Company would exercise its right to repurchase unvested Time Vesting Shares and Performance Based Shares at $1.00 in the case of any termination not in connection with a change of control.

(3) As of December 31, 2008, all options held by Messrs. Boissonneault, Reichel, Bruno and Herendeen, and Ms. Hara, were out-of-the-money.

(4) Represents the estimated cost to the Company of continuing health and welfare benefits.

(5) This calculation has been performed only for disclosure purposes. Payments in the event of an actual change of control may differ based on factors such as the transaction price, the timing of employment termination and payments, the methodology for valuing options, changes in compensation, and reasonable compensation analyses. The Company did not attribute any value to non-competition covenants or take the position that any part of the value of the performance contingent restricted shares was reasonable compensation for services prior to the change of control. Based on these assumptions, none of the Named Executive Officers would be entitled to a gross-up payment for the period presented.

(6) Amounts shown under the columns entitled "Death," "Disability" and "Termination without Cause or for Good Reason" include the number of unvested restricted Class A common shares that would vest following such termination, times the fair market value ($14.50). All unvested restricted Class A common shares not vesting as a result of such termination would be forfeited. Amounts shown under the column entitled "Termination without Cause or for Good Reason after Change of Control" include the number of unvested restricted Class A common shares that would vest at the time of such termination, times the fair market value ($14.50).

Director Compensation

The Board of Directors, upon the recommendation of the Compensation Committee, has established the following compensation policy for our directors. Only directors who are determined to be "independent" in accordance with applicable NASDAQ rules (the "Independent Directors") are eligible to receive compensation for their service as directors. Each of the Company's nine directors, other than Mr. Boissonneault, qualify as Independent Directors. Mr. King first qualified as an Independent Director, and became eligible to receive director compensation, on May 18, 2008. Messrs. Abbrecht, Connaughton, Pagliuca, Rattner and Murray qualify as Independent Directors but have waived their right to receive compensation for their service as directors.

During the second quarter of 2008 the Compensation Committee engaged Frederic W. Cook & Co., Inc. to evaluate the design and competitiveness of the Company's director compensation program and to make recommendations with respect to director compensation based on market data and trends in director compensation. While the Compensation Committee does not target director compensation at any specified level, the recommendations of Frederic W. Cook & Co., Inc. were among several factors considered by the Board of Directors in November 2008 when it, upon the recommendation of the Compensation Committee, increased the cash portion of the annual retainer from $15,000 to $32,500 and the equity portion of the annual retainer from $15,000 to $100,000, payable in non-qualified options ("options"). Such amendments took effect January 1, 2009.

Annual Retainer: Each Independent Director will be paid an annual retainer of $132,500 for each year of service on the Board of Directors. The annual retainer is comprised of (i) a $32,500 cash payment, payable quarterly in equal installments, and (ii) options to purchase our Class A common shares with a value equal to $100,000 (determined in accordance with Black-Scholes or a similar model) having the following material terms:

- *Annual Grant Date*: The grant date will be the date of the Company's annual meeting.
- *Exercise Price*: The exercise price will be the per share closing price of the Company's shares on the date of grant.
- *Vesting*: Each option will vest on the date immediately preceding the date of the Company's next annual meeting following the grant date.
- *Termination*: Any unvested options will terminate on the date on which the Independent Director is no longer a member of the Board of Directors. In the event of death, all options held by an Independent Director will immediately vest.
- *Term*: Each option will have a 10 year term.

In the event any Independent Director is appointed to the Board of Directors subsequent to the Annual Meeting, the cash payment and option grant constituting the annual retainer for such Independent Director will be prorated based on the date of appointment.

Board Meeting Attendance Fees: Each Independent Director is paid $2,000 as compensation for his or her attendance (whether telephonically or in person) at each meeting of the Board of Directors.

Committee Attendance Fees: Each Independent Director is paid $1,000 as compensation for his or her attendance (whether telephonically or in person) at each meeting of any committee of the Board of Directors on which such Independent Director serves.

Committee Chairperson Retainer: Each committee chairperson that is an Independent Director is paid an annual retainer of $7,000 ($10,000 in the case of the audit committee chairperson), payable quarterly in equal installments. This retainer is prorated based on the date of commencement and termination of the Independent Director's committee service in any year.

The following table sets forth, for the fiscal year ended December 31, 2008, the total compensation of the Independent Directors of our Board of Directors.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)(5)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
James G. Andress	4,876(1)	—	7,500	—	—	—	12,376
James H. Bloem	35,967(2)	—	19,220	—	—	—	55,187
David F. Burgstahler	38,000(3)	—	11,250	—	—	—	49,250
John A. King, Ph.D	12,313(4)	—	4,687	—	—	—	17,000

(1) As a result of his death on March 11, 2008, Mr. Andress and his estate received the following cash compensation during 2008: a prorated portion of the annual cash retainer in an amount equal to $2,926 and a prorated portion of the audit committee chairperson annual retainer in an amount equal to $1,950.

(2) Represents an annual cash retainer of $15,000, Board meeting fees of $8,000, committee meeting fees of $5,000 and a prorated audit committee chairperson annual retainer of 7,967.

(3) Represents an annual cash retainer of $15,000, Board meeting fees of $8,000 and committee meeting fees of $15,000.

(4) Mr. King first qualified as an Independent Director, and became eligible to receive director compensation, on May 18, 2008. As a result, Mr. King received the following cash compensation during 2008: a prorated portion of the annual cash retainer in an amount equal to $9,313, Board meeting fees of $2,000 and committee meeting fees of $1,000.

(5) Amounts shown are the compensation costs recognized by the Company for financial statement reporting purposes for the year ended December 31, 2008, in accordance with FAS 123R. They do not reflect compensation actually received by the Independent Directors. Assumptions used in the calculation of these amounts are included in "Note 12" to the Notes to Consolidated Financial Statements for the year ended December 31, 2008, included in the Original Filing. In the year ended December 31, 2008, Mr. Andress, who died on March 11, 2008, was granted no options, Mr. Bloem was granted 2,095 options with a grant date value of $15,000, Mr. Burgstahler was granted 2,095 options with a grant date value of $15,000 and Mr. King, who first qualified as an Independent Director on May 18, 2008, received 1,341 options with a grant date value of $9,374. Pursuant to the terms of his award, all of Mr. Andress' unvested options immediately vested at the time of his death. As of December 31, 2008, the estate of Mr. Andress held 2,209 unexercised options, Mr. Bloem held 3,876 unexercised options, Mr. Burgstahler held 2,095 unexercised options and Mr. King held 1,341 unexercised options.

Other Compensation Information

The Company does not maintain any defined benefit pension plans, nonqualified defined contribution or deferred compensation plans for the members of its Board of Directors.

Compensation Committee Interlocks and Insider Participation

During 2008, Messrs. Abbrecht, Burgstahler, Connaughton and Murray were members of the Compensation Committee. None of the Compensation Committee members is or has been a company officer or employee. None of the Company's executive officers currently serves on the Compensation Committee or any similar committee of another public company. None of the Compensation Committee members had any relationship requiring disclosure by the Company under Item 404 of Regulation S-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2008 with respect to shares of our common stock that may be issued under our existing equity compensation plan.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance
Equity Compensation Plans Approved by Security Holders:			
2005 Amended and Restated Equity Incentive Plan	4,074,236	$19.34	3,837,277
Equity Compensation Plans Not Approved by Security Holders:	—	—	—

Security Ownership of Principal Shareholders, Management and Directors

The following table and accompanying footnotes show information regarding the beneficial ownership of the Class A common shares of the Company, as of March 16, 2009, by:

- each person who is known by the Company to own beneficially more than 5% of its Class A common shares;
- each member of the Board of Directors and each named executive officer;
- all members of the Board of Directors and the executive officers as a group.

For purposes of the table below, we deem Class A common shares subject to options or warrants that are currently exercisable or exercisable within 60 days of March 16, 2009 to be outstanding and to be beneficially owned by the person holding the options or warrants for the purpose of computing the percentage ownership of that person but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person. Except as otherwise noted, the persons or entities in this table have sole voting and investing power with respect to all of the Class A common shares beneficially owned by them, subject to community property laws, where applicable. As of March 16, 2009, there were 251,261,780 Class A common shares outstanding.

	Securities Beneficially Owned(11)	
Name and Address	**Common Shares**	**Percentage of Common Shares**
Principal Securityholders:		
Bain Capital Investors, LLC(1)	38,045,414	15.1%
DLJ Merchant Banking III, Inc.(2)	39,485,537	15.7%
J.P. Morgan Partners, LLC(3)	38,045,404	15.1%
Thomas H. Lee Partners, L.P.(4)	38,045,410	15.1%
D.E. Shaw & Co., L.P.(5)	22,232,929	8.8%
Directors and Executive Officers:		
Roger M. Boissonneault(6)	3,049,874	1.2%
Todd M. Abbrecht(4)	—	—
James H. Bloem	6,781	*
David F. Burgstahler(7)	20,000	*
John P. Connaughton(1)	—	—
John A. King, Ph.D. (8)	1,354,046	*
Stephen P. Murray(3)	—	—
Stephen G. Pagliuca(1)	—	—
Steven C. Rattner	—	—
W. Carl Reichel(9)	1,523,616	*
Anthony D. Bruno(10)	1,450,204	*
Paul Herendeen	1,373,422	*
Izumi Hara	268,954	*
All directors and executive officers as a group (16 persons)	9,909,701	3.9%

* Less than 1%.

(1) Includes interests owned by each of Bain Capital Integral Investors II, L.P. ("Integral"), BCIP Trust Associates III, BCIP Trust Associates III-B and BCIP Associates—G. Bain Capital Investors, LLC ("BCI") is the general partner of Integral and the managing general partner of each other entity. BCI is associated with Bain Capital Partners, LLC, one of our Sponsors. Investment and voting decisions at BCI are made jointly by three or more individuals who are managing directors of the entity, and therefore no individual managing director of BCI is the beneficial owner of the securities, except with respect to the shares in which such member holds a pecuniary interest.

John P. Connaughton is a Managing Director and Member of BCI and may therefore be deemed to share voting and dispositive power with respect to the shares. Mr. Connaughton disclaims any beneficial ownership of any shares beneficially owned by the Bain Capital entities, except to the extent of his pecuniary interest therein.

Stephen G. Pagliuca is a Managing Director of BCI and may therefore be deemed to share voting and dispositive power with respect to the shares. Mr. Pagliuca disclaims any beneficial ownership of any shares beneficially owned by the Bain Capital entities, except to the extent of his pecuniary interest therein. The address of Mr. Pagliuca, Mr. Connaughton and each of the Bain Capital entities is c/o Bain Capital Investors, LLC, 111 Huntington Avenue, Boston, Massachusetts 02199.

(2) Includes interests owned by DLJMB Overseas Partners III, C.V., DLJ Offshore Partners III, C.V., DLJ Offshore Partners III-1, C.V. and DLJ Offshore Partners III-2, C.V. (collectively, the "Offshore Partners"), DLJ MB Partners III GmbH & Co. KG, Millennium Partners II, L.P. and MBP III Plan Investors, L.P. (collectively and together with the Offshore Partners, the "DLJ Merchant Banking Funds"). DLJMB Overseas Partners III, C.V. is a limited partnership, the managing general partner of which is DLJ Merchant Banking III, Inc. ("MGP") and the associate general partner of which is DLJMB III (Bermuda), L.P. ("AGP"). The general partner of the AGP is DLJ Merchant Banking III, Inc. Credit Suisse, a Swiss bank, owns the majority of the voting stock of Credit Suisse Holdings (USA), Inc., which in turn owns all of the voting stock of Credit Suisse (USA) Inc. ("CS USA"). The DLJ Merchant Banking Funds are private equity funds advised by indirect subsidiaries of CS USA, including the MGP and the AGP, and form part of Credit Suisse's asset management business. Credit Suisse Securities (USA) LLC is a subsidiary of CS USA and thus an affiliate of each of the DLJ Merchant Banking Funds. The investment committee of the DLJ Merchant Banking Funds makes investment decisions on the funds' behalf. The investment committee is comprised of senior investment professionals of the DLJ Merchant Banking Funds. The members of the investment committee are appointed by the general partner of the associate general partner of the DLJ Merchant Banking Funds. The composition of the investment committee changes from time to time. The address of the principal business and office of each of the foregoing is Eleven Madison Avenue, New York, New York 10010. DLJ Merchant Banking is one of our Sponsors.

On January 12, 2007, the DLJ Merchant Banking Funds entered into a voting agreement with the Company, pursuant to which the DLJ Merchant Banking Funds agreed with the Company not to vote any shares of Class A common stock of the Company owned by the DLJ Merchant Banking Funds in excess of 9.99% of the outstanding shares of the Company's Class A common stock.

The address of each of the DLJ Merchant Banking entities is c/o DLJ Merchant Banking III, Inc., Eleven Madison Avenue, New York, New York 10010, except that the address of the Offshore Partners entities is John B. Gorsiraweg 14, Willemstad, Curacao, Netherlands Antilles.

(3) In the case of J.P. Morgan Partners, LLC, includes interests owned by J.P. Morgan Partners Global Investors, L.P., J.P. Morgan Partners Global Investors A, L.P., J.P. Morgan Partners Global Investors (Cayman), L.P., J.P. Morgan Partners Global Investors (Cayman) II, L.P., J.P. Morgan Partners Global Investors (Cayman) III, L.P., J.P. Morgan Partners Global Investors (Selldown), L.P., J.P. Morgan Partners Global Investors (Selldown) II, L.P. and J.P. Morgan Partners Global Investors (Cayman/Selldown) III, L.P. (collectively, the "Global Investor Funds") and J.P. Morgan Partners (BHCA), L.P. ("JPMP BHCA"). The general partner of the Global Investor Funds is JPMP Global Investors, L.P. ("JPMP Global"). The general partner of JPMP BHCA is JPMP Master Fund Manager, L.P. ("JPMP MFM"). The general partner of JPMP Global and JPMP MFM is JPMP Capital Corp. ("JPMP Capital"), a wholly owned subsidiary of JPMorgan Chase & Co., a publicly traded company ("JPM Chase"). Each of JPMP Global, JPMP MFM and JPMP Capital may be deemed, pursuant to Rule 13d-3 under the Exchange Act, to beneficially own the shares held by the Global Investor Funds and JPMP BHCA. JPMP Capital exercises voting and dispositive power over the securities held by the Global Investor Funds and JPMP BHCA. Voting and disposition decisions at JPMP Capital are made by three or more of its officers, and therefore no individual officer of JPMP Capital is the beneficial owner of the securities. The address of each of the JPMorgan Partners entities is c/o J.P. Morgan Partners, LLC, 270 Park Avenue, New York, New York 10017, except that the address of each Cayman entity is c/o Walkers SPV Limited, PO Box 908 GT, Walker House, George Town, Grand Cayman, Cayman Islands. Each of the Global Investor Funds, JPMP BHCA, JPMP Global, JPMP MFM and JPMP Capital are part of the J.P. Morgan Partners private equity business unit of JPM Chase. J.P. Morgan Partners is one of our Sponsors.

Stephen P. Murray is the President and Chief Executive Officer of CCMP Capital Advisors, LLC, a private equity firm formed in August 2006 when the buyout/growth equity professionals of J.P. Morgan Partners separated from JPM Chase to form an independent private equity platform. Mr. Murray disclaims any beneficial ownership of any shares beneficially owned by the J.P. Morgan Partners entities. The address of Mr. Murray is c/o CCMP Capital Advisors, LLC, 245 Park Avenue, New York, New York 10167.

(4) Includes interests owned by each of Thomas H. Lee (Alternative) Fund V, L.P., Thomas H. Lee (Alternative) Parallel Fund V, L.P., Thomas H. Lee (Alternative) Cayman Fund V, L.P., Thomas H. Lee Investors Limited Partnership, Great West Investors L.P., Putnam Investments Employees' Securities Company I LLC and Putnam Investments Employees' Securities Company II LLC. Each of Thomas H. Lee (Alternative) Fund V, L.P., Thomas H. Lee (Alternative) Parallel Fund V, L.P. and Thomas H. Lee (Alternative) Cayman Fund V, L.P. are exempted limited partnerships formed under the laws of the Cayman Islands, each of whose general partner is THL Advisors (Alternative) V, L.P., an exempted limited partnership formed under the laws of the Cayman Islands. Thomas H. Lee Advisors (Alternative) V Limited, LDC, a limited duration company formed under the laws of the Cayman Islands (the "LDC"), is the general partner of THL Advisors (Alternative) V, L.P. The address of each of these entities is c/o Walkers, Walker House, Mary Street, George Town, Grand Cayman, Cayman Islands.

The persons who are members of the LDC are the same persons who are members of Thomas H. Lee Advisors, LLC, a Delaware limited liability company. Thomas H. Lee Advisors, LLC is the general partner of Thomas H. Lee Partners, L.P., a Delaware limited partnership. Thomas H. Lee Partners, L.P. is one of our Sponsors. Thomas H. Lee Investors Limited Partnership (formerly known as THL-CCI Limited Partnership) is a Massachusetts limited partnership, whose general partner is THL Investment Management Corp., a Massachusetts corporation.

Great West Investors L.P., Putnam Investments Employees' Securities Company I LLC and Putnam Investments Employees' Securities Company II LLC are co-investment entities of Thomas H. Lee Partners and each disclaims beneficial ownership of any shares other than the shares held directly by such entity. The address for the Putnam entities is c/o Putnam Investment, LLC, One Post Office Square, Boston, Massachusetts 02109. The address of the Great West Investors L.P. is 8515 E. Orchard Road, Greenwood Village, Colorado 80110.

Todd M. Abbrecht is a member of the LDC, and a Vice President of THL Investment Management Corp., and therefore has shared voting and investment power over, and therefore, may be deemed to beneficially own shares held of record by Thomas H. Lee (Alternative) Fund V, L.P., Thomas H. Lee Parallel (Alternative) Fund V, L.P., Thomas H. Lee Equity (Cayman) Fund V, L.P. and Thomas H. Lee Investors Limited Partnership. Mr. Abbrecht disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address of Mr. Abbrecht is c/o Thomas H. Lee Partners, L.P., 100 Federal Street, 35th Floor, Boston, Massachusetts 02110.

(5) Based upon the statement on Schedule 13G filed with the SEC on February 17, 2009, includes interests beneficially owned by D.E. Shaw & Co., L.P. ("D.E. Shaw & Co., L.P."), David E. Shaw ("Mr. Shaw") and D.E. Shaw Valence Portfolios, L.L.C. ("Valence Portfolios").

Valence Portfolios is a limited liability company organized under the laws of the state of Delaware. D.E. Shaw & Co., L.P. is a limited partnership organized under the laws of the state of Delaware. Mr. Shaw is a citizen of the United States of America. The business address of each of D.E. Shaw & Co., L.P., Mr. Shaw and Valence Portfolios is 120 W. 45th Street, Tower 45, 39th Floor, New York, NY 10036.

Mr. Shaw does not own any shares directly. By virtue of Mr. Shaw's position as President and sole shareholder of D. E. Shaw & Co., Inc., which is the general partner of D. E. Shaw & Co., L.P., which in turn is the managing member and investment adviser of Valence Portfolios, Mr. Shaw may be deemed to have the shared power to vote or direct the vote of, and the shared power to dispose or direct the disposition of, the 22,232,929 shares constituting 8.8% of the outstanding shares and, therefore, Mr. Shaw may be deemed to be the beneficial owner of such shares. Mr. Shaw disclaims beneficial ownership of such 22,232,929 shares.

(6) Includes interests owned by The Boissonneault 2005 Children's Trusts, a trust for which Mr. Boissonneault's wife, Terri Boissonneault, serves as trustee. The address of Mr. Boissonneault is c/o Warner Chilcott Limited, Gibbons Building, 10 Queen Street, Suite 109 – First Floor, Hamilton HM11, Bermuda.

(7) Includes interests beneficially owned by David F. Burgstahler. Mr. Burgstahler has sole dispositive voting and investment power over the 20,000 shares listed. Mr. Burgstahler is a Partner of Avista Capital Partners. The address of Mr. Burgstahler is c/o Avista Capital Partners, 65 East 55th Street, 18th Floor, New York, New York 10022.

(8) Includes interests owned by Highberry Investments Limited No. 3. The address of Dr. King is c/o Warner Chilcott Limited, Gibbons Building, 10 Queen Street, Suite 109 – First Floor, Hamilton HM11, Bermuda.

(9) Includes interests owned by the William C. Reichel 2006 GRAT, a trust for which Mr. Reichel serves as trustee. The address of Mr. Reichel is c/o Warner Chilcott Limited, Gibbons Building, 10 Queen Street, Suite 109 – First Floor, Hamilton HM11, Bermuda.

(10) Includes interests owned by the Anthony D. Bruno 2006 GRAT, a trust for which Mr. Bruno's wife, Gina Bruno, and J.P. Morgan Trust Company of Delaware serve as co-trustees. The address of Mr. Bruno is c/o Warner Chilcott Limited, Gibbons Building, 10 Queen Street, Suite 109 – First Floor, Hamilton HM11, Bermuda.

(11) Includes the following shares of Class A common stock issuable upon the exercise of currently outstanding options, or upon the exercise of outstanding options exercisable within 60 days of March 16, 2009: for Mr. Boissonneault, 479,430 shares; for Mr. Bloem, 1,781 shares; for Mr. Reichel, 479,430 shares; for Mr. Bruno, 479,430 shares; for Mr. Herendeen, 479,430 shares; for Ms. Hara, 12,072 shares; for all directors and executive officers as a group, 1,964,608 shares.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Related Person Transactions

Transactions between the Company and the Sponsors and their Affiliates

On January 18, 2005, the Company, Warner Chilcott Holdings Company II, Limited and Warner Chilcott Holdings Company III, Limited, and certain of their respective shareholders ("Shareholders"), including the Sponsors, entered into a shareholders agreement (the "Sponsor Shareholders Agreement"), which was subsequently amended and restated on March 31, 2005. The Sponsor Shareholders Agreement included customary terms regarding the election of members of our boards of directors, matters requiring the consent of a specified majority of Shareholders, share transfer restrictions, rights of first offer, tag-along rights, drag-along rights and certain preemptive rights.

The Sponsor Shareholders Agreement also provided for (i) customary demand registration rights following the six-month anniversary of the Company's IPO, which require the Company to effect registration of the Registrable Securities (as defined in the Sponsor Shareholders Agreement) upon written request from Sponsors holding more than 10% of the then outstanding Registrable Securities, (ii) customary piggy-back registration rights and (iii) shelf demand registration rights at any time after the 12-month anniversary of the Company's IPO if the Company becomes eligible to use a registration statement on Form S-3. As of April 15, 2009, the Company has not received any such request by a Sponsor holding 10% or more of the Registrable Securities.

In addition, under the Sponsor Shareholders Agreement, each of the Company, Warner Chilcott Holdings Company II, Limited and Warner Chilcott Holdings Company III, Limited agreed to indemnify the Shareholders with respect to the Sponsor Shareholders Agreement, including with respect to registrations made pursuant to the above-mentioned registration rights, and transactions to which any of the Warner Chilcott entities is a party or any other circumstances with respect to any of the Warner Chilcott entities, or the operations of or services provided by any of the Shareholders to any of the Warner Chilcott entities from time to time.

The Sponsor Shareholders Agreement terminated upon the occurrence of the Company's IPO in September of 2006, except with respect to registration rights, certain share transfer restrictions, indemnification and certain other provisions.

Transactions with Management

The Company, Warner Chilcott Holdings Company II, Limited, Warner Chilcott Holdings Company III, Limited, the Sponsors and all of the Named Executive officers are parties to the Management Shareholders Agreement. The agreement, which has terms substantially similar to the Sponsor Shareholders Agreement, (i) includes restrictions on the transfer of the shares of the Company and Warner Chilcott Holdings Company II, Limited held by the Named Executive Officers and their permitted transferees, and (ii) grants various rights to the Named Executive Officers, including tag-along rights, drag-along rights, preemptive rights and piggyback registration rights. The tag-along rights, drag-along rights and preemptive rights terminated upon the Company's IPO in September of 2006.

In addition, the agreement includes provisions regarding the Company's rights to repurchase shares of the Named Executive Officers (whether held by the executive or his or her permitted transferees) if the Named Executive Officer's employment terminates.

Transactions with Others

Roger Boissonneault's daughter, Amber Boissonneault, is employed with the Company as a district manager. Ms. Boissonneault received aggregate compensation, inclusive of her base salary, bonus and Company contribution under the Company's 401(k) Savings Plan, of $157,710 for her employment in the year ended December 31, 2008.

Policies and Procedures Dealing with the Review, Approval and Ratification of Related Person Transactions

In March 2007, the Board of Directors adopted a written policy setting forth procedures for the review, approval and ratification of transactions with related persons (the "Policy"). The Audit Committee of the Board of Directors has been designated as the committee responsible for reviewing, approving or ratifying any related person transactions under the Policy. Pursuant to the Policy, all executive officers, directors, director nominees and any 5% beneficial owners of the Company's securities are required to notify the Corporate Secretary of any financial transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships, involving the Company in which an executive officer, director, director nominee, 5% beneficial owner or any immediate family member of such a person has a direct or indirect material interest. Such officers, directors, nominees, 5% beneficial owners and their immediate family members are considered "related persons" under the Policy. For the above purposes, "immediate family member" includes a person's spouse, parents, siblings, children, in-laws, step-relatives and any other person sharing the household (other than a tenant or household employee).

The Audit Committee reviews reported transactions or proposed transactions to determine whether the related person involved has a direct or indirect material interest in the transaction. In reviewing the transaction or proposed transaction, the Audit Committee considers all relevant facts and circumstances, including without limitation the commercial reasonableness of the terms, the benefit and perceived benefit, or lack thereof, to the Company, opportunity costs of alternate transactions, the materiality and character of the related person's direct or indirect interest, and the actual or apparent conflict of interest of the related person. The Audit Committee will not approve or ratify a related person transaction unless it determines that, upon consideration of all relevant information, the transaction is in, or not inconsistent with, the best interests of the Company and its shareholders. Related person transactions not approved or ratified by the Audit Committee will not be entered into or continued by the Company. On an annual basis, the Audit Committee reviews previously approved related person transactions, under the standards described above, to determine whether such transactions should continue. If a member of the Audit Committee has a personal interest in a matter before the Audit Committee, the director must disclose the interest to the Audit Committee, and is required to recuse himself or herself from participation in the discussion and vote on the matter.

Director Independence

Our Board of Directors currently consists of nine Directors, with one vacant directorship as a result of Mr. Andress' death in March 2008.

The Board of Directors uses the standards of independence established by the SEC and NASDAQ in determining whether its members are independent. The Board of Directors has affirmatively determined that each of the Company's nine directors, other than Mr. Boissonneault, is independent under the director independence criteria established by NASDAQ. In addition, the Board of Directors has determined that each member of the Audit Committee meets the additional independence criteria established by the SEC required for Audit Committee membership. Under applicable NASDAQ rules, the Board of Directors is permitted to appoint one director to the Audit Committee who does not satisfy the NASDAQ independence standards at the time of such director's appointment, if, among other things, the Board of Directors, under exceptional and limited circumstances, determines that membership on the Audit Committee by such director is in the best interests of the Company and its shareholders. In reliance on this exception, on March 14, 2008, the Board of Directors determined that the death of Mr. Andress, a director and member of the Audit Committee, constituted exceptional and limited circumstances, and appointed Mr. King to the Audit Committee. On May 17, 2005, Mr. King received a payment from the Company in connection with the termination of Mr. King's service with the Predecessor. As a result, Mr. King did not satisfy the independence standards established by NASDAQ until May 18, 2008, although he did satisfy the independence standards established by the SEC for Audit Committee membership at the time of his appointment. Since May 18, 2008, Mr. King has satisfied the NASDAQ independence standards.

There were no transactions, relationships or arrangements not otherwise disclosed that were considered by the Board of Directors in determining that any of the directors are independent.

Item 14. Principal Accounting Fees and Services.

The following table sets forth the aggregate fees paid to PricewaterhouseCoopers LLP for audit services rendered in connection with the Company's consolidated financial statements, and reports for the year ended December 31, 2008 and the year ended December 31, 2007, and for other services rendered during the year ended December 31, 2008 and December 31, 2007 on behalf of the Company and its subsidiaries:

	Year Ended December 31, 2008	Year Ended December 31, 2007
Audit Fees	$1,876,500	$1,990,000
Audit-Related Fees	192,000	357,000
Tax Fees	318,326	131,000
All Other Fees	—	—
Total Fees	$2,386,826	$2,478.000

Audit Fees: Consists of fees billed for professional services rendered for the audit of the Company's consolidated financial statements, the review of the interim condensed consolidated financial statements included in quarterly reports, services that are normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or engagements and attest services, except those not required by statute or regulation.

Audit-Related Fees: Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit Fees." These services include auditing work on proposed transactions, attest services that are not required by statute or regulation, and consultations concerning financial accounting and reporting standards.

Tax Fees: Consists of tax compliance/preparation and other tax services. Tax compliance/preparation consists of fees billed for professional services related to international tax compliance and assistance with domestic and international tax return preparation. Other tax services consist of fees billed for other miscellaneous tax consulting.

Pre-approval of Audit and Permissible Non-audit Services of Independent Auditors

The Audit Committee pre-approves all audit and permissible non-audit services provided by PricewaterhouseCoopers LLP. These services may include audit services, audit-related services, tax services and other services. The Audit Committee may also pre-approve particular services on a case-by-case basis and may delegate pre-approval authority to one or more Audit Committee members. If so delegated, such Audit Committee member must report any pre-approval decision by him to the Audit Committee at its first meeting after the pre-approval was obtained.

All of the fees paid in 2007 and 2008 in the above table were approved by the Audit Committee in conformity with its pre-approval process or pursuant to the SEC's waiver of pre-approval process.

PART IV.

Item 15. Exhibits, Financial Statement Schedules.

(a)(1) Financial Statements

The Financial Statements listed in the Index to the Consolidated Financial Statements, filed as part of the Original Filing.

(a)(2) Financial Statement Schedules

None.

(a)(3) Exhibits

The exhibits listed at the end of this Amendment are filed as part of this Amendment.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment to be signed on its behalf by the undersigned, thereunto duly authorized, on April 17, 2009.

WARNER CHILCOTT LIMITED

By: /s/ PAUL HERENDEEN

Name: **Paul Herendeen**
Title: **Executive Vice President and Chief Financial Officer**

Exhibit No.	Description
2.1	Implementation Agreement, dated October 27, 2004, among the Consortium Members (as defined therein), Waren Acquisition Limited and Warner Chilcott PLC and Second Supplemental Agreement thereto, dated November 16, 2004 (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
3.1	Memorandum of Association of Warner Chilcott Limited (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 15, 2006, Registration No. 333-134893)
3.2	Bye-Laws of Warner Chilcott Limited (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 5, 2006, Registration No. 333-134893)
4.1	Form of Common Stock Certificate (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 5, 2006, Registration No. 333-134893)
4.2	Indenture, dated January 18, 2005, among Warner Chilcott Corporation, Warner Chilcott Holdings Company III, Limited, Warner Chilcott Intermediate (Luxembourg) S.à r.l., Warner Chilcott Company, Inc., Warner Chilcott (US), Inc. and Wells Fargo Bank, National Association (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.3	Registration Rights Agreement dated January 18, 2005, among Warner Chilcott Corporation, Credit Suisse First Boston LLC, Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. as Representatives of the Several Purchasers (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.4	Amended and Restated Shareholders Agreement, dated as of March 31, 2005, among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Warner Chilcott Holdings Company III, Limited and the Shareholders party thereto (the "Amended and Restated Shareholders Agreement") (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.5	First Amendment to the Amended and Restated Shareholders Agreement, dated April 19, 2005, among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Warner Chilcott Holdings Company III, Limited and the Shareholders party thereto (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.6	Management Shareholders Agreement, dated as of March 28, 2005, among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Warner Chilcott Holdings Company III, Limited, the Management Shareholders party thereto and the Shareholders party thereto (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
4.7	Joinder Agreement, dated as of April 1, 2005, among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Warner Chilcott Holdings Company III, Limited and Paul S. Herendeen (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.1	Credit Agreement, dated as of January 18, 2005, among Warner Chilcott Holdings Company III, Limited, Warner Chilcott Corporation, Warner Chilcott Company, Inc., Credit Suisse First Boston as Administrative Agent, Swing Line Lender and L/C Issuer, Deutsche Bank Securities Inc. and Credit

Exhibit No.	Description
	Suisse First Boston as Joint Lead Arrangers, Deutsche Bank Securities Inc., Credit Suisse First Boston and J.P. Morgan Securities Inc. as Joint Bookrunners, Deutsche Bank Securities Inc. as Syndication Agent and JPMorgan Chase Bank, N.A. and Morgan Stanley Senior Funding, Inc. as Co-Documentation Agents (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.2	Securities Purchase Agreement, dated January 18, 2005, by and among Warner Chilcott Holdings Company, Limited, Warner Chilcott Holdings Company II, Limited, Bain Capital Integral Investors II, L.P., BCIP Trust Associates III, and BCIP Trust Associates III-B, DLJMB Overseas Partners III, C.V., DLJ Offshore Partners III, C.V., DLJ Offshore Partners III-1, C.V., DLJ Offshore Partners III-2, C.V., DLJ MB Partners III GmbH & Co. KG, Millennium Partners II, L.P. and MBP III Plan Investors, L.P., J.P. Morgan Partners (BHCA), L.P., J.P. Morgan Partners Global Investors, L.P., J.P. Morgan Partners Global Investors (Cayman), L.P., J.P. Morgan Partners Global Investors (Cayman II), L.P., J.P. Morgan Partners Global Investors A, L.P., Thomas H. Lee (Alternative) Fund V, L.P., Thomas H. Lee Parallel (Alternative) Fund V, L.P., Thomas H. Lee (Alternative) Cayman Fund V, L.P., Putnam Investments Employees' Securities Company I LLC, Putnam Investments Employees Securities Company II LLC, Putnam Investments Holdings, LLC, Thomas H. Lee Investors Limited Partnership, OMERS Administration Corporation (formerly known as Ontario Municipal Employees Retirement Board), AlpInvest Partners CS Investments 2003 C.V., AlpInvest Partners Later Stage Co-Investments Custodian II B.V., AlpInvest Partners Later Stage Co-Investments Custodian IIA B.V., Filbert Investment Pte Ltd and The Northwestern Mutual Life Insurance Company (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.3	Purchase and Sale Agreement, dated as of May 3, 2004, among Pfizer Inc., Pfizer Pharmaceuticals LLC, Galen Holdings Public Limited Company and Warner Chilcott Company, Inc. (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.4	Option and License Agreement, dated as of March 24, 2004, by and between Barr Laboratories, Inc. and Galen (Chemicals) Limited (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.5	Finished Product Supply Agreement, dated as of March 24, 2004, by and between Barr Laboratories, Inc. and Galen (Chemicals) Limited (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.6	Transaction Agreement, by and between Galen Holdings PLC and Warner Chilcott PLC, dated May 4, 2000 (incorporated by reference to Warner Chilcott PLC's Current Report on Form 8-K filed on May 15, 2000 (File No. 000-29364))
10.7	Estrace Transitional Support and Supply Agreement, between Westwood-Squibb Pharmaceuticals, Inc. and Warner Chilcott, Inc., dated as of January 26, 2000 (incorporated by reference to Warner Chilcott PLC's Current Report on Form 8-K filed on February 29, 2000 (File No. 000-29364) (the "Warner Chilcott PLC February 29, 2000 8-K"))
10.8	Ovcon Transitional Support and Supply Agreement, between Bristol-Myers Squibb Laboratories Company and Warner Chilcott, Inc., dated as of January 26, 2000 (incorporated by reference to Warner Chilcott PLC's February 29, 2000 8-K)

Exhibit No.	Description
10.9	License and Distribution Agreement, dated as of December 31, 1997, between F H Faulding & Co Limited, A.C.N. 007 870 984, and Warner Chilcott PLC (incorporated by reference to Warner Chilcott PLC's report on Form 10-K filed on March 30, 1999 for the year ended December 31, 1998 (File No. 000-29364))
10.10	Asset Purchase Agreement, between Bristol-Myers Squibb Company and Galen (Chemicals) Limited, dated as of June 29, 2001 (incorporated by reference to Galen Holdings PLC's Form F-1 filed on July 2, 2001 (File No. 333-64324) (the "Galen Holdings July 2, 2001 F-1"))
10.11	Supply Agreement, between Bristol-Myers Squibb Laboratories Company and Galen (Chemicals) Limited, dated as of June 29, 2001 (incorporated by reference to Galen Holdings July 2, 2001 F-1)
10.12	Assignment, Transfer and Assumption Agreement, dated as of December 7, 2002, by and between Galen (Chemicals) Limited and Eli Lilly and Company (incorporated by reference to Galen Holdings PLC's Annual Report on Form 20-F filed on January 2, 2003 for the year ended September 30, 2002 (File No. 333-12634))
10.13	Manufacturing Agreement, dated as of December 7, 2002, by and between Galen (Chemicals) Limited and Eli Lilly and Company (incorporated by reference to Galen Holdings PLC's Annual Report on Form 20-F filed on December 31, 2003 for the year ended September 30, 2003 (File No. 333-12634) (the "Galen Holdings' 2002-2003 20-F"))
10.14	Purchase and Sale Agreement (OCS) among Pfizer Inc., Galen (Chemicals) Limited and Galen Holdings PLC, dated as of March 5, 2003 (incorporated by reference to Galen Holdings' 2002-2003 20-F)
10.15	Purchase and Sale Agreement (Femhrt) among Pfizer Inc., Galen (Chemicals) Limited and Galen Holdings PLC, dated as of March 5, 2003 (incorporated by reference to Galen Holdings' 2002-2003 20-F)
10.16	Transitional Supply Agreement, dated March 27, 2003, between Galen (Chemicals) Limited and Pfizer Inc. (incorporated herein by reference to Galen Holdings' 2002-2003 20-F)
10.17	Co-promotion Agreement, effective May 1, 2003, by and between Bristol-Myers Squibb Company and Galen (Chemicals) Limited (incorporated herein by reference to Galen Holdings' 2002-2003 20-F)
10.18	Option Agreement, dated as of April 1, 2003, by and between Bristol-Myers Squibb Company and Galen (Chemicals) Limited (incorporated herein by reference to the Galen Holdings' 2002-2003 20-F)
10.19	Development Agreement between LEO Pharma A/S and Galen (Chemicals) Limited, dated April 2, 2003 (incorporated herein by reference to Galen Holdings' 2002-2003 20-F)
10.20	Manufacturing Agreement, dated as of September 24, 1997, by and between Duramed Pharmaceuticals, Inc. and Warner-Lambert Company (assigned to Galen (Chemicals) Limited pursuant to the Purchase and Sale Agreement (Femhrt), among Pfizer Inc., Galen (Chemicals) Limited and Galen Holdings PLC, dated as of March 5, 2003) (incorporated herein by reference to Galen Holdings' 2002-2003 20-F)
10.21	Master Agreement between Galen (Chemicals) Limited and LEO Pharma A/S, dated April 1, 2003 (incorporated herein by reference to Amendment No. 1 to the Annual Report on Form 20-F of Galen Holdings PLC, filed on January 5, 2004 for the year ended September 30, 2003 (File No. 333-12634))
10.22	Business Purchase Agreement, for the Sale and Purchase of the Business and Assets of Ivex Pharmaceuticals Limited, among Ivex Pharmaceuticals Limited, Galen Holdings, PLC, Gambro Northern Ireland Limited and Gambro BCT, Inc., dated April 28, 2004 (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)

Exhibit No.	Description
10.23	Purchase and Sale Agreement, among Galen Holdings PLC, Nelag Limited, Galen Limited and Galen (Chemicals) Limited, dated April 28, 2004 (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.24	Purchase and Sale Agreement among Galen Limited, Galen Holdings PLC, Galen (Chemicals) Limited and Nelag Limited, dated April 27, 2004 (incorporated herein by reference to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.25	Third Amended and Restated Employment Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and Roger M. Boissonneault (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.26	Second Amended and Restated Employment Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and W. Carl Reichel (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.27	Second Amended and Restated Employment Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and Anthony Bruno (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.28	Amended and Restated Severance Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and Izumi Hara (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.29	Amended and Restated Employment Agreement, dated as of November 7, 2008, between Warner Chilcott (US), LLC and Paul Herendeen (incorporated herein by reference to Warner Chilcott Limited's Quarterly Report on Form 10-Q filed on November 10, 2008 for the quarter ended September 30, 2008)
10.30	License, Supply and Development Agreement ("DC Agreement"), dated as of September 14, 2005, between Warner Chilcott Company, Inc. and LEO Pharma A/S (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.31	Addendum I, dated September 14, 2005, to Master Agreement, between Galen (Chemicals) Limited and LEO Pharma A/S, dated April 1, 2003 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.32	Amended and Restated License and Supply Agreement ("Dovonex Agreement"), between Warner Chilcott Company, Inc. and LEO Pharma A/S, dated as of September 14, 2005 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.33	Right of First Refusal Agreement, between Warner Chilcott Company, Inc. and LEO Pharma A/S, dated as of September 14, 2005 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)

Exhibit No.	Description
10.34	Asset Purchase Agreement, between Bristol-Myers Squibb Company and Warner Chilcott Company, Inc., dated as of September 30, 2005 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.35	First Amendment to Asset Purchase Agreement, effective as of January 1, 2006, to the Asset Purchase Agreement between Bristol-Myers Squibb Company and Warner Chilcott Company, Inc., dated September 30, 2005 (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.36	Trademark Assignment, dated as of January 1, 2006, by and among Westwood-Squibb Pharmaceuticals, Inc., Warner Chilcott Company, Inc. and LEO Pharma A/S (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.37	Amendment, dated as of March 29, 2005, to the Credit Agreement, dated as of January 18, 2005, among Warner Chilcott Holdings Company III, Limited, Warner Chilcott Corporation, Warner Chilcott Company, Inc. and the various lenders party thereto (incorporated herein by reference to Amendment No. 1 to the Registration Statement on Form S-4 filed by Warner Chilcott Holdings Company III, Limited and Warner Chilcott Corporation, Registration Number 333-12666)
10.38	First Amendment to Transitional Supply Agreement, effective as of July 1, 2006, between Warner Chilcott Company Inc. and Pfizer Inc. (incorporated herein by reference to the Quarterly Report on Form 10-Q filed by Warner Chilcott Holdings Company III, Limited on August 11, 2006, Commission File No. 333-126660)
10.39	Warner Chilcott Holdings Company, Limited 2005 Equity Incentive Plan, amended and restated as of August 31, 2006 (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 5, 2006, Registration No. 333-134893)
10.40	Amendment No. 2, dated as of April 25, 2006, to the Credit Agreement dated as of January 18, 2005 (as amended by the Amendment dated as of March 29, 2005, the "Credit Agreement"), among Warner Chilcott Holdings Company III, Limited, Warner Chilcott Corporation, Warner Chilcott Company, Inc., the Lenders (as defined in the introductory paragraph to the Credit Agreement), and Credit Suisse (formerly known as Credit Suisse First Boston, acting through its Cayman Islands Branch), as administrative agent (incorporated herein by reference to the Report on Form 10-Q filed by Warner Chilcott Holdings Company III, Limited on May 12, 2006, Commission File No. 333-126660)
10.41	Waiver, dated September 25, 2006, to Section 3.1, Section 3.3 and Section 3.5(b) of the Option and License Agreement, between Barr and Galen (Chemicals) Limited, dated March 24, 2004, and to Section 2.1 of the Finished Product Supply Agreement between Barr and Galen (Chemicals) Limited, dated March 24, 2004 (incorporated herein by reference to the Registration Statement on Form S-1 filed on September 5, 2006, Registration No. 333-134893)
10.42	First Supplemental Indenture, dated October 19, 2006, among Warner Chilcott Corporation, Warner Chilcott Limited, Warner Chilcott Holdings Company III, Limited, Warner Chilcott Intermediate (Luxembourg) S.à r.l., Warner Chilcott Company, Inc., Warner Chilcott (US), Inc. and Wells Fargo Bank, National Association (incorporated herein by reference to the Current Report on Form 8-K filed by Warner Chilcott Limited, Commission File No. 001-33039)
10.43	Amendment No. 3, dated as of January 29, 2007, to the Credit Agreement dated as of January 18, 2005 (as amended by the Amendment dated as of March 29, 2005 and Amendment No. 2 dated as of April 25, 2006, the "Credit Agreement"), among Warner Chilcott Holdings Company III, Limited,

Exhibit No.	Description
	Warner Chilcott Corporation, Warner Chilcott Company, Inc., the Lenders (as defined in the introductory paragraph to the Credit Agreement), and Credit Suisse (formerly known as Credit Suisse First Boston, acting through its Cayman Islands Branch), as administrative agent (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.44	Form of Restricted Share Award Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.45	Form of Share Option Award Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.46	Form of Bonus Share Award Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.47	Form of Management Securities Purchase Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.48	Form of Strip Grant Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
10.49	Form of 2005 Restricted Share Award Agreement (incorporated herein by reference to the Annual Report on Form 10-K filed by Warner Chilcott Limited on March 26, 2007, Commission File No. 1-33039)
21.1*	Subsidiaries of the Registrant
23.1*	Consent of PricewaterhouseCoopers LLP
31.1**	Certification of Chief Executive Officer under Rule 13a-14(a) of the Securities Exchange Act, as amended, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**	Certification of Chief Financial Officer under Rule 13a-14(a) of the Securities Exchange Act, as amended, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed in connection with the Original Filing.

** Filed herewith.

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Roger M. Boissonneault, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A to the Annual Report on Form 10-K of Warner Chilcott Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 17, 2009

/s/ Roger M. Boissonneault

Name: Roger M. Boissonneault
Title: President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Paul Herendeen, certify that:

1. I have reviewed this Amendment No. 1 on Form 10-K/A to the Annual Report on Form 10-K of Warner Chilcott Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 17, 2009

/s/ Paul Herendeen

Name: Paul Herendeen
Title: Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT

The certification set forth below is being submitted in connection with Warner Chilcott Limited's Annual Report on Form 10-K for the year ended December 31, 2008, as amended by Amendment No. 1 on Form 10-K/A (the "Amended Annual Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Roger M. Boissonneault, the Chief Executive Officer, and Paul Herendeen, the Chief Financial Officer, of Warner Chilcott Limited each certifies that, to the best of his knowledge:

1. the Amended Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Amended Annual Report fairly presents, in all material respects, the financial condition and results of operations of Warner Chilcott Limited.

Date: April 17, 2009

/s/ Roger M. Boissonneault

Name: Roger M. Boissonneault
Title: President and Chief Executive Officer

/s/ Paul Herendeen

Name: Paul Herendeen
Title: Executive Vice President and Chief Financial Officer

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CORPORATE information

Board of Directors

Roger M. Boissonneault
Chief Executive Officer, President, and Director

Todd M. Abbrecht
Managing Director
Thomas H. Lee Advisors, LLC

James H. Bloem
Senior Vice President and
Chief Financial Officer
Humana, Inc.

David F. Burgstahler
Partner
Avista Capital Partners, L.P.

John P. Connaughton
Managing Director
Bain Capital Partners, LLC

John A. King, Ph.D.
Private Investor,
Former Executive Chairman
Warner Chilcott PLC

Stephen P. Murray
President and
Chief Executive Officer
CCMP Capital Advisors, LLC

Steven G. Pagliuca
Managing Director
Bain Capital Partners, LLC

Steven C. Rattner
Former Managing Director and
Head of DLJ Merchant
Banking Partners

Principal Executive Office

Unit 19 Ardee Business Park
Hale Street, Ardee
Co Louth, Ireland

Registered Office

Canon's Court, 22 Victoria Street
Hamilton HM12, Bermuda

Branch Transfer Agent & Registrar

American Stock Transfer &
Trust Company LLC
6201 15th Avenue
Brooklyn, NY 11219
(718) 921-8381
www.amstock.com

Independent Registered Public Accounting Firm

PricewaterhouseCoopers, LLC
400 Campus Dr.
Florham Park, NJ 07932

Common Stock

Shares of Warner Chilcott Limited are traded on the NASDAQ® Global Market under the symbol "WCRX."

WCRX
NASDAQ
LISTED

Management and Key Employees

Roger M. Boissonneault
Chief Executive Officer, President, and Director

W. Carl Reichel
President, Pharmaceuticals

Anthony D. Bruno
Executive Vice President,
Corporate Development

Paul Herendeen
Executive Vice President and
Chief Financial Officer

Leland H. Cross
Senior Vice President,
Technical Operations

Herman Ellman, M.D.
Senior Vice President,
Clinical Development

Izumi Hara
Senior Vice President,
General Counsel and
Corporate Secretary

Alvin Howard
Senior Vice President,
Regulatory Affairs

Tina M. deVries, Ph.D.
Vice President,
Clinical Pharmacology

Andrew Fenton
Vice President and
Chief Information Officer

Luis Gandara
Vice President, Quality Operations

Claire Gilligan, Ph.D.
Vice President, UK Operations

A. Dominick Musacchio
Vice President,
New Business Development and
Sales Operations

William J. Poll
Vice President, Finance

Raymond G. Steitz
Vice President,
Human Resources & Training

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Product group from well-managed forests, controlled sources and recycled wood or fiber
www.fsc.org Cert no. SCS-COC-00648
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