

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

In the Matter of

VALEANT PHARMACEUTICALS INTERNATIONAL, INC.,
a corporation.

File No. 111-0215

AGREEMENT CONTAINING CONSENT ORDERS

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition by Respondent Valeant Pharmaceuticals International, Inc., hereinafter “Proposed Respondent” of the assets relating to the business of Sanofi’s dermatology unit, Dermik, and it now appearing that Proposed Respondent is willing to enter into this Agreement Containing Consent Orders (“Consent Agreement”) to divest certain assets and providing for other relief:

IT IS HEREBY AGREED by and between Proposed Respondent, by its duly authorized officers and attorneys, and counsel for the Commission that:

1. Respondent Valeant is a corporation organized, existing and doing business under and by virtue of the laws of Canada, with its corporate head office and principal place of business located at 7150 Mississauga Road, Mississauga, Ontario L5N 8M5, Canada.
2. Sanofi is a corporation organized, existing and doing business under and by virtue of the laws of the French Republic, with its global headquarters located at 174 Avenue de France, 75013 Paris, France and the address of its United States subsidiary, Sanofi-aventis US LLC, located at 55 Corporate Drive, Bridgewater, New Jersey 08807.
3. Proposed Respondent admits all the jurisdictional facts set forth in the draft of Complaint here attached.
4. Proposed Respondent waives:
 - a. any further procedural steps;
 - b. the requirement that the Commission’s Decision and Order and Order to Maintain Assets, both of which are attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;

- c. all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order or the Order to Maintain Assets entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.
2. Because there may be interim competitive harm, the Commission may issue its Complaint and the Order to Maintain Assets in this matter at any time after it accepts the Consent Agreement for public comment.
3. Not later than thirty (30) days after the date this Consent Agreement is signed by the Proposed Respondent, Proposed Respondent shall submit an initial report, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33. Proposed Respondent shall also submit subsequent reports every thirty (30) days thereafter until the Order to Maintain Assets becomes final, at which time the reporting obligations contained in the Order to Maintain Assets (other than the requirement to submit an initial report pursuant to this Consent Agreement) shall control. Such reports shall be signed by the Proposed Respondent and set forth in detail the manner in which the Proposed Respondent has complied and will comply with the Order to Maintain Assets and the Decision and Order. Such reports will not become part of the public record unless and until the Consent Agreement and Decision and Order are accepted by the Commission for public comment.
4. In each report described in Paragraph 6, Proposed Respondent shall provide sufficient information and documentation to enable the Commission to determine independently whether Proposed Respondent is in compliance with this Consent Agreement and each of the Orders. All reports shall be verified by a notarized signature or sworn statement of the Chief Executive Officer or other officer or director of the Proposed Respondent specifically authorized to perform this function, or self verified in the manner set forth in 28 U.S.C. §1746. Section 2.41(a) of the Commission's Rules of Practice requires that an original and two copies of all compliance reports be filed with the Commission. Proposed Respondent shall file an original report and one copy with the Secretary of the Commission, and shall send at least two copies directly to the Bureau of Competition's Compliance Division.
5. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the draft of Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue or amend its Complaint (in such form as the circumstances may require) and issue its Decision and Order, in disposition of the proceeding.
6. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft of

Complaint here attached, or that the facts as alleged in the draft of Complaint, other than jurisdictional facts, are true.

7. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (a) issue and serve its Complaint corresponding in form and substance with the draft of Complaint here attached, (b) issue and serve its Order to Maintain Assets, and (c) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondent, issue the attached Decision and Order containing an order to divest and providing for other relief in disposition of the proceeding.
8. When final, the Decision and Order and the Order to Maintain Assets shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order and the Order to Maintain Assets shall become final upon service. Delivery of the Complaint, the Decision and Order, and the Order to Maintain Assets to Proposed Respondent Valeant by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a) – including, but not limited to, delivery to an office within the United States of Steven C. Sunshine, Esq.; of Skadden, Arps, Meagher, & Flom LLP; or of any other lawyer or law firm listed as Counsel for Valeant Pharmaceuticals International, Inc. on this Consent Agreement – shall constitute service as to Proposed Respondent Valeant. Proposed Respondent waives any right they may have to any other manner of service. Proposed Respondent also waives any right it may otherwise have to service of any Appendices incorporated by reference into the Decision and Order, and agrees that it is bound to comply with and will comply with the Decision and Order to the same extent as if it had been served with copies of the Appendices, where Proposed Respondent is already in possession of copies of such Appendices.
9. The Complaint may be used in construing the terms of the Decision and Order and the Order to Maintain Assets, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order, the Order to Maintain Assets, or the Consent Agreement may be used to limit or contradict the terms of the Decision and Order or the Order to Maintain Assets.
10. By signing this Consent Agreement, Proposed Respondent represents and warrants that it can accomplish the full relief contemplated by the attached Decision and Order (including effectuating all required divestitures, assignments, transfers) and the Order to Maintain Assets and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are: (1) within the control of the party to this Consent Agreement, or (2) will be in the control of the party to this Consent Agreement after the proposed acquisition.
11. By signing this Consent Agreement, Proposed Respondent represents and warrants that each Remedial Agreement (as defined in the Decision and Order) that has been submitted to the Commission at the time of this Consent Agreement for approval by the Commission in

connection with the Commission's determination to make the Decision and Order final comports with all of the relevant requirements of the Decision and Order and requires Proposed Respondent to divest all assets required to be divested pursuant to the relevant requirements of the Decision and Order.

12. Proposed Respondent agrees that it shall interpret each Remedial Agreement in a manner that is fully consistent with all of the relevant provisions and remedial purposes of the Decision and Order.
13. Proposed Respondent has read the draft of Complaint, the Decision and Order, and the Order to Maintain Assets contemplated hereby. Proposed Respondent understands that once the Decision and Order and the Order to Maintain Assets have been issued, it will be required to file one or more compliance reports showing that it has fully complied with the Decision and Order and the Order to Maintain Assets.
14. Proposed Respondent agrees to comply with the terms of the proposed Decision and Order and the Order to Maintain Assets from the date it signs this Consent Agreement. Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order and of the Order to Maintain Assets after they become final.

**VALEANT PHARMACEUTICALS
INTERNATIONAL, INC.**

By: _____
J. Michael Pearson
Chairman of the Board and
Chief Executive Officer
Valeant Pharmaceuticals International, Inc.
Date: _____

Steven C. Sunshine, Esq.
Skadden, Arps, Meagher & Flom LLP
Counsel for
Valeant Pharmaceuticals International, Inc.

FEDERAL TRADE COMMISSION

By: _____
Jonathan Klarfeld
Deputy Assistant Director
Bureau of Competition

APPROVED:

By: _____
Michael R. Moiseyev
Assistant Director
Bureau of Competition

Richard A. Feinstein
Director
Bureau of Competition
Date: _____

Peter J. Levitas
Deputy Director
Bureau of Competition
Date: _____