
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K/A
(Amendment No.1)

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 1, 2017

THE COOPER COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-8597
(Commission
File Number)

94-2657368
(IRS Employer
Identification No.)

6140 Stoneridge Mall Road, Suite 590, Pleasanton, California 94588
(Address of principal executive offices)

(925) 460-3600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 13(a) of the Exchange Act.

Explanatory Note

On November 1, 2017, The Cooper Companies, Inc. (the "Company") filed with the Securities and Exchange Commission (the "SEC") a Current Report on Form 8-K (the "Initial 8-K") disclosing, among other things, that it had completed the previously announced acquisition (the "Acquisition") of the global rights and business (the "Acquired Business") of the Paragard Intrauterine Device (IUD) business ("PARAGARD") of Teva Pharmaceutical Industries Limited ("Teva") pursuant to the Asset Purchase Agreement between CooperSurgical, Inc and Teva (the "Asset Purchase Agreement").

The Company is filing this amendment to the Initial 8-K (the "Amendment") to amend and supplement Item 2.01 of the Current Report on Form 8-K filed by us on November 1, 2017 and to provide the disclosures required by Item 9.01 below. This Report should be read in conjunction with the Initial 8-K and other filings with the SEC. Except as otherwise provided herein, the other disclosures made in the Initial 8-K remain unchanged.

Item 9.01. Financial Statements and Exhibits.

We believe that it is impracticable to prepare full financial statements in accordance with Rules 3-01 and 3-02 of Regulation S-X relating to the Acquired Business for the following reasons:

- PARAGARD has not been accounted for as a separate entity, subsidiary or division of Teva;
- Stand-alone financial statements relating to PARAGARD have never been prepared nor audited by Teva's independent auditors; and
- Teva does not believe that it can objectively allocate certain corporate expenses to the PARAGARD business.

In accordance with the relief granted to the Company by the staff of the Division of Corporation Finance of the SEC in a letter dated September 25, 2017, the Company has provided the financial information described below ("abbreviated financial statements") in lieu of the financial information required by Rule 3-05 of Regulation S-X.

(a) Financial Statements of Business Acquired.

The Company is filing with the Amendment, the following financial statements and notes thereto related to PARAGARD:

- The Audited Special Purpose Statement of Assets Acquired and Liabilities Assumed as of December 31, 2016, and Special Purpose Statement of Revenues and Direct Expenses for the year ended December 31, 2016, are attached as Exhibit 99.1 and incorporated by reference herein.
- The Unaudited Special Purpose Statement of Assets Acquired and Liabilities Assumed as of September 30, 2017 and Unaudited Special Purpose Statements of Revenues and Direct Expenses for the nine months ended September 30, 2017 and September 30, 2016, are attached as Exhibit 99.2 and incorporated by reference herein.

The Report of Independent Auditor, issued by PricewaterhouseCoopers LLP, dated December 22, 2017, relating to PARAGARD's audited special purpose financial statements described above, is attached hereto in Exhibit 99.1 and incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined balance sheet as of October 31, 2017 assumes that the Acquisition occurred on October 31, 2017. The unaudited pro forma condensed combined statements of income for the year ended October 31, 2017 assumes that the Acquisition occurred on November 1, 2016. The unaudited pro forma financial information for the Company, after giving effect to the acquisition of PARAGARD and adjustments described in such pro forma financial information, is attached hereto as Exhibit 99.3 and incorporated by reference herein.

(c) Exhibits.

<u>Exhibit</u>	<u>Description</u>
23.1	<u>Consent of Independent Accountants, PricewaterhouseCoopers LLP.</u>
99.1	<u>Audited Special Purpose Statement of Assets Acquired and Liabilities Assumed as of December 31, 2016, and Special Purpose Statement of Revenues and Direct Expenses for the year ended December 31, 2016 and the notes related thereto.</u>
99.2	<u>Unaudited Special Purpose Statement of Assets Acquired and Liabilities Assumed as of September 30, 2017 and unaudited special purpose statements of Revenues and Direct Expenses for the nine months ended September 30, 2017 and September 30, 2016 and the notes related thereto.</u>
99.3	<u>Unaudited pro forma condensed combined balance sheet at October 31, 2017 and unaudited pro forma condensed combined statements of income for the year ended October 31, 2017.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE COOPER
COMPANIES, INC.

By: /s/ Agostino Ricupati
Agostino Ricupati
Senior Vice President
Finance and Tax and
Chief Accounting
Officer

Dated: January 17, 2017

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-22417, 333-108066, 333-25051, 333-27639, 333-34206, 333-40431, 333-48152, and 333-80795) and Form S-8 (Nos. 333-10997, 333-58839, 333-174682, 333-67954, 333-101366, 333-104346, 333-115520, 333-133719, 333-133720, 333-14338, and 333-158892) of The Cooper Companies, Inc. of our report dated December 22, 2017, relating to the special purpose financial statements of the United States Paragard Product Line of Teva Pharmaceutical Industries Limited, which appears in this Current Report on Form 8-K/A of The Cooper Companies, Inc.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

January 17, 2018

Special Purpose Statement of Assets Acquired and Liabilities Assumed as of December 31, 2016, and Special Purpose Statement of Revenues and Direct Expenses for the Year Ended December 31, 2016.

Report of Independent Auditors

To the Management of
Teva Pharmaceutical Industries Limited

We have audited the accompanying special purpose financial statements of the United States Paragard Product Line ("Paragard") of Teva Pharmaceutical Industries Limited (the "Company" or "Teva"), which comprise the special purpose statement of assets acquired and liabilities assumed as of December 31, 2016, and the related special purpose statement of revenues and direct expenses for the year then ended.

Management's Responsibility for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the assets acquired and liabilities assumed of the United States Paragard Product Line of Teva Pharmaceutical Industries Limited as of December 31, 2016, and its revenues and direct expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying special purpose financial statements were prepared in connection with the Company's transactions related to the United States Paragard Product Line of Teva Pharmaceutical Industries Limited and, as described in Note 1, were prepared in accordance with an SEC waiver received by the buyer, for the purposes of the buyer complying with Rule 3-05 of the Securities and Exchange Commission's Regulation SX. These special purpose financial statements are not intended to be a complete presentation of the financial position or results of operations of the United States Paragard Product Line of Teva Pharmaceutical Industries Limited. Our opinion is not modified with respect to this matter.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

December 22, 2017

SPECIAL PURPOSE STATEMENT OF ASSETS ACQUIRED AND LIABILITIES ASSUMED
(U.S. dollars in thousands)

	<u>December 31, 2016</u>
Assets Acquired	
Inventory	\$ 1,645
Prepaid Assets	457
Identified intangible assets, net - product rights	56,240
Property, plant and equipment, net	<u>1,902</u>
Total assets acquired	<u>\$ 60,244</u>
Liabilities Assumed	
Returns reserve	\$ 7,127
Other Liabilities	<u>\$ 119</u>
Total Liabilities Assumed	<u>\$ 7,246</u>
Total assets acquired and liabilities assumed	<u><u>\$ 52,998</u></u>

The accompanying notes are an integral part of these special purpose financial statements.

SPECIAL PURPOSE STATEMENT OF REVENUES AND DIRECT EXPENSES
(U.S. dollars in thousands)

	Year ended December 31,
	2016
Net product revenues	\$ 152,139
Cost of sales	26,828
Selling and marketing expenses	51,295
General and administrative expenses	2,541
Total direct expenses	80,664
Net produce revenues net of direct expenses	\$ 71,475

The accompanying notes are an integral part of these special purpose financial statements.

NOTE 1 – Background

Teva Pharmaceutical Industries Limited (the “Parent Company”), headquartered in Israel, together with its subsidiaries (the “Company” “Teva” or the “Group”), is engaged in the development, manufacturing, marketing and distribution of generic, specialty, and other pharmaceutical products. The majority of the Group’s revenues are in the United States and Europe. The Group’s main manufacturing facilities are located in Israel, Hungary, United States, Germany, Canada, Japan, Ireland, the United Kingdom, the Czech Republic, Croatia, Italy, Bulgaria and India.

Teva markets the PARAGARD® product line (“Paragard”), a non-homonal intrauterine contraceptive, in the United States. Paragard provides women with a highly effective, long-term, reversible, non-homonal contraceptive option and is the only intrauterine contraceptive approved for up to ten years of continuous use.

On September 11, 2017, Teva entered into an asset purchase agreement (the “Agreement”) under which CooperSurgical, an affiliate of The Cooper Companies (“Cooper”) agreed to acquire certain assets and rights and assume certain liabilities, related to the manufacture, commercialization, distribution, marketing, use and sales of Paragard in a \$1.1 billion cash transaction. This Agreement included Teva’s manufacturing facility in Buffalo, NY, which produces Paragard exclusively. The transaction closed on November 1, 2017.

NOTE 2 – Basis of presentation

The accompanying special purpose statements of assets acquired and liabilities assumed as of December 31, 2016 and of revenues and direct expenses for the year then ended of the United States Paragard Product Line of Teva Pharmaceutical Industries Limited (the “Financial Statements”) represent an incomplete presentation of Paragard’s assets, liabilities, revenues and expenses and are therefore not intended to represent the financial condition, results of operations or cash flows of Paragard. These Financial Statements are based upon the Agreement and relief from SEC Rule 3-05, *Significant Acquisition Carveout Financial Statement Reporting Requirements*, obtained by Cooper from the Securities and Exchange Commission. The statement of assets acquired and liabilities assumed only presents the assets acquired and liabilities assumed in accordance with the agreement. The statement of revenues and direct expenses present only those revenues and expenses related directly to the certain assets to be acquired. The Financial Statements were derived from the historical accounting records of Teva and were prepared in accordance with the basis of accounting described in these Notes, which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

It is impracticable to prepare complete financial statements related to Paragard as Teva never accounted for Paragard on a stand-alone basis or as a separate division or subsidiary. Teva never prepared full standalone or full carve-out financial statements for Paragard and has never maintained the distinct and separate books and records necessary to prepare full stand-alone financial statements.

The operations of Paragard rely, to varying degrees, on Teva for marketing, sales order processing, billing, collection, procurement, customer service, warehousing, information technology, insurance, human resources, accounting, regulatory, treasury, and legal support, and such expenses have been allocated to Paragard in these financial statements. These Financial Statements may not be indicative of the financial condition or results of operations of Paragard on a stand-alone basis, because of the reliance of Paragard on Teva.

The statement of revenues and direct expenses does not include a provision for income taxes as Paragard never functioned on a stand-alone basis; accordingly, no allocation of income taxes has been made to Paragard.

During the fiscal years ended December 31, 2016, Paragard did not have any stand-alone financing requirements, and any cash generated was swept to Teva. As Paragard has historically been managed as part of the operations of Teva and has not been operated on a stand-alone basis, it is not practical to prepare historical cash flow information regarding Paragard’s operating, investing, and financing cash flows. As such, a statement of cash flows was not prepared.

NOTE 3 – Certain expenses and allocations

Cost of sales primarily includes all costs incurred by the site solely dedicated to the manufacture of Paragard. Selling, marketing, general and administrative costs includes certain product-specific legal and product liability costs, advertising costs, shipping and handling costs, and allocated expenses primarily related to cost of labor, costs of outside services and various other costs. Costs associated with advertising, selling, and marketing, general and administrative are expensed in the year incurred. Certain costs

and expenses have been allocated by Teva on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method (primarily net product revenues). Management considers that such allocations have been made on a reasonable basis, but may not necessarily be indicative of the costs that would have been incurred if Paragard had been operated on a stand-alone basis for the periods presented.

NOTE 4 – Significant accounting policies

Use of estimates

The preparation of these Financial Statements in conformity with accounting principles generally accepted in U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported. The estimates and associated assumptions are based on historical experience, complex judgments and various other factors that are believed to be reasonable under the circumstances but are inherently uncertain. The estimation process required to prepare the Financial Statements, including but not limited to, allocations of costs and expenses from the Parent, accounting for deductions from revenue (e.g., rebates, sales discounts, allowances and incentives), determination of useful lives for intangible assets and the assessment of expected cash flow used in evaluating long-lived assets for impairment. Actual results may or may not differ from these estimates. Also, as discussed in note 3, these Financial Statements include allocations and estimates that are not necessarily indicative of the amounts that would have resulted if Paragard had been operated on a stand-alone basis.

Prepaid Assets

Prepaid assets includes the prepaid portion of the PDUFA fees at year end.

Intangible assets

Intangible assets are amortized using the straight-line method over their estimated period of useful life. Amortization of acquired developed products is recorded under cost of sales. Amortization periods for product rights are based on Teva's assessment of various factors impacting estimated useful lives and cash flows. Such factors include the product's position in its life cycle, the existence or absence of like products in the market, various other competitive and regulatory issues, and contractual terms. Significant changes to any of these factors may result in a reduction in the intangible's useful life and an acceleration of related amortization expense. Teva reviews its long-lived assets and performs detailed testing whenever potential impairment indicators are present. The impairment testing involves comparing the carrying amount of the asset to the forecasted undiscounted future cash flows. In the event the carrying value of the asset exceeds the undiscounted future cash flows, the carrying value is considered not recoverable and the impairment exists. An impairment loss is measured as the excess of the asset's carrying value over its fair value, calculated using discounted future cash flows.

Revenue recognition

The Company recognizes revenues from sales when persuasive evidence of an arrangement exists, delivery has occurred, the selling price is fixed or determinable and collectability is reasonably assured. This generally occurs when products are shipped and title and risk and rewards for the products are transferred to the customer.

Revenues from product sales are recorded net of provisions for estimated chargebacks, rebates, returns, Medicaid, prompt pay discounts and other deductions, which can be reasonably estimated. When sales provisions are not considered reasonably estimable by Teva, the revenue is deferred to a future period when more information is available to evaluate the impact.

Calculations for these deductions from sales are based on historical experience and the specific terms in the individual agreements. Chargebacks and rebates are the largest components of sales reserves and allowances. Provisions for chargebacks are determined using historical chargeback experience and expected chargeback levels. Rebates are recognized based on contractual obligations in place at the time of sales with consideration given to relevant factors that may affect the payment as well as historical experience for estimated market activity.

United States Paragard Product Line of Teva Pharmaceutical Industries Limited

The following table summarizes the charges recognized for sales, reserves and allowances provisions (\$ in thousands):

Year ended	Returns and Other				Total
	Chargebacks	Rebates	Allowances	Cash Discounts	
December 31, 2016	\$ 92,555	\$ 17,266	\$ 4,317	\$ —	\$ 114,138

For the year ended December 31, 2016, over 90% of revenues were to Integrated Commercialization Solution ("ICS"), Teva's primary Paragard distributor.

Returns reserve

The returns provision is estimated by applying a historical return rate to the amounts of revenue estimated to be subject to returns. Revenue subject to returns is estimated based on the lag time from time of sale to date of return. The estimated lag time is developed by analyzing historical experience.

In accordance with the Agreement, Cooper has assumed the returns reserve and therefore the statement of assets acquired and liabilities assumed includes a reserve for estimated future returns. Other sales reserves and allowances were not assumed in the agreement and therefore not reflected on the statement of assets acquired and liabilities assumed.

Selling, marketing, general and administrative expenses

Refer to footnote 3 for a description of other costs and expenses and related accounting policies.

Recent accounting pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB") issued guidance on stock compensation. The guidance is intended to simplify several aspects of the accounting for share-based payments, including income tax consequences, classification of awards as either equity or liabilities, and classification in the statement of cash flows. The guidance will be effective for fiscal years beginning after December 15, 2016, including interim periods within that year. Teva has adopted the provisions of this update during 2016. The guidance did not have a material impact on the Financial Statements.

In May 2014, the FASB issued guidance on revenue from contracts with customers that will supersede most current revenue recognition guidance, including industry-specific guidance. The underlying principle is that an entity will recognize revenue upon the transfer of goods or services to customers in an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. In March, April and May 2016, the FASB issued three additional updates regarding identifying performance obligations and licensing, certain principal versus agent considerations, and various narrow scope improvements based on practical questions raised by users. The guidance is effective for the interim and annual periods beginning on or after December 15, 2017 (early adoption is permitted for the interim and annual periods beginning on or after December 15, 2016). The guidance permits the use of either a retrospective or cumulative effect transition method. Teva is currently evaluating the impact of the guidance on the Financial Statements

NOTE 5 - Inventories

Inventories consisted of the following (\$ in thousands):

	<u>December 31, 2016</u>	
Finished Product	\$	99
Raw and Packaging Material		640
Product in process		906
	<u>\$</u>	<u>1,645</u>

Inventories are valued at the lower of cost or net realizable value. Cost of raw and packaging materials, purchased products, manufactured finished products, products in process and capitalized production costs are determined predominantly on a standard cost basis, approximating average costs. Other methods which are utilized for determining the value of inventories are moving average, cost basis and the first-in first-out method.

Inventories generally have a limited shelf life and are subject to impairment as they approach their expiration dates. Teva regularly evaluate the carrying value of our inventories and when, in the opinion of management, factors indicate that impairment has occurred, the Company establishes a reserve against the inventories' carrying value. Teva's determination that a valuation reserve might be required, in addition to the quantification of such reserve, requires the Company to utilize significant judgment. Although the Company makes every effort to ensure the accuracy of forecasts of future product demand, any significant unanticipated decreases in demand could have a material impact on the carrying value of inventories and reported operating results.

NOTE 6 - Property, plant and equipment

Property, plant, and equipment, net, consisted of the following (\$ in thousands):

	<u>December 31, 2016</u>	
Buildings	\$	1,502
Machinery and equipment		1,445
Computer equipment and other assets		161
		<u>3,108</u>
Less - accumulated depreciation		(1,206)
	<u>\$</u>	<u>1,902</u>

Property, plant and equipment are stated at cost, after deduction of the related investment grants, and depreciated using the straight-line method over the estimated useful life of the assets: buildings, mainly 40 years; machinery and equipment, mainly between 15 to 20 years; and other assets, between 5 to 10 years.

For property, plant and equipment, whenever impairment indicators are identified, Teva reconsiders the asset's estimated life, calculates the undiscounted value of the asset's cash flows and compares such value against the asset's carrying amount. If the carrying amount is greater, Teva records an impairment loss for the excess of book value over fair value. There were no impairment recognized during the year ended December 31, 2016.

Depreciation expense was \$146 thousand for the year ended December 31, 2016 and is included in cost of sales.

NOTE 7 - Identified intangible assets, net product rights

As of December 31, 2016 the gross and net amounts of intangible assets were (\$ in thousands):

	December 31, 2016	
Product rights	\$	236,800
Accumulated amortization		<u>(180,560)</u>
Intangible assets, net	\$	<u>56,240</u>

Product rights are assets presented at amortized cost. The useful life of the Paragard product rights is 10 years.

For identified intangible assets, whenever impairment indicators are identified, Teva reconsiders the asset's estimated life, calculates the undiscounted value of the asset's cash flows and compares such value against the asset's carrying amount. If the carrying amount is greater, Teva records an impairment loss for the excess of book value over fair value. There was no impairment recognized in 2016.

Amortization of intangible assets amounted to \$23,680 thousand for the years ended December 31, 2016. Amortization is included in Cost of sales and was deducted from net product revenues in order to calculate revenues net of direct expenses on these Financial Statements.

As of December 31, 2016, the estimated amortization expense of intangible assets for the years 2017 to 2019 is as follows: 2017 to 2018—\$23,680 thousand; 2019—\$8,880 thousand.

NOTE 8 – Related parties

ANDA, a pharmaceutical products distributor, purchases Paragard products from Teva's primary distributor, ICS. ANDA became a wholly owned subsidiary of Teva on October 1, 2016. From October 1, 2016 to December 31, 2016, ANDA purchased 6,200 units of Paragard from ICS. The value of these purchases was equivalent to approximately 3% of Teva's 2016 US Paragard net revenues. As of December 31, 2016, ANDA held Paragard inventory of approximately 1,768 finished good units.

NOTE 9 – Subsequent events

The Special Purpose Financial Statements are derived from the financial statements of Teva, which issued its most recent annual financial statements on February 15, 2017. Accordingly, the Company has evaluated transactions for recognized subsequent events in the annual financial statements through February 15, 2017. Additionally, the Company has evaluated transactions that occurred as of December 22, 2017, the date these Financial Statements were available to be issued, for purposes of disclosures of unrecognized subsequent events.

On August 15, 2017, the Company announced an increase to both the Wholesale Acquisition Cost ("WAC") and contract pricing (excluding government) of 9.4%.

Unaudited Special Purpose Statements of Assets Acquired and Liabilities Assumed as of September 30, 2017 and December 31, 2016, and unaudited Special Purpose Statements of Revenues and Direct Expenses for the nine-month periods ended September 30, 2017 and September 30, 2016.

SPECIAL PURPOSE STATEMENTS OF ASSETS ACQUIRED AND LIABILITIES ASSUMED
(U.S. dollars in thousands)
(Unaudited)

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Assets Acquired		
Inventory	\$ 1,950	\$ 1,645
Prepaid Assets	—	457
Identified intangible assets, net - product rights	38,480	56,240
Property, plant and equipment, net	1,903	1,902
Total assets acquired	<u>\$ 42,333</u>	<u>\$ 60,244</u>
Liabilities Assumed		
Returns reserve	6,880	\$ 7,127
Other Liabilities	208	\$ 119
Total Liabilities Assumed	<u>\$ 7,088</u>	<u>\$ 7,246</u>
Total assets acquired and liabilities assumed	<u>\$ 35,245</u>	<u>\$ 52,998</u>

The accompanying notes are an integral part of these special purpose financial statements.

SPECIAL PURPOSE STATEMENTS OF REVENUES AND DIRECT EXPENSES
(U.S. dollars in thousands)
(Unaudited)

	Nine Months ended	
	September 30, 2017	September 30, 2016
Net product revenues	\$ 132,776	\$ 110,362
Cost of sales	20,355	20,068
Selling and marketing expenses	31,925	37,223
General and administrative expenses	2,226	1,843
Total direct expenses	\$ 54,506	\$ 59,134
Net produce revenues net of direct expenses	\$ 78,270	\$ 51,228

The accompanying notes are an integral part of these special purpose financial statements.

NOTE 1 – Background

Teva Pharmaceutical Industries Limited (the “Parent Company”), headquartered in Israel, together with its subsidiaries (the “Company” “Teva” or the “Group”), is engaged in the development, manufacturing, marketing and distribution of generic, specialty, and other pharmaceutical products. The majority of the Group’s revenues are in the United States and Europe. The Group’s main manufacturing facilities are located in Israel, Hungary, United States, Germany, Canada, Japan, Ireland, the United Kingdom, the Czech Republic, Croatia, Italy, Bulgaria and India.

Teva markets the PARAGARD®, product line (“Paragard”), a non-hormonal intrauterine contraceptive, in the United States. Paragard provides women with a highly effective, long-term, reversible, non-hormonal contraceptive option and is the only intrauterine contraceptive approved for up to ten years of continuous.

On September 11, 2017, Teva entered into an asset purchase agreement (the “Agreement”) under which CooperSurgical, an affiliate of The Cooper Companies (“Cooper”) agreed to acquire certain assets and rights and assume certain liabilities, related to the manufacture, commercialization, distribution, marketing, use and sales of Paragard in a \$1.1 billion cash transaction. This Agreement included Teva’s manufacturing facility in Buffalo, NY, which produces Paragard exclusively. The transaction closed on November 1, 2017.

NOTE 2 – Basis of presentation

The accompanying Special Purpose Financial Statements (the “Financial Statements”) should be read in conjunction with the United States Paragard Product Line of Teva Pharmaceuticals Industries Limited report dated December 22, 2017, for the year ended December 31, 2016. Certain information and footnote disclosures normally included in annual financial statements have been condensed or omitted from the accompanying financial statements. The accompanying year end December 31, 2016 Special Purpose Statement of Assets Acquired and Liabilities Assumed was derived from the audited financial statements dated December 22, 2017. The accompanying interim financial statements are unaudited. The interim financial data as of September 30, 2017 and for the nine months ended September 30, 2017 and September 30, 2016 is unaudited. In the opinion of management, the interim data includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim periods.

The accompanying special purpose interim statements have been prepared in accordance with the basis of accounting described in these Notes, which is in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and derived from Teva’s books and records and only present the net assets acquired and Paragard’s revenues and direct expenses, including certain allocated expenses.

It is impracticable to prepare complete financial statements related to Paragard as Teva never accounted for Paragard on a stand-alone basis or as a separate division or subsidiary. Teva never prepared full standalone or full carve-out financial statements for Paragard and has never maintained the distinct and separate books and records necessary to prepare full stand-alone financial statements.

These financial statements are based on the Agreement and relief from the SEC Rule 3-05, *Significant Acquisition Carve-out Financial Statement Reporting Requirements*. These financial statements are not intended to be a complete presentation of the financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America. The operations of Paragard rely, to varying degrees, on Teva for marketing, sales order processing, billing, collection, procurement, customer service, warehousing, information technology, insurance, human resources, accounting, regulatory, treasury, and legal support, and such expenses have been allocated to Paragard in these financial statements. These Financial Statements may not be indicative of the financial condition or results of operations of Paragard on a stand-alone basis, because of the reliance of Paragard on Teva.

The statement of revenues and direct expenses does not include a provision for income taxes as Paragard never functioned on a stand-alone basis; accordingly, no allocation of income taxes has been made to Paragard.

During the nine-month periods ended September 30, 2017 and September 30, 2016, Paragard did not have any stand-alone financing requirements, and any cash generated was swept to Teva. As Paragard has historically been managed as part of the operations of Teva and has not been operated on a stand-alone basis, it is not practical to prepare historical cash flow information regarding Paragard’s operating, investing, and financing cash flows. As such, a statement of cash flows was not prepared.

NOTE 3 – Certain expenses and allocations

Cost of sales primarily includes all costs incurred by the site solely dedicated to the manufacture of Paragard.

Selling, marketing, general and administrative costs includes certain product-specific legal and product liability costs, advertising costs, shipping and handling costs, and allocated expenses primarily related to cost of labor, costs of outside services and various other costs. Costs associated with advertising, selling, and marketing, general and administrative are expensed in the year incurred. Certain costs and expenses have been allocated by Teva on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method (primarily net product revenues). Management considers that such allocations have been made on a reasonable basis, but may not necessarily be indicative of the costs that would have been incurred if Paragard had been operated on a stand-alone basis for the periods presented.

NOTE 4 – Significant accounting policies

Use of estimates

The preparation of these Financial Statements in conformity with accounting principles generally accepted in the U.S. requires management to make certain estimates and assumptions that affect the amounts reported. The estimates and associated assumptions are based on historical experience, complex judgments and various other factors that are believed to be reasonable under the circumstances but are inherently uncertain. The estimation process required to prepare the Financial Statements including but not limited to, allocations of costs and expenses from the Parent, accounting for deductions from revenue (e.g., rebates, sales discounts, allowances and incentives), determination of useful lives for intangible assets and the assessment of expected cash flow used in evaluating long-lived assets for impairment. Actual results may or may not differ from these estimates. Also, as discussed in note 3, these Financial Statements include allocations and estimates that are not necessarily indicative of the amounts that would have resulted if Paragard had been operated on a stand-alone basis.

Prepaid Assets

Prepaid assets includes the prepaid portion of the PDUFA fees at year end.

Intangible assets

Intangible assets are amortized using the straight-line method over their estimated period of useful life. Amortization of acquired developed products is recorded under cost of sales. Amortization periods for product rights are based on Teva's assessment of various factors impacting estimated useful lives and cash flows. Such factors include the product's position in its life cycle, the existence or absence of like products in the market, various other competitive and regulatory issues, and contractual terms. Significant changes to any of these factors may result in a reduction in the intangible's useful life and an acceleration of related amortization expense. Teva reviews its long-lived assets and performs detailed testing whenever potential impairment indicators are present. The impairment testing involves comparing the carrying amount of the asset to the forecasted undiscounted future cash flows. In the event the carrying value of the asset exceeds the undiscounted future cash flows, the carrying value is considered not recoverable and the impairment exists. An impairment loss is measured as the excess of the asset's carrying value over its fair value, calculated using discounted future cash flows.

Revenue recognition

The Company recognizes revenues from sales when persuasive evidence of an arrangement exists, delivery has occurred, the selling price is fixed or determinable and collectability is reasonably assured. This generally occurs when products are shipped and title and risk and rewards for the products are transferred to the customer.

Revenues from product sales are recorded net of provisions for estimated chargebacks, rebates, returns, Medicaid, prompt pay discounts and other deductions, which can be reasonably estimated. When sales provisions are not considered reasonably estimable by Teva, the revenue is deferred to a future period when more information is available to evaluate the impact.

Calculations for these deductions from sales are based on historical experience and the specific terms in the individual agreements. Chargebacks and rebates are the largest components of sales reserves and allowances. Provisions for chargebacks are determined using historical chargeback experience and expected chargeback levels. Rebates are recognized based on contractual obligations in place at the time of sales with consideration given to relevant factors that may affect the payment as well as historical experience for estimated market activity.

United States Paragard Product Line of Teva Pharmaceutical Industries Limited

On August 15, 2017 the Company announced an increase to both the Wholesale Acquisition Cost (“WAC”) and contract pricing (excluding government) of Paragard of 9.4%.

The following table summarizes the charges recognized for sales, reserves and allowances provisions (\$ in thousands):

	Chargebacks	Rebates	Returns and Other Allowances	Cash Discounts	Total
Nine-months ended September 30, 2016	\$ 73,986	\$ 12,884	\$ 3,200	\$ —	\$ 90,070
Nine-months ended September 30, 2017	\$ 52,191	\$ 13,838	\$ 3,524	\$ —	\$ 69,553

For the nine-month periods ended September 30, 2017 and 2016, over 90% of revenues are to Integrated Commercialization Solution (“ICS”), Teva’s primary Paragard distributor.

Returns reserve

The returns provision is estimated by applying a historical return rate to the amounts of revenue estimated to be subject to returns. Revenue subject to returns is estimated based on the lag time from time of sale to date of return. The estimated lag time is developed by analyzing historical experience.

In accordance with the Agreement, Cooper has assumed the returns reserve and therefore the statement of assets acquired and liabilities assumed includes a reserve for estimated future returns. Other sales reserves and allowances were not assumed in the agreement and therefore not reflected on the statement of assets acquired and liabilities assumed.

Selling, marketing, general and administrative expenses

Refer to footnote 3 for a description of other costs and expenses and related accounting policies.

Recent accounting pronouncements

In March 2016, the Financial Accounting Standards Board (“FASB”) issued guidance on stock compensation. The guidance is intended to simplify several aspects of the accounting for share-based payments, including income tax consequences, classification of awards as either equity or liabilities, and classification in the statement of cash flows. The guidance will be effective for fiscal years beginning after December 15, 2016, including interim periods within that year. Teva has adopted the provisions of this update during 2016. The guidance did not have a material impact on the Financial Statements.

In May 2014, the FASB issued guidance on revenue from contracts with customers that will supersede most current revenue recognition guidance, including industry-specific guidance. The underlying principle is that an entity will recognize revenue upon the transfer of goods or services to customers in an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. In March, April and May 2016, the FASB issued three additional updates regarding identifying performance obligations and licensing, certain principal versus agent considerations, and various narrow scope improvements based on practical questions raised by users. The guidance is effective for the interim and annual periods beginning on or after December 15, 2017 (early adoption is permitted for the interim and annual periods beginning on or after December 15, 2016). The guidance permits the use of either a retrospective or cumulative effect transition method. Teva is currently evaluating the impact of the guidance on the Financial Statements.

NOTE 5 - Inventories

Inventories consisted of the following (\$ in thousands):

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Finished Product	\$ 435	\$ 99
Raw and Packaging Material	517	640
Product in process	998	906
	<u>\$ 1,950</u>	<u>\$ 1,645</u>

Inventories are valued at the lower of cost or net realizable value. Cost of raw and packaging materials, purchased products, manufactured finished products, products in process and capitalized production costs are determined predominantly on a standard cost basis, approximating average costs. Other methods which are utilized for determining the value of inventories are moving average, cost basis and the first-in first-out method.

Inventories generally have a limited shelf life and are subject to impairment as they approach their expiration dates. Teva regularly evaluate the carrying value of our inventories and when, in the opinion of management, factors indicate that impairment has occurred, the Company establishes a reserve against the inventories' carrying value. Teva's determination that a valuation reserve might be required, in addition to the quantification of such reserve, requires the Company to utilize significant judgment. Although the Company makes every effort to ensure the accuracy of forecasts of future product demand, any significant unanticipated decreases in demand could have a material impact on the carrying value of inventories and reported operating results.

NOTE 6 - Property, plant and equipment

Property, plant, and equipment, net, consisted of the following (\$ in thousands):

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Buildings	\$ 1,502	\$ 1,502
Machinery and equipment	1,426	1,445
Computer equipment and other assets	281	161
	<u>3,209</u>	<u>3,108</u>
Less - accumulated depreciation	(1,306)	(1,206)
	<u>\$ 1,903</u>	<u>\$ 1,902</u>

Property, plant and equipment are stated at cost, after deduction of the related investment grants, and depreciated using the straight-line method over the estimated useful life of the assets: buildings, mainly 40 years; machinery and equipment, mainly between 15 to 20 years; and other assets, between 5 to 10 years.

For property, plant and equipment, whenever impairment indicators are identified, Teva reconsiders the asset's estimated life, calculates the undiscounted value of the asset's cash flows and compares such value against the asset's carrying amount. If the carrying amount is greater, Teva records an impairment loss for the excess of book value over fair value. There were no impairment recognized during the nine-months ended September 30, 2017 and 2016.

Depreciation expense was \$100 thousand and \$109 thousand for the nine-month periods ended September 30, 2017 and September 30, 2016, respectively and is included in cost of sales.

NOTE 7 - Identified intangible assets, net product rights

As of September 30, 2017 and December 31, 2016 the gross and net amounts of intangible assets were (\$ in thousands):

	<u>September 30, 2017</u>		<u>December 31, 2016</u>
Product rights	\$ 236,800	\$	236,800
Accumulated amortization	(198,320)		(180,560)
Intangible assets, net	<u>\$ 38,480</u>	<u>\$</u>	<u>56,240</u>

Product rights are assets presented at amortized costs. The useful life of the Paragard product rights is 10 years.

For identified intangible assets, whenever impairment indicators are identified, Teva reconsiders the asset's estimated life, calculates the undiscounted value of the asset's cash flows and compares such value against the asset's carrying amount. If the carrying amount is greater, Teva records an impairment loss for the excess of book value over fair value. There were no impairments recognized for the nine-months ended September 30, 2017 and 2016.

Amortization of intangible assets amounted to \$17,760 thousand and \$17,760 thousand for the nine-month periods ended September 30, 2017 and September 30, 2016, respectively. Amortization is included in cost of sales and was deducted from net product revenues in order to calculate revenues net of direct expenses on these Financial Statements.

As of September 30, 2017, the estimated amortization expense of intangible assets for the remaining three months of 2017 and the years 2018 to 2019 is as follows: 2017 — \$5,920 thousand; 2018—\$23,680 thousand; 2019—\$8,880 thousand.

NOTE 8 – Related parties

ANDA, a pharmaceutical products distributor, purchased Paragard products from Teva's primary distributor, ICS. ANDA became a wholly owned subsidiary of Teva on October 1, 2016. From January 1, 2017 to February 28, 2017, ANDA purchased 3,700 units of Paragard from ICS. The value of these purchases was equivalent to approximately 2% of Teva's nine months ended September 30, 2017 US Paragard net revenues. Effective March 1, 2017 ANDA began acquiring directly from an affiliate of Teva. The inter-company sales, not sold to third parties, have been eliminated during the nine months ended September 30, 2017. As of September 30, 2017, ANDA held Paragard inventory of approximately 886 finished good units.

NOTE 9 – Subsequent events

The Special Purpose Financial Statements are derived from the financial statements of Teva, which issued its most recent annual financial statements on February 15, 2017. Accordingly, Teva has evaluated transactions for recognized subsequent events in the annual financial statements through February 15, 2017. Additionally, the Company has evaluated transactions that occurred as of December 22, 2017, the date these financial statements were available to be issued, for purposes of disclosures of unrecognized subsequent events.

Unaudited Pro Forma Condensed Combined Financial Statements

On November 1, 2017, CooperSurgical Inc. ("CooperSurgical"), a wholly-owned subsidiary of The Cooper Companies, Inc. (the "Company" or "TCC"), completed the acquisition (the "Acquisition") of the global rights and business (the "Acquired Business") of the Paragard Intrauterine Device (IUD) business ("PARAGARD") of Teva Pharmaceutical Industries Limited ("Teva") for \$1.1 billion in cash. The significant terms of the Asset Purchase Agreement were previously reported by the Company on September 12, 2017 in the Current Report on Form 8-K filed on that date.

The following unaudited pro forma condensed combined financial information should be read in conjunction with the historical financial statements and accompanying notes of the Company included in its Annual Report on Form 10-K for the year ended October 31, 2017. The presentation of the unaudited pro forma condensed combined balance sheet gives effect to the acquisition as if it had occurred on October 31, 2017 and includes items that are directly attributable to the acquisition, factually supportable and that either have a continuing impact or are nonrecurring. The presentation of the unaudited pro forma condensed combined statements of income reflects the combined results of operations as if the acquisition had occurred on November 1, 2016, the beginning of the Company's 2017 fiscal year, and excludes items related to the acquisition that are nonrecurring and includes items that are directly attributable to the acquisition, expected to have a continuing impact, and factually supportable.

The preliminary allocation of the purchase price presented below, in Note 2, and used to prepare the unaudited pro forma financial information, is based on a preliminary valuation of assets acquired and liabilities assumed. Accordingly, the pro forma purchase price adjustments are subject to further adjustments as additional information becomes available and as additional analysis is performed. The preliminary pro forma purchase price adjustments have been made solely for the purposes of providing the unaudited pro forma financial statements included herewith. A final determination of these fair values will be based on the actual net tangible and intangible assets of PARAGARD that exist as of the closing date of the transaction. In addition, the unaudited pro forma condensed combined financial statements do not reflect the costs of any integration activities or benefits that may result from realization of future cost savings from operating efficiencies or revenue synergies expected to result from the acquisition.

The unaudited pro forma condensed combined financial statements are provided for informational purposes only and are not necessarily indicative of results that would have occurred had the acquisition been completed as of the dates indicated. In addition, the unaudited pro forma financial information does not purport to be indicative of the future financial position or operating results of the combined operations. There were no transactions between the Company and PARAGARD during the periods presented in the unaudited pro forma condensed combined financial statements that would need to be eliminated.

THE COOPER COMPANIES, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AT OCTOBER 31, 2017
(In USD millions)

	Historical		Pro Forma Adjustments		Pro Forma Combined
	TCC	PARAGARD ⁽¹⁾			
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 88.8	\$ —	\$ (3.9)	(d)	\$ 84.9
Trade accounts receivable, net	316.6	—	—		316.6
Inventories	454.1	2.0	45.3	(a)	501.4
Prepaid expense and other current assets	93.7	—	9.9	(a)	103.6
Total current assets	953.2	2.0	51.3		1,006.5
Property, plant and equipment, net	910.1	1.9	1.2	(a), (b)	913.2
Goodwill	2,354.8	—	—		2,354.8
Other intangibles, net	504.7	38.5	1,024.0	(a), (b)	1,567.2
Deferred tax assets	60.3	—	—		60.3
Other assets	75.6	—	—		75.6
	<u>\$ 4,858.7</u>	<u>\$ 42.4</u>	<u>\$ 1,076.5</u>		<u>\$ 5,977.6</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Short-term debt	\$ 23.4	\$ —	\$ —		\$ 23.4
Accounts payable	142.1	—	—		142.1
Employee compensation and benefits	84.1	—	—		84.1
Other current liabilities	146.5	7.1	15.4	(a), (c)	169.0
Total current liabilities	396.1	7.1	15.4		418.6
Long-term debt	1,149.3	—	1,096.4	(d)	2,245.7
Deferred tax liabilities	38.8	—	—		38.8
Accrued pension liability and other	98.7	—	—		98.7
Total liabilities	1,682.9	7.1	1,111.8		2,801.8
Commitments and contingencies					
Stockholders' equity:					
Common Stock	5.2	—	—		5.2
Additional paid-in capital	1,526.7	—	—		1,526.7
Accumulated other comprehensive loss	(375.3)	—	—		(375.3)
Retained earnings	2,434.2	—	—		2,434.2
Treasury stock	(415.1)	—	—		(415.1)
Total Cooper stockholders' equity	3,175.7	—	—		3,175.7
Noncontrolling interests	0.1	—	—		0.1
Stockholders' equity	3,175.8	—	—		3,175.8
	<u>\$ 4,858.7</u>	<u>\$ 7.1</u>	<u>\$ 1,111.8</u>		<u>\$ 5,977.6</u>

(1) Represents PARAGARD's Special Purpose Statements of Assets Acquired and Liabilities Assumed as of September 30, 2017.

See accompanying notes to unaudited pro forma condensed combined financial statements.

THE COOPER COMPANIES, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
FOR THE YEAR ENDED OCTOBER 31, 2017
(In USD millions, except for earnings per share)

	Historical		Pro Forma Adjustments		Pro Forma Combined
	TCC	PARAGARD ⁽¹⁾			
Net sales	\$ 2,139.0	\$ 174.5	\$ (2.4)	(g)	\$ 2,311.1
Cost of sales	773.2	27.1	(23.6)	(b), (g)	776.7
Gross profit	1,365.8	147.4	21.2		1,534.4
Selling, general and administrative	799.1	48.9	(3.3)	(c), (g)	844.7
Research and development	69.2	—	—		69.2
Amortization of intangible assets	68.4	—	70.9	(b), (g)	139.3
Operating income	429.1	98.5	(46.4)		481.2
Interest expense	33.4	—	28.2	(e)	61.6
Other expense, net	1.7	—	—		1.7
Income before income taxes	394.0	98.5	(74.6)		417.9
Provision for income taxes	21.1	—	9.4	(f)	30.5
Net income attributable to Cooper stockholders	<u>\$ 372.9</u>	<u>\$ 98.5</u>	<u>\$ (84.0)</u>		<u>\$ 387.4</u>
Earnings per share:					
Basic	\$ 7.63				\$ 7.92
Diluted	\$ 7.52				\$ 7.81
Weighted average shares:					
Basic	48.9				48.9
Diluted	49.6				49.6

(1) Represents PARAGARD's Special Purpose Statement of Revenue and Direct Expenses for the three quarters ended September 30, 2017 and fourth quarter period ended December 31, 2016, respectively. Refer to Note 1.

See accompanying notes to unaudited pro forma condensed combined financial statements.

THE COOPER COMPANIES, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1. Basis of Pro Forma Preparation

The unaudited pro forma condensed combined financial statements have been prepared by the Company in accordance with Article 11 of Regulation S-X, are subject to change and are not necessarily indicative of the results that would have been achieved had the acquisition been completed as of the dates indicated or that may be achieved in future periods. The Company believes the fair value recognized for the assets and liabilities assumed are based on reasonable estimates and assumptions. Preliminary fair value estimates may change as additional information becomes available. There can be no assurance that the final determination will not result in material changes from these preliminary amounts.

The unaudited pro forma condensed combined statements of operations for the fiscal year ended October 31, 2017 combines our historical consolidated statements of operations for the period then ended with the statement of net revenues and direct expenses of the PARAGARD for the three quarters ended September 30, 2017 and its fourth quarter period ended December 31, 2016, respectively, and gives effect to the PARAGARD acquisition and related financing as if such transactions occurred on November 1, 2016. Paragard has a December 31 fiscal year end. These periods were presented to comply with Item 9.01(b) reporting rules when an acquired business has a different fiscal year than the acquiring company.

(USD in millions)	Year ended December 31, 2016	Nine months ended September 30, 2016	Three months ended December 31, 2016	Nine months ended September 30, 2017	Twelve months ended September 30, 2017
	A	B	A-B	C	A-B+C
Net sales	\$152.1	\$110.4	\$41.7	\$132.8	\$174.5
Cost of sales	26.8	20.1	6.7	20.4	27.1
Gross profit	\$125.3	\$90.3	\$35.0	\$112.4	\$147.4
Selling, general and administrative	53.8	39.0	14.8	34.1	48.9
Operating income	\$71.5	\$51.3	\$20.2	\$78.3	\$98.5

The pro forma statements have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"). The historical financial statements have been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the acquisition, (2) are factually supportable and (3) with respect to the unaudited special purpose statements of revenues and direct expenses, expected to have continuing impact on the combined results of operations.

THE COOPER COMPANIES, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 2. Pro Forma Adjustments

(a) Preliminary Purchase Price Allocation

The Company has accounted for the acquisition of PARAGARD as purchase of assets in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 805, *Business Combinations*, and Accounting Standards update (ASU) No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, whereby the Company recognized assets acquired based on their estimated fair values on the acquisition date. Due to the screen test as required by ASU 2017-01 the acquisition does not meet the definition of a business as substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset. However, for purposes of this Form 8-K/A and in accordance with Rule 3-05 and Rule 11-01 the acquisition is considered a business. For pro forma purposes, the Company has preliminarily allocated the purchase price to the net tangible and intangible assets based on their estimated fair values. Therefore, the assets acquired and liabilities assumed, including intangible assets, presented in the table below are provisional and will be finalized after the Company receives and reviews all available data. The final allocation may include (1) changes in fair values of inventory, (2) changes in fair values of property, plant and equipment, (3) changes in allocations to intangible assets and (4) other changes to assets and liabilities assumed.

The following table is a summary of the preliminary purchase price allocation including preliminary estimates of the fair value of net assets acquired and liabilities assumed in the acquisition of PARAGARD as reflected in the unaudited pro forma condensed combined balance sheet at October 31, 2017:

(USD in millions)	PARAGARD	Pro Forma Adjustment	Preliminary Fair Value
Composite Intangible asset ⁽¹⁾	\$ 38.5	\$ 1,022.8	\$ 1,061.3
Assembled workforce Intangible asset	—	1.2	1.2
Property, plant and equipment	1.9	1.2	3.1
Inventory ⁽²⁾	2.0	45.3	47.3
Other assets	—	9.9	9.9
Total Assets acquired	\$ 42.4	\$ 1,080.4	\$ 1,122.8
Less: Liabilities assumed	7.1	9.4	16.5
Total Purchase Price			\$ 1,106.3

(1) Composite Intangible asset consists of technology, trade name, NDA approval and physician relationships, which have been valued as a single composite intangible asset as they are inextricably linked. The composite asset was identified as the primary asset acquired, was valued using the Multi-Period Excess Earnings Method and will be amortized over 15 years.

(2) Pro forma adjustment represents the estimated preliminary adjustment to step up inventory to a fair value of \$47.3 million. The step-up in inventory fair value of \$45.3 million will increase cost of sales over approximately three months as the inventory is sold. However, this increase is not reflected in the pro forma condensed combined statement of income as it does not have a continuing impact.

THE COOPER COMPANIES, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(b) Acquired Composite Intangible Asset and Property, Plant and Equipment

The acquired Composite intangible asset and related amortization expense based on the preliminary estimate of fair value for the year ended October 31, 2017 are as follows:

	Preliminary Fair Value (USD in millions)	Useful Lives (years)	Amortization Expense (USD in millions) Year ended October 31, 2017
Composite Intangible asset	\$ 1,061.3	15	\$ 70.8
Assembled workforce Intangible asset	1.2	15	0.1
Less: Elimination of PARAGARD historical intangible assets and related amortization	38.5		23.7
Pro forma adjustment	\$ 1,024.0		\$ 47.2

Represents pro forma adjustment of historical intangible assets acquired by the Company, to estimated fair values. The preliminary estimate of fair value and estimated useful life may differ from final amounts the Company will record after completing a detailed valuation analysis, and the difference could have a material effect on the accompanying unaudited pro forma condensed combined financial statements. The composite intangible asset will be amortized on straight line basis over the estimated useful life of 15 years. A 10% change in the valuation of composite intangible asset would cause a corresponding increase or decrease in the balance of annual amortization expense of approximately \$7.0 million, assuming a useful life of 15 years.

The acquired property, plant and equipment ("PPE") and related depreciation expense based on the preliminary estimate of fair value for the year ended October 31, 2017 are as follows:

	Preliminary Fair Value (USD in millions)	Useful Lives (years)	Depreciation Expense (USD in millions) Year ended October 31, 2017
Property, Plant and Equipment			
Building	\$ 1.2	30	\$ 0.1
Machinery and equipment	1.6	10	0.1
Construction in progress	0.3		—
Total	\$ 3.1		\$ 0.2
Less: Elimination of PARAGARD historical PPE and related depreciation	1.9		0.1
Pro forma adjustment	\$ 1.2		\$ 0.1

(c) Acquisition-related Costs

The Company incurred \$0.9 million of acquisition costs, primarily related to legal and advisory fees in the fiscal year ended October 31, 2017. These costs are reversed in the unaudited pro forma condensed combined income statement as they represent non-recurring charges directly related to the acquisition of PARAGARD.

In addition, a pro forma adjustment to other current liabilities in the unaudited pro forma condensed combined balance sheet at October 31, 2017 was made to recognize direct acquisition-related costs of \$5.1 million which are not yet reflected in the historical financial statements.

THE COOPER COMPANIES, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(d) Debt

In September 2017, the Company arranged a commitment for a Bridge Loan Facility of \$1.1 billion to support funding of the acquisition. Proceeds from the Bridge Loan, if drawn, were intended to be used to finance the acquisition of PARAGARD. In October 2017, we terminated the Bridge Loan Facility, and no proceeds were used because we secured the term loan agreement described below.

The Company entered into a five-year \$1.425 billion, senior unsecured term loan agreement on November 1, 2017, which matures on November 1, 2022. The Company utilized the \$1.425 billion term loan to fund the acquisition, partial repayment of existing outstanding borrowings on the 2016 revolving credit agreement and related interest and fees. These debt obligation amounts, net of debt issuance costs, are presented as pro forma adjustments to long term debt in the unaudited pro forma condensed combined balance sheet at October 31, 2017.

	USD in millions
Debt Financing - Term loan	\$ 1,425.0
Less: Debt Issuance Cost	(3.9)
Less: Repayment of existing borrowings and related interest and fees	(324.7)
Pro forma adjustment	\$ 1,096.4

(e) Interest Expense

In connection with the execution and subsequent termination of the Bridge Loan Facility, we incurred \$2.2 million in related fees for the year ended October 31, 2017, which we recorded in interest expense in the Statement of Income. This is reversed as a pro forma adjustment to interest expense in the unaudited pro forma condensed combined balance sheet at October 31, 2017.

Pro forma interest expense includes interest related to the Company's new \$1.425 billion term loan, partial repayment of outstanding borrowings on the Company's existing revolving credit agreement, and acquisition related interest expense and fees, as well as the amortization of debt issuance costs associated with the term loan agreement.

	October 31, 2017 USD in millions
Term loan borrowing	\$1,425.0
Less: Repayment of existing borrowings and related interest and fees	(324.7)
	<u>\$1,100.3</u>
Current Interest rate	2.69%
Net Interest on loan	\$ 29.6
Debt issuance cost amortization expense	0.8
Bridge Loan Facility fees	(2.2)
Pro forma adjustment	\$ 28.2

If the interest rates were to increase or decrease by 0.125% from the rates assumed in the table above, proforma interest expenses would change by approximately \$1.4 million for the year ended October 31, 2017.

THE COOPER COMPANIES, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(f) Provision for Income Taxes

The pro forma presentation of the effect on the provision for income taxes was calculated using the U.S. estimated statutory rate for adjustments related to PARAGARD and the Company. The adjustments to the provision for income taxes are summarized in the following table:

Item	Jurisdiction	Year ended October 31, 2017		
		USD in millions	Tax Rate (%)	Tax (Provision) Benefit USD in millions
Amortization expense	US	\$ 47.2	39%	\$ 18.4
Depreciation expense	US	0.1	39%	—
Interest expense	US	28.2	39%	11.0
Selling, general and administrative (acquisition-related costs)	US	(0.9)	39%	(0.4)
Pro Forma Adjustments		\$ 74.6		\$ 29.0
Less: PARAGARD Tax on Income	US	\$ 98.5	39%	\$ 38.4
Net Tax (Provision)				\$ (9.4)

(g) Reclassification adjustment

Summary of Reclassification Adjustments for PARAGARD:

USD in millions	Amortization of intangibles ⁽¹⁾	Distribution fees ⁽²⁾	Total
<i>Year ended October 31, 2017</i>			
Cost of sales	\$(23.7)	—	\$(23.7)
Amortization of intangible assets	23.7	—	23.7
Selling, general and administrative expenses	—	(2.4)	(2.4)
Net sales (contra)	—	2.4	2.4
Total	\$—	\$—	\$—

(1) Amortization of intangible assets in the historical financial statements of PARAGARD has been reclassified from Cost of Sales to Amortization of intangible assets to conform to the Company's financial reporting presentation.

(2) Certain third-party Distribution fees have been reclassified from Selling, general and administrative expenses to Net sales (contra revenue) to conform to the Company's financial reporting presentation.

There have been no changes in historical operating income or historical net income for any period presented as a result of these reclassifications.