



Mallinckrodt-Questcor Transaction Creates Diversified, High-Growth Specialty Pharmaceutical Company

April 7, 2014





Cautionary Statements Related to Forward-Looking Statements

Statements in this document that are not strictly historical, including statements regarding the proposed acquisition, the expected timetable for completing the transaction, future financial and operating results, benefits and synergies of the transaction, future opportunities for the combined businesses and any other statements regarding events or developments that we believe or anticipate will or may occur in the future, may be “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, and involve a number of risks and uncertainties. There are a number of important factors that could cause actual events to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include risks and uncertainties related to, among other things:

- ▶ General economic conditions and conditions affecting the industries in which Mallinckrodt and Questcor operate
- ▶ The commercial success of Mallinckrodt’s and Questcor’s products, including H.P. Acthar® Gel
- ▶ Mallinckrodt’s and Questcor’s ability to protect intellectual property rights
- ▶ The uncertainty of approval under the Hart Scott Rodino Antitrust Improvements Act
- ▶ The parties’ ability to satisfy the merger agreement conditions and consummate the merger on the anticipated timeline or at all
- ▶ The availability of financing, including the financing contemplated by the debt commitment letter, on anticipated terms or at all
- ▶ Mallinckrodt’s ability to successfully integrate Questcor’s operations and employees with Mallinckrodt’s existing business
- ▶ The ability to realize anticipated growth, synergies and cost savings
- ▶ Questcor’s performance and maintenance of important business relationships
- ▶ The lack of patent protection for Acthar, and the possible United States Food and Drug Administration (“FDA”) approval and market introduction of additional competitive products
- ▶ Questcor’s reliance on Acthar for substantially all of its net sales and profits
- ▶ Questcor’s ability to continue to generate revenue from sales of Acthar to treat on-label indications associated with nephrotic syndrome, multiple sclerosis, infantile spasms or rheumatology-related conditions, and Questcor’s ability to develop other therapeutic uses for Acthar
- ▶ Volatility in Questcor’s Acthar shipments, estimated channel inventory, and end-user demand; an increase in the proportion of Questcor’s Acthar unit sales comprised of Medicaid-eligible patients and government entities



Cautionary Statements Related to Forward-Looking Statements (cont.)

- ▶ Questcor's research and development risks, including risks associated with Questcor's work in the area of nephrotic syndrome and Lupus, and Questcor's efforts to develop and obtain FDA approval of Synacthen
- ▶ Mallinckrodt's ability to receive procurement and production quotas granted by the U.S. Drug Enforcement Administration
- ▶ Mallinckrodt's ability to obtain and/or timely transport molybdenum-99 to our technetium-99m generator production facilities
- ▶ Customer concentration
- ▶ Cost-containment efforts of customers, purchasing groups, third-party payors and governmental organizations
- ▶ Mallinckrodt's ability to successfully develop or commercialize new products
- ▶ Competition
- ▶ Mallinckrodt's ability to integrate acquisitions of technology, products and businesses generally
- ▶ Product liability losses and other litigation liability
- ▶ The reimbursement practices of a small number of large public or private issuers
- ▶ Complex reporting and payment obligations under healthcare rebate programs
- ▶ Changes in laws and regulations
- ▶ Conducting business internationally
- ▶ Foreign exchange rates
- ▶ Material health, safety and environmental liabilities
- ▶ Litigation and violations
- ▶ Information technology infrastructure
- ▶ Restructuring activities
- ▶ Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in (i) Mallinckrodt's SEC filings, including its Annual Report on Form 10-K for the fiscal year ended September 27, 2013 and Quarterly Report on Form 10-Q for the quarterly period ended December 27, 2013; (ii) the SEC filings of Cadence Pharmaceuticals, Inc., which was acquired by Mallinckrodt on March 19, 2014, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2013; and (iii) Questcor's SEC filings, including its Annual Report on Form 10-K for the year ended December 31, 2013. The forward-looking statements made herein speak only as of the date hereof and none of Mallinckrodt, Questcor or any of their respective affiliates assumes any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise, except as required by law.



Important Information for Investors and Shareholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed transaction between Mallinckrodt and Questcor, Mallinckrodt will file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of Mallinckrodt and Questcor that also constitutes a prospectus of Mallinckrodt. The definitive joint proxy statement/prospectus will be delivered to shareholders of Mallinckrodt and Questcor.

INVESTORS AND SECURITY HOLDERS OF MALLINCKRODT AND QUESTCOR ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors and security holders will be able to obtain free copies of the registration statement and the definitive joint proxy statement/prospectus (when available) and other documents filed with the SEC by Mallinckrodt and Questcor through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Mallinckrodt will be available free of charge on Mallinckrodt's internet website at www.Mallinckrodt.com or by contacting Mallinckrodt's Investor Relations Department at (314) 654-6650. Copies of the documents filed with the SEC by Questcor will be available free of charge on Questcor's internet website at www.Questcor.com or by contacting Questcor's Investor Relations Department at (714) 497-4899.

Participants in the Merger Solicitation

Mallinckrodt, Questcor, their respective directors and certain of their executive officers and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the Mallinckrodt and Questcor shareholders in connection with the proposed merger and a description of their direct and indirect interests, by security holdings or otherwise, will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. Information about the directors and executive officers of Mallinckrodt is set forth in its proxy statement for its 2014 annual meeting of stockholders, which was filed with the SEC on January 24, 2014. Information about the directors and executive officers of Questcor is set forth in its proxy statement for its 2013 annual meeting of stockholders, which was filed with the SEC on April 15, 2013.

Transaction highlights

Consideration

- ▶ Cash and equity valued at approximately \$5.6 billion.
- ▶ Questcor shareholders to receive \$30.00 in cash and 0.897 Mallinckrodt shares for each share of Questcor common stock they own.

Structure

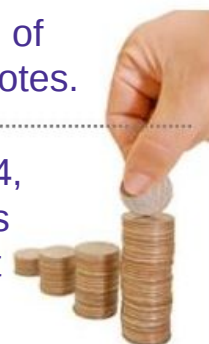
- ▶ Following completion of merger Mallinckrodt shareholders will own approximately 50.5% and former Questcor shareholders will own approximately 49.5% of the combined company's stock.

Financing

- ▶ Financing expected to consist of a combination of a senior secured term loan facility and senior notes.

Timing

- ▶ Closing expected third calendar quarter of 2014, subject to approval of both sets of shareholders and clearance under the Hart-Scott-Rodino Act in the U.S.



New Mallinckrodt Management

- ▶ The combined company will be known as Mallinckrodt Pharmaceuticals
- ▶ Mark Trudeau, Mallinckrodt President and CEO, will lead the combined company
- ▶ Matt Harbaugh will continue as Mallinckrodt CFO
- ▶ Mallinckrodt will expand its Board of Directors from nine to twelve members
 - ▶ Don Bailey, Questcor CEO, Virgil Thompson, Chairman of Questcor's Board, and Angus Russell – both independent directors of Questcor – all to join expanded Board
 - ▶ Melvin Booth to continue as Mallinckrodt's Board Chairman

Transaction will provide exceptional value for shareholders of both companies

The transaction will:

- ▶ **Strengthen Mallinckrodt's strategic platform**
- ▶ **Provide Questcor with diversification and new H.P. Acthar^{®1} Gel (repository corticotropin injection) growth opportunities**
- ▶ **Create a company with:**
 - ▶ Substantially increased scale, diversification, profitability and cash flow
 - ▶ Strong, sustainable platform for future revenue and earnings growth
- ▶ **Accelerate strategic shift to Specialty Pharmaceuticals portfolio:**
 - ▶ Adds high-growth Acthar to Mallinckrodt's broadening growth portfolio
 - ▶ Expands ability to bring forward new treatments in therapeutic areas of high unmet need
 - ▶ Strengthens potential opportunity for expansion in established Mallinckrodt global footprint with broader specialty pharmaceuticals portfolio



¹ Acthar is a registered trademark of Questcor Pharmaceuticals, Inc.

Questcor is a rapidly-growing biopharmaceutical company focused on difficult-to-treat autoimmune and inflammatory disorders

- ▶ Founded in 1990; now 550+ employees with calendar 2013 revenues of \$799 million; \$338 million operating cash flow



- ▶ Flagship product Acthar has a unique therapeutic role in difficult-to-treat diseases

- ▶ FDA¹-approved in 19 indications, Acthar's rapid growth achieved within four main areas: infantile spasms, proteinuria associated with nephrotic syndrome, multiple sclerosis relapses and certain rheumatology-related conditions

- ▶ Outstanding growth prospects expected based on expansion into additional FDA-approved indications within rheumatology, pulmonology and other therapeutic areas, as well as global opportunities through existing Mallinckrodt platform

- ▶ Opportunity to develop potential indications for SynacthenTM for possible U.S. clinical development ^{2,3}



1 U.S. Food and Drug Administration

2 In June of 2013, Questcor acquired rights from Novartis Pharma AG and Novartis AG to develop Synacthen and Synacthen Depot in the U.S. and certain countries outside the U.S.

3 Synacthen is a trademark of Novartis Pharma AG



Mallinckrodt: Strategically diversifying business platform and portfolio through organic growth and BD&L¹

- ▶ **Mallinckrodt is a global specialty pharmaceutical and medical imaging business**
 - ▶ Core strengths include: acquisition and management of highly regulated raw materials; deep regulatory expertise; and specialized chemistry, formulation and manufacturing capabilities
 - ▶ Fiscal year 2013 revenues of \$2.2 billion

- ▶ **Strong specialty pharmaceuticals core platform built on EXALGO[®], specialty controlled substance generics and APIs²**

- ▶ **New products, expanded hospital platform strengthen Mallinckrodt's specialty brands business**
 - ▶ Acquisition of Cadence and its OFIRMEV[®] franchise boosts earnings and growth, adding strong foothold in U.S. hospitals
 - ▶ Recent approvals of XARTEMIS[™] XR and PENNSAID[®] 2% further expand pain management platform

- ▶ **Diversified portfolio includes pain management, CNS³ and addiction treatment**



Acthar is FDA-approved for the treatment of certain serious disorders across multiple therapeutic areas

	Currently marketed indications	Potential to be marketed 2014 and beyond	Additional on-label indications
2007-current	<p>Infantile spasms</p> <ul style="list-style-type: none"> ▶ In children less than two years old <p>Multiple sclerosis</p> <ul style="list-style-type: none"> ▶ Acute exacerbations in adults <p>Nephrology</p> <ul style="list-style-type: none"> ▶ Proteinuria in idiopathic types of nephrotic syndrome 		<p>Pulmonology</p> <ul style="list-style-type: none"> ▶ Symptomatic sarcoidosis <p>Rheumatology</p> <ul style="list-style-type: none"> ▶ Psoriatic arthritis (adjunctive therapy) ▶ Ankylosing spondylitis (adjunctive therapy) <p>Dermatology</p> <ul style="list-style-type: none"> ▶ Severe erythema multiforme ▶ Stevens-Johnson syndrome <p>Ophthalmology</p> <ul style="list-style-type: none"> ▶ Severe acute and inflammatory processes (e.g., keratitis)
Added 2013	<p>Rheumatology</p> <ul style="list-style-type: none"> ▶ Systemic dermatomyositis (polymyositis) ▶ Systemic lupus erythematosus ▶ Rheumatoid arthritis (adjunctive therapy) 		

Acthar is FDA-approved for 19 indications

Transaction is financially compelling

Increases Financial Strength

- ▶ Transaction expected to be immediately accretive to Mallinckrodt's fiscal year 2014 adjusted diluted earnings per share, and expected to be significantly accretive to fiscal year 2015 adjusted diluted earnings per share¹
- ▶ Combined company's earnings profile expected to be enhanced by sustainable tax opportunities beginning in fiscal year 2014, in addition to the strong pro forma capital structure of the combined company

Significantly Enhances Growth Capacity

- ▶ Expect to use the strong cash flow generated by the newly combined entity to reduce outstanding debt and Mallinckrodt's net debt-to-EBITDA² leverage ratio in fiscal year 2014, and to achieve further reductions over the course of fiscal year 2015
- ▶ Enhances capacity to pursue further growth across specialty pharmaceuticals platform
- ▶ Greater financial strength expected to support expansion of Acthar into new therapeutic areas in addition to incremental R&D investment

¹ Mallinckrodt intends to provide investors with updated guidance for the combined company at a future point following the completion of the transaction.

² Earnings before interest, tax, depreciation and amortization

Transaction reinforces growth strategy and increases financial capacity, enriching combined organization

Accelerates Strategic Goals

- ▶ Expands and enhances breadth and depth of specialty pharmaceuticals portfolio into new channel adjacencies with global platform for future growth possibilities
- ▶ Creates a premier specialty pharmaceutical company with growth platforms across multiple therapeutic areas:
 - ▶ Pain management, CNS, nephrology, rheumatology, other autoimmune and inflammatory disorders
- ▶ Approximately 70% of the pro forma¹ revenues of the combined company expected to come from branded and specialty generic pharmaceutical products and APIs
- ▶ Significantly expands business development opportunities

Enhances R&D Pipeline and Capabilities

- ▶ Opportunity to develop new indications for Acthar
- ▶ Provides resources to become leader in bringing forward new therapies in rare, difficult-to-treat diseases
- ▶ Strengthens Mallinckrodt's commitment to improving quality of care for patients



¹ Fiscal year 2014

Acthar expands the breadth of Mallinckrodt's specialty platforms and sets the stage for future growth

Evolution of Mallinckrodt's Specialty Pharmaceuticals Platform			
Specialty Generics	Office-Based Brands	Hospital-Based Brands	Autoimmune & Inflammatory Brand
<p><i>Extensive portfolio, Including:</i></p> <p>METHYLPHENIDATE HYDROCHLORIDE (II) EXTENDED-RELEASE TABLETS USP</p> <p>HYDROCODONE BITARTRATE AND ACETAMINOPHEN (III) TABLETS USP</p>	<p>XARTEMIS XR oxycodone HCl/acetaminophen extended-release (I)</p> <p>EXALGO (hydromorphone HCl) (II) Extended-Release Tablets</p> <p>PENNSAID (diclofenac sodium topical solution) 2% w/w</p> <p>ROXICODONE (II) Oxycodone Hydrochloride</p>	<p>OFIRMEV (acetaminophen) injection 1000 mg/100 mL (10 mg/mL)</p> <p>Gablofen (baclofen injection)</p>	<p>H.P. Acthar GEL (repository corticotropin injection) 80 U/mL</p> 

New Mallinckrodt will have scale, focus and global reach to extend its leadership in specialty pharmaceuticals

- ▶ Well-established generics, API and imaging businesses
- ▶ Growth platforms in office-based pain and specialty generics products
- ▶ Core strength in difficult-to-manage controlled substances and formulations
- ▶ Strong regulatory expertise
- ▶ Global footprint

- ▶ Differentiated, branded product with strong growth prospects
- ▶ Strengthens pain management portfolio
- ▶ Strong foothold in U.S. hospitals

- ▶ Highly profitable and rapidly-growing franchise
- ▶ New autoimmune and inflammatory platform
- ▶ High-potential pipeline
- ▶ Expertise in highly complex formulations



To learn more, visit
www.mallinckrodt.com



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